
ASSEMBLY BILL NO. 253—ASSEMBLYMAN C.H. MILLER

MARCH 7, 2023

Referred to Committee on Judiciary

SUMMARY—Provides for the licensure and regulation of certain events at which the sale and consumption of cannabis or cannabis products is allowed. (BDR 56-152)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to cannabis; providing for the licensure and regulation by the Cannabis Compliance Board of certain events at which the sale and consumption of cannabis or cannabis products is allowed; setting forth certain requirements for the issuance of a cannabis event organizer license, temporary cannabis event permit and portable cannabis vendor license; setting forth certain requirements concerning the operation of a temporary cannabis event; imposing various requirements on cannabis event organizers and portable cannabis vendors; revising provisions relating to social equity applicants; requiring the Board to adopt regulations establishing certain fees; revising provisions relating to the consumption of cannabis in a public place; revising provisions relating to the excise tax on retail sales of cannabis and cannabis products; exempting a cannabis event organizer who holds a temporary cannabis event from certain provisions prohibiting a person from maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of persons and establishments involved in the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS) This bill provides for the licensure and regulation of events at which the sale of cannabis or cannabis products and the consumption of cannabis or cannabis products by persons 21 years of age or older is allowed. **Section 6** of this bill designates such events as "temporary cannabis events."

Section 14 of this bill prohibits a person from holding a temporary cannabis event unless: (1) the person has been licensed by the Board as a cannabis event organizer; and (2) the Board has issued a temporary cannabis event permit for the event. **Section 13** of this bill establishes requirements for licensure as a cannabis event organizer. **Section 14** sets forth certain requirements for a cannabis event organizer to obtain a temporary cannabis event permit.

Section 15 of this bill prohibits a person other than a participating adult-use cannabis retail store or portable cannabis vendor from selling cannabis or cannabis products at a temporary cannabis event and sets forth certain requirements for such sales. **Sections 16 and 17** of this bill impose certain requirements and restrictions on a cannabis event organizer relating to the operation of a temporary cannabis event.

Section 18 of this bill establishes requirements for licensure as a "portable cannabis vendor," which is defined by **section 4** of this bill to mean a business that: (1) is licensed by the Board; and (2) purchases cannabis or cannabis products from an adult-use cannabis retail store and sells such cannabis or cannabis products at a temporary cannabis event.

Section 19 of this bill requires a portable cannabis vendor who participates in a temporary cannabis event to purchase all cannabis or cannabis products for resale at a temporary cannabis event from an adult-use cannabis retail store.

Existing law defines "social equity applicant" to mean, in general, an applicant for the issuance or renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge who has been adversely affected by previous laws which criminalized activity relating to cannabis. (NRS 678B.065) Existing law requires the Board to adopt regulations establishing criteria for determining whether an applicant qualifies as a social equity applicant. (NRS 678B.323) **Section 24** of this bill expands the definition of "social equity applicant" to include an applicant for the issuance or renewal of a cannabis event organizer license or portable cannabis vendor license who has been adversely affected by previous laws which criminalized activity relating to cannabis. **Section 27** of this bill requires the Board to adopt regulations establishing criteria for determining whether such an applicant qualifies as a social equity applicant. **Section 21** of this bill requires the Board to give priority to a social equity applicant in: (1) processing applications for a cannabis event organizer license or portable cannabis vendor license; and (2) the issuance of such a license.

Section 22 of this bill sets forth certain requirements for the issuance of cannabis event organizer licenses and portable cannabis vendor licenses in a local governmental jurisdiction that limits the number of business licenses issued to cannabis event organizers and portable cannabis vendors, which include, among other requirements, a requirement that a certain number of those licenses be issued to social equity applicants.

Existing law imposes an excise tax on each retail sale of cannabis or cannabis products by an adult-use cannabis retail store or cannabis consumption lounge. (NRS 372A.290) **Section 39** of this bill applies this excise tax to retail sales of cannabis or cannabis products by a portable cannabis vendor. **Sections 36 and 38** of this bill make conforming changes to reflect the imposition of the excise tax on retail sales of cannabis or cannabis products by a portable cannabis vendor.



Section 20 of this bill authorizes a local government to charge a cannabis event organizer a fee for holding a temporary cannabis event. **Section 29** of this bill requires the Board to adopt regulations establishing fees associated with a cannabis event organizer license, temporary cannabis event permit and portable cannabis vendor license. Existing law authorizes the Board to establish reduced fees for the initial issuance and renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge for social equity applicants. (NRS 678B.390) **Section 29** similarly authorizes the Board to establish reduced fees for the initial issuance or renewal of a cannabis event organizer license and portable cannabis vendor license for social equity applicants.

Section 9 of this bill includes a cannabis event organizer and portable cannabis vendor within the definition of "cannabis establishment" provided in existing law, thereby subjecting such businesses to the requirements of existing law applicable to cannabis establishments. (NRS 678A.095) Similarly, **section 10** of this bill includes a cannabis event organizer license, a temporary cannabis event permit and a portable cannabis vendor license within the definition of "license" provided in existing law, thereby subjecting the holders of such licenses to the provisions of existing law applicable to holders of other licenses issued by the Board. (NRS 678A.160) **Section 11** of this bill authorizes the Board to adopt regulations providing policies and procedures under which the Board is authorized to waive any requirement applicable to a cannabis establishment that the Board determines is not appropriate for a cannabis event organizer or portable cannabis vendor. **Section 31** of this bill requires the Board to adopt regulations concerning the safe and healthful operation of temporary cannabis events.

Section 23 of this bill provides that a license or permit issued by the Board pursuant to the provisions of this bill is a revocable privilege. **Sections 25 and 26** of this bill prohibit the issuance of a medical cannabis establishment license or an adult-use cannabis establishment license, respectively, if any of the persons proposed to be owners, officers or board members of the establishment have previously served in such a position for a cannabis establishment that has had a license or permit issued by the Board pursuant to the provisions of this bill revoked.

Existing law requires the Board to adopt regulations setting forth procedures and requirements for the transfer of a license. (NRS 678B.380) **Section 28** of this bill specifies that such regulations must set forth procedures and requirements for the transfer of a cannabis event organizer license or portable cannabis vendor license that is held by a social equity applicant.

Section 30 of this bill revises provisions of existing law that prohibit a person from selling or advertising the sale of cannabis or cannabis products for the purpose of authorizing the holder of a portable cannabis vendor license to engage in such activities. (NRS 678B.530) Existing law exempts, in general, persons who hold certain licenses issued by the Board from state prosecution for certain offenses relating to cannabis. (NRS 678D.200) **Section 33** of this bill expands this exemption to include the holder of a cannabis event organizer license or portable cannabis vendor license.

Existing law prohibits, with certain exceptions, the consumption of cannabis or cannabis products in a public place. (NRS 678C.300, 678D.300, 678D.310) **Sections 32, 34 and 35** of this bill revise these provisions for the purposes of authorizing a person to consume cannabis or cannabis products in an area designated for that activity at a temporary cannabis event.

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 41** of this bill exempts a cannabis event organizer whose activities are confined to those authorized under the provisions of this bill from the application of this provision.



Sections 2-7 of this bill define words and terms applicable to the provisions of this bill. Sections 8 and 37 of this bill make conforming changes to indicate the proper placement of new provisions in the Nevada Revised Statutes. Section 40 of this bill makes a conforming change to reflect the addition of the provisions of section 29.

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

Section 1. Chapter 678A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *“Cannabis event organizer” means a business that:*

1. Is licensed by the Board pursuant to section 13 of this act; and

2. Permits, maintains, promotes, conducts, advertises, operates, undertakes, organizes, manages, sells or gives away tickets to temporary cannabis events.

Sec. 3. *“Cannabis event organizer license” means a license that is issued by the Board pursuant to section 13 of this act to authorize the operation of a cannabis event organizer.*

Sec. 4. *“Portable cannabis vendor” means a business that:*

1. Is licensed by the Board pursuant to section 18 of this act; and

2. Purchases cannabis or cannabis products from an adult-use cannabis retail store and sells such cannabis or cannabis products at a temporary cannabis event.

Sec. 5. *“Portable cannabis vendor license” means a license that is issued by the Board pursuant to section 18 of this act to authorize the operation of a portable cannabis vendor.*

Sec. 6. *“Temporary cannabis event” means an event held by a cannabis event organizer for which a temporary cannabis event permit has been issued by the Board pursuant to section 14 of this act and at which:*

1. Participating adult-use cannabis retail stores or portable cannabis vendors sell cannabis or cannabis products to persons 21 years of age or older; and

2. The consumption of cannabis or cannabis products by persons 21 years of age or older is allowed.

Sec. 7. *“Temporary cannabis event permit” means a license that is issued by the Board pursuant to section 14 of this act to authorize a cannabis event organizer to hold a temporary cannabis event.*



1 **Sec. 8.** NRS 678A.010 is hereby amended to read as follows:
2 678A.010 As used in this title, unless the context otherwise
3 requires, the words and terms defined in NRS 678A.020 to
4 678A.240, inclusive, *and sections 2 to 7, inclusive, of this act* have
5 the meanings ascribed to them in those sections.

6 **Sec. 9.** NRS 678A.095 is hereby amended to read as follows:
7 678A.095 “Cannabis establishment” means:

- 8 1. An adult-use cannabis establishment; ~~for~~
- 9 2. A medical cannabis establishment ~~for~~;
- 10 3. *A cannabis event organizer; or*
- 11 4. *A portable cannabis vendor.*

12 **Sec. 10.** NRS 678A.160 is hereby amended to read as follows:
13 678A.160 “License” means:

- 14 1. An adult-use cannabis establishment license; ~~for~~
- 15 2. A medical cannabis establishment license ~~for~~;
- 16 3. *A cannabis event organizer license;*
- 17 4. *A temporary cannabis event permit; or*
- 18 5. *A portable cannabis vendor license.*

19 **Sec. 11.** NRS 678A.450 is hereby amended to read as follows:

20 678A.450 1. The Board may adopt regulations necessary or
21 convenient to carry out the provisions of this title. Such regulations
22 may include, without limitation:

- 23 (a) Financial requirements for licensees.
- 24 (b) Establishing such investigative and enforcement mechanisms
25 as the Board deems necessary to ensure the compliance of a licensee
26 or registrant with the provisions of this title.
- 27 (c) Requirements for licensees or registrants relating to the
28 cultivation, processing, manufacture, transport, distribution, testing,
29 study, advertising and sale of cannabis and cannabis products.
- 30 (d) Policies and procedures to ensure that the cannabis industry
31 in this State is economically competitive, inclusive of racial
32 minorities, women and persons and communities that have been
33 adversely affected by cannabis prohibition and accessible to persons
34 of low-income seeking to start a business.
- 35 (e) Policies and procedures governing the circumstances under
36 which the Board may waive the requirement to obtain a registration
37 card pursuant to this title for any person who holds an ownership
38 interest of less than 5 percent in any one cannabis establishment or
39 an ownership interest in more than one cannabis establishment of
40 the same type that, when added together, is less than 5 percent.
- 41 (f) Reasonable restrictions on the signage, marketing, display
42 and advertising of cannabis establishments. Such a restriction must
43 not require a cannabis establishment to obtain the approval of the
44 Board before using a logo, sign or advertisement.



(g) Provisions governing the sales of products and commodities made from hemp, as defined in NRS 557.160, or containing cannabidiol by cannabis establishments.

(h) *Policies and procedures governing the circumstances under which the Board may waive any requirement applicable to a cannabis establishment that the Board determines is not appropriate for a cannabis event organizer or portable cannabis vendor.*

(i) Requirements relating to the packaging and labeling of cannabis and cannabis products.

2. The Board shall adopt regulations providing for the gathering and maintenance of comprehensive demographic information, including, without limitation, information regarding race, ethnicity, age and gender, concerning each:

(a) Owner and manager of a cannabis establishment.

(b) Holder of a cannabis establishment agent registration card.

3. The Board shall transmit the information gathered and maintained pursuant to subsection 2 to the Director of the Legislative Counsel Bureau for transmission to the Legislature on or before January 1 of each odd-numbered year.

4. The Board shall, by regulation, establish a pilot program for identifying opportunities for an emerging small cannabis business to participate in the cannabis industry. As used in this subsection, “emerging small cannabis business” means a cannabis-related business that:

(a) Is in existence, operational and operated for a profit;

(b) Maintains its principal place of business in this State; and

(c) Satisfies requirements for the number of employees and annual gross revenue established by the Board by regulation.

Sec. 12. Chapter 678B of NRS is hereby amended by adding thereto the provisions set forth as sections 13 to 22, inclusive, of this act.

Sec. 13. 1. *A person shall not engage in the business of a cannabis event organizer unless the person holds a cannabis event organizer license issued pursuant to this section.*

2. A person who wishes to engage in the business of a cannabis event organizer must submit to the Board an application on a form prescribed by the Board.

3. The Board shall issue a cannabis event organizer license to an applicant if:

(a) The person who wishes to engage in the business of a cannabis event organizer has submitted to the Board all of the following:

(1) The application fee, as set forth in NRS 678B.390;

(2) An application, which must include:



(I) The legal name of the proposed cannabis event organizer;

(II) The physical address where the proposed cannabis event organizer will be located;

(III) For the applicant and each person who is proposed to be an owner, officer or board member of the proposed cannabis event organizer, a complete set of the person's fingerprints and written permission of the person authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

(IV) The name, address and date of birth of each person who is proposed to be an owner, officer or board member of the proposed cannabis event organizer;

(3) Operating procedures consistent with the rules of the Board for oversight of the proposed cannabis event organizer; and

(4) Such other information as the Board may require by regulation;

(b) None of the persons who are proposed to be owners, officers or board members of the proposed cannabis event organizer have:

(1) Served as an owner, officer or board member for a cannabis establishment that has had its cannabis event organizer license, temporary cannabis event permit, portable cannabis vendor license, adult-use cannabis establishment license or medical cannabis establishment license revoked;

(2) Previously had a cannabis establishment agent registration card revoked;

(3) Previously had a cannabis establishment agent registration card for a cannabis executive revoked; or

(4) Previously had a cannabis establishment agent registration card for a cannabis receiver revoked; and

(c) None of the persons who are proposed to be owners, officers or board members of the proposed cannabis event organizer are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed cannabis event organizer, the Board shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. Except as otherwise provided in section 22 of this act, if an applicant for licensure to engage in the business of a cannabis event organizer satisfies the requirements of this section, is



qualified in the determination of the Board pursuant to NRS 678B.200 and is not disqualified from being licensed pursuant to this section or other applicable law, the Board shall issue to the applicant a cannabis event organizer license. A cannabis event organizer license expires 1 year after the date of issuance and may be renewed upon:

(a) Submission of the information required by the Board by regulation; and

(b) Payment of the renewal fee set forth in NRS 678B.390.

Sec. 14. 1. A person shall not hold a temporary cannabis event unless the person:

(a) Is a cannabis event organizer; and

(b) Has been issued a temporary cannabis event permit for the temporary cannabis event by the Board pursuant to this section.

2. A cannabis event organizer who wishes to obtain a temporary cannabis event permit must submit to the Board the application fee, as set forth in NRS 678B.390, and an application on a form prescribed by the Board. The application must include:

(a) The name and address of the applicant;

(b) The physical address of the location at which the proposed temporary cannabis event will be held;

(c) The date or dates of the proposed temporary cannabis event;

(d) The number of persons expected to attend the proposed temporary cannabis event;

(e) A detailed description of each area within the proposed temporary cannabis event designated for the sale of cannabis or cannabis products;

(f) A detailed description of each area within the proposed temporary cannabis event designated for the consumption of cannabis or cannabis products;

(g) Operating procedures consistent with the regulations of the Board for the safe and healthful operation of temporary cannabis events;

(h) Evidence that the local government having jurisdiction over the location in which the proposed temporary cannabis event is to be held has approved the event to be held at the specified location and on the specified date or dates;

(i) A list of each adult-use cannabis retail store, portable cannabis vendor and cannabis establishment agent that will be participating in the proposed temporary cannabis event; and

(j) Such other information as the Board may require by regulation.

3. The Board shall issue a temporary cannabis event permit to an applicant if:



1 (a) *The application satisfies the requirements of this section;*
2 (b) *The applicant is a cannabis event organizer who is*
3 *qualified in the determination of the Board pursuant to NRS*
4 *678B.200; and*

5 (c) *The temporary cannabis event is not disqualified from*
6 *being licensed pursuant to any other applicable law.*

7 4. *Each temporary cannabis event permit issued pursuant to*
8 *this section must set forth the location and date or dates of the*
9 *temporary cannabis event for which the temporary cannabis event*
10 *permit is issued.*

11 **Sec. 15.** 1. *A person shall not sell cannabis or cannabis*
12 *products at a temporary cannabis event unless the person is an*
13 *adult-use cannabis retail store or a portable cannabis vendor and*
14 *has been listed as a participant in the event in a list submitted to*
15 *the Board pursuant to section 14 of this act.*

16 2. *Except as otherwise provided by regulations adopted by the*
17 *Board, all provisions of this title and the regulations adopted*
18 *pursuant thereto relating to the testing and labeling of cannabis*
19 *and cannabis products and the sale of cannabis and cannabis*
20 *products on the premises of an adult-use cannabis retail store also*
21 *apply to cannabis and cannabis products sold at a temporary*
22 *cannabis event.*

23 **Sec. 16.** *A cannabis event organizer that holds a temporary*
24 *cannabis event shall:*

25 1. *Ensure that only persons who are 21 years of age or older*
26 *are allowed to access areas within the temporary cannabis event*
27 *designated for the sale or consumption of cannabis or cannabis*
28 *products;*

29 2. *Comply with all procedures and requirements prescribed*
30 *by regulation of the Board for the collection and disposal of*
31 *cannabis or cannabis products which are left at the temporary*
32 *cannabis event;*

33 3. *Ensure that all sales and consumption of cannabis or*
34 *cannabis products at the temporary cannabis event are confined to*
35 *areas within the event designated for such activities;*

36 4. *Ensure that each adult-use cannabis retail store and*
37 *portable cannabis vendor that participates in the temporary*
38 *cannabis event complies with the requirements set forth in section*
39 *15 of this act and any other requirements prescribed by regulation*
40 *of the Board; and*

41 5. *Comply with any other requirements prescribed by*
42 *regulation of the Board.*

43 **Sec. 17.** *A cannabis event organizer shall not sell cannabis*
44 *or cannabis products at a temporary cannabis event unless the*
45 *cannabis event organizer is an adult-use cannabis retail store or*



portable cannabis vendor and has been listed as a participant in the event in a list submitted to the Board pursuant to section 14 of this act.

Sec. 18. 1. A person shall not engage in the business of a portable cannabis vendor unless the person holds a portable cannabis vendor license issued pursuant to this section.

2. A person who wishes to engage in the business of a portable cannabis vendor must submit to the Board an application on a form prescribed by the Board.

3. The Board shall issue a portable cannabis vendor license to an applicant if:

(a) The person who wishes to engage in the business of a portable cannabis vendor has submitted to the Board all of the following:

(1) The application fee, as set forth in NRS 678B.390;

(2) An application, which must include:

(I) The legal name of the proposed portable cannabis vendor;

(II) The physical address where the proposed portable cannabis vendor will be located;

(III) For the applicant and each person who is proposed to be an owner, officer or board member of the proposed portable cannabis vendor, a complete set of the person's fingerprints and written permission of the person authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

(IV) The name, address and date of birth of each person who is proposed to be an owner, officer or board member of the proposed portable cannabis vendor;

(3) Operating procedures consistent with the rules of the Board for oversight of the proposed portable cannabis vendor; and

(4) Such other information as the Board may require by regulation;

(b) None of the persons who are proposed to be owners, officers or board members of the proposed portable cannabis vendor have:

(1) Served as an owner, officer or board member for a cannabis establishment that has had its portable cannabis vendor license, cannabis event organizer license, temporary cannabis event permit, adult-use cannabis establishment license or medical cannabis establishment license revoked;

(2) Previously had a cannabis establishment agent registration card revoked;



(3) Previously had a cannabis establishment agent registration card for a cannabis executive revoked; or

(4) Previously had a cannabis establishment agent registration card for a cannabis receiver revoked; and

(c) None of the persons who are proposed to be owners, officers or board members of the proposed portable cannabis vendor are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed portable cannabis vendor, the Board shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. Except as otherwise provided in section 22 of this act, if an applicant for licensure to engage in the business of a portable cannabis vendor satisfies the requirements of this section, is qualified in the determination of the Board pursuant to NRS 678B.200 and is not disqualified from being licensed pursuant to this section or other applicable law, the Board shall issue to the applicant a portable cannabis vendor license. A portable cannabis vendor license expires 1 year after the date of issuance and may be renewed upon:

(a) Submission of the information required by the Board by regulation; and

(b) Payment of the renewal fee set forth in NRS 678B.390.

Sec. 19. A portable cannabis vendor that participates in a temporary cannabis event shall purchase all cannabis or cannabis products for resale at the temporary cannabis event from an adult-use cannabis retail store.

Sec. 20. A local government having jurisdiction over the location in which a temporary cannabis event is to be held may charge the cannabis event organizer a fee for holding the event.

Sec. 21. In processing applications for a cannabis event organizer license or portable cannabis vendor license and in the issuance of such a license, the Board shall give priority to a social equity applicant.

Sec. 22. 1. The Board shall, for each local governmental jurisdiction that limits the number of business licenses that may be issued to cannabis event organizers and portable cannabis vendors, determine the number of licenses allocated to the jurisdiction for cannabis event organizers and portable cannabis vendors.

2. Except as otherwise provided in this subsection, at least 50 percent of the licenses allocated to a local governmental



jurisdiction pursuant to subsection 1 must be issued to social equity applicants. If there are an insufficient number of social equity applicants to distribute licenses in that manner, the local governmental jurisdiction shall issue business licenses to all qualified social equity applicants and hold the remaining business licenses in reserve for future issuance to social equity applicants.

3. If the number of qualified applicants in a local governmental jurisdiction exceeds the number of licenses allocated to that jurisdiction pursuant to subsection 1, the Board shall issue cannabis event organizer licenses and portable cannabis vendor licenses in the local governmental jurisdiction to qualified applicants who are not social equity applicants using a separate lottery system for each type of license.

4. As used in this section, "local governmental jurisdiction" means a city or unincorporated area within a county.

Sec. 23. NRS 678B.010 is hereby amended to read as follows:
678B.010 The Legislature hereby finds and declares that:

1. The purpose for licensing cannabis establishments and registering cannabis establishment agents is to protect the public health and safety and the general welfare of the people of this State.

2. Any:

(a) Medical cannabis establishment license issued pursuant to NRS 678B.210;

(b) Adult-use cannabis establishment license issued pursuant to NRS 678B.250;

(c) *Cannabis event organizer license issued pursuant to section 13 of this act;*

(d) *Temporary cannabis event permit issued pursuant to section 14 of this act;*

(e) *Portable cannabis vendor license issued pursuant to section 18 of this act;*

(f) Cannabis establishment agent registration card issued pursuant to NRS 678B.340;

~~(d)~~ (g) Cannabis establishment agent registration card for a cannabis executive issued pursuant to NRS 678B.350; and

~~(e)~~ (h) Cannabis establishment agent registration card for a cannabis receiver issued pursuant to NRS 678B.355,

is a revocable privilege and the holder of such a license or card, as applicable, does not acquire thereby any vested right.

Sec. 24. NRS 678B.065 is hereby amended to read as follows:

678B.065 "Social equity applicant" means an applicant for the issuance or renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge, *cannabis event organizer license or portable cannabis vendor license* who has been adversely affected by provisions of previous laws which



1 criminalized activity relating to cannabis, as determined by the
2 Board in accordance with the regulations adopted pursuant to NRS
3 678B.323. Such adverse effects may include, without limitation,
4 adverse effects on an owner or officer of the applicant.

5 **Sec. 25.** NRS 678B.210 is hereby amended to read as follows:

6 678B.210 1. A person shall not engage in the business of a
7 medical cannabis establishment unless the person holds a medical
8 cannabis establishment license issued by the Board pursuant to this
9 section.

10 2. A person who wishes to engage in the business of a medical
11 cannabis establishment must submit to the Board an application on a
12 form prescribed by the Board.

13 3. Except as otherwise provided in NRS 678B.220, 678B.230
14 and 678B.240, not later than 90 days after receiving an application
15 to engage in the business of a medical cannabis establishment, the
16 Board shall register the medical cannabis establishment and issue a
17 medical cannabis establishment license and a random 20-digit
18 alphanumeric identification number if:

19 (a) The person who wishes to operate the proposed medical
20 cannabis establishment has submitted to the Board all of the
21 following:

22 (1) The application fee, as set forth in NRS 678B.390;

23 (2) An application, which must include:

24 (I) The legal name of the proposed medical cannabis
25 establishment;

26 (II) The physical address where the proposed medical
27 cannabis establishment will be located and the physical address of
28 any co-owned additional or otherwise associated medical cannabis
29 establishments, the locations of which may not be on the property of
30 an airport, within 1,000 feet of a public or private school that
31 provides formal education traditionally associated with preschool or
32 kindergarten through grade 12 and that existed on the date on which
33 the application for the proposed medical cannabis establishment was
34 submitted to the Board, within 300 feet of a community facility that
35 existed on the date on which the application for the proposed
36 medical cannabis establishment was submitted to the Board or, if the
37 proposed medical cannabis establishment will be located in a county
38 whose population is 100,000 or more, within 1,500 feet of an
39 establishment that holds a nonrestricted gaming license described in
40 subsection 1 or 2 of NRS 463.0177 and that existed on the date on
41 which the application for the proposed medical cannabis
42 establishment was submitted to the Board;

43 (III) Evidence that the applicant controls not less than
44 \$250,000 in liquid assets to cover the initial expenses of opening the



1 proposed medical cannabis establishment and complying with the
2 provisions of this title;

3 (IV) Evidence that the applicant owns the property on
4 which the proposed medical cannabis establishment will be located
5 or has the written permission of the property owner to operate the
6 proposed medical cannabis establishment on that property;

7 (V) For the applicant and each person who is proposed to
8 be an owner, officer or board member of the proposed medical
9 cannabis establishment, a complete set of the person's fingerprints
10 and written permission of the person authorizing the Board to
11 forward the fingerprints to the Central Repository for Nevada
12 Records of Criminal History for submission to the Federal Bureau
13 of Investigation for its report; and

14 (VI) The name, address and date of birth of each person
15 who is proposed to be an owner, officer or board member of the
16 proposed medical cannabis establishment;

17 (3) Operating procedures consistent with rules of the Board
18 for oversight of the proposed medical cannabis establishment,
19 including, without limitation:

20 (I) Procedures to ensure the use of adequate security
21 measures; and

22 (II) The use of an electronic verification system and an
23 inventory control system pursuant to NRS 678C.420 and 678C.430;

24 (4) If the proposed medical cannabis establishment will sell
25 or deliver medical cannabis products, proposed operating
26 procedures for handling such products which must be preapproved
27 by the Board;

28 (5) If the city or county in which the proposed medical
29 cannabis establishment will be located has enacted zoning
30 restrictions, proof that the proposed location is in compliance with
31 those restrictions and satisfies all applicable building requirements;
32 and

33 (6) Such other information as the Board may require by
34 regulation;

35 (b) None of the persons who are proposed to be owners, officers
36 or board members of the proposed medical cannabis establishment
37 have been convicted of an excluded felony offense;

38 (c) None of the persons who are proposed to be owners, officers
39 or board members of the proposed medical cannabis establishment
40 have:

41 (1) Served as an owner, officer or board member for a
42 cannabis establishment that has had its medical cannabis
43 establishment license, ~~for~~ adult-use cannabis establishment license
44 , *cannabis event organizer license, temporary cannabis event*
45 *permit or portable cannabis vendor license* revoked;



(2) Previously had a cannabis establishment agent registration card revoked;

(3) Previously had a cannabis establishment agent registration card for a cannabis executive revoked; or

(4) Previously had a cannabis establishment agent registration card for a cannabis receiver revoked; and

(d) None of the persons who are proposed to be owners, officers or board members of the proposed medical cannabis establishment are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed medical cannabis establishment, the Board shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. Except as otherwise provided in subsection 6, if an application for registration as a medical cannabis establishment satisfies the requirements of this section, is qualified in the determination of the Board pursuant to NRS 678B.200 and the establishment is not disqualified from being registered as a medical cannabis establishment pursuant to this section or other applicable law, the Board shall issue to the establishment a medical cannabis establishment license. A medical cannabis establishment license expires 1 year after the date of issuance and may be renewed upon:

(a) Submission of the information required by the Board by regulation; and

(b) Payment of the renewal fee set forth in NRS 678B.390.

6. In determining whether to issue a medical cannabis establishment license pursuant to this section, the Board shall consider the criteria of merit set forth in NRS 678B.240.

7. For the purposes of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3, the distance must be measured from the front door of the proposed medical cannabis establishment to the closest point of the property line of a school, community facility or gaming establishment.

8. As used in this section, “community facility” means:

(a) A facility that provides day care to children.

(b) A public park.

(c) A playground.

(d) A public swimming pool.

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



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

Sec. 26. NRS 678B.250 is hereby amended to read as follows:

678B.250 1. A person shall not engage in the business of an adult-use cannabis establishment unless the person holds an adult-use cannabis establishment license issued pursuant to this section.

2. A person who wishes to engage in the business of an adult-use cannabis establishment must submit to the Board an application on a form prescribed by the Board.

3. Except as otherwise provided in NRS 678B.260, 678B.270, 678B.280, 678B.322 and 678B.324 to 678B.328, inclusive, the Board shall issue an adult-use cannabis establishment license to an applicant if:

(a) The person who wishes to operate the proposed adult-use cannabis establishment has submitted to the Board all of the following:

(1) The application fee, as set forth in NRS 678B.390;

(2) An application, which must include:

(I) The legal name of the proposed adult-use cannabis establishment;

(II) The physical address where the proposed adult-use cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated adult-use cannabis establishments, the locations of which may not be on the property of an airport, within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board or, if the proposed adult-use cannabis establishment will be located in a county whose population is 100,000 or more, within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board;

(III) Evidence that the applicant controls liquid assets in an amount determined by the Board to be sufficient to cover the initial expenses of opening the proposed adult-use cannabis establishment and complying with the provisions of this title;

(IV) Evidence that the applicant owns the property on which the proposed adult-use cannabis establishment will be located or has the written permission of the property owner to operate the proposed adult-use cannabis establishment on that property;



(V) For the applicant and each person who is proposed to be an owner, officer or board member of the proposed adult-use cannabis establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

(VI) The name, address and date of birth of each person who is proposed to be an owner, officer or board member of the proposed adult-use cannabis establishment;

(3) Operating procedures consistent with rules of the Board for oversight of the proposed adult-use cannabis establishment, including, without limitation:

(I) Procedures to ensure the use of adequate security measures; and

(II) The use of an inventory control system;

(4) If the proposed adult-use cannabis establishment will sell or deliver adult-use cannabis products, proposed operating procedures for handling such products which must be preapproved by the Board; and

(5) Such other information as the Board may require by regulation;

(b) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment have been convicted of an excluded felony offense;

(c) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment have:

(1) Served as an owner, officer or board member for a cannabis establishment that has had its adult-use cannabis establishment license, ~~for~~ medical cannabis establishment license, *cannabis event organizer license, temporary cannabis event permit or portable cannabis vendor license* revoked;

(2) Previously had a cannabis establishment agent registration card revoked;

(3) Previously had a cannabis establishment agent registration card for a cannabis executive revoked; or

(4) Previously had a cannabis establishment agent registration card for a cannabis receiver revoked; and

(d) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed adult-use cannabis establishment, the



1 Board shall submit the fingerprints of the person to the Central
2 Repository for Nevada Records of Criminal History for submission
3 to the Federal Bureau of Investigation to determine the criminal
4 history of that person.

5 5. Except as otherwise provided in subsection 6, if an applicant
6 for licensure to operate an adult-use cannabis establishment satisfies
7 the requirements of this section, is qualified in the determination of
8 the Board pursuant to NRS 678B.200 and is not disqualified from
9 being licensed pursuant to this section or other applicable law, the
10 Board shall issue to the applicant an adult-use cannabis
11 establishment license. An adult-use cannabis establishment license
12 expires 1 year after the date of issuance and may be renewed upon:

13 (a) Submission of the information required by the Board by
14 regulation; and

15 (b) Payment of the renewal fee set forth in NRS 678B.390.

16 6. In determining whether to issue an adult-use cannabis
17 license pursuant to this section, the Board shall consider the criteria
18 of merit and scoring guidelines set forth in NRS 678B.280 or
19 678B.324, as applicable.

20 7. For the purposes of sub-subparagraph (II) of subparagraph
21 (2) of paragraph (a) of subsection 3, the distance must be measured
22 from the front door of the proposed adult-use cannabis
23 establishment to the closest point of the property line of a school,
24 community facility or gaming establishment.

25 8. As used in this section, "community facility" means:

26 (a) A facility that provides day care to children.

27 (b) A public park.

28 (c) A playground.

29 (d) A public swimming pool.

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

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

35 **Sec. 27.** NRS 678B.323 is hereby amended to read as follows:

36 678B.323 1. The Board shall adopt regulations establishing
37 criteria to be used by the Board for determining whether an
38 applicant for the issuance or renewal of an adult-use cannabis
39 establishment license for an independent cannabis consumption
40 lounge , *cannabis event organizer license or portable cannabis*
41 *vendor license* qualifies as a social equity applicant for the purposes
42 of this chapter.

43 2. The regulations adopted pursuant to subsection 1 must
44 establish the minimum percentage of ownership in a proposed
45 independent cannabis consumption lounge , *cannabis event*



organizer or portable cannabis vendor which will be held by a person or group of persons who have been adversely affected by provisions of previous laws which criminalized activity relating to cannabis for the applicant to qualify as a social equity applicant.

Sec. 28. NRS 678B.380 is hereby amended to read as follows:

678B.380 1. Except as otherwise provided by regulations adopted by the Board pursuant to subsection 2, the following are nontransferable:

(a) A cannabis establishment agent registration card.

(b) A cannabis establishment agent registration card for a cannabis executive.

(c) A cannabis establishment agent registration card for a cannabis receiver.

(d) A medical cannabis establishment license.

(e) An adult-use cannabis establishment license.

(f) A cannabis event organizer license.

(g) A temporary cannabis event permit.

(h) A portable cannabis vendor license.

2. The Board shall adopt regulations which prescribe procedures and requirements by which a holder of a license, *including, without limitation, the holder of a cannabis event organizer license or portable cannabis vendor license who is a social equity applicant*, may transfer the license to another party who is qualified to hold such a license pursuant to the provisions of this chapter. Such regulations may give priority in the processing of transfers of licenses to a transfer in which the transferor is:

(a) Subject to a receivership;

(b) Involved in a recapitalization; or

(c) A party to a court proceeding involving financial distress.

3. The regulations adopted pursuant to subsection 2 must:

(a) Prohibit the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge from transferring the license until at least 2 years from the date on which the independent cannabis consumption lounge for which the license was issued became operational;

(b) Require the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge who wishes to cease operations before the independent cannabis consumption lounge for which the license was issued has been operational for at least 2 years to surrender the license to the Board; and

(c) Require the Board to hold a license surrendered pursuant to paragraph (b) in reserve for issuance to an applicant for such a license in the future.



Sec. 29. NRS 678B.390 is hereby amended to read as follows:
678B.390 1. Except as otherwise provided in subsection ~~3.~~
4, the Board shall collect not more than the following maximum
fees:

For the initial issuance of a medical cannabis establishment license for a medical cannabis dispensary.....	\$30,000
For the renewal of a medical cannabis establishment license for a medical cannabis dispensary.....	5,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis cultivation facility	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis cultivation facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis production facility	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis production facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis independent testing laboratory	5,000
For the renewal of a medical cannabis establishment license for a medical cannabis independent testing laboratory	3,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store.....	20,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store.....	6,600
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility	30,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility	10,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility	10,000



1	For the renewal of an adult-use cannabis	
2	establishment license for an adult-use	
3	cannabis production facility	\$3,300
4	For the initial issuance of an adult-use cannabis	
5	establishment license for an adult-use	
6	cannabis independent testing laboratory	15,000
7	For the renewal of an adult-use cannabis	
8	establishment license for an adult-use	
9	cannabis independent testing laboratory	5,000
10	For the initial issuance of an adult-use cannabis	
11	establishment license for a retail cannabis	
12	consumption lounge	10,000
13	For the renewal of an adult-use cannabis	
14	establishment license for a retail cannabis	
15	consumption lounge	10,000
16	For the initial issuance of an adult-use cannabis	
17	establishment license for an independent	
18	cannabis consumption lounge	10,000
19	For the renewal of an adult-use cannabis	
20	establishment license for an independent	
21	cannabis consumption lounge	10,000
22	For the initial issuance of an adult-use cannabis	
23	establishment license for an adult-use	
24	cannabis distributor	15,000
25	For the renewal of an adult-use cannabis	
26	establishment license for an adult-use	
27	cannabis distributor	5,000
28	For each person identified in an application for	
29	the initial issuance of a cannabis	
30	establishment agent registration card	150
31	For each person identified in an application for	
32	the renewal of a cannabis establishment agent	
33	registration card.....	150

34
35 2. *The Board shall establish by regulation fees for:*

36 (a) *The issuance and renewal of a cannabis event organizer*
37 *license.*

38 (b) *The issuance of a temporary cannabis event permit.*

39 (c) *The issuance and renewal of a portable cannabis vendor*
40 *license.*

41 3. The Board may by regulation establish reduced fees for:

42 (a) The initial issuance and renewal of an adult-use cannabis
43 establishment license for an independent cannabis consumption
44 lounge; ~~and~~



(b) The application fee set forth in *paragraph (c) of* subsection ~~[3-] 4~~;

(c) The initial issuance and renewal of a cannabis event organizer license; and

(d) The initial issuance and renewal of a portable cannabis vendor license,

↳ for a social equity applicant. Such a reduction must not reduce the fee paid by a social equity applicant by more than 75 percent of the fee paid by an applicant who is not a social equity applicant.

~~[3-] 4~~. Except as otherwise provided in subsection ~~[2-] 3~~, in addition to the fees described in subsection 1, each applicant for a medical cannabis establishment license or adult-use cannabis establishment license must pay to the Board:

(a) For an application for a license other than an adult-use cannabis establishment license for a retail cannabis consumption lounge or independent cannabis consumption lounge, a one-time, nonrefundable application fee of \$5,000;

(b) For an application for an adult-use cannabis establishment license for a retail cannabis consumption lounge, a one-time, nonrefundable application fee of \$100,000;

(c) For an application for an adult-use cannabis establishment license for an independent cannabis consumption lounge, a one-time, nonrefundable application fee of \$10,000; and

(d) The actual costs incurred by the Board in processing the application, including, without limitation, conducting background checks.

~~[4-] 5~~. Any revenue generated from the fees imposed pursuant to this section:

(a) Must be expended first to pay the costs of the Board in carrying out the provisions of this title; and

(b) If any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State Treasurer to be deposited to the credit of the State Education Fund.

Sec. 30. NRS 678B.530 is hereby amended to read as follows:
678B.530 1. A person shall not:

(a) Advertise the sale of cannabis or cannabis products by the person; or

(b) Sell, offer to sell or appear to sell cannabis or cannabis products or allow the submission of an order for cannabis or cannabis products,

↳ unless the person holds an adult-use cannabis establishment license, ~~[or]~~ a medical cannabis establishment license ~~[or]~~ *or a portable cannabis vendor license.*



2. A local government shall not regulate the content of an advertisement for the sale of cannabis or cannabis products unless the local government adopts an ordinance setting forth such regulations.

Sec. 31. NRS 678B.650 is hereby amended to read as follows:

678B.650 The Board shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of this chapter. 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 applications for licenses or registration cards issued pursuant to this chapter;

2. Establish procedures for the suspension or revocation of a license or registration card or other disciplinary action to be taken against a licensee or registrant;

3. Set forth rules pertaining to the safe and healthful operation of cannabis establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on cannabis establishments or compromising the confidentiality of consumers and holders of registry identification cards and letters of approval, as those terms are defined in NRS 678C.080 and 678C.070, respectively;

(b) Minimum requirements for the oversight of cannabis establishments;

(c) Minimum requirements for the keeping of records by cannabis establishments;

(d) Provisions for the security of cannabis establishments, including without limitation, requirements for the protection by a fully operational security alarm system of each cannabis establishment; and

(e) Procedures pursuant to which cannabis establishments must use the services of cannabis independent testing laboratories to ensure that any cannabis or cannabis product or commodity or product made from hemp, as defined in NRS 557.160, sold by a cannabis sales facility to an end user is tested for content, quality and potency in accordance with standards established by the Board;

4. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 678B.390 may be reduced over time to ensure that the fees imposed pursuant to NRS 678B.390 are, insofar as may be practicable, revenue neutral;

5. Establish different categories of cannabis establishment agent registration cards, including, without limitation, criteria for issuance of a cannabis establishment agent registration card for a cannabis executive and a cannabis establishment agent registration card for a cannabis receiver and criteria for training and



certification, for each of the different types of cannabis establishments at which such an agent may be employed or volunteer or provide labor as a cannabis establishment agent;

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

7. Establish procedures and requirements to enable a dual licensee to operate a medical cannabis establishment and an adult-use cannabis establishment at the same location;

8. Determine whether any provision of this chapter or chapter 678C or 678D of NRS would make the operation of a cannabis establishment by a dual licensee unreasonably impracticable;

9. Allow for any record relating to the delivery of cannabis or cannabis products that is required to be kept by a cannabis establishment to be created and maintained in an electronic format;

10. Prescribe the manner in which the Board will determine whether a person who holds an adult-use cannabis establishment license is ineligible to hold additional licenses pursuant to NRS 678B.325 and 678B.328;

11. Set forth rules pertaining to the safe and healthful operation of cannabis consumption lounges, including, without limitation:

(a) Standards for the air quality in a cannabis consumption lounge;

(b) Procedures and requirements for the collection and disposal of cannabis and cannabis products which are left at a cannabis consumption lounge; and

(c) Requirements for the training of employees of a cannabis consumption lounge in the sale and safe consumption of single-use cannabis products and ready-to-consume cannabis products; ~~and~~

12. Set forth rules pertaining to the safe and healthful operation of temporary cannabis events, including, without limitation:

(a) Requirements for the testing, labeling and sale of cannabis and cannabis products at a temporary cannabis event; and

(b) Procedures and requirements for the collection and disposal of cannabis and cannabis products which are left at a temporary cannabis event; and

13. Address such other matters as the Board deems necessary to carry out the provisions of this title.

Sec. 32. NRS 678C.300 is hereby amended to read as follows:

678C.300 1. A person who holds a registry identification card or letter of approval issued to him or her pursuant to NRS 678C.230 or 678C.270 is not exempt from state prosecution for, nor



1 may the person establish an affirmative defense to charges arising
2 from, any of the following acts:

3 (a) Driving, operating or being in actual physical control of a
4 vehicle or a vessel under power or sail while under the influence of
5 cannabis.

6 (b) Engaging in any other conduct prohibited by NRS 484C.110,
7 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS
8 488.410, 488.420, 488.425 or 493.130.

9 (c) Possessing a firearm in violation of paragraph (b) of
10 subsection 1 of NRS 202.257.

11 (d) Possessing cannabis in violation of NRS 453.336 or
12 possessing paraphernalia in violation of NRS 453.560 or 453.566:

13 (1) If the possession of the cannabis or paraphernalia is
14 discovered because the person engaged or assisted in the medical
15 use of cannabis in:

16 (I) Except as otherwise provided by regulations adopted
17 by the Board pursuant to NRS 678B.645, any public place or in any
18 place open to the public or exposed to public view; or

19 (II) Any local detention facility, county jail, state prison,
20 reformatory or other correctional facility, including, without
21 limitation, any facility for the detention of juvenile offenders; or

22 (2) If the possession of the cannabis or paraphernalia occurs
23 on school property.

24 (e) Delivering cannabis to another person who he or she knows
25 does not lawfully hold a registry identification card or letter of
26 approval issued by the Division or its designee pursuant to NRS
27 678C.230 or 678C.270.

28 (f) Delivering cannabis for consideration to any person,
29 regardless of whether the recipient lawfully holds a registry
30 identification card or letter of approval issued by the Division or its
31 designee pursuant to NRS 678C.230 or 678C.270.

32 2. Except as otherwise provided in NRS 678C.240 and in
33 addition to any other penalty provided by law, if the Division
34 determines that a person has willfully violated a provision of this
35 chapter or any regulation adopted by the Division to carry out the
36 provisions of this chapter, the Division may, at its own discretion,
37 prohibit the person from obtaining or using a registry identification
38 card or letter of approval for a period of up to 6 months.

39 3. *For the purposes of sub-subparagraph (I) of subparagraph*
40 *(1) of paragraph (d) of subsection 1, an area within a temporary*
41 *cannabis event that is designated for the consumption of cannabis*
42 *or cannabis products is not a public place or a place open to the*
43 *public or exposed to public view.*



4. Nothing in the provisions of this chapter shall be construed as in any manner affecting the provisions of chapter 678D of NRS relating to the adult use of cannabis.

~~[4.]~~ 5. As used in this section, "school property" means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

Sec. 33. NRS 678D.200 is hereby amended to read as follows:
678D.200 1. Except as otherwise provided in NRS 678D.300, a person who is 21 years of age or older is exempt from state prosecution for:

- (a) The possession, delivery or production of cannabis;
- (b) The possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of cannabis;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the adult use of cannabis in accordance with the provisions of this title.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person:

- (a) Is 21 years of age or older;
- (b) Is not employed by any agency or political subdivision of this State in a position which requires the person to be certified by the Peace Officers' Standards and Training Commission;
- (c) Engages in the adult use of cannabis in accordance with the provisions of this title;
- (d) Does not, at any one time, possess, deliver or produce more than:
 - (1) One ounce of usable cannabis;
 - (2) One-eighth of an ounce of concentrated cannabis;
 - (3) Six cannabis plants, irrespective of whether the cannabis plants are mature or immature; and
 - (4) A maximum allowable quantity of adult-use cannabis products as established by regulation of the Board;
- (e) Cultivates, grows or produces not more than six cannabis plants;



(1) Within an enclosed area that is not exposed to public view that is equipped with locks or other security devices which allow access only by an authorized person; and

(2) At a residence or upon the grounds of a residence in which not more than 12 cannabis plants are cultivated, grown or produced;

(f) Delivers 1 ounce or less of usable cannabis or one-eighth of an ounce or less of concentrated cannabis without remuneration to a person who is 21 years of age or older so long as such delivery is not advertised or promoted to the public; and

(g) Assists another person who is 21 years of age or older in carrying out any of the acts described in paragraphs (a) to (f), inclusive.

4. If a person possesses, uses or produces cannabis in an amount which exceeds the amount set forth in paragraph (d) of subsection 3 or in any manner other than that set forth in subsection 3, the person is not exempt from state prosecution for the possession, delivery or production of cannabis.

5. A person who holds an adult-use cannabis establishment license issued to the person pursuant to NRS 678B.250, *a cannabis event organizer license issued to the person pursuant to section 13 of this act, a portable cannabis vendor license issued to the person pursuant to section 18 of this act*, a cannabis establishment agent registration card issued to the person pursuant to NRS 678B.340, a cannabis establishment agent registration card for a cannabis executive issued to the person pursuant to NRS 678B.350 or a cannabis establishment agent registration card for a cannabis receiver issued to the person pursuant to NRS 678B.355, and confines his or her activities to those authorized by this title, and the regulations adopted by the Board pursuant thereto, is exempt from state prosecution for:

(a) The possession, delivery or production of cannabis;

(b) The possession or delivery of paraphernalia;

(c) Aiding and abetting another in the possession, delivery or production of cannabis;

(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

6. The commission of any act by a person for which the person is exempt from state prosecution pursuant to this section must not be



used as the basis for the seizure or forfeiture of any property of the person or for the imposition of a civil penalty.

Sec. 34. NRS 678D.300 is hereby amended to read as follows:

678D.300 1. A person is not exempt from state prosecution for any of the following acts:

(a) Driving, operating or being in actual physical control of a vehicle or a vessel under power or sail while under the influence of cannabis.

(b) Engaging in any other conduct prohibited by NRS 484C.110, 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS 488.410, 488.420, 488.425 or 493.130.

(c) Possessing a firearm in violation of paragraph (b) of subsection 1 of NRS 202.257.

(d) Possessing cannabis in violation of NRS 453.336 or possessing paraphernalia in violation of NRS 453.560 or 453.566:

(1) If the possession of the cannabis or paraphernalia is discovered because the person engaged in the adult use of cannabis in:

(I) Except as otherwise provided by regulations adopted by the Board pursuant to NRS 678B.645, any public place or in any place open to the public or exposed to public view; or

(II) Any local detention facility, county jail, state prison, reformatory or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders; or

(2) If the possession of the cannabis or paraphernalia occurs on school property.

(e) Knowingly delivering cannabis to another person who is not 21 years of age or older unless:

(1) The recipient holds a valid registry identification card or letter of approval issued to the person by the Division of Public and Behavioral Health of the Department of Health and Human Services or its designee pursuant to NRS 678C.230 or 678C.270.

(2) The person demanded and was shown bona fide documentary evidence of the age and identity of the recipient issued by a federal, state, county or municipal government, or subdivision or agency thereof.

2. *For the purposes of sub-subparagraph (I) of subparagraph (I) of paragraph (d) of subsection 1, an area within a temporary cannabis event that is designated for the consumption of cannabis or cannabis products is not a public place or a place open to the public or exposed to public view.*

3. As used in this section, “school property” means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.



1 **Sec. 35.** NRS 678D.310 is hereby amended to read as follows:
2 678D.310 1. Except as otherwise provided in chapter 678C
3 of NRS, a person shall not:

4 (a) Cultivate cannabis within 25 miles of an adult-use cannabis
5 retail store licensed pursuant to chapter 678B of NRS, unless the
6 person is an adult-use cannabis cultivation facility or is a cannabis
7 establishment agent volunteering at, employed by or providing labor
8 to an adult-use cannabis cultivation facility;

9 (b) Cultivate cannabis plants where they are visible from a
10 public place by normal unaided vision; or

11 (c) Cultivate cannabis on property not in the cultivator's lawful
12 possession or without the consent of the person in lawful physical
13 possession of the property.

14 2. A person who violates the provisions of subsection 1 is
15 guilty of:

16 (a) For a first violation, a misdemeanor punished by a fine of not
17 more than \$600.

18 (b) For a second violation, a misdemeanor punished by a fine of
19 not more than \$1,000.

20 (c) For a third violation, a gross misdemeanor.

21 (d) For a fourth or subsequent violation, a category E felony.

22 3. Except as otherwise provided in subsection 10 or by
23 regulations adopted by the Board pursuant to NRS 678B.645, a
24 person who smokes or otherwise consumes cannabis or a cannabis
25 product in a public place, in an adult-use cannabis retail store or in a
26 vehicle is guilty of a misdemeanor punished by a fine of not more
27 than \$600.

28 4. A person under 21 years of age who falsely represents
29 himself or herself to be 21 years of age or older to obtain cannabis is
30 guilty of a misdemeanor and shall be punished by:

31 (a) Performing not more than 24 hours of community service;

32 (b) Attending the live meeting described in paragraph (a) of
33 subsection 2 of NRS 484C.530 and complying with any other
34 requirements set forth in that section; or

35 (c) Being required to undergo an evaluation in accordance with
36 subsection 2 of NRS 484C.350,

37 ↪ or any combination thereof.

38 5. If a person under 21 years of age fulfills the terms and
39 conditions imposed for a violation of subsection 4, the court shall,
40 without a hearing, order sealed all documents, papers and exhibits in
41 that person's record, minute book entries and entries on dockets, and
42 other documents relating to the case in the custody of such other
43 agencies and officers as are named in the court's order. The court
44 shall cause a copy of the order to be sent to each agency or officer



1 named in the order. Each such agency or officer shall notify the
2 court in writing of its compliance with the order.

3 6. A person under 21 years of age who knowingly enters,
4 loiters or remains on the premises of an adult-use cannabis
5 establishment shall be punished by a fine of not more than \$500
6 unless the person is authorized to possess cannabis pursuant to
7 chapter 678C of NRS and the adult-use cannabis establishment is a
8 dual licensee.

9 7. A person who manufactures cannabis by chemical extraction
10 or chemical synthesis, unless done pursuant to an adult-use cannabis
11 establishment license for an adult-use cannabis production facility
12 issued by the Board or authorized by this title, is guilty of a category
13 E felony.

14 8. A person who knowingly gives cannabis or a cannabis
15 product to any person under 21 years of age or who knowingly
16 leaves or deposits any cannabis or cannabis product in any place
17 with the intent that it will be procured by any person under 21 years
18 of age is guilty of a misdemeanor.

19 9. A person who knowingly gives cannabis to any person under
20 18 years of age or who knowingly leaves or deposits any cannabis in
21 any place with the intent that it will be procured by any person
22 under 18 years of age is guilty of a gross misdemeanor.

23 10. A person may smoke or otherwise consume cannabis or a
24 cannabis product in ~~{a}~~ :

25 (a) A cannabis consumption lounge.

26 (b) *An area within a temporary cannabis event that is*
27 *designated for the consumption of cannabis or cannabis products.*

28 **Sec. 36.** Chapter 372A of NRS is hereby amended by adding
29 thereto a new section to read as follows:

30 *“Portable cannabis vendor” has the meaning ascribed to it in*
31 *section 4 of this act.*

32 **Sec. 37.** NRS 372A.200 is hereby amended to read as follows:

33 372A.200 As used in NRS 372A.200 to 372A.380, inclusive,
34 *and section 36 of this act*, unless the context otherwise requires, the
35 words and terms defined in NRS 372A.205 to 372A.250, inclusive,
36 *and section 36 of this act*, have the meanings ascribed to them in
37 those sections.

38 **Sec. 38.** NRS 372A.250 is hereby amended to read as follows:

39 372A.250 “Taxpayer” means a:

- 40 1. Cannabis cultivation facility;
41 2. Adult-use cannabis retail store; ~~{or}~~
42 3. Cannabis consumption lounge ~~{ }~~ ; *or*
43 4. *Portable cannabis vendor.*



Sec. 39. 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 cannabis by a medical cannabis cultivation facility to another cannabis establishment at the rate of 15 percent of the fair market value at wholesale of the cannabis. The excise tax imposed pursuant to this subsection is the obligation of the medical cannabis cultivation facility.

2. An excise tax is hereby imposed on each wholesale sale in this State of cannabis by an adult-use cannabis cultivation facility to another cannabis establishment at the rate of 15 percent of the fair market value at wholesale of the cannabis. The excise tax imposed pursuant to this subsection is the obligation of the adult-use cannabis cultivation facility.

3. An excise tax is hereby imposed on each retail sale in this State of cannabis or cannabis products by an adult-use cannabis retail store, ~~for~~ cannabis consumption lounge *or portable cannabis vendor* at the rate of 10 percent of the sales price of the cannabis or cannabis products. The excise tax imposed pursuant to this subsection:

(a) Is the obligation of the seller of the cannabis or cannabis 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.

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

(a) To the Cannabis Compliance Board and to local governments in an amount determined to be necessary by the Board to pay the costs of the Board and local governments in carrying out the provisions of chapter 678C 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 Education Fund.

5. The revenues collected from the excise tax imposed pursuant to subsection 2 must be distributed:

(a) To the Cannabis Compliance Board and to local governments in an amount determined to be necessary by the Board to pay the costs of the Board and local governments in carrying out the provisions of chapter 678D 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 Education Fund.

6. For the purpose of subsections 4 and 5, 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



subsection 2 in each fiscal year shall be deemed sufficient to pay the costs of all local governments to carry out the provisions of chapters 678C and 678D of NRS. The Board shall, by regulation, determine the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapters 678C and 678D of NRS.

7. The revenues collected from the excise tax imposed pursuant to subsection 3 must be paid over as collected to the State Treasurer to be deposited to the credit of the State Education Fund.

8. As used in this section:

(a) “Adult-use cannabis cultivation facility” has the meaning ascribed to it in NRS 678A.025.

(b) “Cannabis product” has the meaning ascribed to it in NRS 678A.120.

(c) “Local government” has the meaning ascribed to it in NRS 360.640.

(d) “Medical cannabis cultivation facility” has the meaning ascribed to it in NRS 678A.170.

(e) “Medical cannabis establishment” has the meaning ascribed to it in NRS 678A.180.

(f) “Wholesale sale” means a sale or transfer of cannabis by a cannabis cultivation facility to another cannabis establishment. The term does not include a transfer of cannabis by a cannabis cultivation facility to another cannabis cultivation facility when both cannabis cultivation facilities share identical ownership.

Sec. 40. NRS 387.1212 is hereby amended to read as follows:

387.1212 1. The State Education Fund is hereby created as a special revenue fund to be administered by the Superintendent of Public Instruction for the purpose of supporting the operation of the public schools in this State. The interest and income earned on the money in the Fund, excluding the direct legislative appropriation from the State General Fund required by subsection 3, must, after deducting any applicable charges, be credited to the Fund.

2. Money which must be deposited for credit to the State Education Fund includes, without limitation:

(a) All money derived from interest on the State Permanent School Fund, as provided in NRS 387.030;

(b) The proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest, less any amount retained by the county treasurer for the actual cost of collecting and administering the tax;

(c) The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;

(d) The money identified in subsection 8 of NRS 120A.610;



(e) The portion of the money in each special account created pursuant to subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2 of NRS 179.1187;

(f) The money identified in paragraph (d) of subsection 6 of NRS 278C.250;

(g) The money identified in subsection 1 of NRS 328.450;

(h) The money identified in subsection 1 of NRS 328.460;

(i) The money identified in paragraph (a) of subsection 2 of NRS 360.850;

(j) The money identified in paragraph (a) of subsection 2 of NRS 360.855;

(k) The money required to be transferred to the State Education Fund pursuant to NRS 362.100;

(l) The money required to be paid over to the State Treasurer for deposit to the credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;

(m) The portion of the proceeds of the tax imposed pursuant to subsection 1 of NRS 372A.290 identified in paragraph (b) of subsection 4 of NRS 372A.290;

(n) The proceeds of the tax imposed pursuant to subsection 3 of NRS 372A.290;

(o) The proceeds of the fees, taxes, interest and penalties imposed pursuant to chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

(p) The money identified in subsection 5 of NRS 445B.640;

(q) The money identified in paragraph (b) of subsection ~~44~~ 5 of NRS 678B.390;

(r) The portion of the proceeds of the excise tax imposed pursuant to subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS 463.385;

(s) The money required to be distributed to the State Education Fund pursuant to subsection 3 of NRS 482.181;

(t) The portion of the proceeds of the fee imposed pursuant to NRS 488.075 identified in subsection 2 of NRS 488.075;

(u) The portion of the net profits of the grantee of a franchise, right or privilege identified in NRS 709.110;

(v) The portion of the net profits of the grantee of a franchise identified in NRS 709.230;

(w) The portion of the net profits of the grantee of a franchise identified in NRS 709.270;

(x) The money required to be distributed to the State Education Fund pursuant to NRS 363D.290; and

(y) The direct legislative appropriation from the State General Fund required by subsection 3.



3. In addition to money from any other source provided by law, support for the State Education Fund must be provided by direct legislative appropriation from the State General Fund in an amount determined by the Legislature to be sufficient to fund the operation of the public schools in this State for kindergarten through grade 12 for the next ensuing biennium for the population reasonably estimated for that biennium. Money in the State Education Fund does not revert to the State General Fund at the end of a fiscal year, and the balance in the State Education Fund must be carried forward to the next fiscal year.

4. Money in the Fund must be paid out on claims as other claims against the State are paid.

Sec. 41. 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 C felony and shall be punished as provided in NRS 193.130.

2. If a person convicted of violating this section has previously been convicted of violating this section, or if, in the case of a first conviction of violating this section, the person has been convicted of an offense under the laws of the United States or any state, territory or district which, if committed in this State, would amount to a felony under this section, the person is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$10,000.

3. This section does not apply to:

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

(b) Any cannabis consumption lounge, as defined in NRS 678A.087, whose activities are confined to those authorized in title 56 of NRS.

(c) A cannabis event organizer, as defined in section 2 of this act, that holds a temporary cannabis event, as defined in section 6 of this act, and whose activities are confined to those authorized in title 56 of NRS.

~~(e)~~ (d) Any person who opens or maintains any public place in which a person is authorized to consume cannabis, as defined in NRS 678A.085, or cannabis products, as defined in NRS 678A.120, pursuant to regulations adopted by the Cannabis Compliance Board pursuant to NRS 678B.645, and whose activities are confined to those authorized by such regulations.

Sec. 42. 1. This section becomes effective upon passage and approval.



- 1 2. Sections 1 to 41, inclusive, of this act become effective:
2 (a) Upon passage and approval for the purpose of adopting any
3 regulations and performing any other preparatory administrative
4 tasks that are necessary to carry out the provisions of this act; and
5 (b) On July 1, 2024 for all other purposes.

