

ASSEMBLY BILL NO. 413—COMMITTEE ON JUDICIARY

MARCH 27, 2023

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to cannabis.
(BDR 56-1054)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to cannabis; revising the civil penalties imposed for certain unlicensed cannabis activities; providing for the imposition of civil penalties for certain additional unlicensed cannabis activities; setting forth the manner in which such civil penalties must be recovered; requiring the Cannabis Compliance Board to designate one or more agents of the Board to perform certain duties; requiring the Board to adopt regulations establishing a program to pay rewards to persons who provide certain information to the Board concerning certain unlicensed cannabis activities; authorizing the Attorney General and the governing body of a city or county to establish a similar program; revising the definitions of “synthetic cannabinoid” and “marijuana”; revising requirements for the issuance of an adult-use cannabis establishment license or medical cannabis establishment license; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law provides an exemption from state prosecution for certain offenses
- 2 relating to cannabis for certain persons, including, without limitation, persons who
- 3 hold an adult-use cannabis establishment license or medical cannabis establishment
- 4 license issued by the Cannabis Compliance Board and who confine their activities
- 5 to those authorized by the provisions of existing law governing the adult use and
- 6 medical use of cannabis. (NRS 678C.200, 678D.200) Existing law provides for the
- 7 imposition of a civil penalty of not more than \$50,000 on a person who does not
- 8 hold a license issued by the Board and who engages in certain activities involving
- 9 cannabis, including, without limitation, the cultivation, manufacture, delivery or



sale of cannabis or cannabis products by the person or the advertisement of the sale of cannabis or cannabis products by the person. Existing law authorizes a district attorney or city attorney to recover such a civil penalty. (NRS 678A.650)

Section 10 of this bill increases the maximum civil penalty for engaging in such activities to \$10,000,000. **Section 10** provides an exception from that civil penalty for a person who does not hold a license and who sells, by means of an in-person transaction, one ounce or less of cannabis that is not concentrated cannabis or one-eighth of an ounce or less of concentrated cannabis. Under **section 10**, such a person is liable for a civil penalty of not more than \$50,000. **Section 2** of this bill prohibits a person who owns or operates a premises, an Internet website or an online service from knowingly: (1) allowing a person who does not hold a license to engage in certain activities relating to cannabis on the premises or through the Internet website or online service; or (2) accepting compensation from a person who does not hold a license for the advertisement of certain activities relating to cannabis on the premises or through the Internet website or online service. Under **section 2**, a person who violates those prohibitions is liable for a civil penalty of not more than \$10,000,000.

Section 3 of this bill requires a civil penalty imposed pursuant to **section 2 or 10** to be recovered in a civil action by a district attorney, a city attorney or the Attorney General on his or her own initiative or at the request of the Board. **Section 3** provides for the imposition, under certain circumstances, of an additional civil penalty in such an action involving the sale of cannabis or cannabis products in an amount equal to the amount of the excise tax on cannabis for which the person would have been liable if the person had conducted the sale as a licensed cannabis establishment. Finally, **section 3** sets forth the manner in which civil penalties recovered pursuant to **section 3** must be deposited.

Section 6 of this bill requires the Board to adopt regulations establishing a program to provide for the payment of rewards to persons who provide material information to the Board that results in the commencement of a civil action and the recovery of a civil penalty by the Attorney General at the request of the Board pursuant to **section 3**. **Sections 7 and 8** of this bill authorize the Attorney General and the governing body of a city or county to establish a similar program.

Section 4 of this bill authorizes a district attorney, a city attorney or the Attorney General on his or her own initiative or at the request of the Board to bring an action to enjoin violations involving conduct described in **sections 2 and 10**. **Section 5** of this bill requires the Board to designate one or more agents of the Board for the investigation of violations involving conduct described in **sections 2 and 10** and to assist in the enforcement of those sections.

Existing law prohibits an applicant from being issued an adult-use cannabis establishment license or medical cannabis establishment license if the proposed cannabis establishment will be located: (1) on the property of an airport; (2) within a certain distance from a school or community facility; or (3) if the establishment will be located in a county whose population is 100,000 or more (currently Clark and Washoe Counties), within 1,500 feet of a gaming establishment that holds a nonrestricted gaming license. (NRS 678B.210, 678B.250, 678B.322) **Sections 11-13** of this bill authorize a proposed cannabis establishment to be located: (1) on the property of an airport; or (2) within 1,500 feet of a gaming establishment that holds a nonrestricted gaming license, if the applicant has obtained the written permission of the owner or operator of the gaming establishment.

Section 16 of this bill requires the Attorney General to notify the Governor and the Director of the Legislative Counsel Bureau if the Attorney General determines that federal law has developed in such a manner so as to recognize the authority of the states to authorize persons to engage in activities relating to cannabis. **Section 17** of this bill provides that **sections 11-13** become effective on the date on which the Attorney General provides such notice.



Existing law prohibits the production, distribution and sale of any synthetic cannabinoid. (NRS 453.572, 557.255, 678B.525) **Section 9** of this bill revises the definition of “synthetic cannabinoid” to specify that, to qualify as a synthetic cannabinoid, the cannabinoid must not have been obtained directly without the use of chemicals from a plant of the genus *Cannabis*.

Under existing law, the term “marijuana” includes any commodity or product made using hemp which exceeds the maximum THC concentration established by the State Department of Agriculture for hemp. (NRS 453.096) **Section 14** of this bill revises the definition of “marijuana” to include any other commodity or product which contains a THC concentration that exceeds the maximum THC concentration established by the State Department of Agriculture for hemp.

Existing law provides that a person who engages in certain unlawful activities involving the unlawful sale, manufacture or delivery of certain controlled substances, including marijuana, is subject to a civil penalty. (NRS 453.553) Existing law sets forth the maximum amount of such a civil penalty if the unlawful activities involved marijuana. (NRS 453.5531) **Section 15** of this bill revises those provisions to specify that if the provisions of **section 2 or 10** provide a greater civil penalty for the unlawful activities, the greater penalty must apply.

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 8, inclusive, of this act.

Sec. 2. 1. A person who owns or operates a premises, an Internet website or an online service shall not:

(a) Knowingly allow a person who does not hold a license to cultivate, manufacture, deliver, transfer, supply or sell cannabis or cannabis products in violation of the provisions of this title on the premises or through the Internet website or online service.

(b) Knowingly accept compensation from a person who does not hold a license for the advertisement of the cultivation, manufacture, delivery, transfer, supply or sale of cannabis or cannabis products by the person on the premises or through the Internet website or online service.

2. A person who violates subsection 1 is liable for a civil penalty of not more than \$10,000,000.

Sec. 3. 1. A civil penalty imposed pursuant to NRS 678A.650 or section 2 of this act must be recovered in a civil action brought by:

(a) The district attorney for the jurisdiction in which the violation occurred;

(b) The city attorney for the jurisdiction in which the violation occurred;

(c) The Attorney General, on his or her own initiative; or

(d) The Attorney General, at the request of the Board.



2. In a civil action brought pursuant to this section involving the sale of cannabis or cannabis products, if the Attorney General, district attorney or city attorney, as applicable, proves the amount of the excise tax on cannabis for which the person who engaged in the sale of cannabis or cannabis products would have been liable had the person engaged in the sale as an adult-use cannabis cultivation facility, for a sale for the purpose of resale, or adult-use cannabis retail store, for a sale for the purpose of use or consumption, the court shall order the person to pay a civil penalty in that amount in addition to any other civil penalty imposed.

3. Except as otherwise provided in subsection 4, any civil penalty recovered pursuant to this section must be deposited in:

(a) If recovered by a district attorney, the county treasury.

(b) If recovered by a city attorney, the city treasury.

(c) If recovered by the Attorney General on his or her own initiative, the State General Fund.

(d) If recovered by the Attorney General at the request of the Board, a separate account in the State General Fund. The money in the account may be used only by the Board to:

(1) Carry out the program established by the Board by regulation pursuant to section 6 of this act; and

(2) Conduct investigations concerning violations involving conduct described in NRS 678A.650 and section 2 of this act and assist in the enforcement of those sections.

4. Any civil penalty recovered pursuant to subsection 2 must be distributed in the manner set forth in NRS 372A.290 as if the money was revenue from proceeds from the excise tax on cannabis.

5. As used in this section, "excise tax on cannabis" has the meaning ascribed to it in NRS 372A.220.

Sec. 4. If a person commits a violation involving conduct described in NRS 678A.650 or section 2 of this act, the following persons may bring an action to enjoin the violation:

1. The district attorney of the county in which the violation occurs;

2. The city attorney of the city in which the violation occurs;

3. The Attorney General, on his or her own initiative; or

4. The Attorney General, at the request of the Board.

Sec. 5. The Board shall designate one or more agents of the Board for the investigation of violations involving conduct described in NRS 678A.650 and section 2 of this act and to assist in the enforcement of those sections.

Sec. 6. 1. The Board shall adopt regulations establishing a program to provide for the payment of rewards to persons who provide material information to the Board that results in the



1 commencement of a civil action and the recovery of a civil penalty
2 by the Attorney General at the request of the Board pursuant to
3 section 3 of this act.

4 2. The regulations adopted pursuant to subsection 1 must:

5 (a) Set forth criteria for determining:

6 (1) Whether information provided to the Board by a person
7 is material information that results in the commencement of a civil
8 action and the recovery of a civil penalty by the Attorney General
9 at the request of the Board pursuant to section 3 of this act; and

10 (2) The degree to which the provision of the information by
11 the person contributed to the commencement of such a civil action
12 and the recovery of such a civil penalty.

13 (b) Except as otherwise provided in paragraph (c), require the
14 amount of each reward paid to a person under the program to be
15 not less than 15 percent and not more than 30 percent of the
16 amount of the civil penalty recovered by the Attorney General at
17 the request of the Board in a civil action pursuant to section 3 of
18 this act, including, without limitation, any civil penalty recovered
19 pursuant to a settlement of such an action, as a result of the
20 material information provided by the person.

21 (c) Provide that if more than one person provided material
22 information to the Board that resulted in the recovery of a single
23 civil penalty, the total amount of the reward paid to all persons
24 who provided such material information must not exceed 30
25 percent of the amount of the civil penalty recovered.

26 (d) Set forth a method to determine the amount of a reward to
27 be paid to a person under the program. The method must, subject
28 to paragraphs (b) and (c), be based on the degree to which the
29 provision of material information by the person contributed to the
30 commencement of a civil action and the recovery of a civil penalty
31 by the Attorney General at the request of the Board pursuant to
32 section 3 of this act.

33 (e) Address such other matters as the Board deems necessary
34 to administer the program.

35 **Sec. 7. 1.** The Attorney General may adopt regulations
36 establishing a program to provide for the payment of rewards to
37 persons who provide material information to the Attorney General
38 that results in the commencement of a civil action and the
39 recovery of a civil penalty by the Attorney General on his or her
40 own initiative pursuant to section 3 of this act.

41 2. If the Attorney General adopts regulations pursuant to
42 subsection 1, the regulations must:

43 (a) Establish criteria for determining whether information
44 provided by a person is material information that results in the
45 commencement of a civil action and the recovery of a civil penalty



1 *by the Attorney General on his or her own initiative pursuant to*
2 *section 3 of this act.*

3 *(b) Set forth a method to determine the amount of a reward to*
4 *be paid to a person under the program.*

5 *(c) Address such other matters as the Attorney General deems*
6 *necessary to administer the program.*

7 **Sec. 8. 1.** *The governing body of a city or county may adopt*
8 *an ordinance establishing a program to provide for the payment of*
9 *rewards to persons who provide material information to the city or*
10 *county that results in the commencement of a civil action and the*
11 *recovery of a civil penalty by the city attorney or district attorney,*
12 *as applicable, pursuant to section 3 of this act.*

13 *2. If the governing body of a city or county adopts an*
14 *ordinance pursuant to subsection 1, the ordinance must:*

15 *(a) Establish criteria for determining whether information*
16 *provided by a person is material information that results in the*
17 *commencement of a civil action and the recovery of a civil penalty*
18 *by the city attorney or district attorney pursuant to section 3 of this*
19 *act.*

20 *(b) Set forth a method to determine the amount of a reward to*
21 *be paid to a person under the program.*

22 *(c) Address such other matters as the governing body of the*
23 *city or county deems necessary to administer the program.*

24 **Sec. 9.** NRS 678A.239 is hereby amended to read as follows:
25 678A.239 “Synthetic cannabinoid” means a cannabinoid that
26 is:

27 1. Produced artificially, whether from chemicals or from
28 recombinant biological agents, including, without limitation, yeast
29 and algae; and

30 2. ~~Is not derived~~ *Not obtained directly without the use of*
31 *chemicals* from a plant of the genus Cannabis, including, without
32 limitation, biosynthetic cannabinoids.

33 **Sec. 10.** NRS 678A.650 is hereby amended to read as follows:
34 678A.650 1. ~~IA~~ *Except as otherwise provided in subsection*
35 *2, a* person who does not hold a license and who, in violation of the
36 provisions of this title:

37 (a) Cultivates, delivers, transfers, supplies or sells cannabis;

38 (b) Manufactures, delivers, transfers, supplies or sells cannabis
39 products; or

40 (c) Advertises the sale of cannabis or cannabis products by the
41 person,

42 ~~is~~ *is* liable for a civil penalty of not more than ~~150,000 to be~~
43 ~~recovered in an action brought by the district attorney or city~~
44 ~~attorney for the jurisdiction in which the violation occurred. Any~~
45 ~~civil penalty collected by a district attorney or city attorney pursuant~~



~~to this section must be deposited in the county or city treasury, as applicable.] \$10,000,000.~~

2. ~~[The district attorney or city attorney of any county or city, respectively, in which a person engages in any of the conduct described in subsection 1 in violation of the provisions of this title may bring an action to enjoin the violation.] A person who does not hold a license and who, in violation of the provisions of this title, sells by means of an in-person transaction one ounce or less of cannabis that is not concentrated cannabis or one-eighth of an ounce or less of concentrated cannabis is liable for a civil penalty of not more than \$50,000.~~

Sec. 11. NRS 678B.210 is hereby amended to read as follows:

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

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

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

(a) The person who wishes to operate the proposed medical 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 medical cannabis establishment;

(II) The physical address where the proposed medical cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated medical 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 medical cannabis establishment was submitted to the Board ~~[H]~~ or within 300 feet of a community facility that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board ~~[or, if,]~~ ;

(III) If the proposed medical cannabis establishment will be located in a county whose population is 100,000 or more ~~[H]~~ and



1 within 1,500 feet of an establishment that holds a nonrestricted
2 gaming license described in subsection 1 or 2 of NRS 463.0177 and
3 that existed on the date on which the application for the proposed
4 medical cannabis establishment was submitted to the Board ~~(H)~~ ,
5 *evidence that the applicant has the written permission of the*
6 *owner or operator of the establishment to operate the proposed*
7 *medical cannabis establishment at that location;*

8 ~~(HH)~~ (IV) Evidence that the applicant controls not less
9 than \$250,000 in liquid assets to cover the initial expenses of
10 opening the proposed medical cannabis establishment and
11 complying with the provisions of this title;

12 ~~(HV)~~ (V) Evidence that the applicant owns the property
13 on which the proposed medical cannabis establishment will be
14 located or has the written permission of the property owner to
15 operate the proposed medical cannabis establishment on that
16 property;

17 ~~(HV)~~ (VI) For the applicant and each person who is
18 proposed to be an owner, officer or board member of the proposed
19 medical cannabis establishment, a complete set of the person's
20 fingerprints and written permission of the person authorizing the
21 Board to forward the fingerprints to the Central Repository for
22 Nevada Records of Criminal History for submission to the Federal
23 Bureau of Investigation for its report; and

24 ~~(HV)~~ (VII) The name, address and date of birth of each
25 person who is proposed to be an owner, officer or board member of
26 the proposed medical cannabis establishment;

27 (3) Operating procedures consistent with rules of the Board
28 for oversight of the proposed medical cannabis establishment,
29 including, without limitation:

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

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

34 (4) If the proposed medical cannabis establishment will sell
35 or deliver medical cannabis products, proposed operating
36 procedures for handling such products which must be preapproved
37 by the Board;

38 (5) If the city or county in which the proposed medical
39 cannabis establishment will be located has enacted zoning
40 restrictions, proof that the proposed location is in compliance with
41 those restrictions and satisfies all applicable building requirements;
42 and

43 (6) Such other information as the Board may require by
44 regulation;



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

(1) Served as an owner, officer or board member for a cannabis establishment that has had its medical cannabis establishment license or adult-use 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

(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}~~ **sub-subparagraphs** (II) **and (III)** of subparagraph (2) of paragraph (a) of subsection 3, the distance must be measured from the front door of the proposed



1 medical cannabis establishment to the closest point of the property
2 line of a school, community facility or gaming establishment.

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

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

5 (b) A public park.

6 (c) A playground.

7 (d) A public swimming pool.

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

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

13 **Sec. 12.** NRS 678B.250 is hereby amended to read as follows:

14 678B.250 1. A person shall not engage in the business of an
15 adult-use cannabis establishment unless the person holds an adult-
16 use cannabis establishment license issued pursuant to this section.

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

20 3. Except as otherwise provided in NRS 678B.260, 678B.270,
21 678B.280, 678B.322 and 678B.324 to 678B.328, inclusive, the
22 Board shall issue an adult-use cannabis establishment license to an
23 applicant if:

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

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

28 (2) An application, which must include:

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

31 (II) The physical address where the proposed adult-use
32 cannabis establishment will be located and the physical address of
33 any co-owned additional or otherwise associated adult-use cannabis
34 establishments, the locations of which may not be ~~for, on the property~~
35 ~~of an airport;~~ within 1,000 feet of a public or private school that
36 provides formal education traditionally associated with preschool or
37 kindergarten through grade 12 and that existed on the date on which
38 the application for the proposed adult-use cannabis establishment
39 was submitted to the Board ~~H~~ or within 300 feet of a community
40 facility that existed on the date on which the application for the
41 proposed adult-use cannabis establishment was submitted to the
42 Board ~~for, if;~~ ;

43 (III) If the proposed adult-use cannabis establishment
44 will be located in a county whose population is 100,000 or more ~~H~~
45 and 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 ~~(H)~~, *evidence that the applicant has the written permission of the owner or operator of the establishment to operate the proposed adult-use cannabis establishment at that location;*

~~(H)(H)~~ (IV) 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;

~~(H)(V)~~ (V) 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;

~~(H)(V)~~ (VI) 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

~~(H)(V)~~ (VII) 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 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

(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 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 applicant for licensure to operate an adult-use cannabis establishment 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 an adult-use cannabis establishment license. An adult-use 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 an adult-use cannabis license pursuant to this section, the Board shall consider the criteria of merit and scoring guidelines set forth in NRS 678B.280 or 678B.324, as applicable.

7. For the purposes of ~~[sub-subparagraph]~~ **sub-subparagraphs (II) and (III)** of subparagraph (2) of paragraph (a) of subsection 3, the distance must be measured from the front door of the proposed adult-use 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. 13. NRS 678B.322 is hereby amended to read as follows:

678B.322 1. The Board shall not issue an adult-use cannabis establishment license for a retail cannabis consumption lounge pursuant to NRS 678B.250 unless:

(a) The applicant holds an adult-use cannabis establishment license for an adult-use cannabis retail store;

(b) The adult-use cannabis retail store for which the applicant holds an adult-use cannabis establishment license is operational; and

(c) The location of the proposed retail cannabis consumption lounge is attached or immediately adjacent to the adult-use cannabis retail store for which the applicant holds an adult-use cannabis establishment license.

2. The location of a proposed retail cannabis consumption lounge ~~is:-~~

~~—(a) Except as otherwise provided in paragraph (b),~~ is not subject to the restrictions set forth in ~~{sub-subparagraph}~~ **sub-subparagraphs** (II) **and (III)** of subparagraph (2) of paragraph (a) of subsection 3 of NRS 678B.250 so long as the adult-use cannabis retail store to which the proposed retail cannabis consumption lounge is to be attached or immediately adjacent was in compliance with such requirements at the time it was issued an adult-use cannabis establishment license. ~~;- and-~~

~~—(b) Must not be on the property of an airport.]~~

Sec. 14. NRS 453.096 is hereby amended to read as follows:

453.096 1. “Marijuana” means:

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

(b) The seeds thereof;

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

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

(e) Any commodity or product made using hemp which exceeds the maximum THC concentration established by the State Department of Agriculture for hemp; ~~and~~

(f) Any product or commodity made from hemp which is manufactured or sold by a cannabis establishment which violates any regulation adopted by the Cannabis Compliance Board pursuant to paragraph (g) of subsection 1 of NRS 678A.450 relating to THC concentration ~~;- and~~



(g) Any other commodity or product which contains a THC concentration that exceeds the maximum THC concentration established by the State Department of Agriculture for hemp.

2. "Marijuana" does not include:

(a) Hemp, as defined in NRS 557.160, which is grown or cultivated pursuant to the provisions of chapter 557 of NRS;

(b) The mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination; or

(c) Any commodity or product made using hemp, as defined in NRS 557.160, which does not exceed the maximum THC concentration established by the State Department of Agriculture for hemp.

Sec. 15. NRS 453.5531 is hereby amended to read as follows:

453.5531 1. ~~The~~ Unless a greater civil penalty is authorized by NRS 678A.650 or section 2 of this act, the State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving marijuana, to a civil penalty in an amount:

(a) Not to exceed \$350,000, if the quantity involved is 100 pounds or more, but less than 2,000 pounds.

(b) Not to exceed \$700,000, if the quantity involved is 2,000 pounds or more, but less than 10,000 pounds.

(c) Not to exceed \$1,000,000, if the quantity involved is 10,000 pounds or more.

2. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving a controlled substance, except marijuana, which is listed in schedule I or a substitute therefor, to a civil penalty in an amount not to exceed \$1,000,000, if the quantity involved is 100 grams or more.

3. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving a controlled substance which is listed in schedule II or III or a substitute therefor, to a civil penalty in an amount not to exceed \$1,000,000, if the quantity involved is 400 grams or more.

4. Unless a greater civil penalty is authorized by another provision of this section, the State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving any act or transaction in violation of the provisions of NRS 453.3611 to 453.3648, inclusive, to a civil penalty in an amount not to exceed \$350,000.

5. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving any act or transaction in



violation of the provisions of NRS 453.324, 453.354, 453.355 or 453.357, to a civil penalty in an amount not to exceed \$250,000 for each violation.

6. As used in this section, “marijuana” does not include concentrated cannabis.

Sec. 16. The Attorney General shall monitor developments in federal law concerning cannabis. If, at any time, the Attorney General determines that federal law has developed in such a manner so as to recognize the authority of the states to authorize persons to engage in activities relating to cannabis, including, without limitation, the possession, delivery and production of cannabis, the Attorney General shall notify the Governor and the Director of the Legislative Counsel Bureau of that fact, and shall publish notice to the public of that fact on the Internet website of the Attorney General.

Sec. 17. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 10, inclusive, 14, 15 and 16 of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2024, for all other purposes.

3. Sections 11, 12 and 13 of this act become effective on the date on which the Attorney General, pursuant to section 16 of this act, notifies the Governor and the Director of the Legislative Counsel Bureau that federal law has developed in such a manner so as to recognize the authority of the states to authorize persons to engage in activities relating to cannabis.

