

SENATE BILL NO. 277—SENATORS D. HARRIS; FLORES, NEAL  
AND NGUYEN

MARCH 14, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to cannabis.  
(BDR 56-193)

FISCAL NOTE: Effect on Local Government: No.  
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; requiring the Cannabis Compliance Board to consider certain matters before adopting, amending or repealing any regulation; revising provisions relating to the issuance and renewal of licenses and registration cards by the Board; revising certain restrictions on sales of cannabis; eliminating provisions related to excluded felony offenses; increasing certain fees for the issuance and renewal of an adult-use cannabis establishment license; authorizing certain cannabis establishments to have more than one entrance; deeming each adult-use cannabis establishment to be a dual licensee; revising the exemption from state prosecution for certain offenses relating to cannabis to increase the amount of cannabis and concentrated cannabis that a person who is 21 years of age or older is authorized to possess, deliver or produce; revising provisions relating to the excise tax on cannabis; requiring the Cannabis Advisory Commission to conduct a study concerning certain matters relating to the scheduling of cannabis; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law provides for the licensure and regulation of persons and  
2 establishments involved in the cannabis industry in this State by the Cannabis  
3 Compliance Board. (Title 56 of NRS) Existing law sets forth the method by which  
4 the Board may adopt, amend or repeal regulations. (NRS 678A.460) **Section 1** of  
5 this bill requires the Board, before adopting, amending or repealing any regulation,



to consider whether the proposed action is likely to have an adverse effect on the environment and, if so, whether there are any methods to reduce or eliminate that adverse effect which would not impose an economic burden on holders of an adult-use cannabis establishment license or medical cannabis establishment license.

Existing law establishes different requirements for the cultivation, production and sale of cannabis and cannabis products depending upon whether the cannabis establishment engaging in such activities is an adult-use cannabis establishment or a medical cannabis establishment. (Chapters 678C and 678D of NRS) Under existing law, a person who holds both an adult-use cannabis establishment license and a medical cannabis establishment license of the same type is a “dual licensee” and is, in general, authorized to combine the operations of the adult-use cannabis establishment and medical cannabis establishment, subject to various requirements. (NRS 678A.145, 678C.410, 678C.430, 678D.430) **Section 13** of this bill deems each adult-use cannabis establishment to be a dual licensee and authorizes the establishment to engage in activities relating to the medical use of cannabis to the same extent as if the adult-use cannabis establishment held a medical cannabis establishment license of the same type. **Section 15** of this bill exempts from the excise tax imposed on retail sales of cannabis or cannabis products by an adult-use cannabis retail store any sale of cannabis for the medical use of cannabis or a medical cannabis product to the holder of a registry identification card or letter of approval by an adult-use cannabis retail store deemed to be a dual licensee pursuant to **section 13**.

**Sections 3, 5 and 6** of this bill prohibit the Board from issuing or renewing a medical cannabis establishment license on or after January 1, 2024, unless the medical cannabis establishment is located in a local governmental jurisdiction that is a “covered jurisdiction,” which **section 3** defines to mean a local governmental jurisdiction that has adopted local cannabis control measures which prohibit the operation of adult-use cannabis establishments. **Section 17** of this bill sets forth a process by which a person who holds a medical cannabis establishment license on January 1, 2024, for a medical cannabis establishment that is not located in a covered jurisdiction may apply for and be issued an adult-use cannabis establishment license of the same type. **Section 3** sets forth a similar process to allow a person who holds a medical cannabis establishment license for a medical cannabis establishment that is located in a covered jurisdiction to apply for and be issued an adult-use cannabis establishment license of the same type if the local governmental jurisdiction in which the establishment is located ceases to be a covered jurisdiction.

Existing law imposes limits on the number of: (1) medical cannabis establishment licenses for medical cannabis dispensaries and adult-use cannabis establishment licenses for adult-use cannabis retail stores that the Board is authorized to issue within a county; and (2) medical cannabis establishment licenses and adult-use cannabis establishment licenses that a single person, group of persons or entity is authorized to hold in a county whose population is 100,000 or more (currently Clark and Washoe Counties). (NRS 678B.220, 678B.230, 678B.260, 678B.270) **Sections 3 and 17** deem an adult-use cannabis establishment license issued pursuant to those sections to be a medical cannabis establishment license for the purpose of those limitations, thereby exempting such a license from the limitations applicable to adult-use cannabis establishment licenses while continuing to subject such licenses to the limitations applicable to medical cannabis establishment licenses.

**Section 10** of this bill increases the maximum amount of the fees that the Board is authorized to charge for the issuance or renewal of an adult-use cannabis establishment license.

Existing law requires a cannabis establishment that is not a cannabis sales facility to have a single secure entrance. (NRS 678B.510) **Section 11** of this bill



authorizes such a cannabis establishment to have more than one entrance so long as each entrance is secure.

Existing law provides an exemption from state prosecution for the possession, delivery and production of cannabis for: (1) a person who holds a valid registry identification card or letter of approval; and (2) a person who is 21 years of age or older. (NRS 678C.200, 678D.200) However, under existing law, that exemption is subject to certain limitations. For a person who is 21 years of age or older, that exemption applies only to the extent that the person 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; and (4) a maximum allowable quantity of adult-use cannabis products established by regulation of the Board. (NRS 678D.200) **Section 14** of this bill increases the amount of usable cannabis, from 1 ounce to 2.5 ounces, and the amount of concentrated cannabis, from one-eighth of an ounce to one-fourth of an ounce, that a person who is 21 years of age or older is authorized to possess, deliver or produce at any one time and remain subject to the exemption from state prosecution for the possession, delivery and production of cannabis.

Existing law prohibits a medical cannabis dispensary from selling to a person more than 1 ounce of cannabis in any one transaction. (NRS 678C.440) Existing regulations of the Board prohibit any cannabis sales facility from selling to any consumer an amount of cannabis or cannabis products which exceeds: (1) one ounce of usable cannabis; (2) one-eighth of an ounce of concentrated cannabis or cannabis products containing not more than 3,543 milligrams of THC; or (3) a combination of usable and concentrated cannabis not to exceed the legal limit. (Nev. Cannabis Compliance Bd. Regs. § 7.025) **Section 12** of this bill eliminates provisions prohibiting a medical cannabis dispensary from selling to a person more than 1 ounce of cannabis in any one transaction. **Section 4** of this bill instead prohibits any cannabis sales facility from selling to a person in any one transaction more than 2.5 ounces of usable cannabis or one-fourth of an ounce of concentrated cannabis.

For the purpose of the issuance by the Board of licenses and registration cards, existing law defines "excluded felony offense" to mean, with certain exceptions, an offense that would constitute a category A felony if committed in this State. (NRS 678B.050) **Sections 5 and 7** of this bill eliminate provisions which prohibit the Board from issuing a medical cannabis establishment license or an adult-use cannabis establishment license to an applicant if any of the proposed owners, officers or board members of the proposed cannabis establishment have been convicted of an excluded felony offense. Similarly, **section 8** of this bill eliminates provisions which prohibit the Board from issuing a cannabis establishment agent registration card to a person who has been convicted of an excluded felony offense.

Existing law sets forth certain grounds for the immediate revocation of a cannabis establishment agent registration card. (NRS 678B.385) **Section 9** of this bill eliminates provisions which make having committed or committing an excluded felony offense grounds for the immediate revocation of a cannabis establishment agent registration card. **Section 18** of this bill repeals the definition of "excluded felony offense" to conform to the changes made by **sections 5 and 7-9**.

Under the federal Controlled Substances Act, cannabis, referred to as "marihuana," is included in the list of controlled substances in schedule I. (21 U.S.C. § 812) Similarly, existing regulations adopted by the State Board of Pharmacy pursuant to the provisions of the state Uniform Controlled Substances Act include cannabis, referred to as "marijuana," in the list of controlled substances in schedule I. (NRS 453.011-453.348; NAC 453.510) **Section 16** of this bill requires the Cannabis Advisory Commission to conduct a study concerning the potential effects of the removal of cannabis from the list of controlled substances



116 included in schedule I pursuant to the federal Controlled Substances Act or the state  
117 Uniform Controlled Substances Act on the cannabis industry in this State.

---

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

1     **Section 1.** NRS 678A.460 is hereby amended to read as  
2 follows:

3     678A.460 1. The Board shall adopt, amend and repeal  
4 regulations in accordance with the following procedures:

5     (a) At least 30 days before a meeting of the Board at which the  
6 adoption, amendment or repeal of a regulation is considered, notice  
7 of the proposed action must be:

8         (1) Posted on the Internet website of the Board;

9         (2) Mailed to every person who has filed a request therefor  
10 with the Board; and

11         (3) When the Board deems advisable, mailed to any person  
12 whom the Board believes would be interested in the proposed  
13 action, and published in such additional form and manner as the  
14 Board prescribes.

15     (b) The notice of proposed adoption, amendment or repeal must  
16 include:

17         (1) A statement of the time, place and nature of the  
18 proceedings for adoption, amendment or repeal;

19         (2) Reference to the authority under which the action is  
20 proposed; and

21         (3) Either the express terms or an informative summary of  
22 the proposed action.

23     (c) On the date and at the time and place designated in the  
24 notice, the Board shall afford any interested person or his or her  
25 authorized representative, or both, the opportunity to present  
26 statements, arguments or contentions in writing, with or without  
27 opportunity to present them orally. ~~[The Board shall consider all~~  
28 ~~relevant matter presented to it before adopting, amending or~~  
29 ~~repealing any regulation.]~~

30     (d) *Before adopting, amending or repealing any regulation,*  
31 *the Board shall consider:*

32         (1) *Whether the proposed action is likely to have an adverse*  
33 *effect on the environment and, if so, whether there are any*  
34 *methods to reduce or eliminate that adverse effect which would*  
35 *not impose an economic burden upon licensees; and*

36         (2) *All relevant matter presented to the Board.*

37     (e) Any interested person may file a petition with the Board  
38 requesting the adoption, amendment or repeal of a regulation. The  
39 petition must state, clearly and concisely:



1 (1) The substance or nature of the regulation, amendment or  
2 repeal requested;

3 (2) The reasons for the request; and

4 (3) Reference to the authority of the Board to take the action  
5 requested.

6 ➡ Upon receipt of the petition, the Board shall within 45 days deny  
7 the request in writing or schedule the matter for action pursuant to  
8 this subsection.

9 2. In emergencies, the Board may summarily adopt, amend or  
10 repeal any regulation if:

11 (a) The Board submits to the Governor:

12 (1) A written finding that such action is necessary for the  
13 immediate preservation of the public peace, health, safety, morals,  
14 good order or general welfare; and

15 (2) A written statement of the facts constituting an  
16 emergency;

17 (b) The Governor endorses the written finding and written  
18 statement described in paragraph (a) by written endorsement at the  
19 end of the full text of the written statement and written finding; and

20 (c) The Board files the written statement and written finding  
21 endorsed by the Governor at the same time it adopts, amends or  
22 repeals the regulation.

23 3. In any hearing held pursuant to this section, the Board or its  
24 authorized representative may administer oaths or affirmations, and  
25 may continue or postpone the hearing from time to time and at such  
26 places as it prescribes.

27 4. The Board shall file a copy of any regulation adopted,  
28 amended or repealed by the Board with the Legislative Counsel as  
29 soon as practicable after adoption, amendment or repeal. The  
30 adoption, amendment or repeal of a regulation by the Board  
31 becomes effective upon filing with the Secretary of State. The Board  
32 shall not file a regulation with the Secretary of State until 15 days  
33 after the date on which the regulation was adopted, amended or  
34 repealed by the Board.

35 5. Upon the request of a Legislator, the Legislative  
36 Commission may examine a regulation adopted, amended or  
37 repealed by the Board that is not yet effective pursuant to subsection  
38 4 to determine whether the regulation conforms to the statutory  
39 authority pursuant to which it was adopted and whether the  
40 regulation carries out the intent of the Legislature in granting that  
41 authority.

42 6. Except as otherwise provided in subsection 7, the  
43 Legislative Commission shall:



(a) Review the regulation at its next regularly scheduled meeting if the request for examination of the regulation is received more than 10 working days before the meeting; or

(b) Refer the regulation for review to the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067.

7. If the Board determines that an emergency exists which requires a regulation of the Board for which a Legislator requested an examination pursuant to subsection 5 to become effective before the next meeting of the Legislative Commission is scheduled to be held, the Board may notify the Legislative Counsel in writing of the emergency. Upon receipt of such a notice, the Legislative Counsel shall refer the regulation for review by the Subcommittee to Review Regulations as soon as practicable.

8. If the Legislative Commission, or the Subcommittee to Review Regulations if the regulation was referred to the Subcommittee, approves the regulation, the Legislative Counsel shall notify the Board that the Board may file the regulation with the Secretary of State. If the Commission or the Subcommittee objects to the regulation after determining that:

(a) The regulation does not conform to statutory authority; or

(b) The regulation does not carry out legislative intent, the Legislative Counsel shall attach to the regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the regulation to the Board.

9. If the Legislative Commission or the Subcommittee to Review Regulations has objected to a regulation, the Board shall revise the regulation to conform to the statutory authority pursuant to which it was adopted and to carry out the intent of the Legislature in granting that authority and return it to the Legislative Counsel within 60 days after the Board received the written notice of the objection to the regulation pursuant to subsection 8. Upon receipt of the revised regulation, the Legislative Counsel shall resubmit the regulation to the Legislative Commission or the Subcommittee for review. If the Legislative Commission or the Subcommittee approves the revised regulation, the Legislative Counsel shall notify the Board that the Board may file the revised regulation with the Secretary of State.

10. If the Legislative Commission or the Subcommittee to Review Regulations objects to the revised regulation, the Legislative Counsel shall attach to the revised regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the revised regulation to the Board. The Board shall continue to revise the regulation and



1 resubmit it to the Legislative Commission or the Subcommittee  
2 within 30 days after the Board receives a written notice of the  
3 objection to the revised regulation.

4 **Sec. 2.** Chapter 678B of NRS is hereby amended by adding  
5 thereto the provisions set forth as sections 3 and 4 of this act.

6 **Sec. 3. 1.** *Except as otherwise provided in this section, the*  
7 *Board shall not, on or after January 1, 2024, issue any additional*  
8 *medical cannabis establishment licenses or renew a medical*  
9 *cannabis establishment license pursuant to NRS 678B.210.*

10 **2.** *The Board may, on or after January 1, 2024:*

11 *(a) Issue a medical cannabis establishment license to an*  
12 *applicant pursuant to NRS 678B.210 if the proposed medical*  
13 *cannabis establishment will be located in a local governmental*  
14 *jurisdiction that is a covered jurisdiction.*

15 *(b) Renew the medical cannabis establishment license of a*  
16 *medical cannabis establishment pursuant to NRS 678B.210 so*  
17 *long as the local governmental jurisdiction in which the medical*  
18 *cannabis establishment is located is a covered jurisdiction.*

19 **3.** *If a local governmental jurisdiction that is a covered*  
20 *jurisdiction ceases to be a covered jurisdiction, a person who holds*  
21 *a medical cannabis establishment license for a medical cannabis*  
22 *establishment located in the local governmental jurisdiction may,*  
23 *upon expiration of the license, submit an application to the Board*  
24 *for the issuance of an adult-use cannabis establishment license of*  
25 *the same type.*

26 **4.** *An application submitted pursuant to subsection 3 must:*

27 *(a) Contain the same information as required for the renewal*  
28 *of a medical cannabis establishment license pursuant to NRS*  
29 *678B.210; and*

30 *(b) Be accompanied by a fee in an amount that is equal to the*  
31 *fee for the renewal of an adult-use cannabis establishment license*  
32 *of the same type as that of the medical cannabis establishment*  
33 *license which has expired, as set forth in NRS 678B.390.*

34 **5.** *If the Board determines that the applicant would have been*  
35 *eligible to renew the medical cannabis establishment license which*  
36 *has expired, the Board shall issue to the applicant an adult-use*  
37 *cannabis establishment license of the same type.*

38 **6.** *Except as otherwise provided in subsection 7, an adult-use*  
39 *cannabis establishment license issued by the Board pursuant to*  
40 *this section shall be deemed to be an adult-use cannabis*  
41 *establishment license issued by the Board pursuant to*  
42 *NRS 678B.250.*

43 **7.** *An adult-use cannabis establishment license issued by the*  
44 *Board pursuant to this section shall be deemed to be medical*



*cannabis establishment license of the same type for the purposes of NRS 678B.220, 678B.230, 678B.260 and 678B.270.*

*8. As used in this section:*

*(a) "Covered jurisdiction" means a local governmental jurisdiction that has adopted local cannabis control measures which prohibit the operation of adult-use cannabis establishments in the local governmental jurisdiction.*

*(b) "Local governmental jurisdiction" means a city or unincorporated area within a county.*

**Sec. 4.** *A cannabis sales facility shall not sell to a person, in any one transaction, more than 2.5 ounces of usable cannabis or more than one-fourth of an ounce of concentrated cannabis.*

**Sec. 5.** 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, *and section 3 of this act*, 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, 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 the





1 proposed medical cannabis establishment will be located in a county  
2 whose population is 100,000 or more, within 1,500 feet of an  
3 establishment that holds a nonrestricted gaming license described in  
4 subsection 1 or 2 of NRS 463.0177 and that existed on the date on  
5 which the application for the proposed medical cannabis  
6 establishment was submitted to the Board;

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

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

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

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

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

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

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

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

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

41 (6) Such other information as the Board may require by  
42 regulation;

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



1 ~~—(e)~~ None of the persons who are proposed to be owners,  
2 officers or board members of the proposed medical cannabis  
3 establishment have:

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

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

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

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

14 ~~[(d)]~~ (c) None of the persons who are proposed to be owners,  
15 officers or board members of the proposed medical cannabis  
16 establishment are under 21 years of age.

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

24 5. Except as otherwise provided in subsection 6 ~~[(h)]~~ and section  
25 3 of this act, if an application for registration as a medical cannabis  
26 establishment satisfies the requirements of this section, is qualified  
27 in the determination of the Board pursuant to NRS 678B.200 and  
28 the establishment is not disqualified from being registered as a  
29 medical cannabis establishment pursuant to this section or other  
30 applicable law, the Board shall issue to the establishment a medical  
31 cannabis establishment license. A medical cannabis establishment  
32 license expires 1 year after the date of issuance and may be renewed  
33 upon:

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

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

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

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

45 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. 6.** NRS 678B.220 is hereby amended to read as follows:

678B.220 1. Except as otherwise provided in this section and NRS 678B.230, *and section 3 of this act*, the Board shall issue medical cannabis establishment licenses for medical cannabis dispensaries in the following quantities for applicants who qualify pursuant to NRS 678B.210:

(a) In a county whose population is 700,000 or more, 40 licenses;

(b) In a county whose population is 100,000 or more but less than 700,000, 10 licenses;

(c) In a county whose population is 55,000 or more but less than 100,000, two licenses;

(d) In each other county, one license; and

(e) For each incorporated city in a county whose population is less than 100,000, one license.

2. The Board:

(a) Shall not issue medical cannabis establishment licenses for medical cannabis dispensaries in such a quantity as to cause the existence within the applicable county of more than one medical cannabis dispensary for every 10 pharmacies that have been licensed in the county pursuant to chapter 639 of NRS. The Board may issue medical cannabis establishment licenses for medical cannabis dispensaries in excess of the ratio otherwise allowed pursuant to this paragraph if doing so is necessary to ensure that the Board issues at least one medical cannabis establishment license in each county of this State and, pursuant to paragraph (e) of subsection 1, each incorporated city of this State in which the Board has approved an application for such an establishment to operate.

(b) Shall, for any county for which no applicants qualify pursuant to NRS 678B.210, within 2 months after the end of the period during which the Board accepts applications pursuant to NRS 678B.300, reallocate the licenses provided for that county pursuant to subsection 1 to the other counties specified in subsection 1 in the same proportion as provided in subsection 1.

3. With respect to medical cannabis establishments that are not medical cannabis dispensaries, the Board shall:



(a) Issue a medical cannabis establishment license to at least one medical cannabis cultivation facility and at least one medical cannabis production facility in each county; and

(b) Determine the appropriate number of additional such establishments in each county as are necessary to serve and supply the medical cannabis dispensaries to which the Board has granted medical cannabis establishment licenses and issue such a number of medical cannabis establishment licenses for such establishments in each county.

**Sec. 7.** 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, within 300 feet of a community facility 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 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))~~ (c) 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 (II) 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. 8.** NRS 678B.340 is hereby amended to read as follows:

678B.340 1. Except as otherwise provided in any policies and procedures adopted by the Board pursuant to paragraph (e) of



1 subsection 1 of NRS 678A.450, a person shall not hold an  
2 ownership interest in a cannabis establishment of less than 5  
3 percent, volunteer or work at, contract to provide labor to or be  
4 employed by an independent contractor to provide labor to a  
5 cannabis establishment as a cannabis establishment agent unless the  
6 person is registered with the Board pursuant to this section.

7 2. A person who wishes to volunteer or work at a cannabis  
8 establishment shall submit to the Board an application on a form  
9 prescribed by the Board. The application must be accompanied by:

10 (a) The name, address and date of birth of the prospective  
11 cannabis establishment agent;

12 (b) A statement signed by the prospective cannabis  
13 establishment agent pledging not to dispense or otherwise divert  
14 cannabis to any person who is not authorized to possess cannabis in  
15 accordance with the provisions of this title;

16 (c) A statement signed by the prospective cannabis  
17 establishment agent asserting that he or she has not previously had a  
18 cannabis establishment agent registration card revoked;

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

20 (e) Such other information as the Board may require by  
21 regulation.

22 3. A person who wishes to contract to provide labor to or be  
23 employed by an independent contractor to provide labor to a  
24 cannabis establishment shall submit to the Board an application on a  
25 form prescribed by the Board for the registration of the independent  
26 contractor and each employee of the independent contractor who  
27 will provide labor as a cannabis establishment agent. The  
28 application must be accompanied by:

29 (a) The name, address and, if the prospective cannabis  
30 establishment agent has a state business license, the business  
31 identification number assigned by the Secretary of State upon  
32 compliance with the provisions of chapter 76 of NRS;

33 (b) The name, address and date of birth of each employee of the  
34 prospective cannabis establishment agent who will provide labor as  
35 a cannabis establishment agent;

36 (c) A statement signed by the prospective cannabis  
37 establishment agent pledging not to dispense or otherwise divert  
38 cannabis to, or allow any of its employees to dispense or otherwise  
39 divert cannabis to, any person who is not authorized to possess  
40 cannabis in accordance with the provisions of this title;

41 (d) A statement signed by the prospective cannabis  
42 establishment agent asserting that it has not previously had a  
43 cannabis establishment agent registration card revoked and that  
44 none of its employees who will provide labor as a cannabis



1 establishment agent have previously had a cannabis establishment  
2 agent registration card revoked;

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

4 (f) Such other information as the Board may require by  
5 regulation.

6 4. Except as otherwise provided in any policies and procedures  
7 adopted by the Board pursuant to paragraph (e) of subsection 1 of  
8 NRS 678A.450, a person who wishes to hold an ownership interest  
9 in a cannabis establishment of less than 5 percent shall submit to the  
10 Board an application on a form prescribed by the Board. The  
11 application must be accompanied by:

12 (a) The name, address and date of birth of the prospective  
13 cannabis establishment agent;

14 (b) A statement signed by the prospective cannabis  
15 establishment agent pledging not to dispense or otherwise divert  
16 cannabis to any person who is not authorized to possess cannabis in  
17 accordance with the provisions of this title;

18 (c) A statement signed by the prospective cannabis  
19 establishment agent asserting that he or she has not previously had a  
20 cannabis establishment agent registration card revoked;

21 (d) Any information required by the Board to complete an  
22 investigation into the background of the prospective cannabis  
23 establishment agent, including, without limitation, financial records  
24 and other information relating to the business affairs of the  
25 prospective cannabis establishment agent;

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

27 (f) Such other information as the Board may require by  
28 regulation.

29 5. The Board may conduct any investigation of a prospective  
30 cannabis establishment agent and, for an independent contractor,  
31 each employee of the prospective cannabis establishment agent who  
32 will provide labor as a cannabis establishment agent, that the Board  
33 deems appropriate. In connection with such an investigation, the  
34 Board may:

35 (a) Conduct or accept any background check the Board  
36 determines to be reliable and expedient to determine the criminal  
37 history of the prospective cannabis establishment agent or the  
38 employee;

39 (b) Require a prospective cannabis establishment agent, if a  
40 natural person, and each employee of a prospective cannabis  
41 establishment agent who will provide labor as a cannabis  
42 establishment agent to submit to the Board a complete set of  
43 fingerprints and written permission authorizing the Board to forward  
44 the fingerprints to the Central Repository for Nevada Records of





Criminal History for submission to the Federal Bureau of Investigation for its report; and

(c) If the Board imposes the requirement described in paragraph (b), submit the fingerprints of the prospective cannabis establishment agent and each employee of the prospective cannabis establishment agent who will provide labor as a cannabis establishment agent to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

6. A cannabis establishment shall notify the Board within 10 business days after a cannabis establishment agent ceases to hold an ownership interest in the cannabis establishment of less than 5 percent, be employed by, volunteer at or provide labor as a cannabis establishment agent to the cannabis establishment.

7. A person who:

(a) ~~Has been convicted of an excluded felony offense;~~  
~~(b)~~ Is less than 21 years of age; or

~~(e)~~ (b) Is not qualified, in the determination of the Board pursuant to NRS 678B.200,

shall not serve as a cannabis establishment agent.

8. The provisions of this section do not require a person who is an owner, officer or board member of a cannabis establishment to resubmit information already furnished to the Board at the time the establishment was licensed with the Board.

9. If an applicant for registration as a cannabis establishment agent satisfies the requirements of this section, is found to be qualified by the Board pursuant to NRS 678B.200 and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the Board shall issue to the person and, for an independent contractor, to each person identified in the independent contractor's application for registration as an employee who will provide labor as a cannabis establishment agent, a cannabis establishment agent registration card. If the Board does not act upon an application for a cannabis establishment agent registration card within 45 days after the date on which the application is received, the application shall be deemed conditionally approved until such time as the Board acts upon the application. A cannabis establishment agent registration card expires 2 years after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and

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

10. A person to whom a cannabis establishment agent registration card is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in



the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.

11. A cannabis establishment agent registration card issued pursuant to this section to an independent contractor or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any cannabis establishment in this State.

12. A cannabis establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a medical cannabis establishment authorizes the person to volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.

13. Except as otherwise prescribed by regulation of the Board, an applicant for registration or renewal of registration as a cannabis establishment agent is deemed temporarily registered as a cannabis establishment agent on the date on which a complete application for registration or renewal of registration is submitted to the Board. A temporary registration as a cannabis establishment agent expires 45 days after the date upon which the application is received.

**Sec. 9.** NRS 678B.385 is hereby amended to read as follows:

678B.385 The following acts constitute grounds for the immediate revocation of the cannabis establishment agent registration card of a cannabis establishment agent:

1. ~~Having committed or committing any excluded felony offense.~~

~~2.~~ Dispensing, delivering or otherwise transferring cannabis to a person who is not authorized by law to possess cannabis in accordance with the provisions of this title.

~~3.~~ Having been electronically recorded by a video monitoring system stealing cannabis or cannabis products.

~~4.~~ Having been convicted of any crime involving the theft of cannabis or cannabis products.

~~5.~~ Having been electronically recorded by a video monitoring system smoking or otherwise consuming cannabis on the premises of a cannabis establishment.

~~6.~~ Intentionally submitting to the Board or a local government any document required under the provisions of this title which is false or contains any material misstatement of fact.

~~7.~~ Violating a regulation of the Board, the violation of which is stated to be grounds for immediate revocation of a cannabis establishment agent registration card.



**Sec. 10.** NRS 678B.390 is hereby amended to read as follows:  
678B.390 1. Except as otherwise provided in subsection 3,  
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 .....	<del>[20,000]</del> 50,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store .....	<del>[6,600]</del> 9,215
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility .....	<del>[30,000]</del> 33,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility .....	<del>[10,000]</del> 11,054
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility .....	<del>[10,000]</del> 13,000



1	For the renewal of an adult-use cannabis	
2	establishment license for an adult-use	
3	cannabis production facility .....	<del>[\$3,300]</del> \$4,414
4	For the initial issuance of an adult-use	
5	cannabis establishment license for an	
6	adult-use cannabis independent testing	
7	laboratory .....	<del>[\$15,000]</del> 20,000
8	For the renewal of an adult-use cannabis	
9	establishment license for an adult-use	
10	cannabis independent testing	
11	laboratory .....	<del>[\$5,000]</del> 8,000
12	For the initial issuance of an adult-use	
13	cannabis establishment license for a	
14	retail cannabis consumption lounge .....	10,000
15	For the renewal of an adult-use cannabis	
16	establishment license for a retail	
17	cannabis consumption lounge .....	10,000
18	For the initial issuance of an adult-use	
19	cannabis establishment license for an	
20	independent cannabis consumption	
21	lounge .....	10,000
22	For the renewal of an adult-use cannabis	
23	establishment license for an	
24	independent cannabis consumption	
25	lounge .....	10,000
26	For the initial issuance of an adult-use	
27	cannabis establishment license for an	
28	adult-use cannabis distributor .....	15,000
29	For the renewal of an adult-use cannabis	
30	establishment license for an adult-use	
31	cannabis distributor .....	5,000
32	For each person identified in an	
33	application for the initial issuance of a	
34	cannabis establishment agent	
35	registration card .....	150
36	For each person identified in an	
37	application for the renewal of a	
38	cannabis establishment agent	
39	registration card .....	150

40  
41 2. 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

45 (b) The application fee set forth in subsection 3,



\* S B 2 7 7 \*

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

4 3. Except as otherwise provided in subsection 2, in addition to  
5 the fees described in subsection 1, each applicant for a medical  
6 cannabis establishment license *pursuant to NRS 678B.210* or adult-  
7 use cannabis establishment license *pursuant to NRS 678B.250* must  
8 pay to the Board:

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

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

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

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

22 4. Any revenue generated from the fees imposed pursuant to  
23 this section:

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

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

30 **Sec. 11.** NRS 678B.510 is hereby amended to read as follows:

31 678B.510 1. The operating documents of a cannabis  
32 establishment must include procedures:

33 (a) For the oversight of the cannabis establishment; and

34 (b) To ensure accurate recordkeeping.

35 2. Except as otherwise provided in this subsection, a cannabis  
36 establishment:

37 (a) That is a cannabis sales facility must have a single entrance  
38 for patrons, which must be secure, and shall implement strict  
39 security measures to deter and prevent the theft of cannabis and  
40 unauthorized entrance into areas containing cannabis.

41 (b) That is not a cannabis sales facility ~~{must}~~ *may* have ~~{a~~  
42 ~~single secure}~~ *more than one* entrance *so long as each entrance is*  
43 *secure* and shall implement strict security measures to deter and  
44 prevent the theft of cannabis and unauthorized entrance into areas  
45 containing cannabis.



1 ➡ The provisions of this subsection do not supersede any state or  
2 local requirements relating to minimum numbers of points of entry  
3 or exit, or any state or local requirements relating to fire safety.

4 3. Except as otherwise provided in NRS 678D.400, all  
5 cultivation or production of cannabis that a cannabis cultivation  
6 facility carries out or causes to be carried out must take place in an  
7 enclosed, locked facility at the physical address provided to the  
8 Board during the licensing process for the cannabis cultivation  
9 facility. Such an enclosed, locked facility must be accessible only by  
10 cannabis establishment agents who are lawfully associated with the  
11 cannabis cultivation facility, except that limited access by persons  
12 necessary to perform construction or repairs or provide other labor  
13 is permissible if such persons are supervised by a cannabis  
14 establishment agent.

15 4. A cannabis establishment that is not a cannabis consumption  
16 lounge shall not allow any person to consume cannabis on the  
17 property or premises of the establishment.

18 5. Cannabis establishments are subject to reasonable inspection  
19 by the Board at any time, and a person who holds a license must  
20 make himself or herself, or a designee thereof, available and present  
21 for any inspection by the Board of the cannabis establishment.

22 6. Each cannabis establishment shall install a video monitoring  
23 system which must, at a minimum:

24 (a) Allow for the transmission and storage, by digital or analog  
25 means, of a video feed which displays the interior and exterior of the  
26 cannabis establishment; and

27 (b) Be capable of being accessed remotely by a law enforcement  
28 agency in real-time upon request.

29 7. A cannabis establishment shall not dispense or otherwise sell  
30 cannabis or cannabis products from a vending machine or allow  
31 such a vending machine to be installed at the interior or exterior of  
32 the premises of the cannabis establishment. As used in this  
33 subsection, "vending machine" has the meaning ascribed to it in  
34 NRS 209.229.

35 **Sec. 12.** NRS 678C.440 is hereby amended to read as follows:

36 678C.440 1. Each medical cannabis dispensary shall ensure  
37 all of the following:

38 (a) The weight, concentration and content of THC in all  
39 cannabis and cannabis products that the dispensary sells is clearly  
40 and accurately stated on the product sold.

41 (b) ~~{That the dispensary does not sell to a person, in any one~~  
42 ~~transaction, more than 1 ounce of cannabis.~~

43 ~~—(e)}~~ That, posted clearly and conspicuously within the  
44 dispensary, are the legal limits on the possession of cannabis for  
45 medical purposes, as set forth in NRS 678C.200.



~~[(d)]~~ (c) That, posted clearly and conspicuously within the dispensary, is a sign stating unambiguously the legal limits on the possession of cannabis for medical purposes, as set forth in NRS 678C.200.

~~[(e)]~~ (d) That only persons who are at least 21 years of age or hold a registry identification card or letter of approval are allowed to enter the premises of the medical cannabis dispensary.

2. A medical cannabis dispensary may, but is not required to, track the purchases of cannabis for medical purposes by any person to ensure that the person does not exceed the legal limits on the possession of cannabis for medical purposes, as set forth in NRS 678C.200. The Board shall not adopt a regulation or in any other way require a medical cannabis dispensary to track the purchases of a person or determine whether the person has exceeded the legal limits on the possession of cannabis for medical purposes, as set forth in NRS 678C.200.

3. A medical cannabis dispensary which is a dual licensee may, to the extent authorized by the regulations adopted by the Board pursuant to subsection 7 of NRS 678B.650, allow any person who is at least 21 years of age to enter the premises of the medical cannabis dispensary, regardless of whether such a person holds a valid registry identification card or letter of approval.

4. A medical cannabis dispensary shall not sell cannabis or cannabis products to a consumer through the use of, or accept a sale of cannabis or cannabis products from, a third party, intermediary business, broker or any other business that does not hold a medical cannabis establishment license for a medical cannabis dispensary.

5. A medical cannabis dispensary may contract with a third party or intermediary business to deliver cannabis or medical cannabis products to consumers only if:

(a) Every sale of cannabis or cannabis products which is delivered by the third party or intermediary business is made directly from the medical cannabis dispensary or an Internet website, digital network or software application service of the medical cannabis dispensary;

(b) The third party or intermediary business does not advertise that it sells, offers to sell or appears to sell cannabis or cannabis products or allows the submission of an order for cannabis or cannabis products; and

(c) The delivery complies with the requirements of NRS 678C.450.

**Sec. 13.** Chapter 678D of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Each adult-use cannabis establishment shall be deemed to be a dual licensee for the purposes of this title and may engage in*



*any activity relating to the medical use of cannabis in the same manner and to the same extent as if the adult-use cannabis establishment also held a medical cannabis establishment license of the same type for which the establishment holds an adult-use cannabis establishment license.*

*2. An adult-use cannabis establishment that engages in activities involving the medical use of cannabis pursuant to this section shall comply with all provisions of this title and the regulations adopted pursuant thereto applicable to a dual licensee, including, without limitation, any provisions governing the specific activity relating to the medical use of cannabis in which the establishment is engaged.*

*3. The Board may adopt any regulations necessary to carry out the provisions of this section.*

**Sec. 14.** 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}~~ *Two and one-half ounces* of usable cannabis;

(2) ~~{One-eighth}~~ *One-fourth* 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}~~ *2.5 ounces* or less of usable cannabis or ~~{one-eighth}~~ *one-fourth* 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 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. 15.** 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]~~ *Except as otherwise provided in subsection 8, 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 or cannabis consumption lounge 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. *The excise tax imposed pursuant to subsection 3 does not apply to a sale of cannabis for the medical use of cannabis or a medical cannabis product to the holder of a registry identification card or letter of approval by an adult-use cannabis retail store that has been deemed to be a dual licensee pursuant to section 13 of this act.*

9. 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) *“Letter of approval” has the meaning ascribed to it in NRS 678C.070.*

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

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

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

~~((f))~~ (g) *“Medical cannabis product” has the meaning ascribed to it in NRS 678A.200.*

(h) *“Medical use of cannabis” has the meaning ascribed to it in NRS 678A.215.*

(i) *“Registry identification card” has the meaning ascribed to it in NRS 678C.080.*



(j) “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. 16.** 1. The Cannabis Advisory Commission created by NRS 678A.300 shall conduct a study concerning the potential effects on the cannabis industry in this State if cannabis were to be removed from the list of controlled substances included in schedule I pursuant to the Uniform Controlled Substances Act or the federal Controlled Substances Act. The study must include, without limitation:

(a) An examination of federal and state laws and regulations concerning cannabis and what effect the removal of cannabis from the list of controlled substances included in schedule I pursuant to the Uniform Controlled Substances Act or the federal Controlled Substances Act would have on such laws and regulations; and

(b) Recommendations for changes to the manner in which cannabis is regulated and taxed in this State that may be necessary to ensure the continued growth and success of the cannabis industry in this State if cannabis were to be removed from the list of controlled substances included in schedule I pursuant to the Uniform Controlled Substances Act or the federal Controlled Substances Act.

2. On or before March 1, 2024, the Cannabis Advisory Commission shall submit a report of its findings, including, without limitation, any recommendations for legislation, to:

(a) The Joint Interim Standing Committee on the Judiciary; and

(b) The Director of the Legislative Counsel Bureau for transmittal to the 83rd Session of the Nevada Legislature.

3. As used in this section:

(a) “Cannabis” has the meaning ascribed to it in NRS 678A.085.

(b) “Federal Controlled Substances Act” means the federal Controlled Substances Act, as amended, 21 U.S.C. §§ 801 et seq.

**Sec. 17.** 1. Except as otherwise provided in this section, a person who, on January 1, 2024, holds a medical cannabis establishment license for a medical cannabis establishment which is not located in a covered jurisdiction and which has been renewed by the person at least one time may, upon expiration of the license, submit an application to the Board for the issuance of an adult-use cannabis establishment license of the same type.

2. An application submitted pursuant to subsection 1 must:

(a) Contain the same information as required for the renewal of a medical cannabis establishment license pursuant to NRS 678B.210; and



(b) Be accompanied by a fee in an amount that is equal to the fee for the renewal of an adult-use cannabis establishment license of the same type as that of the medical cannabis establishment license which has expired, as set forth in NRS 678B.390, as amended by section 10 of this act.

3. If the Board determines that the applicant would have been eligible to renew the medical cannabis establishment license which has expired, the Board shall issue to the applicant an adult-use cannabis establishment license of the same type.

4. Notwithstanding the provisions of section 4 of this act, a person who, on January 1, 2024, holds a medical cannabis establishment license for a medical cannabis establishment which is not located in a covered jurisdiction and which has never been renewed by the person may renew the license pursuant to NRS 678B.210 one time. Upon expiration of the license after the first renewal of the license, the person may apply for and be issued an adult-use cannabis establishment license of the same type in the manner provided in subsections 1, 2 and 3.

5. Except as otherwise provided in subsection 6, an adult-use cannabis establishment license issued by the Board pursuant to this section shall be deemed to be an adult-use cannabis establishment license issued by the Board pursuant to NRS 678B.250.

6. An adult-use cannabis establishment license issued by the Board pursuant to this section shall be deemed to be a medical cannabis establishment license of the same type for the purposes of NRS 678B.220, 678B.230, 678B.260 and 678B.270.

7. A person who, on January 1, 2024, holds both an adult-use cannabis establishment license and a medical cannabis establishment license of the same type may not, pursuant to this section, apply for and be issued an additional adult-use cannabis establishment license upon the expiration of the medical cannabis establishment license of the person.

8. The Board may refuse to issue an adult-use cannabis establishment license pursuant to this section to a person who holds a medical cannabis establishment license on January 1, 2024, if:

(a) The person obtained the medical cannabis establishment license through a transfer in accordance with the regulations adopted by the Board pursuant to NRS 678B.380 which occurred on or after July 1, 2023, and on or before December 31, 2023; and

(b) The Board determines that:

(1) The transfer by which the person obtained the license was not made in good faith; and

(2) Issuing the person an adult-use cannabis establishment license would be against the public interest.

9. As used in this section:



(a) “Adult-use cannabis establishment license” has the meaning ascribed to it in NRS 678A.040.

(b) “Board” means the Cannabis Compliance Board.

(c) “Covered jurisdiction” has the meaning ascribed to it in section 3 of this act.

(d) “Medical cannabis establishment license” has the meaning ascribed to it in NRS 678A.185.

**Sec. 18.** NRS 678B.050 is hereby repealed.

**Sec. 19.** 1. This section becomes effective upon passage and approval.

2. Section 16 of this act becomes effective on July 1, 2023.

3. Sections 1 to 15, inclusive, 17 and 18 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.

---

---

### TEXT OF REPEALED SECTION

---

---

#### **678B.050 “Excluded felony offense” defined.**

1. “Excluded felony offense” means a conviction of an offense that would constitute a category A felony if committed in this State or convictions for two or more offenses that would constitute felonies if committed in this State.

2. The term does not include:

(a) A criminal offense for which the sentence, including any term of probation, incarceration or supervised release, was completed more than 10 years ago; or

(b) An offense involving conduct that would be immune from arrest, prosecution, or penalty pursuant to this title, except that the conduct occurred before October 1, 2001, or was prosecuted by an authority other than the State of Nevada.

