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SENATE BILL NO. 33—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE CANNABIS COMPLIANCE BOARD)

PREFILED NOVEMBER 16, 2022

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Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions related to cannabis.  
(BDR 56-277)

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

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

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AN ACT relating to cannabis; revising provisions relating to the powers and duties of the Cannabis Compliance Board; revising provisions relating to the confidentiality of certain information obtained by the Board; revising various definitions relating to cannabis; revising procedures by which the Board may adopt, amend or repeal a regulation; revising provisions governing applications for and the issuance of licenses and registration cards by the Board; requiring the Board to conduct certain investigations; prohibiting, with certain exceptions, a cannabis establishment that is not an adult-use cannabis distributor from transporting cannabis or cannabis products between cannabis establishments or between the buildings of a cannabis establishment; revising provisions relating to cannabis establishment agents; revising certain requirements and restrictions concerning the operation of a cannabis establishment; setting forth certain grounds for the immediate revocation or summary suspension of a cannabis establishment agent registration card; prohibiting certain acts relating to the transfer of licenses; exempting certain persons from state prosecution for certain criminal offenses relating to cannabis under certain circumstances; expanding the list of persons associated with the Board on which the powers of a peace officer are conferred; making various other changes relating to the regulation of cannabis; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

Existing law provides for the licensure and regulation of persons and establishments involved in the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS) **Section 2** of this bill authorizes the Board to exercise any proper power and authority necessary to perform the duties assigned to it by the Legislature. **Section 14** of this bill authorizes the Board to take certain actions concerning the enforcement of the provisions of existing law governing the medical and adult-use of cannabis. **Sections 3, 4, 17 and 62** of this bill revise provisions relating to the confidentiality of certain information obtained by the Board.

Existing law sets forth procedures by which the Board may adopt, amend or repeal regulations. (NRS 678A.460) **Section 16** of this bill: (1) specifically authorizes the Board to postpone consideration of the adoption, amendment or repeal of a regulation for further consideration by the Board at a later meeting; and (2) requires a petition requesting the Board to adopt, amend or repeal a regulation to include information required by the Board by regulation along with the other information required by existing law.

Existing law provides that an application to receive a license or registration card constitutes a request for a determination of the applicant's general character, integrity and ability to participate or engage in, or be associated with a cannabis establishment. (NRS 678B.200) **Section 28** of this bill clarifies that an application to receive a license or registration card subjects an applicant to the jurisdiction of the Board.

Existing law sets forth various procedures and requirements for the issuance to a person of a license to operate a cannabis establishment, which vary based upon whether the person seeks to operate a medical cannabis establishment or an adult-use cannabis establishment. (NRS 678B.210, 678B.250) **Section 65** of this bill repeals certain requirements and procedures relating to the issuance of a medical cannabis establishment license. **Sections 31, 33 and 35** of this bill instead provide, in general, for standardized procedures and requirements for the issuance of an adult-use cannabis establishment license and a medical cannabis establishment license. **Sections 8-12 and 58** of this bill make conforming changes to reflect the repeal of certain provisions relating to the issuance of a medical cannabis establishment license.

Under existing law, a person who wishes to operate a cannabis establishment is required to submit to the Board an application that includes certain information, including the physical address where the proposed cannabis establishment will be located. (NRS 678B.210, 678B.250) **Section 31** revises certain requirements for the application for a license to, among other things, eliminate the requirement that an applicant submit to the Board the physical address of the proposed cannabis establishment before the issuance of a license. **Section 31** requires the applicant to instead identify the local governmental jurisdiction where the proposed cannabis establishment will be located or, for a proposed retail cannabis consumption lounge, the physical address of the adult-use cannabis retail store to which the proposed retail cannabis consumption lounge will be attached or immediately adjacent.

In a local governmental jurisdiction that issues business licenses, existing law deems a license to be conditional until such time as the licensee complies with certain local requirements. (NRS 678B.320) **Section 35** deems all licenses issued by the Board to be conditional until such time as: (1) the licensee submits to the Board the physical address where the cannabis establishment will be located, which must be in compliance with certain restrictions on the location of a cannabis establishment; (2) the cannabis establishment complies with certain local requirements, if applicable; (3) the cannabis establishment satisfies an inspection conducted by the Board; and (4) the licensee satisfies any other requirements



established by the Board. **Section 36** of this bill makes a conforming change to reflect the revisions set forth in **sections 31 and 35**.

Existing law requires the Board to adopt regulations establishing certain specified criteria and, for an adult-use cannabis establishment license for a retail cannabis consumption lounge or independent cannabis consumption lounge, scoring guidelines that the Board is required to use in determining whether to issue a license. (NRS 678B.240, 678B.280, 678B.324) **Sections 33 and 65** eliminate provisions which require the Board to establish criteria and scoring guidelines. **Section 33** instead authorizes the Board to consider certain criteria in determining whether to issue such a license.

**Sections 29, 30, 32 and 65** of this bill eliminate various requirements and restrictions imposed on the Board by existing law relating to the issuance of adult-use cannabis establishment licenses and medical cannabis establishment licenses.

**Section 20** of this bill provides that the provisions of existing law governing lotteries do not apply to an application for or the issuance of a license issued by the Board.

Existing law requires the Board to ensure that, in a county whose population is 100,000 or more (currently Clark and Washoe Counties), the Board does not issue to any one person, group of persons or entity: (1) for medical cannabis establishment licenses, the greater of one medical cannabis establishment license or more than 10 percent of the medical cannabis establishment licenses otherwise allocable to the county; and (2) for adult-use cannabis establishment licenses, the greater of one adult-use cannabis establishment license or more than 10 percent of the adult-use cannabis establishment licenses otherwise allocable to the county. (NRS 678B.230, 678B.270) **Sections 30 and 65** revise those requirements to instead require the Board, in a county whose population is 100,000 or more, to ensure that the Board does not issue licenses or allow the transfer of licenses in a manner which results in any one person, group of persons or entity holding more than 10 percent of the medical cannabis establishment licenses or more than 10 percent of the adult-use cannabis establishment licenses in the county at any time. **Section 38** of this bill revises provisions relating to certain transfers of an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge if such a transfer would result in a violation of **section 30**.

**Section 37** of this bill revises certain procedures relating to the issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge or independent cannabis consumption lounge in a local governmental jurisdiction that limits the number of business licenses issued to cannabis consumption lounges.

Existing law requires the Board to adopt regulations prescribing procedures by which a licensee may transfer his or her license to another qualified party. (NRS 678B.380) **Section 42** of this bill sets forth certain prohibited acts with respect to the transfer of a license.

Existing law requires certain persons who volunteer or work at, contract to provide labor to, are employed by an independent contractor to provide labor to, or who hold an ownership interest of less than 5 percent in a cannabis establishment to register with the Board as a cannabis establishment agent and obtain a cannabis establishment agent registration card. (NRS 678B.340) **Section 6** of the bill revises the definition of "cannabis establishment agent" to include independent contractors and their employees who provide labor or services to, or perform certain other functions involving, a cannabis establishment. **Section 39** of this bill: (1) eliminates the requirement that a person who holds an ownership interest of less than 5 percent must obtain a cannabis establishment agent registration card; (2) revises certain requirements for the issuance of a cannabis establishment agent registration card; and (3) exempts certain persons who are, at all times while present on the premises of a cannabis establishment, escorted and under the direct visual supervision of a



cannabis establishment agent from the requirement to obtain a cannabis establishment agent registration card. **Section 24** of this bill authorizes the Board to: (1) require any person who, in the opinion of the Board, has the power to exercise a significant influence over the operation of a cannabis establishment to obtain a cannabis establishment agent registration card; and (2) adopt regulations relating to such a requirement.

Existing law, in general, exempts a person who holds a license or registration card issued by the Board from state prosecution for the possession, delivery or production of cannabis. (NRS 678C.200, 678D.200) **Sections 51 and 59** of this bill expand this exemption to include a person who is exempt from obtaining a registration card pursuant to **section 39**.

Existing law requires a person who holds an ownership interest in a cannabis establishment of 5 percent or more to obtain a cannabis establishment agent registration card for a cannabis executive. (NRS 678B.350) **Section 15** of this bill authorizes the Board to establish policies and procedures pursuant to which the Board may waive that requirement. **Section 40** of this bill makes a conforming change to reflect the amendatory provisions of **section 15** providing for such a waiver.

Existing law authorizes the Board, when determining whether to approve an application for a license or registration card, to consider whether the applicant is a person whose prior activities, criminal record, reputation, habits and associations create or enhance the dangers of unsuitable, unfair or illegal practices, methods or activities in the conduct of cannabis-related activities. (NRS 678B.200) **Section 21** of this bill, which is modeled on provisions of the Nevada Gaming Control Act imposing certain requirements concerning investigations by the Nevada Gaming Control Board, requires the Board to investigate the qualifications of an applicant and to continually monitor licensees, registrants and certain other persons associated with a cannabis establishment to ensure that licenses and registration cards are not issued to or held by, nor is there any material involvement directly or indirectly with a cannabis establishment by, unqualified, disqualified or unsuitable persons or persons whose operations are conducted in an unsuitable manner or in unsuitable or prohibited places or locations. (NRS 463.1405) **Section 21** also sets forth the powers of the Board with respect to the issuance of licenses and registration cards and the imposition of disciplinary action.

Under existing law, an applicant for a license is required to pay to the Board the actual cost of processing an application, including, without limitation the cost of background checks. (NRS 678B.390) **Section 44** of this bill specifies that the cost of processing an application includes the cost of an investigation conducted pursuant to **section 21**. **Section 50** of this bill requires the Board to adopt regulations establishing certain procedures for the issuance of a license or registration card.

Existing law requires, or authorizes the Board to require, an applicant for a license or registration card to submit to the Board a complete set of fingerprints and written permission of the applicant for 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. (NRS 678B.210, 678B.250, 678B.340, 678B.350, 678B.355) **Sections 21, 31 and 39-41** of this bill revise provisions concerning applications for a license or registration card to instead require, or authorize the Board to require, an applicant for a license or registration card to submit a complete set of fingerprints directly to the Central Repository for submission to the Federal Bureau of Investigation for its report along with an authorization for the Board to receive from the Central Repository a copy of that report.

Existing law authorizes a medical cannabis establishment to: (1) transport medical cannabis to another cannabis establishment or between the buildings of the



medical cannabis establishment; and (2) enter into a contract with a third party to provide such transportation. (NRS 678C.460) Existing law, with certain exceptions, prohibits an adult-use cannabis establishment from transporting cannabis or cannabis products to an adult-use cannabis retail store unless the adult-use cannabis establishment holds an adult-use cannabis establishment license for an adult-use cannabis distributor. (NRS 678D.440) **Section 57** of this bill eliminates the authorization for a medical cannabis establishment to transport cannabis or cannabis products and to enter into a contract with a third party to transport cannabis or cannabis products. **Section 23** of this bill instead prohibits, with certain exceptions, any cannabis establishment from transporting cannabis or cannabis products to another cannabis establishment or between buildings of a cannabis establishment unless the cannabis establishment holds an adult-use cannabis establishment license for an adult-use cannabis distributor. **Section 61** of this bill authorizes an adult-use cannabis distributor to transport cannabis and cannabis products between a cannabis establishment and another cannabis establishment or between the buildings of a cannabis establishment. **Section 5** of this bill revises the definition of "adult-use cannabis distributor" to reflect the authorizations set forth in **section 61**.

**Section 22** of this bill provides that a licensee is liable for any violation of the provisions governing the medical and adult-use of cannabis or the regulations adopted by the Board which are committed by certain persons associated with the cannabis establishment for which the licensee holds a license.

**Section 25** of this bill specifies that a person issued a license or registration card does not acquire any vested right, therein or thereunder, property or otherwise.

**Section 19** of this bill provides for a standardized definition of the term "local governmental jurisdiction" for the purposes of existing law governing the licensing and control of cannabis. **Section 26** of this bill makes a conforming change to indicate the proper placement of **section 19** in the Nevada Revised Statutes.

Existing law sets forth certain acts which constitute grounds for the immediate revocation of a cannabis establishment agent registration card. (NRS 678B.385) **Section 43** of this bill revises the list of acts that constitute grounds for such an immediate revocation and sets forth certain acts which constitute grounds for the summary suspension of a cannabis establishment agent registration card.

Existing law prohibits a cannabis establishment from dispensing or selling cannabis or cannabis products from a vending machine or allowing such a vending machine to be installed on the premises of the cannabis establishment. (NRS 678B.510) **Section 45** of this bill authorizes a cannabis establishment to engage in such activities upon the approval of the Board.

Existing law authorizes a medical cannabis dispensary and a medical cannabis production facility to engage in certain activities relating to the acquisition and sale of hemp and commodities and products made using hemp. (NRS 678B.520, 678C.410) **Sections 46 and 53** of this bill expand that authorization to allow adult-use cannabis production facilities and adult-use cannabis retail stores also to engage in such activities. **Section 50** of this bill requires the Board to adopt regulations establishing minimum requirements for hemp used by a cannabis production facility or sold by a cannabis sales facility.

Existing law prohibits the production, distribution and sale of any synthetic cannabinoid. (NRS 453.572, 557.255, 678B.525) **Section 13** 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*.

Existing law prohibits a person from selling, offering to sell, appearing to sell or advertising the sale of cannabis or cannabis products, unless the person holds an adult-use cannabis establishment license or medical cannabis establishment license. (NRS 678B.530) **Section 47** of this bill prohibits those actions only if the person



does not have the appropriate type of license and additionally prohibits a person from advertising as a cannabis sales facility or cannabis consumption lounge without the appropriate type of license.

Existing law exempts an employee of the State Department of Agriculture from state prosecution for certain offenses relating to cannabis under certain circumstances. (NRS 678B.600) **Section 48** of this bill expands that exemption to also include an employee of the Board and an attorney who represents the Department or the Board.

Existing law authorizes an independent contractor to enter into a contract with a cannabis establishment to provide training to the cannabis establishment agents associated with the cannabis establishment. (NRS 678B.620) **Section 49** of this bill authorizes the Board to adopt regulations establishing requirements for such an independent contractor.

**Sections 52 and 56** of this bill make conforming changes that are necessary as the result of the renumbering in this bill of certain subsections of certain sections of the Nevada Revised Statutes.

Existing law authorizes a medical cannabis dispensary and a medical cannabis cultivation facility to acquire usable cannabis or cannabis plants from a person who holds a valid registry identification card. (NRS 678C.410) **Section 53** eliminates this authorization for medical cannabis dispensaries.

**Sections 27 and 55** of this bill revise provisions relating to the inventory control system of a cannabis establishment. **Sections 55 and 60** of this bill revise provisions relating to the manner in which a dual licensee is authorized to report the inventory of the cannabis establishments for which the dual licensee is licensed. **Section 34** of this bill authorizes the Board to adopt regulations establishing certain standards and procedures for a cannabis independent testing laboratory.

Existing law requires a medical cannabis establishment to maintain an electronic verification system. (NRS 678C.420) **Section 7** of this bill changes the name of such a system to an electronic verification and authentication system. **Section 54** of this bill revises requirements concerning the operation of such a system.

Existing law confers the powers of a peace officer upon a person designated as an enforcement agent by the Board for the purposes of enforcement of the provisions of existing law governing the medical and adult-use of cannabis. (NRS 289.355) **Section 63** of this bill revises the list of persons associated with the Board upon whom the powers of a peace officer are conferred and the purposes for which such powers are conferred. **Section 64** of this bill provides that certain changes in this bill do not apply to certain licensees who hold existing licenses before July 1, 2023, the effective date of this bill.

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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, 3 and 4 of this act.

**Sec. 2.** *The Board may exercise any proper power and authority necessary to perform the duties assigned to it by the Legislature and is not limited by any enumeration of powers in this chapter.*



1     **Sec. 3.** *The Board or an agent of the Board may refuse to*  
2 *reveal, in any court or administrative proceeding, except a*  
3 *proceeding brought by the State of Nevada, the identity of an*  
4 *informant, the information obtained from an informant, or both*  
5 *the identity and the information.*

6     **Sec. 4. 1.** *Any communication or document of an applicant*  
7 *for or the holder of a license or registration card which is made or*  
8 *transmitted to the Board or any of the agents or employees of the*  
9 *Board to:*

10     *(a) Comply with any law or the regulations of the Board;*  
11     *(b) Comply with a subpoena issued by the Board; or*  
12     *(c) Assist the Board in the performance of its duties,*  
13     *↪ is absolutely privileged and does not impose liability in any civil*  
14 *action.*

15     *2. If such a document or communication contains any*  
16 *information which is privileged pursuant to chapter 49 of NRS,*  
17 *that privilege is not waived or lost because the document or*  
18 *communication is disclosed to the Board or any agent or employee*  
19 *of the Board.*

20     *3. Notwithstanding the provisions of subsection 2 of*  
21 *NRS 678A.470:*

22     *(a) The Board and the agents and employees of the Board*  
23 *shall not release or disclose any information, documents or*  
24 *communications provided by an applicant for or the holder of a*  
25 *license or registration card which are privileged pursuant to*  
26 *chapter 49 of NRS without the prior written consent of the person*  
27 *or pursuant to a lawful court order after timely notice of the*  
28 *proceedings has been given to the person.*

29     *(b) The Board shall maintain all privileged information,*  
30 *documents and communications in a secure place accessible only*  
31 *to members of the Board and authorized agents and employees of*  
32 *the Board.*

33     *(c) The Board shall adopt procedures and regulations to*  
34 *protect the privileged nature of information, documents and*  
35 *communications provided by an applicant for or the holder of a*  
36 *license or registration card.*

37     **Sec. 5.** NRS 678A.030 is hereby amended to read as follows:  
38     678A.030 “Adult-use cannabis distributor” means a business  
39 that:

40     1. Is licensed by the Board pursuant to NRS 678B.250; and  
41     2. Transports cannabis or ~~{adult-use}~~ cannabis products ~~{from~~  
42 ~~an adult-use}~~ *between a* cannabis establishment ~~{to}~~ *and* another  
43 ~~{adult-use}~~ cannabis establishment ~~{-}~~ *or between the buildings of a*  
44 *cannabis establishment.*



**Sec. 6.** NRS 678A.100 is hereby amended to read as follows:

678A.100 “Cannabis establishment agent” means an ~~owner~~ :

1. **Owner**, officer, board member, employee or volunteer of a cannabis establishment ~~or an independent~~ ;

2. **Independent** contractor who ~~provides labor relating to the cultivation or processing of cannabis or the production of usable cannabis or cannabis products for~~ **contracts to provide labor or services to** a cannabis establishment ~~for an employee~~ **and who:**

(a) **Provides labor or services at the cannabis establishment; or**

(b) **Manages, supervises or controls any of the operations of the cannabis establishment or any of the cannabis establishment agents who volunteer or work at, contract to provide labor or services to or are employed by an independent contractor to provide labor or services to the cannabis establishment; or**

3. **Employee** of ~~such~~ an independent contractor ~~that~~ **described in subsection 2.**

**Sec. 7.** NRS 678A.150 is hereby amended to read as follows:

678A.150 “Electronic verification **and authentication** system” means an electronic database that:

1. Keeps track of data in real time; and

2. Is accessible by the Board and by the cannabis establishment.

**Sec. 8.** NRS 678A.170 is hereby amended to read as follows:

678A.170 “Medical cannabis cultivation facility” means a business that:

1. Is licensed by the Board pursuant to NRS ~~678B.210;~~ **678B.250;** and

2. Acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells cannabis and related supplies to:

(a) Medical cannabis dispensaries;

(b) Medical cannabis production facilities; or

(c) Other medical cannabis cultivation facilities.

**Sec. 9.** NRS 678A.175 is hereby amended to read as follows:

678A.175 “Medical cannabis dispensary” means a business that:

1. Is licensed by the Board pursuant to NRS ~~678B.210;~~ **678B.250;** and

2. Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses cannabis or related supplies and educational materials to the holder of a valid registry identification card, as defined in NRS 678C.080, or to another medical cannabis dispensary.

**Sec. 10.** NRS 678A.185 is hereby amended to read as follows:

678A.185 “Medical cannabis establishment license” means a license that is issued by the Board pursuant to NRS ~~678B.210~~



1 **678B.250** to authorize the operation of a medical cannabis  
2 establishment.

3 **Sec. 11.** NRS 678A.190 is hereby amended to read as follows:  
4 678A.190 “Medical cannabis independent testing laboratory”  
5 means a facility described in NRS 678B.290 that:

6 1. Is licensed by the Board pursuant to NRS ~~678B.210;~~  
7 **678B.250;** and

8 2. Tests:

9 (a) Cannabis intended for the medical use of cannabis.

10 (b) Medical cannabis products.

11 **Sec. 12.** NRS 678A.205 is hereby amended to read as follows:  
12 678A.205 “Medical cannabis production facility” means a  
13 business that:

14 1. Is licensed by the Board pursuant to NRS ~~678B.210;~~  
15 **678B.250;** and

16 2. Acquires, possesses, manufactures, delivers, transfers,  
17 transports, supplies or sells medical cannabis products to medical  
18 cannabis dispensaries.

19 **Sec. 13.** NRS 678A.239 is hereby amended to read as follows:  
20 678A.239 “Synthetic cannabinoid” means a cannabinoid that  
21 is:

22 1. Produced artificially, whether from chemicals or from  
23 recombinant biological agents, including, without limitation, yeast  
24 and algae; and

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

28 **Sec. 14.** NRS 678A.440 is hereby amended to read as follows:  
29 678A.440 In addition to any other powers granted by this title,  
30 the Board has the power to:

31 1. Enter into interlocal agreements pursuant to NRS 277.080 to  
32 277.180, inclusive.

33 2. Establish and amend a plan of organization for the Board,  
34 including, without limitation, organizations of divisions or sections  
35 with leaders for such divisions or sections.

36 3. Appear on its own behalf before governmental agencies of  
37 the State or any of its political subdivisions.

38 4. Apply for and accept any gift, donation, bequest, grant or  
39 other source of money to carry out the provisions of this title.

40 5. Execute all instruments necessary or convenient for carrying  
41 out the provisions of this title.

42 6. Prepare, publish and distribute such studies, reports,  
43 bulletins and other materials as the Board deems appropriate.



7. ~~[Refer cases to]~~ *Initiate proceedings and actions to enforce the provisions of this title and the provisions of chapter 453 of NRS relating to cannabis.*

8. *Request that a district attorney or recommend that the Attorney General ~~[for]~~ prosecute any criminal ~~[prosecution.]~~ offense committed in violation of any provision of this chapter or any provision of chapter 453 of NRS relating to cannabis.*

~~[8.]~~ 9. Maintain an official Internet website for the Board.

~~[9.]~~ 10. Monitor federal activity regarding cannabis and report its findings to the Legislature.

~~[10.]~~ 11. Employ the services of such persons the Board considers necessary for the purposes of hearing disciplinary proceedings.

*12. Authorize the Executive Director or an agent of the Board to hold hearings or make investigations, and upon any such hearing the Executive Director or agent shall have the authority to examine books, compel the attendance of witnesses, administer oaths and conduct investigations.*

**Sec. 15.** NRS 678A.450 is hereby amended to read as follows:

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

(a) Financial requirements for licensees.

(b) Establishing such investigative and enforcement mechanisms as the Board deems necessary to ensure the compliance of a licensee or registrant with the provisions of this title.

(c) Requirements for licensees or registrants relating to the cultivation, processing, manufacture, transport, distribution, testing, study, advertising and sale of cannabis and cannabis products.

(d) Policies and procedures to ensure that the cannabis industry in this State is economically competitive, inclusive of racial minorities, women and persons and communities that have been adversely affected by cannabis prohibition and accessible to persons of low-income seeking to start a business.

(e) Policies and procedures governing the circumstances under which the Board may waive the requirement to obtain a registration card pursuant to this title for any person who holds an ownership interest of ~~[less than]~~ 5 percent *or more* in ~~[any one]~~ *a* cannabis establishment . ~~[for an ownership interest in more than one cannabis establishment of the same type that, when added together, is less than 5 percent.]~~

(f) Reasonable restrictions on the signage, marketing, display and advertising of cannabis establishments. Such a restriction must not require a cannabis establishment to obtain the approval of the Board before using a logo, sign or advertisement.



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

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

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

(a) Owner and manager of a cannabis establishment.

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

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

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

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

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

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

**Sec. 16.** NRS 678A.460 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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



(c) On the date and at the time and place designated in the notice, the Board shall afford any interested person or his or her authorized representative, or both, the opportunity to present statements, arguments or contentions in writing, with or without opportunity to present them orally. The Board shall consider all relevant matter presented to it before ~~adopting, amending or repealing~~ **voting to adopt, amend or repeal** any regulation. **After considering all relevant matter, the Board may vote to:**

**(1) Approve the adoption, amendment or repeal of the regulation, with or without modifications; or**

**(2) Postpone consideration of the adoption, amendment or repeal of the regulation for further consideration at a later meeting of the Board.**

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

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

(2) The reasons for the request; ~~and~~

(3) Reference to the authority of the Board to take the action requested ~~and~~; **and**

**(4) Any other information that the Board may require by regulation.**

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

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

(a) The Board submits to the Governor:

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

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

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

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

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



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

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

6. Except as otherwise provided in subsection 7, the 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



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

12 10. If the Legislative Commission or the Subcommittee to  
13 Review Regulations objects to the revised regulation, the Legislative  
14 Counsel shall attach to the revised regulation a written notice of  
15 the objection, including, if practicable, a statement of the reasons for  
16 the objection, and shall promptly return the revised regulation to the  
17 Board. The Board shall continue to revise the regulation and  
18 resubmit it to the Legislative Commission or the Subcommittee  
19 within 30 days after the Board receives a written notice of the  
20 objection to the revised regulation.

21 **Sec. 17.** NRS 678A.470 is hereby amended to read as follows:  
22 678A.470 1. The Board shall cause to be made and kept a  
23 record of all proceedings at regular and special meetings of the  
24 Board. These records are open to public inspection.

25 2. ~~Any~~ *Except as otherwise provided in this subsection, any*  
26 and all information and data prepared or obtained by the Board or  
27 by an agent or employee of the Board relating to a holder of or an  
28 applicant for a ~~medical cannabis establishment~~ license ~~pursuant to~~  
29 ~~NRS 678B.210, other than the name of a licensee and each owner,~~  
30 ~~officer and board member of the licensee and information relating to~~  
31 ~~the scoring and ranking of applications and the imposition of~~  
32 ~~disciplinary action,]~~ *, including, without limitation, any and all*  
33 *information and data included in an application for a license and*  
34 *any and all information and data included in an application for a*  
35 *registration card*, are confidential and may be revealed in whole or  
36 in part only in the course of the necessary administration of this title  
37 or upon the lawful order of a court of competent jurisdiction. *The*  
38 *name of the holder of a license and each owner, officer and board*  
39 *member of the licensee, information relating to the scoring and*  
40 *ranking of applications and the imposition of disciplinary action*  
41 *are not confidential.* The Board may reveal such information and  
42 data to an authorized agent of any agency of the United States  
43 Government, any state or any political subdivision of a state or the  
44 government of any foreign country. Notwithstanding any other  
45 provision of state law, such information and data may not be



otherwise revealed without specific authorization by the Board pursuant to the regulations of the Board.

~~3. Except as otherwise provided in this subsection, any information and data included in an application for an adult use cannabis establishment license or a registration card is confidential and may be revealed in whole or in part only in the course of the necessary administration of this title or upon the lawful order of a court of competent jurisdiction. The name of the holder of an adult use cannabis establishment license and each owner, officer and board member of the licensee and information relating to the scoring and ranking of applications and the imposition of disciplinary action are not confidential. The Board may reveal such information and data to an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country. Notwithstanding any other provision of state law, such information and data may not be otherwise revealed without specific authorization by the Board pursuant to the regulations of the Board.~~

~~—4.]~~ All files, records, reports and other information and data pertaining to matters related to cannabis in the possession of the Nevada Tax Commission or the Department of Taxation must be made available to the Board as is necessary to the administration of this title.

~~[5.]~~ 4. As used in this section, “information and data” means all information and data in any form, including, without limitation, any oral, written, audio, visual, digital or electronic form, and the term includes, without limitation, any account, book, correspondence, file, message, paper, record, report or other type of document, including, without limitation, any document containing self-evaluative assessments, self-critical analysis or self-appraisals of an applicant’s or licensee’s compliance with statutory or regulatory requirements.

**Sec. 18.** Chapter 678B of NRS is hereby amended by adding thereto the provisions set forth as sections 19 to 24, inclusive, of this act.

**Sec. 19.** *“Local governmental jurisdiction” means a city or the unincorporated area of a county.*

**Sec. 20.** *The provisions of chapter 462 of NRS do not apply to the application for or issuance of any license pursuant to this chapter, regardless of the manner in which the licenses are distributed or the entity that distributes the licenses.*

**Sec. 21.** *1. The Board or the agents of the Board shall investigate the qualifications of each applicant for a license or registration card and each applicant for the approval of any act or transaction for which the approval of the Board is required*



pursuant to this title and shall continue to monitor the conduct of licensees, registrants and other persons with a material involvement directly or indirectly with a cannabis establishment to ensure that licenses and registration cards are not issued to or held by, nor is there any material involvement directly or indirectly with a cannabis establishment by, unqualified, disqualified or unsuitable persons, or persons whose operations are conducted in an unsuitable manner or in unsuitable or prohibited places or locations.

2. To request and receive information from the Federal Bureau of Investigation concerning an investigation of an applicant described in subsection 1, the Board may require the applicant to submit to the Central Repository for Nevada Records of Criminal History a complete set of fingerprints for submission to the Federal Bureau of Investigation for its report and an authorization for the Board to receive from the Central Repository a copy of that report.

3. The Board has full and absolute power and authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration card or approval, or fine any person who has been issued a license or registration card or who has been approved, for any cause it deems reasonable.

**Sec. 22.** A licensee is liable for any act or omission in violation of the provisions of this title or the regulations adopted pursuant thereto by any owner, officer, board member, employee or volunteer of the cannabis establishment for which the licensee holds a license, any independent contractor who contracts to provide labor or services to that cannabis establishment or any employee of such an independent contractor who provides labor or services to that cannabis establishment.

**Sec. 23.** 1. Except as otherwise provided in this section, a cannabis establishment shall not transport cannabis or cannabis products to another cannabis establishment or between buildings of a cannabis establishment unless the cannabis establishment holds an adult-use cannabis establishment license for an adult-use cannabis distributor.

2. An adult-use cannabis establishment that holds an adult-use cannabis establishment license for an adult-use cannabis retail store and an adult-use cannabis establishment license for a retail cannabis consumption lounge that is attached or immediately adjacent to the adult-use cannabis retail store may transport cannabis and cannabis products between the adult-use cannabis retail store and the retail cannabis consumption lounge.

**Sec. 24.** 1. The Board may require any person who, in the opinion of the Board, has the power to exercise a significant



*influence over the operation of a cannabis establishment to obtain a cannabis establishment agent registration card.*

*2. The Board may adopt regulations:*

*(a) Setting forth policies and procedures governing the circumstances under which a person described in subsection 1 may be required to obtain a cannabis agent registration card; and*

*(b) Prescribing the actions that a licensee associated with such a person must take if the person fails to obtain a registration card as required by the Board.*

**Sec. 25.** NRS 678B.010 is hereby amended to read as follows:

678B.010 The Legislature hereby finds and declares that:

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

2. Any:

(a) Medical cannabis establishment license issued pursuant to NRS ~~678B.210;~~ **678B.250;**

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

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

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

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

↪ is a revocable privilege and the holder of such a license or card, as applicable, does not acquire thereby any vested right ~~in~~ **therein or thereunder, property or otherwise.**

**Sec. 26.** NRS 678B.020 is hereby amended to read as follows:

678B.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 678B.030 to 678B.070, inclusive, **and section 19 of this act** have the meanings ascribed to them in those sections.

**Sec. 27.** NRS 678B.060 is hereby amended to read as follows:

678B.060 "Inventory control system" means a process, device or other contrivance that may be used to monitor the chain of custody of cannabis from the point of ~~cultivation~~ **acquisition** to the end consumer.

**Sec. 28.** NRS 678B.200 is hereby amended to read as follows:

678B.200 1. Any person who the Board determines is qualified to receive a license or registration card under the provisions of this chapter, having due consideration for the proper protection of the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State, may be issued a license or registration card. The



burden of proving an applicant's qualification to receive any license or registration card under this chapter is on the applicant.

2. When determining whether to approve an application to receive a license or registration card, the Board may consider whether the applicant is:

(a) A person of good character, honesty and integrity;

(b) A person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this State or to the effective regulation and control of cannabis, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of cannabis-related activities or in the carrying on of the business and financial arrangements incidental thereto; and

(c) In all other respects qualified to be issued a license or registration card consistently with the declared policy of the State.

3. An application to receive a license or registration card *subjects the applicant to the jurisdiction of the Board and* constitutes a request for a determination of the applicant's general character, integrity and ability to participate or engage in, or be associated with a cannabis establishment. Any written or oral statement made in the course of an official proceeding of the Board by any member thereof or any witness testifying under oath which is relevant to the purpose of the proceeding is absolutely privileged and does not impose liability for defamation or constitute a ground for recovery in any civil action.

4. The Board may, by regulation establish such other qualifications for a license or registration card as it may, in its discretion, deem to be in the public interest and consistent with the declared policy of the State.

5. Any person granted a license or registration card by the Board must continue to meet the applicable standards and qualifications set forth in this section and any other qualifications established by the Board by regulation. The failure to continue to meet such standards and qualifications constitutes grounds for disciplinary action.

6. The Board shall, to the greatest extent practicable, ensure that persons who have been adversely affected by cannabis prohibition have equal opportunity to obtain licenses and registration cards and to participate in the cannabis industry in this State.

**Sec. 29.** NRS 678B.220 is hereby amended to read as follows:

678B.220 1. Except as otherwise provided in this section and NRS 678B.230, the Board ~~[shall]~~ *may* issue medical cannabis establishment licenses for medical cannabis dispensaries in *not*



**more than** the following quantities for applicants who qualify pursuant to NRS ~~[678B.210,]~~ **678B.250:**

(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 ~~is:~~

~~—(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 (c) 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,~~ **shall**, for any county for which no applicants qualify pursuant to NRS ~~[678B.210,]~~ **678B.250**, within 2 months after the end of ~~[the]~~ **any** period during which the Board accepts applications ~~[pursuant to NRS 678B.300,]~~ **for the issuance of a medical cannabis establishment license for a medical cannabis dispensary**, 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. 30.** NRS 678B.230 is hereby amended to read as follows:

~~678B.230 {1. Except as otherwise provided in this subsection, in a county whose population is 100,000 or more, the Board shall ensure that not more than 25 percent of the total number of medical cannabis dispensaries that may be licensed in the county, as set forth in NRS 678B.220, are located in any one local governmental jurisdiction within the county. The Board may increase the percentage described in this subsection upon the request of the board of county commissioners of the county. The Board shall adopt regulations setting forth the requirements for granting such a request.~~

~~—2.} To prevent monopolistic practices, the Board shall ensure, in a county whose population is 100,000 or more, that it does not issue {,to} licenses or allow the transfer of licenses pursuant to the regulations adopted by the Board pursuant to NRS 678B.380 in a manner which results in any one person, group of persons or entity {, the greater of:~~

~~—(a) One medical cannabis establishment license; or~~  
~~—(b) More} holding more than 10 percent of the medical cannabis establishment licenses {otherwise allocable} or more than 10 percent of the adult-use cannabis establishment licenses in the county {.~~

~~—3. As used in this section, “local governmental jurisdiction” means a city or unincorporated area within a county.} at any time.~~

**Sec. 31.** NRS 678B.250 is hereby amended to read as follows:

678B.250 1. A person shall not engage in the business of ~~{an}~~ :

(a) An adult-use cannabis establishment unless the person holds an adult-use cannabis establishment license issued pursuant to this section.

(b) A medical cannabis establishment unless the person holds a medical cannabis establishment license issued pursuant to this section.

2. A person who wishes to engage in the business of an adult-use cannabis establishment *or 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.260, ~~{678B.270,}~~ 678B.280, 678B.322 and ~~{678B.324}~~ 678B.325 to 678B.328, inclusive, the Board shall issue an adult-use cannabis establishment license *or medical cannabis establishment license, as applicable,* 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}~~ *If the proposed cannabis establishment is not a retail cannabis consumption lounge, the local governmental jurisdiction* 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;]~~ *will be located;*

(III) *If the proposed cannabis establishment is a retail cannabis consumption lounge, the physical address of the adult-use cannabis retail store to which the proposed retail cannabis consumption lounge will be attached or immediately adjacent;*

(IV) Evidence that the applicant ~~{controls}~~ *has the ability to secure* 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;}~~ *and*

(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~~



1 ~~\_\_\_\_\_ (VI)~~ The name, address and date of birth of each person  
2 who is proposed to be an owner, officer or board member of the  
3 proposed ~~{adult-use}~~ cannabis establishment;

4 (3) Operating procedures consistent with ~~{rules-of}~~ the  
5 *regulations adopted by the* Board for oversight of the proposed  
6 ~~{adult-use}~~ cannabis establishment, including, without limitation:

7 (I) Procedures to ensure the use of adequate security  
8 measures; ~~{and}~~

9 (II) ~~{The}~~ *If the proposed cannabis establishment is an*  
10 *adult-use cannabis establishment, the* use of an inventory control  
11 system ~~{;}~~ *in the manner prescribed by the Board for the operation*  
12 *of an adult-use cannabis establishment; and*

13 (III) *If the proposed cannabis establishment is a medical*  
14 *cannabis establishment, the use of an electronic verification and*  
15 *authentication system and an inventory control system pursuant to*  
16 *NRS 678C.420 and 678C.430, respectively;*

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

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

23 (b) *The applicant and each person who is proposed to be an*  
24 *owner, officer or board member of the proposed cannabis*  
25 *establishment has submitted to the Central Repository for Nevada*  
26 *Records of Criminal History a complete set of fingerprints for*  
27 *submission to the Federal Bureau of Investigation for its report*  
28 *and an authorization for the Board to receive from the Central*  
29 *Repository a copy of that report;*

30 (c) None of the persons who are proposed to be owners, officers  
31 or board members of the proposed ~~{adult-use}~~ cannabis  
32 establishment have been convicted of an excluded felony offense;

33 ~~{(e)}~~ (d) None of the persons who are proposed to be owners,  
34 officers or board members of the proposed ~~{adult-use}~~ cannabis  
35 establishment have:

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

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

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

44 (4) Previously had a cannabis establishment agent  
45 registration card for a cannabis receiver revoked; ~~{and}~~



~~(d)~~

(e) 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 ~~{;}~~; and

*(f) None of the persons who are proposed to be owners, officers or board members of the proposed cannabis establishment are disqualified from being licensed pursuant to any other applicable law or regulation of the Board.*

~~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,}~~ 5, if an applicant for licensure to operate ~~{an adult-use}~~ a 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}~~ or medical cannabis establishment license, as applicable. Such a 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.}~~ 5. In determining whether to issue an adult-use cannabis license or medical cannabis establishment license pursuant to this section, the Board ~~{shall}~~ may 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. 32.** NRS 678B.260 is hereby amended to read as follows:

678B.260 1. Except as otherwise provided in this section and NRS ~~[678B.270.]~~ **678B.230**, the Board ~~[shall]~~ **may** issue adult-use cannabis establishment licenses for the operation of adult-use cannabis retail stores in **not more than** the following quantities for applicants who qualify pursuant to NRS 678B.250:

(a) In a county whose population is 700,000 or more, 80 licenses;

(b) In a county whose population is 100,000 or more but less than 700,000, 20 licenses;

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

(d) In a county whose population is less than 55,000, two licenses.

2. The Board shall, for any county for which no applicants qualify pursuant to NRS 678B.250, within 2 months after the end of ~~the~~ **any** period during which the Board accepts applications ~~[pursuant to NRS 678B.300.]~~ **for the issuance of an adult-use cannabis establishment license for the operation of an adult-use cannabis retail store**, 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.

**Sec. 33.** NRS 678B.280 is hereby amended to read as follows:

678B.280 ~~[1.]~~ In determining whether to issue ~~[an adult-use cannabis establishment]~~ **a** license pursuant to NRS 678B.250, ~~[other than an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge.]~~ the Board ~~[shall, in addition to the factors set forth in that section,]~~ **may** consider criteria ~~[of merit]~~ established by regulation of the Board. Such criteria ~~[must]~~ **may** include, without limitation:

~~[(a)]~~ **1.** Whether 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;

~~[(b)]~~ **2.** Whether the owners, officers or board members of the proposed ~~[adult-use]~~ cannabis establishment have direct experience with the operation of a cannabis establishment in this State and have demonstrated a record of operating such an establishment in compliance with the laws and regulations of this State for an adequate period of time to demonstrate success;

~~[(c)]~~ **3.** The educational and life experience of the persons who are proposed to be owners, officers or board members of the proposed ~~[adult-use]~~ cannabis establishment;



~~4.~~ Whether the applicant has an integrated plan for the care, quality and safekeeping of cannabis from seed to sale;

~~5.~~ The experience of key personnel that the applicant intends to employ in operating the type of ~~adult-use~~ cannabis establishment for which the applicant seeks a license;

~~The diversity on the basis of race, ethnicity or gender of the applicant or the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment, including, without limitation, the inclusion of persons of backgrounds which are disproportionately underrepresented as owners, officers or board members of adult-use cannabis establishments; and~~

~~6.~~ *The previous experience of the persons who are proposed to be owners, officers or board members of the proposed cannabis establishment at operating other businesses or nonprofit organizations;*

*7. The likely impact of the proposed cannabis establishment on the community in which the cannabis establishment will be located;*

*8. Whether the applicant has adopted a plan to promote diversity and the inclusion of diverse groups in the cannabis establishment and the strength of that plan in furthering the policy of ensuring that all persons are accorded an equal opportunity in contracting and employment in the cannabis industry; and*

9. Any other criteria ~~of merit~~ that the Board determines to be relevant.

~~2. The Board shall adopt regulations for determining the relative weight of each criteria of merit established by the Board pursuant to subsection 1.~~

**Sec. 34.** NRS 678B.290 is hereby amended to read as follows:

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

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

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

(c) In addition to the testing described in paragraph (a) or (b), test commodities or products containing hemp, as defined in NRS 557.160, or cannabidiol which are intended for human or animal consumption and sold by a cannabis establishment or a person described in NRS 446.844.

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



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

(1) The concentration therein of THC and cannabidiol.  
(2) The presence and identification of microbes, molds and fungi.

(3) The composition of the tested material.

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

***(5) The presence of any other substance, chemical, material or organism specified by the Board by regulation.***

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

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

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

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

(c) ~~[Agree to]~~ ***Satisfy any other requirements established by the Board by regulation.***

4. ***A cannabis independent testing laboratory shall, not more than 1 year after the date on which the cannabis independent testing laboratory is issued a license by the Board pursuant to NRS 678B.250, become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization ~~[within 1 year after licensure]~~ by an impartial organization that operates in accordance with standard ISO/IEC 17011 of the International Organization for Standardization and is a signatory to the Mutual Recognition Arrangement of the International Laboratory Accreditation Cooperation.***

5. ***The Board may adopt regulations establishing standards and procedures for the operation of a cannabis independent testing laboratory, including, without limitation, regulations setting forth requirements concerning:***

***(a) The construction or layout of a building used for testing cannabis and cannabis products;***

***(b) The procedures, process, equipment, instruments, materials or supplies used for testing cannabis and cannabis products;***

***(c) Safety procedures to ensure that cannabis and cannabis products are protected from contamination from physical, chemical or biological hazardous materials; and***

***(d) The creation and retention of records by a cannabis independent testing laboratory, including, without limitation,***



1 *records related to the finances of the cannabis independent testing*  
2 *laboratory and testing performed by the cannabis independent*  
3 *testing laboratory.*

4 **Sec. 35.** NRS 678B.320 is hereby amended to read as follows:

5 678B.320 1. ~~In a local governmental jurisdiction that issues~~  
6 ~~business licenses, the issuance of~~ *Each license issued* by the Board  
7 ~~of license~~ *pursuant to NRS 678B.250* shall be deemed to be  
8 conditional until such time as:

9 (a) *The licensee provides notice to the Board of the physical*  
10 *address where the cannabis establishment and any co-owned*  
11 *additional or otherwise associated cannabis establishments will be*  
12 *located, the locations of which must be in compliance with the*  
13 *restrictions set forth in subsection 2;*

14 (b) *If the cannabis establishment will be located in a local*  
15 *governmental jurisdiction that issues business licenses:*

16 (1) *The cannabis establishment is in compliance with all*  
17 *applicable local governmental ordinances or rules; and*

18 ~~1. (b) (2)~~ (2) *The local government has issued a business license*  
19 *for the operation of the establishment* ~~1. (b) (2)~~;

20 (c) *The cannabis establishment satisfies an inspection*  
21 *conducted by the Board; and*

22 (d) *The licensee satisfies any other requirements governing a*  
23 *conditional license established by the Board by regulation.*

24 2. *Except as otherwise provided in NRS 678B.322, the*  
25 *location of a cannabis establishment must not be:*

26 (a) *Within 1,000 feet of a public or private school that existed*  
27 *on the date on which the cannabis establishment was issued its*  
28 *license;*

29 (b) *Within 300 feet of a community facility that existed on the*  
30 *date on which the cannabis establishment was issued its license;*

31 (c) *If the cannabis establishment will be located in a county*  
32 *whose population is 100,000 or more, within 1,500 feet of an*  
33 *establishment that holds a nonrestricted gaming license described*  
34 *in subsection 1 or 2 of NRS 463.0177 and that existed on the date*  
35 *on which the cannabis establishment was issued its license; or*

36 (d) *On the property of an airport.*

37 ➤ *For the purposes of this subsection, the distance must be*  
38 *measured from the front door of the proposed cannabis*  
39 *establishment to the closest point of the property line of a school,*  
40 *community facility or gaming establishment.*

41 3. *A licensee shall, upon request of the Board, provide to the*  
42 *Board proof that the licensee owns the property on which the*  
43 *cannabis establishment for which the licensee holds a license is*  
44 *located or has written permission from the owner of the property*  
45 *to operate the cannabis establishment on that property.*



4. The Board shall adopt regulations:

(a) Requiring the surrender of a conditional license if a cannabis establishment does not satisfy the requirements of subsection 1 within a period of time determined by the Board; and

(b) Authorizing a cannabis establishment to request an extension of the period of time established pursuant to paragraph (a) as a result of factors outside of the control of the cannabis establishment that cause a delay in satisfying the requirements of subsection 1.

~~{3-}~~ 5. As used in this section ~~{, “local-governmental jurisdiction”}~~:

(a) *“Community facility”* means a ~~{city or unincorporated area within a county-}~~:

(1) *Licensed child care facility, as defined in NRS 432A.024.*

(2) *Public park.*

(3) *Playground, as defined in NRS 453.3345.*

(4) *Public swimming pool.*

(5) *Recreational center for youths, as defined in NRS 453.3345.*

(6) *Video arcade, as defined in NRS 453.3345.*

(7) *Place of religious worship.*

(b) *“Place of religious worship” means a church, synagogue or other building or structure that is owned and operated by a church, an integrated auxiliary of a church or a convention or association of churches that is exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), and exempt from filing an annual return pursuant to section 6033 of the Internal Revenue Code, 26 U.S.C. § 6033. The term does not include any building, structure or place that is owned and operated by an organization that is listed on the most recent version of the Automatic Revocation of Exemption List published by the Internal Revenue Service, regardless of whether the organization identifies as a church, an integrated auxiliary of a church or a convention or association of churches.*

(c) *“Private school” has the meaning ascribed to it in NRS 394.103.*

(d) *“Public school” has the meaning ascribed to it in NRS 385.007.*

**Sec. 36.** 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:

(a) Except as otherwise provided in paragraph (b), is not subject to the restrictions set forth in ~~{sub-subparagraph (II) of subparagraph (2) of paragraph (a) of}~~ subsection ~~{3}~~ 2 of NRS ~~{678B.250}~~ 678B.320 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. 37.** NRS 678B.327 is hereby amended to read as follows:

678B.327 1. The Board shall, for each local governmental jurisdiction that limits the number of business licenses which may be issued to cannabis consumption lounges, determine the number of licenses allocated to the jurisdiction for retail cannabis consumption lounges and independent cannabis consumption lounges.

2. Not more than 50 percent of the licenses allocated by the Board pursuant to subsection 1 may be issued to retail cannabis consumption lounges.

3. Except as otherwise provided in this subsection, at least 50 percent of the licenses allocated to a local governmental jurisdiction pursuant to subsection 1 must be issued to independent cannabis consumption lounges. At least 50 percent of the licenses issued to independent cannabis consumption lounges must be issued to social equity applicants. If there are an insufficient number of social equity applicants to distribute licenses in that manner, the local governmental jurisdiction shall issue business licenses to all qualified social equity applicants and hold the remaining business licenses in reserve for future issuance to social equity applicants.

4. If the number of qualified applicants in a local governmental jurisdiction exceeds the number of licenses allocated to that jurisdiction pursuant to subsection 1, the Board shall, **subject to the provisions of subsections 2 and 3**, issue adult-use cannabis establishment licenses for retail cannabis consumption lounges and independent cannabis consumption lounges in the local governmental jurisdiction to qualified applicants ~~{who are not social equity applicants using a separate lottery system}~~ **in accordance**



1 *with a selection process established by the Board by regulation* for  
2 each type of license.

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

5 **Sec. 38.** NRS 678B.328 is hereby amended to read as follows:

6 678B.328 1. Except as otherwise provided in subsection 2,  
7 the Board shall not issue:

8 (a) More than one adult-use cannabis establishment license for  
9 an independent cannabis consumption lounge to any one person;

10 (b) More than one adult-use cannabis establishment license for a  
11 retail cannabis consumption lounge to any one person; or

12 (c) Both an adult-use cannabis establishment license for a retail  
13 cannabis consumption lounge and an adult-use cannabis  
14 establishment license for an independent cannabis consumption  
15 lounge to any one person.

16 2. ~~{The}~~ *Except as otherwise provided in NRS 678B.230, the*  
17 Board may approve a transfer of an adult-use cannabis  
18 establishment license for a retail cannabis consumption lounge or an  
19 independent cannabis consumption lounge to a person that acquires  
20 a 100 percent ownership interest in a cannabis consumption lounge  
21 in a county in which the person holds another such license if the  
22 transfer:

23 (a) Complies with all requirements for the transfer of a license  
24 established by the Board pursuant to NRS 678B.380; and

25 (b) Will not result in the person holding more than two adult-use  
26 cannabis establishment licenses for a retail cannabis consumption  
27 lounge, adult-use cannabis establishment licenses for an  
28 independent cannabis lounge or any combination of the two.

29 **Sec. 39.** NRS 678B.340 is hereby amended to read as follows:

30 678B.340 1. Except as otherwise provided in ~~{any policies~~  
31 ~~and procedures adopted by the Board pursuant to paragraph (e) of~~  
32 ~~subsection 1 of NRS 678A.450,}~~ *this section,* a person shall not  
33 ~~{hold an ownership interest in a cannabis establishment of less than~~  
34 ~~5 percent,}~~ volunteer or work at, contract to provide labor *or*  
35 *services* to or be employed by an independent contractor to provide  
36 labor *or services* to a cannabis establishment as a cannabis  
37 establishment agent unless the person is registered with the Board  
38 pursuant to this section.

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

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

44 (b) A statement signed by the prospective cannabis  
45 establishment agent pledging not to dispense or otherwise divert



cannabis to any person who is not authorized to possess cannabis in accordance with the provisions of this title;

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

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

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

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

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

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

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

(d) A statement signed by the prospective cannabis establishment agent asserting that it has not previously had a cannabis establishment agent registration card revoked and that none of its employees who will provide labor *or services* as a cannabis establishment agent have previously had a cannabis establishment agent registration card revoked;

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

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

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

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



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

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

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

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

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

~~5. The~~ *In addition to the investigation required by section 21 of this act, the* Board may conduct any *other* investigation of a prospective cannabis establishment agent and, for an independent contractor, each employee of the prospective cannabis establishment agent who will provide labor *or services* as a cannabis establishment agent, that the Board deems appropriate. In connection with such an investigation, the Board may:

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

(b) Require a prospective cannabis establishment agent, if a natural person, and each employee of a prospective cannabis establishment agent who will provide labor as a cannabis establishment agent to submit to the ~~{Board}~~ *Central Repository for Nevada Records of Criminal History* a complete set of fingerprints ~~{and written permission 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

~~{(e) If}~~ *an authorization for* 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}~~ *to receive from the Central Repository a copy of that* report.

~~{6.}~~ *5.* 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 **or services** as a cannabis establishment agent to the cannabis establishment.

~~{7.}~~ 6. A person who:

(a) Has been convicted of an excluded felony offense;

(b) Is less than 21 years of age; or

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

↪ shall not serve as a cannabis establishment agent.

~~{8.}~~ 7. 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.}~~ 8. 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 **or services** 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.}~~ 9. 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 **or services** to any cannabis establishment in this State.

~~{12.}~~ 10. 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.

~~113.1~~ 11. 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.

12. *The following persons are not required to obtain a cannabis establishment agent registration card:*

(a) *A person who volunteers or works at, contracts to provide labor or services to or is employed by an independent contractor to provide labor or services to a cannabis establishment who, at all times while the person is present on the premises of the cannabis establishment, is escorted by and under the direct visual supervision of a cannabis establishment agent who is registered pursuant to this section.*

(b) *A person who holds an ownership interest of less than 5 percent in a cannabis establishment.*

Sec. 40. NRS 678B.350 is hereby amended to read as follows:

678B.350 1. ~~111~~ *Except as otherwise provided in any policies and procedures adopted by the Board pursuant to paragraph (e) of subsection 1 of NRS 678A.450, in* addition to the requirements set forth in NRS 678B.340, a person shall not hold an ownership interest in a cannabis establishment of 5 percent or more unless the person first secures a cannabis establishment agent registration card for a cannabis executive issued by the Board.

2. A person who wishes to hold an ownership interest in a cannabis establishment of 5 percent or more shall submit to the Board an application on a form prescribed by the Board. The application must be accompanied by:

(a) The name, address and date of birth of the applicant;

(b) A statement signed by the applicant asserting that he or she has not previously had a cannabis establishment agent registration card for a cannabis executive revoked;

~~(c) A complete set of the fingerprints and written permission of the applicant 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;~~

~~—(d)~~ Any information required by the Board to complete an investigation into the background of the applicant, including,



without limitation, financial records and other information relating to the business affairs of the applicant;

~~[(e)]~~ (d) The application fee, as set forth in NRS 678B.390; and  
~~[(f)]~~ (e) Such other information as the Board may require by regulation.

3. *In addition to the requirements set forth in subsection 2, an applicant for a cannabis establishment agent registration card for a cannabis executive shall submit to the Central Repository for Nevada Records of Criminal History a complete set of fingerprints for submission to the Federal Bureau of Investigation for its report and an authorization for the Board to receive from the Central Repository a copy of that report.*

4. If the Board determines the applicant is qualified to receive a cannabis establishment agent registration card for a cannabis executive pursuant to NRS 678B.200, the Board shall issue to the person a cannabis establishment agent registration card for a cannabis executive.

~~[(4.)]~~ 5. A cannabis establishment agent registration card for a cannabis executive 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.

~~[(5.) A person to whom a cannabis establishment agent registration card for a cannabis executive 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.]~~

**Sec. 41.** NRS 678B.355 is hereby amended to read as follows:

678B.355 1. In addition to the requirements set forth in NRS 678B.340, a person shall not act as a receiver for a cannabis establishment subject to a receivership unless the person first secures a cannabis establishment agent registration card for a cannabis receiver issued by the Board.

2. A person who wishes to act as a receiver for a cannabis establishment subject to a receivership shall submit to the Board an application on a form prescribed by the Board. The application must be accompanied by:

(a) The name, address and date of birth of the applicant;

(b) A statement signed by the applicant asserting that he or she has not previously had a cannabis establishment agent registration card for a cannabis receiver revoked;

(c) ~~[(A complete set of the fingerprints and written permission of the applicant 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;~~

~~—(d)~~ Any information required by the Board to complete an investigation into the background of the applicant;

~~[(e)]~~ (d) Proof satisfactory to the Board that the applicant has:

(1) Experience in or knowledge of the cannabis industry;

(2) Experience as a receiver appointed by a court;

(3) The knowledge and skills necessary to make reasonable financial decisions with respect to the finances of a cannabis establishment subject to a receivership; and

(4) Adequate financial capacity to fulfill the duties of a receiver;

~~[(f)]~~ (e) The application fee, as set forth in NRS 678B.390; and

~~[(g)]~~ (f) Such other information as the Board may require by regulation.

3. *In addition to the requirements set forth in subsection 2, an applicant for a cannabis establishment agent registration card for a cannabis receiver shall submit to the Central Repository for Nevada Records of Criminal History a complete set of fingerprints for submission to the Federal Bureau of Investigation for its report and an authorization for the Board to receive from the Central Repository a copy of that report.*

4. If the Board determines the applicant is qualified to receive a cannabis establishment agent registration card for a cannabis receiver pursuant to NRS 678B.200, the Board shall issue to the person a cannabis establishment agent registration card for a cannabis receiver.

~~[(4)]~~ 5. A cannabis establishment agent registration card for a cannabis receiver 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.

~~[(5)] A person to whom a cannabis establishment agent registration card for a cannabis receiver 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.]~~

**Sec. 42.** NRS 678B.380 is hereby amended to read as follows:

678B.380 1. Except as otherwise provided by regulations adopted by the Board pursuant to subsection ~~[(2)]~~ 3, the following are nontransferable:

(a) A cannabis establishment agent registration card.



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

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

(d) A medical cannabis establishment license.

(e) An adult-use cannabis establishment license.

**2. *After an application for the issuance of a license or registration card has been submitted to the Board, the Board shall not issue a license or registration card pursuant to that application to any person other than the applicant named on the application.***

**3.** The Board shall adopt regulations which prescribe procedures and requirements by which a holder of a license may transfer the license to another party who is qualified to hold such a license pursuant to the provisions of this chapter. Such regulations may give priority in the processing of transfers of licenses to a transfer in which the transferor is:

(a) Subject to a receivership;

(b) Involved in a recapitalization; or

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

~~13.1~~ **4.** The regulations adopted pursuant to subsection ~~12.1~~ **3** must:

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

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

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

**5. *A licensee who transfers or attempts to transfer his or her license to another person without following the procedures and requirements set forth in the regulations adopted by the Board pursuant to subsection 3 is subject to disciplinary action by the Board.***

**6. *A person shall not engage in or attempt to engage in the business of a cannabis establishment pursuant to a license which has been transferred to the person, unless the transfer has been conducted in accordance with the procedures and requirements set***



1 *forth in the regulations adopted by the Board pursuant to*  
2 *subsection 3.*

3 **Sec. 43.** NRS 678B.385 is hereby amended to read as follows:

4 678B.385 1. The following acts constitute grounds for the  
5 immediate revocation *or summary suspension* of the cannabis  
6 establishment agent registration card of a cannabis establishment  
7 agent:

8 ~~{1.}~~ (a) Having ~~{committed or committing}~~ *been convicted of*  
9 any excluded felony offense.

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

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

15 ~~—4.}~~ (b) Having been convicted of any crime involving the theft  
16 of cannabis or cannabis products ~~†~~.

17 ~~—5.}~~ *from a cannabis establishment.*

18 (c) *Violating a regulation of the Board, the violation of which*  
19 *is stated to be grounds for the immediate revocation or summary*  
20 *suspension of a cannabis establishment agent registration card, as*  
21 *applicable.*

22 2. *The following acts constitute grounds for the summary*  
23 *suspension of the cannabis establishment agent registration card*  
24 *of a cannabis establishment agent:*

25 (a) Having been electronically recorded by a video monitoring  
26 system smoking or otherwise consuming cannabis on the premises  
27 of a cannabis establishment ~~†~~.

28 ~~—6.}~~ *, other than at a cannabis consumption lounge during a*  
29 *period in which the cannabis establishment agent was not on duty*  
30 *at the cannabis consumption lounge.*

31 (b) Intentionally submitting to the Board or a local government  
32 any document required under the provisions of this title which is  
33 false or contains any material misstatement of fact.

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

37 (c) *Dispensing, delivering or otherwise transferring cannabis*  
38 *to a person who is not authorized by law to possess cannabis in*  
39 *accordance with the provisions of this title.*

40 (d) *Having been electronically recorded by a video monitoring*  
41 *system in a cannabis establishment stealing cannabis or cannabis*  
42 *products from the cannabis establishment.*

43 (e) *Engaging in an act or conduct which may result in an*  
44 *impairment of the health and safety of the public.*



**Sec. 44.** 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 .....             | 20,000   |
| For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store .....                      | 6,600    |
| For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility .....     | 30,000   |
| For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility .....              | 10,000   |
| For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility .....      | 10,000   |



|                                                                                                                                        |         |
|----------------------------------------------------------------------------------------------------------------------------------------|---------|
| For the renewal of an adult-use cannabis establishment license for an adult-use cannabis production facility .....                     | \$3,300 |
| For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory ..... | 15,000  |
| For the renewal of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory .....          | 5,000   |
| For the initial issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge .....                 | 10,000  |
| For the renewal of an adult-use cannabis establishment license for a retail cannabis consumption lounge .....                          | 10,000  |
| For the initial issuance of an adult-use cannabis establishment license for an independent cannabis consumption lounge .....           | 10,000  |
| For the renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge .....                    | 10,000  |
| For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis distributor .....                    | 15,000  |
| For the renewal of an adult-use cannabis establishment license for an adult-use cannabis distributor .....                             | 5,000   |
| For each person identified in an application for the initial issuance of a cannabis establishment agent registration card .....        | 150     |
| For each person identified in an application for the renewal of a cannabis establishment agent registration card.....                  | 150     |

2. The Board may by regulation establish reduced fees for:

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

(b) The application fee set forth in subsection 3, ➤ for a social equity applicant. Such a reduction must not reduce the fee paid by a social equity applicant by more than 75 percent of the fee paid by an applicant who is not a social equity applicant.

3. Except as otherwise provided in subsection 2, in addition to the fees described in subsection 1, each applicant for a medical



cannabis establishment license or adult-use cannabis establishment license must pay to the Board:

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

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

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

(d) The actual costs incurred by the Board in processing the application, including, without limitation, conducting ~~background checks.~~ *an investigation of the applicant pursuant to section 21 of this act.*

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

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

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

**Sec. 45.** NRS 678B.510 is hereby amended to read as follows:

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

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

(b) To ensure accurate recordkeeping ~~and~~;

*(c) For the training of the cannabis establishment agents who volunteer or work at, contract to provide labor or services to or are employed by an independent contractor to provide labor or services to the cannabis establishment; and*

*(d) Any other procedures for the operation of the cannabis establishment established by the Board by regulation.*

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

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

(b) That is not a cannabis sales facility must have a single secure entrance and shall implement strict security measures to deter and prevent the theft of cannabis and unauthorized entrance into areas 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~~  
19 inspection by the Board at any time, and a person who holds a  
20 license must make himself or herself, or a designee thereof,  
21 available and present for any inspection by the Board of the  
22 cannabis establishment.

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

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

28 (b) Be capable of being accessed remotely by a law enforcement  
29 agency in real-time upon request ~~and~~ ; and

30 (c) *Satisfy any other requirements established by the Board by*  
31 *regulation.*

32 7. A cannabis establishment ~~shall not~~ *may, upon approval of*  
33 *the Board,* dispense or otherwise sell cannabis or cannabis products  
34 from a vending machine or allow such a vending machine to be  
35 installed at the interior or exterior of the premises of the cannabis  
36 establishment. As used in this subsection, “vending machine” has  
37 the meaning ascribed to it in NRS 209.229.

38 **Sec. 46.** NRS 678B.520 is hereby amended to read as follows:

39 678B.520 1. Each cannabis establishment shall, in  
40 consultation with the Board, cooperate to ensure that all cannabis  
41 products offered for sale:

42 (a) Are labeled clearly and unambiguously:

43 (1) As cannabis with the words “THIS PRODUCT  
44 CONTAINS CANNABIS” in bold type; and



(2) As required by the provisions of this chapter , ~~and~~ chapters 678C and 678D of NRS ~~and~~ *and the regulations adopted by the Board.*

(b) Are not presented in packaging that contains an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the cannabis production facility which produced the product.

(c) Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

(d) Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

(e) Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children.

(f) Are labeled in a manner which indicates the amount of THC in the product, measured in milligrams, and includes a statement that the product contains cannabis and its potency was tested with an allowable variance of the amount determined by the Board by regulation.

(g) Are not labeled or marketed as candy.

(h) Are labeled with:

(1) The words “Keep out of reach of children”;

(2) A list of all ingredients used in the cannabis product;

(3) A list of all major food allergens in the cannabis product;

and

(4) Any other information the Board may require by regulation.

2. A cannabis production facility shall not produce cannabis products in any form that:

(a) Is or appears to be a lollipop.

(b) Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon or artistic rendering.

(c) Is modeled after a brand of products primarily consumed by or marketed to children.

(d) Is made by applying concentrated cannabis, as defined in NRS 453.042, to a commercially available candy or snack food item other than dried fruit, nuts or granola.

3. A cannabis production facility shall:

(a) Seal any cannabis product that consists of cookies or brownies in a bag or other container which is not transparent.

(b) Maintain a hand washing area with hot water, soap and disposable towels which is located away from any area in which cannabis products are cooked or otherwise prepared.



(c) Require each person who handles cannabis products to restrain his or her hair, wear clean clothing and keep his or her fingernails neatly trimmed.

(d) Package all cannabis products produced by the cannabis production facility on the premises of the cannabis production facility.

4. A cannabis establishment shall not engage in advertising that in any way makes cannabis or cannabis products appeal to children, including, without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy.

5. Each cannabis sales facility shall offer for sale containers for the storage of cannabis and cannabis products which lock and are designed to prohibit children from unlocking and opening the container.

6. A cannabis sales facility shall:

(a) Convey to each purchaser of cannabis or cannabis products the following information in a manner prescribed by the Board:

(1) To keep cannabis and cannabis products out of the reach of children;

(2) That cannabis products can cause severe illness in children;

(3) That allowing children to ingest cannabis or cannabis products or storing cannabis or cannabis products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect;

(4) That the intoxicating effects of edible cannabis products may be delayed by 2 hours or more and users of edible cannabis products should initially ingest a small amount of the product, then wait at least 120 minutes before ingesting any additional amount of the product;

(5) That pregnant women should consult with a physician before ingesting cannabis or cannabis products;

(6) That ingesting cannabis or cannabis products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so;

(7) That cannabis or cannabis products can impair concentration, coordination and judgment and a person should not operate a motor vehicle while under the influence of cannabis or cannabis products; and

(8) That ingestion of any amount of cannabis or cannabis products before driving may result in criminal prosecution for driving under the influence.



(b) Enclose all cannabis and cannabis products in opaque, child-resistant packaging upon sale.

7. A cannabis sales facility shall allow any person who is at least 21 years of age to enter the premises of the cannabis sales facility.

8. If the health authority, as defined in NRS 446.050, where a cannabis production facility, cannabis sales facility or cannabis consumption lounge which sells edible cannabis products is located requires persons who handle food at a food establishment to obtain certification, the cannabis production facility, cannabis sales facility or cannabis consumption lounge shall ensure that at least one employee maintains such certification.

9. A cannabis production facility *and a cannabis sales facility* may ~~sell~~ *acquire hemp or* a commodity or product made using hemp ~~as defined in NRS 557.160, or containing cannabidiol~~ *from a grower or handler registered by the State Department of Agriculture pursuant to chapter 557 of NRS.*

10. A cannabis production facility may:

(a) *Use hemp or a commodity or product made using hemp to manufacture cannabis products; and*

(b) *Sell to a cannabis sales facility* ~~—10.1 a commodity or product made using hemp or containing cannabidiol or a cannabis product made using hemp or a commodity or product made using hemp.~~

11. In addition to any other product authorized by the provisions of this title, a cannabis sales facility may sell:

(a) ~~Any~~ *Hemp, any* commodity or product made using hemp ~~as defined in NRS 557.160;~~ *or any cannabis product made using hemp or a commodity or product made using hemp;*

(b) Any commodity or product containing cannabidiol with a THC concentration of not more than 0.3 percent; and

(c) Any other product specified by regulation of the Board.

~~11.1~~ 12. A cannabis establishment:

(a) Shall not engage in advertising which contains any statement or illustration that:

(1) Is false or misleading;

(2) Promotes overconsumption of cannabis or cannabis products;

(3) Depicts the actual consumption of cannabis or cannabis products; or

(4) Depicts a child or other person who is less than 21 years of age consuming cannabis or cannabis products or objects suggesting the presence of a child, including, without limitation, toys, characters or cartoons, or contains any other depiction which is designed in any manner to be appealing to or encourage



1 consumption of cannabis or cannabis products by a person who is  
2 less than 21 years of age.

3 (b) Shall not advertise in any publication or on radio, television  
4 or any other medium if 30 percent or more of the audience of that  
5 medium is reasonably expected to be persons who are less than 21  
6 years of age.

7 (c) Shall not place an advertisement:

8 (1) Within 1,000 feet of a public or private school,  
9 playground, public park or library, but may maintain such an  
10 advertisement if it was initially placed before the school,  
11 playground, public park or library was located within 1,000 feet of  
12 the location of the advertisement;

13 (2) On or inside of a motor vehicle used for public  
14 transportation or any shelter for public transportation;

15 (3) At a sports event to which persons who are less than 21  
16 years of age are allowed entry; or

17 (4) At an entertainment event if it is reasonably estimated  
18 that 30 percent or more of the persons who will attend that event are  
19 less than 21 years of age.

20 (d) Shall not advertise or offer any cannabis or cannabis product  
21 as “free” or “donated” without a purchase.

22 (e) Shall ensure that all advertising by the cannabis  
23 establishment contains such warnings as may be prescribed by the  
24 Board, which must include, without limitation, the following words:

25 (1) “Keep out of reach of children”; and

26 (2) “For use only by adults 21 years of age and older.”

27 (f) Shall ensure that all advertising by the cannabis  
28 establishment contains:

29 (1) The name of the cannabis establishment; and

30 (2) Except as otherwise provided in subsection ~~12~~ 13, the  
31 adult-use cannabis establishment license number or medical  
32 cannabis establishment license number of the cannabis  
33 establishment or any other unique identifier assigned to the cannabis  
34 establishment by the Board.

35 ~~12~~ 13. A cannabis establishment that holds more than one  
36 license may satisfy the requirement set forth in subparagraph (2) of  
37 paragraph (f) of subsection ~~11~~ 12 if the cannabis establishment  
38 includes in all advertising conducted by the cannabis establishment:

39 (a) Any one of the adult-use cannabis establishment license  
40 numbers or medical cannabis establishment license numbers of the  
41 cannabis establishment; or

42 (b) Any one unique identifier assigned to the cannabis  
43 establishment by the Board.

44 ~~13~~ 14. Nothing in subsection ~~11~~ 12 shall be construed to  
45 prohibit a local government, pursuant to chapter 244, 268 or 278 of



1 NRS, from adopting an ordinance for the regulation of advertising  
2 relating to cannabis which is more restrictive than the provisions of  
3 subsection ~~144~~ 12 relating to:

4 (a) The number, location and size of signs, including, without  
5 limitation, any signs carried or displayed by a natural person;

6 (b) Handbills, pamphlets, cards or other types of advertisements  
7 that are distributed, excluding an advertisement placed in a  
8 newspaper of general circulation, trade publication or other form of  
9 print media;

10 (c) Any stationary or moving display that is located on or near  
11 the premises of a cannabis establishment; and

12 (d) The content of any advertisement used by a cannabis  
13 establishment if the ordinance sets forth specific prohibited content  
14 for such an advertisement.

15 ~~144~~ 15. If a cannabis establishment engages in advertising for  
16 which it is required to determine the percentage of persons who are  
17 less than 21 years of age and who may reasonably be expected to  
18 view or hear the advertisement, the cannabis establishment shall  
19 maintain documentation for not less than 5 years after the date on  
20 which the advertisement is first broadcasted, published or otherwise  
21 displayed that demonstrates the manner in which the cannabis  
22 establishment determined the reasonably expected age of the  
23 audience for that advertisement.

24 ~~145~~ 16. To the extent that they are inconsistent or otherwise  
25 conflict with the regulations adopted by the Board pursuant to NRS  
26 678D.480, the requirements of this section pertaining to cannabis  
27 products do not apply to ready-to-consume cannabis products  
28 prepared and sold by a cannabis consumption lounge.

29 ~~146~~ 17. In addition to any other penalties provided for by  
30 law, the Board may impose a civil penalty upon a cannabis  
31 establishment that violates the provisions of subsection ~~144~~ 12 or  
32 ~~144~~ 15 as follows:

33 (a) For the first violation in the immediately preceding 2 years, a  
34 civil penalty not to exceed \$1,250.

35 (b) For the second violation in the immediately preceding 2  
36 years, a civil penalty not to exceed \$2,500.

37 (c) For the third violation in the immediately preceding 2 years,  
38 a civil penalty not to exceed \$5,000.

39 (d) For the fourth violation in the immediately preceding 2  
40 years, a civil penalty not to exceed \$10,000.

41 ~~147~~ 18. As used in this section, ~~“motor”~~ :

42 (a) *“Hemp” has the meaning ascribed to it in NRS 557.160.*

43 (b) *“Motor”* vehicle used for public transportation” does not  
44 include a taxicab, as defined in NRS 706.124.



**Sec. 47.** NRS 678B.530 is hereby amended to read as follows:  
678B.530 1. A person shall not:

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

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

*(c) Advertise as a cannabis sales facility or cannabis consumption lounge,*

↪ unless the person holds ~~[an adult use cannabis establishment]~~ *the appropriate type of* license ~~for a medical cannabis establishment license.]~~ *which authorizes the person to sell cannabis or cannabis products or engage in the business of a cannabis sales facility or cannabis consumption lounge, as applicable.*

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

**Sec. 48.** NRS 678B.600 is hereby amended to read as follows:

678B.600 1. An employee of the State Department of Agriculture *or the Board, or an attorney who represents the Department or the Board,* who, in the course of his or her duties:

(a) Possesses, delivers or produces cannabis;

(b) Aids and abets another in the possession, delivery or production of cannabis;

(c) Performs any combination of the acts described in paragraphs (a) and (b); or

(d) Performs any other criminal offense in which the possession, delivery or production of cannabis is an element,

↪ is exempt from state prosecution for the offense. The persons described in this subsection must ensure that the cannabis described in this subsection is safeguarded in an enclosed, secure location.

2. In addition to the provisions of subsection 1, 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 cannabis in accordance with the provisions of this title.

3. As used in this section, “cannabis” includes, without limitation, cannabis products.

**Sec. 49.** NRS 678B.620 is hereby amended to read as follows:

678B.620 1. An independent contractor, including, without limitation, an educational institution, nonprofit organization or labor organization, may enter into a contract with a cannabis establishment to provide training to the cannabis establishment agents who volunteer or work at, contract to provide labor *or*



1 *services* to or are employed by an independent contractor to provide  
2 labor *or services* to the cannabis establishment.

3 2. The Board shall issue to an independent contractor who  
4 wishes to provide training as described in subsection 1 a cannabis  
5 establishment agent registration card if ~~[-] the independent~~  
6 *contractor:*

7 (a) ~~[-The independent contractor submits]~~ *Submits* to the Board  
8 an organized, written plan describing the manner in which the  
9 independent contractor will conduct the training which has been  
10 agreed to by the independent contractor and the cannabis  
11 establishment; ~~[and]~~

12 (b) ~~[-The independent contractor satisfies]~~ *Satisfies* the  
13 requirements of NRS 678B.340 ~~[-]; and~~

14 (c) *Satisfies any other requirements established by the Board*  
15 *by regulation.*

16 3. *The Board may adopt regulations establishing*  
17 *requirements and standards for an independent contractor who*  
18 *wishes to provide training as described in subsection 1.*

19 **Sec. 50.** NRS 678B.650 is hereby amended to read as follows:

20 678B.650 The Board shall adopt such regulations as it  
21 determines to be necessary or advisable to carry out the provisions  
22 of this chapter. Such regulations are in addition to any requirements  
23 set forth in statute and must, without limitation:

24 1. Prescribe the form and any additional required content of  
25 applications for licenses or registration cards issued pursuant to this  
26 chapter;

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

30 3. *Establish procedures for the issuance of a license or*  
31 *registration card;*

32 4. *Establish circumstances and procedures pursuant to which*  
33 *the Board may issue a license which has been revoked or*  
34 *surrendered to a new or different applicant;*

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

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

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

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



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

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

~~{4-}~~ 6. Establish *minimum requirements for hemp, as defined in NRS 557.160, which is used by a cannabis production facility or sold by a cannabis sales facility;*

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

~~{5-}~~ 8. Establish different categories of cannabis establishment agent registration cards, including, without limitation, criteria for issuance of a cannabis establishment agent registration card for a cannabis executive and a cannabis establishment agent registration card for a cannabis receiver and criteria for training and certification, for each of the different types of cannabis establishments at which such an agent may be employed or volunteer or provide labor *or services* as a cannabis establishment agent;

~~{6-}~~ 9. As far as possible while maintaining accountability, protect the identity and personal identifying information of each person who receives, facilitates or delivers services in accordance with this chapter;

~~{7-}~~ 10. Establish procedures and requirements to enable a dual licensee to operate a medical cannabis establishment and an adult-use cannabis establishment at the same location;

~~{8-}~~ 11. Determine whether any provision of this chapter or chapter 678C or 678D of NRS would make the operation of a cannabis establishment by a dual licensee unreasonably impracticable;

~~{9-}~~ 12. Allow for any record relating to the delivery of cannabis or cannabis products that is required to be kept by a cannabis establishment to be created and maintained in an electronic format;

~~{10-}~~ 13. Prescribe the manner in which the Board will determine whether a person who holds an adult-use cannabis establishment license is ineligible to hold additional licenses pursuant to NRS 678B.325 and 678B.328;



~~14.1~~ 14. Set forth rules pertaining to the safe and healthful operation of cannabis consumption lounges, including, without limitation:

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

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

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

~~14.2~~ 15. Address such other matters as the Board deems necessary to carry out the provisions of this title.

**Sec. 51.** NRS 678C.200 is hereby amended to read as follows:

678C.200 1. Except as otherwise provided in this section and NRS 678C.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 678C.230 or 678C.270 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 medical 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 who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 678C.230 and the designated primary caregiver, if any, of such a person:

(a) Engage in or assist in, as applicable, the medical use of cannabis in accordance with the provisions of this title as justified to mitigate the symptoms or effects of a person's chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess with another who is authorized to possess, deliver or produce more than:



- 1 (1) Two and one-half ounces of usable cannabis;  
2 (2) Twelve cannabis plants, irrespective of whether the  
3 cannabis plants are mature or immature; and  
4 (3) A maximum allowable quantity of cannabis products as  
5 established by regulation of the Board.  
6 ➤ The persons described in this subsection must ensure that the  
7 usable cannabis and cannabis plants described in this subsection are  
8 safeguarded in an enclosed, secure location.  
9 4. If the persons described in subsection 3 possess, deliver or  
10 produce cannabis in an amount which exceeds the amount described  
11 in paragraph (b) of that subsection, those persons:  
12 (a) Are not exempt from state prosecution for the possession,  
13 delivery or production of cannabis.  
14 (b) May establish an affirmative defense to charges of the  
15 possession, delivery or production of cannabis, or any combination  
16 of those acts, in the manner set forth in NRS 678C.310.  
17 5. A person who holds a valid medical cannabis establishment  
18 license issued to the person pursuant to NRS ~~678B.210, 678B.250,~~  
19 a valid cannabis establishment agent registration card issued to the  
20 person pursuant to NRS 678B.340, a valid cannabis establishment  
21 agent registration card for a cannabis executive issued pursuant to  
22 NRS 678B.350 or a valid cannabis establishment agent registration  
23 card for a cannabis receiver issued pursuant to NRS 678B.355 , *or a*  
24 *person who is not required to obtain a cannabis establishment*  
25 *agent registration card pursuant to NRS 678B.340,* and who  
26 confines his or her activities to those authorized by this title, and the  
27 regulations adopted by the Board pursuant thereto, is exempt from  
28 state prosecution for:  
29 (a) The possession, delivery or production of cannabis;  
30 (b) The possession or delivery of paraphernalia;  
31 (c) Aiding and abetting another in the possession, delivery or  
32 production of cannabis;  
33 (d) Aiding and abetting another in the possession or delivery of  
34 paraphernalia;  
35 (e) Any combination of the acts described in paragraphs (a) to  
36 (d), inclusive; and  
37 (f) Any other criminal offense in which the possession, delivery  
38 or production of cannabis or the possession or delivery of  
39 paraphernalia is an element.  
40 6. Notwithstanding any other provision of law and except as  
41 otherwise provided in this subsection, after a medical cannabis  
42 dispensary opens in the county of residence of a person who holds a  
43 registry identification card, including, without limitation, a  
44 designated primary caregiver, such a person is not authorized to



1 cultivate, grow or produce cannabis. The provisions of this  
2 subsection do not apply if:

3 (a) The person who holds the registry identification card was  
4 cultivating, growing or producing cannabis in accordance with state  
5 law on or before July 1, 2013;

6 (b) All the medical cannabis dispensaries in the county of  
7 residence of the person who holds the registry identification card  
8 close or are unable to supply the quantity or strain of cannabis  
9 necessary for the medical use of the person to treat his or her  
10 specific medical condition;

11 (c) Because of illness or lack of transportation, the person who  
12 holds the registry identification card is unable reasonably to travel to  
13 a medical cannabis dispensary; or

14 (d) No medical cannabis dispensary was operating within 25  
15 miles of the residence of the person who holds the registry  
16 identification card at the time the person first applied for his or her  
17 registry identification card.

18 7. As used in this section, “cannabis” includes, without  
19 limitation, cannabis products.

20 **Sec. 52.** NRS 678C.400 is hereby amended to read as follows:

21 678C.400 1. Each medical cannabis establishment must:

22 (a) Be located in a separate building or facility that is located in  
23 a commercial or industrial zone or overlay;

24 (b) Have an appearance, both as to the interior and exterior, that  
25 is professional, orderly, dignified and consistent with the traditional  
26 style of pharmacies and medical offices; and

27 (c) Have discreet and professional signage that is consistent with  
28 the traditional style of signage for pharmacies and medical offices.

29 2. If a medical cannabis establishment is operated by a dual  
30 licensee, any provision of this section which is determined by the  
31 Board to be unreasonably impracticable pursuant to subsection ~~18~~  
32 **11** of NRS 678B.650 does not apply to the medical cannabis  
33 establishment.

34 **Sec. 53.** NRS 678C.410 is hereby amended to read as follows:

35 678C.410 1. A medical cannabis establishment is prohibited  
36 from acquiring, possessing, cultivating, manufacturing, delivering,  
37 transferring, transporting, supplying or dispensing cannabis for any  
38 purpose except to:

39 (a) Directly or indirectly assist patients who possess valid  
40 registry identification cards;

41 (b) Assist patients who possess valid registry identification cards  
42 or letters of approval by way of those patients’ designated primary  
43 caregivers; and

44 (c) Return for a refund cannabis, medical edible cannabis  
45 products or medical cannabis-infused products to the medical



1 cannabis establishment from which the cannabis, medical edible  
2 cannabis products or medical cannabis-infused products were  
3 acquired.

4 ➤ For the purposes of this subsection, a person shall be deemed to  
5 be a patient who possesses a valid registry identification card or  
6 letter of approval if he or she qualifies for nonresident reciprocity  
7 pursuant to NRS 678C.470.

8 2. A medical cannabis ~~{dispensary and a medical}~~ cultivation  
9 facility may acquire usable cannabis or cannabis plants from a  
10 person who holds a valid registry identification card, including,  
11 without limitation, a designated primary caregiver. Except as  
12 otherwise provided in this subsection, the patient or caregiver, as  
13 applicable, must receive no compensation for the cannabis. A  
14 patient who holds a valid registry identification card, and the  
15 designated primary caregiver of such a patient, or the designated  
16 primary caregiver of a person who holds a letter of approval may  
17 sell usable cannabis ~~{to a medical cannabis dispensary one time and~~  
18 ~~may sell}~~ or cannabis plants to a **medical cannabis** cultivation  
19 facility one time.

20 3. ~~{A medical cannabis production facility and a medical~~  
21 ~~cannabis dispensary may acquire hemp, as defined in NRS 557.160,~~  
22 ~~or a commodity or product made using such hemp from a grower or~~  
23 ~~handler registered by the State Department of Agriculture pursuant~~  
24 ~~to chapter 557 of NRS. A medical cannabis production facility may~~  
25 ~~use hemp or a commodity or product made using such hemp to~~  
26 ~~manufacture medical cannabis products. A medical cannabis~~  
27 ~~dispensary may dispense hemp or a commodity or product made~~  
28 ~~using such hemp and medical edible cannabis products and medical~~  
29 ~~cannabis-infused products manufactured using hemp or a~~  
30 ~~commodity or product made using such hemp.~~

31 —4.} A dual licensee:

32 (a) Shall comply with the regulations adopted by the Board  
33 pursuant to subsection ~~{7}~~ **10** of NRS 678B.650 with respect to the  
34 medical cannabis establishment operated by the dual licensee; and

35 (b) May, to the extent authorized by such regulations, combine  
36 the location or operations of the medical cannabis establishment  
37 operated by the dual licensee with the adult-use cannabis  
38 establishment operated by the dual licensee.

39 5. If a medical cannabis establishment is operated by a dual  
40 licensee, any provision of this section which is determined by the  
41 Board to be unreasonably impracticable pursuant to subsection ~~{8}~~  
42 **11** of NRS 678B.650 does not apply to the medical cannabis  
43 establishment.



**Sec. 54.** NRS 678C.420 is hereby amended to read as follows:  
678C.420 1. Each medical cannabis establishment, in consultation with the Board, shall maintain an electronic verification *and authentication* system.

2. The electronic verification *and authentication* system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) In the case of a medical cannabis dispensary, for each person who holds a valid registry identification card and who purchased cannabis from the dispensary in the immediately preceding ~~60-day~~ *120-day* period:

(1) The number of the card;

(2) The date on which the card was issued; and

(3) The date on which the card will expire.

(b) For each cannabis establishment agent who is employed by or volunteers at the medical cannabis establishment, the number of the person's cannabis establishment agent registration card.

(c) In the case of a medical cannabis dispensary, such information as may be required by the Board by regulation regarding persons who are not residents of this State and who have purchased cannabis from the dispensary. *Such information may include, without limitation, any information relating to any document issued to a person who is not a resident of this State by the state in which the person is a resident which identifies the person as exempt from state prosecution for engaging in the medical use of cannabis in that state.*

(d) Verification of the identity of a person to whom cannabis or medical cannabis products are sold or otherwise distributed.

(e) Such other information as the Board may require.

3. Nothing in this section prohibits more than one medical cannabis establishment from co-owning an electronic verification *and authentication* system in cooperation with other medical cannabis establishments, or sharing the information obtained therefrom.

4. A medical cannabis establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an electronic verification *and authentication* system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

**Sec. 55.** NRS 678C.430 is hereby amended to read as follows:  
678C.430 1. Each medical cannabis establishment, in consultation with the Board, shall maintain an inventory control system.



2. The inventory control system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) Insofar as is practicable, the chain of custody and current whereabouts, in real time, of cannabis from the point ~~that it is harvested~~ of acquisition at a medical cannabis cultivation facility until it is sold at a medical cannabis dispensary and, if applicable, medical cannabis production facility;

(b) The name of each person or other medical cannabis establishment, or both, to which the establishment sold cannabis;

(c) In the case of a medical cannabis dispensary, the date on which it sold cannabis to a person who holds a registry identification card and, if any, the quantity of medical cannabis products sold, measured both by weight and potency; and

(d) Such other information as the Board may require.

3. Nothing in this section prohibits more than one medical cannabis establishment from co-owning an inventory control system in cooperation with other medical cannabis establishments, or sharing the information obtained therefrom.

4. A medical cannabis establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an inventory control system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

5. If a medical cannabis establishment is operated by a dual licensee, the medical cannabis establishment may:

(a) For the purpose of tracking cannabis for medical use, maintain a combined inventory with an adult-use cannabis establishment operated by the dual licensee; and

(b) For the purpose of reporting on the inventory of the medical cannabis establishment operated by the dual licensee, maintain a combined inventory with an adult-use cannabis establishment operated by the dual licensee and report the combined inventory under ~~a single medical cannabis establishment license or~~ the adult-use cannabis establishment license.

6. If a medical cannabis establishment is operated by a dual licensee, the medical cannabis establishment shall:

(a) For the purpose of reporting on the sales of any medical cannabis establishment or adult-use cannabis establishment operated by the dual licensee, designate each sale as a sale pursuant to the provisions of this chapter or chapter 678D of NRS in its inventory control system at the point of sale; and

(b) Verify that each person who purchases cannabis or cannabis products in a sale designated as a sale pursuant to the provisions of this chapter holds a valid registry identification card.



1     **Sec. 56.** NRS 678C.440 is hereby amended to read as follows:  
2     678C.440 1. Each medical cannabis dispensary shall ensure  
3 all of the following:

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

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

9     (c) That, posted clearly and conspicuously within the  
10 dispensary, are the legal limits on the possession of cannabis for  
11 medical purposes, as set forth in NRS 678C.200.

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

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

19     2. A medical cannabis dispensary may, but is not required to,  
20 track the purchases of cannabis for medical purposes by any person  
21 to ensure that the person does not exceed the legal limits on the  
22 possession of cannabis for medical purposes, as set forth in NRS  
23 678C.200. The Board shall not adopt a regulation or in any other  
24 way require a medical cannabis dispensary to track the purchases of  
25 a person or determine whether the person has exceeded the legal  
26 limits on the possession of cannabis for medical purposes, as set  
27 forth in NRS 678C.200.

28     3. A medical cannabis dispensary which is a dual licensee may,  
29 to the extent authorized by the regulations adopted by the Board  
30 pursuant to subsection ~~7~~ 10 of NRS 678B.650, allow any person  
31 who is at least 21 years of age to enter the premises of the medical  
32 cannabis dispensary, regardless of whether such a person holds a  
33 valid registry identification card or letter of approval.

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

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

42     (a) Every sale of cannabis or cannabis products which is  
43 delivered by the third party or intermediary business is made  
44 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. 57.** NRS 678C.460 is hereby amended to read as follows:

678C.460 1. At each medical cannabis establishment, medical cannabis must be stored only in an enclosed, locked facility.

2. Except as otherwise provided in subsection 3, at each medical cannabis dispensary, medical cannabis must be stored in a secure, locked device, display case, cabinet or room within the enclosed, locked facility. The secure, locked device, display case, cabinet or room must be protected by a lock or locking mechanism that meets at least the security rating established by the Underwriters Laboratories for key locks.

3. At a medical cannabis dispensary, medical cannabis may be removed from the secure setting described in subsection 2:

(a) Only for the purpose of dispensing the cannabis;

(b) Only immediately before the cannabis is dispensed; and

(c) Only by a cannabis establishment agent who is employed by or volunteers at the dispensary.

~~4. A medical cannabis establishment may:~~

~~—(a) Transport medical cannabis to another medical cannabis establishment or between the buildings of the medical cannabis establishment; and~~

~~—(b) Enter into a contract with a third party to transport cannabis to another medical cannabis establishment or between the buildings of the medical cannabis establishment.]~~

**Sec. 58.** NRS 678C.600 is hereby amended to read as follows:

678C.600 1. The fact that a person possesses a registry identification card or letter of approval issued to the person by the Division or its designee pursuant to NRS 678C.230 or 678C.270, a medical cannabis establishment license issued to the person by the Board or its designee pursuant to NRS ~~678B.210.]~~ **678B.250**, a cannabis establishment agent registration card issued to the person by the Board or its designee pursuant to NRS 678B.340, a cannabis establishment agent registration card for a cannabis executive issued to the person by the Board or its designee pursuant to NRS 678B.350 or a cannabis establishment agent registration card for a cannabis receiver issued to the person by the Board pursuant to NRS 678B.355 does not, alone:



(a) Constitute probable cause to search the person or the person's property; or

(b) Subject the person or the person's property to inspection by any governmental agency.

2. Except as otherwise provided in this subsection, if officers of a state or local law enforcement agency seize cannabis, paraphernalia or other related property from a person engaged in, facilitating or assisting in the medical use of cannabis:

(a) The law enforcement agency shall ensure that the cannabis, paraphernalia or other related property is not destroyed while in the possession of the law enforcement agency.

(b) Any property interest of the person from whom the cannabis, paraphernalia or other related property was seized must not be forfeited pursuant to any provision of law providing for the forfeiture of property, except as part of a sentence imposed after conviction of a criminal offense.

(c) Upon:

(1) A decision not to prosecute;

(2) The dismissal of charges; or

(3) Acquittal,

the law enforcement agency shall, to the extent permitted by law, return to that person any usable cannabis, cannabis plants, paraphernalia or other related property that was seized. The provisions of this subsection do not require a law enforcement agency to care for live cannabis plants.

**Sec. 59.** NRS 678D.200 is hereby amended to read as follows:

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

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

(b) The possession or delivery of paraphernalia;

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

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

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

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

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



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

(a) Is 21 years of age or older;

(b) Is not employed by any agency or political subdivision of this State in a position which requires the person to be certified by the Peace Officers' Standards and Training Commission;

(c) Engages in the adult use of cannabis in accordance with the provisions of this title;

(d) Does not, at any one time, possess, deliver or produce more than:

(1) One ounce of usable cannabis;

(2) One-eighth of an ounce of concentrated cannabis;

(3) Six cannabis plants, irrespective of whether the cannabis plants are mature or immature; and

(4) A maximum allowable quantity of adult-use cannabis products as established by regulation of the Board;

(e) Cultivates, grows or produces not more than six cannabis plants:

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

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

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

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

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

5. A person who holds an adult-use cannabis establishment license issued to the person pursuant to NRS 678B.250, a cannabis 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, *or a person who is not required to obtain a cannabis establishment agent registration card pursuant to NRS 678B.340*, 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. 60.** NRS 678D.430 is hereby amended to read as follows:

678D.430 1. If an adult-use cannabis establishment is operated by a dual licensee, the adult-use cannabis establishment may:

(a) For the purpose of tracking cannabis, maintain a combined inventory with a medical cannabis establishment operated by the dual licensee; and

(b) For the purpose of reporting on the inventory of the adult-use cannabis establishment, maintain a combined inventory with a medical cannabis establishment operated by the dual licensee and report the combined inventory under ~~fa single medical cannabis license or~~ the adult-use cannabis license.

2. If a cannabis establishment is operated by a dual licensee, the cannabis establishment shall:

(a) For the purpose of reporting on the sales of any adult-use cannabis establishment or medical cannabis establishment operated by the dual licensee, designate each sale as a sale pursuant to the provisions of this chapter or chapter 678C of NRS; and

(b) Verify that each person who purchases cannabis or cannabis products in a sale designated as a sale pursuant to the provisions of chapter 678C of NRS holds a valid registry identification card.

3. An adult-use cannabis retail store shall not sell cannabis or cannabis products 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 an adult-use cannabis establishment license.



4. An adult-use cannabis retail store may contract with a third party or intermediary business to deliver cannabis or cannabis products 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 adult-use cannabis retail store or an Internet website, digital network or software application service of the adult-use cannabis retail store;

(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;

(c) In addition to any other requirements imposed by the Board by regulation, the name of the adult-use cannabis retail store and all independent contractors who perform deliveries on behalf of the adult-use cannabis retail store has been published on the Internet website of the Board; and

(d) The delivery is made by a cannabis establishment agent who is authorized to make the delivery by the adult-use cannabis retail store by which he or she is employed.

**Sec. 61.** NRS 678D.440 is hereby amended to read as follows:

678D.440 1. An adult-use cannabis distributor may transport cannabis and cannabis products between ~~{an adult-use}~~ a cannabis establishment and another ~~{adult-use}~~ cannabis establishment or between the buildings of ~~{an adult-use}~~ a cannabis establishment.

2. ~~{An adult-use cannabis establishment shall not transport cannabis or cannabis products to an adult-use cannabis retail store unless the adult-use cannabis establishment holds an adult-use cannabis establishment license for an adult-use cannabis distributor. — 3.}~~

An adult-use cannabis distributor shall not purchase or sell cannabis or cannabis products unless the adult-use cannabis distributor also holds ~~{an adult-use cannabis establishment}~~ a license for a type of ~~{adult-use}~~ cannabis establishment authorized by law to purchase or sell cannabis or cannabis products.

~~{4.}~~ 3. An adult-use cannabis distributor may enter into an agreement or contract with ~~{an adult-use}~~ a cannabis establishment for the transport of cannabis or cannabis products. Such an agreement or contract may include, without limitation, provisions relating to insurance coverage, climate control and theft by a third party or an employee.

~~{5.}~~ 4. An adult-use cannabis distributor, and each cannabis establishment agent employed by the adult-use cannabis distributor who is involved in the transportation, is responsible for cannabis and cannabis products once the adult-use cannabis distributor takes



control of the cannabis or cannabis products and leaves the premises of an adult-use cannabis establishment.

~~16.1~~ 5. The Board may adopt regulations establishing additional requirements for the operations of an adult-use cannabis distributor.

**Sec. 62.** NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 224.240, 226.300, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 232.1369, 233.190, 237.300, 239.0105, 239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 293.870, 293.906, 293.908, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045,



1 394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465,  
2 396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525,  
3 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888,  
4 408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305,  
5 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028,  
6 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407,  
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8 433A.360, 439.4941, 439.4988, 439.840, 439.914, 439A.116,  
9 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170,  
10 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,  
11 442.774, 445A.665, 445B.570, 445B.7773, 447.345, 449.209,  
12 449.245, 449.4315, 449A.112, 450.140, 450B.188, 450B.805,  
13 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555,  
14 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403,  
15 463.3407, 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940,  
16 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340,  
17 483.363, 483.575, 483.659, 483.800, 484A.469, 484B.830,  
18 484B.833, 484E.070, 485.316, 501.344, 503.452, 522.040,  
19 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098,  
20 598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303,  
21 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350,  
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23 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,  
24 628B.760, 629.047, 629.069, 630.133, 630.2671, 630.2672,  
25 630.2673, 630.30665, 630.336, 630A.327, 630A.555, 631.332,  
26 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283,  
27 633.301, 633.4715, 633.4716, 633.4717, 633.524, 634.055,  
28 634.1303, 634.214, 634A.169, 634A.185, 635.111, 635.158,  
29 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.288, 638.087,  
30 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640A.185,  
31 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620,  
32 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340,  
33 641.090, 641.221, 641.2215, 641.325, 641A.191, 641A.217,  
34 641A.262, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760,  
35 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180,  
36 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220,  
37 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330,  
38 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.126,  
39 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115, 665.130,  
40 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450, 673.480,  
41 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710,  
42 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190,  
43 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410,  
44 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306,  
45 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480,



1 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536,  
2 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550,  
3 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159,  
4 711.600, *and sections 3 and 4 of this act*, sections 35, 38 and 41 of  
5 chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391,  
6 Statutes of Nevada 2013 and unless otherwise declared by law to be  
7 confidential, all public books and public records of a governmental  
8 entity must be open at all times during office hours to inspection by  
9 any person, and may be fully copied or an abstract or memorandum  
10 may be prepared from those public books and public records. Any  
11 such copies, abstracts or memoranda may be used to supply the  
12 general public with copies, abstracts or memoranda of the records or  
13 may be used in any other way to the advantage of the governmental  
14 entity or of the general public. This section does not supersede or in  
15 any manner affect the federal laws governing copyrights or enlarge,  
16 diminish or affect in any other manner the rights of a person in any  
17 written book or record which is copyrighted pursuant to federal law.

18 2. A governmental entity may not reject a book or record  
19 which is copyrighted solely because it is copyrighted.

20 3. A governmental entity that has legal custody or control of a  
21 public book or record shall not deny a request made pursuant to  
22 subsection 1 to inspect or copy or receive a copy of a public book or  
23 record on the basis that the requested public book or record contains  
24 information that is confidential if the governmental entity can  
25 redact, delete, conceal or separate, including, without limitation,  
26 electronically, the confidential information from the information  
27 included in the public book or record that is not otherwise  
28 confidential.

29 4. If requested, a governmental entity shall provide a copy of a  
30 public record in an electronic format by means of an electronic  
31 medium. Nothing in this subsection requires a governmental entity  
32 to provide a copy of a public record in an electronic format or by  
33 means of an electronic medium if:

34 (a) The public record:

35 (1) Was not created or prepared in an electronic format; and

36 (2) Is not available in an electronic format; or

37 (b) Providing the public record in an electronic format or by  
38 means of an electronic medium would:

39 (1) Give access to proprietary software; or

40 (2) Require the production of information that is confidential  
41 and that cannot be redacted, deleted, concealed or separated from  
42 information that is not otherwise confidential.

43 5. An officer, employee or agent of a governmental entity who  
44 has legal custody or control of a public record:



(a) Shall not refuse to provide a copy of that public record in the medium that is requested because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

**Sec. 63.** NRS 289.355 is hereby amended to read as follows:

289.355 ~~[A person designated as an]~~

*1. For the purpose of the administration and enforcement ~~[agent by]~~ of the provisions of chapter 453 of NRS involving a crime relating to cannabis, or title 56 of NRS, the members of the Cannabis Compliance Board ~~[is a peace officer for the purpose of]~~ and those agents of the Board whose duties include the enforcement ~~[of the provisions of title 56 of NRS, including, without limitation, the prevention of unlicensed cannabis sales.]~~ or investigation of suspected violations of statutes or regulations have the powers of a peace officer.*

*2. An agent of the Cannabis Compliance Board whose duties include the enforcement or investigation of suspected violations of statutes or regulations, and who has been certified by the Peace Officers' Standards and Training Commission, also has the power of a peace officer when, during the performance of those duties:*

*(a) A felony, gross misdemeanor or misdemeanor is committed or attempted in the agent's presence; or*

*(b) The agent is given reasonable cause to believe that a person has committed a felony or gross misdemeanor outside of the agent's presence.*

*3. For the purpose of protecting members of the Cannabis Compliance Board and their families and property, and providing security at meetings of the Board, an agent of the Board whose duties include the enforcement of statutes or regulations has the powers of a peace officer.*

**Sec. 64.** Notwithstanding the amendatory provisions of this act:

1. A person who, on June 30, 2023, holds a valid medical cannabis establishment license issued by the Cannabis Compliance Board pursuant to NRS 678B.210 shall be deemed to hold a valid medical cannabis establishment license issued by the Board pursuant to NRS 678B.250, as amended by section 31 of this act.

2. The amendatory provisions of NRS 678B.320, as amended by section 35 of this act, do not apply to any medical cannabis establishment license issued pursuant to NRS 678B.210, including a medical cannabis establishment license described in subsection 1, or



1 adult-use cannabis establishment license issued pursuant to NRS  
2 678B.250 on or before June 30, 2023.

3 3. The amendatory provisions of this act governing the  
4 application for and issuance of a medical cannabis establishment  
5 license or adult-use cannabis establishment license by the Cannabis  
6 Compliance Board do not apply to an application for a medical  
7 cannabis establishment license submitted pursuant to NRS  
8 678B.210 or an adult-use cannabis establishment license submitted  
9 pursuant to NRS 678B.250 on or before June 30, 2023, and the  
10 disposition of such an application must be controlled by the  
11 applicable statutes as they existed before July 1, 2023.

12 **Sec. 65.** NRS 678B.210, 678B.240, 678B.270, 678B.300,  
13 678B.324 and 678D.410 are hereby repealed.

14 **Sec. 66.** This act becomes effective on July 1, 2023.

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#### LEADLINES OF REPEALED SECTIONS

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**678B.210 Licensing of medical cannabis establishments:  
Requirements; expiration and renewal.**

**678B.240 Licensing of medical cannabis establishments:  
Considerations in determining whether to issue license.**

**678B.270 Licensing of adult-use cannabis establishments in  
larger counties: Limitation on number of licenses issued to any  
one person; exception.**

**678B.300 Licensing of cannabis establishments: Limitation  
on acceptance of applications.**

**678B.324 Licensing of cannabis consumption lounges:  
Regulations establishing criteria of merit and scoring guidelines  
for evaluating applications.**

**678D.410 License required for transportation of cannabis  
for adult use and adult-use cannabis products; exceptions.**

