

ASSEMBLY BILL NO. 504—COMMITTEE ON JUDICIARY

MARCH 24, 2025

Referred to Committee on Judiciary

SUMMARY—Establishes certain deceptive trade practices relating to the sale of or an offer to sell certain hemp products. (BDR 56-867)

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

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

AN ACT relating to deceptive trade practices; requiring a person who does not hold a cannabis establishment license and who sells or offers to sell certain hemp products to display signs containing certain information; prohibiting such a person from making certain false, misleading or deceptive statements in advertising; making it a deceptive trade practice to violate those requirements or prohibitions; authorizing the Cannabis Compliance Board to investigate and refer violations of those requirements or prohibitions to the Attorney General; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law defines activities that constitute deceptive trade practices and
2 provides for the imposition of civil and criminal penalties against persons who
3 engage in deceptive trade practices. (Chapter 598 of NRS) **Section 1** of this bill
4 requires a person who does not hold a cannabis establishment license and who sells
5 or offers to sell a hemp product which is intended for human consumption to
6 display at all times at the location at which the sale or offer is made certain signs
7 notifying customers that the location is not licensed to sell cannabis and that all
8 hemp products contain less than the legal limit of THC. **Section 1** additionally
9 prohibits such a person from advertising or permitting to be advertised in any
10 manner any false, misleading or deceptive statement or representation with regard
11 to: (1) whether the person holds a cannabis establishment license or the location at
12 which the sale or offer is made is the premises of a cannabis establishment; or (2)
13 the nature of any hemp product which is intended for human consumption that is



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sold or offered for sale by the person. Under **section 1**, any violation of the requirements or prohibitions set forth in this bill constitutes a deceptive trade practice.

Section 2 of this bill grants the Cannabis Compliance Board the power to investigate and refer violations of **section 1** to the Attorney General for the imposition of any applicable civil and criminal penalties.

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 a new section to read as follows:

1. A person who does not hold a license and who sells or offers to sell a hemp product which is intended for human consumption:

(a) Shall prominently display at all times in a conspicuous place at the location at which the sale or offer is made, a sign at each:

(1) Entrance used by a customer which states "THIS LOCATION IS NOT LICENSED TO SELL CANNABIS." Each sign displayed pursuant to this subparagraph must use letters not less than 1 inch high and must be adequately illuminated to be visible from a distance of 30 feet from the sign by a person whose visual acuity is 20/20.

(2) Station where sales are made which states "ALL HEMP PRODUCTS CONTAIN LESS THAN THE LEGAL LIMIT OF THC." Each sign displayed pursuant to this subparagraph must use letters not less than three-eighths of an inch high, in non-italicized type, and be displayed at a height of not less than 3 feet and not more than 7 feet.

(b) Shall not advertise or permit to be advertised in any manner any false, misleading or deceptive statement or representation with regard to:

(1) Whether the person holds a license or the location at which the sale or offer is made is the premises of a cannabis establishment; or

(2) The nature of any hemp product which is intended for human consumption that is sold or offered for sale by the person, including, without limitation, any claim that the hemp product is cannabis or that the hemp product produces an intoxicating effect.

2. The remedies, penalties, duties and prohibitions set forth in this section are not exclusive and are in addition to any other remedies, penalties, duties and prohibitions provided by law.

3. Any violation of this section constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.



4. As used in this section:

(a) "Approved hemp component" has the meaning ascribed to it in NRS 446.844.

(b) "Hemp" has the meaning ascribed to it in NRS 557.160.

(c) "Hemp product" means a commodity or product containing hemp or any other commodity or product that purports to contain cannabidiol. The term does not include a commodity or product that contains only an approved hemp component and no other hemp.

(d) "Intended for human consumption" has the meaning ascribed to it in NRS 439.532.

Sec. 2. NRS 678A.440 is hereby amended to read as follows:

678A.440 In addition to any other powers granted by this title, the Board has the power to:

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

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

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

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

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

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

7. Refer cases to the Attorney General for criminal prosecution.

8. Maintain an official Internet website for the Board.

9. Monitor federal activity regarding cannabis and report its findings to the Legislature.

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

11. In accordance with NRS 179.1156 to 179.121, inclusive, seize and destroy cannabis and cannabis products involved in unlicensed cannabis activities.

12. *Investigate and refer violations of section 1 of this act to the Attorney General for the imposition of any penalties set forth in NRS 598.0903 to 598.0999, inclusive.*

13. Commit resources and take action to address unlicensed cannabis activities, including, without limitation:

(a) Investigating and referring matters involving unlicensed cannabis activities to the appropriate state or local law enforcement agency, including, without limitation, the Investigation Division of



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1 the Department of Public Safety and the Attorney General, for
2 further investigation and possible criminal prosecution;

3 (b) Educating the public through various types of media and
4 communication and other forms of public outreach on the dangers
5 and illegality of unlicensed cannabis activities and the importance of
6 having cannabis establishments which are licensed and regulated;

7 (c) Creating a system through which the public, licensees and
8 registrants may file confidential reports of unlicensed cannabis
9 activities; and

10 (d) Imposing penalties against persons who engage in
11 unlicensed cannabis activities in accordance with the regulations
12 adopted by the Board pursuant to NRS 678A.450.

