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FIRST REPRINT

A.B. 76

ASSEMBLY BILL NO. 76—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE CANNABIS COMPLIANCE BOARD)

PREFILED NOVEMBER 20, 2024

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to cannabis.
(BDR 56-286)FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to cannabis; revising provisions relating to the confidentiality of certain information relating to cannabis; revising provisions governing certain disciplinary proceedings; revising provisions relating to the operation of a cannabis establishment; authorizing the Cannabis Compliance Board to issue summonses and subpoenas and take certain other actions relating to unlicensed cannabis activities; revising provisions relating to the licensing of a cannabis establishment; revising provisions relating to cannabis independent testing laboratories; revising provisions relating to advertising engaged in and packaging used by a cannabis establishment; exempting certain persons from state prosecution for certain criminal offenses under certain circumstances; making various other changes relating to the regulation of cannabis; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law provides for the licensure and regulation of persons and
- 2 establishments involved in the cannabis industry in this State by the Cannabis
- 3 Compliance Board. (Title 56 of NRS) Existing law sets forth procedures by which
- 4 the Board may take disciplinary action against a licensee or registrant. (NRS
- 5 678A.500-678A.600) Under existing law, the Executive Director of the Board is
- 6 authorized to transmit the details of any suspected violation of the provisions of
- 7 existing law and regulations that govern the medical and adult use of cannabis to



the Attorney General for an investigation. (NRS 678A.500) After the investigation, existing law requires the Board to determine whether to proceed with disciplinary action against a licensee or registrant. (NRS 678A.510) If the Board proceeds with disciplinary action, existing law: (1) requires the Board or the Executive Director to serve a complaint upon the respondent; and (2) sets forth procedures for the conduct of a disciplinary hearing before the Board. (NRS 678A.520-678A.590) If the Board determines that a licensee or registrant has violated a provision of existing law or regulations governing the medical and adult use of cannabis, existing law authorizes the Board to impose certain penalties against the licensee or registrant. (NRS 678A.600)

Sections 6 and 13-24 of this bill revise the procedures by which disciplinary action may be taken against a licensee or registrant. **Section 13** specifies that the Executive Director is authorized to transmit the details of a suspected violation to the Attorney General for further investigation. **Section 24** makes a conforming change to reflect the fact that an investigation of a violation is commenced by the Executive Director, rather than the Board. **Section 14** revises the actions the Board must take with respect to each complaint resulting in an investigation by the Attorney General. **Section 15** revises the required content of a complaint served by the Board or the Executive Director and the time in which the respondent may answer the complaint. Upon receipt of an answer demanding a hearing or the expiration of the time to answer the complaint, **section 15** requires the Board to assign the matter to a hearing officer. **Sections 15-23** require a disciplinary hearing to be heard before a hearing officer, rather than the Board, and revise procedures for the conduct of such a hearing. **Section 6**: (1) provides that the decision and order of a hearing officer is final unless a party aggrieved by the decision requests that the Board review the decision and order or the Board initiates such a review on its own motion; and (2) sets forth procedures for the conduct of a review by the Board. **Section 23** provides that any person aggrieved by a final decision or order of the Board after a review conducted pursuant to **section 6** is entitled to judicial review of the decision or order.

Section 5 of this bill requires the Board to appoint one or more hearing officers to conduct disciplinary hearings and render decisions.

Section 26 of this bill authorizes the Board, the Executive Director or a designee of the Executive Director to issue a letter of warning, a letter of concern or a nonpunitive admonishment under certain circumstances.

Existing law requires the Board to adopt regulations providing for the investigation of unlicensed cannabis activities and the imposition of penalties against persons who engage in such activities. (NRS 678A.450) **Section 11** authorizes the Board to issue summonses and subpoenas and to take certain other actions in connection with such an investigation.

Sections 4, 12 and 54 of this bill revise provisions relating to the confidentiality of certain information obtained by the Board. Existing law authorizes the Governor or his or her designee to enter into one or more agreements with tribal governments concerning cannabis. (NRS 223.250) **Sections 52 and 53** of this bill provide that certain information received by a governmental entity from a tribal government or a facility engaged in cannabis activities operating on tribal land pursuant to the terms of such an agreement remains the property of the tribal government, does not constitute a public record and must be kept confidential by the governmental entity.

Sections 2, 7, 33, 34, 37 and 38 of this bill establish a standardized definition of the term "local governmental jurisdiction" for the purposes of provisions governing the medical and adult use of cannabis.

Existing law prohibits the production, distribution and sale of any synthetic cannabinoid. (NRS 453.572, 557.255, 678B.525) **Section 10** of this bill revises the definition of "synthetic cannabinoid" to: (1) specify that any cannabinoid that is



either produced artificially or not obtained directly without the use of a chemical reagent from a plant of the genus *Cannabis* constitutes a synthetic cannabinoid; and (2) exclude THC produced using certain processes.

Existing law requires a cannabis establishment to use an inventory control system. (NRS 678B.210, 678B.250, 678C.430) Existing law sets forth certain requirements for the operation of such a system by a medical cannabis establishment. (NRS 678B.430) **Sections 27, 31, 32, 35 and 45** of this bill revise those requirements and additionally apply the requirements to the operation of such a system by an adult-use cannabis establishment. **Sections 45 and 49** of this bill revise requirements for a dual licensee concerning the reporting of inventory.

Existing law sets forth procedures by which a health authority, upon finding a condition in the operation of a food establishment constituting a substantial hazard to the public health, may issue an order to the holder of the permit to operate the food establishment that may require the immediate suspension of the permit and discontinuance of all food operations. (NRS 446.880) **Section 30** of this bill sets forth similar procedures by which an agent of the Board may issue such an order to the holder of a cannabis establishment license if the agent finds a condition in the operation of the cannabis establishment which constitutes a substantial hazard to the public health. **Section 30** sets forth certain conditions under which such an order may not order the immediate suspension of the license and the immediate discontinuance of the operations of the cannabis establishment. **Section 29** of this bill defines "substantial hazard to the public health" to include certain specified conditions. **Section 29** additionally requires the Board to adopt certain regulations concerning substantial hazards to the public health which may exist at a cannabis establishment.

Existing law requires an applicant for a medical cannabis establishment license or adult-use cannabis establishment license to submit to the Board the physical address of the proposed cannabis establishment, which, among other requirements, must not be within a certain distance of a public or private school or community facility. (NRS 678B.210, 678B.250) **Sections 32 and 35** establish definitions of "public school" and "private school" and revise the definition of "community facility."

Section 36 of this bill revises certain requirements for cannabis independent testing laboratories.

Existing law deems the issuance of a license by the Board to be conditional in certain local governmental jurisdictions until the cannabis establishment is in compliance with applicable local governmental ordinances or rules and the local government has issued a business license for the operation of the establishment. (NRS 678B.320) **Section 37** additionally deems the issuance of such a license to be conditional until the cannabis establishment satisfies an inspection conducted by the Board.

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 39** of this bill removes that prohibition. **Section 39** additionally revises the procedures that the operating documents of a cannabis establishment are required to include.

Section 40 of this bill revises certain restrictions on advertising engaged in and packaging used by a cannabis establishment.

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 41** of this bill prohibits those actions only if the person does not have the appropriate type of license and additionally prohibits a person



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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 42** 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 provides an exemption from state prosecution for the possession, delivery and production of cannabis for: (1) a person who holds a valid registry identification card or letter of approval; and (2) a person who is 21 years of age or older. However, under existing law, that exemption is subject to certain limitations. For example, with respect to usable cannabis, the exemption applies only to the extent that a person does not, at any one time, possess, deliver or produce more than 2.5 ounces of usable cannabis. (NRS 678C.200, 678D.200) Existing law also prohibits a cannabis sales facility from selling to a person, in any one transaction, more than 2.5 ounces of usable cannabis. (NRS 678B.550) **Sections 3, 7 and 56** of this bill revise the definition of “usable cannabis” to exclude the seeds of a plant of the genus plant *Cannabis* and apply this definition throughout the provisions of existing law governing the medical and adult use of cannabis. **Section 47** of this bill makes a conforming change to eliminate a reference to a provision that has been repealed in **section 56**.

Existing law requires a medical cannabis establishment to maintain an electronic verification system. (NRS 678B.210, 678C.420) **Section 9** of this bill changes the name of such a system to an electronic verification and authentication system. **Section 44** of this bill revises requirements concerning the operation of such a system.

Existing law requires an adult-use cannabis product to be sold in a single package. (NRS 678D.420) **Section 48** of this bill revises requirements concerning the amount of usable cannabis, concentrated cannabis or THC that a single package may contain.

Existing law, with certain exceptions, prohibits smoking in any form within indoor places of employment. (NRS 202.2483) **Section 51** of this bill clarifies that the smoking of cannabis in a cannabis consumption lounge in accordance with the provisions of existing law governing the medical and adult-use of cannabis is not prohibited.

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

Section 1. Chapter 678A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *“Local governmental jurisdiction” means a city or unincorporated area within a county.*

Sec. 3. 1. *“Usable cannabis” means the dried leaves and flowers of a plant of the genus Cannabis, and any mixture or preparation thereof, that are appropriate for the medical use of cannabis or the adult use of cannabis.*

2. *The term does not include the seeds, stalks and roots of the plant.*



1 **Sec. 4.** *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:*

4 1. *The identity of any person who has furnished to the Board*
5 *information purporting to reveal the commission of a violation of*
6 *a provision of this title or the regulations adopted pursuant*
7 *thereto, including, without limitation, information concerning*
8 *unlicensed cannabis activities;*

9 2. *The information obtained by the Board from a person*
10 *described in subsection 1; or*

11 3. *Both the identity of a person described in subsection 1 and*
12 *the information obtained from the person.*

13 **Sec. 5.** *The Board shall appoint one or more hearing officers*
14 *to conduct hearings and render decisions as provided in NRS*
15 *678A.520 to 678A.600, inclusive, and section 6 of this act.*

16 **Sec. 6.** 1. *Unless a review by the Board is requested by a*
17 *party or initiated by the Board pursuant to subsection 2 or 3, the*
18 *decision and order of a hearing officer issued pursuant to NRS*
19 *678A.590 are final and not subject to review by any court or the*
20 *Board.*

21 2. *A party who is aggrieved by the decision and order of a*
22 *hearing officer issued pursuant to NRS 678A.590 may submit to*
23 *the Board a written request for a review of the decision and order*
24 *within 30 calendar days after the service of the decision and order.*

25 3. *The Board may, on its own motion, initiate a review of the*
26 *decision and order of a hearing officer issued pursuant to NRS*
27 *678A.590 within 30 days after the service of the decision and*
28 *order.*

29 4. *If requested or initiated in accordance with subsection 2 or*
30 *3, the Board shall conduct a review of the decision and order of*
31 *the hearing officer. The review must be limited to the record of the*
32 *proceedings before the hearing officer. The Board may not*
33 *consider any additional evidence which was not presented to the*
34 *hearing officer.*

35 5. *The Board may, at the request of a party or on its own*
36 *motion, provide for oral argument as part of a review conducted*
37 *pursuant to this section. The Chair of the Board shall determine*
38 *the time, place and any other conditions and requirements for any*
39 *such oral argument.*

40 6. *After the conclusion of a review conducted pursuant to this*
41 *section, the Board may affirm, modify or reverse the decision and*
42 *order of the hearing officer or remand the matter to the hearing*
43 *officer for further proceedings. The Board shall prepare a written*
44 *decision and order on the matter as expeditiously as possible and*



serve the decision and order on the parties personally or by certified mail.

Sec. 7. NRS 678A.010 is hereby amended to read as follows:

678A.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 678A.020 to 678A.240, inclusive, *and sections 2 and 3 of this act* have the meanings ascribed to them in those sections.

Sec. 8. (Deleted by amendment.)

Sec. 9. 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. 10. NRS 678A.239 is hereby amended to read as follows:

678A.239 1. “Synthetic cannabinoid” means a cannabinoid that is:

~~{1-}~~ (a) Produced artificially, whether from chemicals or from recombinant biological agents, including, without limitation, yeast and algae; ~~and~~

~~—2. Is not derived} or~~

(b) *Not obtained directly without the use of a chemical reagent* from a plant of the genus Cannabis. ~~{, including,}~~

2. *The term includes,* without limitation, biosynthetic cannabinoids.

3. *The term does not include THC produced through the decarboxylation of tetrahydrocannabinolic acid using a process approved by the Board.*

Sec. 11. 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 education, outreach, investigative and enforcement mechanisms as the Board deems necessary to ensure the compliance of a licensee or registrant with the provisions of this title. Such mechanisms must include, without limitation:

(1) A system to educate, train and certify employees of the Board which:

(I) Each employee must complete before he or she may engage in inspections, investigations or audits; and

(II) At a minimum, includes training that is the same or substantially similar to any training that is required by the Board by regulation to be completed by a cannabis establishment agent before



1 he or she may be employed by, volunteer at or provide labor to a
2 cannabis establishment;

3 (2) A system to educate and advise licensees and registrants
4 on compliance with the provisions of this title which may serve as
5 an alternative to disciplinary action; and

6 (3) Establishing specific grounds for disciplinary action
7 against a licensee or registrant who knowingly violates the law or
8 engages in grossly negligent, unlawful or criminal conduct or an act
9 or omission that poses an imminent threat to the health or safety of
10 the public.

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

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

19 (e) Policies and procedures relating to the disclosure of the
20 identities of the shareholders and the annual report of a cannabis
21 establishment that is a publicly traded company.

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

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

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

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

35 (a) Owner and manager of a cannabis establishment.

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

37 3. The Board shall adopt regulations providing for the
38 investigation of unlicensed cannabis activities and the imposition of
39 penalties against persons who engage in such activities. Such
40 regulations must, without limitation:

41 (a) Establish penalties to be imposed for unlicensed cannabis
42 activities, which may include, without limitation, the issuance of a
43 cease and desist order or citation, the imposition of an
44 administrative fine or civil penalty and other similar penalties.



(b) Set forth the procedures by which the Board may impose a penalty against a person for engaging in unlicensed cannabis activities.

(c) Set forth the circumstances under which the Board is required to refer matters concerning unlicensed cannabis activities to an appropriate state or local law enforcement agency.

4. *As part of an investigation of unlicensed cannabis activities conducted pursuant to the regulations adopted pursuant to subsection 3, if the Board has cause to believe that a person has engaged in or is engaging in unlicensed cannabis activities, the Board may issue a summons to require any person to appear before the Board at the time and place set forth in the summons and a subpoena to require the testimony of any person or the production of documents. The Board may administer an oath or affirmation to any person providing testimony pursuant to such a subpoena. A summons or subpoena issued pursuant to this subsection must be served upon a person in the manner required for service of process in this State or by certified mail with return receipt requested. An employee of the Board may personally serve such a summons or subpoena. The Board may use any documents, records or material produced pursuant to a subpoena issued pursuant to this subsection in the course of an action or proceeding brought pursuant to the regulations adopted pursuant to subsection 3.*

5. 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.

~~5.1~~ 6. The Board shall, by regulation, establish a pilot program for identifying opportunities for an emerging small cannabis business to participate in the cannabis industry. As used in this subsection, "emerging small cannabis business" means a cannabis-related business that:

- (a) Is in existence, operational and operated for a profit;
- (b) Maintains its principal place of business in this State; and
- (c) Satisfies requirements for the number of employees and annual gross revenue established by the Board by regulation.

Sec. 12. NRS 678A.470 is hereby amended to read as follows:

678A.470 1. The Board shall cause to be made and kept a record of all proceedings at regular and special meetings of the Board. These records are open to public inspection.

2. ~~Any~~ *Except as otherwise provided in subsections 3, 4 and 6, any* and all information and data prepared or obtained by the Board or by an agent or employee of the Board ~~relating to a holder of or an applicant for a medical cannabis establishment license~~



~~pursuant to NRS 678B.210, other than the name of a licensee 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 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 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.~~

~~3. Except as otherwise provided in this subsection, any information and data included in~~ :

(a) Relating to an application for ~~an adult-use cannabis establishment~~ a license or a registration card , a request for a transfer of ownership interest pursuant to the regulations adopted by the Board pursuant to NRS 678B.380 or a request to obtain the approval of the Board of any act, transaction, qualification, extension or exemption for which the approval of the Board is required pursuant to this title or the regulations adopted pursuant thereto and which is given at a meeting of the Board;

(b) That is required by the Board to be provided to the Board pursuant to this title or any regulation adopted pursuant thereto or which may be otherwise obtained relative to the finances, earnings or revenue of any licensee, registrant or applicant for a license or registration card;

(c) Pertaining to the criminal record, antecedents and background of a natural person;

(d) For which an assurance that the information and data will be held in confidence and treated as confidential has been provided in writing by the Board or an agent or employee of the Board who has been authorized by the Board to provide such an assurance;

(e) Relating to the internal layout and structural elements of a cannabis establishment;

(f) Relating to the security of a cannabis establishment, including, without limitation, the security measures and emergency preparedness of a cannabis establishment and any assessment of threats to or vulnerabilities of a cannabis establishment;

(g) That constitutes a trade secret, as defined in NRS 600A.030, and for which the word "Confidential" or "Private" or another indication of secrecy was placed in a reasonably



noticeable manner on any medium or container that describes or includes any portion of the trade secret at the time it was provided to the Board or an agent or employee of the Board;

(h) That contains the name or other personal information of a natural person who facilitates or delivers services in accordance with the provisions of this title and the regulations adopted pursuant thereto;

(i) Whose disclosure would likely prejudice the effectiveness of the operations of a law enforcement agency;

(j) Relating to the activities of a licensee or registrant involving the medical use of cannabis; or

(k) Relating to disciplinary action taken in accordance with NRS 678A.520 to 678A.600, inclusive, and section 6 of this act or an audit, inspection or investigation,

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.]~~

3. The following information and data are not confidential:

(a) The name of a licensee.

(b) The name of each owner, officer and board member of a licensee.

(c) The name of the receiver for a cannabis establishment subject to receivership.

(d) The physical address of a cannabis sales facility or cannabis consumption lounge.

(e) The local governmental jurisdiction in which a cannabis establishment is located.

(f) Information and data relating to the scoring and ranking of applications for a license.

(g) A complaint or notice of violation served pursuant to NRS 678A.520.

(h) A decision and order issued pursuant to NRS 678A.590 or section 6 of this act.

(i) A consent or settlement agreement entered into pursuant to NRS 678A.645.

4. The Board may reveal ~~[such]~~ information and data declared confidential pursuant to subsection 2 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.]~~ governmental entity. If any confidential information and data is provided by the Board to a governmental entity pursuant to this



section, the information and data remains confidential and may not be provided to any other person or governmental entity. To the extent practicable, any governmental entity that receives any confidential information and data from the Board pursuant to this section shall treat the information and data as confidential.

Notwithstanding any other provision of state law, ~~such~~ information and data declared confidential pursuant to subsection 2 may not be otherwise revealed without specific authorization by the Board pursuant to the regulations of the Board.

~~[4.]~~ 5. A person seeking an order of a court of competent jurisdiction for the disclosure of information and data declared confidential pursuant to subsection 2 must submit a motion in writing to the court requesting the information. At least 14 days before submitting the motion, the person must provide notice to the Board, the Attorney General and all persons who may be affected by the disclosure of the information and data. The notice must:

(a) Include, without limitation, a copy of the motion and all documents in support of the motion that are to be filed with the court; and

(b) Be delivered in person or by certified mail to the last known address of each person to whom notice must be provided.

6. The Board may reveal information and data declared confidential pursuant to subsection 2 to the extent necessary to establish a claim or defense in an action against the Board brought by a licensee, registrant or applicant for a license or registration card. The court may order the redaction or sealing of any court records containing confidential information and data revealed pursuant to this subsection to maintain the confidentiality of the information and data.

7. 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.]~~ 8. As used in this section ~~["information"]~~:

(a) "Governmental entity" means any agency of the United States Government, any state or political subdivision of a state or the government of any foreign country.

(b) "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.}~~

(c) *"Personal information" means:*

(1) *The name, address, telephone number, electronic mail address or date of birth of a person; and*

(2) *Any other information that constitutes personal information as defined in NRS 603A.040.*

Sec. 13. NRS 678A.500 is hereby amended to read as follows:

678A.500 1. If the Executive Director becomes aware that a licensee or registrant has violated, is violating or is about to violate any provision of this title or any regulation adopted pursuant thereto, the Executive Director may transmit the details of the suspected violation, along with any further facts or information related to the violation which are known to the Executive Director, to the Attorney General ~~H~~ *for further investigation.*

2. If any person other than the Executive Director becomes aware that a licensee or registrant has violated, is violating or is about to violate any provision of this title or any regulation adopted pursuant thereto, the person may file a written complaint with the Executive Director specifying the relevant facts. The Executive Director shall review each such complaint and, if the Executive Director finds the complaint not to be frivolous, may transmit the details of the suspected violation, along with any further facts or information derived from the review of the complaint to the Attorney General ~~H~~ *for further investigation.*

3. The employees of the Board who are certified by the Peace Officers' Standards and Training Commission created pursuant to NRS 289.500 shall cooperate with the Attorney General in the performance of any criminal investigation.

Sec. 14. NRS 678A.510 is hereby amended to read as follows:

678A.510 1. If the Executive Director transmits the details of a suspected violation to the Attorney General *for further investigation* pursuant to NRS 678A.500, the Attorney General shall conduct an investigation of the suspected violation to determine whether it warrants proceedings for disciplinary action of the licensee or registrant. If the Attorney General determines that further proceedings are warranted, he or she shall report the results of the investigation together with a recommendation to the Executive Director in a manner which does not violate the right of the person charged in the complaint to due process in any later hearing on the complaint. The Executive Director shall transmit the recommendation and other information received from the Attorney General to the Board.



2. The Board shall promptly make a determination with respect to each complaint resulting in an investigation by the Attorney General. The Board shall:

(a) ~~{Dismiss the complaint;}~~ *Decline to proceed with disciplinary action;*

(b) ~~{Enter into}~~ *Authorize the Attorney General to attempt to negotiate* a consent or settlement agreement ~~{with}~~ *to be entered into between* the licensee or registrant *and the Board* pursuant to NRS 678A.645; or

(c) Proceed with appropriate disciplinary action in accordance with NRS 678A.520 to 678A.600, inclusive, *and section 6 of this act*, chapter 233B of NRS and the regulations adopted by the Board. In determining the disciplinary action to impose the Board shall consider mitigating factors pursuant to NRS 678A.647.

Sec. 15. NRS 678A.520 is hereby amended to read as follows:

678A.520 1. If the Board proceeds with disciplinary action pursuant to NRS 678A.510, the Board or the Executive Director shall serve a complaint upon the respondent . ~~{either personally, or by}~~

2. A complaint served pursuant to subsection 1 must be served upon the respondent:

(a) Personally;

(b) By registered or certified mail at the address of the respondent that is on file with the Board ~~{. Such}~~ ; or

(c) If the respondent has expressly agreed to service by electronic means, by electronic means.

3. A complaint served pursuant to subsection 1 must:

~~(a) {Be a written statement of charges;~~

~~(b) Set forth in ordinary and concise language the acts or omissions with which the respondent is charged;~~

~~(c) Specify the statutes and regulations which the respondent is alleged to have violated. {;~~

~~(d) Not consist merely of charges raised in the language of the statutes or regulations which the respondent is alleged to have violated;~~

~~(e) { (b) Set forth a short and plain statement of the matters asserted, including, without limitation, the acts or omissions with which the respondent is charged.~~

(c) If the respondent is alleged to have committed multiple violations consisting of the same or a similar act, omission or course of conduct, charge those violations as a single alleged violation if the violations:

(1) Are closely related in time, place and circumstance; and

(2) Were all discovered in the course of a single audit, inspection or investigation. {;



~~(f)~~ (d) Specify the penalty being sought against the respondent
and

~~(g)~~ (e) Provide notice of the right of the respondent to request a hearing.

~~(2)~~ 4. The Chair of the Board may grant an extension to respond to the complaint for good cause. Unless granted such an extension, the respondent must , ~~answer~~ within ~~(20)~~ 21 days after the service of the complaint ~~(1)~~ , *answer the complaint in accordance with subsection 5.*

5. In the answer *to a complaint*, the respondent:

(a) Must state in short and plain terms the defenses to each claim asserted.

(b) Must admit or deny the facts alleged in the complaint.

(c) Must state which allegations the respondent is without knowledge or information to form a belief as to their truth. Such allegations shall be deemed denied.

(d) Must affirmatively set forth any matter which constitutes an avoidance or affirmative defense.

(e) May demand a hearing. Failure to demand a hearing constitutes a waiver of the right to a hearing ~~and~~ , *the right to judicial request a review of any the decision or order of the hearing officer by the Board (but) and the right to judicial review of any decision of the Board . (may order a hearing even if the respondent so waives his or her right.*

~~3~~ 6. *Upon receipt of an answer demanding a hearing or the expiration of the time to answer the complaint, the Board shall assign the matter to a hearing officer.*

7. Failure to ~~answer~~ *comply with subsection 4 or , if the respondent has demanded a hearing pursuant to subsection 5,* to appear at the hearing constitutes an admission by the respondent of all facts alleged in the complaint. The ~~Board~~ *hearing officer* may take action based on such an admission and on other evidence without further notice to the respondent. If the ~~Board~~ *hearing officer* takes action based on such an admission, the ~~Board~~ *hearing officer* shall include in the record which evidence was the basis for the action.

~~(4)~~ 8. The ~~Board~~ *hearing officer* shall determine the time and place of the hearing as soon as is reasonably practical after receiving the respondent's answer. The ~~Board~~ *hearing officer* shall deliver or send by registered ~~or~~ *mail*, certified mail *or, if the parties have expressly agreed to service by electronic means, by electronic means* a notice of hearing *that complies with NRS 233B.121* to all parties at least 10 days before the hearing. The hearing must be held within ~~(45)~~ 120 days after receiving the respondent's answer unless an expedited hearing is determined to be



appropriate by the *Executive Director or the* Board, in which event the hearing must be held as soon as practicable. The ~~{Chair of the Board}~~ *hearing officer* may grant one or more extensions to the ~~{45-day}~~ *120-day* requirement pursuant to a request of a party or an agreement by both parties.

Sec. 16. NRS 678A.530 is hereby amended to read as follows:

678A.530 Before a hearing ~~{, before the Board,}~~ and during a hearing upon reasonable cause shown, the ~~{Board}~~ *hearing officer* shall issue subpoenas and subpoenas duces tecum at the request of a party. All witnesses appearing pursuant to subpoena, other than parties, officers or employees of the State of Nevada or any political subdivision thereof, are entitled to receive fees and mileage in the same amounts and under the same circumstances as provided by law for witnesses in civil actions in the district courts. Witnesses entitled to fees or mileage who attend hearings at points so far removed from their residences as to prohibit return thereto from day to day are entitled, in addition to witness fees and in lieu of mileage, to the per diem compensation for subsistence and transportation authorized for state officers and employees for each day of actual attendance and for each day necessarily occupied in traveling to and from the hearings. Fees, subsistence and transportation expenses must be paid by the party at whose request the witness is subpoenaed. ~~{The Board may award as costs the amount of all such expenses to the prevailing party.}~~

Sec. 17. NRS 678A.540 is hereby amended to read as follows:

678A.540 1. At all hearings before ~~{the Board,}~~ *a hearing officer*:

(a) Oral evidence may be taken only upon oath or affirmation administered by the ~~{Board,}~~ *hearing officer*.

(b) Every party has the right to:

(1) Call and examine witnesses;

(2) Introduce exhibits relevant to the issues of the case;

(3) Cross-examine opposing witnesses on any matters relevant to the issues of the case, even though the matter was not covered in a direct examination;

(4) Impeach any witness regardless of which party first called the witness to testify; and

(5) Offer rebuttal evidence.

(c) If the respondent does not testify in his or her own behalf, the respondent may be called and examined as if under cross-examination.

(d) The hearing need not be conducted according to technical rules relating to evidence and witnesses, except that those prescribed in NRS 233B.123 apply. Any relevant evidence that is not immaterial or unduly repetitious may be admitted and is sufficient in



1 itself to support a finding if it is the sort of evidence on which
2 responsible persons are accustomed to rely in the conduct of serious
3 affairs, regardless of the existence of any common law or statutory
4 rule which might make improper the admission of such evidence
5 over objection in a civil action.

6 (e) The parties or their counsel may by written stipulation agree
7 that certain specified evidence may be admitted even though such
8 evidence might otherwise be subject to objection.

9 2. The ~~{Board}~~ **hearing officer** may take official notice of any
10 generally accepted information or technical or scientific matter
11 within the field of cannabis, and of any other fact which may be
12 judicially noticed by the courts of this State. The parties must be
13 informed of any information, matters or facts so noticed, and must
14 be given a reasonable opportunity, on request, to refute such
15 information, matters or facts by evidence or by written or oral
16 presentation of authorities, the manner of such refutation to be
17 determined by the ~~{Board}~~ **hearing officer**.

18 3. Affidavits may be received in evidence at any hearing ~~of~~
19 ~~the Board~~ **before a hearing officer** in accordance with the
20 following:

21 (a) The party wishing to use an affidavit must, not less than 10
22 days before the day set for hearing, serve upon the opposing party or
23 counsel, either personally or by registered or certified mail, a copy
24 of the affidavit which the party proposes to introduce in evidence
25 together with a notice as provided in paragraph (c).

26 (b) Unless the opposing party, within 7 days after such service,
27 mails or delivers to the proponent a request to cross-examine the
28 affiant, the opposing party's right to cross-examine the affiant is
29 waived and the affidavit, if introduced in evidence, must be given
30 the same effect as if the affiant had testified orally. If an opportunity
31 to cross-examine an affiant is not afforded after request therefor is
32 made in accordance with this paragraph, the affidavit may be
33 introduced in evidence, but must be given only the same effect as
34 other hearsay evidence.

35 (c) The notice referred to in paragraph (a) must be substantially
36 in the following form:

37
38 The accompanying affidavit of (here insert name of
39 affiant) will be introduced as evidence at the hearing set for
40 the day of the month of of the year (Here
41 insert name of affiant) will not be called to testify orally and
42 you will not be entitled to question (here insert name of
43 affiant) unless you notify the undersigned that you wish to
44 cross-examine (here insert name of affiant). To be effective
45 your request must be mailed or delivered to the undersigned



on or before 7 days from the date this notice and the enclosed affidavit are served upon you.

(Party or Counsel)

(Address)

Sec. 18. NRS 678A.550 is hereby amended to read as follows:

678A.550 ~~{The following procedures apply at}~~ **At** all hearings ~~{of the Board:~~

~~—1. At least three members of the Board shall be present at every hearing, and they shall exercise all powers relating to the conduct of}~~ **before a hearing officer,** the hearing ~~{and shall enforce all decisions with respect thereto.~~

~~—2. The proceedings}~~ **officer shall cause an audio recording to be made of all oral proceedings** at the hearing . **The audio recording** must be ~~{reported either stenographically or by a phonographic reporter.}~~ **transcribed upon the request of any party. The party making the request shall pay all the costs for the transcription.**

Sec. 19. NRS 678A.570 is hereby amended to read as follows:

678A.570 ~~{The Board}~~ **A hearing officer** may, before submission of the case for decision, permit the filing of amended or supplemental pleadings and shall notify all parties thereof, and provide a reasonable opportunity for objections thereto.

Sec. 20. NRS 678A.580 is hereby amended to read as follows:

678A.580 If any person in proceedings before **a hearing officer or** the Board disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the **hearing officer or the** Board may certify the facts to the district court in and for the county where the proceedings are held. The court shall thereupon issue an order directing the person to appear before the court and show cause why the person should not be punished as for contempt. The court order and a copy of the statement of the **hearing officer or the** Board must be served on the person cited to appear. Thereafter the court has jurisdiction of the matter, and the same proceedings must be had, the same penalties may be imposed and the person charged may purge himself or herself of the contempt in the same way as in the case of a person who has committed a contempt in the trial of a civil action before a district court.



Sec. 21. NRS 678A.590 is hereby amended to read as follows:

678A.590 1. Within 60 days after the hearing of a contested matter, the ~~{Board}~~ **hearing officer** shall render a written decision on the merits. Except as otherwise provided in subsection 5 of NRS 233B.121, the written decision must contain findings of fact and conclusions of law which are separately stated, a determination of the issues presented and the penalty to be imposed, if any. If the ~~{Board}~~ **hearing officer** determines that the licensee or registrant has violated any provision of this title or any regulation adopted pursuant thereto, the written decision must set forth the determination of the ~~{Board}~~ **hearing officer** as to whether any of the mitigating circumstances required to be considered by the ~~{Board}~~ **hearing officer** pursuant to NRS 678A.600 exist and, if so, the weight given to each mitigating circumstance in determining the appropriate action to be taken pursuant to that section. The ~~{Board}~~ **hearing officer** shall thereafter make and enter ~~{its}~~ **a** written order in conformity to ~~{its}~~ **the** decision. ~~{No member of the Board who did not hear the evidence may vote on the decision. The affirmative votes of a majority of the whole Board are required to impose any penalty.}~~ Copies of the decision and order must be served on the parties personally or sent to them by ~~{registered or}~~ certified mail. The decision is effective upon such service . ~~{, unless the Board orders otherwise.}~~

2. The ~~{Board}~~ **hearing officer** may, upon motion made within 15 days after service of a decision and order, order a rehearing before the ~~{Board}~~ **hearing officer** upon such terms and conditions as it may deem just and proper if a ~~{petition for judicial}~~ review of the decision ~~{and order}~~ has not been ~~{filed.}~~ **initiated pursuant to section 6 of this act.** The motion must not be granted except upon a showing that there is additional evidence which is material and necessary and reasonably calculated to change the decision of the ~~{Board}~~ **hearing officer**, and that sufficient reason existed for failure to present the evidence at the hearing ~~{of}~~ **before** the ~~{Board.}~~ **hearing officer.** The motion must be supported by an affidavit of the moving party or his or her counsel showing with particularity the materiality and necessity of the additional evidence and the reason why it was not introduced at the hearing. Upon rehearing, rebuttal evidence to the additional evidence must be permitted. After rehearing, the ~~{Board}~~ **hearing officer** may modify ~~{its}~~ **his or her** decision and order as the additional evidence may warrant.

Sec. 22. NRS 678A.600 is hereby amended to read as follows:

678A.600 1. If the ~~{Board}~~ **hearing officer** finds that a licensee or registrant has violated a provision of this title or any regulation adopted pursuant thereto, the ~~{Board}~~ **hearing officer** may:



(a) Limit, condition, suspend or revoke the license or registration card of the licensee or registrant;

(b) Impose a civil penalty in an amount established by regulation, not to exceed \$20,000 for a single violation;

(c) Take any combination of the actions authorized by paragraphs (a) and (b);

(d) Issue a warning to the licensee or registrant; or

(e) Take no action against the licensee or registrant.

2. In determining the appropriate action to be taken against a licensee or registrant pursuant to this section, including, without limitation, the amount of any civil penalty imposed, the ~~{Board}~~ **hearing officer** shall consider whether any of the mitigating circumstances set forth in NRS 678A.647 exist.

Sec. 23. NRS 678A.610 is hereby amended to read as follows:

678A.610 Any person aggrieved by a final decision or order of the Board made ~~{after hearing or rehearing by the Board pursuant to NRS 678A.520 to 678A.600, inclusive, and whether or not a motion for rehearing was filed.}~~ **pursuant to section 6 of this act** is entitled to judicial review of the decision or order in the manner provided by chapter 233B of NRS.

Sec. 24. NRS 678A.647 is hereby amended to read as follows:

678A.647 1. A violation of any provision of this title or any regulation adopted pursuant thereto may be mitigated by any of the following circumstances:

(a) The licensee or registrant self-reported the violation to the Board or an agent of the Board.

(b) For a violation committed by a licensee, the licensee has:

(1) Submitted to the Board a plan to correct the violation which has been approved by the Board or deemed approved pursuant to subsection 2; and

(2) Taken action to correct the violation.

(c) The licensee or registrant has made a good faith effort to prevent violations from occurring, including, without limitation, by:

(1) Providing regular training to the employees of the licensee or registrant which has been documented and which was provided before the commencement of an investigation by the ~~{Board}~~ **Executive Director** concerning the violation ~~{}~~ **pursuant to NRS 678A.500;** or

(2) Establishing, before the commencement of an investigation by the ~~{Board}~~ **Executive Director** concerning the violation ~~{}~~ **pursuant to NRS 678A.500,** standard operating procedures that include procedures which directly address the conduct constituting the violation.



(d) The licensee or registrant has cooperated in the investigation of the violation in such a manner as to demonstrate that the licensee or registrant accepts responsibility for the violation.

(e) Any other mitigating circumstance established by the Board by regulation exists.

2. For the purposes of subparagraph (1) of paragraph (b) of subsection 1, if a licensee has submitted a plan to correct a violation and the Board does not take action to approve or reject the plan within 30 days after the date on which the plan was submitted, the plan shall be deemed to be approved by the appropriate agent of the Board.

Sec. 25. Chapter 678B of NRS is hereby amended by adding thereto the provisions set forth as sections 26 to 30, inclusive, of this act.

Sec. 26. *1. If the Board, the Executive Director or a designee of the Executive Director has reason to believe that a licensee or registrant has violated or is violating any provision of this title or the regulations adopted pursuant thereto, the Board, Executive Director or designee may issue to the person a letter of warning, a letter of concern or a nonpunitive admonishment at any time before the Board has initiated any disciplinary proceedings against the person.*

2. The issuance of such a letter or admonishment:

(a) Does not preclude the Board from initiating any disciplinary proceedings against the person or taking any disciplinary action against the person based on any conduct alleged or described in the letter or admonishment or any other conduct; and

(b) Does not constitute a final decision of the Board and is not subject to judicial review.

Sec. 27. *1. Each 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 of acquisition at a cannabis cultivation facility until it is sold at a cannabis establishment;

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

(c) The date on which the cannabis was sold and the quantity of any 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 cannabis establishment from co-owning an inventory control system in cooperation with other cannabis establishments or sharing the information obtained therefrom.

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

Sec. 28. (Deleted by amendment.)

Sec. 29. 1. The Board shall adopt regulations establishing:

(a) Procedures pursuant to which a cannabis establishment must immediately discontinue operations and notify the Board upon becoming aware that a condition constituting a substantial hazard to the public health exists at the cannabis establishment. Such procedures must not require a cannabis establishment at which a substantial hazard to the public health exists to discontinue operations if the hazard affects a discrete area of the cannabis establishment and the Board has approved a plan to allow the cannabis establishment to continue operations in the areas of the cannabis establishment unaffected by the hazard.

(b) Procedures and requirements for a cannabis establishment to resume operations after a substantial hazard to the public health has been found to exist at the cannabis establishment.

2. As used in this section, "substantial hazard to the public health" means any of the following:

(a) A fire or flood.

(b) Interruption of electrical service for more than 2 hours.

(c) Interruption of water service.

(d) Sewage backup.

(e) The misuse of poisonous or toxic materials.

(f) The onset of an apparent food-borne illness outbreak.

(g) A gross insanitary occurrence or condition.

(h) Any other occurrence or condition that may endanger the public health.

Sec. 30. 1. Whenever an agent of the Board finds a condition in the operation of a cannabis establishment which constitutes a substantial hazard to the public health as defined in section 29 of this act, the agent may, without warning, notice or hearing, issue a written order to the licensee citing the condition, specifying the corrective action to be taken and specifying the time within which the action must be taken. Except as otherwise provided in subsection 3, the order may state that the license of the cannabis establishment is immediately suspended and all operations must be immediately discontinued. Any person to



1 *whom such an order is issued shall comply with it immediately.*
2 *Upon written petition to the Board, the person must be afforded a*
3 *hearing before a hearing officer as soon as possible, but not later*
4 *than 14 days after the date on which the order was issued unless*
5 *the Board and the licensee agree in writing to a longer period.*

6 2. *Any licensee whose license has been suspended pursuant*
7 *to subsection 1 may, at any time, make an application for a*
8 *reinspection for reinstatement of the license. As soon as*
9 *practicable, but not more than 2 business days following receipt of*
10 *a written request, including a statement signed by the applicant*
11 *that in the opinion of the applicant the conditions causing the*
12 *suspension of the license have been corrected, the Board shall*
13 *make a reinspection. If the applicant is complying with all*
14 *applicable requirements of this title and the regulations adopted*
15 *pursuant thereto, the license must be reinstated.*

16 3. *An order issued by an agent of the Board pursuant to*
17 *subsection 1 must not order the immediate suspension of the*
18 *license for the cannabis establishment and the immediate*
19 *discontinuance of the operations of the cannabis establishment if*
20 *the Board has approved the continued operation of the cannabis*
21 *establishment or, while the agent of the Board is on the premises*
22 *of the cannabis establishment:*

23 *(a) The condition is immediately corrected; or*

24 *(b) The licensee presents to the agent of the Board a plan for*
25 *the continued operation of the cannabis establishment and the*
26 *agent of the Board approves the plan.*

27 **Sec. 31.** NRS 678B.060 is hereby amended to read as follows:
28 678B.060 “Inventory control system” means a process, device
29 or other contrivance that may be used to monitor the chain of
30 custody of cannabis from the point of ~~cultivation~~ **acquisition** to the
31 end consumer.

32 **Sec. 32.** NRS 678B.210 is hereby amended to read as follows:
33 678B.210 1. A person shall not engage in the business of a
34 medical cannabis establishment unless the person holds a medical
35 cannabis establishment license issued by the Board pursuant to this
36 section.

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

40 3. Except as otherwise provided in NRS 678B.215 to
41 678B.240, inclusive, not later than 90 days after receiving an
42 application to engage in the business of a medical cannabis
43 establishment, the Board shall register the medical cannabis
44 establishment and issue a medical cannabis establishment license
45 and a random 20-digit alphanumeric identification number if:



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

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

(2) An application, which must include:

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

(II) The physical address where the proposed medical cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated medical cannabis establishments, the locations of which may not be on the property of an airport, within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board, within 300 feet of a community facility that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board or, if the proposed medical 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 medical cannabis establishment was submitted to the Board;

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

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

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

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

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



* A B 7 6 R 1 *

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

(II) The use of an electronic verification *and authentication* system and an inventory control system pursuant to NRS 678C.420 and ~~[678C.430;]~~ *section 27 of this act;*

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

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

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

(b) Except as otherwise provided in NRS 678B.633, none of the persons who are proposed to be owners, officers or board members of the proposed medical cannabis establishment have been convicted of an excluded felony offense;

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

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

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

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

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

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

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

5. Except as otherwise provided in subsection 6 and NRS 678B.215, if an application for registration as a medical cannabis



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

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

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

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

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

8. As used in this section ~~["community"]~~ :

(a) *"Community facility"* means:

~~[(a)]~~ (1) A ~~facility that provides day care to children.~~ *licensed child care facility, as defined in NRS 432A.024.*

~~[(b)]~~ (2) A public park.

~~[(c)]~~ (3) A playground ~~[""]~~ , *as defined in NRS 453.3345.*

~~[(d)]~~ (4) A public swimming pool ~~[""]~~ , *as defined in NRS 444.065.*

~~[(e)]~~ (5) A ~~center or facility, the primary purpose of which is to provide~~ recreational ~~opportunities or services to children or adolescents.~~ *center for youths.*

~~[(f)]~~ (6) A ~~church, synagogue or other building, structure or place used for~~ *video arcade, as defined in NRS 453.3345.*

(7) A *place of* religious worship . ~~for other religious purpose.~~

(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 for 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 other 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.

(e) “Recreational center for youths” means a recreational facility or gymnasium which regularly provides athletic, civic or cultural activities in which more than 75 percent of the participants are persons who are less than 18 years of age.

Sec. 33. NRS 678B.215 is hereby amended to read as follows:

678B.215 1. Except as otherwise provided in this section, the Board shall not, on or after January 1, 2024, issue any additional medical cannabis establishment licenses or renew a medical cannabis establishment license pursuant to NRS 678B.210.

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

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

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

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

4. An application submitted pursuant to subsection 3 must:

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

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

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

6. Except as otherwise provided in subsection 7, an adult-use cannabis establishment license issued by the Board pursuant to this



section shall be deemed to be an adult-use cannabis establishment license issued by the Board pursuant to NRS 678B.250.

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

8. As used in this section ~~§~~:

~~(a) “Covered”~~, “covered jurisdiction” means a local governmental jurisdiction that has adopted local cannabis control measures which prohibit the operation of adult-use cannabis establishments in the local governmental jurisdiction.

~~[(b) “Local governmental jurisdiction” means a city or unincorporated area within a county.]~~

Sec. 34. 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 any one person, group of persons or entity, the greater of:

(a) One medical cannabis establishment license; or

(b) More than 10 percent of the medical cannabis establishment licenses otherwise allocable in the county.

~~[(3) As used in this section, “local governmental jurisdiction” means a city or unincorporated area within a county.]~~

Sec. 35. NRS 678B.250 is hereby amended to read as follows:

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

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

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



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

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

(2) An application, which must include:

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

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

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

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

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

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

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



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

(II) The use of an inventory control system ~~to~~ pursuant to section 27 of this act;

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

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

(b) Except as otherwise provided in NRS 678B.633, none of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment have been convicted of an excluded felony offense;

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

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

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

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

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

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

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

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



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

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

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

7. For the purposes of sub-subparagraph (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”]~~ :

(a) *“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.]~~ *has the meaning ascribed to it in NRS 678B.210.*

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

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

Sec. 36. 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 required 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.210 or 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, records related to the finances of the cannabis independent testing laboratory and testing performed by the cannabis independent testing laboratory.***



Sec. 37. NRS 678B.320 is hereby amended to read as follows:

678B.320 1. In a local governmental jurisdiction that issues business licenses, the issuance by the Board of **a** license shall be deemed to be conditional until such time as:

(a) The cannabis establishment is in compliance with all applicable local governmental ordinances or rules; ~~and~~

(b) The local government has issued a business license for the operation of the **cannabis** establishment ~~and~~; **and**

(c) The cannabis establishment satisfies an inspection conducted by the Board.

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

Sec. 38. 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 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 for each type of license.

~~[5. As used in this section, "local governmental jurisdiction" means a city or unincorporated area within a county.]~~

Sec. 39. 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 to or are employed by an independent contractor to provide labor 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 may have more than one entrance so long as each entrance is secure and shall implement strict security measures to deter and prevent the theft of cannabis and unauthorized entrance into areas containing cannabis. The provisions of this subsection do not supersede any state or local requirements relating to minimum numbers of points of entry or exit, or any state or local requirements relating to fire safety.

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

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

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

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



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

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

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

~~[7. — A cannabis establishment shall not dispense or otherwise sell cannabis or cannabis products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the cannabis establishment. As used in this subsection, “vending machine” has the meaning ascribed to it in NRS 209.229.]~~

Sec. 40. NRS 678B.520 is hereby amended to read as follows:

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

(a) Are labeled clearly and unambiguously:

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

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

(b) Are not presented in packaging that contains an *anthropomorphic image or 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) *Contains an anthropomorphic image.*

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

~~(d)~~ (e) 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 *anthropomorphic image or 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 may sell a commodity or product made using hemp, as defined in NRS 557.160, or containing cannabidiol to a cannabis sales facility.

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

(a) Any commodity or product made using hemp, as defined in NRS 557.160;

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

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

(c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

(1) The name of the cannabis establishment; and

(2) Except as otherwise provided in subsection 12, the adult-use cannabis establishment license number or medical cannabis establishment license number of the cannabis establishment or any



1 other unique identifier assigned to the cannabis establishment by the
2 Board.

3 12. A cannabis establishment that holds more than one license
4 may satisfy the requirement set forth in subparagraph (2) of
5 paragraph (f) of subsection 11 if the cannabis establishment includes
6 in all advertising conducted by the cannabis establishment:

7 (a) Any one of the adult-use cannabis establishment license
8 numbers or medical cannabis establishment license numbers of the
9 cannabis establishment; or

10 (b) Any one unique identifier assigned to the cannabis
11 establishment by the Board.

12 13. Nothing in subsection 11 shall be construed to prohibit a
13 local government, pursuant to chapter 244, 268 or 278 of NRS, from
14 adopting an ordinance for the regulation of advertising relating to
15 cannabis which is more restrictive than the provisions of subsection
16 11 relating to:

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

19 (b) Handbills, pamphlets, cards or other types of advertisements
20 that are distributed ~~to the general public~~ **to the general public**, excluding an
21 advertisement placed in a newspaper of general circulation, trade
22 publication or other form of print media;

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

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

28 14. If a cannabis establishment engages in advertising for
29 which it is required to determine the percentage of persons who are
30 less than 21 years of age and who may reasonably be expected to
31 view or hear the advertisement, the cannabis establishment shall
32 maintain documentation for not less than 5 years after the date on
33 which the advertisement is first broadcasted, published or otherwise
34 displayed that demonstrates the manner in which the cannabis
35 establishment determined the reasonably expected age of the
36 audience for that advertisement.

37 15. To the extent that they are inconsistent or otherwise
38 conflict with the regulations adopted by the Board pursuant to NRS
39 678D.480, the requirements of this section pertaining to cannabis
40 products do not apply to ready-to-consume cannabis products
41 prepared and sold by a cannabis consumption lounge.

42 16. In addition to any other penalties provided for by law, the
43 Board may impose a civil penalty upon a cannabis establishment
44 that violates the provisions of subsection 11 or 14 as follows:



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

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

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

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

17. As used in this section ~~[-, “motor”]~~:

(a) *“Anthropomorphic image” means any image, including, without limitation, a caricature, cartoon or artistic rendering, in which human characteristics are attributed to an animal, plant or other object or which uses similar anthropomorphic techniques.*

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

Sec. 41. 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~~; or

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

↪ unless the person holds ~~an adult-use cannabis establishment license or a medical cannabis establishment~~ *the appropriate type of 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. 42. 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 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,



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

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

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

11 **Sec. 43.** (Deleted by amendment.)

12 **Sec. 44.** NRS 678C.420 is hereby amended to read as follows:

13 678C.420 1. Each medical cannabis establishment, in
14 consultation with the Board, shall maintain an electronic verification
15 *and authentication* system.

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

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

23 (1) The number of the card;

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

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

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

29 (c) In the case of a medical cannabis dispensary, such
30 information as may be required by the Board by regulation
31 regarding persons who are not residents of this State and who have
32 purchased cannabis from the dispensary *in the immediately*
33 *preceding 120-day period. Such information may include, without*
34 *limitation, any information relating to any document issued to a*
35 *person who is not a resident of this State by the state in which the*
36 *person is a resident which identifies the person as exempt from*
37 *state prosecution for engaging in the medical use of cannabis in*
38 *that state.*

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

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

42 3. Nothing in this section prohibits more than one medical
43 cannabis establishment from co-owning an electronic verification
44 *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. 45. 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 at a 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 ~~the single medical cannabis establishment license or~~ **the** adult-use cannabis establishment license.

~~16.1~~ **2.** 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.

Sec. 46. (Deleted by amendment.)

Sec. 47. NRS 678D.005 is hereby amended to read as follows:

678D.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 678D.010 ~~to 678D.040, inclusive,~~ **678D.020 and 678D.030** have the meanings ascribed to them in those sections.

Sec. 48. NRS 678D.420 is hereby amended to read as follows:

678D.420 1. An adult-use edible cannabis product or an adult-use cannabis-infused product must be labeled in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams per serving.

2. An adult-use cannabis product must be sold in a single package. A single package must not contain:

(a) More than ~~1 ounce~~ **2.5 ounces** of usable cannabis ~~for one-eighth of an ounce~~ **or 3,500 milligrams** of concentrated cannabis.

(b) For an adult-use cannabis product sold as a capsule, more than 100 milligrams of THC per capsule or more than ~~800~~ **1,000** milligrams of THC per package.

(c) For an adult-use cannabis product sold as a tincture, more than ~~800~~ **1,000** milligrams of THC.

(d) For an adult-use edible cannabis product, more than 100 milligrams of THC.

(e) For an adult-use cannabis product sold as a topical product, a concentration of more than 6 percent THC or more than ~~800~~ **2,500** milligrams of THC per package.

(f) For an adult-use cannabis product sold as a suppository or transdermal patch, more than 100 milligrams of THC per suppository or transdermal patch or more than ~~800~~ **1,000** milligrams of THC per package.

(g) For any other adult-use cannabis product, more than ~~800~~ **1,000** milligrams of THC.

3. To the extent that they are inconsistent or otherwise conflict with the regulations adopted by the Board pursuant to



1 NRS 678D.480, the requirements of this section do not apply to a
2 ready-to-consume cannabis product prepared and sold by a cannabis
3 consumption lounge.

4 **Sec. 49.** NRS 678D.430 is hereby amended to read as follows:

5 678D.430 1. If an adult-use cannabis establishment is
6 operated by a dual licensee, the adult-use cannabis establishment
7 may:

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

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

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

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

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

25 3. An adult-use cannabis retail store shall not sell cannabis or
26 cannabis products through the use of, or accept a sale of cannabis or
27 cannabis products from, a third party, intermediary business, broker
28 or any other business that does not hold an adult-use cannabis
29 establishment license.

30 4. An adult-use cannabis retail store may contract with a third
31 party or intermediary business to deliver cannabis or cannabis
32 products only if:

33 (a) Every sale of cannabis or cannabis products which is
34 delivered by the third party or intermediary business is made
35 directly from the adult-use cannabis retail store or an Internet
36 website, digital network or software application service of the adult-
37 use cannabis retail store;

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

42 (c) In addition to any other requirements imposed by the Board
43 by regulation, the name of the adult-use cannabis retail store and all
44 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. 50. (Deleted by amendment.)

Sec. 51. NRS 202.2483 is hereby amended to read as follows:

202.2483 1. Except as otherwise provided in ~~subsection~~ *subsections 3 and 4*, smoking in any form is prohibited within indoor places of employment including, but not limited to, the following:

- (a) Child care facilities;
- (b) Movie theatres;
- (c) Video arcades;
- (d) Government buildings and public places;
- (e) Malls and retail establishments;
- (f) All areas of grocery stores; and
- (g) All indoor areas within restaurants.

2. Without exception, smoking in any form is prohibited within school buildings and on school property.

3. Smoking is not prohibited in:

(a) Areas within casinos where loitering by minors is already prohibited by state law pursuant to NRS 463.350;

(b) Completely enclosed areas with stand-alone bars, taverns and saloons in which patrons under 21 years of age are prohibited from entering;

(c) Age-restricted stand-alone bars, taverns and saloons;

(d) Strip clubs or brothels;

(e) Retail tobacco stores;

(f) The area of a convention facility in which a meeting or trade show is being held, during the time the meeting or trade show is occurring, if the meeting or trade show:

(1) Is not open to the public;

(2) Is being produced or organized by a business relating to tobacco or a professional association for convenience stores; and

(3) Involves the display of tobacco products; and

(g) Private residences, including private residences which may serve as an office workplace, except if used as a child care, an adult day care or a health care facility.

4. *The smoking of cannabis in accordance with the provisions of title 56 of NRS and the regulations adopted pursuant thereto is not prohibited in a cannabis consumption lounge.*

5. A supervisor on duty or employee of an age-restricted stand-alone bar, tavern or saloon or a stand-alone bar, tavern or saloon shall not allow a person who is under 21 years of age to loiter in an



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1 age-restricted stand-alone bar, tavern or saloon or an area of a stand-
2 alone bar, tavern or saloon where smoking is allowed pursuant to
3 this section. A person who violates the provisions of this subsection
4 is guilty of a misdemeanor.

5 ~~{5-}~~ 6. If a supervisor on duty or employee of an age-restricted
6 stand-alone bar, tavern or saloon or a stand-alone bar, tavern or
7 saloon violates the provisions of subsection ~~{4-}~~ 5, the age-restricted
8 stand-alone bar, tavern or saloon or stand-alone bar, tavern or saloon
9 is liable for a civil penalty of:

10 (a) For the first offense, \$1,000.

11 (b) For a second or subsequent offense, \$2,000.

12 ~~{6-}~~ 7. In any prosecution or other proceeding for a violation of
13 the provisions of subsection ~~{4-}~~ 5 ~~{-}~~ or 6, it is no excuse for a
14 supervisor, employee, age-restricted bar, tavern or saloon, or stand-
15 alone bar, tavern or saloon alleged to have committed the violation
16 to plead that a supervisor or employee believed that the person who
17 was permitted to loiter was 21 years of age or older.

18 ~~{7-}~~ 8. In areas or establishments where smoking is not
19 prohibited by this section, nothing in state law shall be construed to
20 prohibit the owners of said establishments from voluntarily creating
21 nonsmoking sections or designating the entire establishment as
22 smoke free.

23 ~~{8-}~~ 9. Nothing in state law shall be construed to restrict local
24 control or otherwise prohibit a county, city or town from adopting
25 and enforcing local smoking control measures that meet or exceed
26 the minimum applicable standards set forth in this section.

27 ~~{9-}~~ 10. “No Smoking” signs or the international “No
28 Smoking” symbol shall be clearly and conspicuously posted in
29 every public place and place of employment where smoking is
30 prohibited by this section. Each public place and place of
31 employment where smoking is prohibited shall post, at every
32 entrance, a conspicuous sign clearly stating that smoking is
33 prohibited. All ashtrays and other smoking paraphernalia shall be
34 removed from any area where smoking is prohibited.

35 ~~{10-}~~ 11. Health authorities, police officers of cities or towns,
36 sheriffs and their deputies shall, within their respective jurisdictions,
37 enforce the provisions of this section and shall issue citations for
38 violations of this section pursuant to NRS 202.2492 and 202.24925.

39 ~~{11-}~~ 12. No person or employer shall retaliate against an
40 employee, applicant or customer for exercising any rights afforded
41 by, or attempts to prosecute a violation of, this section.

42 ~~{12-}~~ 13. For the purposes of this section, the following terms
43 have the following definitions:

44 (a) “Age-restricted stand-alone bar, tavern or saloon” means an
45 establishment:



(1) Devoted primarily to the sale of alcoholic beverages to be consumed on the premises;

(2) In which food service or sales may or may not be incidental food service or sales, in the discretion of the operator of the establishment;

(3) In which patrons under 21 years of age are prohibited at all times from entering the premises; and

(4) That must be located within:

(I) A physically independent building that does not share a common entryway or indoor area with a restaurant, public place or any other indoor workplace where smoking is prohibited by this section; or

(II) A completely enclosed area of a larger structure, which may include, without limitation, a strip mall or an airport, provided that indoor windows must remain closed at all times and doors must remain closed when not actively in use.

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

(c) *“Cannabis consumption lounge” has the meaning ascribed to it in NRS 678A.087.*

(d) “Casino” means an entity that contains a building or large room devoted to gambling games or wagering on a variety of events. A casino must possess a nonrestricted gaming license as described in NRS 463.0177 and typically uses the word ‘casino’ as part of its proper name.

~~(e)~~ (e) “Child care facility” has the meaning ascribed to it in NRS 441A.030.

~~(f)~~ (f) “Completely enclosed area” means an area that is enclosed on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling.

~~(g)~~ (g) “Government building” means any building or office space owned or occupied by:

(1) Any component of the Nevada System of Higher Education and used for any purpose related to the System;

(2) The State of Nevada and used for any public purpose; or

(3) Any county, city, school district or other political subdivision of the State and used for any public purpose.

~~(h)~~ (h) “Health authority” has the meaning ascribed to it in NRS 202.2485.

~~(i)~~ (i) “Incidental food service or sales” means the service of prepackaged food items including, but not limited to, peanuts, popcorn, chips, pretzels or any other incidental food items that are exempt from food licensing requirements pursuant to subsection 2 of NRS 446.870.



~~(j)~~ (j) “Place of employment” means any enclosed area under the control of a public or private employer which employees frequent during the course of employment including, but not limited to, work areas, restrooms, hallways, employee lounges, cafeterias, conference and meeting rooms, lobbies and reception areas.

~~(k)~~ (k) “Public places” means any enclosed areas to which the public is invited or in which the public is permitted.

~~(l)~~ (l) “Restaurant” means a business which gives or offers for sale food, with or without alcoholic beverages, to the public, guests or employees, as well as kitchens and catering facilities in which food is prepared on the premises for serving elsewhere.

~~(m)~~ (m) “Retail tobacco store” means a retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is merely incidental.

~~(n)~~ (n) “School building” means all buildings on the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

~~(o)~~ (o) “School property” means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

~~(p)~~ (p) “Smoking” means inhaling, exhaling, burning or carrying any liquid or heated cigar, cigarette or pipe or any other lighted or heated tobacco or plant product intended for inhalation, in any manner or in any form. The term includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, and the use of any oral smoking device. As used in this paragraph, “electronic smoking device”:

(1) Means any product containing or delivering nicotine, a product made or derived from tobacco or any other substance intended for human consumption that can be used by a person to simulate smoking in the delivery of nicotine or any other substance through inhalation of vapor or aerosol from the product.

(2) Includes any component part of a product described in subparagraph (1), regardless of whether the component part is sold separately.

(3) Does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 352 et seq.

~~(q)~~ (q) “Stand-alone bar, tavern or saloon” means an establishment:

(1) Devoted primarily to the sale of alcoholic beverages to be consumed on the premises;

(2) In which food service or sales may or may not be incidental food service or sales, in the discretion of the operator of the establishment;



(3) In which smoke from such establishments does not infiltrate into areas where smoking is prohibited under the provisions of this section; and

(4) That must be housed in either:

(I) A physically independent building that does not share a common entryway or indoor area with a restaurant, public place or any other indoor workplaces where smoking is prohibited by this section; or

(II) A completely enclosed area of a larger structure, such as a strip mall or an airport, provided that indoor windows must remain shut at all times and doors must remain closed when not actively in use.

~~(r)~~ (r) “Video arcade” has the meaning ascribed to it in paragraph (d) of subsection 3 of NRS 453.3345.

~~13-1~~ 14. Any statute or regulation inconsistent with this section is null and void.

~~14-1~~ 15. The provisions of this section are severable. If any provision of this section or the application thereof is declared by a court of competent jurisdiction to be invalid or unconstitutional, such declaration shall not affect the validity of the section as a whole or any provision thereof other than the part declared to be invalid or unconstitutional.

Sec. 52. NRS 223.250 is hereby amended to read as follows:

223.250 1. The Governor or his or her designee may enter into one or more agreements with tribal governments in this State to efficiently coordinate the cross-jurisdictional administration of the laws of this State and the laws of tribal governments relating to the use of cannabis. Such an agreement may include, without limitation, provisions relating to:

(a) Criminal and civil law enforcement;

(b) Regulatory issues relating to the possession, delivery, production, processing or use of cannabis or cannabis products;

(c) Medical and pharmaceutical research involving cannabis;

(d) The administration of laws relating to taxation;

(e) Any immunity, preemption or conflict of law relating to the possession, delivery, production, processing, transportation or use of cannabis or cannabis products; and

(f) The resolution of any disputes between a tribal government and this State, which may include, without limitation, the use of mediation or other nonjudicial processes.

2. An agreement entered into pursuant to this section must:

(a) Provide for the preservation of public health and safety;

(b) Ensure the security of cannabis establishments and the corresponding facilities on tribal land; and



(c) Establish provisions regulating business involving cannabis which passes between tribal land and non-tribal land in this State.

3. *Any information received pursuant to the terms of an agreement entered into pursuant to this section by a governmental entity from a tribal government or a facility engaged in cannabis activities operating on tribal land which relates to cannabis or a cannabis product that is not sold or transferred to a cannabis establishment remains the property of the tribal government, is not a public record within the meaning of NRS 239.010 and must be kept confidential by the governmental entity.*

4. As used in this section:

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

(b) “Cannabis establishment” has the meaning ascribed to it in NRS 678A.095.

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

(d) *“Governmental entity” has the meaning ascribed to it in NRS 239.005.*

(e) “Tribal government” means a federally recognized American Indian tribe pursuant to 25 C.F.R. §§ 83.1 to ~~83.13,~~ 83.12, inclusive.

Sec. 53. 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, 164.041, 172.075, 172.245, 176.01334, 176.01385, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 178.5717, 179.495, 179A.070, 179A.165, 179D.160, 180.600, 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, 218G.615, **223.250**, 224.240, 226.462, 226.796, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1285, 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,



1 239C.420, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264,
2 244.335, 247.540, 247.545, 247.550, 247.560, 250.087, 250.130,
3 250.140, 250.145, 250.150, 268.095, 268.0978, 268.490, 268.910,
4 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680,
5 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086,
6 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830,
7 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 293.870,
8 293.906, 293.908, 293.909, 293.910, 293B.135, 293D.510, 331.110,
9 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593,
10 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205,
11 353A.049, 353A.085, 353A.100, 353C.240, 353D.250, 360.240,
12 360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138,
13 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300,
14 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626,
15 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750,
16 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120,
17 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317,
18 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975,
19 394.1698, 394.447, 394.460, 394.465, 396.1415, 396.1425, 396.143,
20 396.159, 396.3295, 396.405, 396.525, 396.535, 396.9685,
21 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153,
22 414.280, 416.070, 422.2749, 422.305, 422A.342, 422A.350,
23 425.400, 427A.1236, 427A.872, 427A.940, 432.028, 432.205,
24 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407, 432B.430,
25 432B.560, 432B.5902, 432C.140, 432C.150, 433.534, 433A.360,
26 439.4941, 439.4988, 439.5282, 439.840, 439.914, 439A.116,
27 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170,
28 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,
29 442.774, 445A.665, 445B.570, 445B.7773, 449.209, 449.245,
30 449.4315, 449A.112, 450.140, 450B.188, 450B.805, 453.164,
31 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056,
32 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407,
33 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940, 481.063,
34 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340, 483.363,
35 483.575, 483.659, 483.800, 484A.469, 484B.830, 484B.833,
36 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285,
37 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110,
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39 604D.500, 604D.600, 612.265, 616B.012, 616B.015, 616B.315,
40 616B.350, 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137,
41 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,
42 628B.760, 629.043, 629.047, 629.069, 630.133, 630.2671,
43 630.2672, 630.2673, 630.2687, 630.30665, 630.336, 630A.327,
44 630A.555, 631.332, 631.368, 632.121, 632.125, 632.3415,
45 632.3423, 632.405, 633.283, 633.301, 633.427, 633.4715, 633.4716,



1 633.4717, 633.524, 634.055, 634.1303, 634.214, 634A.169,
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3 637.145, 637B.192, 637B.288, 638.087, 638.089, 639.183,
4 639.2485, 639.570, 640.075, 640.152, 640A.185, 640A.220,
5 640B.405, 640B.730, 640C.580, 640C.600, 640C.620, 640C.745,
6 640C.760, 640D.135, 640D.190, 640E.225, 640E.340, 641.090,
7 641.221, 641.2215, 641A.191, 641A.217, 641A.262, 641B.170,
8 641B.281, 641B.282, 641C.455, 641C.760, 641D.260, 641D.320,
9 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050,
10 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130,
11 645D.135, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947,
12 648.033, 648.197, 649.065, 649.067, 652.126, 652.228, 653.900,
13 654.110, 656.105, 657A.510, 661.115, 665.130, 665.133, 669.275,
14 669.285, 669A.310, 670B.680, 671.365, 671.415, 673.450, 673.480,
15 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710,
16 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190,
17 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410,
18 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306,
19 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480,
20 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536,
21 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550,
22 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159,
23 711.600, sections 35, 38 and 41 of chapter 478, Statutes of Nevada
24 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and
25 unless otherwise declared by law to be confidential, all public books
26 and public records of a governmental entity must be open at all
27 times during office hours to inspection by any person, and may be
28 fully copied or an abstract or memorandum may be prepared from
29 those public books and public records. Any such copies, abstracts or
30 memoranda may be used to supply the general public with copies,
31 abstracts or memoranda of the records or may be used in any other
32 way to the advantage of the governmental entity or of the general
33 public. This section does not supersede or in any manner affect the
34 federal laws governing copyrights or enlarge, diminish or affect in
35 any other manner the rights of a person in any written book or
36 record which is copyrighted pursuant to federal law.

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

39 3. A governmental entity that has legal custody or control of a
40 public book or record shall not deny a request made pursuant to
41 subsection 1 to inspect or copy or receive a copy of a public book or
42 record on the basis that the requested public book or record contains
43 information that is confidential if the governmental entity can
44 redact, delete, conceal or separate, including, without limitation,
45 electronically, the confidential information from the information



1 included in the public book or record that is not otherwise
2 confidential.

3 4. If requested, a governmental entity shall provide a copy of a
4 public record in an electronic format by means of an electronic
5 medium. Nothing in this subsection requires a governmental entity
6 to provide a copy of a public record in an electronic format or by
7 means of an electronic medium if:

8 (a) The public record:

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

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

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

13 (1) Give access to proprietary software; or

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

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

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

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

27 **Sec. 54.** NRS 239.0115 is hereby amended to read as follows:

28 239.0115 1. Except as otherwise provided in this subsection
29 and subsection 3, notwithstanding any provision of law that has
30 declared a public book or record, or a part thereof, to be
31 confidential, if a public book or record has been in the legal custody
32 or control of one or more governmental entities for at least 30 years,
33 a person may apply to the district court of the county in which the
34 governmental entity that currently has legal custody or control of the
35 public book or record is located for an order directing that
36 governmental entity to allow the person to inspect or copy the public
37 book or record, or a part thereof. If the public book or record
38 pertains to a natural person, a person may not apply for an order
39 pursuant to this subsection until the public book or record has been
40 in the legal custody or control of one or more governmental entities
41 for at least 30 years or until the death of the person to whom the
42 public book or record pertains, whichever is later.

43 2. There is a rebuttable presumption that a person who applies
44 for an order as described in subsection 1 is entitled to inspect or



copy the public book or record, or a part thereof, that the person seeks to inspect or copy.

3. The provisions of subsection 1 do not apply to any book or record:

(a) Declared confidential pursuant to NRS 463.120 ~~H~~ or 678A.470.

(b) Containing personal information pertaining to a victim of crime that has been declared by law to be confidential.

Sec. 55. The amendatory provisions of sections 5, 6 and 13 to 23, inclusive, of this act apply to any judicial or administrative proceedings commenced on or after the effective date of this act.

Sec. 56. NRS 678C.060, 678C.100 and 678D.040 are hereby repealed.

Sec. 57. This act becomes effective upon passage and approval.

TEXT OF REPEALED SECTIONS

678C.060 “Inventory control system” defined. “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 to the end consumer.

678C.100 “Usable cannabis” defined.

1. “Usable cannabis” means:

(a) The dried leaves and flowers of a plant of the genus *Cannabis*, and any mixture or preparation thereof, that are appropriate for the medical use of cannabis or the adult use of cannabis; and

(b) The seeds of a plant of the genus *Cannabis*.

2. The term does not include the stalks and roots of the plant.

678D.040 “Usable cannabis” defined. “Usable cannabis” has the meaning ascribed to it in NRS 678C.100.



