SUMMARY—Revises provisions relating to cannabis. (BDR 56-147)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: May have Fiscal Impact.

Effect on the State Highway Fund: No.

AN ACT relating to cannabis; revising requirements concerning hold orders issued by an agent of the Cannabis Compliance Board; setting forth requirements concerning conditions constituting a substantial hazard to the public safety at a cannabis establishment; prohibiting, with certain exceptions, an image of fruit from being used on the packaging of cannabis or a cannabis product; revising requirements for advertising by a cannabis establishment; revising the list of items that a cannabis sales facility is authorized to sell; limiting the applicability of the requirement that the Board establish an electronic database containing certain information relating to testing; authorizing a cannabis consumption lounge to obtain cannabis or cannabis products from any adult-use cannabis establishment; exempting the Board from the requirement to reimburse the Legislative Counsel Bureau for the cost of examining and revising a permanent regulation; expanding the circumstances under which an enforcement agent of the Board has the powers of a peace officer; and providing other matters properly relating thereto.

COMMITTEE INTRODUCTION REQUIRED

Legislative Counsel's Digest:

Existing law requires the Cannabis Compliance Board to adopt regulations setting forth procedures and requirements for the issuance of a hold order for cannabis or a cannabis product. Under existing law, the regulations must authorize an agent of the Board to issue a hold order only under circumstances in which cannabis or a cannabis product fails to satisfy a requirement set forth in the provisions of existing law governing cannabis or the regulations adopted pursuant thereto and constitutes a substantial hazard to the public health. (NRS 678A.455) **Section 1** of this bill instead requires the regulations to authorize the issuance of a hold order only under circumstances in which cannabis or a cannabis product fails to satisfy a requirement set forth in any statute or regulation and constitutes a substantial hazard to the public health or public safety.

Existing law additionally requires the regulations governing hold orders to require a hold order to be automatically terminated not later than 30 days after its issuance unless the Board extends the duration of the hold order after notice and a hearing and for good cause shown. (NRS 678A.455) **Section 1** revises that requirement to require a hearing to be held before the extension of the duration of a hold order only if the cannabis establishment to which notice of the extension was provided requests the hearing.

Existing law sets forth procedures by which an agent of the Board who finds a condition in the operation of a cannabis establishment which constitutes a substantial hazard to the public health may issue an order that may require the immediate suspension of the license and discontinuance of the operations of the cannabis establishment. (NRS 678B.3875) Existing law requires the Board to adopt certain regulations concerning substantial hazards to the public health which may exist at

a cannabis establishment. Existing law defines "substantial hazard to the public health" for the purpose of those provisions to include certain specified conditions. (NRS 678B.387) **Sections 2 and 3** of this bill: (1) expand the scope of those provisions to apply to substantial hazards to the public health or public safety, rather than only substantial hazards to the public health; and (2) define "substantial hazard to the public health or public safety" to include the conditions set forth under existing law concerning substantial hazards to the public health and also additional conditions relating to public safety.

Existing law prohibits a cannabis establishment from using, among other images, an image of fruit in advertising by the establishment. (NRS 678B.520) **Section 4** of this bill removes that prohibition. **Section 5** of this bill, effective July 1, 2028, prohibits a cannabis product from being presented in packaging that contains an image of fruit, except that such an image is authorized to be used in the logo of the cannabis production facility which produced the product.

Existing law sets forth the items that a cannabis sales facility may sell. (NRS 678B.520) Existing law authorizes a food safety authority to exempt a food establishment from the provisions of existing law governing the permitting and regulation of food establishments under certain circumstances. (NRS 580.900) **Section 4** authorizes a cannabis sales facility which has been so exempted to sell any food that does not contain THC or cannabidiol which is authorized pursuant to the exemption.

Existing law requires a cannabis establishment to ensure that all advertising by the cannabis establishment contains such warnings as may be prescribed by the Board. (NRS 678B.520) **Section**

4 sets forth requirements concerning how such warnings must be displayed on the advertisement if the advertisement is displayed visually.

Existing law requires the Board to develop, implement and maintain an electronic database whereby the public may obtain information relating to testing conducted on cannabis and cannabis products by cannabis independent testing laboratories which has been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products. (NRS 678B.635) **Section 6** of this bill provides that those requirements apply only to the extent that: (1) money is available for the purpose of carrying out those requirements; and (2) the provider of the computer software used for the seed-to-sale tracking of cannabis and cannabis products adopted by the Board is able to make the computer software compatible with the electronic database for the purpose of carrying out those requirements.

Under existing law, a cannabis consumption lounge may obtain cannabis or cannabis products for the purposes of resale or the production of ready-to-consume cannabis products only from: (1) for a retail cannabis consumption lounge, the adult-use cannabis retail store to which the lounge is attached or immediately adjacent; and (2) for an independent cannabis consumption lounge, an adult-use cannabis retail store with which the lounge has entered into a contract. (NRS 678D.470, 678D.475) **Sections 7 and 10** of this bill revise those requirements to instead allow a cannabis consumption lounge to obtain cannabis and cannabis products for the purposes of resale or the production of ready-to-consume cannabis products from any adult-use cannabis establishment.

Existing law requires any state agency subject to the Nevada Administrative Procedure Act that intends to adopt, amend or repeal a permanent regulation to deliver a copy of the proposed

regulation to the Legislative Counsel for examination and revisions. (NRS 233B.063) Existing law requires a state agency to reimburse the Legislative Counsel Bureau for the cost of the examination and revisions. (NRS 233B.0635) **Section 8** of this bill exempts the Board from the requirement to pay such reimbursement costs.

Existing law provides that a person designated as an enforcement agent by the Board is a peace officer for the purpose of the enforcement of the provisions of existing law governing cannabis, including, without limitation, the prevention of unlicensed cannabis sales. (NRS 289.355) **Section 9** of this bill expands the circumstances under which such an enforcement agent has the powers of a peace officer.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 678A.455 is hereby amended to read as follows:

678A.455 1. An agent of the Board may issue a hold order for cannabis or a cannabis product to prohibit a person from transferring or moving the cannabis or cannabis product subject to the order without the approval of the Board or an agent of the Board only in accordance with the regulations adopted by the Board pursuant to this section.

2. The Board shall adopt regulations setting forth procedures and requirements for the issuance of a hold order for cannabis or a cannabis product. The regulations must:

(a) Authorize an agent of the Board to issue a hold order only under circumstances in which cannabis or a cannabis product fails to satisfy a requirement set forth in ~~[this title or the regulations adopted pursuant thereto]~~ ***any statute or regulation*** and constitutes a substantial hazard to the public health ~~[.]~~ ***or public safety.***

(b) Require that at or before the time of issuance of a hold order notice be provided to the cannabis establishment whose cannabis or cannabis product is subject to the hold order stating the reasons for the hold order.

(c) Require a hold order to be automatically terminated not later than 30 days after its issuance unless the Board ~~[, after notice and a hearing and for good cause shown,]~~ extends the duration of the hold order ~~[.]~~ ***after:***

(1) Providing notice to the cannabis establishment whose cannabis or cannabis product is subject to the hold order of the intent of the Board to extend the duration of the hold order; and

(2) If the cannabis establishment to which notice is provided pursuant to subparagraph (1) requests a hearing on the matter, showing good cause for the extension of the duration of the hold order at the hearing.

(d) Set forth the circumstances under which a hold order may be terminated. Such circumstances must include, without limitation, for cannabis or a cannabis product subject to a hold order because of the failure of any test conducted by a cannabis independent testing laboratory, the passing of that test upon retesting of the cannabis or cannabis product.

(e) Require the Board to publish guidelines concerning hold orders which are based on investigations conducted by the Board relating to such hold orders.

3. A person shall not transfer or move any cannabis or cannabis product for which a hold order has been issued pursuant to the regulations adopted pursuant to this section without the approval of the Board or an agent of the Board.

Sec. 2. NRS 678B.387 is hereby amended to read as follows:

678B.387 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 ***or public safety*** exists at the cannabis establishment. Such procedures must not require a cannabis establishment at which a substantial hazard to the public health ***or public safety*** 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 ***or public safety*** has been found to exist at the cannabis establishment.

2. As used in this section, "substantial hazard to the public health ~~[".]~~ ***or public safety"*** 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) ***Interruption in the operation of any security system.***

(e) Sewage backup.

~~[(e)]~~ ***(f)*** The misuse of poisonous or toxic materials.

~~[(f)]~~ ***(g)*** The onset of an apparent food-borne illness outbreak.

~~[(g)]~~ ***(h)*** A gross insanitary occurrence or condition.

~~[(h)]~~ ***(i) The failure of a cannabis establishment to maintain all licenses required for the operation of the cannabis establishment.***

(j) Any other occurrence or condition that may endanger the public health ~~[.]~~ ***or public safety.***

Sec. 3. NRS 678B.3875 is hereby amended to read as follows:

678B.3875 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 ***or public safety*** as defined in NRS 678B.387, 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 whom such an order is issued shall comply with it immediately. Upon written petition to the Board, the person must be afforded a hearing before a hearing officer as soon as possible, but not later than 14 days after the date on which the order was issued unless the Board and the licensee agree in writing to a longer period.

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

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

(a) The condition is immediately corrected; or

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

Sec. 4. 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. The provisions of this subparagraph do not apply if those words in bold type are included on the packaging of the cannabis product.

(2) As required by the provisions of this chapter, 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 or presented in packaging 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 or presented in packaging that includes:

(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.

(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 food safety authority, as defined in NRS 580.080, 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) ***If the cannabis sales facility is exempt from the provisions of chapter 580 of NRS pursuant to NRS 580.900, any food which does not contain THC or cannabidiol and which is authorized pursuant to the exemption; and***

(d) 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]~~ ***Such warnings*** must ~~[include,]~~ ***:***

(1) Include, without limitation, the following words:

~~[(1)]~~ ***(I)*** "Keep out of reach of children"; and

~~[(2)]~~ ***(II)*** "For use only by adults 21 years of age and older."

(2) For an advertisement that is displayed visually, be prominently displayed directly on the advertisement in a clear and conspicuous manner, including, without limitation, in a legible type that contrasts with the typography, layout and color of all other materials on the advertisement.

(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 other unique identifier assigned to the cannabis establishment by the Board.

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

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

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

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

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

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

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

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

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

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

16. In addition to any other penalties provided for by law, the Board may impose a civil penalty upon a cannabis establishment 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:

(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. 5. 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. The provisions of this subparagraph do not apply if those words in bold type are included on the packaging of the cannabis product.

(2) As required by the provisions of this chapter, 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 ***, fruit*** 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 or presented in packaging 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 or presented in packaging that includes:

(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.

(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 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 food safety authority, as defined in NRS 580.080, 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;

(c) If the cannabis sales facility is exempt from the provisions of chapter 580 of NRS pursuant to NRS 580.900, any food which does not contain THC or cannabidiol and which is authorized pursuant to the exemption; and

(d) 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. Such warnings must:

(1) Include, without limitation, the following words:

(I) "Keep out of reach of children"; and

(II) "For use only by adults 21 years of age and older."

(2) For an advertisement that is displayed visually, be prominently displayed directly on the advertisement in a clear and conspicuous manner, including, without limitation, in a legible type that contrasts with the typography, layout and color of all other materials on the advertisement.

(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 other unique identifier assigned to the cannabis establishment by the Board.

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

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

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

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

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

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

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

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

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

15. To the extent that they are inconsistent or otherwise conflict with the regulations adopted by the Board pursuant to NRS 678D.480, the requirements of this section pertaining to cannabis

products do not apply to ready-to-consume cannabis products prepared and sold by a cannabis consumption lounge.

16. In addition to any other penalties provided for by law, the Board may impose a civil penalty upon a cannabis establishment 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:

(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. 6. NRS 678B.635 is hereby amended to read as follows:

678B.635 1. ~~[The]~~ ***Except as otherwise provided in subsection 4, the*** Board shall develop, implement and maintain an electronic database whereby the public may obtain information relating to testing conducted on cannabis and cannabis products by cannabis independent testing laboratories which has been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products. Such a database must:

(a) Contain the final results of all testing performed on cannabis or a cannabis product by a cannabis independent testing laboratory which have been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products;

(b) Be electronically secure and accessible to the public; and

(c) Present the information contained in the database in a format that is exportable.

2. The Board shall adopt regulations as it determines are necessary for the administration of the database required by subsection 1. Such regulations must ensure that:

(a) The information required to be contained in the database pursuant to paragraph (a) of subsection 1 is uploaded to the database and made available to the public in a timely manner after it has been collected through computer software used for the seed-to-sale tracking of cannabis and cannabis products; and

(b) The information contained in the database is presented in a format that is easily accessible to the public.

3. The Board shall, on or before January 1 of each odd-numbered year, submit a report to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature which details the amount of data uploaded to the database required by subsection 1

and the statistical relevance of such data as it pertains to cannabis independent testing laboratories in this State.

4. The provisions of this section apply only to the extent that:

(a) Money is available to carry out the provisions of this section; and

(b) The provider of the computer software used for the seed-to-sale tracking of cannabis and cannabis products adopted by the Board is able to make the computer software compatible with the electronic database required by subsection 1 for the purpose of carrying out the provisions of this section.

Sec. 7. NRS 678D.470 is hereby amended to read as follows:

678D.470 1. A ~~[retail]~~ cannabis consumption lounge may:

(a) Obtain from ~~[the]~~ ***an*** adult-use cannabis ~~[retail store to which the retail cannabis consumption lounge is attached or immediately adjacent:]~~ ***establishment:***

(1) Single-use cannabis products for the purposes of resale; and

(2) Cannabis or cannabis products for the purposes of producing ready-to-consume cannabis products;

(b) Sell single-use cannabis products obtained pursuant to paragraph (a) to customers of the ~~[retail]~~ cannabis consumption lounge; and

(c) Prepare ready-to-consume cannabis products using cannabis obtained pursuant to paragraph (a) and sell such products to customers of the cannabis consumption lounge.

2. A ~~[retail]~~ cannabis consumption lounge shall ensure that only single-use cannabis products or ready-to-consume cannabis products that were purchased from the ~~[retail]~~ cannabis consumption lounge are consumed in the lounge.

Sec. 8. NRS 233B.0635 is hereby amended to read as follows:

233B.0635 1. Except as otherwise provided in this section, each agency which submits a regulation for examination and revision pursuant to subsection 1 or 2 of NRS 233B.063 shall reimburse the Legislative Counsel Bureau for the cost of the examination and revision. The Legislative Commission shall establish the amount of reimbursement required pursuant to this subsection.

2. The reimbursement required pursuant to subsection 1:

(a) Must be an hourly fee for each hour spent by employees of the Legal Division of the Legislative Counsel Bureau in examining and revising the regulation. The hourly fee must not exceed the average hourly salary of the persons whose salaries are reimbursed pursuant to this section.

(b) Must be established at a rate calculated to generate the amount approved in the budget of the Legislative Counsel Bureau for such reimbursement.

(c) Must not be charged to ~~[agencies]~~ ***:***

(1) Agencies whose budgets are supported entirely from the State General Fund.

(2) The Cannabis Compliance Board.

Sec. 9. NRS 289.355 is hereby amended to read as follows:

289.355 ***1.*** A person designated as an enforcement agent by the Cannabis Compliance Board ~~[is a]~~ ***who has been certified by the Peace Officers' Standards and Training Commission has the powers of a*** peace officer ~~[for]~~ ***:***

(a) For the purpose of the enforcement of the provisions of ~~[title]~~ ***:***

(1) Title 56 of NRS ~~[, including, without limitation, the prevention of unlicensed]~~ ***and the regulations adopted pursuant thereto;***

(2) Chapters 372A, 439, 557, 586 and 598 of NRS involving a crime that involves cannabis ~~[sales.]~~ ***, hemp, cannabidiol or any derivative or synthetic equivalent of those substances;***

(3) When exercised in coordination with the Office of the Secretary of State, chapters 90 and 91 of NRS involving a crime that involves fraudulent conduct relating to cannabis or the cannabis industry;

(4) Chapters 205 and 207 of NRS involving a crime against the property of a cannabis establishment; and

(5) Any other laws of this State involving the prevention of unlicensed cannabis activity.

(b) When, during the performance of his or her official duties pursuant to title 56 of NRS:

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

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

(c) For the purpose of protecting members of the Cannabis Compliance Board and providing security at meetings of the Cannabis Compliance Board and Cannabis Advisory Commission.

2. Nothing in this section shall be construed as limiting, superseding or depriving any law enforcement agency or peace officer who is not an enforcement agent described in subsection 1 of any authority or jurisdiction to enforce any of the provisions specified in this section or any other laws of the State of Nevada.

Sec. 10. NRS 678D.475 is hereby repealed.

Sec. 11. 1. This section and sections 1 to 4, inclusive, and 6 to 10, inclusive, of this act become effective on July 1, 2027.

2. Section 5 of this act becomes effective on July 1, 2028.

TEXT OF REPEALED SECTION

678D.475 Independent cannabis consumption lounge: Requirement to enter into contract with adult-use cannabis retail store; authorized acts concerning acquisition, preparation and sale of single-use and ready-to-consume cannabis products; requirement to ensure only single-use or ready-to-consume cannabis products purchased from lounge are consumed in lounge; submission of contract to Board.

1. An independent cannabis consumption lounge shall enter into a contract with one or more adult-use cannabis retail stores to sell to the independent cannabis consumption lounge:

(a) Single-use cannabis products for the purpose of resale; and

(b) Cannabis and cannabis products for the purpose of preparing ready-to-consume cannabis products.

2. An independent cannabis consumption lounge which has entered into a contract pursuant to subsection 1 may:

(a) Sell single-use cannabis products obtained pursuant to subsection 1 to customers of the independent cannabis consumption lounge; and

(b) Prepare ready-to-consume cannabis products using cannabis and cannabis products obtained pursuant to subsection 1 and sell such products to customers of the independent cannabis consumption lounge.

3. An independent cannabis consumption lounge shall ensure that only single-use cannabis products or ready-to-consume cannabis products that were purchased from the independent cannabis consumption lounge are consumed in the lounge.

4. The Board may require an independent cannabis consumption lounge to submit a contract entered into pursuant to subsection 1 to the Board for review.