
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; prohibiting certain transportation of cannabis and cannabis products under certain circumstances; 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; authorizing certain cannabis establishments to engage in certain activities involving hemp; 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
8 the Attorney General for an investigation. (NRS 678A.500) After the investigation,
9 existing law requires the Board to determine whether to proceed with disciplinary
10 action against a licensee or registrant. (NRS 678A.510) If the Board proceeds with
11 disciplinary action, existing law: (1) requires the Board or the Executive Director to
12 serve a complaint upon the respondent; and (2) sets forth procedures for the
13 conduct of a disciplinary hearing before the Board. (NRS 678A.520-678A.590) If
14 the Board determines that a licensee or registrant has violated a provision of
15 existing law or regulations governing the medical and adult use of cannabis,
16 existing law authorizes the Board to impose certain penalties against the licensee or
17 registrant. (NRS 678A.600)

18 **Sections 6, 11 and 13-24** of this bill revise the procedures by which
19 disciplinary action may be taken against a licensee or registrant. **Section 13**
20 specifies that the Executive Director is authorized to transmit the details of a
21 suspected violation to the Attorney General for further investigation. **Section 24**
22 makes a conforming change to reflect the fact that an investigation of a violation is
23 commenced by the Executive Director, rather than the Board. **Section 14** requires
24 the Executive Director, rather than the Board, to make the determination whether to
25 proceed with disciplinary action. If the Executive Director makes a determination
26 to proceed, **section 15** requires the Executive Director to serve upon the respondent
27 either a complaint or notice of violation. **Section 11** requires the Board to adopt
28 regulations prescribing a list of violations which are appropriate for the issuance of
29 a notice of violation. **Section 15** revises the required content of a complaint and sets
30 forth the required content of a notice of violation. Under **section 15**, if the
31 Executive Director serves a notice of violation, the Executive Director may seek
32 only the imposition of a civil penalty. **Section 15** requires the respondent to either
33 answer the complaint or notice of violation or, for a notice of violation, pay the
34 civil penalty being sought. Upon receipt of an answer demanding a hearing or the
35 expiration of the time to answer the complaint or notice of violation, **section 15**
36 requires the Executive Director to assign the matter to a hearing officer. **Sections**
37 **15-23** require a disciplinary hearing to be heard before a hearing officer, rather than
38 the Board, and revise procedures for the conduct of such a hearing. **Section 6:** (1)
39 provides that the decision and order of a hearing officer is final unless a party
40 aggrieved by the decision requests that the Board review the decision or the Board
41 initiates such a review on its own motion; and (2) sets forth procedures for the
42 conduct of a review by the Board. **Section 23** provides that any person aggrieved
43 by a final decision or order of the Board after a review conducted pursuant to
44 **section 6** is entitled to judicial review of the decision or order.

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

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

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



55 **Sections 4, 12 and 54** of this bill revise provisions relating to the
56 confidentiality of certain information obtained by the Board. Existing law
57 authorizes the Governor or his or her designee to enter into one or more agreements
58 with tribal governments concerning cannabis. (NRS 223.250) **Sections 52 and 53**
59 of this bill provide that certain information received by a governmental entity
60 pursuant to the terms of such an agreement does not constitute a public record and
61 is confidential.

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

65 Existing law prohibits the production, distribution and sale of any synthetic
66 cannabinoid. (NRS 453.572, 557.255, 678B.525) **Section 10** of this bill revises the
67 definition of "synthetic cannabinoid" to: (1) specify that any cannabinoid that is
68 either produced artificially or not obtained directly without the use of chemicals
69 from a plant of the genus *Cannabis* constitutes a synthetic cannabinoid; and (2)
70 exclude delta-9-tetrahydrocannabinol produced using certain processes.

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

78 Existing law authorizes a medical cannabis establishment to: (1) transport
79 medical cannabis to another cannabis establishment or between the buildings of the
80 medical cannabis establishment; and (2) enter into a contract with a third party to
81 provide such transportation. (NRS 678C.460) Existing law, with certain exceptions,
82 prohibits an adult-use cannabis establishment from transporting cannabis or
83 cannabis products to an adult-use cannabis retail store unless the adult-use cannabis
84 establishment holds an adult-use cannabis establishment license for an adult-use
85 cannabis distributor. (NRS 678D.410, 678D.440) **Section 46** of this bill eliminates
86 the authorization for a medical cannabis establishment to transport cannabis or
87 cannabis products and to enter into a contract with a third party to transport
88 cannabis or cannabis products. **Section 28** of this bill instead prohibits, with certain
89 exceptions, any cannabis establishment from transporting cannabis or cannabis
90 products to another cannabis establishment or between the buildings of a cannabis
91 establishment unless the cannabis establishment holds an adult-use
92 cannabis establishment license for an adult-use cannabis distributor. **Section 50** of
93 this bill authorizes an adult-use cannabis distributor to transport cannabis and
94 cannabis products between a cannabis establishment and another cannabis
95 establishment or between the buildings of a cannabis establishment. **Section 8** of
96 this bill revises the definition of "adult-use cannabis distributor" to reflect the
97 authorizations set forth in **section 50**.

98 Existing law sets forth procedures by which a health authority, upon finding a
99 condition in the operation of a food establishment constituting a substantial hazard
100 to the public health, may issue an order to the holder of the permit to operate the
101 food establishment that may require the immediate suspension of the permit and
102 discontinuance of all food operations. (NRS 446.880) **Section 30** of this bill sets
103 forth similar procedures by which an agent of the Board may issue such an order to
104 the holder of a cannabis establishment license if the agent finds a condition in the
105 operation of the cannabis establishment which constitutes a substantial hazard to
106 the public health. **Section 30** sets forth certain conditions under which such an
107 order may not order the immediate suspension of the license and the immediate
108 discontinuance of the operations of the cannabis establishment. **Section 29** of this
109 bill defines "substantial hazard to the public health" to include certain specified



110 conditions. **Section 29** additionally requires the Board to adopt certain regulations
111 concerning substantial hazards to the public health which may exist at a cannabis
112 establishment.

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

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

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

129 Existing law prohibits a cannabis establishment from dispensing or selling
130 cannabis or cannabis products from a vending machine or allowing such a vending
131 machine to be installed on the premises of the cannabis establishment. (NRS
132 678B.510) **Section 39** of this bill authorizes a cannabis establishment to engage in
133 such activities upon the approval of the Board. **Section 39** additionally revises the
134 procedures that the operating documents of a cannabis establishment are required to
135 include.

136 Existing law authorizes a medical cannabis production facility to: (1) acquire
137 hemp or a commodity or product made using hemp from a grower or handler
138 registered by the State Department of Agriculture; and (2) use hemp or a
139 commodity or product made using hemp to manufacture medical cannabis products.
140 (NRS 687C.410) **Sections 40 and 43** of this bill instead authorize any cannabis
141 production facility to: (1) acquire hemp from any source approved by the Board; (2)
142 use hemp to manufacture cannabis products; and (3) sell to a cannabis sales facility
143 a cannabis product that contains hemp. **Section 40** additionally authorizes a
144 cannabis sales facility to acquire hemp or a commodity or product made using
145 hemp from any source approved by the Board and to sell hemp or any cannabis
146 product that contains hemp, in addition to any commodity or product made using
147 hemp.

148 Existing law prohibits a person from selling, offering to sell, appearing to sell
149 or advertising the sale of cannabis or cannabis products unless the person holds an
150 adult-use cannabis establishment license or medical cannabis establishment license.
151 (NRS 678B.530) **Section 41** of this bill prohibits those actions only if the person
152 does not have the appropriate type of license and additionally prohibits a person
153 from advertising as a cannabis sales facility or cannabis consumption lounge
154 without the appropriate type of license.

155 Existing law exempts an employee of the State Department of Agriculture from
156 state prosecution for certain offenses relating to cannabis under certain
157 circumstances. (NRS 678B.600) **Section 42** of this bill expands that exemption to
158 also include an employee of the Board and an attorney who represents the
159 Department or the Board.

160 Existing law provides an exemption from state prosecution for the possession,
161 delivery and production of cannabis for: (1) a person who holds a valid registry
162 identification card or letter of approval; and (2) a person who is 21 years of age or
163 older. However, under existing law, that exemption is subject to certain limitations.
164 For example, with respect to usable cannabis, the exemption applies only to the



165 extent that a person does not, at any one time, possess, deliver or produce more
166 than 2.5 ounces of usable cannabis. (NRS 678C.200, 678D.200) Existing law also
167 prohibits a cannabis sales facility from selling to a person, in any one transaction,
168 more than 2.5 ounces of usable cannabis. (NRS 678B.550) **Sections 3, 7 and 56** of
169 this bill revise the definition of “usable cannabis” to exclude the seeds of a plant of
170 the genus plant *Cannabis* and applies this definition throughout the provisions
171 of existing law governing the medical and adult use of cannabis. **Section 47** of this
172 bill makes a conforming change to eliminate a reference to a provision that has
173 been repealed in **section 56**.

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

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

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

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

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

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

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

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

12 **Sec. 4.** *The Board or an agent of the Board may refuse to*
13 *reveal, in any court or administrative proceeding, except a*
14 *proceeding brought by the State of Nevada:*

15 1. *The identity of any person who has furnished to the Board*
16 *information purporting to reveal the commission of a violation of*
17 *a provision of this title or the regulations adopted pursuant*
18 *thereto, including, without limitation, information concerning*
19 *unlicensed cannabis activities;*

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



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

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

6 **Sec. 6.** *1. Unless a review by the Board is requested by a*
7 *party or initiated by the Board pursuant to subsection 2 or 3, the*
8 *decision and order of a hearing officer issued pursuant to NRS*
9 *678A.590 are final and not subject to review by any court or the*
10 *Board.*

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

15 3. *The Board may, on its own motion, initiate a review of the*
16 *decision and order of a hearing officer issued pursuant to NRS*
17 *678A.590 within 30 days after the service of the decision and*
18 *order.*

19 4. *If requested or initiated in accordance with subsection 2 or*
20 *3, the Board shall conduct a review of the decision and order of*
21 *the hearing officer. The review must be limited to the record of the*
22 *proceedings before the hearing officer. The Board may not*
23 *consider any additional evidence which was not presented to the*
24 *hearing officer.*

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

30 6. *After the conclusion of a review conducted pursuant to this*
31 *section, the Board may affirm, modify or reverse the decision and*
32 *order of the hearing officer or remand the matter to the hearing*
33 *officer for further proceedings. The Board shall prepare a written*
34 *decision and order on the matter as expeditiously as possible and*
35 *serve the decision and order on the parties personally or by*
36 *certified mail.*

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

38 678A.010 As used in this title, unless the context otherwise
39 requires, the words and terms defined in NRS 678A.020 to
40 678A.240, inclusive, *and sections 2 and 3 of this act* have the
41 meanings ascribed to them in those sections.

42 **Sec. 8.** NRS 678A.030 is hereby amended to read as follows:

43 678A.030 “Adult-use cannabis distributor” means a business
44 that:

45 1. Is licensed by the Board pursuant to NRS 678B.250; and



1 2. Transports cannabis or ~~adult-use~~ cannabis products ~~from~~
2 ~~an adult-use~~ *between a* cannabis establishment ~~to~~ *and* another
3 ~~adult-use~~ cannabis establishment ~~or~~ *between the buildings of a*
4 *cannabis establishment.*

5 **Sec. 9.** NRS 678A.150 is hereby amended to read as follows:

6 678A.150 “Electronic verification *and authentication* system”
7 means an electronic database that:

- 8 1. Keeps track of data in real time; and
- 9 2. Is accessible by the Board and by the cannabis
10 establishment.

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

12 678A.239 1. “Synthetic cannabinoid” means a cannabinoid
13 that is:

14 ~~1.~~ (a) Produced artificially, whether from chemicals or from
15 recombinant biological agents, including, without limitation, yeast
16 and algae; ~~and~~

17 ~~—2.— Is not} or~~

18 (b) *Not obtained directly without the use of chemicals* derived
19 from a plant of the genus Cannabis. ~~including;~~

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

22 3. *The term does not include delta-9-tetrahydrocannabinol*
23 *produced through the decarboxylation of tetrahydrocannabinolic*
24 *acid using a process approved by the Board.*

25 **Sec. 11.** NRS 678A.450 is hereby amended to read as follows:

26 678A.450 1. The Board may adopt regulations necessary or
27 convenient to carry out the provisions of this title. Such regulations
28 may include, without limitation:

29 (a) Financial requirements for licensees.

30 (b) Establishing such education, outreach, investigative and
31 enforcement mechanisms as the Board deems necessary to ensure
32 the compliance of a licensee or registrant with the provisions of this
33 title. Such mechanisms must include, without limitation:

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

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

38 (II) At a minimum, includes training that is the same or
39 substantially similar to any training that is required by the Board by
40 regulation to be completed by a cannabis establishment agent before
41 he or she may be employed by, volunteer at or provide labor to a
42 cannabis establishment;

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



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

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

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

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

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

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

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

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

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

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

32 3. *The Board shall adopt regulations prescribing a list of*
33 *each violation of a provision of this title or a regulation adopted*
34 *pursuant thereto that the Board has determined to be appropriate*
35 *for the issuance of a notice of violation pursuant to*
36 *NRS 678A.520.*

37 4. 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.



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

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

7 ~~[4.]~~ 5. *As part of an investigation of unlicensed cannabis*
8 *activities conducted pursuant to the regulations adopted pursuant*
9 *to subsection 4, if the Board has cause to believe that a person has*
10 *engaged in or is engaging in unlicensed cannabis activities, the*
11 *Board may issue a summons to require any person to appear*
12 *before the Board at the time and place set forth in the summons*
13 *and a subpoena to require the testimony of any person or the*
14 *production of documents. The Board may administer an oath or*
15 *affirmation to any person providing testimony pursuant to such a*
16 *subpoena. A summons or subpoena issued pursuant to this*
17 *subsection must be served upon a person in the manner required*
18 *for service of process in this State or by certified mail with return*
19 *receipt requested. An employee of the Board may personally serve*
20 *such a summons or subpoena. The Board may use any documents,*
21 *records or material produced pursuant to a subpoena issued*
22 *pursuant to this subsection in the course of an action or*
23 *proceeding brought pursuant to the regulations adopted pursuant*
24 *to subsection 4.*

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

29 ~~[5.]~~ 7. The Board shall, by regulation, establish a pilot
30 program for identifying opportunities for an emerging small
31 cannabis business to participate in the cannabis industry. As used in
32 this subsection, "emerging small cannabis business" means a
33 cannabis-related business that:

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

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

39 678A.470 1. The Board shall cause to be made and kept a
40 record of all proceedings at regular and special meetings of the
41 Board. These records are open to public inspection.

42 2. ~~[Any]~~ *Except as otherwise provided in subsections 3, 4 and*
43 *6, any* and all information and data prepared or obtained by the
44 Board or by an agent or employee of the Board ~~[relating to a holder~~
45 ~~of or an applicant for a medical cannabis establishment license~~



1 ~~pursuant to NRS 678B.210, other than the name of a licensee and~~
2 ~~each owner, officer and board member of the licensee and~~
3 ~~information relating to the scoring and ranking of applications~~
4 ~~and the imposition of disciplinary action, are confidential and may~~
5 ~~be revealed in whole or in part only in the course of the necessary~~
6 ~~administration of this title or upon the lawful order of a court of~~
7 ~~competent jurisdiction. The Board may reveal such information and~~
8 ~~data to an authorized agent of any agency of the United States~~
9 ~~Government, any state or any political subdivision of a state or the~~
10 ~~government of any foreign country. Notwithstanding any other~~
11 ~~provision of state law, such information and data may not be~~
12 ~~otherwise revealed without specific authorization by the Board~~
13 ~~pursuant to the regulations of the Board.~~

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

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

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

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

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

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

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

43 *(g) That constitutes a trade secret, as defined in NRS*
44 *600A.030, and for which the word “Confidential” or “Private” or*
45 *another indication of secrecy was placed in a reasonably*



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

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

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

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

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

15 *is confidential and may be revealed in whole or in part only in the*
16 *course of the necessary administration of this title or upon the lawful*
17 *order of a court of competent jurisdiction. ~~[The name of the holder~~*
18 *of an adult use cannabis establishment license and each owner,*
19 *officer and board member of the licensee and information relating to*
20 *the scoring and ranking of applications and the imposition of*
21 *disciplinary action are not confidential.]*

22 3. *The following information and data are not confidential:*

23 (a) *The name of a licensee.*

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

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

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

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

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

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

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

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

40 (j) *Information and data relating to any civil penalty paid*
41 *pursuant to subsection 4 of NRS 678A.520.*

42 (k) *A letter of warning, letter of concern or nonpunitive*
43 *admonishment issued pursuant to section 26 of this act.*

44 4. *The Board may reveal ~~[such]~~ information and data declared*
45 *confidential pursuant to subsection 2 to an authorized agent of any*



1 ~~[agency of the United States Government, any state or any political~~
2 ~~subdivision of a state or the government of any foreign country.]~~
3 *governmental entity. If any confidential information and data is*
4 *provided by the Board to a governmental entity pursuant to this*
5 *section, the information and data remains confidential and may*
6 *not be provided to any other person or governmental entity. To the*
7 *extent practicable, any governmental entity that receives any*
8 *confidential information and data from the Board pursuant to this*
9 *section shall treat the information and data as confidential.*
10 Notwithstanding any other provision of state law, ~~[such]~~ information
11 and data *declared confidential pursuant to subsection 2* may not be
12 otherwise revealed without specific authorization by the Board
13 pursuant to the regulations of the Board.

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

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

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

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

35 7. All files, records, reports and other information and data
36 pertaining to matters related to cannabis in the possession of the
37 Nevada Tax Commission or the Department of Taxation must be
38 made available to the Board as is necessary to the administration of
39 this title.

40 ~~[5.]~~ 8. As used in this section ~~[, “information”]~~ :

41 (a) *“Governmental entity” means any agency of the United*
42 *States Government, any state or political subdivision of a state or*
43 *the government of any foreign country.*

44 (b) *“Information and data” means all information and data in*
45 *any form, including, without limitation, any oral, written, audio,*



1 visual, digital or electronic form, and the term includes, without
2 limitation, any account, book, correspondence, file, message, paper,
3 record, report or other type of document . ~~[, including, without~~
4 ~~limitation, any document containing self-evaluative assessments,~~
5 ~~self-critical analysis or self-appraisals of an applicant's or licensee's~~
6 ~~compliance with statutory or regulatory requirements.]~~

7 (c) ***“Personal information” means:***

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

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

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

13 678A.500 1. If the Executive Director becomes aware that a
14 licensee or registrant has violated, is violating or is about to violate
15 any provision of this title or any regulation adopted pursuant thereto,
16 the Executive Director may transmit the details of the suspected
17 violation, along with any further facts or information related to the
18 violation which are known to the Executive Director, to the
19 Attorney General ~~[]~~ ***for further investigation.***

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

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

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

35 678A.510 1. If the Executive Director transmits the details of
36 a suspected violation to the Attorney General ***for further***
37 ***investigation*** pursuant to NRS 678A.500, the Attorney General shall
38 conduct an investigation of the suspected violation to determine
39 whether it warrants proceedings for disciplinary action of the
40 licensee or registrant. If the Attorney General determines that
41 further proceedings are warranted, he or she shall report the results
42 of the investigation together with a recommendation to the
43 Executive Director in a manner which does not violate the right of
44 the person charged in the complaint to due process in any later
45 hearing on the complaint. ~~[The Executive Director shall transmit the~~



1 ~~recommendation and other information received from the Attorney~~
2 ~~General to the Board.]~~

3 2. The ~~[Board]~~ *Executive Director* shall promptly make a
4 determination with respect to each complaint resulting in an
5 investigation by the Attorney General. The ~~[Board]~~ *Executive*
6 *Director* shall:

7 (a) ~~[Dismiss the complaint;]~~ *Decline to proceed with*
8 *disciplinary action;*

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

13 (c) Proceed with appropriate disciplinary action in accordance
14 with NRS 678A.520 to 678A.600, inclusive, *and section 6 of this*
15 *act*, chapter 233B of NRS and the regulations adopted by the Board.
16 In determining the disciplinary action to impose the ~~[Board]~~
17 *Executive Director* shall consider mitigating factors pursuant to
18 NRS 678A.647.

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

20 678A.520 1. If the ~~[Board]~~ *Executive Director* proceeds with
21 disciplinary action pursuant to NRS 678A.510, ~~[the Board or]~~ the
22 Executive Director shall serve ~~[a complaint]~~ upon the respondent
23 ~~[either personally,]~~ :

24 (a) *A complaint;* or ~~[by]~~

25 (b) *If the alleged violation at issue is a violation that the Board*
26 *has determined to be appropriate for the issuance of a notice of*
27 *violation pursuant to the regulations adopted pursuant to NRS*
28 *678A.450, a notice of violation.*

29 *↪ The fact that an alleged violation is a violation that the Board*
30 *has determined to be appropriate for the issuance of a notice of*
31 *violation does not prohibit the Executive Director from issuing a*
32 *complaint concerning the alleged violation rather than a notice of*
33 *violation.*

34 2. *A complaint or notice of violation served pursuant to*
35 *subsection 1 must be served upon the respondent:*

36 (a) *Personally;*

37 (b) *By* registered or certified mail at the address of the
38 respondent that is on file with the Board ~~[.Such]~~ ; or

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

41 3. A complaint *or notice of violation served pursuant to*
42 *subsection 1* must:

43 (a) ~~[Be a written statement of charges;~~

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



1 ~~—(e)}~~ Specify the statutes and regulations which the respondent is
2 alleged to have violated. ~~};~~

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

6 ~~—(e)}~~ *(b) Set forth a short and plain statement of the matters*
7 *asserted, including, without limitation, the acts or omissions with*
8 *which the respondent is charged. If the Executive Director is*
9 *unable to state the matters in detail at the time the complaint or*
10 *notice of violation is served, the complaint or notice of violation*
11 *may be limited to a statement of the issues involved. Thereafter,*
12 *upon application, a more definite and detailed statement must be*
13 *furnished.*

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

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

19 (2) Were all discovered in the course of a single audit,
20 inspection or investigation. ~~};~~

21 ~~—(f)}~~ (d) Specify the penalty being sought against the respondent
22 ~~.}; and~~

23 ~~—(g)}~~ *If the Executive Director serves a notice of violation, the*
24 *Executive Director may seek only the imposition of a civil penalty*
25 *in the notice of violation.*

26 (e) Provide notice of the right of the respondent to request a
27 hearing.

28 ~~{2.}~~ 4. The ~~{Chair of the Board}~~ *Executive Director* may grant
29 an extension to respond to the complaint *or notice of violation* for
30 good cause. Unless granted such an extension, the respondent must,
31 ~~{answer}~~ within ~~{20}~~ 21 days after the service of the complaint ~~};~~ *or*
32 *notice of violation:*

33 (a) *Answer the complaint or notice of violation in accordance*
34 *with subsection 5; or*

35 (b) *For a notice of violation, pay to the Board the civil penalty*
36 *being sought. If the respondent pays the civil penalty, the*
37 *respondent shall be deemed to not have committed the alleged*
38 *violation at issue for the purpose of any system of progressive*
39 *discipline adopted by the Board.*

40 5. In the answer *to a complaint or notice of violation*, the
41 respondent:

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

44 (b) Must admit or deny the facts alleged in the complaint ~~};~~ *or*
45 *notice of violation.*



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

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

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

12 ~~—3.]~~ *6. Upon receipt of an answer demanding a hearing or the*
13 *expiration of the time to answer the complaint or notice of*
14 *violation, the Executive Director shall assign the matter to a*
15 *hearing officer.*

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

25 ~~[4.]~~ 8. The ~~[Board]~~ *hearing officer* shall determine the time
26 and place of the hearing as soon as is reasonably practical after
27 receiving the respondent's answer. The ~~[Board]~~ *hearing officer*
28 shall deliver or send by registered ~~[or]~~ *mail*, certified mail *or, if the*
29 *parties have expressly agreed to service by electronic means, by*
30 *electronic means* a notice of hearing *that complies with NRS*
31 *233B.121* to all parties at least 10 days before the hearing. The
32 hearing must be held within ~~[45]~~ *120* days after receiving the
33 respondent's answer unless an expedited hearing is determined to be
34 appropriate by the *Executive Director or the* Board, in which event
35 the hearing must be held as soon as practicable. The ~~[Chair of the~~
36 ~~Board]~~ *hearing officer* may grant one or more extensions to the ~~[45-~~
37 ~~day]~~ *120-day* requirement pursuant to a request of a party or an
38 agreement by both parties.

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

40 678A.530 Before a hearing , ~~[before the Board.]~~ and during a
41 hearing upon reasonable cause shown, the ~~[Board]~~ *hearing officer*
42 shall issue subpoenas and subpoenas duces tecum at the request of a
43 party. All witnesses appearing pursuant to subpoena, other than
44 parties, officers or employees of the State of Nevada or any political
45 subdivision thereof, are entitled to receive fees and mileage in the



1 same amounts and under the same circumstances as provided by law
2 for witnesses in civil actions in the district courts. Witnesses entitled
3 to fees or mileage who attend hearings at points so far removed
4 from their residences as to prohibit return thereto from day to day
5 are entitled, in addition to witness fees and in lieu of mileage, to the
6 per diem compensation for subsistence and transportation authorized
7 for state officers and employees for each day of actual attendance
8 and for each day necessarily occupied in traveling to and from the
9 hearings. Fees, subsistence and transportation expenses must be paid
10 by the party at whose request the witness is subpoenaed. ~~[The Board
11 may award as costs the amount of all such expenses to the
12 prevailing party.]~~

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

14 678A.540 1. At all hearings before ~~[the Board.]~~ *a hearing*
15 *officer:*

16 (a) Oral evidence may be taken only upon oath or affirmation
17 administered by the ~~[Board.]~~ *hearing officer.*

18 (b) Every party has the right to:

19 (1) Call and examine witnesses;

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

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

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

26 (5) Offer rebuttal evidence.

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

30 (d) The hearing need not be conducted according to technical
31 rules relating to evidence and witnesses, except that those prescribed
32 in NRS 233B.123 apply. Any relevant evidence that is not
33 immaterial or unduly repetitious may be admitted and is sufficient in
34 itself to support a finding if it is the sort of evidence on which
35 responsible persons are accustomed to rely in the conduct of serious
36 affairs, regardless of the existence of any common law or statutory
37 rule which might make improper the admission of such evidence
38 over objection in a civil action.

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

42 2. The ~~[Board]~~ *hearing officer* may take official notice of any
43 generally accepted information or technical or scientific matter
44 within the field of cannabis, and of any other fact which may be
45 judicially noticed by the courts of this State. The parties must be



1 informed of any information, matters or facts so noticed, and must
2 be given a reasonable opportunity, on request, to refute such
3 information, matters or facts by evidence or by written or oral
4 presentation of authorities, the manner of such refutation to be
5 determined by the ~~[Board.]~~ *hearing officer.*

6 3. Affidavits may be received in evidence at any hearing ~~of~~
7 ~~the Board]~~ *before a hearing officer* in accordance with the
8 following:

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

14 (b) Unless the opposing party, within 7 days after such service,
15 mails or delivers to the proponent a request to cross-examine the
16 affiant, the opposing party's right to cross-examine the affiant is
17 waived and the affidavit, if introduced in evidence, must be given
18 the same effect as if the affiant had testified orally. If an opportunity
19 to cross-examine an affiant is not afforded after request therefor is
20 made in accordance with this paragraph, the affidavit may be
21 introduced in evidence, but must be given only the same effect as
22 other hearsay evidence.

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

25
26 The accompanying affidavit of (here insert name of
27 affiant) will be introduced as evidence at the hearing set for
28 the day of the month of of the year (Here
29 insert name of affiant) will not be called to testify orally and
30 you will not be entitled to question (here insert name of
31 affiant) unless you notify the undersigned that you wish to
32 cross-examine (here insert name of affiant). To be effective
33 your request must be mailed or delivered to the undersigned
34 on or before 7 days from the date this notice and the enclosed
35 affidavit are served upon you.

36
37
38 (Party or Counsel)

39
40 (Address)

41 **Sec. 18.** NRS 678A.550 is hereby amended to read as follows:
42 678A.550 ~~[The following procedures apply at]~~ **At** all hearings

43 ~~of the Board:~~
44 ~~— 1. — At least three members of the Board shall be present at every~~
45 ~~hearing, and they shall exercise all powers relating to the conduct~~



1 ~~of~~ before a hearing officer, the hearing ~~[and shall enforce all~~
2 ~~decisions with respect thereto.~~

3 ~~—2. The proceedings]~~ officer shall cause an audio recording to
4 be made of all oral proceedings at the hearing . The audio
5 recording must be ~~[reported either stenographically or by a~~
6 ~~phonographic reporter.]~~ transcribed upon the request of any party.
7 The party making the request shall pay all the costs for the
8 transcription.

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

10 678A.570 ~~[The Board]~~ A hearing officer may, before
11 submission of the case for decision, permit the filing of amended or
12 supplemental pleadings and shall notify all parties thereof, and
13 provide a reasonable opportunity for objections thereto.

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

15 678A.580 If any person in proceedings before ~~[the Board]~~ a
16 hearing officer disobeys or resists any lawful order or refuses to
17 respond to a subpoena, or refuses to take the oath or affirmation as a
18 witness or thereafter refuses to be examined, or is guilty of
19 misconduct during the hearing or so near the place thereof as to
20 obstruct the proceeding, the hearing officer or the Board may
21 certify the facts to the district court in and for the county where the
22 proceedings are held. The court shall thereupon issue an order
23 directing the person to appear before the court and show cause why
24 the person should not be punished as for contempt. The court order
25 and a copy of the statement of the hearing officer or the Board must
26 be served on the person cited to appear. Thereafter the court has
27 jurisdiction of the matter, and the same proceedings must be had, the
28 same penalties may be imposed and the person charged may purge
29 himself or herself of the contempt in the same way as in the case of
30 a person who has committed a contempt in the trial of a civil action
31 before a district court.

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

33 678A.590 1. Within 60 days after the hearing of a contested
34 matter, the ~~[Board]~~ hearing officer shall render a written decision
35 on the merits. Except as otherwise provided in subsection 5 of NRS
36 233B.121, the written decision must contain findings of fact and
37 conclusions of law which are separately stated, a determination of
38 the issues presented and the penalty to be imposed, if any. If the
39 ~~[Board]~~ hearing officer determines that the licensee or registrant
40 has violated any provision of this title or any regulation adopted
41 pursuant thereto, the written decision must set forth the
42 determination of the ~~[Board]~~ hearing officer as to whether any of
43 the mitigating circumstances required to be considered by the
44 ~~[Board]~~ hearing officer pursuant to NRS 678A.600 exist and, if so,
45 the weight given to each mitigating circumstance in determining the



1 appropriate action to be taken pursuant to that section. The ~~{Board}~~
2 *hearing officer* shall thereafter make and enter ~~{its}~~ a written order
3 in conformity to ~~{its}~~ the decision. ~~[No member of the Board who~~
4 ~~did not hear the evidence may vote on the decision. The affirmative~~
5 ~~votes of a majority of the whole Board are required to impose any~~
6 ~~penalty.]~~ Copies of the decision and order must be served on the
7 parties personally or sent to them by ~~{registered or}~~ certified mail.
8 The decision is effective upon such service . ~~[, unless the Board~~
9 ~~orders otherwise.]~~

10 2. The ~~{Board}~~ *hearing officer* may, upon motion made within
11 15 days after service of a decision and order, order a rehearing
12 before the ~~{Board}~~ *hearing officer* upon such terms and conditions
13 as it may deem just and proper if a ~~{petition for judicial}~~
14 the decision ~~{and order}~~ has not been ~~{filed.}~~ *initiated pursuant to*
15 *section 6 of this act.* The motion must not be granted except upon a
16 showing that there is additional evidence which is material and
17 necessary and reasonably calculated to change the decision of the
18 ~~{Board,}~~ *hearing officer,* and that sufficient reason existed for
19 failure to present the evidence at the hearing ~~{of}~~ *before* the ~~{Board,}~~
20 *hearing officer.* The motion must be supported by an affidavit of
21 the moving party or his or her counsel showing with particularity the
22 materiality and necessity of the additional evidence and the reason
23 why it was not introduced at the hearing. Upon rehearing, rebuttal
24 evidence to the additional evidence must be permitted. After
25 rehearing, the ~~{Board}~~ *hearing officer* may modify ~~{its}~~ *his or her*
26 decision and order as the additional evidence may warrant.

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

28 678A.600 1. If the ~~{Board}~~ *hearing officer* finds that a
29 licensee or registrant has violated a provision of this title or any
30 regulation adopted pursuant thereto, the ~~{Board}~~ *hearing officer*
31 may:

- 32 (a) Limit, condition, suspend or revoke the license or
33 registration card of the licensee or registrant;
- 34 (b) Impose a civil penalty in an amount established by
35 regulation, not to exceed \$20,000 for a single violation;
- 36 (c) Take any combination of the actions authorized by
37 paragraphs (a) and (b);
- 38 (d) Issue a warning to the licensee or registrant; or
- 39 (e) Take no action against the licensee or registrant.

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



1 **Sec. 23.** NRS 678A.610 is hereby amended to read as follows:
2 678A.610 Any person aggrieved by a final decision or order of
3 the Board made ~~[after hearing or rehearing by the Board pursuant to~~
4 ~~NRS 678A.520 to 678A.600, inclusive, and whether or not a motion~~
5 ~~for rehearing was filed.] pursuant to section 6 of this act~~ is entitled
6 to judicial review of the decision or order in the manner provided by
7 chapter 233B of NRS.

8 **Sec. 24.** NRS 678A.647 is hereby amended to read as follows:
9 678A.647 1. A violation of any provision of this title or any
10 regulation adopted pursuant thereto may be mitigated by any of the
11 following circumstances:

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

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

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

18 (2) Taken action to correct the violation.

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

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

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

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

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

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



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

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

12 **2.** *The issuance of such a letter or admonishment:*

13 **(a)** *Does not preclude the Executive Director from initiating*
14 *any disciplinary proceedings against the person or taking any*
15 *disciplinary action against the person based on any conduct*
16 *alleged or described in the letter or admonishment or any other*
17 *conduct; and*

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

20 **Sec. 27.** *1. Each cannabis establishment, in consultation*
21 *with the Board, shall maintain an inventory control system.*

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

25 **(a)** *Insofar as is practicable, the chain of custody and current*
26 *whereabouts, in real time, of cannabis from the point of*
27 *acquisition at a cannabis cultivation facility until it is sold at a*
28 *cannabis establishment;*

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

31 **(c)** *The date on which the cannabis was sold and the quantity*
32 *of any cannabis products sold, measured both by weight and*
33 *potency; and*

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

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

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

44 **Sec. 28.** *1. Except as otherwise provided in this section, a*
45 *cannabis establishment shall not transport cannabis or cannabis*



1 *products to another cannabis establishment or between the*
2 *buildings of a cannabis establishment unless the cannabis*
3 *establishment holds an adult-use cannabis establishment license*
4 *for an adult-use cannabis distributor.*

5 2. *An adult-use cannabis establishment that holds an adult-*
6 *use cannabis establishment license for an adult-use cannabis*
7 *retail store and an adult-use cannabis establishment license for a*
8 *retail cannabis consumption lounge that is attached or*
9 *immediately adjacent to the adult-use cannabis retail store may*
10 *transport cannabis and cannabis products between the adult-use*
11 *cannabis retail store and the retail cannabis consumption lounge.*

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

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

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

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

28 (a) *A fire or flood.*

29 (b) *Interruption of electrical or water service.*

30 (c) *Sewage backup.*

31 (d) *The misuse of poisonous or toxic materials.*

32 (e) *The onset of an apparent food-borne illness outbreak.*

33 (f) *A gross insanitary occurrence or condition.*

34 (g) *Any other occurrence or condition that may endanger the*
35 *public health.*

36 **Sec. 30. 1. Whenever an agent of the Board finds a**
37 *condition in the operation of a cannabis establishment which*
38 *constitutes a substantial hazard to the public health as defined in*
39 *section 29 of this act, the agent may, without warning, notice or*
40 *hearing, issue a written order to the licensee citing the condition,*
41 *specifying the corrective action to be taken and specifying the time*
42 *within which the action must be taken. Except as otherwise*
43 *provided in subsection 3, the order may state that the license of the*
44 *cannabis establishment is immediately suspended and all*
45 *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 as soon as possible, but not later than 45 days after the*
4 *date on which the order was issued unless the Board and the*
5 *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. Within 10 days*
9 *following receipt of a written request, including a statement signed*
10 *by the applicant that in the opinion of the applicant the conditions*
11 *causing the suspension of the license have been corrected, the*
12 *Board shall make a reinspection. If the applicant is complying*
13 *with all applicable requirements of this title and the regulations*
14 *adopted pursuant thereto, the license must be reinstated.*

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

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

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

26 **Sec. 31.** NRS 678B.060 is hereby amended to read as follows:

27 678B.060 “Inventory control system” means a process, device
28 or other contrivance that may be used to monitor the chain of
29 custody of cannabis from the point of **[cultivation] acquisition** to the
30 end consumer.

31 **Sec. 32.** NRS 678B.210 is hereby amended to read as follows:

32 678B.210 1. A person shall not engage in the business of a
33 medical cannabis establishment unless the person holds a medical
34 cannabis establishment license issued by the Board pursuant to this
35 section.

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

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



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

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

5 (2) An application, which must include:

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

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

25 (III) Evidence that the applicant controls not less than
26 \$250,000 in liquid assets to cover the initial expenses of opening the
27 proposed medical cannabis establishment and complying with the
28 provisions of this title;

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

44 5. Except as otherwise provided in subsection 6 and NRS
45 678B.215, if an application for registration as a medical cannabis



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

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

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

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

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

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

21 (a) ***"Community*** facility" means:

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

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

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

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

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

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

33 (7) A ***place of*** religious worship . ~~[or other religious~~
34 ~~purpose.]~~

35 (b) ***"Place of religious worship"*** means ***a church, synagogue***
36 ***or other building or structure that is owned and operated by a***
37 ***church, an integrated auxiliary of a church or a convention or***
38 ***association of churches that is exempt for taxation pursuant to***
39 ***section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. §***
40 ***501(c)(3), and exempt from filing an annual return pursuant to***
41 ***section 6033 of the Internal Revenue Code, 26 U.S.C. § 6033. The***
42 ***term does not include any building, structure or other place that is***
43 ***owned and operated by an organization that is listed on the most***
44 ***recent version of the Automatic Revocation of Exemption List***
45 ***published by the Internal Revenue Service, regardless of whether***



1 *the organization identifies as a church, an integrated auxiliary of*
2 *a church or a convention or association of churches.*

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

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

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

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

12 678B.215 1. Except as otherwise provided in this section, the
13 Board shall not, on or after January 1, 2024, issue any additional
14 medical cannabis establishment licenses or renew a medical
15 cannabis establishment license pursuant to NRS 678B.210.

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

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

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

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

32 4. An application submitted pursuant to subsection 3 must:

33 (a) Contain the same information as required for the renewal of
34 a medical cannabis establishment license pursuant to NRS
35 678B.210; and

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

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

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



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

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

7 8. As used in this section ~~f~~
8 ~~—(a) “Covered~~, “covered jurisdiction” means a local
9 governmental jurisdiction that has adopted local cannabis control
10 measures which prohibit the operation of adult-use cannabis
11 establishments in the local governmental jurisdiction.

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

14 **Sec. 34.** NRS 678B.230 is hereby amended to read as follows:

15 678B.230 1. Except as otherwise provided in this subsection,
16 in a county whose population is 100,000 or more, the Board shall
17 ensure that not more than 25 percent of the total number of medical
18 cannabis dispensaries that may be licensed in the county, as set forth
19 in NRS 678B.220, are located in any one local governmental
20 jurisdiction within the county. The Board may increase the
21 percentage described in this subsection upon the request of the
22 board of county commissioners of the county. The Board shall adopt
23 regulations setting forth the requirements for granting such a
24 request.

25 2. To prevent monopolistic practices, the Board shall ensure, in
26 a county whose population is 100,000 or more, that it does not issue,
27 to any one person, group of persons or entity, the greater of:

28 (a) One medical cannabis establishment license; or

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

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

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

34 678B.250 1. A person shall not engage in the business of an
35 adult-use cannabis establishment unless the person holds an adult-
36 use cannabis establishment license issued pursuant to this section.

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

40 3. Except as otherwise provided in NRS 678B.260, 678B.270,
41 678B.280, 678B.322 and 678B.324 to 678B.328, inclusive, the
42 Board shall issue an adult-use cannabis establishment license to an
43 applicant if:



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

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

5 (2) An application, which must include:

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

4 6. In determining whether to issue an adult-use cannabis
5 license pursuant to this section, the Board shall consider the criteria
6 of merit and scoring guidelines set forth in NRS 678B.280 or
7 678B.324, as applicable.

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

13 8. As used in this section ~~[, “community”]~~ :

14 (a) *“Community facility”* ~~[means:~~

15 ~~—(a) A facility that provides day care to children.~~

16 ~~—(b) A public park.~~

17 ~~—(c) A playground.~~

18 ~~—(d) A public swimming pool.~~

19 ~~—(e) A center or facility, the primary purpose of which is to~~
20 ~~provide recreational opportunities or services to children or~~
21 ~~adolescents.~~

22 ~~—(f) A church, synagogue or other building, structure or place~~
23 ~~used for religious worship or other religious purpose.]~~ *has the*
24 *meaning ascribed to it in NRS 678B.210.*

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

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

29 **Sec. 36.** NRS 678B.290 is hereby amended to read as follows:

30 678B.290 1. The Board shall establish standards for ~~[and~~
31 ~~certify one or more]~~ cannabis independent testing laboratories to:

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

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

36 (c) In addition to the testing described in paragraph (a) or (b),
37 test commodities or products containing hemp, as defined in NRS
38 557.160, or cannabidiol which are intended for human or animal
39 consumption and sold by a cannabis establishment or a person
40 described in NRS 446.844.

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

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



- 1 (1) The concentration therein of THC and cannabidiol.
2 (2) The presence and identification of microbes, molds and
3 fungi.
4 (3) The composition of the tested material.
5 (4) The presence of chemicals in the tested material,
6 including, without limitation, pesticides, heavy metals, herbicides or
7 growth regulators.

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

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

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

15 (a) Apply successfully as required pursuant to NRS 678B.210 or
16 678B.250, as applicable.

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

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

20 ***4. A cannabis independent testing laboratory shall, not more***
21 ***than 1 year after the date on which the cannabis independent***
22 ***testing laboratory is issued a license by the Board pursuant to***
23 ***NRS 678B.210 or 678B.250, become accredited pursuant to***
24 ***standard ISO/IEC 17025 of the International Organization for***
25 ***Standardization [within 1 year after licensure] by an impartial***
26 ***organization that operates in accordance with standard ISO/IEC***
27 ***17011 of the International Organization for Standardization and is a***
28 ***signatory to the Mutual Recognition Arrangement of the***
29 ***International Laboratory Accreditation Cooperation.***

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

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

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

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

41 (d) ***The creation and retention of records by a cannabis***
42 ***independent testing laboratory, including, without limitation,***
43 ***records related to the finances of the cannabis independent testing***
44 ***laboratory and testing performed by the cannabis independent***
45 ***testing laboratory.***



1 **Sec. 37.** NRS 678B.320 is hereby amended to read as follows:
2 678B.320 1. In a local governmental jurisdiction that issues
3 business licenses, the issuance by the Board of *a* license shall be
4 deemed to be conditional until such time as:

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

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

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

11 2. The Board shall adopt regulations:

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

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

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

21 **Sec. 38.** NRS 678B.327 is hereby amended to read as follows:

22 678B.327 1. The Board shall, for each local governmental
23 jurisdiction that limits the number of business licenses which may
24 be issued to cannabis consumption lounges, determine the number
25 of licenses allocated to the jurisdiction for retail cannabis
26 consumption lounges and independent cannabis consumption
27 lounges.

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

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

41 4. If the number of qualified applicants in a local governmental
42 jurisdiction exceeds the number of licenses allocated to that
43 jurisdiction pursuant to subsection 1, the Board shall issue adult-use
44 cannabis establishment licenses for retail cannabis consumption
45 lounges and independent cannabis consumption lounges in the local



1 governmental jurisdiction to qualified applicants who are not social
2 equity applicants using a separate lottery system for each type of
3 license.

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

6 **Sec. 39.** NRS 678B.510 is hereby amended to read as follows:

7 678B.510 1. The operating documents of a cannabis
8 establishment must include procedures:

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

10 (b) To ensure accurate recordkeeping ~~[;]~~;

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

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

17 2. Except as otherwise provided in this subsection, a cannabis
18 establishment may have more than one entrance so long as each
19 entrance is secure and shall implement strict security measures to
20 deter and prevent the theft of cannabis and unauthorized entrance
21 into areas containing cannabis. The provisions of this subsection do
22 not supersede any state or local requirements relating to minimum
23 numbers of points of entry or exit, or any state or local requirements
24 relating to fire safety.

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

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

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

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



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

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

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

8 7. A cannabis establishment ~~shall not~~ *may, upon approval of*
9 *the Board*, dispense or otherwise sell cannabis or cannabis products
10 from a vending machine or allow such a vending machine to be
11 installed at the interior or exterior of the premises of the cannabis
12 establishment. As used in this subsection, “vending machine” has
13 the meaning ascribed to it in NRS 209.229.

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

15 678B.520 1. Each cannabis establishment shall, in
16 consultation with the Board, cooperate to ensure that all cannabis
17 products offered for sale:

18 (a) Are labeled clearly and unambiguously:

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

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

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

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

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

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

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

40 (g) Are not labeled or marketed as candy.

41 (h) Are labeled with:

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

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

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

45 and



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

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

5 (a) Is or appears to be a lollipop.

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

9 (c) *Contains an anthropomorphic image.*

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

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

15 3. A cannabis production facility shall:

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

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

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

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

27 4. A cannabis establishment shall not engage in advertising *or*
28 *use packaging for cannabis or cannabis products* that in any way
29 makes cannabis or cannabis products appeal to children, including,
30 without limitation, advertising *or packaging* which uses an
31 *anthropomorphic image or an* image of a cartoon character,
32 mascot, action figure, balloon, fruit or toy.

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

37 6. A cannabis sales facility shall:

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

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

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

44 (3) That allowing children to ingest cannabis or cannabis
45 products or storing cannabis or cannabis products in a location



1 which is accessible to children may result in an investigation by an
2 agency which provides child welfare services or criminal
3 prosecution for child abuse or neglect;

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

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

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

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

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

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

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

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

34 9. A cannabis production facility may ~~sell~~ *acquire hemp, and*
35 *a cannabis sales facility may acquire hemp or* a commodity or
36 product made using hemp, ~~as defined in NRS 557.160, or~~
37 ~~containing cannabidiol~~ *from any source approved by the Board.*

38 *10. A cannabis production facility may:*

39 *(a) Use hemp to manufacture cannabis products; and*

40 *(b) Sell* to a cannabis sales facility ~~[-~~
41 ~~—10.] a cannabis product that contains hemp.~~

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



1 (a) ~~[Any]~~ *Hemp, any* commodity or product made using hemp ~~[~~
2 ~~as defined in NRS 557.160;]~~ *or any cannabis product that contains*
3 *hemp;*

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

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

7 ~~[[1-]]~~ **12.** A cannabis establishment:

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

10 (1) Is false or misleading;

11 (2) Promotes overconsumption of cannabis or cannabis
12 products;

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

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

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

26 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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



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

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

4 (2) Except as otherwise provided in subsection ~~12.1~~ 13, the
5 adult-use cannabis establishment license number or medical
6 cannabis establishment license number of the cannabis
7 establishment or any other unique identifier assigned to the cannabis
8 establishment by the Board.

9 ~~12.1~~ 13. A cannabis establishment that holds more than one
10 license may satisfy the requirement set forth in subparagraph (2) of
11 paragraph (f) of subsection ~~11.1~~ 12 if the cannabis establishment
12 includes in all advertising conducted by the cannabis establishment:

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

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

18 ~~13.1~~ 14. Nothing in subsection ~~11.1~~ 12 shall be construed to
19 prohibit a local government, pursuant to chapter 244, 268 or 278 of
20 NRS, from adopting an ordinance for the regulation of advertising
21 relating to cannabis which is more restrictive than the provisions of
22 subsection ~~11.1~~ 12 relating to:

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

25 (b) Handbills, pamphlets, cards or other types of advertisements
26 that are distributed ~~1.1~~ to the general public, excluding an
27 advertisement placed in a newspaper of general circulation, trade
28 publication or other form of print media;

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

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

34 ~~14.1~~ 15. If a cannabis establishment engages in advertising for
35 which it is required to determine the percentage of persons who are
36 less than 21 years of age and who may reasonably be expected to
37 view or hear the advertisement, the cannabis establishment shall
38 maintain documentation for not less than 5 years after the date on
39 which the advertisement is first broadcasted, published or otherwise
40 displayed that demonstrates the manner in which the cannabis
41 establishment determined the reasonably expected age of the
42 audience for that advertisement.

43 ~~15.1~~ 16. To the extent that they are inconsistent or otherwise
44 conflict with the regulations adopted by the Board pursuant to NRS
45 678D.480, the requirements of this section pertaining to cannabis



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

3 ~~16.~~ 17. In addition to any other penalties provided for by
4 law, the Board may impose a civil penalty upon a cannabis
5 establishment that violates the provisions of subsection ~~12~~ or
6 ~~15~~ as follows:

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

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

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

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

15 ~~17.~~ 18. As used in this section ~~“motor”~~ :

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

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

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

23 **Sec. 41.** NRS 678B.530 is hereby amended to read as follows:

24 678B.530 1. A person shall not:

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

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

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

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

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

41 **Sec. 42.** NRS 678B.600 is hereby amended to read as follows:

42 678B.600 1. An employee of the State Department of
43 Agriculture *or the Board or an attorney who represents the*
44 *Department or Board* who, in the course of his or her duties:

45 (a) Possesses, delivers or produces cannabis;



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

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

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

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

10 2. In addition to the provisions of subsection 1, no person may
11 be subject to state prosecution for constructive possession,
12 conspiracy or any other criminal offense solely for being in the
13 presence or vicinity of the cannabis in accordance with the
14 provisions of this title.

15 3. As used in this section, "cannabis" includes, without
16 limitation, cannabis products.

17 **Sec. 43.** NRS 678C.410 is hereby amended to read as follows:

18 678C.410 1. A medical cannabis establishment is prohibited
19 from acquiring, possessing, cultivating, manufacturing, delivering,
20 transferring, transporting, supplying or dispensing cannabis for any
21 purpose except to:

22 (a) Directly or indirectly assist patients who possess valid
23 registry identification cards;

24 (b) Assist patients who possess valid registry identification cards
25 or letters of approval by way of those patients' designated primary
26 caregivers; and

27 (c) Return for a refund cannabis, medical edible cannabis
28 products or medical cannabis-infused products to the medical
29 cannabis establishment from which the cannabis, medical edible
30 cannabis products or medical cannabis-infused products were
31 acquired.

32 ↪ For the purposes of this subsection, a person shall be deemed to
33 be a patient who possesses a valid registry identification card or
34 letter of approval if he or she qualifies for nonresident reciprocity
35 pursuant to NRS 678C.470.

36 2. A medical cannabis dispensary and a medical cultivation
37 facility may acquire usable cannabis or cannabis plants from a
38 person who holds a valid registry identification card, including,
39 without limitation, a designated primary caregiver. Except as
40 otherwise provided in this subsection, the patient or caregiver, as
41 applicable, must receive no compensation for the cannabis. A
42 patient who holds a valid registry identification card, and the
43 designated primary caregiver of such a patient, or the designated
44 primary caregiver of a person who holds a letter of approval may



1 sell usable cannabis to a medical cannabis dispensary one time and
2 may sell cannabis plants to a cultivation facility one time.

3 ~~3. [A medical cannabis production facility and a medical
4 cannabis dispensary may acquire hemp, as defined in NRS 557.160,
5 or a commodity or product made using such hemp from a grower or
6 handler registered by the State Department of Agriculture pursuant
7 to chapter 557 of NRS. A medical cannabis production facility may
8 use hemp or a commodity or product made using such hemp to
9 manufacture medical cannabis products. A medical cannabis
10 dispensary may dispense hemp or a commodity or product made
11 using such hemp and medical edible cannabis products and medical
12 cannabis infused products manufactured using hemp or a
13 commodity or product made using such hemp.~~

14 ~~—4.]~~ A dual licensee:

15 (a) Shall comply with the regulations adopted by the Board
16 pursuant to subsection 7 of NRS 678B.650 with respect to the
17 medical cannabis establishment operated by the dual licensee; and

18 (b) May, to the extent authorized by such regulations, combine
19 the location or operations of the medical cannabis establishment
20 operated by the dual licensee with the adult-use cannabis
21 establishment operated by the dual licensee.

22 ~~[5.]~~ 4. If a medical cannabis establishment is operated by a
23 dual licensee, any provision of this section which is determined by
24 the Board to be unreasonably impracticable pursuant to subsection 8
25 of NRS 678B.650 does not apply to the medical cannabis
26 establishment.

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

28 678C.420 1. Each medical cannabis establishment, in
29 consultation with the Board, shall maintain an electronic verification
30 *and authentication* system.

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

34 (a) In the case of a medical cannabis dispensary, for each person
35 who holds a valid registry identification card and who purchased
36 cannabis from the dispensary in the immediately preceding ~~[60-day]~~
37 *120-day* period:

- 38 (1) The number of the card;
- 39 (2) The date on which the card was issued; and
- 40 (3) The date on which the card will expire.

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

44 (c) In the case of a medical cannabis dispensary, such
45 information as may be required by the Board by regulation



1 regarding persons who are not residents of this State and who have
2 purchased cannabis from the dispensary. *Such information may*
3 *include, without limitation, any information relating to any*
4 *document issued to a person who is not a resident of this State by*
5 *the state in which the person is a resident which identifies the*
6 *person as exempt from state prosecution for engaging in the*
7 *medical use of cannabis in that state.*

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

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

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

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

22 **Sec. 45.** NRS 678C.430 is hereby amended to read as follows:

23 678C.430 1. ~~Each medical cannabis establishment, in~~
24 ~~consultation with the Board, shall maintain an inventory control~~
25 ~~system.~~

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

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

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

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

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

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



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

6 ~~—5.]~~ If a medical cannabis establishment is operated by a dual
7 licensee, the medical cannabis establishment may:

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

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

17 ~~[6.]~~ 2. If a medical cannabis establishment is operated by a
18 dual licensee, the medical cannabis establishment shall:

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

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

27 **Sec. 46.** NRS 678C.460 is hereby amended to read as follows:

28 678C.460 1. At each medical cannabis establishment,
29 medical cannabis must be stored only in an enclosed, locked facility.

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

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

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

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

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

43 ~~[4.—A medical cannabis establishment may:~~



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

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

7 **Sec. 47.** NRS 678D.005 is hereby amended to read as follows:
8 678D.005 As used in this chapter, unless the context otherwise
9 requires, the words and terms defined in NRS 678D.010 ~~[to~~
10 ~~678D.040, inclusive,]~~, *678D.020 and 678D.030* have the meanings
11 ascribed to them in those sections.

12 **Sec. 48.** NRS 678D.420 is hereby amended to read as follows:
13 678D.420 1. An adult-use edible cannabis product or an
14 adult-use cannabis-infused product must be labeled in a manner
15 which indicates the number of servings of THC in the product,
16 measured in servings of a maximum of 10 milligrams per serving.

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

19 (a) More than ~~[1 ounce]~~ *2.5 ounces* of usable cannabis . ~~[for one-~~
20 ~~eighth of an ounce of concentrated cannabis.]~~

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

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

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

28 (e) For an adult-use cannabis product sold as a topical product, a
29 concentration of more than 6 percent THC or more than ~~[800]~~ *1,000*
30 milligrams of THC per package.

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

35 (g) For any other adult-use cannabis product, more than ~~[800]~~
36 *1,000* milligrams of THC.

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

42 **Sec. 49.** NRS 678D.430 is hereby amended to read as follows:
43 678D.430 1. If an adult-use cannabis establishment is
44 operated by a dual licensee, the adult-use cannabis establishment
45 may:



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

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

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

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

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

18 3. An adult-use cannabis retail store shall not sell cannabis or
19 cannabis products through the use of, or accept a sale of cannabis or
20 cannabis products from, a third party, intermediary business, broker
21 or any other business that does not hold an adult-use cannabis
22 establishment license.

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

26 (a) Every sale of cannabis or cannabis products which is
27 delivered by the third party or intermediary business is made
28 directly from the adult-use cannabis retail store or an Internet
29 website, digital network or software application service of the adult-
30 use cannabis retail store;

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

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

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

43 **Sec. 50.** NRS 678D.440 is hereby amended to read as follows:

44 678D.440 1. An adult-use cannabis distributor may transport
45 cannabis and cannabis products between ~~an adult-use~~ *a* cannabis



1 establishment and another ~~[adult-use]~~ cannabis establishment or
2 between the buildings of ~~[an adult-use]~~ a cannabis establishment.

3 2. ~~[An adult-use cannabis establishment shall not transport
4 cannabis or cannabis products to an adult-use cannabis retail store
5 unless the adult-use cannabis establishment holds an adult-use
6 cannabis establishment license for an adult-use cannabis distributor.~~

7 ~~—3.]~~ An adult-use cannabis distributor shall not purchase or sell
8 cannabis or cannabis products unless the adult-use cannabis
9 distributor also holds ~~[an adult-use cannabis establishment]~~ a license
10 for a type of ~~[adult-use]~~ cannabis establishment authorized by law to
11 purchase or sell cannabis or cannabis products.

12 ~~[4.]~~ 3. An adult-use cannabis distributor may enter into an
13 agreement or contract with ~~[an adult-use]~~ a cannabis establishment
14 for the transport of cannabis or cannabis products. Such an
15 agreement or contract may include, without limitation, provisions
16 relating to insurance coverage, climate control and theft by a third
17 party or an employee.

18 ~~[5.]~~ 4. An adult-use cannabis distributor, and each cannabis
19 establishment agent employed by the adult-use cannabis distributor
20 who is involved in the transportation, is responsible for cannabis and
21 cannabis products once the adult-use cannabis distributor takes
22 control of the cannabis or cannabis products and leaves the premises
23 of ~~[an adult-use]~~ a cannabis establishment.

24 ~~[6.]~~ 5. The Board may adopt regulations establishing
25 additional requirements for the operations of an adult-use cannabis
26 distributor.

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

28 202.2483 1. Except as otherwise provided in ~~[subsection]~~
29 *subsections* 3 ~~[]~~ and 4, smoking in any form is prohibited within
30 indoor places of employment including, but not limited to, the
31 following:

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

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

41 3. Smoking is not prohibited in:

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



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

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

5 (d) Strip clubs or brothels;

6 (e) Retail tobacco stores;

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

10 (1) Is not open to the public;

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

13 (3) Involves the display of tobacco products; and

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

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

20 5. A supervisor on duty or employee of an age-restricted stand-
21 alone bar, tavern or saloon or a stand-alone bar, tavern or saloon
22 shall not allow a person who is under 21 years of age to loiter in an
23 age-restricted stand-alone bar, tavern or saloon or an area of a stand-
24 alone bar, tavern or saloon where smoking is allowed pursuant to
25 this section. A person who violates the provisions of this subsection
26 is guilty of a misdemeanor.

27 ~~5.1~~ 6. If a supervisor on duty or employee of an age-restricted
28 stand-alone bar, tavern or saloon or a stand-alone bar, tavern or
29 saloon violates the provisions of subsection ~~4.1~~ 5, the age-restricted
30 stand-alone bar, tavern or saloon or stand-alone bar, tavern or saloon
31 is liable for a civil penalty of:

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

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

34 ~~6.1~~ 7. In any prosecution or other proceeding for a violation of
35 the provisions of subsection ~~4-or~~ 5 ~~1~~ or 6, it is no excuse for a
36 supervisor, employee, age-restricted bar, tavern or saloon, or stand-
37 alone bar, tavern or saloon alleged to have committed the violation
38 to plead that a supervisor or employee believed that the person who
39 was permitted to loiter was 21 years of age or older.

40 ~~7.1~~ 8. In areas or establishments where smoking is not
41 prohibited by this section, nothing in state law shall be construed to
42 prohibit the owners of said establishments from voluntarily creating
43 nonsmoking sections or designating the entire establishment as
44 smoke free.



1 ~~§ 9.~~ 9. Nothing in state law shall be construed to restrict local
2 control or otherwise prohibit a county, city or town from adopting
3 and enforcing local smoking control measures that meet or exceed
4 the minimum applicable standards set forth in this section.

5 ~~§ 10.~~ 10. “No Smoking” signs or the international “No
6 Smoking” symbol shall be clearly and conspicuously posted in
7 every public place and place of employment where smoking is
8 prohibited by this section. Each public place and place of
9 employment where smoking is prohibited shall post, at every
10 entrance, a conspicuous sign clearly stating that smoking is
11 prohibited. All ashtrays and other smoking paraphernalia shall be
12 removed from any area where smoking is prohibited.

13 ~~§ 11.~~ 11. Health authorities, police officers of cities or towns,
14 sheriffs and their deputies shall, within their respective jurisdictions,
15 enforce the provisions of this section and shall issue citations for
16 violations of this section pursuant to NRS 202.2492 and 202.24925.

17 ~~§ 12.~~ 12. No person or employer shall retaliate against an
18 employee, applicant or customer for exercising any rights afforded
19 by, or attempts to prosecute a violation of, this section.

20 ~~§ 13.~~ 13. For the purposes of this section, the following terms
21 have the following definitions:

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

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

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

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

31 (4) That must be located within:

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

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

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

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

44 (d) “Casino” means an entity that contains a building or large
45 room devoted to gambling games or wagering on a variety of



1 events. A casino must possess a nonrestricted gaming license as
2 described in NRS 463.0177 and typically uses the word 'casino' as
3 part of its proper name.

4 ~~[(e)]~~ (e) "Child care facility" has the meaning ascribed to it in
5 NRS 441A.030.

6 ~~[(d)]~~ (f) "Completely enclosed area" means an area that is
7 enclosed on all sides by any combination of solid walls, windows or
8 doors that extend from the floor to the ceiling.

9 ~~[(e)]~~ (g) "Government building" means any building or office
10 space owned or occupied by:

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

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

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

16 ~~[(e)]~~ (h) "Health authority" has the meaning ascribed to it in
17 NRS 202.2485.

18 ~~[(e)]~~ (i) "Incidental food service or sales" means the service of
19 prepackaged food items including, but not limited to, peanuts,
20 popcorn, chips, pretzels or any other incidental food items that are
21 exempt from food licensing requirements pursuant to subsection 2
22 of NRS 446.870.

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

28 ~~[(e)]~~ (k) "Public places" means any enclosed areas to which the
29 public is invited or in which the public is permitted.

30 ~~[(e)]~~ (l) "Restaurant" means a business which gives or offers for
31 sale food, with or without alcoholic beverages, to the public, guests
32 or employees, as well as kitchens and catering facilities in which
33 food is prepared on the premises for serving elsewhere.

34 ~~[(k)]~~ (m) "Retail tobacco store" means a retail store utilized
35 primarily for the sale of tobacco products and accessories and in
36 which the sale of other products is merely incidental.

37 ~~[(e)]~~ (n) "School building" means all buildings on the grounds
38 of any public school described in NRS 388.020 and any private
39 school as defined in NRS 394.103.

40 ~~[(m)]~~ (o) "School property" means the grounds of any public
41 school described in NRS 388.020 and any private school as defined
42 in NRS 394.103.

43 ~~[(n)]~~ (p) "Smoking" means inhaling, exhaling, burning or
44 carrying any liquid or heated cigar, cigarette or pipe or any other
45 lighted or heated tobacco or plant product intended for inhalation, in



1 any manner or in any form. The term includes the use of an
2 electronic smoking device that creates an aerosol or vapor, in any
3 manner or in any form, and the use of any oral smoking device. As
4 used in this paragraph, “electronic smoking device”:

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

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

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

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

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

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

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

26 (4) That must be housed in either:

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

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

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

37 ~~(3-)~~ 14. Any statute or regulation inconsistent with this
38 section is null and void.

39 ~~(4-)~~ 15. The provisions of this section are severable. If any
40 provision of this section or the application thereof is declared by a
41 court of competent jurisdiction to be invalid or unconstitutional,
42 such declaration shall not affect the validity of the section as a
43 whole or any provision thereof other than the part declared to be
44 invalid or unconstitutional.



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

2 223.250 1. The Governor or his or her designee may enter
3 into one or more agreements with tribal governments in this State to
4 efficiently coordinate the cross-jurisdictional administration of the
5 laws of this State and the laws of tribal governments relating to the
6 use of cannabis. Such an agreement may include, without limitation,
7 provisions relating to:

8 (a) Criminal and civil law enforcement;

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

11 (c) Medical and pharmaceutical research involving cannabis;

12 (d) The administration of laws relating to taxation;

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

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

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

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

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

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

25 3. *Any information received pursuant to the terms of an*
26 *agreement entered into pursuant to this section by a governmental*
27 *entity from a tribal government or a facility engaged in cannabis*
28 *activities operating on tribal land which relates to cannabis or a*
29 *cannabis product that is not sold or transferred to a cannabis*
30 *establishment is not a public record within the meaning of NRS*
31 *239.010 and is confidential.*

32 4. As used in this section:

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

34 (b) "Cannabis establishment" has the meaning ascribed to it in
35 NRS 678A.095.

36 (c) "Cannabis products" has the meaning ascribed to it in
37 NRS 678A.120.

38 (d) *"Governmental entity" has the meaning ascribed to it in*
39 *NRS 239.005.*

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

43 **Sec. 53.** NRS 239.010 is hereby amended to read as follows:

44 239.010 1. Except as otherwise provided in this section and
45 NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095,



1 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030,
2 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152,
3 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413,
4 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345,
5 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270,
6 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280,
7 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640,
8 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730,
9 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312,
10 130.712, 136.050, 159.044, 159A.044, 164.041, 172.075, 172.245,
11 176.01334, 176.01385, 176.015, 176.0625, 176.09129, 176.156,
12 176A.630, 178.39801, 178.4715, 178.5691, 178.5717, 179.495,
13 179A.070, 179A.165, 179D.160, 180.600, 200.3771, 200.3772,
14 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3923,
15 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040,
16 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350,
17 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 218G.615,
18 **223.250**, 224.240, 226.462, 226.796, 228.270, 228.450, 228.495,
19 228.570, 231.069, 231.1285, 231.1473, 232.1369, 233.190, 237.300,
20 239.0105, 239.0113, 239.014, 239B.026, 239B.030, 239B.040,
21 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270,
22 239C.420, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264,
23 244.335, 247.540, 247.545, 247.550, 247.560, 250.087, 250.130,
24 250.140, 250.145, 250.150, 268.095, 268.0978, 268.490, 268.910,
25 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680,
26 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086,
27 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830,
28 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 293.870,
29 293.906, 293.908, 293.909, 293.910, 293B.135, 293D.510, 331.110,
30 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593,
31 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205,
32 353A.049, 353A.085, 353A.100, 353C.240, 353D.250, 360.240,
33 360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138,
34 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300,
35 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626,
36 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750,
37 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120,
38 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317,
39 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975,
40 394.1698, 394.447, 394.460, 394.465, 396.1415, 396.1425, 396.143,
41 396.159, 396.3295, 396.405, 396.525, 396.535, 396.9685,
42 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153,
43 414.280, 416.070, 422.2749, 422.305, 422A.342, 422A.350,
44 425.400, 427A.1236, 427A.872, 427A.940, 432.028, 432.205,
45 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407, 432B.430,



1 432B.560, 432B.5902, 432C.140, 432C.150, 433.534, 433A.360,
2 439.4941, 439.4988, 439.5282, 439.840, 439.914, 439A.116,
3 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170,
4 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,
5 442.774, 445A.665, 445B.570, 445B.7773, 449.209, 449.245,
6 449.4315, 449A.112, 450.140, 450B.188, 450B.805, 453.164,
7 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056,
8 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407,
9 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940, 481.063,
10 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340, 483.363,
11 483.575, 483.659, 483.800, 484A.469, 484B.830, 484B.833,
12 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285,
13 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110,
14 598A.420, 599B.090, 603.070, 603A.210, 604A.303, 604A.710,
15 604D.500, 604D.600, 612.265, 616B.012, 616B.015, 616B.315,
16 616B.350, 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137,
17 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230,
18 628B.760, 629.043, 629.047, 629.069, 630.133, 630.2671,
19 630.2672, 630.2673, 630.2687, 630.30665, 630.336, 630A.327,
20 630A.555, 631.332, 631.368, 632.121, 632.125, 632.3415,
21 632.3423, 632.405, 633.283, 633.301, 633.427, 633.4715, 633.4716,
22 633.4717, 633.524, 634.055, 634.1303, 634.214, 634A.169,
23 634A.185, 634B.730, 635.111, 635.158, 636.262, 636.342, 637.085,
24 637.145, 637B.192, 637B.288, 638.087, 638.089, 639.183,
25 639.2485, 639.570, 640.075, 640.152, 640A.185, 640A.220,
26 640B.405, 640B.730, 640C.580, 640C.600, 640C.620, 640C.745,
27 640C.760, 640D.135, 640D.190, 640E.225, 640E.340, 641.090,
28 641.221, 641.2215, 641A.191, 641A.217, 641A.262, 641B.170,
29 641B.281, 641B.282, 641C.455, 641C.760, 641D.260, 641D.320,
30 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050,
31 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130,
32 645D.135, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947,
33 648.033, 648.197, 649.065, 649.067, 652.126, 652.228, 653.900,
34 654.110, 656.105, 657A.510, 661.115, 665.130, 665.133, 669.275,
35 669.285, 669A.310, 670B.680, 671.365, 671.415, 673.450, 673.480,
36 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710,
37 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190,
38 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410,
39 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306,
40 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480,
41 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536,
42 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550,
43 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159,
44 711.600, sections 35, 38 and 41 of chapter 478, Statutes of Nevada
45 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and



1 unless otherwise declared by law to be confidential, all public books
2 and public records of a governmental entity must be open at all
3 times during office hours to inspection by any person, and may be
4 fully copied or an abstract or memorandum may be prepared from
5 those public books and public records. Any such copies, abstracts or
6 memoranda may be used to supply the general public with copies,
7 abstracts or memoranda of the records or may be used in any other
8 way to the advantage of the governmental entity or of the general
9 public. This section does not supersede or in any manner affect the
10 federal laws governing copyrights or enlarge, diminish or affect in
11 any other manner the rights of a person in any written book or
12 record which is copyrighted pursuant to federal law.

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

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

24 4. If requested, a governmental entity shall provide a copy of a
25 public record in an electronic format by means of an electronic
26 medium. Nothing in this subsection requires a governmental entity
27 to provide a copy of a public record in an electronic format or by
28 means of an electronic medium if:

29 (a) The public record:

- 30 (1) Was not created or prepared in an electronic format; and
31 (2) Is not available in an electronic format; or

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

- 34 (1) Give access to proprietary software; or
35 (2) Require the production of information that is confidential
36 and that cannot be redacted, deleted, concealed or separated from
37 information that is not otherwise confidential.

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

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

44 (b) Except as otherwise provided in NRS 239.030, shall, upon
45 request, prepare the copy of the public record and shall not require



1 the person who has requested the copy to prepare the copy himself
2 or herself.

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

4 239.0115 1. Except as otherwise provided in this subsection
5 and subsection 3, notwithstanding any provision of law that has
6 declared a public book or record, or a part thereof, to be
7 confidential, if a public book or record has been in the legal custody
8 or control of one or more governmental entities for at least 30 years,
9 a person may apply to the district court of the county in which the
10 governmental entity that currently has legal custody or control of the
11 public book or record is located for an order directing that
12 governmental entity to allow the person to inspect or copy the public
13 book or record, or a part thereof. If the public book or record
14 pertains to a natural person, a person may not apply for an order
15 pursuant to this subsection until the public book or record has been
16 in the legal custody or control of one or more governmental entities
17 for at least 30 years or until the death of the person to whom the
18 public book or record pertains, whichever is later.

19 2. There is a rebuttable presumption that a person who applies
20 for an order as described in subsection 1 is entitled to inspect or
21 copy the public book or record, or a part thereof, that the person
22 seeks to inspect or copy.

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

25 (a) Declared confidential pursuant to NRS 463.120 ~~§~~ *or*
26 **678A.470.**

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

29 **Sec. 55.** The amendatory provisions of sections 5, 6 and 13 to
30 23, inclusive, of this act apply to any judicial or administrative
31 proceedings commenced on or after the effective date of this act.

32 **Sec. 56.** NRS 678C.060, 678C.100, 678D.040 and 678D.410
33 are hereby repealed.

34 **Sec. 57.** This act becomes effective upon passage and
35 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.

678D.410 License required for transportation of cannabis for adult use and adult-use cannabis products; exceptions. An adult-use cannabis establishment shall not transport cannabis or adult-use edible cannabis products or adult-use cannabis-infused products to an adult-use cannabis retail store unless the adult-use cannabis establishment:

1. Holds a license for an adult-use cannabis distributor;
2. Holds a medical cannabis establishment license and is only transporting cannabis or medical edible cannabis products or medical cannabis-infused products for the medical use of cannabis;
3. Is an adult-use cannabis independent testing laboratory transporting samples for testing; or
4. Is a dual licensee and is only transporting cannabis or medical edible cannabis products or medical cannabis-infused products for the medical use of cannabis to a medical cannabis dispensary or a dual licensee.



