

Amendment No. 146

Senate Amendment to Senate Bill No. 347	(BDR 49-976)
Proposed by: Senate Committee on Natural Resources	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 347 (§ 9).
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ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date	
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAK/BJE



Date: 4/16/2019

S.B. No. 347—Revises provisions relating to hemp. (BDR 49-976)



SENATE BILL NO. 347—SENATORS SETTELMAYER AND GOICOECHEA

MARCH 18, 2019

JOINT SPONSOR: ASSEMBLYMAN WHEELER

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to hemp. (BDR 49-976)

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 hemp; revising provisions relating to the growth, handling and production of hemp; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the growing and cultivation of industrial hemp for purposes relating to research and the growing and handling of industrial hemp and the production of agricultural hemp seed by persons registered with the State Department of Agriculture. (Chapter 557 of NRS) On December 20, 2018, the President of the United States signed the Agricultural Improvement Act of 2018 into law. Section 10113 of the Act authorizes the production of hemp under the primary jurisdiction of a state or tribal government if the state or tribal government submits a plan to the United States Secretary of Agriculture that satisfies certain requirements. (Public Law 115-334) Because federal law now refers to plants of the genus *Cannabis sativa* L. with a THC concentration of not more than 0.3 percent as “hemp” rather than “industrial hemp,” **sections 3-6, 9, 13, 15 and 17-21** of this bill revise various sections of state law to use the term “hemp” for this plant and its derivatives.

Section 1 of this bill requires each site used for growing, handling or producing hemp to be certified and registered with the State Department of Agriculture. **Section 14** of this bill authorizes the Department to adopt regulations for the certification and registration of such sites. **Section 5 of this bill revises the definition of the term “handler” to remove the word “raw” when referencing the handling of hemp.** **Section 6** of this bill revises the definition of the term “industrial hemp” to be consistent with federal law. **Section 8** of this bill exempts a person who purchases hemp or a commodity or product made using hemp for resale or who transports hemp or a commodity or product made using hemp from the requirements of state law relating to growers, handlers and producers of hemp in certain circumstances.

Section 9 of this bill requires an applicant for registration as a grower, handler or producer to include information concerning the land and crop management practices of the applicant in an application for registration. **Section 9** requires an applicant for renewal of registration as a grower, handler or producer to submit certain information. **Section 9** requires a grower, handler or producer who intends to surrender or not renew a registration to notify the Department and submit a plan for the effective disposal or eradication of certain hemp. **Section 9** authorizes the Department to establish by regulation : **(1) provisions relating to the transfer of a registration as a grower, handler or producer; and (2) fees for services performed by the Department.**

30 **Section 12** of this bill requires a grower or handler to keep and maintain certain records
 31 for a period of not less than 3 years. **Section 12** requires a grower to submit to the Department
 32 and comply with an approved plan to dispose of a crop that is found to contain a THC
 33 concentration ~~[of more than 0.3 percent on a dry weight basis.]~~ **that exceeds the maximum**
 34 **THC concentration established by federal law for hemp.** **Section 12** authorizes the
 35 Department to impose an administrative fine for certain land or crop management practices.
 36 **Section 13** of this bill requires a grower to submit to the Department the legal description of
 37 property on which the crop of the grower is located.

38 **Section 14** of this bill authorizes the Department to adopt regulations necessary to
 39 comply with any regulation imposed by the United States Department of Agriculture.
 40 **Section 14** prohibits a grower from obtaining agricultural hemp seed **which was** produced in
 41 this State by a person other than a producer or produced in another state by a person not
 42 registered and approved to produce and sell agricultural hemp seed in that state. **Section 14**
 43 requires a handler to obtain hemp from a grower and agricultural hemp seed from a producer.

44 **Section 15** of this bill eliminates provisions that require a handler to submit a commodity
 45 or product made using hemp which is intended for human consumption for certain testing.
 46 **Section 15** requires a grower or producer to submit, before harvesting, a sample of each crop
 47 to the Department or a laboratory approved by the Department for testing to determine the
 48 THC concentration of the crop. If a crop is harvested before such testing is completed, **section**
 49 **15** authorizes the Department to detain, seize or embargo the crop.

50 **Section 17** of this bill eliminates provisions that make growing or handling hemp or
 51 producing agricultural hemp seed without a registration a misdemeanor. **Section 17** instead
 52 requires the Department to impose an administrative fine on such a person and report the
 53 person to the appropriate local law enforcement agency for investigation.

54 **Section 22** of this bill repeals provisions that provide for the growth or cultivation of
 55 industrial hemp for purposes relating to research. **Sections 2, 5, 7-12 and 16** of this bill make
 56 conforming changes.

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

1 **Section 1.** Chapter 557 of NRS is hereby amended by adding thereto a new
 2 section to read as follows:

3 *Each site used for growing, handling or producing hemp in this State must be*
 4 *certified by and registered with the Department before growing, handling or*
 5 *producing hemp.*

6 **Sec. 2.** NRS 557.100 is hereby amended to read as follows:

7 557.100 As used in ~~[NRS 557.100 to 557.290, inclusive.]~~ *this chapter*, unless
 8 the context otherwise requires, the words and terms defined in NRS 557.110 to
 9 557.180, inclusive, have the meanings ascribed to them in those sections.

10 **Sec. 3.** NRS 557.120 is hereby amended to read as follows:

11 557.120 "Crop" means all ~~[industrial]~~ hemp grown by a grower.

12 **Sec. 4.** NRS 557.140 is hereby amended to read as follows:

13 557.140 "Grower" means a person who is registered by the Department and
 14 produces ~~[industrial]~~ hemp.

15 **Sec. 5.** NRS 557.150 is hereby amended to read as follows:

16 557.150 "Handler" means a person who is registered by the Department
 17 pursuant to ~~[NRS 557.100 to 557.290, inclusive.]~~ *this chapter* and ~~[receives~~
 18 ~~industrial]~~ *handles* ~~[raw]~~ hemp for processing into commodities, products or
 19 agricultural hemp seed.

20 **Sec. 6.** NRS 557.160 is hereby amended to read as follows:

21 557.160 1. ~~[“Industrial hemp”]~~ **“Hemp”** means ~~[a~~

22 ~~—(a) Any]~~ **any** plant of the genus *Cannabis sativa L.* and any part of such a plant
 23 ~~other than a seed.]~~ **including, without limitation, the seeds thereof and all**

1 *derivatives, extracts, cannabinoids, isomers, acids, salts and salts of isomers,*
 2 *whether growing or not, with a THC concentration [of not more than 0.3 percent on*
 3 *a dry weight basis; and*

4 ~~— (b) A seed of any plant of the genus *Cannabis* that:~~

5 ~~— (1) Is part of a crop;~~

6 ~~— (2) Is retained by a grower for future planting;~~

7 ~~— (3) Is agricultural hemp seed;~~

8 ~~— (4) Is intended for processing into or for use as agricultural hemp seed; or~~

9 ~~— (5) Has been processed in a manner that renders it incapable of~~
 10 ~~germination.] ***that does not exceed the maximum THC concentration established***~~
 11 ~~***by federal law for hemp.***~~

12 2. ~~["Industrial hemp"]~~ ***"Hemp"*** does not include any commodity or product
 13 made using ~~[industrial]~~ hemp.

14 **Sec. 7.** NRS 557.170 is hereby amended to read as follows:

15 557.170 "Producer" means a person who is registered by the Department
 16 pursuant to ~~[NRS 557.100 to 557.290, inclusive,]~~ ***this chapter*** and produces
 17 agricultural hemp seed.

18 **Sec. 8.** NRS 557.190 is hereby amended to read as follows:

19 557.190 The provisions of ~~[NRS 557.100 to 557.290, inclusive,]~~ ***this chapter***
 20 do not apply to ~~[the Department or an institution of higher education which grows~~
 21 ~~or cultivates industrial hemp pursuant to NRS 557.010 to 557.080, inclusive.] :~~

22 1. ***A person who purchases, for the purpose of resale, hemp or a commodity***
 23 ***or product made using hemp which was not grown or processed by the person; or***

24 2. ***A person who transports hemp or a commodity or product made using***
 25 ***hemp which was not grown or processed by the person,***
 26 ***↪ if such a person reasonably believes the hemp or commodity or product made***
 27 ***using hemp was grown or processed in compliance with the provisions of this***
 28 ***chapter.***

29 **Sec. 9.** NRS 557.200 is hereby amended to read as follows:

30 557.200 1. A person shall not grow or handle ~~[industrial]~~ hemp or produce
 31 agricultural hemp seed unless the person is registered with the Department as a
 32 grower, handler or producer, as applicable.

33 2. A person who wishes to grow or handle industrial hemp must register with
 34 the Department as a grower or handler, as applicable.

35 3. A person who wishes to produce agricultural hemp seed must register with
 36 the Department as a producer unless the person is:

37 (a) A grower registered pursuant to subsection 2 who retains agricultural hemp
 38 seed solely pursuant to subsection 3 of NRS 557.250; or

39 (b) A grower or handler registered pursuant to subsection 2 who processes
 40 seeds of any plant of the genus *Cannabis* which are incapable of germination into
 41 commodities or products.

42 ***↪ A person may not register as a producer unless the person is also registered as a***
 43 ***grower or handler.***

44 4. A person who wishes to register with the Department as a grower, handler
 45 or producer must submit to the Department the fee established pursuant to
 46 subsection 7 and an application, on a form prescribed by the Department, which
 47 includes:

48 (a) The name and address of the applicant;

49 (b) The name and address of the applicant's business in which ~~[industrial]~~
 50 hemp or agricultural hemp seed will be grown, handled or produced, if different
 51 than that of the applicant; ~~[and]~~

52 (c) ***Information concerning the land and crop management practices of the***
 53 ***applicant; and***

1 (d) Such other information as the Department may require by regulation.

2 5. Registration as a grower, handler or producer expires on December 31 of
3 each year and may be renewed upon submission of an application for renewal
4 containing ~~[such]~~ :

5 (a) *Proof satisfactory to the Department that the applicant complied with the
6 provisions of this chapter and the regulations adopted pursuant thereto relating
7 to testing of hemp;*

8 (b) *Proof satisfactory to the Department that the land and crop management
9 practices of the applicant are adequate, consistent with any previous information
10 submitted to the Department and do not negatively affect natural resources; and*

11 (c) Such other information as the Department may require by regulation.

12 6. *A grower, handler or producer who intends to surrender or not renew a
13 registration must notify the Department not less than 30 days before the
14 registration is surrendered or expires and submit to the Department a plan for the
15 effective disposal or eradication of any existing live plants, viable seed or
16 harvested crop.*

17 7. ~~[Registration]~~ *The Department shall adopt regulations that authorize the
18 transfer of a registration as a grower, handler or producer ~~[is not transferable. If]~~
19 and establish conditions for such a transfer. The regulations must include,
20 without limitation, provisions which allow a grower, handler or producer which
21 changes its business name or the ownership of the grower, handler or producer
22 ~~[changes, the grower, handler or producer must obtain a new registration pursuant
23 to NRS 557.100 to 557.290, inclusive. this chapter.~~*

24 ~~— 7.] to transfer its registration to the new entity.~~

25 8. The Department shall establish by regulation fees for the issuance and
26 renewal of registration as a grower, handler or producer *and for any other service
27 performed by the Department* in an amount necessary to cover the costs of carrying
28 out ~~[NRS 557.100 to 557.290, inclusive.] this chapter.~~

29 **Sec. 10.** NRS 557.210 is hereby amended to read as follows:

30 557.210 1. In addition to any other requirements set forth in ~~[NRS 557.100
31 to 557.290, inclusive.] this chapter~~, an applicant for registration or the renewal of a
32 registration as a grower, handler or producer shall:

33 (a) Include the social security number of the applicant in the application
34 submitted to the Department.

35 (b) Submit to the Department the statement prescribed by the Division of
36 Welfare and Supportive Services of the Department of Health and Human Services
37 pursuant to NRS 425.520. The statement must be completed and signed by the
38 applicant.

39 2. The Department shall include the statement required pursuant to subsection
40 1 in:

41 (a) The application or any other forms that must be submitted for the issuance
42 or renewal of the registration; or

43 (b) A separate form prescribed by the Department.

44 3. Registration as a grower, handler or producer may not be issued or renewed
45 by the Department if the applicant:

46 (a) Fails to submit the statement required pursuant to subsection 1; or

47 (b) Indicates on the statement submitted pursuant to subsection 1 that the
48 applicant is subject to a court order for the support of a child and is not in
49 compliance with the order or a plan approved by the district attorney or other public
50 agency enforcing the order for the repayment of the amount owed pursuant to the
51 order.

52 4. If an applicant indicates on the statement submitted pursuant to subsection
53 1 that the applicant is subject to a court order for the support of a child and is not in

1 compliance with the order or a plan approved by the district attorney or other public
2 agency enforcing the order for the repayment of the amount owed pursuant to the
3 order, the Department shall advise the applicant to contact the district attorney or
4 other public agency enforcing the order to determine the actions that the applicant
5 may take to satisfy the arrearage.

6 **Sec. 11.** NRS 557.230 is hereby amended to read as follows:

7 557.230 1. In addition to any other requirements set forth in ~~NRS 557.100~~
8 ~~to 557.290, inclusive,~~ *this chapter*, an applicant for the renewal of a registration as
9 a grower, handler or producer must indicate in the application submitted to the
10 Department whether the applicant has a state business license. If the applicant has a
11 state business license, the applicant must include in the application the business
12 identification number assigned by the Secretary of State upon compliance with the
13 provisions of chapter 76 of NRS.

14 2. Registration as a grower, handler or producer may not be renewed by the
15 Department if:

16 (a) The applicant fails to submit the information required by subsection 1; or

17 (b) The State Controller has informed the Department pursuant to subsection 5
18 of NRS 353C.1965 that the applicant owes a debt to an agency that has been
19 assigned to the State Controller for collection and the applicant has not:

20 (1) Satisfied the debt;

21 (2) Entered into an agreement for the payment of the debt pursuant to NRS
22 353C.130; or

23 (3) Demonstrated that the debt is not valid.

24 3. As used in this section:

25 (a) "Agency" has the meaning ascribed to it in NRS 353C.020.

26 (b) "Debt" has the meaning ascribed to it in NRS 353C.040.

27 **Sec. 12.** NRS 557.240 is hereby amended to read as follows:

28 557.240 1. A grower or handler shall keep *and maintain for a period of not*
29 *less than 3 years* such records as the Department may prescribe by regulation and,
30 upon 3 days' notice, make such records available to the Department for inspection
31 during normal business hours. The Department may inspect records pursuant to this
32 subsection to determine whether a person has complied with the provisions of ~~NRS~~
33 ~~557.100 to 557.290, inclusive,~~ *this chapter*, the regulations adopted pursuant
34 thereto and any lawful order of the Department.

35 2. The Department may inspect any growing crop of a grower and take a
36 representative sample for analysis in the field. If the testing of such a sample in the
37 field determines that the crop contains a THC concentration ~~[of more than 0.3~~
38 ~~percent on a dry weight basis, the]~~ *that exceeds the maximum THC concentration*
39 *established by federal law for hemp* :

40 (a) *The* Department may detain, seize or embargo the crop ~~[]~~ ; and

41 (b) *The grower shall submit a plan for the effective disposal of the crop to the*
42 *Department for its approval.*

43 3. *If a grower fails to submit an approved plan to the Department pursuant*
44 *to paragraph (b) of subsection 2 or fails to follow the provisions of such a plan,*
45 *the Department may:*

46 (a) *Impose any additional requirement it determines necessary upon the*
47 *grower;*

48 (b) *Suspend or revoke the registration of the grower;*

49 (c) *Impose an administrative fine pursuant to NRS 557.280 on the grower;*

50 (d) *Report the grower to the appropriate local law enforcement agency for*
51 *investigation of a violation of the provisions of chapter 453 of NRS.*

52 4. *If the Department determines that the land or crop management*
53 *practices of a grower, handler or producer are inadequate, inconsistent with the*

1 *information concerning such practices submitted to the Department pursuant to*
 2 *NRS 557.200 or negatively affect natural resources, the Department may impose*
 3 *an administrative fine pursuant to NRS 557.280.*

4 **Sec. 13.** NRS 557.250 is hereby amended to read as follows:

5 557.250 1. Each grower shall provide the Department with a *legal*
 6 description of *and additional information to identify* the property on which the
 7 crop of the grower is or will be located. Such ~~{a-description}~~ *additional*
 8 *information* must be in a manner prescribed by the Department and include,
 9 without limitation, global positioning system coordinates.

10 2. A grower may use any method for the propagation of ~~{industrial}~~ hemp to
 11 produce ~~{industrial}~~ hemp, including, without limitation, planting seeds or starts,
 12 using clones or cuttings or cultivating ~~{industrial}~~ hemp in a greenhouse.

13 3. A grower may retain agricultural hemp seed for the purpose of propagating
 14 ~~{industrial}~~ hemp in future years.

15 **Sec. 14.** NRS 557.260 is hereby amended to read as follows:

16 557.260 1. The Department may adopt regulations ~~{establishing}~~ *necessary*
 17 *to:*

18 (a) *Establish* quality standards and requirements for the packaging and
 19 labeling of agricultural hemp seed ~~{;}~~;

20 (b) *Provide for the certification and registration of sites used for growing,*
 21 *producing or handling hemp; and*

22 (c) ~~{Restrict or prohibit the use or processing of hemp for the creation,~~
 23 ~~manufacture, sale or use of cannabidiol or any compound, salt, derivative,~~
 24 ~~mixture or preparation of cannabidiol; and~~

25 ~~{(d)}~~ *Comply with any requirement imposed by the United States Department*
 26 *of Agriculture, including, without limitation, any requirement related to reporting*
 27 *information regarding growers, handlers and producers.*

28 2. A producer shall comply with:

29 (a) Any regulation adopted by the Department pursuant to subsection 1; and

30 (b) The provisions of NRS 587.015 to 587.123, inclusive, and any regulations
 31 adopted pursuant thereto.

32 3. ~~{A grower may only obtain}~~ *Any agricultural hemp seed which is*
 33 *obtained by a grower and was produced ~~{in}~~;*

34 ~~{(a)}~~ *In this State ~~{from}~~ must be produced by a producer; and ~~{which was~~*
 35 *produced in}*

36 ~~{(b)}~~ *In another state ~~{from}~~ must be produced by a person who is registered*
 37 *and approved to produce and sell agricultural hemp seed pursuant to the laws of*
 38 *that state.*

39 4. The Department shall provide adequate information to growers to identify
 40 producers from which a grower may purchase agricultural hemp seed.

41 ~~{4}~~ 5. *A handler may only obtain hemp from a grower and agricultural*
 42 *hemp seed for cleaning and future propagation from a producer.*

43 **Sec. 15.** NRS 557.270 is hereby amended to read as follows:

44 557.270 1. A grower, handler or producer may submit ~~{industrial}~~ hemp or a
 45 commodity or product made using ~~{industrial}~~ hemp to an independent testing
 46 laboratory for testing pursuant to this section and an independent testing laboratory
 47 may perform such testing.

48 2. ~~{A handler may not sell a commodity or product made using industrial~~
 49 ~~hemp which is intended for human consumption unless the commodity or product~~
 50 ~~has been submitted to an independent testing laboratory for testing and the~~
 51 ~~independent testing laboratory has confirmed that the commodity or product~~
 52 ~~satisfies the standards established by the Department for the content and quality of~~
 53 ~~industrial hemp.~~

1 ~~— 3. The Department shall adopt regulations establishing protocols and~~
2 ~~procedures for the testing of commodities and products made using industrial hemp,~~
3 ~~including, without limitation, determining appropriate standards for sampling and~~
4 ~~for the size of batches for testing.~~

5 ~~— 4.} A grower or producer shall, before harvesting, submit a sample of each~~
6 ~~crop to the Department or a laboratory approved by the Department to determine~~
7 ~~whether the crop has a THC concentration ~~of not more than 0.3 percent on a dry~~~~
8 ~~weight basis.} that exceeds the maximum THC concentration established by~~
9 ~~federal law for hemp.~~ The Department may adopt regulations ~~requiring the~~
10 ~~submission of a sample of a crop of industrial hemp by a grower to an independent~~
11 ~~testing laboratory to determine whether the crop has a THC concentration of not~~
12 ~~more than 0.3 percent on a dry weight basis. The regulations may} relating to such~~
13 ~~testing which~~ include, without limitation:

14 (a) Protocols and procedures for the testing of a crop, including, without
15 limitation, determining appropriate standards for sampling and for the size of
16 batches for testing; and

17 (b) A requirement that ~~an independent testing} a~~ laboratory provide the results
18 of the testing directly to the Department in a manner prescribed by the Department.

19 ~~{5.} 3. A crop which is harvested before the testing required by subsection 2~~
20 ~~is completed shall be deemed to have failed the testing and may be detained,~~
21 ~~seized or embargoed by the Department. The Department shall not renew the~~
22 ~~registration of a grower or producer who harvests a crop before the testing~~
23 ~~required by subsection 2 is completed.~~

24 4. As used in this section ~~;~~

25 ~~— (a) “Independent}, “independent~~ testing laboratory” means a facility certified
26 as an independent testing laboratory pursuant to NRS 453A.368.

27 ~~{(b) “Intended for human consumption” means intended for ingestion or~~
28 ~~inhalation by a human or for topical application to the skin or hair of a human.}~~

29 **Sec. 16.** NRS 557.280 is hereby amended to read as follows:

30 557.280 1. The Department may refuse to issue or renew, suspend or revoke
31 the registration of a grower, handler or producer for a violation of any provision of
32 ~~[NRS 557.100 to 557.290, inclusive,} this chapter,~~ the regulations adopted pursuant
33 thereto or any lawful order of the Department.

34 2. In addition to any other penalty provided by law, the Department may
35 impose an administrative fine on any person who violates any of the provisions of
36 ~~[NRS 557.100 to 557.290, inclusive,} this chapter,~~ the regulations adopted pursuant
37 thereto or any lawful order of the Department in an amount not to exceed \$2,500.

38 3. All fines collected by the Department pursuant to subsection 2 must be
39 deposited with the State Treasurer for credit to the State General Fund.

40 **Sec. 17.** NRS 557.290 is hereby amended to read as follows:

41 557.290 ~~[Any] If a~~ person ~~[who]~~ grows or handles ~~[industrial]~~ hemp or
42 produces agricultural hemp seed without being registered with the Department
43 pursuant to NRS 557.200 ~~[is guilty of a misdemeanor and shall be punished by~~
44 ~~imprisonment in the county jail for not more than 6 months, or by a fine of not~~
45 ~~more than \$1,000, or by both fine and imprisonment. The prosecuting attorney and]~~
46 the Department ~~[may recover the costs of the proceeding, including investigative~~
47 ~~costs and attorney’s fees, against a person convicted of a misdemeanor pursuant to~~
48 ~~this section.], shall:~~

49 1. Impose an administrative fine pursuant to NRS 557.280 on the person;
50 and

51 2. Report the person to the appropriate local law enforcement agency for
52 investigation of a violation of the provisions of chapter 453 of NRS.

1 **Sec. 18.** NRS 453.096 is hereby amended to read as follows:

2 453.096 1. “Marijuana” means:

3 (a) All parts of any plant of the genus Cannabis, whether growing or not;

4 (b) The seeds thereof;

5 (c) The resin extracted from any part of the plant, including concentrated
6 cannabis; and

7 (d) Every compound, manufacture, salt, derivative, mixture or preparation of
8 the plant, its seeds or resin.

9 2. “Marijuana” does not include:

10 (a) ~~Industrial hemp~~ **Hemp**, as defined in NRS ~~557.040~~ **557.160**, which is
11 grown or cultivated pursuant to the provisions of chapter 557 of NRS; or

12 (b) The mature stems of the plant, fiber produced from the stems, oil or cake
13 made from the seeds of the plant, any other compound, manufacture, salt,
14 derivative, mixture or preparation of the mature stems (except the resin extracted
15 therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable
16 of germination.

17 **Sec. 19.** NRS 453.339 is hereby amended to read as follows:

18 453.339 1. Except as otherwise provided in NRS 453.011 to 453.552,
19 inclusive, a person who knowingly or intentionally sells, manufactures, delivers or
20 brings into this State or who is knowingly or intentionally in actual or constructive
21 possession of marijuana or concentrated cannabis shall be punished, if the quantity
22 involved:

23 (a) Is 50 pounds or more, but less than 1,000 pounds, of marijuana or 1 pound
24 or more, but less than 20 pounds, of concentrated cannabis, for a category C felony
25 as provided in NRS 193.130 and by a fine of not more than \$25,000.

26 (b) Is 1,000 pounds or more, but less than 5,000 pounds, of marijuana or 20
27 pounds or more, but less than 100 pounds, of concentrated cannabis, for a category
28 B felony by imprisonment in the state prison for a minimum term of not less than 2
29 years and a maximum term of not more than 10 years and by a fine of not more
30 than \$50,000.

31 (c) Is 5,000 pounds or more of marijuana or 100 pounds or more of
32 concentrated cannabis, for a category A felony by imprisonment in the state prison:

33 (1) For life with the possibility of parole, with eligibility for parole
34 beginning when a minimum of 5 years has been served; or

35 (2) For a definite term of 15 years, with eligibility for parole beginning
36 when a minimum of 5 years has been served,

37 and by a fine of not more than \$200,000.

38 2. For the purposes of this section:

39 (a) “Marijuana” means all parts of any plant of the genus Cannabis, whether
40 growing or not, except for ~~industrial~~ hemp, as defined in NRS ~~557.040~~ **557.160**,
41 which is grown or cultivated pursuant to the provisions of chapter 557 of NRS. The
42 term does not include concentrated cannabis.

43 (b) The weight of marijuana or concentrated cannabis is its weight when seized
44 or as soon as practicable thereafter. If marijuana and concentrated cannabis are
45 seized together, each must be weighed separately and treated as separate
46 substances.

47 **Sec. 20.** NRS 453A.352 is hereby amended to read as follows:

48 453A.352 1. The operating documents of a medical marijuana establishment
49 must include procedures:

50 (a) For the oversight of the medical marijuana establishment; and

51 (b) To ensure accurate recordkeeping, including, without limitation, the
52 provisions of NRS 453A.354 and 453A.356.

1 2. Except as otherwise provided in this subsection, a medical marijuana
2 establishment:

3 (a) That is a medical marijuana dispensary must have a single entrance for
4 patrons, which must be secure, and shall implement strict security measures to deter
5 and prevent the theft of marijuana and unauthorized entrance into areas containing
6 marijuana.

7 (b) That is not a medical marijuana dispensary must have a single secure
8 entrance and shall implement strict security measures to deter and prevent the theft
9 of marijuana and unauthorized entrance into areas containing marijuana.

10 ➤ The provisions of this subsection do not supersede any state or local
11 requirements relating to minimum numbers of points of entry or exit, or any state or
12 local requirements relating to fire safety.

13 3. A medical marijuana establishment is prohibited from acquiring,
14 possessing, cultivating, manufacturing, delivering, transferring, transporting,
15 supplying or dispensing marijuana for any purpose except to:

16 (a) Directly or indirectly assist patients who possess valid registry
17 identification cards;

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

20 (c) Return for a refund marijuana, edible marijuana products or marijuana-
21 infused products to the medical marijuana establishment from which the marijuana,
22 edible marijuana products or marijuana-infused products were acquired.

23 ➤ For the purposes of this subsection, a person shall be deemed to be a patient who
24 possesses a valid registry identification card or letter of approval if he or she
25 qualifies for nonresident reciprocity pursuant to NRS 453A.364.

26 4. All cultivation or production of marijuana that a cultivation facility carries
27 out or causes to be carried out must take place in an enclosed, locked facility at the
28 physical address provided to the Department during the registration process for the
29 cultivation facility. Such an enclosed, locked facility must be accessible only by
30 medical marijuana establishment agents who are lawfully associated with the
31 cultivation facility, except that limited access by persons necessary to perform
32 construction or repairs or provide other labor is permissible if such persons are
33 supervised by a medical marijuana establishment agent.

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

43 6. A medical marijuana establishment shall not allow any person to consume
44 marijuana on the property or premises of the establishment.

45 7. Medical marijuana establishments are subject to reasonable inspection by
46 the Department at any time, and a person who holds a medical marijuana
47 establishment registration certificate must make himself or herself, or a designee
48 thereof, available and present for any inspection by the Department of the
49 establishment.

50 8. A dual licensee, as defined in NRS 453D.030:

51 (a) Shall comply with the regulations adopted by the Department pursuant to
52 paragraph (k) of subsection 1 of NRS 453D.200 with respect to the medical
53 marijuana establishment operated by the dual licensee; and

1 (b) May, to the extent authorized by such regulations, combine the location or
2 operations of the medical marijuana establishment operated by the dual licensee
3 with the marijuana establishment, as defined in NRS 453D.030, operated by the
4 dual licensee.

5 9. Each medical marijuana establishment shall install a video monitoring
6 system which must, at a minimum:

7 (a) Allow for the transmission and storage, by digital or analog means, of a
8 video feed which displays the interior and exterior of the medical marijuana
9 establishment; and

10 (b) Be capable of being accessed remotely by a law enforcement agency in
11 real-time upon request.

12 10. A medical marijuana establishment shall not dispense or otherwise sell
13 marijuana, edible marijuana products or marijuana-infused products from a vending
14 machine or allow such a vending machine to be installed at the interior or exterior
15 of the premises of the medical marijuana establishment.

16 11. If a medical marijuana establishment is operated by a dual licensee, as
17 defined in NRS 453D.030, any provision of this section which is determined by the
18 Department to be unreasonably impracticable pursuant to subsection 9 of NRS
19 453A.370 does not apply to the medical marijuana establishment.

20 12. A facility for the production of edible marijuana products or marijuana-
21 infused products and a medical marijuana dispensary may acquire ~~industrial~~
22 hemp, as defined in NRS 557.160, from a grower or handler registered by the State
23 Department of Agriculture pursuant to *chapter 557 of NRS* . ~~{557.100 to 557.290,~~
24 ~~inclusive.}~~ A facility for the production of edible marijuana products or marijuana-
25 infused products may use ~~industrial~~ hemp to manufacture edible marijuana
26 products and marijuana-infused products. A medical marijuana dispensary may
27 dispense ~~industrial~~ hemp and edible marijuana products and marijuana-infused
28 products manufactured using ~~industrial~~ hemp.

29 **Sec. 21.** NRS 453A.370 is hereby amended to read as follows:

30 453A.370 The Department shall adopt such regulations as it determines to be
31 necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370,
32 inclusive. Such regulations are in addition to any requirements set forth in statute
33 and must, without limitation:

34 1. Prescribe the form and any additional required content of registration and
35 renewal applications submitted pursuant to NRS 453A.322 and 453A.332.

36 2. Set forth rules pertaining to the safe and healthful operation of medical
37 marijuana establishments, including, without limitation:

38 (a) The manner of protecting against diversion and theft without imposing an
39 undue burden on medical marijuana establishments or compromising the
40 confidentiality of the holders of registry identification cards and letters of approval.

41 (b) Minimum requirements for the oversight of medical marijuana
42 establishments.

43 (c) Minimum requirements for the keeping of records by medical marijuana
44 establishments.

45 (d) Provisions for the security of medical marijuana establishments, including,
46 without limitation, requirements for the protection by a fully operational security
47 alarm system of each medical marijuana establishment.

48 (e) Procedures pursuant to which medical marijuana dispensaries must use the
49 services of an independent testing laboratory to ensure that any marijuana, edible
50 marijuana products and marijuana-infused products sold by the dispensaries to end
51 users are tested for content, quality and potency in accordance with standards
52 established by the Department.

1 (f) Procedures pursuant to which a medical marijuana dispensary will be
2 notified by the Department if a patient who holds a valid registry identification card
3 or letter of approval has chosen the dispensary as his or her designated medical
4 marijuana dispensary, as described in NRS 453A.366.

5 (g) Minimum requirements for ~~industrial~~ hemp, as defined in NRS 557.160,
6 which is used by a facility for the production of edible marijuana products or
7 marijuana-infused products to manufacture edible marijuana products or marijuana-
8 infused products or dispensed by a medical marijuana dispensary.

9 3. Establish circumstances and procedures pursuant to which the maximum
10 fees set forth in NRS 453A.344 may be reduced over time to ensure that the fees
11 imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue
12 neutral.

13 4. Set forth the amount of usable marijuana that a medical marijuana
14 dispensary may dispense to a person who holds a valid registry identification card,
15 including, without limitation, a designated primary caregiver, in any one 14-day
16 period. Such an amount must not exceed the limits set forth in NRS 453A.200.

17 5. As far as possible while maintaining accountability, protect the identity and
18 personal identifying information of each person who receives, facilitates or delivers
19 services in accordance with this chapter.

20 6. In cooperation with the applicable professional licensing boards, establish a
21 system to:

22 (a) Register and track attending providers of health care who advise their
23 patients that the medical use of marijuana may mitigate the symptoms or effects of
24 the patient's medical condition;

25 (b) Insofar as is possible, track and quantify the number of times an attending
26 provider of health care described in paragraph (a) makes such an advisement; and

27 (c) Provide for the progressive discipline of attending providers of health care
28 who advise the medical use of marijuana at a rate at which the Department, in
29 consultation with the Division, and applicable board determine and agree to be
30 unreasonably high.

31 7. Establish different categories of medical marijuana establishment agent
32 registration cards, including, without limitation, criteria for training and
33 certification, for each of the different types of medical marijuana establishments at
34 which such an agent may be employed or volunteer or provide labor as a medical
35 marijuana establishment agent.

36 8. Provide for the maintenance of a log by the Department, in consultation
37 with the Division, of each person who is authorized to cultivate, grow or produce
38 marijuana pursuant to subsection 6 of NRS 453A.200. The Department shall ensure
39 that the contents of the log are available for verification by law enforcement
40 personnel 24 hours a day.

41 9. Determine whether any provision of NRS 453A.350 or 453A.352 would
42 make the operation of a medical marijuana establishment or marijuana
43 establishment, as defined in NRS 453D.030, by a dual licensee, as defined in NRS
44 453D.030, unreasonably impracticable, as defined in NRS 453D.030.

45 10. Address such other matters as may assist in implementing the program of
46 dispensation contemplated by NRS 453A.320 to 453A.370, inclusive.

47 **Sec. 22.** NRS 557.010, 557.020, 557.030, 557.040, 557.050, 557.060,
48 557.070 and 557.080 are hereby repealed.

49 **Sec. 23.** This act becomes effective on July 1, 2019.

LEADLINES OF REPEALED SECTIONS

- 557.010** Definitions.
- 557.020** “Agricultural pilot program” defined.
- 557.030** “Department” defined.
- 557.040** “Industrial hemp” defined.
- 557.050** “Institution of higher education” defined.
- 557.060** “THC” defined.
- 557.070** Growing and cultivation of industrial hemp for certain purposes; certification and registration of site.
- 557.080** Regulations.