
SENATE BILL NO. 238—SENATOR CANCELA

FEBRUARY 27, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to marijuana.
(BDR 32-133)

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 marijuana; requiring a member of the Nevada Tax Commission to have certain experience relating to legalized marijuana; creating the Responsible Use of Marijuana Public Education Committee within the Department of Taxation; establishing the powers and duties of the Committee; requiring the establishment of a statewide hotline to report suspected unlicensed sales of marijuana; authorizing the transfer of a medical marijuana establishment registration certificate and a license to operate a marijuana establishment in certain circumstances; revising provisions relating to inventory control systems; prohibiting the use of a third party by a medical marijuana dispensary or retail marijuana store to sell marijuana and related products; establishing requirements relating to the delivery of marijuana and related products to a consumer; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law creates the Nevada Tax Commission and requires a majority of the
- 2 commissioners to have experience in certain fields. (NRS 360.010, 360.020)
- 3 **Section 1** of this bill requires one of the commissioners to have at least 5 years’
- 4 experience in the field of legalized marijuana.
- 5 Existing law generally exempts a person who holds a valid medical
- 6 marijuana establishment registration certificate or license to operate a marijuana
- 7 establishment from state prosecution for possession, delivery and production of
- 8 marijuana and provides for the licensing and regulation of such establishments.



9 (NRS 453A.320-453A.370, 453D.120, 453D.200) **Sections 4-8** of this bill create
10 the Responsible Use of Marijuana Public Education Committee and establish its
11 powers and duties. Specifically, **section 5** of this bill creates the Committee and
12 establishes its membership. **Section 6** of this bill establishes provisions relating to
13 the operation of the Committee. **Section 7** of this bill requires the Committee to
14 develop and carry out, in collaboration with a marketing or advertising agency, a
15 public information campaign relating to the responsible use of marijuana. **Section 8**
16 of this bill authorizes the Department of Taxation to fund the activities of the
17 Committee from the proceeds of the excise tax on wholesale sales of marijuana by
18 cultivation facilities. **Section 2** of this bill makes a conforming change.

19 **Sections 9 and 16** of this bill require the Bureau of Consumer Protection in the
20 Office of the Attorney General to establish a statewide hotline and Internet website
21 by which a person may file a complaint relating to a suspect sale of marijuana or
22 related products without the appropriate certificate or license.

23 Existing law requires the Department to transfer a medical marijuana
24 establishment registration certificate to a party acquiring ownership of a medical
25 marijuana establishment and requires the Department to provide by regulation for
26 the transfer of a license to operate a marijuana establishment. (NRS 453A.334,
27 453D.200) **Sections 10 and 15** of this bill provide for the transfer of a medical
28 marijuana establishment registration certificate and a license to operate a marijuana
29 establishment in certain additional circumstances.

30 Existing law requires a medical marijuana establishment to maintain an
31 inventory control system and requires a marijuana establishment to package and
32 label marijuana products in a manner that allows tracking by way of an inventory
33 control system. (NRS 453A.356, 453D.310) **Sections 11 and 17** of this bill allow a
34 dual licensee to combine the inventory of its medical marijuana establishments and
35 marijuana establishments for the purpose of maintaining its inventory control
36 system and designate a sale to be pursuant to either existing law relating to medical
37 marijuana or existing law relating to adult-use marijuana at the point of sale.

38 Existing law establishes certain requirements for the operation of a medical
39 marijuana dispensary or a retail marijuana store. (NRS 453A.358, 453D.310)
40 **Sections 12 and 17** of this bill prohibit a medical marijuana dispensary or retail
41 marijuana store from selling marijuana or related products through, or accepting a
42 sale from, any business that does not hold a medical marijuana establishment
43 registration certificate or license to operate a marijuana establishment. **Sections 12**
44 **and 17** also prohibit a medical marijuana dispensary or retail marijuana store from
45 contracting with a third party to advertise delivery to consumers.

46 Existing law authorizes a medical marijuana establishment to transport medical
47 marijuana in certain circumstances. (NRS 453A.362) **Section 13** of this bill
48 prohibits a medical marijuana dispensary from transporting marijuana and related
49 products to a person unless: (1) the person holds a valid registry identification card
50 or letter of approval; (2) the transportation is performed by a person who holds a
51 valid medical marijuana establishment agent registration card and is employed by
52 the medical marijuana dispensary or an independent contractor who contracted with
53 the medical marijuana dispensary; and (3) the name of the medical marijuana
54 dispensary and each independent contractor who transports marijuana and related
55 products for the medical marijuana dispensary are published on the Internet website
56 maintained by the Department. **Section 17** prohibits a retail marijuana store from
57 delivering marijuana and related products to a consumer using an independent
58 contractor unless the name of the retail marijuana store and each independent
59 contractor who transports marijuana and related products for the retail marijuana
60 store are published on the Internet website maintained by the Department.



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

1 **Section 1.** NRS 360.020 is hereby amended to read as follows:
2 360.020 1. Five of the commissioners must have at least 10
3 years' experience, respectively, in the following fields:

- 4 (a) Real property.
5 (b) Utility business.
6 (c) Agriculture and livestock business.
7 (d) Finance.
8 (e) Mining.

9 2. *One of the commissioners must have at least 5 years'*
10 *experience in the field of legalized marijuana.*

11 3. The remaining commissioners must be versed in other areas
12 of property taxation and must be sufficiently experienced in
13 business generally to be able to bring knowledge and sound
14 judgment to the deliberations of the Nevada Tax Commission.

15 **Sec. 2.** NRS 372A.290 is hereby amended to read as follows:

16 372A.290 1. An excise tax is hereby imposed on each
17 wholesale sale in this State of marijuana by a cultivation facility to
18 another medical marijuana establishment at the rate of 15 percent of
19 the fair market value at wholesale of the marijuana. The excise tax
20 imposed pursuant to this subsection is the obligation of the
21 cultivation facility.

22 2. An excise tax is hereby imposed on each retail sale in this
23 State of marijuana or marijuana products by a retail marijuana store
24 at the rate of 10 percent of the sales price of the marijuana or
25 marijuana products. The excise tax imposed pursuant to this
26 subsection:

- 27 (a) Is the obligation of the retail marijuana store.
28 (b) Is separate from and in addition to any general state and
29 local sales and use taxes that apply to retail sales of tangible
30 personal property.

31 3. The revenues collected from the excise tax imposed pursuant
32 to subsection 1 must be distributed:

33 (a) To the Department and to local governments in an amount
34 determined to be necessary by the Department to pay the costs of
35 the Department , *the Responsible Use of Marijuana Public*
36 *Education Committee* and local governments in carrying out the
37 provisions of chapter 453A of NRS; and

38 (b) If any money remains after the revenues are distributed
39 pursuant to paragraph (a), to the State Treasurer to be deposited to
40 the credit of the State Distributive School Account in the State
41 General Fund.



1 4. For the purpose of subsection 3 and NRS 453D.510, a total
2 amount of \$5,000,000 of the revenues collected from the excise tax
3 imposed pursuant to subsection 1 and the excise tax imposed
4 pursuant to NRS 453D.500 in each fiscal year shall be deemed
5 sufficient to pay the costs of all local governments to carry out the
6 provisions of chapters 453A and 453D of NRS. The Department
7 shall, by regulation, determine the manner in which local
8 governments may be reimbursed for the costs of carrying out the
9 provisions of chapters 453A and 453D of NRS.

10 5. The revenues collected from the excise tax imposed pursuant
11 to subsection 2 must be paid over as collected to the State Treasurer
12 to be deposited to the credit of the Account to Stabilize the
13 Operation of the State Government created in the State General
14 Fund pursuant to NRS 353.288.

15 6. As used in this section:

16 (a) "Local government" has the meaning ascribed to it in
17 NRS 360.640.

18 (b) "Marijuana products" ~~has the meaning ascribed to it in NRS~~
19 ~~453D.030.] means any product sold by a retail marijuana store~~
20 ~~which contains marijuana or an extract thereof.~~

21 (c) "Medical marijuana establishment" has the meaning ascribed
22 to it in NRS 453A.116.

23 **Sec. 3.** Chapter 453A of NRS is hereby amended by adding
24 thereto the provisions set forth as sections 4 to 9, inclusive, of this
25 act.

26 **Sec. 4.** *As used in sections 4 to 9, inclusive, of this act, unless*
27 *the context otherwise requires, "Committee" means the*
28 *Responsible Use of Marijuana Public Education Committee*
29 *created by section 5 of this act.*

30 **Sec. 5. 1.** *The Responsible Use of Marijuana Public*
31 *Education Committee is hereby created within the Department.*
32 *The Committee consists of the following seven members:*

33 (a) *The Executive Director of the Department or his or her*
34 *designee;*

35 (b) *The Chief Medical Officer or his or her designee; and*

36 (c) *The following members appointed by the Executive*
37 *Director of the Department:*

38 (1) *One resident of this State who is a physician licensed*
39 *under chapter 630 or 633 of NRS;*

40 (2) *One resident of this State who has at least 5 years'*
41 *experience in the field of public health;*

42 (3) *One resident of this State who represents medical*
43 *marijuana establishments or marijuana establishments, as defined*
44 *in NRS 453D.030;*



1 (4) *One resident of this State who is not an employee of the*
2 *Department and who has a background in media or marketing*
3 *sufficient to advise the Committee in carrying out its duties*
4 *pursuant to section 7 of this act; and*

5 (5) *One resident of this State who holds a valid registry*
6 *identification card.*

7 2. *The Executive Director of the Department shall, to the*
8 *extent practicable, ensure that the membership of the Committee*
9 *represents all geographic areas of this State.*

10 3. *After the initial terms, each member of the Committee*
11 *appointed pursuant to paragraph (c) of subsection 1 serves a term*
12 *of 4 years.*

13 4. *A vacancy in the membership of the Committee must be*
14 *filled in the same manner as the original appointment for the*
15 *remainder of the unexpired term.*

16 5. *A member of the Committee may be reappointed, but must*
17 *not serve more than two full terms.*

18 6. *Each member of the Committee:*

19 (a) *Serves without compensation; and*

20 (b) *While engaged in the business of the Committee, is entitled*
21 *to receive the per diem allowance and travel expenses provided for*
22 *state officers and employees generally.*

23 7. *The Executive Director of the Department may remove any*
24 *member of the Committee for just cause.*

25 8. *The Executive Director of the Department shall select from*
26 *among the members of the Committee a Chair of the Committee.*

27 **Sec. 6. 1.** *At the first meeting of the Committee, the*
28 *Committee shall adopt any rules and policies that are necessary to*
29 *assist the Committee in carrying out its duties.*

30 2. *The Committee shall meet at least once each calendar*
31 *quarter and at other times upon the call of the Chair or a majority*
32 *of its members.*

33 3. *A majority of the members of the Committee constitutes a*
34 *quorum for the transaction of business, and a quorum may*
35 *exercise any power or authority conferred on the Committee.*

36 4. *Meetings of the Committee must be conducted in*
37 *accordance with chapter 241 of NRS.*

38 5. *Except as otherwise provided by a specific statute, the*
39 *documents and other information compiled by the Committee in*
40 *the course of its business are public records.*

41 6. *The Department shall provide the Committee with*
42 *administrative support to comply with the provisions of chapter*
43 *241 of NRS.*

44 **Sec. 7. 1.** *The Committee shall, in cooperation with the*
45 *Department and to the extent that money is available:*



1 (a) Develop and carry out, in collaboration with a marketing
2 or advertising agency, an effective and comprehensive media-
3 based public information program to educate, promote and engage
4 the residents of this State concerning the responsible use of
5 marijuana, including, without limitation:

6 (1) That marijuana and all products containing marijuana
7 should be kept away from children;

8 (2) That an edible marijuana product may have a delayed
9 effect and a person consuming such a product should consume a
10 small dose and wait several hours to determine its effect before
11 consuming more; and

12 (3) That marijuana and products containing marijuana
13 should only be bought from a legal source.

14 (b) Not later than 120 days after the Committee's first meeting
15 of each year, prepare an operational plan with strategic goals and
16 milestones in furtherance of the duties of the Committee.

17 (c) Prepare a request for proposals for the purpose of selecting
18 a marketing or advertising agency.

19 (d) Establish criteria for grading and selecting a marketing or
20 advertising agency based on the submission of proposals.

21 (e) Conduct surveys for the purpose of developing a marketing
22 campaign and determining the effectiveness of a campaign.

23 2. The Committee shall prepare, review and approve each
24 annual budget for the Committee and review any periodic
25 financial reports provided by the Department that are related to
26 the activities of the Committee.

27 3. The Committee shall, on or before January 31 of each
28 even-numbered year, prepare and submit a report to the Executive
29 Director of the Department and the Nevada Tax Commission
30 setting forth:

31 (a) The operational plan prepared pursuant to paragraph (b)
32 of subsection 1 and each public information program developed
33 and carried out pursuant to that subsection;

34 (b) A financial accounting of the money provided to fund the
35 activities of the Committee pursuant to section 8 of this act; and

36 (c) Any recommendations concerning the Committee.

37 **Sec. 8. 1.** The Department shall determine whether any
38 money distributed to the Department pursuant to paragraph (a) of
39 subsection 3 of NRS 372A.290 is necessary to fund the activities of
40 the Committee. Such money, in addition to any money received
41 pursuant to subsection 2, must be accounted for separately in the
42 State General Fund and used to fund the activities of the
43 Committee pursuant to this section. The Department shall
44 administer that money.



1 2. *The Department or the Committee may apply for and*
2 *accept any available grants and may accept any bequests, devises,*
3 *donations or gifts from any public or private source to fund the*
4 *activities of the Committee.*

5 3. *Any money that is accounted for separately pursuant to*
6 *subsection 1 is hereby authorized for expenditure as a continuing*
7 *appropriation for the purpose of funding the activities of the*
8 *Committee. Except as otherwise provided by law or by the terms of*
9 *any grant, bequest, devise, donation or gift, any money that is*
10 *accounted for separately pursuant to subsection 1 and is*
11 *remaining at the end of a fiscal year does not revert and must be*
12 *carried over to the next fiscal year.*

13 4. *The Committee shall approve expenditures of the money*
14 *that is accounted for separately pursuant to subsection 1:*

15 (a) *To support the public information program developed*
16 *pursuant to section 7 of this act and to pay any costs incurred by*
17 *the Department in administering the provisions of sections 4 to 8,*
18 *inclusive, of this act, but such costs must not exceed 20 percent of*
19 *the annual expenditures of the money that is accounted for*
20 *separately pursuant to subsection 1; and*

21 (b) *In accordance with the operational plan prepared pursuant*
22 *to section 7 of this act and within the scope of any activities and*
23 *amounts of funding authorized pursuant to the operational plan.*

24 **Sec. 9.** *The Bureau of Consumer Protection in the Office of*
25 *the Attorney General shall establish a toll-free statewide hotline*
26 *and an Internet website by which a person may file a complaint*
27 *relating to a suspected sale of marijuana, edible marijuana*
28 *products or marijuana-infused products by a person who does not*
29 *hold a medical marijuana establishment registration certificate or*
30 *a license issued pursuant to NRS 453D.210.*

31 **Sec. 10.** NRS 453A.334 is hereby amended to read as follows:

32 453A.334 1. ~~Except as otherwise provided in subsection 2,~~
33 ~~the following are nontransferable:~~

34 ~~—(a) A medical marijuana establishment agent registration card [~~
35 ~~—(b) A medical marijuana establishment registration certificate.]~~
36 *is nontransferable.*

37 2. A medical marijuana establishment may, upon submission of
38 a statement signed by a person authorized to submit such a
39 statement by the governing documents of the medical marijuana
40 establishment, transfer *its medical marijuana establishment*
41 *registration certificate or* all or any portion of its ownership to
42 another party, and the Department shall transfer the medical
43 marijuana establishment registration certificate issued to the
44 establishment to the party acquiring *the medical marijuana*
45 *establishment registration certificate or* ownership, if the party who



1 will acquire the *medical marijuana establishment registration*
2 *certificate or* ownership of the medical marijuana establishment
3 submits:

4 (a) If the party will acquire the entirety of the ownership interest
5 in the medical marijuana establishment, evidence satisfactory to the
6 Department that the party has complied with the provisions of sub-
7 subparagraph (III) of subparagraph (2) of paragraph (a) of
8 subsection 3 of NRS 453A.322 for the purpose of operating the
9 medical marijuana establishment.

10 (b) For the party and each person who is proposed to be an
11 owner, officer or board member of the proposed medical marijuana
12 establishment, the name, address and date of birth of the person, a
13 complete set of the person's fingerprints and written permission of
14 the person authorizing the Department to forward the fingerprints to
15 the Central Repository for Nevada Records of Criminal History for
16 submission to the Federal Bureau of Investigation for its report.

17 (c) Proof satisfactory to the Department that, as a result of the
18 transfer of *the medical marijuana establishment registration*
19 *certificate or* ownership, no person, group of persons or entity will,
20 in a county whose population is 100,000 or more, hold more than
21 one medical marijuana establishment registration certificate or more
22 than 10 percent of the medical marijuana establishment registration
23 certificates allocated to the county, whichever is greater.

24 **Sec. 11.** NRS 453A.356 is hereby amended to read as follows:

25 453A.356 1. Each medical marijuana establishment, in
26 consultation with the Department, shall maintain an inventory
27 control system.

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

31 (a) Insofar as is practicable, the chain of custody and current
32 whereabouts, in real time, of medical marijuana from the point that
33 it is harvested at a cultivation facility until it is sold at a medical
34 marijuana dispensary and, if applicable, if it is processed at a facility
35 for the production of edible marijuana products or marijuana-
36 infused products;

37 (b) The name of each person or other medical marijuana
38 establishment, or both, to which the establishment sold marijuana;

39 (c) In the case of a medical marijuana dispensary, the date on
40 which it sold marijuana to a person who holds a registry
41 identification card and, if any, the quantity of edible marijuana
42 products or marijuana-infused products sold, measured both by
43 weight and potency; and

44 (d) Such other information as the Department may require.



1 3. Nothing in this section prohibits more than one medical
2 marijuana establishment from co-owning an inventory control
3 system in cooperation with other medical marijuana establishments,
4 or sharing the information obtained therefrom.

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

10 ***5. If a medical marijuana establishment is operated by a dual***
11 ***licensee, the medical marijuana establishment may:***

12 ***(a) For the purpose of tracking medical marijuana, combine***
13 ***the inventory of the medical marijuana establishment with the***
14 ***inventory of any other medical marijuana establishment or***
15 ***marijuana establishment operated by the dual licensee;***

16 ***(b) For the purpose of reporting on the inventory of the***
17 ***medical marijuana establishment, combine the inventory of***
18 ***the medical marijuana establishment with the inventory of any***
19 ***other medical marijuana establishment or marijuana***
20 ***establishment operated by the dual licensee and report all such***
21 ***inventory under a single entity; and***

22 ***(c) For the purpose of reporting on the sales of any medical***
23 ***marijuana establishment or marijuana establishment operated by***
24 ***the dual licensee, designate each sale as a sale pursuant to the***
25 ***provisions of this chapter or chapter 453D of NRS in its inventory***
26 ***control system at the point of sale.***

27 ***6. As used in this section:***

28 ***(a) "Dual licensee" has the meaning ascribed to it in***
29 ***NRS 453D.030.***

30 ***(b) "Marijuana establishment" has the meaning ascribed to it***
31 ***in NRS 453D.030.***

32 **Sec. 12.** NRS 453A.358 is hereby amended to read as follows:

33 453A.358 1. Each medical marijuana dispensary shall ensure
34 all of the following:

35 (a) The weight, concentration and content of THC in all
36 marijuana, edible marijuana products and marijuana-infused
37 products that the dispensary sells is clearly and accurately stated on
38 the product sold.

39 (b) That the dispensary does not sell to a person, in any one
40 transaction, more than 1 ounce of marijuana.

41 (c) That, posted clearly and conspicuously within the
42 dispensary, are the legal limits on the possession of marijuana for
43 medical purposes, as set forth in NRS 453A.200.

44 (d) That, posted clearly and conspicuously within the
45 dispensary, is a sign stating unambiguously the legal limits on



1 the possession of marijuana for medical purposes, as set forth in
2 NRS 453A.200.

3 (e) That only persons who are at least 21 years of age or hold a
4 registry identification card or letter of approval are allowed to enter
5 the premises of the medical marijuana dispensary.

6 2. A medical marijuana dispensary may, but is not required to,
7 track the purchases of marijuana for medical purposes by any person
8 to ensure that the person does not exceed the legal limits on the
9 possession of marijuana for medical purposes, as set forth in NRS
10 453A.200. The Department shall not adopt a regulation or in any
11 other way require a medical marijuana dispensary to track the
12 purchases of a person or determine whether the person has exceeded
13 the legal limits on the possession of marijuana for medical purposes,
14 as set forth in NRS 453A.200.

15 3. A medical marijuana dispensary which is a dual licensee, as
16 defined in NRS 453D.030, may, to the extent authorized by the
17 regulations adopted by the Department pursuant to paragraph (k) of
18 subsection 1 of NRS 453D.200, allow any person who is at least 21
19 years of age to enter the premises of the medical marijuana
20 dispensary, regardless of whether such a person holds a valid
21 registry identification card or letter of approval.

22 *4. A medical marijuana dispensary shall not sell marijuana,*
23 *edible marijuana products or marijuana-infused products to a*
24 *consumer through the use of, or accept a sale of marijuana, edible*
25 *marijuana products or marijuana-infused products from, a third*
26 *party, intermediary business, broker or any other business that*
27 *does not hold a medical marijuana establishment registration*
28 *certificate for a medical marijuana dispensary.*

29 *5. A medical marijuana dispensary shall not contract with a*
30 *third party or intermediary business to advertise delivery to*
31 *consumers.*

32 **Sec. 13.** NRS 453A.362 is hereby amended to read as follows:
33 453A.362 1. At each medical marijuana establishment,
34 medical marijuana must be stored only in an enclosed, locked
35 facility.

36 2. Except as otherwise provided in subsection 3, at each
37 medical marijuana dispensary, medical marijuana must be stored in
38 a secure, locked device, display case, cabinet or room within the
39 enclosed, locked facility. The secure, locked device, display case,
40 cabinet or room must be protected by a lock or locking mechanism
41 that meets at least the security rating established by Underwriters
42 Laboratories for key locks.

43 3. At a medical marijuana dispensary, medical marijuana may
44 be removed from the secure setting described in subsection 2:

45 (a) Only for the purpose of dispensing the marijuana;



1 (b) Only immediately before the marijuana is dispensed; and
2 (c) Only by a medical marijuana establishment agent who is
3 employed by or volunteers at the dispensary.

4 4. A medical marijuana establishment may:

5 (a) Transport medical marijuana to another medical marijuana
6 establishment or between the buildings of the medical marijuana
7 establishment; ~~and~~

8 (b) Enter into a contract with a third party to transport medical
9 marijuana to another medical marijuana establishment or between
10 the buildings of the medical marijuana establishment ~~and~~; and

11 *(c) If the medical marijuana establishment is a medical
12 marijuana dispensary and except as otherwise provided in
13 subsection 5, transport, or enter into a contract with an
14 independent contractor to transport, medical marijuana to a
15 person who holds a valid registry identification card or letter of
16 approval.*

17 5. *A medical marijuana dispensary shall not transport
18 marijuana, edible marijuana products or marijuana-infused
19 products to a person unless:*

20 *(a) The person holds a valid registry identification card or
21 letter of approval;*

22 *(b) The transportation is performed by a medical marijuana
23 establishment agent who holds a valid medical marijuana
24 establishment agent registration card and is employed by the
25 medical marijuana dispensary or the independent contractor with
26 which the medical marijuana dispensary entered into a contract;
27 and*

28 *(c) The name of the medical marijuana dispensary and the
29 name of each independent contractor with which the medical
30 marijuana dispensary has entered into a contract to transport
31 marijuana, edible marijuana products or marijuana-infused
32 products to persons who hold a valid registry identification card or
33 letter of approval has been published on the Internet website of the
34 Department.*

35 **Sec. 14.** Chapter 453D of NRS is hereby amended by adding
36 thereto the provisions set forth as sections 15 and 16 of this act.

37 **Sec. 15.** *A marijuana establishment may, upon submission of
38 a statement signed by a person authorized to submit such a
39 statement by the governing documents of the marijuana
40 establishment, transfer its license or all or any portion of its
41 ownership to another party, and the Department shall transfer the
42 license issued to the establishment to the party acquiring the
43 license or ownership, if the party who will acquire the license or
44 ownership of the marijuana establishment submits, for the party
45 and each person who is proposed to be an owner, officer or board*



1 *member of the proposed marijuana establishment, the name,*
2 *address and date of birth of the person, a complete set of the*
3 *person's fingerprints and written permission of the person*
4 *authorizing the Department to forward the fingerprints to the*
5 *Central Repository for Nevada Records of Criminal History for*
6 *submission to the Federal Bureau of Investigation for its report.*

7 **Sec. 16.** *The Bureau of Consumer Protection in the Office of*
8 *the Attorney General shall establish a toll-free statewide hotline*
9 *and an Internet website by which a person may file a complaint*
10 *relating to a suspected sale of marijuana or marijuana products by*
11 *a person who does not hold a medical marijuana establishment*
12 *registration certificate issued pursuant to NRS 453A.322 or a*
13 *license.*

14 **Sec. 17.** NRS 453D.310 is hereby amended to read as follows:

15 453D.310 1. Each retail marijuana store and marijuana
16 product manufacturing facility shall, in consultation with the
17 Department, cooperate to ensure that all marijuana products offered
18 for sale:

19 (a) Are labeled clearly and unambiguously:

20 (1) As marijuana with the words "THIS IS A MARIJUANA
21 PRODUCT" in bold type; and

22 (2) As required by this chapter and any regulations adopted
23 pursuant thereto.

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 marijuana product
27 manufacturing 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 number of
36 servings of THC in the product, measured in servings of a maximum
37 of 10 milligrams per serving, and includes a statement that the
38 product contains marijuana and its potency was tested with an
39 allowable variance of the amount determined by the Department by
40 regulation.

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

42 2. A marijuana product must be sold in a single package. A
43 single package must not contain:



1 (a) For a marijuana product sold as a capsule, more than 100
2 milligrams of THC per capsule or more than 800 milligrams of THC
3 per package.

4 (b) For a marijuana product sold as a tincture, more than 800
5 milligrams of THC.

6 (c) For a marijuana product sold as a food product, more than
7 100 milligrams of THC.

8 (d) For a marijuana product sold as a topical product, a
9 concentration of more than 6 percent THC or more than 800
10 milligrams of THC per package.

11 (e) For a marijuana product sold as a suppository or transdermal
12 patch, more than 100 milligrams of THC per suppository or
13 transdermal patch or more than 800 milligrams of THC per package.

14 (f) For any other marijuana product, more than 800 milligrams
15 of THC.

16 3. A marijuana product manufacturing facility shall not
17 produce marijuana products in any form that:

18 (a) Is or appears to be a lollipop or ice cream.

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

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

24 (d) Is made by applying concentrated marijuana to a
25 commercially available candy or snack food item other than dried
26 fruit, nuts or granola.

27 4. A marijuana product manufacturing facility shall:

28 (a) Seal any marijuana product that consists of cookies or
29 brownies in a bag or other container which is not transparent.

30 (b) Affix a label to each marijuana product intended for human
31 consumption by oral ingestion which includes, without limitation, in
32 a manner which must not mislead consumers, the following
33 information:

34 (1) The words "Keep out of reach of children";

35 (2) A list of all ingredients used in the marijuana product;

36 (3) A list of all allergens in the marijuana product; and

37 (4) The total weight of marijuana contained in the marijuana
38 product or an equivalent measure of THC concentration.

39 (c) Maintain a washing area with hot water, soap and a hand
40 dryer or disposable towels which is located away from any area in
41 which marijuana products intended for human consumption by oral
42 ingestion are cooked or otherwise prepared.

43 (d) Require each person who handles marijuana products
44 intended for human consumption by oral ingestion to wear a hair net
45 and clean clothing and keep his or her fingernails neatly trimmed.



1 (e) Package all marijuana products produced by the marijuana
2 product manufacturing facility on the premises of the marijuana
3 product manufacturing facility.

4 5. A retail marijuana store or marijuana product manufacturing
5 facility shall not engage in advertising that in any way makes
6 marijuana or marijuana products appeal to children, including,
7 without limitation, advertising which uses an image of a cartoon
8 character, mascot, action figure, balloon, fruit or toy.

9 6. Each retail marijuana store shall offer for sale containers for
10 the storage of marijuana and marijuana products which lock and are
11 designed to prohibit children from unlocking and opening the
12 container.

13 7. A retail marijuana store shall:

14 (a) Include a written notification with each sale of marijuana or
15 marijuana products which advises the purchaser:

16 (1) To keep marijuana and marijuana products out of the
17 reach of children;

18 (2) That marijuana and marijuana products can cause severe
19 illness in children;

20 (3) That allowing children to ingest marijuana or marijuana
21 products, or storing marijuana or marijuana products in a location
22 which is accessible to children may result in an investigation by an
23 agency which provides child welfare services or criminal
24 prosecution for child abuse or neglect;

25 (4) That the intoxicating effects of marijuana products may
26 be delayed by 2 hours or more and users of marijuana products
27 should initially ingest a small amount of the product, then wait at
28 least 120 minutes before ingesting any additional amount of the
29 product;

30 (5) That pregnant women should consult with a physician
31 before ingesting marijuana or marijuana products;

32 (6) That ingesting marijuana or marijuana products with
33 alcohol or other drugs, including prescription medication, may result
34 in unpredictable levels of impairment and that a person should
35 consult with a physician before doing so;

36 (7) That marijuana or marijuana products can impair
37 concentration, coordination and judgment and a person should not
38 operate a motor vehicle while under the influence of marijuana or
39 marijuana products; and

40 (8) That ingestion of any amount of marijuana or marijuana
41 products before driving may result in criminal prosecution for
42 driving under the influence.

43 (b) Enclose all marijuana and marijuana products in opaque,
44 child-resistant packaging upon sale.



1 8. If the health authority, as defined in NRS 446.050, where a
2 marijuana product manufacturing facility or retail marijuana store
3 which sells marijuana products intended for human consumption by
4 oral ingestion is located requires persons who handle food at a food
5 establishment to obtain certification, the marijuana product
6 manufacturing facility or retail marijuana store shall ensure that at
7 least one employee maintains such certification.

8 9. A marijuana establishment:

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

11 (1) Is false or misleading;

12 (2) Promotes overconsumption of marijuana or marijuana
13 products;

14 (3) Depicts the actual consumption of marijuana or
15 marijuana products; or

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

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

27 (c) Shall not place an advertisement:

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

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

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

37 (d) Shall not advertise or offer any marijuana or marijuana
38 product as "free" or "donated" without a purchase.

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

43 (1) "Keep out of reach of children"; and

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



1 10. Nothing in subsection 9 shall be construed to prohibit a
2 local government, pursuant to chapter 244, 268 or 278 of NRS, from
3 adopting an ordinance for the regulation of advertising relating to
4 marijuana which is more restrictive than the provisions of
5 subsection 9 relating to:

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

8 (b) Handbills, pamphlets, cards or other types of advertisements
9 that are distributed, excluding an advertisement placed in a
10 newspaper of general circulation, trade publication or other form of
11 print media; and

12 (c) Any stationary or moving display that is located on or near
13 the premises of a marijuana establishment.

14 *11. If a marijuana establishment is operated by a dual
15 licensee, the marijuana establishment may:*

16 *(a) For the purpose of tracking marijuana, combine the
17 inventory of the marijuana establishment with the inventory of
18 any other medical marijuana establishment or marijuana
19 establishment operated by the dual licensee;*

20 *(b) For the purpose of reporting on the inventory of the
21 marijuana establishment, combine the inventory of the marijuana
22 establishment with the inventory of any other medical marijuana
23 establishment or marijuana establishment operated by the dual
24 licensee and report all such inventory under a single entity; and*

25 *(c) For the purpose of reporting on the sales of any medical
26 marijuana establishment or marijuana establishment operated by
27 the dual licensee, designate each sale as a sale pursuant to the
28 provisions of this chapter or chapter 453A of NRS in its inventory
29 control system at the point of sale.*

30 *12. A retail marijuana store shall not sell marijuana or
31 marijuana products to a consumer through the use of, or accept a
32 sale of marijuana or marijuana products from, a third party,
33 intermediary business, broker or any other business that does not
34 hold a license for a retail marijuana store.*

35 *13. A retail marijuana store shall not contract with a third
36 party or intermediary business to advertise delivery to consumers.*

37 *14. A retail marijuana store shall not deliver marijuana or
38 marijuana products to a consumer using an independent
39 contractor unless, in addition to any other requirements imposed
40 by the Department by regulation, the name of the retail marijuana
41 store and all independent contractors who perform deliveries on
42 behalf of the retail marijuana store has been published on the
43 Internet website of the Department.*

44 *15. As used in this section, "medical marijuana
45 establishment" has the meaning ascribed to it in NRS 453A.116.*



1 **Sec. 18.** This act becomes effective upon passage and approval
2 for the purpose of adopting any regulations and performing any
3 other preparatory administrative tasks that are necessary to carry out
4 the provisions of this act and on January 2, 2020, for all other
5 purposes.

⑩

