

Amendment No. 948

Assembly Amendment to Senate Bill No. 277 First Reprint (BDR 56-193)

Proposed by: Assemblywoman Marzola

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will REMOVE the 2/3s majority vote requirement from S.B. 277 R1.

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.



SENATE BILL NO. 277—SENATORS D. HARRIS; FLORES, NEAL
AND NGUYEN

MARCH 14, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to cannabis. (BDR 56-193)

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 cannabis establishment agents; requiring the Cannabis Compliance Board to consider certain matters before adopting, amending or repealing any regulation; revising provisions relating to the issuance and renewal of licenses and registration cards by the Board; revising certain restrictions on sales of cannabis; requiring the Board to develop and implement a process by which a person may petition for an exemption from certain provisions related to excluded felony offenses; ~~increasing~~ **decreasing** certain fees for the issuance and renewal of an adult-use cannabis establishment license; authorizing cannabis establishments to have more than one entrance; deeming each adult-use cannabis establishment to be a dual licensee; revising the exemption from state prosecution for certain offenses relating to cannabis to increase the amount of cannabis and concentrated cannabis that a person who is 21 years of age or older is authorized to possess, deliver or produce; authorizing certain local governments to use money collected from a licensing tax on cannabis establishments for certain purposes; revising provisions relating to the excise tax on cannabis; revising the definition of the term “marijuana”; requiring the Cannabis Advisory Commission to conduct a study concerning certain matters relating to the scheduling 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 establishments
2 involved in the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of
3 NRS) Existing law sets forth the method by which the Board may adopt, amend or repeal
4 regulations. (NRS 678A.460) **Section 1.5** of this bill requires the Board, before adopting,
5 amending or repealing any regulation, to consider whether the proposed action is likely to
6 have an adverse effect on the environment and, if so, whether there are any methods to reduce

7 or eliminate that adverse effect which would not impose an economic burden on holders of an
8 adult-use cannabis establishment license or medical cannabis establishment license.

9 Existing law establishes different requirements for the cultivation, production and sale of
10 cannabis and cannabis products depending upon whether the cannabis establishment engaging
11 in such activities is an adult-use cannabis establishment or a medical cannabis establishment.
12 (Chapters 678C and 678D of NRS) Under existing law, a person who holds both an adult-use
13 cannabis establishment license and a medical cannabis establishment license of the same type
14 is a “dual licensee” and is, in general, authorized to combine the operations of the adult-use
15 cannabis establishment and medical cannabis establishment, subject to various requirements.
16 (NRS 678A.145, 678C.410, 678C.430, 678D.430) **Section 13** of this bill deems each adult-
17 use cannabis establishment to be a dual licensee and authorizes the establishment to engage in
18 activities relating to the medical use of cannabis to the same extent as if the adult-use cannabis
19 establishment held a medical cannabis establishment license of the same type. **Section 15** of
20 this bill exempts from the excise tax imposed on retail sales of cannabis or cannabis products
21 by an adult-use cannabis retail store any sale of cannabis for the medical use of cannabis or a
22 medical cannabis product to the holder of a registry identification card or letter of approval by
23 an adult-use cannabis retail store deemed to be a dual licensee pursuant to **section 13**.

24 **Sections 3, 5 and 6** of this bill prohibit the Board from issuing or renewing a medical
25 cannabis establishment license on or after January 1, 2024, unless the medical cannabis
26 establishment is located in a local governmental jurisdiction that is a “covered jurisdiction,”
27 which **section 3** defines to mean a local governmental jurisdiction that has adopted local
28 cannabis control measures which prohibit the operation of adult-use cannabis establishments.
29 **Section 17** of this bill sets forth a process by which a person who holds a medical cannabis
30 establishment license on January 1, 2024, for a medical cannabis establishment that is not
31 located in a covered jurisdiction may apply for and be issued an adult-use cannabis
32 establishment license of the same type. **Section 3** sets forth a similar process to allow a person
33 who holds a medical cannabis establishment license for a medical cannabis establishment that
34 is located in a covered jurisdiction to apply for and be issued an adult-use cannabis
35 establishment license of the same type if the local governmental jurisdiction in which the
36 establishment is located ceases to be a covered jurisdiction.

37 Existing law imposes limits on the number of: (1) medical cannabis establishment
38 licenses for medical cannabis dispensaries and adult-use cannabis establishment licenses for
39 adult-use cannabis retail stores that the Board is authorized to issue within a county; and (2)
40 medical cannabis establishment licenses and adult-use cannabis establishment licenses that a
41 single person, group of persons or entity is authorized to hold in a county whose population is
42 100,000 or more (currently Clark and Washoe Counties). (NRS 678B.220, 678B.230,
43 678B.260, 678B.270) **Sections 3 and 17** deem an adult-use cannabis establishment license
44 issued pursuant to those sections to be a medical cannabis establishment license for the
45 purpose of those limitations, thereby exempting such a license from the limitations applicable
46 to adult-use cannabis establishment licenses while continuing to subject such licenses to the
47 limitations applicable to medical cannabis establishment licenses.

48 **Section 10** of this bill ~~increases~~ **decreases** the maximum amount of the fees that the
49 Board is authorized to charge for the issuance or renewal of an adult-use cannabis
50 establishment license ~~that is equal to the amount set forth under existing law for the issuance or renewal, as~~
51 applicable, of a medical cannabis establishment license of the same type.
52 other than the fee for the initial issuance of an adult-use
53 cannabis establishment license for an adult-use cannabis retail store, to an amount that

54 Existing law requires a cannabis establishment that is: (1) a cannabis sales facility to have
55 a single secure entrance for patrons; and (2) not a cannabis sales facility to have a single
56 secure entrance. (NRS 678B.510) **Section 11** of this bill authorizes any cannabis
57 establishment to have more than one entrance so long as each entrance is secure.

58 Existing law provides an exemption from state prosecution for the possession, delivery
59 and production of cannabis for: (1) a person who holds a valid registry identification card or
60 letter of approval; and (2) a person who is 21 years of age or older. (NRS 678C.200,
61 678D.200) However, under existing law, that exemption is subject to certain limitations. For a
62 person who is 21 years of age or older, that exemption applies only to the extent that the
63 person does not, at any one time, possess, deliver or produce more than: (1) one ounce of
64 usable cannabis; (2) one-eighth of an ounce of concentrated cannabis; (3) six cannabis plants;
65 and (4) a maximum allowable quantity of adult-use cannabis products established by

66 regulation of the Board. (NRS 678D.200) **Section 14** of this bill increases the amount of
67 usable cannabis, from 1 ounce to 2.5 ounces, and the amount of concentrated cannabis, from
68 one-eighth of an ounce to one-fourth of an ounce, that a person who is 21 years of age or older
69 is authorized to possess, deliver or produce at any one time and remain subject to the
70 exemption from state prosecution for the possession, delivery and production of cannabis.

71 Existing law prohibits a medical cannabis dispensary from selling to a person more than 1
72 ounce of cannabis in any one transaction. (NRS 678C.440) Existing regulations of the Board
73 prohibit any cannabis sales facility from selling to any consumer an amount of cannabis or
74 cannabis products which exceeds: (1) one ounce of usable cannabis; (2) one-eighth of an
75 ounce of concentrated cannabis or cannabis products containing not more than 3,543
76 milligrams of THC; or (3) a combination of usable and concentrated cannabis not to exceed
77 the legal limit. (Nev. Cannabis Compliance Bd. Regs. § 7.025) **Section 12** of this bill
78 eliminates provisions prohibiting a medical cannabis dispensary from selling to a person more
79 than 1 ounce of cannabis in any one transaction. **Section 4** of this bill instead prohibits any
80 cannabis sales facility from selling to a person in any one transaction more than 2.5 ounces of
81 usable cannabis or one-fourth of an ounce of concentrated cannabis.

82 Existing law prohibits the Board from issuing a: (1) medical cannabis establishment
83 license or adult-use cannabis establishment license if any of the persons proposed to be
84 owners, officers or board members of the proposed medical or adult-use cannabis
85 establishment have been convicted of an excluded felony offense; and (2) cannabis
86 establishment agent registration card if the applicant for the registration card has been
87 convicted of an excluded felony offense. (NRS 678B.210, 678B.250, 678B.340) **Section 4.5**
88 of this bill requires the Board to develop and implement a process by which a person who has
89 been convicted of an excluded felony offense may submit to the Board a petition for an
90 exemption from those prohibitions. **Section 4.5** authorizes the Board to: (1) grant the
91 exemption only if the Board determines that doing so would not pose a threat to the public
92 health or safety or negatively impact the cannabis industry in this State; and (2) impose any
93 conditions and limitations on the granting of an exemption that the Board determines
94 necessary to preserve the public health and safety or mitigate the impact of granting the
95 exemption on the cannabis industry in this State. **Section 4.5** requires the Board to adopt
96 regulations to carry out the provisions of **section 4.5**. **Sections 5, 7 and 8** of this bill revise
97 provisions setting forth the prohibitions concerning excluded felony offenses to reflect the
98 authorization provided in **section 4.5** for the Board to grant an exemption from those
99 prohibitions.

100 Existing law requires a person who holds an ownership interest of less than 5 percent in a
101 cannabis establishment to register with the Board as a cannabis establishment agent and obtain
102 a cannabis establishment agent registration card. (NRS 678B.340) **Section 8** of this bill
103 eliminates that requirement. **Section 1** of this bill eliminates provisions authorizing the Board
104 to adopt regulations establishing policies and procedures pursuant to which the Board may
105 waive the requirement for a person who holds an ownership interest in a cannabis
106 establishment of less than 5 percent to reflect the elimination of that requirement in **section 8**.

107 Existing law authorizes the board of county commissioners of a county and the governing
108 body of an incorporated city to fix, impose and collect a license tax on cannabis
109 establishments. (NRS 244.35253, 268.0977) **Sections 14.3 and 14.6** of this bill authorize the
110 board of county commissioners of a county and the governing body of an incorporated city to
111 use any portion of any money collected from that license tax to educate the public on safely
112 purchasing cannabis and cannabis products from licensed cannabis establishments and the
113 safe consumption of cannabis products.

114 Existing law defines "marijuana" for the purposes of the regulation of controlled
115 substances. (NRS 453.096) **Section 15.5** of this bill excludes from the definition of
116 "marijuana": (1) root balls which have been fully separated from the stalks of the plant of the
117 genus *Cannabis* after harvest; and (2) the seeds of that plant.

118 Under the federal Controlled Substances Act, cannabis, referred to as "marihuana," is
119 included in the list of controlled substances in schedule I. (21 U.S.C. § 812) Similarly,
120 existing regulations adopted by the State Board of Pharmacy pursuant to the provisions of the
121 state Uniform Controlled Substances Act include cannabis, referred to as "marijuana," in the
122 list of controlled substances in schedule I. (NRS 453.011-453.348; NAC 453.510) **Section 16**
123 of this bill requires the Cannabis Advisory Commission to conduct a study concerning the
124 potential effects of the removal of cannabis from the list of controlled substances included in

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schedule I pursuant to the federal Controlled Substances Act or the state Uniform Controlled Substances Act on the cannabis industry in this State.

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

Section 1. NRS 678A.450 is hereby amended to read as follows:

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

(a) Financial requirements for licensees.

(b) Establishing such investigative and enforcement mechanisms as the Board deems necessary to ensure the compliance of a licensee or registrant with the provisions of this title.

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

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

~~(e) Policies and procedures governing the circumstances under which the Board may waive the requirement to obtain a registration card pursuant to this title for any person who holds an ownership interest of less than 5 percent in any one cannabis establishment or an ownership interest in more than one cannabis establishment of the same type that, when added together, is less than 5 percent.~~

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

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

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

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

(a) Owner and manager of a cannabis establishment.

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

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

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

(a) Is in existence, operational and operated for a profit;

(b) Maintains its principal place of business in this State; and

(c) Satisfies requirements for the number of employees and annual gross revenue established by the Board by regulation.

1 **Sec. 1.5.** NRS 678A.460 is hereby amended to read as follows:

2 678A.460 1. The Board shall adopt, amend and repeal regulations in
3 accordance with the following procedures:

4 (a) At least 30 days before a meeting of the Board at which the adoption,
5 amendment or repeal of a regulation is considered, notice of the proposed action
6 must be:

7 (1) Posted on the Internet website of the Board;

8 (2) Mailed to every person who has filed a request therefor with the Board;
9 and

10 (3) When the Board deems advisable, mailed to any person whom the
11 Board believes would be interested in the proposed action, and published in such
12 additional form and manner as the Board prescribes.

13 (b) The notice of proposed adoption, amendment or repeal must include:

14 (1) A statement of the time, place and nature of the proceedings for
15 adoption, amendment or repeal;

16 (2) Reference to the authority under which the action is proposed; and

17 (3) Either the express terms or an informative summary of the proposed
18 action.

19 (c) On the date and at the time and place designated in the notice, the Board
20 shall afford any interested person or his or her authorized representative, or both,
21 the opportunity to present statements, arguments or contentions in writing, with or
22 without opportunity to present them orally. ~~[The Board shall consider all relevant~~

23 ~~matter presented to it before adopting, amending or repealing any regulation.]~~

24 (d) *Before adopting, amending or repealing any regulation, the Board shall*
25 *consider:*

26 (1) *Whether the proposed action is likely to have an adverse effect on the*
27 *environment and, if so, whether there are any methods to reduce or eliminate that*
28 *adverse effect which would not impose an economic burden upon licensees; and*

29 (2) *All relevant matter presented to the Board.*

30 (e) Any interested person may file a petition with the Board requesting the
31 adoption, amendment or repeal of a regulation. The petition must state, clearly and
32 concisely:

33 (1) The substance or nature of the regulation, amendment or repeal
34 requested;

35 (2) The reasons for the request; and

36 (3) Reference to the authority of the Board to take the action requested.

37 ↳ Upon receipt of the petition, the Board shall within 45 days deny the request in
38 writing or schedule the matter for action pursuant to this subsection.

39 2. In emergencies, the Board may summarily adopt, amend or repeal any
40 regulation if:

41 (a) The Board submits to the Governor:

42 (1) A written finding that such action is necessary for the immediate
43 preservation of the public peace, health, safety, morals, good order or general
44 welfare; and

45 (2) A written statement of the facts constituting an emergency;

46 (b) The Governor endorses the written finding and written statement described
47 in paragraph (a) by written endorsement at the end of the full text of the written
48 statement and written finding; and

49 (c) The Board files the written statement and written finding endorsed by the
50 Governor at the same time it adopts, amends or repeals the regulation.

51 3. In any hearing held pursuant to this section, the Board or its authorized
52 representative may administer oaths or affirmations, and may continue or postpone
53 the hearing from time to time and at such places as it prescribes.

1 4. The Board shall file a copy of any regulation adopted, amended or repealed
2 by the Board with the Legislative Counsel as soon as practicable after adoption,
3 amendment or repeal. The adoption, amendment or repeal of a regulation by the
4 Board becomes effective upon filing with the Secretary of State. The Board shall
5 not file a regulation with the Secretary of State until 15 days after the date on which
6 the regulation was adopted, amended or repealed by the Board.

7 5. Upon the request of a Legislator, the Legislative Commission may examine
8 a regulation adopted, amended or repealed by the Board that is not yet effective
9 pursuant to subsection 4 to determine whether the regulation conforms to the
10 statutory authority pursuant to which it was adopted and whether the regulation
11 carries out the intent of the Legislature in granting that authority.

12 6. Except as otherwise provided in subsection 7, the Legislative Commission
13 shall:

14 (a) Review the regulation at its next regularly scheduled meeting if the request
15 for examination of the regulation is received more than 10 working days before the
16 meeting; or

17 (b) Refer the regulation for review to the Subcommittee to Review Regulations
18 appointed pursuant to subsection 6 of NRS 233B.067.

19 7. If the Board determines that an emergency exists which requires a
20 regulation of the Board for which a Legislator requested an examination pursuant to
21 subsection 5 to become effective before the next meeting of the Legislative
22 Commission is scheduled to be held, the Board may notify the Legislative Counsel
23 in writing of the emergency. Upon receipt of such a notice, the Legislative Counsel
24 shall refer the regulation for review by the Subcommittee to Review Regulations as
25 soon as practicable.

26 8. If the Legislative Commission, or the Subcommittee to Review
27 Regulations if the regulation was referred to the Subcommittee, approves the
28 regulation, the Legislative Counsel shall notify the Board that the Board may file
29 the regulation with the Secretary of State. If the Commission or the Subcommittee
30 objects to the regulation after determining that:

31 (a) The regulation does not conform to statutory authority; or

32 (b) The regulation does not carry out legislative intent,

33 ↳ the Legislative Counsel shall attach to the regulation a written notice of the
34 objection, including, if practicable, a statement of the reasons for the objection, and
35 shall promptly return the regulation to the Board.

36 9. If the Legislative Commission or the Subcommittee to Review Regulations
37 has objected to a regulation, the Board shall revise the regulation to conform to the
38 statutory authority pursuant to which it was adopted and to carry out the intent of
39 the Legislature in granting that authority and return it to the Legislative Counsel
40 within 60 days after the Board received the written notice of the objection to the
41 regulation pursuant to subsection 8. Upon receipt of the revised regulation, the
42 Legislative Counsel shall resubmit the regulation to the Legislative Commission or
43 the Subcommittee for review. If the Legislative Commission or the Subcommittee
44 approves the revised regulation, the Legislative Counsel shall notify the Board that
45 the Board may file the revised regulation with the Secretary of State.

46 10. If the Legislative Commission or the Subcommittee to Review
47 Regulations objects to the revised regulation, the Legislative Counsel shall attach to
48 the revised regulation a written notice of the objection, including, if practicable, a
49 statement of the reasons for the objection, and shall promptly return the revised
50 regulation to the Board. The Board shall continue to revise the regulation and
51 resubmit it to the Legislative Commission or the Subcommittee within 30 days after
52 the Board receives a written notice of the objection to the revised regulation.

1 **Sec. 2.** Chapter 678B of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 3, 4 and 4.5 of this act.

3 **Sec. 3. 1.** *Except as otherwise provided in this section, the Board shall*
4 *not, on or after January 1, 2024, issue any additional medical cannabis*
5 *establishment licenses or renew a medical cannabis establishment license*
6 *pursuant to NRS 678B.210.*

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

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

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

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

21 **4.** *An application submitted pursuant to subsection 3 must:*

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

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

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

32 **6.** *Except as otherwise provided in subsection 7, an adult-use cannabis*
33 *establishment license issued by the Board pursuant to this section shall be*
34 *deemed to be an adult-use cannabis establishment license issued by the Board*
35 *pursuant to NRS 678B.250.*

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

40 **8.** *As used in this section:*

41 **(a)** *“Covered jurisdiction” means a local governmental jurisdiction that has*
42 *adopted local cannabis control measures which prohibit the operation of adult-*
43 *use cannabis establishments in the local governmental jurisdiction.*

44 **(b)** *“Local governmental jurisdiction” means a city or unincorporated area*
45 *within a county.*

46 **Sec. 4.** *A cannabis sales facility shall not sell to a person, in any one*
47 *transaction, more than 2.5 ounces of usable cannabis or more than one-fourth of*
48 *an ounce of concentrated cannabis.*

49 **Sec. 4.5. 1.** *The Board shall develop and implement a process by which a*
50 *person who has been convicted of an excluded felony offense may submit to the*
51 *Board a petition for an exemption from the provisions of:*

52 **(a)** *Paragraph (b) of subsection 3 of NRS 678B.210.*

53 **(b)** *Paragraph (b) of subsection 3 of NRS 678B.250.*

1 (c) *Paragraph (a) of subsection 6 of NRS 678B.340.*

2 2. *The Board shall, in accordance with procedures established by the Board*
3 *by regulation, review and evaluate each petition submitted pursuant to subsection*
4 *1 and grant or deny the exemption. The Board shall provide written notice to the*
5 *petitioner of its decision to grant or deny the exemption.*

6 3. *The Board may grant an exemption pursuant to this section only if the*
7 *Board determines that granting the exemption would not:*

8 (a) *Pose a threat to the public health or safety; or*

9 (b) *Negatively impact the cannabis industry in this State.*

10 4. *The Board may impose any conditions and limitations on the granting of*
11 *an exemption pursuant to this section as the Board determines necessary to*
12 *preserve the public health and safety or mitigate the impact of the granting of the*
13 *exemption on the cannabis industry in this State. Such conditions and limitations*
14 *may include, without limitation, conditions and limitations on the conduct of the*
15 *petitioner in the cannabis industry in this State and the cannabis-related activities*
16 *in which the petitioner is authorized to engage.*

17 5. *The Board shall adopt regulations to carry out the provisions of this*
18 *section.*

19 **Sec. 5.** NRS 678B.210 is hereby amended to read as follows:

20 678B.210 1. A person shall not engage in the business of a medical
21 cannabis establishment unless the person holds a medical cannabis establishment
22 license issued by the Board pursuant to this section.

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

26 3. Except as otherwise provided in NRS 678B.220, 678B.230 and 678B.240,
27 **and section 3 of this act**, not later than 90 days after receiving an application to
28 engage in the business of a medical cannabis establishment, the Board shall register
29 the medical cannabis establishment and issue a medical cannabis establishment
30 license and a random 20-digit alphanumeric identification number if:

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

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

34 (2) An application, which must include:

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

36 (II) The physical address where the proposed medical cannabis
37 establishment will be located and the physical address of any co-owned additional
38 or otherwise associated medical cannabis establishments, the locations of which
39 may not be on the property of an airport, within 1,000 feet of a public or private
40 school that provides formal education traditionally associated with preschool or
41 kindergarten through grade 12 and that existed on the date on which the application
42 for the proposed medical cannabis establishment was submitted to the Board,
43 within 300 feet of a community facility that existed on the date on which the
44 application for the proposed medical cannabis establishment was submitted to the
45 Board or, if the proposed medical cannabis establishment will be located in a
46 county whose population is 100,000 or more, within 1,500 feet of an establishment
47 that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS
48 463.0177 and that existed on the date on which the application for the proposed
49 medical cannabis establishment was submitted to the Board;

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

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

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

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

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

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

17 (II) The use of an electronic verification system and an inventory
18 control system pursuant to NRS 678C.420 and 678C.430;

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

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

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

27 (b) ~~None~~ *Except as otherwise provided in section 4.5 of this act, none* of the
28 persons who are proposed to be owners, officers or board members of the proposed
29 medical cannabis establishment have been convicted of an excluded felony offense;

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

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

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

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

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

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

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

49 5. Except as otherwise provided in subsection 6 ~~4~~ *and section 3 of this act,*
50 if an application for registration as a medical cannabis establishment satisfies the
51 requirements of this section, is qualified in the determination of the Board pursuant
52 to NRS 678B.200 and the establishment is not disqualified from being registered as
53 a medical cannabis establishment pursuant to this section or other applicable law,

1 the Board shall issue to the establishment a medical cannabis establishment license.
2 A medical cannabis establishment license expires 1 year after the date of issuance
3 and may be renewed upon:

- 4 (a) Submission of the information required by the Board by regulation; and
- 5 (b) Payment of the renewal fee set forth in NRS 678B.390.

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

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

13 8. As used in this section, "community facility" means:

- 14 (a) A facility that provides day care to children.
- 15 (b) A public park.
- 16 (c) A playground.
- 17 (d) A public swimming pool.
- 18 (e) A center or facility, the primary purpose of which is to provide recreational
19 opportunities or services to children or adolescents.
- 20 (f) A church, synagogue or other building, structure or place used for religious
21 worship or other religious purpose.

22 **Sec. 6.** NRS 678B.220 is hereby amended to read as follows:

23 678B.220 1. Except as otherwise provided in this section and NRS
24 678B.230, *and section 3 of this act*, the Board shall issue medical cannabis
25 establishment licenses for medical cannabis dispensaries in the following quantities
26 for applicants who qualify pursuant to NRS 678B.210:

- 27 (a) In a county whose population is 700,000 or more, 40 licenses;
- 28 (b) In a county whose population is 100,000 or more but less than 700,000, 10
29 licenses;
- 30 (c) In a county whose population is 55,000 or more but less than 100,000, two
31 licenses;
- 32 (d) In each other county, one license; and
- 33 (e) For each incorporated city in a county whose population is less than
34 100,000, one license.

35 2. The Board:

36 (a) Shall not issue medical cannabis establishment licenses for medical
37 cannabis dispensaries in such a quantity as to cause the existence within the
38 applicable county of more than one medical cannabis dispensary for every 10
39 pharmacies that have been licensed in the county pursuant to chapter 639 of NRS.
40 The Board may issue medical cannabis establishment licenses for medical cannabis
41 dispensaries in excess of the ratio otherwise allowed pursuant to this paragraph if
42 doing so is necessary to ensure that the Board issues at least one medical cannabis
43 establishment license in each county of this State and, pursuant to paragraph (e) of
44 subsection 1, each incorporated city of this State in which the Board has approved
45 an application for such an establishment to operate.

46 (b) Shall, for any county for which no applicants qualify pursuant to NRS
47 678B.210, within 2 months after the end of the period during which the Board
48 accepts applications pursuant to NRS 678B.300, reallocate the licenses provided for
49 that county pursuant to subsection 1 to the other counties specified in subsection 1
50 in the same proportion as provided in subsection 1.

51 3. With respect to medical cannabis establishments that are not medical
52 cannabis dispensaries, the Board shall:

1 (a) Issue a medical cannabis establishment license to at least one medical
2 cannabis cultivation facility and at least one medical cannabis production facility in
3 each county; and

4 (b) Determine the appropriate number of additional such establishments in
5 each county as are necessary to serve and supply the medical cannabis dispensaries
6 to which the Board has granted medical cannabis establishment licenses and issue
7 such a number of medical cannabis establishment licenses for such establishments
8 in each county.

9 **Sec. 7.** NRS 678B.250 is hereby amended to read as follows:

10 678B.250 1. A person shall not engage in the business of an adult-use
11 cannabis establishment unless the person holds an adult-use cannabis establishment
12 license issued pursuant to this section.

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

16 3. Except as otherwise provided in NRS 678B.260, 678B.270, 678B.280,
17 678B.322 and 678B.324 to 678B.328, inclusive, the Board shall issue an adult-use
18 cannabis establishment license to an applicant if:

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

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

22 (2) An application, which must include:

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

24 (II) The physical address where the proposed adult-use cannabis
25 establishment will be located and the physical address of any co-owned additional
26 or otherwise associated adult-use cannabis establishments, the locations of which
27 may not be on the property of an airport, within 1,000 feet of a public or private
28 school that provides formal education traditionally associated with preschool or
29 kindergarten through grade 12 and that existed on the date on which the application
30 for the proposed adult-use cannabis establishment was submitted to the Board,
31 within 300 feet of a community facility that existed on the date on which the
32 application for the proposed adult-use cannabis establishment was submitted to the
33 Board or, if the proposed adult-use cannabis establishment will be located in a
34 county whose population is 100,000 or more, within 1,500 feet of an establishment
35 that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS
36 463.0177 and that existed on the date on which the application for the proposed
37 adult-use cannabis establishment was submitted to the Board;

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

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

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

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

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

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

7 (II) The use of an inventory control system;

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

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

12 (b) ~~None~~ *Except as otherwise provided in section 4.5 of this act, none* of the
13 persons who are proposed to be owners, officers or board members of the proposed
14 adult-use cannabis establishment have been convicted of an excluded felony
15 offense;

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

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

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

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

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

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

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

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

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

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

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

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

52 8. As used in this section, "community facility" means:

53 (a) A facility that provides day care to children.

1 (b) A public park.

2 (c) A playground.

3 (d) A public swimming pool.

4 (e) A center or facility, the primary purpose of which is to provide recreational
5 opportunities or services to children or adolescents.

6 (f) A church, synagogue or other building, structure or place used for religious
7 worship or other religious purpose.

8 **Sec. 8.** NRS 678B.340 is hereby amended to read as follows:

9 678B.340 1. ~~Except as otherwise provided in any policies and procedures~~
10 ~~adopted by the Board pursuant to paragraph (e) of subsection 1 of NRS 678A.450,~~
11 ~~a) A person shall not hold an ownership interest in a cannabis establishment of less~~
12 ~~than 5 percent.]~~ volunteer or work at, contract to provide labor to or be employed
13 by an independent contractor to provide labor to a cannabis establishment as a
14 cannabis establishment agent unless the person is registered with the Board
15 pursuant to this section.

16 2. A person who wishes to volunteer or work at a cannabis establishment shall
17 submit to the Board an application on a form prescribed by the Board. The
18 application must be accompanied by:

19 (a) The name, address and date of birth of the prospective cannabis
20 establishment agent;

21 (b) A statement signed by the prospective cannabis establishment agent
22 pledging not to dispense or otherwise divert cannabis to any person who is not
23 authorized to possess cannabis in accordance with the provisions of this title;

24 (c) A statement signed by the prospective cannabis establishment agent
25 asserting that he or she has not previously had a cannabis establishment agent
26 registration card revoked;

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

28 (e) Such other information as the Board may require by regulation.

29 3. A person who wishes to contract to provide labor to or be employed by an
30 independent contractor to provide labor to a cannabis establishment shall submit to
31 the Board an application on a form prescribed by the Board for the registration of
32 the independent contractor and each employee of the independent contractor who
33 will provide labor as a cannabis establishment agent. The application must be
34 accompanied by:

35 (a) The name, address and, if the prospective cannabis establishment agent has
36 a state business license, the business identification number assigned by the
37 Secretary of State upon compliance with the provisions of chapter 76 of NRS;

38 (b) The name, address and date of birth of each employee of the prospective
39 cannabis establishment agent who will provide labor as a cannabis establishment
40 agent;

41 (c) A statement signed by the prospective cannabis establishment agent
42 pledging not to dispense or otherwise divert cannabis to, or allow any of its
43 employees to dispense or otherwise divert cannabis to, any person who is not
44 authorized to possess cannabis in accordance with the provisions of this title;

45 (d) A statement signed by the prospective cannabis establishment agent
46 asserting that it has not previously had a cannabis establishment agent registration
47 card revoked and that none of its employees who will provide labor as a cannabis
48 establishment agent have previously had a cannabis establishment agent registration
49 card revoked;

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

51 (f) Such other information as the Board may require by regulation.

52 4. ~~Except as otherwise provided in any policies and procedures adopted by~~
53 ~~the Board pursuant to paragraph (e) of subsection 1 of NRS 678A.450, a person~~

1 ~~who wishes to hold an ownership interest in a cannabis establishment of less than 5~~
2 ~~percent shall submit to the Board an application on a form prescribed by the Board.~~
3 ~~The application must be accompanied by:~~

4 ~~—(a) The name, address and date of birth of the prospective cannabis~~
5 ~~establishment agent;~~

6 ~~—(b) A statement signed by the prospective cannabis establishment agent~~
7 ~~pledging not to dispense or otherwise divert cannabis to any person who is not~~
8 ~~authorized to possess cannabis in accordance with the provisions of this title;~~

9 ~~—(c) A statement signed by the prospective cannabis establishment agent~~
10 ~~asserting that he or she has not previously had a cannabis establishment agent~~
11 ~~registration card revoked;~~

12 ~~—(d) Any information required by the Board to complete an investigation into~~
13 ~~the background of the prospective cannabis establishment agent, including, without~~
14 ~~limitation, financial records and other information relating to the business affairs of~~
15 ~~the prospective cannabis establishment agent;~~

16 ~~—(e) The application fee, as set forth in NRS 678B.390; and~~

17 ~~—(f) Such other information as the Board may require by regulation.~~

18 ~~5. The Board may conduct any investigation of a prospective cannabis~~
19 ~~establishment agent and, for an independent contractor, each employee of the~~
20 ~~prospective cannabis establishment agent who will provide labor as a cannabis~~
21 ~~establishment agent, that the Board deems appropriate. In connection with such an~~
22 ~~investigation, the Board may:~~

23 (a) Conduct or accept any background check the Board determines to be
24 reliable and expedient to determine the criminal history of the prospective cannabis
25 establishment agent or the employee;

26 (b) Require a prospective cannabis establishment agent, if a natural person, and
27 each employee of a prospective cannabis establishment agent who will provide
28 labor as a cannabis establishment agent to submit to the Board a complete set of
29 fingerprints and written permission authorizing the Board to forward the
30 fingerprints to the Central Repository for Nevada Records of Criminal History for
31 submission to the Federal Bureau of Investigation for its report; and

32 (c) If the Board imposes the requirement described in paragraph (b), submit the
33 fingerprints of the prospective cannabis establishment agent and each employee of
34 the prospective cannabis establishment agent who will provide labor as a cannabis
35 establishment agent to the Central Repository for Nevada Records of Criminal
36 History for submission to the Federal Bureau of Investigation for its report.

37 ~~[6.] 5. A cannabis establishment shall notify the Board within 10 business~~
38 ~~days after a cannabis establishment agent ceases to~~ ~~[hold an ownership interest in~~
39 ~~the cannabis establishment of less than 5 percent,]~~ be employed by, volunteer at or
40 provide labor as a cannabis establishment agent to the cannabis establishment.

41 ~~[7.—A]~~

42 **6. Except as otherwise provided in section 4.5 of this act, a person who:**

43 (a) Has been convicted of an excluded felony offense;

44 (b) Is less than 21 years of age; or

45 (c) Is not qualified, in the determination of the Board pursuant to NRS
46 678B.200,

47 **shall not serve as a cannabis establishment agent.**

48 ~~[8.] 7. The provisions of this section do not require a person who is an owner,~~
49 ~~officer or board member of a cannabis establishment to resubmit information~~
50 ~~already furnished to the Board at the time the establishment was licensed with the~~
51 ~~Board.~~

52 ~~[9.] 8. If an applicant for registration as a cannabis establishment agent~~
53 ~~satisfies the requirements of this section, is found to be qualified by the Board~~

1 pursuant to NRS 678B.200 and is not disqualified from serving as such an agent
2 pursuant to this section or any other applicable law, the Board shall issue to the
3 person and, for an independent contractor, to each person identified in the
4 independent contractor’s application for registration as an employee who will
5 provide labor as a cannabis establishment agent, a cannabis establishment agent
6 registration card. If the Board does not act upon an application for a cannabis
7 establishment agent registration card within 45 days after the date on which the
8 application is received, the application shall be deemed conditionally approved
9 until such time as the Board acts upon the application. A cannabis establishment
10 agent registration card expires 2 years after the date of issuance and may be
11 renewed upon:

- 12 (a) Resubmission of the information set forth in this section; and
- 13 (b) Payment of the renewal fee set forth in NRS 678B.390.

14 ~~10.1~~ 9. A person to whom a cannabis establishment agent registration card is
15 issued or for whom such a registration card is renewed shall submit to the Board on
16 the date of the first anniversary of the issuance or renewal an affidavit attesting that
17 in the preceding year there has been no change in the information previously
18 provided to the Board which would subject the person to disciplinary action by the
19 Board.

20 ~~11.1~~ 10. A cannabis establishment agent registration card issued pursuant to
21 this section to an independent contractor or an employee of an independent
22 contractor authorizes the independent contractor or employee to provide labor to
23 any cannabis establishment in this State.

24 ~~12.1~~ 11. A cannabis establishment agent registration card issued pursuant to
25 this section to a person who wishes to volunteer or work at a ~~medical~~ cannabis
26 establishment authorizes the person to volunteer or work at any cannabis
27 establishment in this State for which the category of the cannabis establishment
28 agent registration card authorizes the person to volunteer or work.

29 ~~13.1~~ 12. Except as otherwise prescribed by regulation of the Board, an
30 applicant for registration or renewal of registration as a cannabis establishment
31 agent is deemed temporarily registered as a cannabis establishment agent on the
32 date on which a complete application for registration or renewal of registration is
33 submitted to the Board. A temporary registration as a cannabis establishment agent
34 expires 45 days after the date upon which the application is received.

35 *13. A person who holds an ownership interest of less than 5 percent in a
36 cannabis establishment is not required to obtain a cannabis establishment agent
37 registration card pursuant to this section. The Board may, in connection with the
38 issuance or renewal of a license pursuant to NRS 678B.210 or 678B.250, conduct
39 such investigations of such a person as the Board determines to be necessary.*

40 **Sec. 9.** (Deleted by amendment.)

41 **Sec. 10.** NRS 678B.390 is hereby amended to read as follows:

42 678B.390 1. Except as otherwise provided in subsection 3, the Board shall
43 collect not more than the following maximum fees:

45	For the initial issuance of a medical cannabis	
46	establishment license for a medical cannabis	
47	dispensary.....	\$30,000
48	For the renewal of a medical cannabis	
49	establishment license for a medical cannabis	
50	dispensary.....	5,000
51	For the initial issuance of a medical cannabis	
52	establishment license for a medical cannabis	
53	cultivation facility.....	3,000

1	For the renewal of a medical cannabis	
2	establishment license for a medical cannabis	
3	cultivation facility.....	1,000
4	For the initial issuance of a medical cannabis	
5	establishment license for a medical cannabis	
6	production facility	3,000
7	For the renewal of a medical cannabis	
8	establishment license for a medical cannabis	
9	production facility	1,000
10	For the initial issuance of a medical cannabis	
11	establishment license for a medical cannabis	
12	independent testing laboratory.....	5,000
13	For the renewal of a medical cannabis	
14	establishment license for a medical cannabis	
15	independent testing laboratory.....	3,000
16	For the initial issuance of an adult-use cannabis	
17	establishment license for an adult-use cannabis	
18	retail store.....	20,000 50,000
19	For the renewal of an adult-use cannabis	
20	establishment license for an adult-use cannabis	
21	retail store.....	6,600 9,215 <u>5,000</u>
22	For the initial issuance of an adult-use cannabis	
23	establishment license for an adult-use cannabis	
24	cultivation facility.....	30,000 33,000 <u>3,000</u>
25	For the renewal of an adult-use cannabis	
26	establishment license for an adult-use cannabis	
27	cultivation facility.....	10,000 11,054 <u>1,000</u>
28	For the initial issuance of an adult-use cannabis	
29	establishment license for an adult-use cannabis	
30	production facility.....	10,000 13,000 <u>3,000</u>
31	For the renewal of an adult-use cannabis	
32	establishment license for an adult-use cannabis	
33	production facility.....	3,300 4,414 <u>1,000</u>
34	For the initial issuance of an adult-use cannabis	
35	establishment license for an adult-use cannabis	
36	independent testing laboratory	15,000 20,000 <u>5,000</u>
37	For the renewal of an adult-use cannabis	
38	establishment license for an adult-use cannabis	
39	independent testing laboratory.....	5,000 8,000 <u>3,000</u>
40	For the initial issuance of an adult-use cannabis	
41	establishment license for a retail cannabis	
42	consumption lounge.....	10,000
43	For the renewal of an adult-use cannabis	
44	establishment license for a retail cannabis	
45	consumption lounge.....	10,000
46	For the initial issuance of an adult-use cannabis	
47	establishment license for an independent	
48	cannabis consumption lounge.....	10,000
49	For the renewal of an adult-use cannabis	
50	establishment license for an independent	
51	cannabis consumption lounge.....	10,000

1 For the initial issuance of an adult-use cannabis
 2 establishment license for an adult-use cannabis
 3 distributor..... 15,000
 4 For the renewal of an adult-use cannabis
 5 establishment license for an adult-use cannabis
 6 distributor..... 5,000
 7 For each person identified in an application for the
 8 initial issuance of a cannabis establishment
 9 agent registration card 150
 10 For each person identified in an application for the
 11 renewal of a cannabis establishment agent
 12 registration card..... 150

13 2. The Board may by regulation establish reduced fees for:

14 (a) The initial issuance and renewal of an adult-use cannabis establishment
 15 license for an independent cannabis consumption lounge; and

16 (b) The application fee set forth in subsection 3,

17 **➤** for a social equity applicant. Such a reduction must not reduce the fee paid by a
 18 social equity applicant by more than 75 percent of the fee paid by an applicant who
 19 is not a social equity applicant.

20 3. Except as otherwise provided in subsection 2, in addition to the fees
 21 described in subsection 1, each applicant for a medical cannabis establishment
 22 license *pursuant to NRS 678B.210* or adult-use cannabis establishment license
 23 *pursuant to NRS 678B.250* must pay to the Board:

24 (a) For an application for a license other than an adult-use cannabis
 25 establishment license for a retail cannabis consumption lounge or independent
 26 cannabis consumption lounge, a one-time, nonrefundable application fee of \$5,000;

27 (b) For an application for an adult-use cannabis establishment license for a
 28 retail cannabis consumption lounge, a one-time, nonrefundable application fee of
 29 \$100,000;

30 (c) For an application for an adult-use cannabis establishment license for an
 31 independent cannabis consumption lounge, a one-time, nonrefundable application
 32 fee of \$10,000; and

33 (d) The actual costs incurred by the Board in processing the application,
 34 including, without limitation, conducting background checks.

35 4. Any revenue generated from the fees imposed pursuant to this section:

36 (a) Must be expended first to pay the costs of the Board in carrying out the
 37 provisions of this title; and

38 (b) If any excess revenue remains after paying the costs described in paragraph
 39 (a), such excess revenue must be paid over to the State Treasurer to be deposited to
 40 the credit of the State Education Fund.

41 **Sec. 11.** NRS 678B.510 is hereby amended to read as follows:

42 678B.510 1. The operating documents of a cannabis establishment must
 43 include procedures:

44 (a) For the oversight of the cannabis establishment; and

45 (b) To ensure accurate recordkeeping.

46 2. Except as otherwise provided in this subsection, a cannabis establishment ~~f-~~
 47 ~~—(a) That is a cannabis sales facility must have a single entrance for patrons,~~
 48 ~~which must be secure, and shall implement strict security measures to deter and~~
 49 ~~prevent the theft of cannabis and unauthorized entrance into areas containing~~
 50 ~~cannabis.~~

51 ~~—(b) That is not a cannabis sales facility must~~ *may* have ~~[a single secure]~~ *more*
 52 *than one* entrance *so long as each entrance is secure* and shall implement strict

1 security measures to deter and prevent the theft of cannabis and unauthorized
2 entrance into areas containing cannabis.

3 ~~{→}~~ The provisions of this subsection do not supersede any state or local
4 requirements relating to minimum numbers of points of entry or exit, or any state or
5 local requirements relating to fire safety.

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

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

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

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

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

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

29 7. A cannabis establishment shall not dispense or otherwise sell cannabis or
30 cannabis products from a vending machine or allow such a vending machine to be
31 installed at the interior or exterior of the premises of the cannabis establishment. As
32 used in this subsection, “vending machine” has the meaning ascribed to it in NRS
33 209.229.

34 **Sec. 12.** NRS 678C.440 is hereby amended to read as follows:

35 678C.440 1. Each medical cannabis dispensary shall ensure all of the
36 following:

37 (a) The weight, concentration and content of THC in all cannabis and cannabis
38 products that the dispensary sells is clearly and accurately stated on the product
39 sold.

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

42 ~~{(e)}~~ That, posted clearly and conspicuously within the dispensary, are the legal
43 limits on the possession of cannabis for medical purposes, as set forth in NRS
44 678C.200.

45 ~~{(d)}~~ (c) That, posted clearly and conspicuously within the dispensary, is a
46 sign stating unambiguously the legal limits on the possession of cannabis for
47 medical purposes, as set forth in NRS 678C.200.

48 ~~{(e)}~~ (d) That only persons who are at least 21 years of age or hold a registry
49 identification card or letter of approval are allowed to enter the premises of the
50 medical cannabis dispensary.

51 2. A medical cannabis dispensary may, but is not required to, track the
52 purchases of cannabis for medical purposes by any person to ensure that the person
53 does not exceed the legal limits on the possession of cannabis for medical purposes,

1 as set forth in NRS 678C.200. The Board shall not adopt a regulation or in any
2 other way require a medical cannabis dispensary to track the purchases of a person
3 or determine whether the person has exceeded the legal limits on the possession of
4 cannabis for medical purposes, as set forth in NRS 678C.200.

5 3. A medical cannabis dispensary which is a dual licensee may, to the extent
6 authorized by the regulations adopted by the Board pursuant to subsection 7 of
7 NRS 678B.650, allow any person who is at least 21 years of age to enter the
8 premises of the medical cannabis dispensary, regardless of whether such a person
9 holds a valid registry identification card or letter of approval.

10 4. A medical cannabis dispensary shall not sell cannabis or cannabis products
11 to a consumer through the use of, or accept a sale of cannabis or cannabis products
12 from, a third party, intermediary business, broker or any other business that does
13 not hold a medical cannabis establishment license for a medical cannabis
14 dispensary.

15 5. A medical cannabis dispensary may contract with a third party or
16 intermediary business to deliver cannabis or medical cannabis products to
17 consumers only if:

18 (a) Every sale of cannabis or cannabis products which is delivered by the third
19 party or intermediary business is made directly from the medical cannabis
20 dispensary or an Internet website, digital network or software application service of
21 the medical cannabis dispensary;

22 (b) The third party or intermediary business does not advertise that it sells,
23 offers to sell or appears to sell cannabis or cannabis products or allows the
24 submission of an order for cannabis or cannabis products; and

25 (c) The delivery complies with the requirements of NRS 678C.450.

26 **Sec. 13.** Chapter 678D of NRS is hereby amended by adding thereto a new
27 section to read as follows:

28 *1. Each adult-use cannabis establishment shall be deemed to be a dual*
29 *licensee for the purposes of this title and may engage in any activity relating to*
30 *the medical use of cannabis in the same manner and to the same extent as if the*
31 *adult-use cannabis establishment also held a medical cannabis establishment*
32 *license of the same type for which the establishment holds an adult-use cannabis*
33 *establishment license.*

34 *2. An adult-use cannabis establishment that engages in activities involving*
35 *the medical use of cannabis pursuant to this section shall comply with all*
36 *provisions of this title and the regulations adopted pursuant thereto applicable to*
37 *a dual licensee, including, without limitation, any provisions governing the*
38 *specific activity relating to the medical use of cannabis in which the*
39 *establishment is engaged.*

40 *3. The Board may adopt any regulations necessary to carry out the*
41 *provisions of this section.*

42 **Sec. 14.** NRS 678D.200 is hereby amended to read as follows:

43 678D.200 1. Except as otherwise provided in NRS 678D.300, a person who
44 is 21 years of age or older is exempt from state prosecution for:

45 (a) The possession, delivery or production of cannabis;

46 (b) The possession or delivery of paraphernalia;

47 (c) Aiding and abetting another in the possession, delivery or production of
48 cannabis;

49 (d) Aiding and abetting another in the possession or delivery of paraphernalia;

50 (e) Any combination of the acts described in paragraphs (a) to (d), inclusive;
51 and

52 (f) Any other criminal offense in which the possession, delivery or production
53 of cannabis or the possession or delivery of paraphernalia is an element.

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

5 3. The exemption from state prosecution set forth in subsection 1 applies only
6 to the extent that a person:

7 (a) Is 21 years of age or older;

8 (b) Is not employed by any agency or political subdivision of this State in a
9 position which requires the person to be certified by the Peace Officers' Standards
10 and Training Commission;

11 (c) Engages in the adult use of cannabis in accordance with the provisions of
12 this title;

13 (d) Does not, at any one time, possess, deliver or produce more than:

14 (1) ~~One ounce~~ *Two and one-half ounces* of usable cannabis;

15 (2) ~~One-eighth~~ *One-fourth* of an ounce of concentrated cannabis;

16 (3) Six cannabis plants, irrespective of whether the cannabis plants are
17 mature or immature; and

18 (4) A maximum allowable quantity of adult-use cannabis products as
19 established by regulation of the Board;

20 (e) Cultivates, grows or produces not more than six cannabis plants:

21 (1) Within an enclosed area that is not exposed to public view that is
22 equipped with locks or other security devices which allow access only by an
23 authorized person; and

24 (2) At a residence or upon the grounds of a residence in which not more
25 than 12 cannabis plants are cultivated, grown or produced;

26 (f) Delivers ~~1/8 ounce~~ *2.5 ounces* or less of usable cannabis or ~~one-eighth~~
27 *one-fourth* of an ounce or less of concentrated cannabis without remuneration to a
28 person who is 21 years of age or older so long as such delivery is not advertised or
29 promoted to the public; and

30 (g) Assists another person who is 21 years of age or older in carrying out any
31 of the acts described in paragraphs (a) to (f), inclusive.

32 4. If a person possesses, uses or produces cannabis in an amount which
33 exceeds the amount set forth in paragraph (d) of subsection 3 or in any manner
34 other than that set forth in subsection 3, the person is not exempt from state
35 prosecution for the possession, delivery or production of cannabis.

36 5. A person who holds an adult-use cannabis establishment license issued to
37 the person pursuant to NRS 678B.250, a cannabis establishment agent registration
38 card issued to the person pursuant to NRS 678B.340, a cannabis establishment
39 agent registration card for a cannabis executive issued to the person pursuant to
40 NRS 678B.350 or a cannabis establishment agent registration card for a cannabis
41 receiver issued to the person pursuant to NRS 678B.355, and confines his or her
42 activities to those authorized by this title, and the regulations adopted by the Board
43 pursuant thereto, is exempt from state prosecution for:

44 (a) The possession, delivery or production of cannabis;

45 (b) The possession or delivery of paraphernalia;

46 (c) Aiding and abetting another in the possession, delivery or production of
47 cannabis;

48 (d) Aiding and abetting another in the possession or delivery of paraphernalia;

49 (e) Any combination of the acts described in paragraphs (a) to (d), inclusive;
50 and

51 (f) Any other criminal offense in which the possession, delivery or production
52 of cannabis or the possession or delivery of paraphernalia is an element.

1 6. The commission of any act by a person for which the person is exempt
2 from state prosecution pursuant to this section must not be used as the basis for the
3 seizure or forfeiture of any property of the person or for the imposition of a civil
4 penalty.

5 **Sec. 14.3.** NRS 244.35253 is hereby amended to read as follows:

6 244.35253 1. Except as otherwise provided in this section, a board of
7 county commissioners shall not fix, impose or collect a license tax for revenue or
8 for regulation, or for both revenue and regulation, on a cannabis establishment
9 located in the county.

10 2. Except as otherwise provided in subsection 3, a board of county
11 commissioners may fix, impose and collect a license tax for revenue or for
12 regulation, or for both revenue and regulation, on a cannabis establishment located
13 in the county outside of the limits of incorporated cities as a:

14 (a) Flat fee;

15 (b) Percentage of the gross revenue of the cannabis establishment; or

16 (c) Combination of a flat fee and a percentage of gross revenue of the cannabis
17 establishment.

18 3. The total amount of a license tax imposed on a cannabis establishment
19 pursuant to subsection 2, regardless of whether the license tax is imposed in the
20 form described in paragraph (a), (b) or (c) of subsection 2, must not exceed 3
21 percent of the gross revenue of the cannabis establishment, as applicable.

22 4. *A board of county commissioners may use any portion of any money*
23 *collected as a license tax pursuant to subsection 2 to educate the public, using*
24 *any method of public outreach or medium of communication, on safely*
25 *purchasing cannabis and cannabis products from licensed cannabis*
26 *establishments and the safe consumption of cannabis and cannabis products.*

27 5. In addition to any amount of money collected as a license tax pursuant to
28 subsection 2, a board of county commissioners may fix, impose and collect:

29 (a) Any fees required pursuant to chapter 278 of NRS;

30 (b) A one-time flat fee for an application for the issuance of a business license
31 for a cannabis establishment located in the county outside of the limits of
32 incorporated cities in an amount that does not exceed any similar fee imposed on a
33 business pursuant to this chapter and chapter 369 of NRS; and

34 (c) A licensing tax for a business activity engaged in by a cannabis
35 establishment located in the county outside of the limits of incorporated cities for
36 which licensing pursuant to chapter 678B of NRS is not required only if:

37 (1) The board of county commissioners is granted the authority to require
38 such a license by some other provision of law; and

39 (2) The amount of the licensing tax does not exceed the amount imposed
40 by the board of county commissioners on other similar businesses.

41 ~~6.~~ 6. A board of county commissioners shall not enact or enforce any
42 ordinance which is more restrictive than or conflicts with a law or regulation of this
43 State relating to:

44 (a) The packaging, labeling, testing, dosage or potency of cannabis or cannabis
45 products;

46 (b) The kinds of cannabis or cannabis products authorized to be sold pursuant
47 to title 56 of NRS;

48 (c) The use of pesticides in the cultivation of cannabis;

49 (d) The tracking of cannabis from seed to sale;

50 (e) The transportation of cannabis or cannabis products other than the direct
51 transportation of cannabis or cannabis products to a consumer and a requirement to
52 notify the county of any transportation of cannabis or cannabis products;

1 (f) The issuance or verification of a registry identification card, letter of
2 approval or written documentation;

3 (g) The training or certification of cannabis establishment agents or employees
4 of a cannabis establishment;

5 (h) The creation or maintenance of a registry or other system to obtain and
6 track information relating to customers of cannabis establishments or holders of a
7 registry identification card or letter of approval; or

8 (i) The content of any advertisement used by a cannabis establishment unless
9 the ordinance sets forth specific prohibited content for such an advertisement.

10 ~~(6.)~~ 7. A person who obtains a business license described in this section is
11 subject to all other licensing and permitting requirements of the State and any other
12 counties and cities in which the person does business.

13 ~~(7.)~~ 8. As used in this section:

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

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

16 ~~(b.)~~ (c) “Cannabis establishment agent” has the meaning ascribed to it in
17 NRS 678A.100.

18 ~~(c.)~~ (d) “Cannabis products” has the meaning ascribed to it in NRS
19 678A.120.

20 ~~(d.)~~ (e) “Letter of approval” has the meaning ascribed to it in NRS 678C.070.

21 ~~(e.)~~ (f) “Registry identification card” has the meaning ascribed to it in NRS
22 678C.080.

23 ~~(f.)~~ (g) “Written documentation” has the meaning ascribed to it in NRS
24 678C.110.

25 **Sec. 14.6.** NRS 268.0977 is hereby amended to read as follows:

26 268.0977 1. Except as otherwise provided in this section, the governing
27 body of an incorporated city, whether organized under general law or special
28 charter, shall not fix, impose or collect for revenues or for regulation, or both, a
29 license tax on a cannabis establishment located within its corporate limits.

30 2. Except as otherwise provided in subsection 3, the governing body of an
31 incorporated city, whether organized under general law or special charter, may fix,
32 impose and collect for revenues or for regulation, or both, a license tax on a
33 cannabis establishment located within its corporate limits as a:

34 (a) Flat fee;

35 (b) Percentage of the gross revenue of the cannabis establishment; or

36 (c) Combination of a flat fee and a percentage of gross revenue of the cannabis
37 establishment.

38 3. The total amount of a license tax imposed on a cannabis establishment
39 pursuant to subsection 2, regardless of whether the license tax is imposed in the
40 form described in paragraph (a), (b) or (c) of subsection 2, must not exceed 3
41 percent of the gross revenue of the cannabis establishment, as applicable.

42 4. ***The governing body of an incorporated city, whether organized under
43 general law or special charter, may use any portion of any money collected as a
44 license tax pursuant to subsection 2 to educate the public, using any method of
45 public outreach or medium of communication, on safely purchasing cannabis
46 and cannabis products from licensed cannabis establishments and the safe
47 consumption of cannabis and cannabis products.***

48 5. In addition to any amount of money collected as a license tax pursuant to
49 subsection 2, the governing body of an incorporated city, whether organized under
50 general law or special charter, may fix, impose and collect:

51 (a) Any fees required pursuant to chapter 278 of NRS;

52 (b) A one-time flat fee for an application for the issuance of a business license
53 for a cannabis establishment located within its corporate limits in an amount that

1 does not exceed any similar fee imposed on a business pursuant to this chapter and
2 chapter 369 of NRS; and

3 (c) A licensing tax for a business activity engaged in by a cannabis
4 establishment located within its corporate limits for which licensing pursuant to
5 chapter 678B of NRS is not required only if:

6 (1) The governing body is granted the authority to require such a license by
7 some other provision of law; and

8 (2) The amount of the licensing tax does not exceed the amount imposed
9 by the governing body on other similar businesses.

10 ~~5.~~ 6. The governing body of an incorporated city, whether organized under
11 general law or special charter, shall not enact or enforce any ordinance which is
12 more restrictive than or conflicts with a law or regulation of this State relating to:

13 (a) The packaging, labeling, testing, dosage or potency of cannabis or cannabis
14 products;

15 (b) The kinds of cannabis products authorized to be sold pursuant to title 56 of
16 NRS;

17 (c) The use of pesticides in the cultivation of cannabis;

18 (d) The tracking of cannabis from seed to sale;

19 (e) The transportation of cannabis or cannabis products other than the direct
20 transportation of cannabis or cannabis products to a consumer and a requirement to
21 notify the city of any transportation of cannabis or cannabis products;

22 (f) The issuance or verification of a registry identification card, letter of
23 approval or written documentation;

24 (g) The training or certification of cannabis establishment agents; or

25 (h) The creation or maintenance of a registry or other system to obtain and
26 track information relating to customers of cannabis establishments or holders of a
27 registry identification card or letter of approval; or

28 (i) The content of any advertisement used by a cannabis establishment unless
29 the ordinance sets forth specific prohibited content for such an advertisement.

30 ~~6.~~ 7. A person who obtains a business license described in this section is
31 subject to all other licensing and permitting requirements of the State and any other
32 counties and cities in which the person does business.

33 ~~7.~~ 8. As used in this section:

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

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

36 ~~(c)~~ (c) ***“Cannabis establishment agent” has the meaning ascribed to it in***
37 ***NRS 678A.100.***

38 ~~(d)~~ (d) ***“Cannabis products” has the meaning ascribed to it in NRS***
39 ***678A.120.***

40 ~~(e)~~ (e) ***“Letter of approval” has the meaning ascribed to it in NRS 678C.070.***

41 ~~(f)~~ (f) ***“Registry identification card” has the meaning ascribed to it in NRS***
42 ***678C.080.***

43 ~~(g)~~ (g) ***“Written documentation” has the meaning ascribed to it in NRS***
44 ***678C.110.***

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

46 372A.290 1. An excise tax is hereby imposed on each wholesale sale in this
47 State of cannabis by a medical cannabis cultivation facility to another cannabis
48 establishment at the rate of 15 percent of the fair market value at wholesale of the
49 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the
50 medical cannabis cultivation facility.

51 2. An excise tax is hereby imposed on each wholesale sale in this State of
52 cannabis by an adult-use cannabis cultivation facility to another cannabis
53 establishment at the rate of 15 percent of the fair market value at wholesale of the

1 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the
2 adult-use cannabis cultivation facility.

3 3. ~~[(A)]~~ *Except as otherwise provided in subsection 8, an* excise tax is hereby
4 imposed on each retail sale in this State of cannabis or cannabis products by an
5 adult-use cannabis retail store or cannabis consumption lounge at the rate of 10
6 percent of the sales price of the cannabis or cannabis products. The excise tax
7 imposed pursuant to this subsection:

8 (a) Is the obligation of the seller of the cannabis or cannabis product;

9 (b) Is separate from and in addition to any general state and local sales and use
10 taxes that apply to retail sales of tangible personal property.

11 4. The revenues collected from the excise tax imposed pursuant to subsection
12 1 must be distributed:

13 (a) To the Cannabis Compliance Board and to local governments in an amount
14 determined to be necessary by the Board to pay the costs of the Board and local
15 governments in carrying out the provisions of chapter 678C of NRS; and

16 (b) If any money remains after the revenues are distributed pursuant to
17 paragraph (a), to the State Treasurer to be deposited to the credit of the State
18 Education Fund.

19 5. The revenues collected from the excise tax imposed pursuant to subsection
20 2 must be distributed:

21 (a) To the Cannabis Compliance Board and to local governments in an amount
22 determined to be necessary by the Board to pay the costs of the Board and local
23 governments in carrying out the provisions of chapter 678D of NRS; and

24 (b) If any money remains after the revenues are distributed pursuant to
25 paragraph (a), to the State Treasurer to be deposited to the credit of the State
26 Education Fund.

27 6. For the purpose of subsections 4 and 5, a total amount of \$5,000,000 of the
28 revenues collected from the excise tax imposed pursuant to subsection 1 and the
29 excise tax imposed pursuant to subsection 2 in each fiscal year shall be deemed
30 sufficient to pay the costs of all local governments to carry out the provisions of
31 chapters 678C and 678D of NRS. The Board shall, by regulation, determine the
32 manner in which local governments may be reimbursed for the costs of carrying out
33 the provisions of chapters 678C and 678D of NRS.

34 7. The revenues collected from the excise tax imposed pursuant to subsection
35 3 must be paid over as collected to the State Treasurer to be deposited to the credit
36 of the State Education Fund.

37 8. *The excise tax imposed pursuant to subsection 3 does not apply to a sale
38 of cannabis for the medical use of cannabis or a medical cannabis product to the
39 holder of a registry identification card or letter of approval by an adult-use
40 cannabis retail store that has been deemed to be a dual licensee pursuant to
41 section 13 of this act.*

42 9. As used in this section:

43 (a) "Adult-use cannabis cultivation facility" has the meaning ascribed to it in
44 NRS 678A.025.

45 (b) "Cannabis product" has the meaning ascribed to it in NRS 678A.120.

46 (c) *"Letter of approval" has the meaning ascribed to it in NRS 678C.070.*

47 (d) "Local government" has the meaning ascribed to it in NRS 360.640.

48 ~~[(e)]~~ (e) "Medical cannabis cultivation facility" has the meaning ascribed to it
49 in NRS 678A.170.

50 ~~[(f)]~~ (f) "Medical cannabis establishment" has the meaning ascribed to it in
51 NRS 678A.180.

52 ~~[(g)]~~ (g) *Medical cannabis product" has the meaning ascribed to it in NRS
53 678A.200.*

1 (h) *“Medical use of cannabis” has the meaning ascribed to it in NRS*
2 *678A.215.*

3 (i) *“Registry identification card” has the meaning ascribed to it in NRS*
4 *678C.080.*

5 (j) “Wholesale sale” means a sale or transfer of cannabis by a cannabis
6 cultivation facility to another cannabis establishment. The term does not include a
7 transfer of cannabis by a cannabis cultivation facility to another cannabis
8 cultivation facility when both cannabis cultivation facilities share identical
9 ownership.

10 **Sec. 15.5.** NRS 453.096 is hereby amended to read as follows:

11 453.096 1. “Marijuana” means:

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

13 (b) ~~[(The seeds thereof;~~

14 ~~—(c)]~~ The resin extracted from any part of the plant, including concentrated
15 cannabis;

16 ~~[(d)]~~ (c) Every compound, manufacture, salt, derivative, mixture or
17 preparation of the plant, *or* its ~~[(seeds or)]~~ resin;

18 ~~[(e)]~~ (d) Any commodity or product made using hemp which exceeds the
19 maximum THC concentration established by the State Department of Agriculture
20 for hemp; and

21 ~~[(f)]~~ (e) Any product or commodity made from hemp which is manufactured
22 or sold by a cannabis establishment which violates any regulation adopted by the
23 Cannabis Compliance Board pursuant to paragraph ~~[(g)]~~ (f) of subsection 1 of NRS
24 678A.450 relating to THC concentration.

25 2. “Marijuana” does not include:

26 (a) Hemp, as defined in NRS 557.160, which is grown or cultivated pursuant to
27 the provisions of chapter 557 of NRS;

28 (b) The mature stalks of the plant ~~[()]~~ *and root balls which have been fully*
29 *separated from the stalks of the plant after harvest*, fiber produced from the stalks,
30 *seeds of the plant*, oil or cake made from the seeds of the plant, any other
31 compound, manufacture, salt, derivative, mixture or preparation of the mature
32 stalks (except the resin extracted therefrom), fiber, oil or cake ; ~~[(or the sterilized~~
33 ~~seed of the plant which is incapable of germination;)]~~ or

34 (c) Any commodity or product made using hemp, as defined in NRS 557.160,
35 which does not exceed the maximum THC concentration established by the State
36 Department of Agriculture for hemp.

37 **Sec. 16.** 1. The Cannabis Advisory Commission created by NRS 678A.300
38 shall conduct a study concerning the potential effects on the cannabis industry in
39 this State if cannabis were to be removed from the list of controlled substances
40 included in schedule I pursuant to the Uniform Controlled Substances Act or the
41 federal Controlled Substances Act. The study must include, without limitation:

42 (a) An examination of federal and state laws and regulations concerning
43 cannabis and what effect the removal of cannabis from the list of controlled
44 substances included in schedule I pursuant to the Uniform Controlled Substances
45 Act or the federal Controlled Substances Act would have on such laws and
46 regulations; and

47 (b) Recommendations for changes to the manner in which cannabis is
48 regulated and taxed in this State that may be necessary to ensure the continued
49 growth and success of the cannabis industry in this State if cannabis were to
50 be removed from the list of controlled substances included in schedule I pursuant to
51 the Uniform Controlled Substances Act or the federal Controlled Substances Act.

1 2. On or before March 1, 2024, the Cannabis Advisory Commission shall
2 submit a report of its findings, including, without limitation, any recommendations
3 for legislation, to:

4 (a) The Joint Interim Standing Committee on the Judiciary; and

5 (b) The Director of the Legislative Counsel Bureau for transmittal to the 83rd
6 Session of the Nevada Legislature.

7 3. As used in this section:

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

9 (b) “Federal Controlled Substances Act” means the federal Controlled
10 Substances Act, as amended, 21 U.S.C. §§ 801 et seq.

11 **Sec. 17.** 1. Except as otherwise provided in this section, a person who, on
12 January 1, 2024, holds a medical cannabis establishment license for a medical
13 cannabis establishment which is not located in a covered jurisdiction and which has
14 been renewed by the person at least one time may, upon expiration of the license,
15 submit an application to the Board for the issuance of an adult-use cannabis
16 establishment license of the same type.

17 2. An application submitted pursuant to subsection 1 must:

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

20 (b) Be accompanied by a fee in an amount that is equal to the fee for the
21 renewal of an adult-use cannabis establishment license of the same type as that of
22 the medical cannabis establishment license which has expired, as set forth in NRS
23 678B.390, as amended by section 10 of this act.

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

28 4. Notwithstanding the provisions of section 4 of this act, a person who, on
29 January 1, 2024, holds a medical cannabis establishment license for a medical
30 cannabis establishment which is not located in a covered jurisdiction and which has
31 never been renewed by the person may renew the license pursuant to NRS
32 678B.210 one time. Upon expiration of the license after the first renewal of the
33 license, the person may apply for and be issued an adult-use cannabis establishment
34 license of the same type in the manner provided in subsections 1, 2 and 3.

35 5. Except as otherwise provided in subsection 6, an adult-use cannabis
36 establishment license issued by the Board pursuant to this section shall be deemed
37 to be an adult-use cannabis establishment license issued by the Board pursuant to
38 NRS 678B.250.

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

42 7. A person who, on January 1, 2024, holds both an adult-use cannabis
43 establishment license and a medical cannabis establishment license of the same
44 type may not, pursuant to this section, apply for and be issued an additional adult-
45 use cannabis establishment license upon the expiration of the medical cannabis
46 establishment license of the person.

47 8. The Board may refuse to issue an adult-use cannabis establishment license
48 pursuant to this section to a person who holds a medical cannabis establishment
49 license on January 1, 2024, if:

50 (a) The person obtained the medical cannabis establishment license through a
51 transfer in accordance with the regulations adopted by the Board pursuant to NRS
52 678B.380 which occurred on or after July 1, 2023, and on or before December 31,
53 2023; and

1 (b) The Board determines that:

2 (1) The transfer by which the person obtained the license was not made in
3 good faith; and

4 (2) Issuing the person an adult-use cannabis establishment license would
5 be against the public interest.

6 9. As used in this section:

7 (a) "Adult-use cannabis establishment license" has the meaning ascribed to it
8 in NRS 678A.040.

9 (b) "Board" means the Cannabis Compliance Board.

10 (c) "Covered jurisdiction" has the meaning ascribed to it in section 3 of this
11 act.

12 (d) "Medical cannabis establishment license" has the meaning ascribed to it in
13 NRS 678A.185.

14 **Sec. 18.** (Deleted by amendment.)

15 **Sec. 19.** 1. This section becomes effective upon passage and approval.

16 2. Section 16 of this act becomes effective on July 1, 2023.

17 3. Sections 1 to 15.5, inclusive, 17 and 18 of this act become effective:

18 (a) Upon passage and approval for the purpose of adopting any regulations and
19 performing any other preparatory administrative tasks that are necessary to carry
20 out the provisions of this act; and

21 (b) On January 1, 2024, for all other purposes.