

(Reprinted with amendments adopted on May 31, 2023)

FIRST REPRINT

S.B. 277

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 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
2 establishments involved in the cannabis industry in this State by the Cannabis
3 Compliance Board. (Title 56 of NRS) Existing law sets forth the method by which
4 the Board may adopt, amend or repeal regulations. (NRS 678A.460) **Section 1.5** of
5 this bill requires the Board, before adopting, amending or repealing any regulation,
6 to consider whether the proposed action is likely to have an adverse effect on the
7 environment and, if so, whether there are any methods to reduce or eliminate that
8 adverse effect which would not impose an economic burden on holders of an adult-
9 use cannabis establishment license or medical cannabis establishment license.

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

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

43 Existing law imposes limits on the number of: (1) medical cannabis
44 establishment licenses for medical cannabis dispensaries and adult-use cannabis
45 establishment licenses for adult-use cannabis retail stores that the Board is
46 authorized to issue within a county; and (2) medical cannabis establishment
47 licenses and adult-use cannabis establishment licenses that a single person, group of
48 persons or entity is authorized to hold in a county whose population is 100,000 or
49 more (currently Clark and Washoe Counties). (NRS 678B.220, 678B.230,
50 678B.260, 678B.270) **Sections 3 and 17** deem an adult-use cannabis establishment
51 license issued pursuant to those sections to be a medical cannabis establishment
52 license for the purpose of those limitations, thereby exempting such a license from
53 the limitations applicable to adult-use cannabis establishment licenses while



54 continuing to subject such licenses to the limitations applicable to medical cannabis
55 establishment licenses.

56 **Section 10** of this bill increases the maximum amount of the fees that the Board
57 is authorized to charge for the issuance or renewal of an adult-use cannabis
58 establishment license.

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

64 Existing law provides an exemption from state prosecution for the possession,
65 delivery and production of cannabis for: (1) a person who holds a valid registry
66 identification card or letter of approval; and (2) a person who is 21 years of age or
67 older. (NRS 678C.200, 678D.200) However, under existing law, that exemption is
68 subject to certain limitations. For a person who is 21 years of age or older, that
69 exemption applies only to the extent that the person does not, at any one time,
70 possess, deliver or produce more than: (1) one ounce of usable cannabis; (2) one-
71 eighth of an ounce of concentrated cannabis; (3) six cannabis plants; and (4) a
72 maximum allowable quantity of adult-use cannabis products established by
73 regulation of the Board. (NRS 678D.200) **Section 14** of this bill increases the
74 amount of usable cannabis, from 1 ounce to 2.5 ounces, and the amount of
75 concentrated cannabis, from one-eighth of an ounce to one-fourth of an ounce, that
76 a person who is 21 years of age or older is authorized to possess, deliver or produce
77 at any one time and remain subject to the exemption from state prosecution for the
78 possession, delivery and production of cannabis.

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

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



109 concerning excluded felony offenses to reflect the authorization provided in **section**
110 **4.5** for the Board to grant an exemption from those prohibitions.

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

119 Existing law authorizes the board of county commissioners of a county and the
120 governing body of an incorporated city to fix, impose and collect a license tax on
121 cannabis establishments. (NRS 244.35253, 268.0977) **Sections 14.3 and 14.6** of
122 this bill authorize the board of county commissioners of a county and the governing
123 body of an incorporated city to use any portion of any money collected from that
124 license tax to educate the public on safely purchasing cannabis and cannabis
125 products from licensed cannabis establishments and the safe consumption of
126 cannabis products.

127 Existing law defines “marijuana” for the purposes of the regulation of
128 controlled substances. (NRS 453.096) **Section 15.5** of this bill excludes from the
129 definition of “marijuana”: (1) root balls which have been fully separated from the
130 stalks of the plant of the genus *Cannabis* after harvest; and (2) the seeds of that
131 plant.

132 Under the federal Controlled Substances Act, cannabis, referred to as
133 “marihuana,” is included in the list of controlled substances in schedule I. (21
134 U.S.C. § 812) Similarly, existing regulations adopted by the State Board of
135 Pharmacy pursuant to the provisions of the state Uniform Controlled Substances
136 Act include cannabis, referred to as “marijuana,” in the list of controlled substances
137 in schedule I. (NRS 453.011-453.348; NAC 453.510) **Section 16** of this bill
138 requires the Cannabis Advisory Commission to conduct a study concerning the
139 potential effects of the removal of cannabis from the list of controlled substances
140 included in schedule I pursuant to the federal Controlled Substances Act or the state
141 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:

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

3 678A.450 1. The Board may adopt regulations necessary or
4 convenient to carry out the provisions of this title. Such regulations
5 may include, without limitation:

6 (a) Financial requirements for licensees.

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

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



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

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

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

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

19 ~~(h)]~~ (g) Requirements relating to the packaging and labeling of
20 cannabis and cannabis products.

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

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

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

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

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

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

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

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

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

42 678A.460 1. The Board shall adopt, amend and repeal
43 regulations in accordance with the following procedures:



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

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

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

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

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

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

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

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

19 (c) On the date and at the time and place designated in the
20 notice, the Board shall afford any interested person or his or her
21 authorized representative, or both, the opportunity to present
22 statements, arguments or contentions in writing, with or without
23 opportunity to present them orally. ~~¶The Board shall consider all
24 relevant matter presented to it before adopting, amending or
25 repealing any regulation.¶~~

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

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

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

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

36 (1) The substance or nature of the regulation, amendment or
37 repeal requested;

38 (2) The reasons for the request; and

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

41 ➔ Upon receipt of the petition, the Board shall within 45 days deny
42 the request in writing or schedule the matter for action pursuant to
43 this subsection.

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



1 (a) The Board submits to the Governor:

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

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

7 (b) The Governor endorses the written finding and written
8 statement described in paragraph (a) by written endorsement at the
9 end of the full text of the written statement and written finding; and

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

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

17 4. The Board shall file a copy of any regulation adopted,
18 amended or repealed by the Board with the Legislative Council as
19 soon as practicable after adoption, amendment or repeal. The
20 adoption, amendment or repeal of a regulation by the Board
21 becomes effective upon filing with the Secretary of State. The Board
22 shall not file a regulation with the Secretary of State until 15 days
23 after the date on which the regulation was adopted, amended or
24 repealed by the Board.

25 5. Upon the request of a Legislator, the Legislative
26 Commission may examine a regulation adopted, amended or
27 repealed by the Board that is not yet effective pursuant to subsection
28 4 to determine whether the regulation conforms to the statutory
29 authority pursuant to which it was adopted and whether the
30 regulation carries out the intent of the Legislature in granting that
31 authority.

32 6. Except as otherwise provided in subsection 7, the
33 Legislative Commission shall:

34 (a) Review the regulation at its next regularly scheduled meeting
35 if the request for examination of the regulation is received more than
36 10 working days before the meeting; or

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

40 7. If the Board determines that an emergency exists which
41 requires a regulation of the Board for which a Legislator requested
42 an examination pursuant to subsection 5 to become effective before
43 the next meeting of the Legislative Commission is scheduled to be
44 held, the Board may notify the Legislative Council in writing of the
45 emergency. Upon receipt of such a notice, the Legislative Council



1 shall refer the regulation for review by the Subcommittee to Review
2 Regulations as soon as practicable.

3 8. If the Legislative Commission, or the Subcommittee to
4 Review Regulations if the regulation was referred to the
5 Subcommittee, approves the regulation, the Legislative Counsel
6 shall notify the Board that the Board may file the regulation with the
7 Secretary of State. If the Commission or the Subcommittee objects
8 to the regulation after determining that:

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

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

11 ➔ the Legislative Counsel shall attach to the regulation a written
12 notice of the objection, including, if practicable, a statement of the
13 reasons for the objection, and shall promptly return the regulation to
14 the Board.

15 9. If the Legislative Commission or the Subcommittee to
16 Review Regulations has objected to a regulation, the Board shall
17 revise the regulation to conform to the statutory authority pursuant
18 to which it was adopted and to carry out the intent of the Legislature
19 in granting that authority and return it to the Legislative Counsel
20 within 60 days after the Board received the written notice of the
21 objection to the regulation pursuant to subsection 8. Upon receipt of
22 the revised regulation, the Legislative Counsel shall resubmit the
23 regulation to the Legislative Commission or the Subcommittee for
24 review. If the Legislative Commission or the Subcommittee
25 approves the revised regulation, the Legislative Counsel shall notify
26 the Board that the Board may file the revised regulation with the
27 Secretary of State.

28 10. If the Legislative Commission or the Subcommittee to
29 Review Regulations objects to the revised regulation, the Legislative
30 Counsel shall attach to the revised regulation a written notice of the
31 objection, including, if practicable, a statement of the reasons for
32 the objection, and shall promptly return the revised regulation to the
33 Board. The Board shall continue to revise the regulation and
34 resubmit it to the Legislative Commission or the Subcommittee
35 within 30 days after the Board receives a written notice of the
36 objection to the revised regulation.

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

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

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

44 ***(a) Issue a medical cannabis establishment license to an***
45 ***applicant pursuant to NRS 678B.210 if the proposed medical***



1 *cannabis establishment will be located in a local governmental*
2 *jurisdiction that is a covered jurisdiction.*

3 *(b) Renew the medical cannabis establishment license of a*
4 *medical cannabis establishment pursuant to NRS 678B.210 so*
5 *long as the local governmental jurisdiction in which the medical*
6 *cannabis establishment is located is a covered jurisdiction.*

7 *3. If a local governmental jurisdiction that is a covered*
8 *jurisdiction ceases to be a covered jurisdiction, a person who holds*
9 *a medical cannabis establishment license for a medical cannabis*
10 *establishment located in the local governmental jurisdiction may,*
11 *upon expiration of the license, submit an application to the Board*
12 *for the issuance of an adult-use cannabis establishment license of*
13 *the same type.*

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

15 *(a) Contain the same information as required for the renewal*
16 *of a medical cannabis establishment license pursuant to NRS*
17 *678B.210; and*

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

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

26 *6. Except as otherwise provided in subsection 7, an adult-use*
27 *cannabis establishment license issued by the Board pursuant to*
28 *this section shall be deemed to be an adult-use cannabis*
29 *establishment license issued by the Board pursuant to*
30 *NRS 678B.250.*

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

35 *8. As used in this section:*

36 *(a) "Covered jurisdiction" means a local governmental*
37 *jurisdiction that has adopted local cannabis control measures*
38 *which prohibit the operation of adult-use cannabis establishments*
39 *in the local governmental jurisdiction.*

40 *(b) "Local governmental jurisdiction" means a city or*
41 *unincorporated area within a county.*

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



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

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

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

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

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

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

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

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

18 **4. The Board may impose any conditions and limitations on**
19 **the granting of an exemption pursuant to this section as the Board**
20 **determines necessary to preserve the public health and safety or**
21 **mitigate the impact of the granting of the exemption on the**
22 **cannabis industry in this State. Such conditions and limitations**
23 **may include, without limitation, conditions and limitations on the**
24 **conduct of the petitioner in the cannabis industry in this State and**
25 **the cannabis-related activities in which the petitioner is authorized**
26 **to engage.**

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

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

30 678B.210 1. A person shall not engage in the business of a
31 medical cannabis establishment unless the person holds a medical
32 cannabis establishment license issued by the Board pursuant to this
33 section.

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

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



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

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

5 (2) An application, which must include:

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

43 5. Except as otherwise provided in subsection 6 ~~H~~ *and section*
44 *3 of this act*, if an application for registration as a medical cannabis
45 establishment satisfies the requirements of this section, is qualified



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

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

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

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

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

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

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

21 (b) A public park.

22 (c) A playground.

23 (d) A public swimming pool.

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

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

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

30 678B.220 1. Except as otherwise provided in this section and
31 NRS 678B.230, *and section 3 of this act*, the Board shall issue
32 medical cannabis establishment licenses for medical cannabis
33 dispensaries in the following quantities for applicants who qualify
34 pursuant to NRS 678B.210:

35 (a) In a county whose population is 700,000 or more, 40
36 licenses;

37 (b) In a county whose population is 100,000 or more but less
38 than 700,000, 10 licenses;

39 (c) In a county whose population is 55,000 or more but less than
40 100,000, two licenses;

41 (d) In each other county, one license; and

42 (e) For each incorporated city in a county whose population is
43 less than 100,000, one license.

44 2. The Board:



1 (a) Shall not issue medical cannabis establishment licenses for
2 medical cannabis dispensaries in such a quantity as to cause the
3 existence within the applicable county of more than one medical
4 cannabis dispensary for every 10 pharmacies that have been licensed
5 in the county pursuant to chapter 639 of NRS. The Board may issue
6 medical cannabis establishment licenses for medical cannabis
7 dispensaries in excess of the ratio otherwise allowed pursuant to this
8 paragraph if doing so is necessary to ensure that the Board issues at
9 least one medical cannabis establishment license in each county of
10 this State and, pursuant to paragraph (e) of subsection 1, each
11 incorporated city of this State in which the Board has approved an
12 application for such an establishment to operate.

13 (b) Shall, for any county for which no applicants qualify
14 pursuant to NRS 678B.210, within 2 months after the end of the
15 period during which the Board accepts applications pursuant to NRS
16 678B.300, reallocate the licenses provided for that county pursuant
17 to subsection 1 to the other counties specified in subsection 1 in the
18 same proportion as provided in subsection 1.

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

21 (a) Issue a medical cannabis establishment license to at least one
22 medical cannabis cultivation facility and at least one medical
23 cannabis production facility in each county; and

24 (b) Determine the appropriate number of additional such
25 establishments in each county as are necessary to serve and supply
26 the medical cannabis dispensaries to which the Board has granted
27 medical cannabis establishment licenses and issue such a number of
28 medical cannabis establishment licenses for such establishments in
29 each county.

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

31 678B.250 1. A person shall not engage in the business of an
32 adult-use cannabis establishment unless the person holds an adult-
33 use cannabis establishment license issued pursuant to this section.

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

37 3. Except as otherwise provided in NRS 678B.260, 678B.270,
38 678B.280, 678B.322 and 678B.324 to 678B.328, inclusive, the
39 Board shall issue an adult-use cannabis establishment license to an
40 applicant if:

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

- 44 (1) The application fee, as set forth in NRS 678B.390;
45 (2) An application, which must include:



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

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

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

24 (IV) Evidence that the applicant owns the property on
25 which the proposed adult-use cannabis establishment will be located
26 or has the written permission of the property owner to operate the
27 proposed adult-use cannabis establishment on that property;

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

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

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

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

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

44 (4) If the proposed adult-use cannabis establishment will sell
45 or deliver adult-use cannabis products, proposed operating



1 procedures for handling such products which must be preapproved
2 by the Board; and

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

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

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

12 (1) Served as an owner, officer or board member for a
13 cannabis establishment that has had its adult-use cannabis
14 establishment license or medical cannabis establishment license
15 revoked;

16 (2) Previously had a cannabis establishment agent
17 registration card revoked;

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

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

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

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

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

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

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

43 6. In determining whether to issue an adult-use cannabis
44 license pursuant to this section, the Board shall consider the criteria



1 of merit and scoring guidelines set forth in NRS 678B.280 or
2 678B.324, as applicable.

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

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

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

10 (b) A public park.

11 (c) A playground.

12 (d) A public swimming pool.

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

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

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

19 678B.340 1. ~~Except as otherwise provided in any policies~~
20 ~~and procedures adopted by the Board pursuant to paragraph (e) of~~
21 ~~subsection 1 of NRS 678A.450, a] A person shall not [hold an~~
22 ~~ownership interest in a cannabis establishment of less than 5~~
23 ~~percent,]~~ volunteer or work at, contract to provide labor to or be
24 employed by an independent contractor to provide labor to a
25 cannabis establishment as a cannabis establishment agent unless the
26 person is registered with the Board pursuant to this section.

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

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

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

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

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

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

42 3. A person who wishes to contract to provide labor to or be
43 employed by an independent contractor to provide labor to a
44 cannabis establishment shall submit to the Board an application on a
45 form prescribed by the Board for the registration of the independent



1 contractor and each employee of the independent contractor who
2 will provide labor as a cannabis establishment agent. The
3 application must be accompanied by:

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

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

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

16 (d) A statement signed by the prospective cannabis
17 establishment agent asserting that it has not previously had a
18 cannabis establishment agent registration card revoked and that
19 none of its employees who will provide labor as a cannabis
20 establishment agent have previously had a cannabis establishment
21 agent registration card revoked;

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

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

25 4. ~~Except as otherwise provided in any policies and~~
26 ~~procedures adopted by the Board pursuant to paragraph (e) of~~
27 ~~subsection 1 of NRS 678A.450, a person who wishes to hold an~~
28 ~~ownership interest in a cannabis establishment of less than 5 percent~~
29 ~~shall submit to the Board an application on a form prescribed by the~~
30 ~~Board. The application must be accompanied by:~~

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

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

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

40 ~~—(d) Any information required by the Board to complete an~~
41 ~~investigation into the background of the prospective cannabis~~
42 ~~establishment agent, including, without limitation, financial records~~
43 ~~and other information relating to the business affairs of the~~
44 ~~prospective cannabis establishment agent;~~

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



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

3 ~~—5.]~~ The Board may conduct any investigation of a prospective
4 cannabis establishment agent and, for an independent contractor,
5 each employee of the prospective cannabis establishment agent who
6 will provide labor as a cannabis establishment agent, that the Board
7 deems appropriate. In connection with such an investigation, the
8 Board may:

9 (a) Conduct or accept any background check the Board
10 determines to be reliable and expedient to determine the criminal
11 history of the prospective cannabis establishment agent or the
12 employee;

13 (b) Require a prospective cannabis establishment agent, if a
14 natural person, and each employee of a prospective cannabis
15 establishment agent who will provide labor as a cannabis
16 establishment agent to submit to the Board a complete set of
17 fingerprints and written permission authorizing the Board to forward
18 the fingerprints to the Central Repository for Nevada Records of
19 Criminal History for submission to the Federal Bureau of
20 Investigation for its report; and

21 (c) If the Board imposes the requirement described in paragraph
22 (b), submit the fingerprints of the prospective cannabis
23 establishment agent and each employee of the prospective
24 cannabis establishment agent who will provide labor as a cannabis
25 establishment agent to the Central Repository for Nevada Records
26 of Criminal History for submission to the Federal Bureau of
27 Investigation for its report.

28 ~~[6.]~~ 5. A cannabis establishment shall notify the Board within
29 10 business days after a cannabis establishment agent ceases to
30 ~~[hold an ownership interest in the cannabis establishment of less~~
31 ~~than 5 percent.]~~ be employed by, volunteer at or provide labor as a
32 cannabis establishment agent to the cannabis establishment.

33 ~~[7.—A]~~

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

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

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

38 (c) Is not qualified, in the determination of the Board pursuant to
39 NRS 678B.200,
40 ↪ shall not serve as a cannabis establishment agent.

41 ~~[8.]~~ 7. The provisions of this section do not require a person
42 who is an owner, officer or board member of a cannabis
43 establishment to resubmit information already furnished to the
44 Board at the time the establishment was licensed with the Board.



~~19.1~~ 8. If an applicant for registration as a cannabis establishment agent satisfies the requirements of this section, is found to be qualified by the Board pursuant to NRS 678B.200 and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the Board shall issue to the person and, for an independent contractor, to each person identified in the independent contractor's application for registration as an employee who will provide labor as a cannabis establishment agent, a cannabis establishment agent registration card. If the Board does not act upon an application for a cannabis establishment agent registration card within 45 days after the date on which the application is received, the application shall be deemed conditionally approved until such time as the Board acts upon the application. A cannabis establishment agent registration card expires 2 years after the date of issuance and may be renewed upon:

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

~~110.1~~ 9. A person to whom a cannabis establishment agent registration card is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.

~~111.1~~ 10. A cannabis establishment agent registration card issued pursuant to this section to an independent contractor or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any cannabis establishment in this State.

~~112.1~~ 11. A cannabis establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a ~~medical~~ cannabis establishment authorizes the person to volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.

~~113.1~~ 12. Except as otherwise prescribed by regulation of the Board, an applicant for registration or renewal of registration as a cannabis establishment agent is deemed temporarily registered as a cannabis establishment agent on the date on which a complete application for registration or renewal of registration is submitted to the Board. A temporary registration as a cannabis establishment agent expires 45 days after the date upon which the application is received.

13. A person who holds an ownership interest of less than 5 percent in a cannabis establishment is not required to obtain a



cannabis establishment agent registration card pursuant to this section. The Board may, in connection with the issuance or renewal of a license pursuant to NRS 678B.210 or 678B.250, conduct such investigations of such a person as the Board determines to be necessary.

Sec. 9. (Deleted by amendment.)

Sec. 10. NRS 678B.390 is hereby amended to read as follows:
678B.390 1. Except as otherwise provided in subsection 3, the Board shall collect not more than the following maximum fees:

| | |
|--|----------------------------|
| For the initial issuance of a medical cannabis establishment license for a medical cannabis dispensary | \$30,000 |
| For the renewal of a medical cannabis establishment license for a medical cannabis dispensary | 5,000 |
| For the initial issuance of a medical cannabis establishment license for a medical cannabis cultivation facility | 3,000 |
| For the renewal of a medical cannabis establishment license for a medical cannabis cultivation facility | 1,000 |
| For the initial issuance of a medical cannabis establishment license for a medical cannabis production facility | 3,000 |
| For the renewal of a medical cannabis establishment license for a medical cannabis production facility | 1,000 |
| For the initial issuance of a medical cannabis establishment license for a medical cannabis independent testing laboratory | 5,000 |
| For the renewal of a medical cannabis establishment license for a medical cannabis independent testing laboratory | 3,000 |
| For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store | [20,000] 50,000 |
| For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store | [6,600] 9,215 |
| For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility | [30,000] 33,000 |



| | | |
|----|---|--------------------------------|
| 1 | For the renewal of an adult-use cannabis | |
| 2 | establishment license for an adult-use | |
| 3 | cannabis cultivation facility | [\$10,000] \$11,054 |
| 4 | For the initial issuance of an adult-use | |
| 5 | cannabis establishment license for an | |
| 6 | adult-use cannabis production facility..... | [\$10,000] 13,000 |
| 7 | For the renewal of an adult-use cannabis | |
| 8 | establishment license for an adult-use | |
| 9 | cannabis production facility | [\$3,300] 4,414 |
| 10 | For the initial issuance of an adult-use | |
| 11 | cannabis establishment license for an | |
| 12 | adult-use cannabis independent testing | |
| 13 | laboratory | [\$15,000] 20,000 |
| 14 | For the renewal of an adult-use cannabis | |
| 15 | establishment license for an adult-use | |
| 16 | cannabis independent testing | |
| 17 | laboratory | [\$5,000] 8,000 |
| 18 | For the initial issuance of an adult-use | |
| 19 | cannabis establishment license for a | |
| 20 | retail cannabis consumption lounge | 10,000 |
| 21 | For the renewal of an adult-use cannabis | |
| 22 | establishment license for a retail | |
| 23 | cannabis consumption lounge | 10,000 |
| 24 | For the initial issuance of an adult-use | |
| 25 | cannabis establishment license for an | |
| 26 | independent cannabis consumption | |
| 27 | lounge..... | 10,000 |
| 28 | For the renewal of an adult-use cannabis | |
| 29 | establishment license for an | |
| 30 | independent cannabis consumption | |
| 31 | lounge..... | 10,000 |
| 32 | For the initial issuance of an adult-use | |
| 33 | cannabis establishment license for an | |
| 34 | adult-use cannabis distributor..... | 15,000 |
| 35 | For the renewal of an adult-use cannabis | |
| 36 | establishment license for an adult-use | |
| 37 | cannabis distributor | 5,000 |
| 38 | For each person identified in an | |
| 39 | application for the initial issuance of a | |
| 40 | cannabis establishment agent | |
| 41 | registration card..... | 150 |
| 42 | For each person identified in an | |
| 43 | application for the renewal of a | |
| 44 | cannabis establishment agent | |
| 45 | registration card..... | 150 |



1 2. The Board may by regulation establish reduced fees for:
2 (a) The initial issuance and renewal of an adult-use cannabis
3 establishment license for an independent cannabis consumption
4 lounge; and

5 (b) The application fee set forth in subsection 3,
6 ↪ for a social equity applicant. Such a reduction must not reduce
7 the fee paid by a social equity applicant by more than 75 percent of
8 the fee paid by an applicant who is not a social equity applicant.

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

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

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

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

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

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

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

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

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

36 678B.510 1. The operating documents of a cannabis
37 establishment must include procedures:

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

39 (b) To ensure accurate recordkeeping.

40 2. Except as otherwise provided in this subsection, a cannabis
41 establishment **⚠**:

42 ~~—(a) That is a cannabis sales facility must have a single entrance~~
43 ~~for patrons, which must be secure, and shall implement strict~~
44 ~~security measures to deter and prevent the theft of cannabis and~~
45 ~~unauthorized entrance into areas containing cannabis.~~



1 —(b) ~~That is not a cannabis sales facility must~~ *may* have ~~[a single~~
2 ~~secure] more than one~~ entrance *so long as each entrance is secure*
3 and shall implement strict security measures to deter and prevent the
4 theft of cannabis and unauthorized entrance into areas containing
5 cannabis.

6 ~~[→]~~ The provisions of this subsection do not supersede any state or
7 local requirements relating to minimum numbers of points of entry
8 or exit, or any state or local requirements relating to fire safety.

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

20 4. A cannabis establishment that is not a cannabis consumption
21 lounge shall not allow any person to consume cannabis on the
22 property or premises of the establishment.

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

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

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

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

34 7. A cannabis establishment shall not dispense or otherwise sell
35 cannabis or cannabis products from a vending machine or allow
36 such a vending machine to be installed at the interior or exterior of
37 the premises of the cannabis establishment. As used in this
38 subsection, “vending machine” has the meaning ascribed to it in
39 NRS 209.229.

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

41 678C.440 1. Each medical cannabis dispensary shall ensure
42 all of the following:

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



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

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

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

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

13 2. A medical cannabis dispensary may, but is not required to,
14 track the purchases of cannabis for medical purposes by any person
15 to ensure that the person does not exceed the legal limits on the
16 possession of cannabis for medical purposes, as set forth in NRS
17 678C.200. The Board shall not adopt a regulation or in any other
18 way require a medical cannabis dispensary to track the purchases of
19 a person or determine whether the person has exceeded the legal
20 limits on the possession of cannabis for medical purposes, as set
21 forth in NRS 678C.200.

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

28 4. A medical cannabis dispensary shall not sell cannabis or
29 cannabis products to a consumer through the use of, or accept a sale
30 of cannabis or cannabis products from, a third party, intermediary
31 business, broker or any other business that does not hold a medical
32 cannabis establishment license for a medical cannabis dispensary.

33 5. A medical cannabis dispensary may contract with a third
34 party or intermediary business to deliver cannabis or medical
35 cannabis products to consumers only if:

36 (a) Every sale of cannabis or cannabis products which is
37 delivered by the third party or intermediary business is made
38 directly from the medical cannabis dispensary or an Internet
39 website, digital network or software application service of the
40 medical cannabis dispensary;

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



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

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

5 *1. Each adult-use cannabis establishment shall be deemed to*
6 *be a dual licensee for the purposes of this title and may engage in*
7 *any activity relating to the medical use of cannabis in the same*
8 *manner and to the same extent as if the adult-use cannabis*
9 *establishment also held a medical cannabis establishment license*
10 *of the same type for which the establishment holds an adult-use*
11 *cannabis establishment license.*

12 *2. An adult-use cannabis establishment that engages in*
13 *activities involving the medical use of cannabis pursuant to this*
14 *section shall comply with all provisions of this title and the*
15 *regulations adopted pursuant thereto applicable to a dual licensee,*
16 *including, without limitation, any provisions governing the*
17 *specific activity relating to the medical use of cannabis in which*
18 *the establishment is engaged.*

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

21 **Sec. 14.** NRS 678D.200 is hereby amended to read as follows:
22 678D.200 1. Except as otherwise provided in NRS
23 678D.300, a person who is 21 years of age or older is exempt from
24 state prosecution for:

- 25 (a) The possession, delivery or production of cannabis;
26 (b) The possession or delivery of paraphernalia;
27 (c) Aiding and abetting another in the possession, delivery or
28 production of cannabis;
29 (d) Aiding and abetting another in the possession or delivery of
30 paraphernalia;
31 (e) Any combination of the acts described in paragraphs (a) to
32 (d), inclusive; and
33 (f) Any other criminal offense in which the possession, delivery
34 or production of cannabis or the possession or delivery of
35 paraphernalia is an element.

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

41 3. The exemption from state prosecution set forth in subsection
42 1 applies only to the extent that a person:

- 43 (a) Is 21 years of age or older;



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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 the regulations adopted by the Board pursuant thereto, is exempt
2 from state prosecution for:

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

4 (b) The possession or delivery of paraphernalia;

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

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

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

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

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

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

20 244.35253 1. Except as otherwise provided in this section, a
21 board of county commissioners shall not fix, impose or collect a
22 license tax for revenue or for regulation, or for both revenue and
23 regulation, on a cannabis establishment located in the county.

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

29 (a) Flat fee;

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

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

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

39 4. *A board of county commissioners may use any portion of*
40 *any money collected as a license tax pursuant to subsection 2 to*
41 *educate the public, using any method of public outreach or*
42 *medium of communication, on safely purchasing cannabis and*
43 *cannabis products from licensed cannabis establishments and the*
44 *safe consumption of cannabis and cannabis products.*



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

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

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

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

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

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

20 ~~5.1~~ **6.** A board of county commissioners shall not enact or
21 enforce any ordinance which is more restrictive than or conflicts
22 with a law or regulation of this State relating to:

23 (a) The packaging, labeling, testing, dosage or potency of
24 cannabis or cannabis products;

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

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

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

29 (e) The transportation of cannabis or cannabis products other
30 than the direct transportation of cannabis or cannabis products to a
31 consumer and a requirement to notify the county of any
32 transportation of cannabis or cannabis products;

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

35 (g) The training or certification of cannabis establishment agents
36 or employees of a cannabis establishment;

37 (h) The creation or maintenance of a registry or other system to
38 obtain and track information relating to customers of cannabis
39 establishments or holders of a registry identification card or letter of
40 approval; or

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

44 ~~6.1~~ **7.** A person who obtains a business license described in
45 this section is subject to all other licensing and permitting



1 requirements of the State and any other counties and cities in which
2 the person does business.

3 ~~(7)~~ 8. As used in this section:

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

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

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

10 ~~(e)~~ (d) “Cannabis products” has the meaning ascribed to it in
11 NRS 678A.120.

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

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

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

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

20 268.0977 1. Except as otherwise provided in this section, the
21 governing body of an incorporated city, whether organized under
22 general law or special charter, shall not fix, impose or collect for
23 revenues or for regulation, or both, a license tax on a cannabis
24 establishment located within its corporate limits.

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

30 (a) Flat fee;

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

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

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

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



1 *establishments and the safe consumption of cannabis and*
2 *cannabis products.*

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

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

8 (b) A one-time flat fee for an application for the issuance of a
9 business license for a cannabis establishment located within its
10 corporate limits in an amount that does not exceed any similar fee
11 imposed on a business pursuant to this chapter and chapter 369 of
12 NRS; and

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

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

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

20 ~~5.7~~ 6. The governing body of an incorporated city, whether
21 organized under general law or special charter, shall not enact or
22 enforce any ordinance which is more restrictive than or conflicts
23 with a law or regulation of this State relating to:

24 (a) The packaging, labeling, testing, dosage or potency of
25 cannabis or cannabis products;

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

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

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

30 (e) The transportation of cannabis or cannabis products other
31 than the direct transportation of cannabis or cannabis products to a
32 consumer and a requirement to notify the city of any transportation
33 of cannabis or cannabis products;

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

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

38 (h) The creation or maintenance of a registry or other system to
39 obtain and track information relating to customers of cannabis
40 establishments or holders of a registry identification card or letter of
41 approval; or

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



1 ~~6.1~~ 7. A person who obtains a business license described in
2 this section is subject to all other licensing and permitting
3 requirements of the State and any other counties and cities in which
4 the person does business.

5 ~~7.1~~ 8. As used in this section:

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

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

10 ~~11.1~~ (c) "Cannabis establishment agent" has the meaning
11 ascribed to it in NRS 678A.100.

12 ~~12.1~~ (d) "Cannabis products" has the meaning ascribed to it in
13 NRS 678A.120.

14 ~~13.1~~ (e) "Letter of approval" has the meaning ascribed to it in
15 NRS 678C.070.

16 ~~14.1~~ (f) "Registry identification card" has the meaning ascribed
17 to it in NRS 678C.080.

18 ~~15.1~~ (g) "Written documentation" has the meaning ascribed to it
19 in NRS 678C.110.

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

21 372A.290 1. An excise tax is hereby imposed on each
22 wholesale sale in this State of cannabis by a medical cannabis
23 cultivation facility to another cannabis establishment at the rate of
24 15 percent of the fair market value at wholesale of the cannabis. The
25 excise tax imposed pursuant to this subsection is the obligation of
26 the medical cannabis cultivation facility.

27 2. An excise tax is hereby imposed on each wholesale sale in
28 this State of cannabis by an adult-use cannabis cultivation facility to
29 another cannabis establishment at the rate of 15 percent of the fair
30 market value at wholesale of the cannabis. The excise tax imposed
31 pursuant to this subsection is the obligation of the adult-use
32 cannabis cultivation facility.

33 3. ~~3.1~~ *Except as otherwise provided in subsection 8, an*
34 *excise tax is hereby imposed on each retail sale in this State of*
35 *cannabis or cannabis products by an adult-use cannabis retail store*
36 *or cannabis consumption lounge at the rate of 10 percent of the sales*
37 *price of the cannabis or cannabis products. The excise tax imposed*
38 *pursuant to this subsection:*

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

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

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



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

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

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

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

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

17 6. For the purpose of subsections 4 and 5, a total amount of
18 \$5,000,000 of the revenues collected from the excise tax imposed
19 pursuant to subsection 1 and the excise tax imposed pursuant to
20 subsection 2 in each fiscal year shall be deemed sufficient to pay the
21 costs of all local governments to carry out the provisions of chapters
22 678C and 678D of NRS. The Board shall, by regulation, determine
23 the manner in which local governments may be reimbursed for the
24 costs of carrying out the provisions of chapters 678C and 678D of
25 NRS.

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

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

35 9. As used in this section:

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

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

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

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

44 ~~(d)~~ (e) "Medical cannabis cultivation facility" has the meaning
45 ascribed to it in NRS 678A.170.



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

3 ~~[(f)]~~ (g) *Medical cannabis product* has the meaning ascribed
4 to it in NRS 678A.200.

5 (h) *Medical use of cannabis* has the meaning ascribed to it
6 in NRS 678A.215.

7 (i) *Registry identification card* has the meaning ascribed to
8 it in NRS 678C.080.

9 (j) "Wholesale sale" means a sale or transfer of cannabis by a
10 cannabis cultivation facility to another cannabis establishment. The
11 term does not include a transfer of cannabis by a cannabis
12 cultivation facility to another cannabis cultivation facility when both
13 cannabis cultivation facilities share identical ownership.

14 **Sec. 15.5.** NRS 453.096 is hereby amended to read as follows:
15 453.096 1. "Marijuana" means:

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

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

19 ~~-(e)]~~ The resin extracted from any part of the plant, including
20 concentrated cannabis;

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

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

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

31 2. "Marijuana" does not include:

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

34 (b) The mature stalks of the plant ~~[(])~~ *and root balls which have*
35 *been fully separated from the stalks of the plant after harvest*, fiber
36 produced from the stalks, *seeds of the plant*, oil or cake made from
37 the seeds of the plant, any other compound, manufacture, salt,
38 derivative, mixture or preparation of the mature stalks (except the
39 resin extracted therefrom), fiber, oil or cake ; ~~[(, or the sterilized seed~~
40 ~~of the plant which is incapable of germination;)]~~ or

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



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

8 (a) An examination of federal and state laws and regulations
9 concerning cannabis and what effect the removal of cannabis from
10 the list of controlled substances included in schedule I pursuant to
11 the Uniform Controlled Substances Act or the federal Controlled
12 Substances Act would have on such laws and regulations; and

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

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

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

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

25 3. As used in this section:

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

27 (b) "Federal Controlled Substances Act" means the federal
28 Controlled Substances Act, as amended, 21 U.S.C. §§ 801 et seq.

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

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

37 (a) Contain the same information as required for the renewal of
38 a medical cannabis establishment license pursuant to NRS
39 678B.210; and

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



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

5 4. Notwithstanding the provisions of section 4 of this act, a
6 person who, on January 1, 2024, holds a medical cannabis
7 establishment license for a medical cannabis establishment which is
8 not located in a covered jurisdiction and which has never been
9 renewed by the person may renew the license pursuant to NRS
10 678B.210 one time. Upon expiration of the license after the first
11 renewal of the license, the person may apply for and be issued an
12 adult-use cannabis establishment license of the same type in the
13 manner provided in subsections 1, 2 and 3.

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

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

22 7. A person who, on January 1, 2024, holds both an adult-use
23 cannabis establishment license and a medical cannabis
24 establishment license of the same type may not, pursuant to this
25 section, apply for and be issued an additional adult-use cannabis
26 establishment license upon the expiration of the medical cannabis
27 establishment license of the person.

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

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

35 (b) The Board determines that:

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

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

40 9. As used in this section:

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

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

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



1 (d) “Medical cannabis establishment license” has the meaning
2 ascribed to it in NRS 678A.185.

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

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

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

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

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

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

