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EXEMPT

(Reprinted with amendments adopted on June 4, 2023)

SECOND 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; decreasing certain fees for the issuance and renewal of an adult-use cannabis establishment license; authorizing cannabis establishments to have more than one entrance; deeming each adult-use cannabis establishment to be a dual licensee; revising the exemption from state prosecution for certain offenses relating to cannabis to increase the amount of cannabis and concentrated cannabis that a person who is 21 years of age or older is authorized to possess, deliver or produce; authorizing certain local governments to use money collected from a licensing tax on cannabis establishments for certain purposes; revising provisions relating to the excise tax on cannabis; revising the definition of the term “marijuana”; requiring the Cannabis Advisory Commission to conduct a study concerning certain matters relating to the scheduling of cannabis; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law provides for the licensure and regulation of persons and
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 decreases the maximum amount of the fees that the
57 Board is authorized to charge for the issuance or renewal of an adult-use cannabis
58 establishment license, other than the fee for the initial issuance of an adult-use
59 cannabis establishment license for an adult-use cannabis retail store, to an amount
60 that is equal to the amount set forth under existing law for the issuance or renewal,
61 as applicable, of a medical cannabis establishment license of the same type.

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

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

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

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



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109 impact of granting the exemption on the cannabis industry in this State. **Section 4.5**
110 requires the Board to adopt regulations to carry out the provisions of **section 4.5.**
111 **Sections 5, 7 and 8** of this bill revise provisions setting forth the prohibitions
112 concerning excluded felony offenses to reflect the authorization provided in **section**
113 **4.5** for the Board to grant an exemption from those prohibitions.

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

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

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

135 Under the federal Controlled Substances Act, cannabis, referred to as
136 "marihuana," is included in the list of controlled substances in schedule I. (21
137 U.S.C. § 812) Similarly, existing regulations adopted by the State Board of
138 Pharmacy pursuant to the provisions of the state Uniform Controlled Substances
139 Act include cannabis, referred to as "marijuana," in the list of controlled substances
140 in schedule I. (NRS 453.011-453.348; NAC 453.510) **Section 16** of this bill
141 requires the Cannabis Advisory Commission to conduct a study concerning the
142 potential effects of the removal of cannabis from the list of controlled substances
143 included in schedule I pursuant to the federal Controlled Substances Act or the state
144 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.



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

21 (3) Either the express terms or an informative summary of
22 the proposed action.

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

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

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

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

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

40 (1) The substance or nature of the regulation, amendment or
41 repeal requested;

42 (2) The reasons for the request; and

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



1 ↪ Upon receipt of the petition, the Board shall within 45 days deny
2 the request in writing or schedule the matter for action pursuant to
3 this subsection.

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

6 (a) The Board submits to the Governor:

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

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

12 (b) The Governor endorses the written finding and written
13 statement described in paragraph (a) by written endorsement at the
14 end of the full text of the written statement and written finding; and

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

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

22 4. The Board shall file a copy of any regulation adopted,
23 amended or repealed by the Board with the Legislative Counsel as
24 soon as practicable after adoption, amendment or repeal. The
25 adoption, amendment or repeal of a regulation by the Board
26 becomes effective upon filing with the Secretary of State. The Board
27 shall not file a regulation with the Secretary of State until 15 days
28 after the date on which the regulation was adopted, amended or
29 repealed by the Board.

30 5. Upon the request of a Legislator, the Legislative
31 Commission may examine a regulation adopted, amended or
32 repealed by the Board that is not yet effective pursuant to subsection
33 4 to determine whether the regulation conforms to the statutory
34 authority pursuant to which it was adopted and whether the
35 regulation carries out the intent of the Legislature in granting that
36 authority.

37 6. Except as otherwise provided in subsection 7, the
38 Legislative Commission shall:

39 (a) Review the regulation at its next regularly scheduled meeting
40 if the request for examination of the regulation is received more than
41 10 working days before the meeting; or

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



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

9 8. If the Legislative Commission, or the Subcommittee to
10 Review Regulations if the regulation was referred to the
11 Subcommittee, approves the regulation, the Legislative Counsel
12 shall notify the Board that the Board may file the regulation with the
13 Secretary of State. If the Commission or the Subcommittee objects
14 to the regulation after determining that:

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

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

17 ↪ the Legislative Counsel shall attach to the regulation a written
18 notice of the objection, including, if practicable, a statement of the
19 reasons for the objection, and shall promptly return the regulation to
20 the Board.

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

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



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

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

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

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

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

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

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

24 (a) *Contain the same information as required for the renewal*
25 *of a medical cannabis establishment license pursuant to NRS*
26 *678B.210; and*

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

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

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

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

44 8. *As used in this section:*



1 (a) "Covered jurisdiction" means a local governmental
2 jurisdiction that has adopted local cannabis control measures
3 which prohibit the operation of adult-use cannabis establishments
4 in the local governmental jurisdiction.

5 (b) "Local governmental jurisdiction" means a city or
6 unincorporated area within a county.

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

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

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

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

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

17 2. The Board shall, in accordance with procedures
18 established by the Board by regulation, review and evaluate each
19 petition submitted pursuant to subsection 1 and grant or deny the
20 exemption. The Board shall provide written notice to the petitioner
21 of its decision to grant or deny the exemption.

22 3. The Board may grant an exemption pursuant to this
23 section only if the Board determines that granting the exemption
24 would not:

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

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

27 4. The Board may impose any conditions and limitations on
28 the granting of an exemption pursuant to this section as the Board
29 determines necessary to preserve the public health and safety or
30 mitigate the impact of the granting of the exemption on the
31 cannabis industry in this State. Such conditions and limitations
32 may include, without limitation, conditions and limitations on the
33 conduct of the petitioner in the cannabis industry in this State and
34 the cannabis-related activities in which the petitioner is authorized
35 to engage.

36 5. The Board shall adopt regulations to carry out the
37 provisions of this section.

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

39 678B.210 1. A person shall not engage in the business of a
40 medical cannabis establishment unless the person holds a medical
41 cannabis establishment license issued by the Board pursuant to this
42 section.

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



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

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

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

12 (2) An application, which must include:

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

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

32 (III) Evidence that the applicant controls not less than
33 \$250,000 in liquid assets to cover the initial expenses of opening the
34 proposed medical cannabis establishment and complying with the
35 provisions of this title;

36 (IV) Evidence that the applicant owns the property on
37 which the proposed medical cannabis establishment will be located
38 or has the written permission of the property owner to operate the
39 proposed medical cannabis establishment on that property;

40 (V) For the applicant and each person who is proposed to
41 be an owner, officer or board member of the proposed medical
42 cannabis establishment, a complete set of the person's fingerprints
43 and written permission of the person authorizing the Board to
44 forward the fingerprints to the Central Repository for Nevada



1 Records of Criminal History for submission to the Federal Bureau
2 of Investigation for its report; and

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

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

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

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

13 (4) If the proposed medical cannabis establishment will sell
14 or deliver medical cannabis products, proposed operating
15 procedures for handling such products which must be preapproved
16 by the Board;

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

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

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

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

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

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

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

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

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

44 4. For each person who submits an application pursuant to this
45 section, and each person who is proposed to be an owner, officer or



1 board member of a proposed medical cannabis establishment, the
2 Board shall submit the fingerprints of the person to the Central
3 Repository for Nevada Records of Criminal History for submission
4 to the Federal Bureau of Investigation to determine the criminal
5 history of that person.

6 5. Except as otherwise provided in subsection 6 ~~H~~ *and section*
7 *3 of this act*, if an application for registration as a medical cannabis
8 establishment satisfies the requirements of this section, is qualified
9 in the determination of the Board pursuant to NRS 678B.200 and
10 the establishment is not disqualified from being registered as a
11 medical cannabis establishment pursuant to this section or other
12 applicable law, the Board shall issue to the establishment a medical
13 cannabis establishment license. A medical cannabis establishment
14 license expires 1 year after the date of issuance and may be renewed
15 upon:

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

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

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

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

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

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

29 (b) A public park.

30 (c) A playground.

31 (d) A public swimming pool.

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

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

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

38 678B.220 1. Except as otherwise provided in this section and
39 NRS 678B.230, *and section 3 of this act*, the Board shall issue
40 medical cannabis establishment licenses for medical cannabis
41 dispensaries in the following quantities for applicants who qualify
42 pursuant to NRS 678B.210:

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



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

3 (c) In a county whose population is 55,000 or more but less than
4 100,000, two licenses;

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

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

8 2. The Board:

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

21 (b) Shall, for any county for which no applicants qualify
22 pursuant to NRS 678B.210, within 2 months after the end of the
23 period during which the Board accepts applications pursuant to NRS
24 678B.300, reallocate the licenses provided for that county pursuant
25 to subsection 1 to the other counties specified in subsection 1 in the
26 same proportion as provided in subsection 1.

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

29 (a) Issue a medical cannabis establishment license to at least one
30 medical cannabis cultivation facility and at least one medical
31 cannabis production facility in each county; and

32 (b) Determine the appropriate number of additional such
33 establishments in each county as are necessary to serve and supply
34 the medical cannabis dispensaries to which the Board has granted
35 medical cannabis establishment licenses and issue such a number of
36 medical cannabis establishment licenses for such establishments in
37 each county.

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

39 678B.250 1. A person shall not engage in the business of an
40 adult-use cannabis establishment unless the person holds an adult-
41 use cannabis establishment license issued pursuant to this section.

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



1 3. Except as otherwise provided in NRS 678B.260, 678B.270,
2 678B.280, 678B.322 and 678B.324 to 678B.328, inclusive, the
3 Board shall issue an adult-use cannabis establishment license to an
4 applicant if:

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

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

9 (2) An application, which must include:

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

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

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

33 (IV) Evidence that the applicant owns the property on
34 which the proposed adult-use cannabis establishment will be located
35 or has the written permission of the property owner to operate the
36 proposed adult-use cannabis establishment on that property;

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



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

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

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

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

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

14 (5) 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 adult-use 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 adult-use cannabis establishment
22 have:

23 (1) Served as an owner, officer or board member for a
24 cannabis establishment that has had its adult-use cannabis
25 establishment license or medical 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 adult-use 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 adult-use 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, if an applicant
44 for licensure to operate an adult-use cannabis establishment satisfies
45 the requirements of this section, is qualified in the determination of



1 the Board pursuant to NRS 678B.200 and is not disqualified from
2 being licensed pursuant to this section or other applicable law, the
3 Board shall issue to the applicant an adult-use cannabis
4 establishment license. An adult-use cannabis establishment license
5 expires 1 year after the date of issuance and may be renewed upon:

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

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

9 6. In determining whether to issue an adult-use cannabis
10 license pursuant to this section, the Board shall consider the criteria
11 of merit and scoring guidelines set forth in NRS 678B.280 or
12 678B.324, as applicable.

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

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

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

20 (b) A public park.

21 (c) A playground.

22 (d) A public swimming pool.

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

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

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

29 678B.340 1. ~~Except as otherwise provided in any policies~~
30 ~~and procedures adopted by the Board pursuant to paragraph (e) of~~
31 ~~subsection 1 of NRS 678A.450, a] A person shall not hold an~~
32 ~~ownership interest in a cannabis establishment of less than 5~~
33 ~~percent.]~~ volunteer or work at, contract to provide labor to or be
34 employed by an independent contractor to provide labor to a
35 cannabis establishment as a cannabis establishment agent unless the
36 person is registered with the Board pursuant to this section.

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

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

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



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

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

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

7 3. A person who wishes to contract to provide labor to or be
8 employed by an independent contractor to provide labor to a
9 cannabis establishment shall submit to the Board an application on a
10 form prescribed by the Board for the registration of the independent
11 contractor and each employee of the independent contractor who
12 will provide labor as a cannabis establishment agent. The
13 application must be accompanied by:

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

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

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

26 (d) A statement signed by the prospective cannabis
27 establishment agent asserting that it has not previously had a
28 cannabis establishment agent registration card revoked and that
29 none of its employees who will provide labor as a cannabis
30 establishment agent have previously had a cannabis establishment
31 agent registration card revoked;

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

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

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

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

43 ~~—(b) A statement signed by the prospective cannabis~~
44 ~~establishment agent pledging not to dispense or otherwise divert~~



~~cannabis to any person who is not authorized to possess cannabis in accordance with the provisions of this title;~~

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

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

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

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

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

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

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

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

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

~~[7.—A]~~



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

- 3 (a) Has been convicted of an excluded felony offense;
- 4 (b) Is less than 21 years of age; or
- 5 (c) Is not qualified, in the determination of the Board pursuant to
6 NRS 678B.200,
7 ↪ shall not serve as a cannabis establishment agent.

8 ~~{8.}~~ **7.** The provisions of this section do not require a person
9 who is an owner, officer or board member of a cannabis
10 establishment to resubmit information already furnished to the
11 Board at the time the establishment was licensed with the Board.

12 ~~{9.}~~ **8.** If an applicant for registration as a cannabis
13 establishment agent satisfies the requirements of this section, is
14 found to be qualified by the Board pursuant to NRS 678B.200 and is
15 not disqualified from serving as such an agent pursuant to this
16 section or any other applicable law, the Board shall issue to the
17 person and, for an independent contractor, to each person identified
18 in the independent contractor's application for registration as an
19 employee who will provide labor as a cannabis establishment agent,
20 a cannabis establishment agent registration card. If the Board does
21 not act upon an application for a cannabis establishment agent
22 registration card within 45 days after the date on which the
23 application is received, the application shall be deemed
24 conditionally approved until such time as the Board acts upon the
25 application. A cannabis establishment agent registration card expires
26 2 years after the date of issuance and may be renewed upon:

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

29 ~~{10.}~~ **9.** A person to whom a cannabis establishment agent
30 registration card is issued or for whom such a registration card is
31 renewed shall submit to the Board on the date of the first
32 anniversary of the issuance or renewal an affidavit attesting that in
33 the preceding year there has been no change in the information
34 previously provided to the Board which would subject the person to
35 disciplinary action by the Board.

36 ~~{11.}~~ **10.** A cannabis establishment agent registration card
37 issued pursuant to this section to an independent contractor or an
38 employee of an independent contractor authorizes the independent
39 contractor or employee to provide labor to any cannabis
40 establishment in this State.

41 ~~{12.}~~ **11.** A cannabis establishment agent registration card
42 issued pursuant to this section to a person who wishes to volunteer
43 or work at a ~~{medical}~~ cannabis establishment authorizes the person
44 to volunteer or work at any cannabis establishment in this State for



1 which the category of the cannabis establishment agent registration
2 card authorizes the person to volunteer or work.

3 ~~13.~~ 12. Except as otherwise prescribed by regulation of the
4 Board, an applicant for registration or renewal of registration as a
5 cannabis establishment agent is deemed temporarily registered as a
6 cannabis establishment agent on the date on which a complete
7 application for registration or renewal of registration is submitted to
8 the Board. A temporary registration as a cannabis establishment
9 agent expires 45 days after the date upon which the application is
10 received.

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

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

19 **Sec. 10.** NRS 678B.390 is hereby amended to read as follows:
20 678B.390 1. Except as otherwise provided in subsection 3,
21 the Board shall collect not more than the following maximum fees:

22	
23	For the initial issuance of a medical
24	cannabis establishment license for a
25	medical cannabis dispensary \$30,000
26	For the renewal of a medical cannabis
27	establishment license for a medical
28	cannabis dispensary..... 5,000
29	For the initial issuance of a medical
30	cannabis establishment license for a
31	medical cannabis cultivation facility..... 3,000
32	For the renewal of a medical cannabis
33	establishment license for a medical
34	cannabis cultivation facility 1,000
35	For the initial issuance of a medical
36	cannabis establishment license for a
37	medical cannabis production facility..... 3,000
38	For the renewal of a medical cannabis
39	establishment license for a medical
40	cannabis production facility 1,000
41	For the initial issuance of a medical
42	cannabis establishment license for a
43	medical cannabis independent testing
44	laboratory 5,000



1	For the renewal of a medical cannabis	
2	establishment license for a medical	
3	cannabis independent testing	
4	laboratory	\$3,000
5	For the initial issuance of an adult-use	
6	cannabis establishment license for an	
7	adult-use cannabis retail store	20,000
8	For the renewal of an adult-use cannabis	
9	establishment license for an adult-use	
10	cannabis retail store	[6,600] 5,000
11	For the initial issuance of an adult-use	
12	cannabis establishment license for an	
13	adult-use cannabis cultivation facility	[30,000] 3,000
14	For the renewal of an adult-use cannabis	
15	establishment license for an adult-use	
16	cannabis cultivation facility	[10,000] 1,000
17	For the initial issuance of an adult-use	
18	cannabis establishment license for an	
19	adult-use cannabis production facility	[10,000] 3,000
20	For the renewal of an adult-use cannabis	
21	establishment license for an adult-use	
22	cannabis production facility	[3,300] 1,000
23	For the initial issuance of an adult-use	
24	cannabis establishment license for an	
25	adult-use cannabis independent testing	
26	laboratory	[15,000] 5,000
27	For the renewal of an adult-use cannabis	
28	establishment license for an adult-use	
29	cannabis independent testing	
30	laboratory	[5,000] 3,000
31	For the initial issuance of an adult-use	
32	cannabis establishment license for a	
33	retail cannabis consumption lounge	10,000
34	For the renewal of an adult-use cannabis	
35	establishment license for a retail	
36	cannabis consumption lounge	10,000
37	For the initial issuance of an adult-use	
38	cannabis establishment license for an	
39	independent cannabis consumption	
40	lounge	10,000
41	For the renewal of an adult-use cannabis	
42	establishment license for an	
43	independent cannabis consumption	
44	lounge	10,000



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

(b) To ensure accurate recordkeeping.

2. Except as otherwise provided in this subsection, a cannabis establishment ~~is~~:

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

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

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

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

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

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

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



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

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

6 7. A cannabis establishment shall not dispense or otherwise sell
7 cannabis or cannabis products from a vending machine or allow
8 such a vending machine to be installed at the interior or exterior of
9 the premises of the cannabis establishment. As used in this
10 subsection, "vending machine" has the meaning ascribed to it in
11 NRS 209.229.

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

13 678C.440 1. Each medical cannabis dispensary shall ensure
14 all of the following:

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

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

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

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

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

30 2. A medical cannabis dispensary may, but is not required to,
31 track the purchases of cannabis for medical purposes by any person
32 to ensure that the person does not exceed the legal limits on the
33 possession of cannabis for medical purposes, as set forth in NRS
34 678C.200. The Board shall not adopt a regulation or in any other
35 way require a medical cannabis dispensary to track the purchases of
36 a person or determine whether the person has exceeded the legal
37 limits on the possession of cannabis for medical purposes, as set
38 forth in NRS 678C.200.

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



1 4. A medical cannabis dispensary shall not sell cannabis or
2 cannabis products to a consumer through the use of, or accept a sale
3 of cannabis or cannabis products from, a third party, intermediary
4 business, broker or any other business that does not hold a medical
5 cannabis establishment license for a medical cannabis dispensary.

6 5. A medical cannabis dispensary may contract with a third
7 party or intermediary business to deliver cannabis or medical
8 cannabis products to consumers only if:

9 (a) Every sale of cannabis or cannabis products which is
10 delivered by the third party or intermediary business is made
11 directly from the medical cannabis dispensary or an Internet
12 website, digital network or software application service of the
13 medical cannabis dispensary;

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

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

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

22 *1. Each adult-use cannabis establishment shall be deemed to*
23 *be a dual licensee for the purposes of this title and may engage in*
24 *any activity relating to the medical use of cannabis in the same*
25 *manner and to the same extent as if the adult-use cannabis*
26 *establishment also held a medical cannabis establishment license*
27 *of the same type for which the establishment holds an adult-use*
28 *cannabis establishment license.*

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

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

38 **Sec. 14.** NRS 678D.200 is hereby amended to read as follows:
39 678D.200 1. Except as otherwise provided in NRS
40 678D.300, a person who is 21 years of age or older is exempt from
41 state prosecution for:

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

43 (b) The possession or delivery of paraphernalia;

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



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

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

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

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

13 3. The exemption from state prosecution set forth in subsection
14 1 applies only to the extent that a person:

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

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

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

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

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

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

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

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

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

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

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

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



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

4 4. If a person possesses, uses or produces cannabis in an
5 amount which exceeds the amount set forth in paragraph (d) of
6 subsection 3 or in any manner other than that set forth in subsection
7 3, the person is not exempt from state prosecution for the
8 possession, delivery or production of cannabis.

9 5. A person who holds an adult-use cannabis establishment
10 license issued to the person pursuant to NRS 678B.250, a cannabis
11 establishment agent registration card issued to the person pursuant
12 to NRS 678B.340, a cannabis establishment agent registration card
13 for a cannabis executive issued to the person pursuant to NRS
14 678B.350 or a cannabis establishment agent registration card for a
15 cannabis receiver issued to the person pursuant to NRS 678B.355,
16 and confines his or her activities to those authorized by this title, and
17 the regulations adopted by the Board pursuant thereto, is exempt
18 from state prosecution for:

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

20 (b) The possession or delivery of paraphernalia;

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

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

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

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

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

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

36 244.35253 1. Except as otherwise provided in this section, a
37 board of county commissioners shall not fix, impose or collect a
38 license tax for revenue or for regulation, or for both revenue and
39 regulation, on a cannabis establishment located in the county.

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

45 (a) Flat fee;



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

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

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

10 4. *A board of county commissioners may use any portion of*
11 *any money collected as a license tax pursuant to subsection 2 to*
12 *educate the public, using any method of public outreach or*
13 *medium of communication, on safely purchasing cannabis and*
14 *cannabis products from licensed cannabis establishments and the*
15 *safe consumption of cannabis and cannabis products.*

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

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

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

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

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

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

35 ~~5.1~~ 6. A board of county commissioners shall not enact or
36 enforce any ordinance which is more restrictive than or conflicts
37 with a law or regulation of this State relating to:

38 (a) The packaging, labeling, testing, dosage or potency of
39 cannabis or cannabis products;

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

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

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

44 (e) The transportation of cannabis or cannabis products other
45 than the direct transportation of cannabis or cannabis products to a



1 consumer and a requirement to notify the county of any
2 transportation of cannabis or cannabis products;

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

5 (g) The training or certification of cannabis establishment agents
6 or employees of a cannabis establishment;

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

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

14 ~~6.7~~ 7. A person who obtains a business license described in
15 this section is subject to all other licensing and permitting
16 requirements of the State and any other counties and cities in which
17 the person does business.

18 ~~7.7~~ 8. As used in this section:

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

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

23 ~~(b)~~ (c) "Cannabis establishment agent" has the meaning
24 ascribed to it in NRS 678A.100.

25 ~~(e)~~ (d) "Cannabis products" has the meaning ascribed to it in
26 NRS 678A.120.

27 ~~(d)~~ (e) "Letter of approval" has the meaning ascribed to it in
28 NRS 678C.070.

29 ~~(e)~~ (f) "Registry identification card" has the meaning ascribed
30 to it in NRS 678C.080.

31 ~~(f)~~ (g) "Written documentation" has the meaning ascribed to it
32 in NRS 678C.110.

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

35 268.0977 1. Except as otherwise provided in this section, the
36 governing body of an incorporated city, whether organized under
37 general law or special charter, shall not fix, impose or collect for
38 revenues or for regulation, or both, a license tax on a cannabis
39 establishment located within its corporate limits.

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

45 (a) Flat fee;



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

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

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

10 4. *The governing body of an incorporated city, whether*
11 *organized under general law or special charter, may use any*
12 *portion of any money collected as a license tax pursuant to*
13 *subsection 2 to educate the public, using any method of public*
14 *outreach or medium of communication, on safely purchasing*
15 *cannabis and cannabis products from licensed cannabis*
16 *establishments and the safe consumption of cannabis and*
17 *cannabis products.*

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

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

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

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

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

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

35 ~~5.7~~ 6. The governing body of an incorporated city, whether
36 organized under general law or special charter, shall not enact or
37 enforce any ordinance which is more restrictive than or conflicts
38 with a law or regulation of this State relating to:

39 (a) The packaging, labeling, testing, dosage or potency of
40 cannabis or cannabis products;

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

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

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



1 (e) The transportation of cannabis or cannabis products other
2 than the direct transportation of cannabis or cannabis products to a
3 consumer and a requirement to notify the city of any transportation
4 of cannabis or cannabis products;

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

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

9 (h) The creation or maintenance of a registry or other system to
10 obtain and track information relating to customers of cannabis
11 establishments or holders of a registry identification card or letter of
12 approval; or

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

16 ~~6.7~~ 7. A person who obtains a business license described in
17 this section is subject to all other licensing and permitting
18 requirements of the State and any other counties and cities in which
19 the person does business.

20 ~~7.7~~ 8. As used in this section:

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

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

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

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

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

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

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

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

36 372A.290 1. An excise tax is hereby imposed on each
37 wholesale sale in this State of cannabis by a medical cannabis
38 cultivation facility to another cannabis establishment at the rate of
39 15 percent of the fair market value at wholesale of the cannabis. The
40 excise tax imposed pursuant to this subsection is the obligation of
41 the medical cannabis cultivation facility.

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



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

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

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

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

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

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

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

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

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

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

32 6. For the purpose of subsections 4 and 5, a total amount of
33 \$5,000,000 of the revenues collected from the excise tax imposed
34 pursuant to subsection 1 and the excise tax imposed pursuant to
35 subsection 2 in each fiscal year shall be deemed sufficient to pay the
36 costs of all local governments to carry out the provisions of chapters
37 678C and 678D of NRS. The Board shall, by regulation, determine
38 the manner in which local governments may be reimbursed for the
39 costs of carrying out the provisions of chapters 678C and 678D of
40 NRS.

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

44 8. *The excise tax imposed pursuant to subsection 3 does not*
45 *apply to a sale of cannabis for the medical use of cannabis or a*



1 *medical cannabis product to the holder of a registry identification*
2 *card or letter of approval by an adult-use cannabis retail store that*
3 *has been deemed to be a dual licensee pursuant to section 13 of*
4 *this act.*

5 **9.** As used in this section:

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

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

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

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

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

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

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

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

22 (i) *"Registry identification card" has the meaning ascribed to*
23 *it in NRS 678C.080.*

24 (j) "Wholesale sale" means a sale or transfer of cannabis by a
25 cannabis cultivation facility to another cannabis establishment. The
26 term does not include a transfer of cannabis by a cannabis
27 cultivation facility to another cannabis cultivation facility when both
28 cannabis cultivation facilities share identical ownership.

29 **Sec. 15.5.** NRS 453.096 is hereby amended to read as follows:
30 453.096 1. "Marijuana" means:

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

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

34 ~~—(e)]~~ The resin extracted from any part of the plant, including
35 concentrated cannabis;

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

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

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



2. "Marijuana" does not include:

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

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

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

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

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

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

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

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

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

3. As used in this section:

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

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

Sec. 17. 1. Except as otherwise provided in this section, a person who, on January 1, 2024, holds a medical cannabis establishment license for a medical cannabis establishment which is



1 not located in a covered jurisdiction and which has been renewed by
2 the person at least one time may, upon expiration of the license,
3 submit an application to the Board for the issuance of an adult-use
4 cannabis establishment license of the same type.

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

6 (a) Contain the same information as required for the renewal of
7 a medical cannabis establishment license pursuant to NRS
8 678B.210; and

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

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

18 4. Notwithstanding the provisions of section 4 of this act, a
19 person who, on January 1, 2024, holds a medical cannabis
20 establishment license for a medical cannabis establishment which is
21 not located in a covered jurisdiction and which has never been
22 renewed by the person may renew the license pursuant to NRS
23 678B.210 one time. Upon expiration of the license after the first
24 renewal of the license, the person may apply for and be issued an
25 adult-use cannabis establishment license of the same type in the
26 manner provided in subsections 1, 2 and 3.

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

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

35 7. A person who, on January 1, 2024, holds both an adult-use
36 cannabis establishment license and a medical cannabis
37 establishment license of the same type may not, pursuant to this
38 section, apply for and be issued an additional adult-use cannabis
39 establishment license upon the expiration of the medical cannabis
40 establishment license of the person.

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

44 (a) The person obtained the medical cannabis establishment
45 license through a transfer in accordance with the regulations adopted



1 by the Board pursuant to NRS 678B.380 which occurred on or after
2 July 1, 2023, and on or before December 31, 2023; and

3 (b) The Board determines that:

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

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

8 9. As used in this section:

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

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

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

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

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

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

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

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

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

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



