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ASSEMBLY BILL NO. 203—ASSEMBLYMEMBER CARTER

PREFILED FEBRUARY 3, 2025

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to cannabis.  
(BDR 56-134)

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.

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AN ACT relating to cannabis; creating the Social Equity Liaison within the Cannabis Compliance Board; revising certain requirements relating to the labeling and delivery of cannabis and cannabis products; authorizing certain persons to enter into a joint-venture agreement with certain cannabis establishments; revising provisions relating to cannabis consumption lounges; authorizing a cannabis production facility to produce and sell non-infused pre-rolls; prohibiting the Board from imposing certain requirements on cannabis establishments; revising the definition of “usable cannabis”; revising provisions relating to the seizure and destruction of cannabis; revising provisions relating to certain taxes imposed on sales of cannabis and cannabis products; authorizing the Department of Taxation to impose an administrative fine upon a person who engages in the unlicensed sale of cannabis or cannabis products; revising the responsibilities of the Investigation Division of the Department of Public Safety; exempting an employee of a cannabis sales facility from certain training requirements; requiring the Board and the Nevada Gaming Control Board to prepare a report concerning certain issues relating to cannabis and gaming; 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) **Section 1** of this bill creates the Social  
4 Equity Liaison within the Board. **Section 1** requires the Executive Director of the  
5 Board to appoint a person to serve in the position of Social Equity Liaison and sets  
6 forth the duties of that position.

7 Existing law authorizes the Board to adopt regulations setting forth  
8 requirements relating to the packaging and labeling of cannabis and cannabis  
9 products. (NRS 678A.450) **Section 2** of this bill prohibits those requirements from  
10 requiring a package of cannabis or cannabis products which is sold at wholesale to  
11 contain any label other than a label necessary for the functionality of any computer  
12 software used for the seed-to-sale tracking of cannabis adopted by the Board.

13 Existing law prohibits a person from engaging in the business of an adult-use or  
14 medical cannabis establishment unless the person holds an adult-use or medical  
15 cannabis establishment license, as applicable, issued by the Board. (NRS 678B.210,  
16 678B.250) **Sections 5-7** of this bill provide an exception from that prohibition for  
17 certain cannabis-related businesses operated pursuant to a joint-venture agreement  
18 with a licensed cannabis cultivation facility or cannabis production facility. **Section**  
19 **5** authorizes a person who does not hold a license issued by the Board and who has  
20 been adversely affected by provisions of previous laws which criminalized  
21 activities relating to cannabis to enter into such a joint-venture agreement with such  
22 a cannabis establishment to operate a cannabis-related business on the premises of  
23 the establishment. **Section 5:** (1) authorizes such a business to engage in any  
24 activity in which the cannabis cultivation facility or cannabis production facility  
25 that is a party to the joint-venture agreement is authorized to engage; and (2) sets  
26 forth various requirements for such a joint-venture agreement and the operation of  
27 such a business. **Sections 12 and 17** of this bill provide an exception from state  
28 prosecution for certain crimes relating to cannabis for a person who has entered into  
29 a joint-venture agreement that has been approved by the Board pursuant to **section**  
30 **5**. **Section 16** of this bill provides that the fact that a person has entered into such an  
31 agreement does not, alone: (1) constitute probable cause to search the person or the  
32 person's property; or (2) subject the person or the person's property to inspection.

33 Existing law imposes certain excise taxes on certain wholesale and retail sales  
34 of cannabis and cannabis products. (NRS 372A.290) **Section 23** of this bill exempts  
35 from those excise taxes any sale of cannabis or a cannabis product that was  
36 produced by a business operating pursuant to a joint-venture agreement pursuant to  
37 **section 5**.

38 Existing law requires an applicant for an adult-use cannabis establishment  
39 license to submit to the Board, among other things, evidence that the applicant  
40 controls certain liquid assets. (NRS 678B.250) **Section 7** exempts from that  
41 requirement a social equity applicant who is applying for the issuance of an adult-  
42 use cannabis establishment license for an independent cannabis consumption  
43 lounge. **Section 8** of this bill removes provisions requiring the Board to set forth  
44 certain restrictions on the transfer of an adult-use cannabis establishment license for  
45 an independent cannabis consumption lounge.

46 **Section 9** of this bill authorizes a cannabis production facility to produce and  
47 sell to a cannabis sales facility a non-infused pre-roll.

48 Existing law requires the Board to adopt certain regulations to carry out the  
49 provisions of existing law governing the licensing and control of cannabis. (NRS  
50 678B.650) **Section 10** of this bill prohibits those regulations from requiring: (1) a  
51 cannabis sales facility to maintain a visitor's log; and (2) a cannabis establishment  
52 to maintain records concerning sales transactions for more than 3 years. **Section 10**  
53 additionally requires those regulations to allow certain employees of a cannabis  
54 establishment to conduct a quarterly inventory, if such a quarterly inventory is



55 required by the Board. **Sections 13-15** of this bill make conforming changes to  
56 refer to provisions that have been renumbered by **section 10**.

57 **Section 11** of this bill revises the definition of “usable cannabis” to exclude the  
58 seeds of a plant of the genus *Cannabis*.

59 Existing law authorizes a cannabis sales facility to contract with a third party or  
60 intermediary business to deliver cannabis or cannabis products. (NRS 678C.440,  
61 678D.430) **Section 4** of this bill authorizes a cannabis sales facility or a third party  
62 or intermediary business with whom the cannabis sales facility has contracted to  
63 deliver cannabis or cannabis products to a consumer at any location so long as the  
64 location is not within a certain distance from a school, community facility or  
65 gaming establishment. **Section 4** additionally prohibits the Board from requiring a  
66 vehicle used for such deliveries to be inspected by the Board before making such a  
67 delivery.

68 Existing law authorizes a law enforcement agency to destroy marijuana that has  
69 been seized from a defendant without prior court approval under certain  
70 circumstances. (NRS 52.400) **Section 18** of this bill specifies that the Board  
71 constitutes a law enforcement agency for the purposes of that authorization.

72 Existing law imposes upon each retailer a sales tax measured by the gross  
73 receipts of the retailer from the retail sale of tangible personal property in this State.  
74 (NRS 372.105, 374.110, 374.111) **Sections 19 and 25** of this bill clarify that the  
75 provisions of existing law governing the imposition, collection and remittance of  
76 the sales taxes apply to a retailer who makes a retail sale of cannabis or cannabis  
77 products regardless of whether the retailer holds a license issued by the Board.

78 **Section 20** of this bill authorizes the Department of Taxation to impose upon  
79 any person who does not hold a license issued by the Board and who sells cannabis  
80 or a cannabis product an administrative fine in the amount of the excise tax on  
81 cannabis for which the person would have been liable had the person engaged in  
82 the sale as an adult-use cannabis cultivation facility or adult-use cannabis retail  
83 store. **Sections 21, 22 and 24** of this bill make conforming changes to provide that  
84 the definitions in existing law apply to **section 20** and to clarify that certain  
85 provisions of existing law apply to **section 20**.

86 Existing law sets forth the primary functions and responsibilities of the  
87 Investigation Division of the Department of Public Safety. (NRS 480.140) **Section**  
88 **26** of this bill makes the Division primarily responsible for the enforcement of  
89 criminal laws relating to unlicensed cannabis activities.

90 Existing law requires employees of a cannabis establishment to complete  
91 certain training courses relating to occupational health and safety. (NRS 618.9940-  
92 618.9950) **Section 27** of this bill excludes a cannabis sales facility from the  
93 definition of the term “cannabis establishment” for the purposes of the provisions  
94 of existing law governing those requirements, thereby exempting an employee of a  
95 cannabis sales facility from those requirements.

96 **Section 28** of this bill requires the Board and the Nevada Gaming Control  
97 Board, on or before December 31, 2026, to jointly prepare and submit a report  
98 concerning the relationship between the gaming industry and the cannabis industry  
99 in this State to the Governor and the Director of the Legislative Counsel Bureau.



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

1       **Section 1.** Chapter 678A of NRS is hereby amended by  
2 adding thereto a new section to read as follows:

3       1. *The Social Equity Liaison is hereby created within the*  
4 *Board.*

5       2. *The Executive Director shall appoint a person to serve in*  
6 *the position of Social Equity Liaison. The Social Equity Liaison is*  
7 *in the unclassified service of the State and serves at the pleasure of*  
8 *the Executive Director.*

9       3. *The person appointed pursuant to subsection 2 must be*  
10 *knowledgeable about issues concerning social equity in the*  
11 *cannabis industry.*

12       4. *The Social Equity Liaison shall:*

13       (a) *Conduct community outreach and provide information*  
14 *concerning social equity in the cannabis industry to members of*  
15 *the Board and the public;*

16       (b) *Respond to questions from members of the Board and the*  
17 *public concerning issues relating to social equity in the cannabis*  
18 *industry; and*

19       (c) *Perform any other duties specified by the Executive*  
20 *Director.*

21       5. *The Board shall post contact information for the Social*  
22 *Equity Liaison on the Internet website of the Board.*

23       **Sec. 2.** NRS 678A.450 is hereby amended to read as follows:

24       678A.450 1. The Board may adopt regulations necessary or  
25 convenient to carry out the provisions of this title. Such regulations  
26 may include, without limitation:

27       (a) Financial requirements for licensees.

28       (b) Establishing such education, outreach, investigative and  
29 enforcement mechanisms as the Board deems necessary to ensure  
30 the compliance of a licensee or registrant with the provisions of this  
31 title. Such mechanisms must include, without limitation:

32       (1) A system to educate, train and certify employees of the  
33 Board which:

34       (I) Each employee must complete before he or she may  
35 engage in inspections, investigations or audits; and

36       (II) At a minimum, includes training that is the same or  
37 substantially similar to any training that is required by the Board by  
38 regulation to be completed by a cannabis establishment agent before  
39 he or she may be employed by, volunteer at or provide labor to a  
40 cannabis establishment;



1 (2) A system to educate and advise licensees and registrants  
2 on compliance with the provisions of this title which may serve as  
3 an alternative to disciplinary action; and

4 (3) Establishing specific grounds for disciplinary action  
5 against a licensee or registrant who knowingly violates the law or  
6 engages in grossly negligent, unlawful or criminal conduct or an act  
7 or omission that poses an imminent threat to the health or safety of  
8 the public.

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

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

17 (e) Policies and procedures relating to the disclosure of the  
18 identities of the shareholders and the annual report of a cannabis  
19 establishment that is a publicly traded company.

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

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

27 (h) Requirements relating to the packaging and labeling of  
28 cannabis and cannabis products. *Such requirements must not*  
29 *require any package of cannabis or cannabis products which is*  
30 *sold at wholesale to contain any label other than a label necessary*  
31 *for the functionality of any computer software used for the seed-*  
32 *to-sale tracking of cannabis adopted by the Board.*

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

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

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

39 3. The Board shall adopt regulations providing for the  
40 investigation of unlicensed cannabis activities and the imposition of  
41 penalties against persons who engage in such activities. Such  
42 regulations must, without limitation:

43 (a) Establish penalties to be imposed for unlicensed cannabis  
44 activities, which may include, without limitation, the issuance of a



1 cease and desist order or citation, the imposition of an  
2 administrative fine or civil penalty and other similar penalties.

3 (b) Set forth the procedures by which the Board may impose a  
4 penalty against a person for engaging in unlicensed cannabis  
5 activities.

6 (c) Set forth the circumstances under which the Board is  
7 required to refer matters concerning unlicensed cannabis activities  
8 to an appropriate state or local law enforcement agency.

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

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

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

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

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

22 **Sec. 3.** Chapter 678B of NRS is hereby amended by adding  
23 thereto the provisions set forth as sections 4 and 5 of this act.

24 **Sec. 4. 1.** *A cannabis sales facility or a third party or*  
25 *intermediary business with whom the cannabis sales facility has*  
26 *contracted pursuant to NRS 678C.440 or 678D.430 may, in*  
27 *accordance with procedures and requirements set forth in this title*  
28 *and the regulations adopted pursuant thereto, deliver cannabis or*  
29 *cannabis products to a consumer at any location, including,*  
30 *without limitation, a private residence, so long as the location is*  
31 *not:*

32 (a) *Within 1,000 feet of a public or private school that provides*  
33 *formal education traditionally associated with preschool or*  
34 *kindergarten through grade 12;*

35 (b) *Within 300 feet of a community facility; or*

36 (c) *Within 300 feet of an establishment that holds a*  
37 *nonrestricted gaming license described in subsection 1 or 2 of*  
38 *NRS 463.0177.*

39 2. *The Board may not require any vehicle used by a cannabis*  
40 *sales facility or a third party or intermediary business with whom*  
41 *the cannabis sales facility has contracted pursuant to NRS*  
42 *678C.440 or 678D.430 to deliver cannabis or cannabis products to*  
43 *a consumer to be inspected by the Board before the vehicle is used*  
44 *to make such a delivery.*



1 3. For the purposes of subsection 1, the distance must be  
2 measured from the location at which cannabis or a cannabis  
3 product is transferred to the consumer to the closest point of the  
4 property line of a school, community facility or gaming  
5 establishment.

6 4. As used in this section:

7 (a) "Community facility" has the meaning ascribed to it in  
8 NRS 678B.250.

9 (b) "Private residence" includes, without limitation:

10 (1) A residential unit, as defined in NRS 244.353535, that is  
11 rented for the purposes of transient lodging, as defined in  
12 NRS 244.35354.

13 (2) A mobile home, as defined in NRS 40.215, that is  
14 located within a mobile home park, as defined in NRS 40.215.

15 (3) A recreational vehicle, as defined in NRS 40.215, that is  
16 located within a recreational vehicle park, as defined in  
17 NRS 40.215.

18 (4) A manufactured home, as defined in NRS 118B.015,  
19 that is located within a manufactured home park, as defined in  
20 NRS 118B.017.

21 **Sec. 5. 1.** A social equity operator may enter into a joint-  
22 venture agreement with a cannabis cultivation facility or cannabis  
23 production facility to allow the social equity operator to operate a  
24 joint-venture business on the premises of the cannabis cultivation  
25 facility or cannabis production facility.

26 2. A joint-venture agreement entered into pursuant to  
27 subsection 1:

28 (a) Must be submitted to and approved by the Board before it  
29 may become effective;

30 (b) Must comply with the regulations adopted by the Board  
31 pursuant to this section; and

32 (c) May provide for the sharing of profits between the joint-  
33 venture business and the cannabis cultivation facility or cannabis  
34 production facility, as applicable.

35 3. Each owner, officer and board member of a joint-venture  
36 business and each person who volunteers or works at or contracts  
37 to provide labor for the joint-venture business must obtain and  
38 maintain a cannabis establishment agent registration card.

39 4. A joint-venture business may engage in any activity in  
40 which the cannabis cultivation facility or cannabis production  
41 facility that is a party to the joint-venture agreement is authorized  
42 to engage. A joint-venture business shall comply with all  
43 provisions of this title and the regulations adopted pursuant  
44 thereto applicable to a cannabis cultivation facility or cannabis  
45 production facility, as applicable.



1 5. All operations of a joint-venture business must be  
2 conducted on the premises of the cannabis cultivation facility or  
3 cannabis production facility that is a party to the joint-venture  
4 agreement.

5 6. A cannabis cultivation facility or cannabis production  
6 facility that enters into a joint-venture agreement pursuant to this  
7 section is subject to disciplinary action for any violation of the  
8 provisions of this title or the regulations adopted pursuant thereto  
9 committed by the joint-venture business.

10 7. The Board shall adopt regulations governing joint-venture  
11 agreements and joint-venture businesses. The regulations must:

12 (a) Set forth requirements for the required content of a joint-  
13 venture agreement entered into pursuant to this section.

14 (b) Establish criteria to be used by the Board for determining  
15 whether a person qualifies as a social equity operator for the  
16 purposes of this section, including, without limitation, the  
17 minimum percentage of ownership in a proposed joint-venture  
18 business which will be held by a person or group of persons who  
19 have been adversely affected by provisions of previous laws which  
20 criminalized activity relating to cannabis for the person to qualify  
21 as a social equity operator.

22 8. As used in this section:

23 (a) "Board member" means a natural person who is proposed  
24 to sit on the board of a proposed joint-venture business and who  
25 may or may not be an owner of the joint-venture business.

26 (b) "Joint-venture business" means a cannabis-related  
27 business operated pursuant to a joint-venture agreement entered  
28 into pursuant to subsection 1.

29 (c) "Officer" means a natural person who:

30 (1) Is proposed to hold the title of, or be designated by a  
31 proposed joint-venture business as, a president, vice president,  
32 secretary, treasurer, manager, chief executive officer, chief  
33 operating officer or chief financial officer of the joint-venture  
34 business; and

35 (2) May or may not be an owner of the proposed joint-  
36 venture business.

37 (d) "Owner" means a natural person who is the holder of any  
38 ownership interest in a proposed joint-venture business.

39 (e) "Social equity operator" means a person who:

40 (1) Does not hold a license; and

41 (2) Has been adversely affected by provisions of previous  
42 laws which criminalized activity relating to cannabis, as  
43 determined by the Board in accordance with the regulations  
44 adopted pursuant to this section. Such adverse effects may





1 *include, without limitation, adverse effects on an owner or officer*  
2 *of the proposed joint-venture business.*

3 **Sec. 6.** NRS 678B.210 is hereby amended to read as follows:

4 678B.210 1. ~~[A]~~ *Except as otherwise provided in section 5*  
5 *of this act, a* person shall not engage in the business of a medical  
6 cannabis establishment unless the person holds a medical cannabis  
7 establishment license issued by the Board pursuant to this section.

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

11 3. Except as otherwise provided in NRS 678B.215 to  
12 678B.240, inclusive, not later than 90 days after receiving an  
13 application to engage in the business of a medical cannabis  
14 establishment, the Board shall register the medical cannabis  
15 establishment and issue a medical cannabis establishment license  
16 and a random 20-digit alphanumeric identification number if:

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

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

21 (2) An application, which must include:

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

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

41 (III) Evidence that the applicant controls not less than  
42 \$250,000 in liquid assets to cover the initial expenses of opening the  
43 proposed medical cannabis establishment and complying with the  
44 provisions of this title;



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

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

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

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

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

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

22 (4) If the proposed medical cannabis establishment will sell  
23 or deliver medical cannabis products, proposed operating  
24 procedures for handling such products which must be preapproved  
25 by the Board;

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

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

33 (b) Except as otherwise provided in NRS 678B.633, none of the  
34 persons who are proposed to be owners, officers or board members  
35 of the proposed medical cannabis establishment have been  
36 convicted of an excluded felony offense;

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

40 (1) Served as an owner, officer or board member for a  
41 cannabis establishment that has had its medical cannabis  
42 establishment license or adult-use cannabis establishment license  
43 revoked;

44 (2) Previously had a cannabis establishment agent  
45 registration card revoked;



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

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

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

8 4. For each person who submits an application pursuant to this  
9 section, and each person who is proposed to be an owner, officer or  
10 board member of a proposed medical cannabis establishment, the  
11 Board shall submit the fingerprints of the person to the Central  
12 Repository for Nevada Records of Criminal History for submission  
13 to the Federal Bureau of Investigation to determine the criminal  
14 history of that person.

15 5. Except as otherwise provided in subsection 6 and NRS  
16 678B.215, if an application for registration as a medical cannabis  
17 establishment satisfies the requirements of this section, is qualified  
18 in the determination of the Board pursuant to NRS 678B.200 and  
19 the establishment is not disqualified from being registered as a  
20 medical cannabis establishment pursuant to this section or other  
21 applicable law, the Board shall issue to the establishment a medical  
22 cannabis establishment license. A medical cannabis establishment  
23 license expires 1 year after the date of issuance and may be renewed  
24 upon:

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

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

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

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

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

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

38 (b) A public park.

39 (c) A playground.

40 (d) A public swimming pool.

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

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



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

2       678B.250 1. ~~1A~~ *Except as otherwise provided in section 5*  
3 *of this act, a* person shall not engage in the business of an adult-use  
4 cannabis establishment unless the person holds an adult-use  
5 cannabis establishment license issued pursuant to this section.

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

9       3. Except as otherwise provided in NRS 678B.260, 678B.270,  
10 678B.280, 678B.322 and 678B.324 to 678B.328, inclusive, the  
11 Board shall issue an adult-use cannabis establishment license to an  
12 applicant if:

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

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

17           (2) An application, which must include:

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

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

37               (III) ~~Evidence~~ *Except for a social equity applicant*  
38 *applying for the issuance of an adult-use cannabis establishment*  
39 *license for an independent cannabis consumption lounge,*  
40 *evidence* that the applicant controls liquid assets in an amount  
41 determined by the Board to be sufficient to cover the initial  
42 expenses of opening the proposed adult-use cannabis establishment  
43 and complying with the provisions of this title;

44               (IV) Evidence that the applicant owns the property on  
45 which the proposed adult-use cannabis establishment will be located



1 or has the written permission of the property owner to operate the  
2 proposed adult-use cannabis establishment on that property;

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

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

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

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

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

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

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

25 (b) Except as otherwise provided in NRS 678B.633, none of the  
26 persons who are proposed to be owners, officers or board members  
27 of the proposed adult-use cannabis establishment have been  
28 convicted of an excluded felony offense;

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

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

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

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

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

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



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

8 5. Except as otherwise provided in subsection 6, if an applicant  
9 for licensure to operate an adult-use cannabis establishment satisfies  
10 the requirements of this section, is qualified in the determination of  
11 the Board pursuant to NRS 678B.200 and is not disqualified from  
12 being licensed pursuant to this section or other applicable law, the  
13 Board shall issue to the applicant an adult-use cannabis  
14 establishment license. An adult-use cannabis establishment license  
15 expires 1 year after the date of issuance and may be renewed 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 an adult-use cannabis  
20 license pursuant to this section, the Board shall consider the criteria  
21 of merit and scoring guidelines set forth in NRS 678B.280 or  
22 678B.324, as applicable.

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

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

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

30 (b) A public park.

31 (c) A playground.

32 (d) A public swimming pool.

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

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

38 **Sec. 8.** NRS 678B.380 is hereby amended to read as follows:

39 678B.380 1. Except as otherwise provided by regulations  
40 adopted by the Board pursuant to subsection 2, the following are  
41 nontransferable:

42 (a) A cannabis establishment agent registration card.

43 (b) A cannabis establishment agent registration card for a  
44 cannabis executive.



1 (c) A cannabis establishment agent registration card for a  
2 cannabis receiver.

3 (d) A medical cannabis establishment license.

4 (e) An adult-use cannabis establishment license.

5 2. The Board shall adopt regulations which prescribe  
6 procedures and requirements by which a holder of:

7 (a) A license may transfer the license to another party who is  
8 qualified to hold such a license pursuant to the provisions of this  
9 chapter.

10 (b) An ownership interest in a cannabis establishment may  
11 transfer all or any portion of the ownership interest to another party  
12 who is qualified to hold an ownership interest in a cannabis  
13 establishment pursuant to the provisions of this chapter.

14 3. The regulations adopted pursuant to subsection 2 may give  
15 priority in the processing of transfers of licenses to a transfer in  
16 which the transferor is:

17 (a) Subject to a receivership;

18 (b) Involved in a recapitalization; or

19 (c) A party to a court proceeding involving financial distress.

20 ~~4. The regulations adopted pursuant to subsection 2 must:~~

21 ~~—(a) Prohibit the holder of an adult use cannabis establishment~~  
22 ~~license for an independent cannabis consumption lounge from~~  
23 ~~transferring the license until at least 2 years from the date on which~~  
24 ~~the independent cannabis consumption lounge for which the license~~  
25 ~~was issued became operational;~~

26 ~~—(b) Require the holder of an adult use cannabis establishment~~  
27 ~~license for an independent cannabis consumption lounge who~~  
28 ~~wishes to cease operations before the independent cannabis~~  
29 ~~consumption lounge for which the license was issued has been~~  
30 ~~operational for at least 2 years to surrender the license to the Board;~~  
31 ~~and~~

32 ~~—(c) Require the Board to hold a license surrendered pursuant to~~  
33 ~~paragraph (b) in reserve for issuance to an applicant for such a~~  
34 ~~license in the future.]~~

35 **Sec. 9.** NRS 678B.520 is hereby amended to read as follows:

36 678B.520 1. Each cannabis establishment shall, in  
37 consultation with the Board, cooperate to ensure that all cannabis  
38 products offered for sale:

39 (a) Are labeled clearly and unambiguously:

40 (1) As cannabis with the words “THIS PRODUCT  
41 CONTAINS CANNABIS” in bold type; and

42 (2) As required by the provisions of this chapter and chapters  
43 678C and 678D of NRS.

44 (b) Are not presented in packaging that contains an image of a  
45 cartoon character, mascot, action figure, balloon or toy, except that



1 such an item may appear in the logo of the cannabis production  
2 facility which produced the product.

3 (c) Are regulated and sold on the basis of the concentration of  
4 THC in the products and not by weight.

5 (d) Are packaged and labeled in such a manner as to allow  
6 tracking by way of an inventory control system.

7 (e) Are not packaged and labeled in a manner which is modeled  
8 after a brand of products primarily consumed by or marketed to  
9 children.

10 (f) Are labeled in a manner which indicates the amount of THC  
11 in the product, measured in milligrams, and includes a statement  
12 that the product contains cannabis and its potency was tested with an  
13 allowable variance of the amount determined by the Board by  
14 regulation.

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

16 (h) Are labeled with:

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

18 (2) A list of all ingredients used in the cannabis product;

19 (3) A list of all major food allergens in the cannabis product;

20 and

21 (4) Any other information the Board may require by  
22 regulation.

23 2. A cannabis production facility shall not produce cannabis  
24 products in any form that:

25 (a) Is or appears to be a lollipop.

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

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

31 (d) Is made by applying concentrated cannabis, as defined in  
32 NRS 453.042, to a commercially available candy or snack food item  
33 other than dried fruit, nuts or granola.

34 3. A cannabis production facility shall:

35 (a) Seal any cannabis product that consists of cookies or  
36 brownies in a bag or other container which is not transparent.

37 (b) Maintain a hand washing area with hot water, soap and  
38 disposable towels which is located away from any area in which  
39 cannabis products are cooked or otherwise prepared.

40 (c) Require each person who handles cannabis products to  
41 restrain his or her hair, wear clean clothing and keep his or her  
42 fingernails neatly trimmed.

43 (d) Package all cannabis products produced by the cannabis  
44 production facility on the premises of the cannabis production  
45 facility.





1 4. A cannabis establishment shall not engage in advertising that  
2 in any way makes cannabis or cannabis products appeal to children,  
3 including, without limitation, advertising which uses an image of a  
4 cartoon character, mascot, action figure, balloon, fruit or toy.

5 5. Each cannabis sales facility shall offer for sale containers for  
6 the storage of cannabis and cannabis products which lock and are  
7 designed to prohibit children from unlocking and opening the  
8 container.

9 6. A cannabis sales facility shall:

10 (a) Convey to each purchaser of cannabis or cannabis products  
11 the following information in a manner prescribed by the Board:

12 (1) To keep cannabis and cannabis products out of the reach  
13 of children;

14 (2) That cannabis products can cause severe illness in  
15 children;

16 (3) That allowing children to ingest cannabis or cannabis  
17 products or storing cannabis or cannabis products in a location  
18 which is accessible to children may result in an investigation by an  
19 agency which provides child welfare services or criminal  
20 prosecution for child abuse or neglect;

21 (4) That the intoxicating effects of edible cannabis products  
22 may be delayed by 2 hours or more and users of edible cannabis  
23 products should initially ingest a small amount of the product, then  
24 wait at least 120 minutes before ingesting any additional amount of  
25 the product;

26 (5) That pregnant women should consult with a physician  
27 before ingesting cannabis or cannabis products;

28 (6) That ingesting cannabis or cannabis products with  
29 alcohol or other drugs, including prescription medication, may result  
30 in unpredictable levels of impairment and that a person should  
31 consult with a physician before doing so;

32 (7) That cannabis or cannabis products can impair  
33 concentration, coordination and judgment and a person should not  
34 operate a motor vehicle while under the influence of cannabis or  
35 cannabis products; and

36 (8) That ingestion of any amount of cannabis or cannabis  
37 products before driving may result in criminal prosecution for  
38 driving under the influence.

39 (b) Enclose all cannabis and cannabis products in opaque, child-  
40 resistant packaging upon sale.

41 7. A cannabis sales facility shall allow any person who is at  
42 least 21 years of age to enter the premises of the cannabis sales  
43 facility.

44 8. If the health authority, as defined in NRS 446.050, where a  
45 cannabis production facility, cannabis sales facility or cannabis



1 consumption lounge which sells edible cannabis products is located  
2 requires persons who handle food at a food establishment to obtain  
3 certification, the cannabis production facility, cannabis sales facility  
4 or cannabis consumption lounge shall ensure that at least one  
5 employee maintains such certification.

6 9. A cannabis production facility may sell a commodity or  
7 product made using hemp, as defined in NRS 557.160, or containing  
8 cannabidiol to a cannabis sales facility.

9 10. *A cannabis production facility may produce and sell to a  
10 cannabis sales facility a non-infused pre-roll.*

11 *11.* In addition to any other product authorized by the  
12 provisions of this title, a cannabis sales facility may sell:

13 (a) Any commodity or product made using hemp, as defined in  
14 NRS 557.160;

15 (b) Any commodity or product containing cannabidiol with a  
16 THC concentration of not more than 0.3 percent; and

17 (c) Any other product specified by regulation of the Board.

18 ~~11-] 12.~~ A cannabis establishment:

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

21 (1) Is false or misleading;

22 (2) Promotes overconsumption of cannabis or cannabis  
23 products;

24 (3) Depicts the actual consumption of cannabis or cannabis  
25 products; or

26 (4) Depicts a child or other person who is less than 21 years  
27 of age consuming cannabis or cannabis products or objects  
28 suggesting the presence of a child, including, without limitation,  
29 toys, characters or cartoons, or contains any other depiction which is  
30 designed in any manner to be appealing to or encourage  
31 consumption of cannabis or cannabis products by a person who is  
32 less than 21 years of age.

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

37 (c) Shall not place an advertisement:

38 (1) Within 1,000 feet of a public or private school,  
39 playground, public park or library, but may maintain such an  
40 advertisement if it was initially placed before the school,  
41 playground, public park or library was located within 1,000 feet of  
42 the location of the advertisement;

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



1 (3) At a sports event to which persons who are less than 21  
2 years of age are allowed entry; or

3 (4) At an entertainment event if it is reasonably estimated  
4 that 30 percent or more of the persons who will attend that event are  
5 less than 21 years of age.

6 (d) Shall not advertise or offer any cannabis or cannabis product  
7 as “free” or “donated” without a purchase.

8 (e) Shall ensure that all advertising by the cannabis  
9 establishment contains such warnings as may be prescribed by the  
10 Board, which must include, without limitation, the following words:

11 (1) “Keep out of reach of children”; and

12 (2) “For use only by adults 21 years of age and older.”

13 (f) Shall ensure that all advertising by the cannabis  
14 establishment contains:

15 (1) The name of the cannabis establishment; and

16 (2) Except as otherwise provided in subsection ~~12.1~~ 13, the  
17 adult-use cannabis establishment license number or medical  
18 cannabis establishment license number of the cannabis  
19 establishment or any other unique identifier assigned to the cannabis  
20 establishment by the Board.

21 ~~12.1~~ 13. A cannabis establishment that holds more than one  
22 license may satisfy the requirement set forth in subparagraph (2) of  
23 paragraph (f) of subsection ~~11.1~~ 12 if the cannabis establishment  
24 includes in all advertising conducted by the cannabis establishment:

25 (a) Any one of the adult-use cannabis establishment license  
26 numbers or medical cannabis establishment license numbers of the  
27 cannabis establishment; or

28 (b) Any one unique identifier assigned to the cannabis  
29 establishment by the Board.

30 ~~13.1~~ 14. Nothing in subsection ~~11.1~~ 12 shall be construed to  
31 prohibit a local government, pursuant to chapter 244, 268 or 278 of  
32 NRS, from adopting an ordinance for the regulation of advertising  
33 relating to cannabis which is more restrictive than the provisions of  
34 subsection ~~11.1~~ 12 relating to:

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

37 (b) Handbills, pamphlets, cards or other types of advertisements  
38 that are distributed, excluding an advertisement placed in a  
39 newspaper of general circulation, trade publication or other form of  
40 print media;

41 (c) Any stationary or moving display that is located on or near  
42 the premises of a cannabis establishment; and

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



1 ~~[14.]~~ 15. If a cannabis establishment engages in advertising for  
2 which it is required to determine the percentage of persons who are  
3 less than 21 years of age and who may reasonably be expected to  
4 view or hear the advertisement, the cannabis establishment shall  
5 maintain documentation for not less than 5 years after the date on  
6 which the advertisement is first broadcasted, published or otherwise  
7 displayed that demonstrates the manner in which the cannabis  
8 establishment determined the reasonably expected age of the  
9 audience for that advertisement.

10 ~~[15.]~~ 16. To the extent that they are inconsistent or otherwise  
11 conflict with the regulations adopted by the Board pursuant to NRS  
12 678D.480, the requirements of this section pertaining to cannabis  
13 products do not apply to ready-to-consume cannabis products  
14 prepared and sold by a cannabis consumption lounge.

15 ~~[16.]~~ 17. In addition to any other penalties provided for by  
16 law, the Board may impose a civil penalty upon a cannabis  
17 establishment that violates the provisions of subsection ~~[11.]~~ 12 or  
18 ~~[14.]~~ 15 as follows:

19 (a) For the first violation in the immediately preceding 2 years, a  
20 civil penalty not to exceed \$1,250.

21 (b) For the second violation in the immediately preceding 2  
22 years, a civil penalty not to exceed \$2,500.

23 (c) For the third violation in the immediately preceding 2 years,  
24 a civil penalty not to exceed \$5,000.

25 (d) For the fourth violation in the immediately preceding 2  
26 years, a civil penalty not to exceed \$10,000.

27 ~~[17.]~~ 18. As used in this section ~~[, "motor"]~~ :

28 (a) *"Motor* vehicle used for public transportation" does not  
29 include a taxicab, as defined in NRS 706.124.

30 (b) *"Non-infused pre-roll" means an individual cannabis*  
31 *cigarette or joint that has not been infused with concentrated*  
32 *cannabis.*

33 **Sec. 10.** NRS 678B.650 is hereby amended to read as follows:

34 678B.650 1. The Board shall adopt such regulations as it  
35 determines to be necessary or advisable to carry out the provisions  
36 of this chapter. Such regulations are in addition to any requirements  
37 set forth in statute and must, without limitation:

38 ~~[1.]~~ (a) Prescribe the form and any additional required content  
39 of applications for licenses or registration cards issued pursuant to  
40 this chapter;

41 ~~[2.]~~ (b) Establish procedures for the suspension or revocation of  
42 a license or registration card or other disciplinary action to be taken  
43 against a licensee or registrant;

44 ~~[3.]~~ (c) Set forth rules pertaining to the safe and healthful  
45 operation of cannabis establishments, including, without limitation:



1 ~~{(a)}~~ (1) The manner of protecting against diversion and  
2 theft without imposing an undue burden on cannabis establishments  
3 or compromising the confidentiality of consumers and holders of  
4 registry identification cards and letters of approval, as those terms  
5 are defined in NRS 678C.080 and 678C.070, respectively;

6 ~~{(b)}~~ (2) Minimum requirements for the oversight of  
7 cannabis establishments;

8 ~~{(c)}~~ (3) Minimum requirements for the keeping of records  
9 by cannabis establishments;

10 ~~{(d)}~~ (4) Provisions for the security of cannabis  
11 establishments, including without limitation, requirements for the  
12 protection by a fully operational security alarm system of each  
13 cannabis establishment; and

14 ~~{(e)}~~ (5) Procedures pursuant to which cannabis  
15 establishments must use the services of cannabis independent testing  
16 laboratories to ensure that any cannabis or cannabis product or  
17 commodity or product made from hemp, as defined in NRS  
18 557.160, sold by a cannabis sales facility to an end user is tested for  
19 content, quality and potency in accordance with standards  
20 established by the Board;

21 ~~{4}~~ (d) Establish circumstances and procedures pursuant to  
22 which the maximum fees set forth in NRS 678B.390 may be  
23 reduced over time to ensure that the fees imposed pursuant to NRS  
24 678B.390 are, insofar as may be practicable, revenue neutral;

25 ~~{5}~~ (e) Establish different categories of cannabis establishment  
26 agent registration cards, including, without limitation, criteria for  
27 issuance of a cannabis establishment agent registration card for a  
28 cannabis executive and a cannabis establishment agent registration  
29 card for a cannabis receiver and criteria for training and  
30 certification, for each of the different types of cannabis  
31 establishments at which such an agent may be employed or  
32 volunteer or provide labor as a cannabis establishment agent;

33 ~~{6}~~ (f) As far as possible while maintaining accountability,  
34 protect the identity and personal identifying information of each  
35 person who receives, facilitates or delivers services in accordance  
36 with this chapter;

37 ~~{7}~~ (g) Establish procedures and requirements to enable a dual  
38 licensee to operate a medical cannabis establishment and an adult-  
39 use cannabis establishment at the same location;

40 ~~{8}~~ (h) Determine whether any provision of this chapter or  
41 chapter 678C or 678D of NRS would make the operation of a  
42 cannabis establishment by a dual licensee unreasonably  
43 impracticable;



1 ~~[(9)]~~ (i) Allow for any record relating to the delivery of cannabis  
2 or cannabis products that is required to be kept by a cannabis  
3 establishment to be created and maintained in an electronic format;

4 ~~[(10)]~~ (j) Prescribe the manner in which the Board will  
5 determine whether a person who holds an adult-use cannabis  
6 establishment license is ineligible to hold additional licenses  
7 pursuant to NRS 678B.325 and 678B.328;

8 ~~[(11)]~~ (k) Set forth rules pertaining to the safe and healthful  
9 operation of cannabis consumption lounges, including, without  
10 limitation:

11 ~~[(a)]~~ (1) Standards for the air quality in a cannabis  
12 consumption lounge;

13 ~~[(b)]~~ (2) Procedures and requirements for the collection and  
14 disposal of cannabis and cannabis products which are left at a  
15 cannabis consumption lounge; and

16 ~~[(c)]~~ (3) Requirements for the training of employees of a  
17 cannabis consumption lounge in the sale and safe consumption of  
18 single-use cannabis products and ready-to-consume cannabis  
19 products; and

20 ~~[(12)]~~ (l) Address such other matters as the Board deems  
21 necessary to carry out the provisions of this title.

22 *2. The regulations adopted by the Board pursuant to*  
23 *subsection 1 must:*

24 *(a) Not require a cannabis sales facility to maintain a visitor's*  
25 *log.*

26 *(b) Not require a cannabis establishment to maintain records*  
27 *concerning sales transactions for more than 3 years.*

28 *(c) If the Board requires a cannabis establishment to conduct*  
29 *a quarterly inventory, allow any employee of the cannabis*  
30 *establishment who is not involved in the regular management of*  
31 *the inventory of the cannabis establishment to conduct the*  
32 *quarterly inventory.*

33 **Sec. 11.** NRS 678C.100 is hereby amended to read as follows:

34 678C.100 1. "Usable cannabis" means ~~[(~~

35 ~~(a) The] the~~ dried leaves and flowers of a plant of the genus  
36 Cannabis, and any mixture or preparation thereof, that are  
37 appropriate for the medical use of cannabis or the adult use of  
38 cannabis. ~~[(; and~~

39 ~~(b) The seeds of a plant of the genus Cannabis.]~~

40 2. The term does not include the *seeds*, stalks and roots of the  
41 plant.

42 **Sec. 12.** NRS 678C.200 is hereby amended to read as follows:

43 678C.200 1. Except as otherwise provided in this section and  
44 NRS 678C.300, a person who holds a valid registry identification



1 card issued to the person pursuant to NRS 678C.230 or 678C.270 is  
2 exempt from state prosecution for:

- 3 (a) The possession, delivery or production of cannabis;
- 4 (b) The possession or delivery of paraphernalia;
- 5 (c) Aiding and abetting another in the possession, delivery or  
6 production of cannabis;
- 7 (d) Aiding and abetting another in the possession or delivery of  
8 paraphernalia;
- 9 (e) Any combination of the acts described in paragraphs (a) to  
10 (d), inclusive; and
- 11 (f) Any other criminal offense in which the possession, delivery  
12 or production of cannabis or the possession or delivery of  
13 paraphernalia is an element.

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

19 3. The exemption from state prosecution set forth in subsection  
20 1 applies only to the extent that a person who holds a registry  
21 identification card issued to the person pursuant to paragraph (a) of  
22 subsection 1 of NRS 678C.230 and the designated primary  
23 caregiver, if any, of such a person:

24 (a) Engage in or assist in, as applicable, the medical use of  
25 cannabis in accordance with the provisions of this title as justified to  
26 mitigate the symptoms or effects of a person's chronic or  
27 debilitating medical condition; and

28 (b) Do not, at any one time, collectively possess with another  
29 who is authorized to possess, deliver or produce more than:

- 30 (1) Two and one-half ounces of usable cannabis;
- 31 (2) Twelve cannabis plants, irrespective of whether the  
32 cannabis plants are mature or immature; and
- 33 (3) A maximum allowable quantity of cannabis products as  
34 established by regulation of the Board.

35 ➤ The persons described in this subsection must ensure that the  
36 usable cannabis and cannabis plants described in this subsection are  
37 safeguarded in an enclosed, secure location.

38 4. If the persons described in subsection 3 possess, deliver or  
39 produce cannabis in an amount which exceeds the amount described  
40 in paragraph (b) of that subsection, those persons:

41 (a) Are not exempt from state prosecution for the possession,  
42 delivery or production of cannabis.

43 (b) May establish an affirmative defense to charges of the  
44 possession, delivery or production of cannabis, or any combination  
45 of those acts, in the manner set forth in NRS 678C.310.



1 5. A person who holds a valid medical cannabis establishment  
2 license issued to the person pursuant to NRS 678B.210, a valid  
3 cannabis establishment agent registration card issued to the person  
4 pursuant to NRS 678B.340, a valid cannabis establishment agent  
5 registration card for a cannabis executive issued pursuant to NRS  
6 678B.350 or a valid cannabis establishment agent registration card  
7 for a cannabis receiver issued pursuant to NRS 678B.355, *or who*  
8 *has entered into a joint-venture agreement approved by the Board*  
9 *pursuant to section 5 of this act*, and who confines his or her  
10 activities to those authorized by this title, and the regulations  
11 adopted by the Board pursuant thereto, is exempt from state  
12 prosecution for:

- 13 (a) The possession, delivery or production of cannabis;
- 14 (b) The possession or delivery of paraphernalia;
- 15 (c) Aiding and abetting another in the possession, delivery or  
16 production of cannabis;
- 17 (d) Aiding and abetting another in the possession or delivery of  
18 paraphernalia;
- 19 (e) Any combination of the acts described in paragraphs (a) to  
20 (d), inclusive; and
- 21 (f) Any other criminal offense in which the possession, delivery  
22 or production of cannabis or the possession or delivery of  
23 paraphernalia is an element.

24 6. Notwithstanding any other provision of law and except as  
25 otherwise provided in this subsection, after a medical cannabis  
26 dispensary opens in the county of residence of a person who holds a  
27 registry identification card, including, without limitation, a  
28 designated primary caregiver, such a person is not authorized to  
29 cultivate, grow or produce cannabis. The provisions of this  
30 subsection do not apply if:

- 31 (a) The person who holds the registry identification card was  
32 cultivating, growing or producing cannabis in accordance with state  
33 law on or before July 1, 2013;
- 34 (b) All the medical cannabis dispensaries in the county of  
35 residence of the person who holds the registry identification card  
36 close or are unable to supply the quantity or strain of cannabis  
37 necessary for the medical use of the person to treat his or her  
38 specific medical condition;
- 39 (c) Because of illness or lack of transportation, the person who  
40 holds the registry identification card is unable reasonably to travel to  
41 a medical cannabis dispensary; or
- 42 (d) No medical cannabis dispensary was operating within 25  
43 miles of the residence of the person who holds the registry  
44 identification card at the time the person first applied for his or her  
45 registry identification card.





1 7. As used in this section, “cannabis” includes, without  
2 limitation, cannabis products.

3 **Sec. 13.** NRS 678C.400 is hereby amended to read as follows:  
4 678C.400 1. Each medical cannabis establishment must:

5 (a) Be located in a separate building or facility that is located in  
6 a commercial or industrial zone or overlay;

7 (b) Have an appearance, both as to the interior and exterior, that  
8 is professional, orderly, dignified and consistent with the traditional  
9 style of pharmacies and medical offices; and

10 (c) Have discreet and professional signage that is consistent with  
11 the traditional style of signage for pharmacies and medical offices.

12 2. If a medical cannabis establishment is operated by a dual  
13 licensee, any provision of this section which is determined by the  
14 Board to be unreasonably impracticable pursuant to *paragraph (h)*  
15 *of* subsection ~~8~~ 1 of NRS 678B.650 does not apply to the medical  
16 cannabis establishment.

17 **Sec. 14.** NRS 678C.410 is hereby amended to read as follows:

18 678C.410 1. A medical cannabis establishment is prohibited  
19 from acquiring, possessing, cultivating, manufacturing, delivering,  
20 transferring, transporting, supplying or dispensing cannabis for any  
21 purpose except to:

22 (a) Directly or indirectly assist patients who possess valid  
23 registry identification cards;

24 (b) Assist patients who possess valid registry identification cards  
25 or letters of approval by way of those patients’ designated primary  
26 caregivers; and

27 (c) Return for a refund cannabis, medical edible cannabis  
28 products or medical cannabis-infused products to the medical  
29 cannabis establishment from which the cannabis, medical edible  
30 cannabis products or medical cannabis-infused products were  
31 acquired.

32 ↪ For the purposes of this subsection, a person shall be deemed to  
33 be a patient who possesses a valid registry identification card or  
34 letter of approval if he or she qualifies for nonresident reciprocity  
35 pursuant to NRS 678C.470.

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



1 sell usable cannabis to a medical cannabis dispensary one time and  
2 may sell cannabis plants to a cultivation facility one time.

3 3. A medical cannabis production facility and a medical  
4 cannabis dispensary may acquire hemp, as defined in NRS 557.160,  
5 or a commodity or product made using such hemp from a grower or  
6 handler registered by the State Department of Agriculture pursuant  
7 to chapter 557 of NRS. A medical cannabis production facility may  
8 use hemp or a commodity or product made using such hemp to  
9 manufacture medical cannabis products. A medical cannabis  
10 dispensary may dispense hemp or a commodity or product made  
11 using such hemp and medical edible cannabis products and medical  
12 cannabis-infused products manufactured using hemp or a  
13 commodity or product made using such hemp.

14 4. A dual licensee:

15 (a) Shall comply with the regulations adopted by the Board  
16 pursuant to *paragraph (g) of* subsection ~~7~~ *I* of NRS 678B.650  
17 with respect to the medical cannabis establishment operated by the  
18 dual licensee; and

19 (b) May, to the extent authorized by such regulations, combine  
20 the location or operations of the medical cannabis establishment  
21 operated by the dual licensee with the adult-use cannabis  
22 establishment operated by the dual licensee.

23 5. If a medical cannabis establishment is operated by a dual  
24 licensee, any provision of this section which is determined by the  
25 Board to be unreasonably impracticable pursuant to *paragraph (h)*  
26 *of* subsection ~~8~~ *I* of NRS 678B.650 does not apply to the medical  
27 cannabis establishment.

28 **Sec. 15.** NRS 678C.440 is hereby amended to read as follows:

29 678C.440 1. Each medical cannabis dispensary shall ensure  
30 all of the following:

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

34 (b) That, posted clearly and conspicuously within the  
35 dispensary, are the legal limits on the possession of cannabis for  
36 medical purposes, as set forth in NRS 678C.200.

37 (c) That, posted clearly and conspicuously within the  
38 dispensary, is a sign stating unambiguously the legal limits on the  
39 possession of cannabis for medical purposes, as set forth in  
40 NRS 678C.200.

41 (d) That only persons who are at least 21 years of age or hold a  
42 registry identification card or letter of approval are allowed to enter  
43 the premises of the medical cannabis dispensary.

44 2. A medical cannabis dispensary may, but is not required to,  
45 track the purchases of cannabis for medical purposes by any person



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

8 3. A medical cannabis dispensary which is a dual licensee may,  
9 to the extent authorized by the regulations adopted by the Board  
10 pursuant to *paragraph (g) of* subsection ~~77~~ *1* of NRS 678B.650,  
11 allow any person who is at least 21 years of age to enter the  
12 premises of the medical cannabis dispensary, regardless of whether  
13 such a person holds a valid registry identification card or letter of  
14 approval.

15 4. A medical cannabis dispensary shall not sell cannabis or  
16 cannabis products to a consumer through the use of, or accept a sale  
17 of cannabis or cannabis products from, a third party, intermediary  
18 business, broker or any other business that does not hold a medical  
19 cannabis establishment license for a medical cannabis dispensary.

20 5. A medical cannabis dispensary may contract with a third  
21 party or intermediary business to deliver cannabis or medical  
22 cannabis products to consumers only if:

23 (a) Every sale of cannabis or cannabis products which is  
24 delivered by the third party or intermediary business is made  
25 directly from the medical cannabis dispensary or an Internet  
26 website, digital network or software application service of the  
27 medical cannabis dispensary;

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

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

34 **Sec. 16.** NRS 678C.600 is hereby amended to read as follows:

35 678C.600 1. The fact that a person possesses a registry  
36 identification card or letter of approval issued to the person by the  
37 Division or its designee pursuant to NRS 678C.230 or 678C.270, a  
38 medical cannabis establishment license issued to the person by the  
39 Board or its designee pursuant to NRS 678B.210, a cannabis  
40 establishment agent registration card issued to the person by the  
41 Board or its designee pursuant to NRS 678B.340, a cannabis  
42 establishment agent registration card for a cannabis executive issued  
43 to the person by the Board or its designee pursuant to NRS  
44 678B.350 or a cannabis establishment agent registration card for a  
45 cannabis receiver issued to the person by the Board pursuant to



1 NRS 678B.355 *or has entered into a joint-venture agreement*  
2 *approved by the Board pursuant to section 5 of this act* does not,  
3 alone:

- 4 (a) Constitute probable cause to search the person or the  
5 person's property; or  
6 (b) Subject the person or the person's property to inspection by  
7 any governmental agency.

8 2. Except as otherwise provided in this subsection, if officers  
9 of a state or local law enforcement agency seize cannabis,  
10 paraphernalia or other related property from a person engaged in,  
11 facilitating or assisting in the medical use of cannabis:

12 (a) The law enforcement agency shall ensure that the cannabis,  
13 paraphernalia or other related property is not destroyed while in the  
14 possession of the law enforcement agency.

15 (b) Any property interest of the person from whom the cannabis,  
16 paraphernalia or other related property was seized must not be  
17 forfeited pursuant to any provision of law providing for the  
18 forfeiture of property, except as part of a sentence imposed after  
19 conviction of a criminal offense.

20 (c) Upon:

- 21 (1) A decision not to prosecute;  
22 (2) The dismissal of charges; or  
23 (3) Acquittal,

24 ↪ the law enforcement agency shall, to the extent permitted by law,  
25 return to that person any usable cannabis, cannabis plants,  
26 paraphernalia or other related property that was seized. The  
27 provisions of this subsection do not require a law enforcement  
28 agency to care for live cannabis plants.

29 **Sec. 17.** NRS 678D.200 is hereby amended to read as follows:

30 678D.200 1. Except as otherwise provided in NRS  
31 678D.300, a person who is 21 years of age or older is exempt from  
32 state prosecution for:

- 33 (a) The possession, delivery or production of cannabis;  
34 (b) The possession or delivery of paraphernalia;  
35 (c) Aiding and abetting another in the possession, delivery or  
36 production of cannabis;  
37 (d) Aiding and abetting another in the possession or delivery of  
38 paraphernalia;  
39 (e) Any combination of the acts described in paragraphs (a) to  
40 (d), inclusive; and  
41 (f) Any other criminal offense in which the possession, delivery  
42 or production of cannabis or the possession or delivery of  
43 paraphernalia is an element.

44 2. In addition to the provisions of subsections 1 and 5, no  
45 person may be subject to state prosecution for constructive



1 possession, conspiracy or any other criminal offense solely for being  
2 in the presence or vicinity of the adult use of cannabis in accordance  
3 with the provisions of this title.

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

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

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

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

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

14 (1) Two and one-half ounces of usable cannabis;

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

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

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

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

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

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

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

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

35 4. If a person possesses, uses or produces cannabis in an  
36 amount which exceeds the amount set forth in paragraph (d) of  
37 subsection 3 or in any manner other than that set forth in subsection  
38 3, the person is not exempt from state prosecution for the  
39 possession, delivery or production of cannabis.

40 5. A person who holds an adult-use cannabis establishment  
41 license issued to the person pursuant to NRS 678B.250, a cannabis  
42 establishment agent registration card issued to the person pursuant  
43 to NRS 678B.340, a cannabis establishment agent registration card  
44 for a cannabis executive issued to the person pursuant to NRS  
45 678B.350 or a cannabis establishment agent registration card for a



1 cannabis receiver issued to the person pursuant to NRS 678B.355,  
2 *or who has entered into a joint-venture agreement approved by the*  
3 *Board pursuant to section 5 of this act*, and confines his or her  
4 activities to those authorized by this title, and the regulations  
5 adopted by the Board pursuant thereto, is exempt from state  
6 prosecution for:

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

8 (b) The possession or delivery of paraphernalia;

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

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

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

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

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

22 **Sec. 18.** NRS 52.400 is hereby amended to read as follows:

23 52.400 1. Except as otherwise provided in NRS 678C.800:

24 ~~[(1)]~~ (a) At any time after a substance which is alleged to be  
25 marijuana is seized from a defendant by a peace officer, the law  
26 enforcement agency of which the officer is a member may, without  
27 the prior approval of the district court in the county in which the  
28 defendant is charged, destroy any amount of the substance that  
29 exceeds 10 pounds.

30 ~~[(2)]~~ (b) The law enforcement agency must, before destroying  
31 the substance pursuant to this section:

32 ~~[(a)]~~ (1) Accurately weigh and record the weight of the  
33 substance.

34 ~~[(b)]~~ (2) Take and retain, for evidentiary purposes, at least  
35 five random and representative samples of the substance in addition  
36 to the amount which is not authorized to be destroyed pursuant to  
37 ~~[subsection 1.]~~ *paragraph (a)*. If the substance is alleged to consist  
38 of growing or harvested marijuana plants, the 10 pounds retained  
39 pursuant to ~~[subsection 1.]~~ *paragraph (a)* may include stalks,  
40 branches, leaves and buds, but the five representative samples must  
41 consist of only leaves or buds.

42 ~~[(c)]~~ (3) Take photographs that reasonably demonstrate the  
43 total amount of the substance. A sign which clearly and  
44 conspicuously shows the title or the case number of the matter,



1 proceeding or action to which the substance relates must appear next  
2 to the substance in any photograph taken.

3 ~~[3.]~~ (c) A law enforcement agency that destroys a substance  
4 pursuant to this section shall, not later than 30 days after the  
5 destruction of the substance, file an affidavit in the court which has  
6 jurisdiction over the pending criminal proceedings, if any,  
7 pertaining to that substance. The affidavit must establish that the law  
8 enforcement agency has complied with the requirements of  
9 ~~[subsection 2.]~~ *paragraph (b)*, specify the date and time of the  
10 destruction of the substance and provide the publicly known address  
11 of the agency. If there are no criminal proceedings pending which  
12 pertain to the substance, the affidavit may be filed in any court  
13 within the county which would have jurisdiction over a person  
14 against whom such criminal charges might be filed.

15 ~~[4.]~~ (d) If the substance is finally determined not to be  
16 marijuana, the owner may file a claim against the county to recover  
17 the reasonable value of the property destroyed pursuant to this  
18 section.

19 ~~[5.]~~ (e) The law enforcement agency's finding as to the weight  
20 of any substance alleged to be marijuana and destroyed pursuant to  
21 this section is admissible in any subsequent proceeding arising out  
22 of the same transaction.

23 *2. As used in this section, "law enforcement agency"*  
24 *includes, without limitation, the Cannabis Compliance Board.*

25 **Sec. 19.** Chapter 372 of NRS is hereby amended by adding  
26 thereto a new section to read as follows:

27 *1. The provisions of this chapter relating to the imposition,*  
28 *collection and remittance of the sales tax apply to a retailer who*  
29 *makes a retail sale of cannabis or cannabis products regardless of*  
30 *whether the retailer holds a license issued pursuant to title 56 of*  
31 *NRS.*

32 *2. As used in this section:*

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

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

37 **Sec. 20.** Chapter 372A of NRS is hereby amended by adding  
38 thereto a new section to read as follows:

39 *1. In addition to any other penalty authorized by law, the*  
40 *Department may impose on any person who does not hold a*  
41 *license pursuant to title 56 of NRS and who sells cannabis or a*  
42 *cannabis product an administrative fine in the amount of the*  
43 *excise tax on cannabis for which the person who engaged in the*  
44 *sale of cannabis or a cannabis product would have been liable had*  
45 *the person engaged in the sale as an adult-use cannabis*



1 *cultivation facility, for a sale for the purpose of resale, or adult-*  
2 *use cannabis retail store, for a sale for the purpose of use or*  
3 *consumption.*

4 *2. As used in this section, "cannabis product" has the*  
5 *meaning ascribed to it in NRS 678A.120.*

6 **Sec. 21.** NRS 372A.200 is hereby amended to read as follows:  
7 372A.200 As used in NRS 372A.200 to 372A.380, inclusive,  
8 *and section 20 of this act*, unless the context otherwise requires, the  
9 words and terms defined in NRS 372A.205 to 372A.250, inclusive,  
10 have the meanings ascribed to them in those sections.

11 **Sec. 22.** NRS 372A.260 is hereby amended to read as follows:  
12 372A.260 The provisions of chapter 360 of NRS relating to the  
13 payment, collection, administration and enforcement of taxes,  
14 including, without limitation, any provisions relating to the  
15 imposition of penalties and interest, shall be deemed to apply to the  
16 payment, collection, administration and enforcement of the excise  
17 tax on cannabis to the extent that those provisions do not conflict  
18 with the provisions of NRS 372A.200 to 372A.380, inclusive ~~☐~~ *and*  
19 *section 20 of this act.*

20 **Sec. 23.** NRS 372A.290 is hereby amended to read as follows:  
21 372A.290 1. An excise tax is hereby imposed on the first  
22 wholesale sale in this State of cannabis by a medical cannabis  
23 cultivation facility to another cannabis establishment at the rate of  
24 15 percent of:

25 (a) The fair market value at wholesale of the cannabis, if the sale  
26 is made to an affiliate of the medical cannabis cultivation facility; or

27 (b) The sales price of the cannabis, if the sale is made to a  
28 cannabis establishment that is not an affiliate of the medical  
29 cannabis cultivation facility.

30 ➤ The excise tax imposed pursuant to this subsection is the  
31 obligation of the medical cannabis cultivation facility.

32 2. An excise tax is hereby imposed on the first wholesale sale  
33 in this State of cannabis by an adult-use cannabis cultivation facility  
34 to another cannabis establishment at the rate of 15 percent of:

35 (a) The fair market value at wholesale of the cannabis, if the sale  
36 is made to an affiliate of the adult-use cannabis cultivation facility;  
37 or

38 (b) The sales price of the cannabis, if the sale is made to a  
39 cannabis establishment that is not an affiliate of the adult-use  
40 cannabis cultivation facility.

41 ➤ The excise tax imposed pursuant to this subsection is the  
42 obligation of the adult-use cannabis cultivation facility.

43 3. Except as otherwise provided in subsection 8, an excise tax  
44 is hereby imposed on each retail sale in this State of cannabis or  
45 cannabis products by an adult-use cannabis retail store or cannabis





1 consumption lounge at the rate of 10 percent of the sales price of the  
2 cannabis or cannabis products. The excise tax imposed pursuant to  
3 this subsection:

4 (a) Is the obligation of the seller of the cannabis or cannabis  
5 product but may be recovered from the purchaser.

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

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

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

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

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

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

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

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

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

39 8. The excise tax imposed pursuant to subsection 3 does not  
40 apply to a sale of cannabis for the medical use of cannabis or a  
41 medical cannabis product to the holder of a registry identification  
42 card or letter of approval by an adult-use cannabis retail store that  
43 has been deemed to be a dual licensee pursuant to NRS 678D.490.

44 9. *The excise taxes imposed pursuant to this section do not*  
45 *apply to any sale of cannabis or a cannabis product that was*



1 *produced by a joint-venture business operating pursuant to a*  
2 *joint-venture agreement approved by the Board pursuant to*  
3 *section 5 of this act.*

4 **10.** As used in this section:

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

7 (b) "Affiliate" means a person who, directly or indirectly  
8 through one or more intermediaries, controls, is controlled by or is  
9 under common control with, a specified person.

10 (c) "Cannabis product" has the meaning ascribed to it in  
11 NRS 678A.120.

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

14 (e) "Local government" has the meaning ascribed to it in  
15 NRS 360.640.

16 (f) "Medical cannabis cultivation facility" has the meaning  
17 ascribed to it in NRS 678A.170.

18 (g) "Medical cannabis establishment" has the meaning ascribed  
19 to it in NRS 678A.180.

20 (h) "Medical cannabis product" has the meaning ascribed to it in  
21 NRS 678A.200.

22 (i) "Medical use of cannabis" has the meaning ascribed to it in  
23 NRS 678A.215.

24 (j) "Registry identification card" has the meaning ascribed to it  
25 in NRS 678C.080.

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

31 **Sec. 24.** NRS 372A.380 is hereby amended to read as follows:

32 372A.380 The remedies of the State provided for in NRS  
33 372A.200 to 372A.380, inclusive, *and section 20 of this act* are  
34 cumulative, and no action taken by the Department or the Attorney  
35 General constitutes an election by the State to pursue any remedy to  
36 the exclusion of any other remedy for which provision is made in  
37 those sections.

38 **Sec. 25.** Chapter 374 of NRS is hereby amended by adding  
39 thereto a new section to read as follows:

40 **1.** *The provisions of this chapter relating to the imposition,*  
41 *collection and remittance of the sales tax apply to a retailer who*  
42 *makes a retail sale of cannabis or a cannabis product regardless*  
43 *of whether the retailer holds a license issued pursuant to title 56 of*  
44 *NRS.*

45 **2.** *As used in this section:*



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

3 (b) *“Cannabis product” has the meaning ascribed to it in*  
4 *NRS 678A.120.*

5 **Sec. 26.** NRS 480.140 is hereby amended to read as follows:

6 480.140 The primary functions and responsibilities of the  
7 divisions of the Department are as follows:

8 1. The Investigation Division shall:

9 (a) Execute, administer and enforce the provisions of chapter  
10 453 of NRS relating to controlled substances and chapter 454 of  
11 NRS relating to dangerous drugs;

12 (b) Investigate technological crime, as defined in NRS  
13 205A.030, and enforce the provisions of the law of this State  
14 relating to technological crime, as defined in NRS 205A.030;

15 (c) Provide investigative services to the divisions of the  
16 Department as determined by the Director;

17 (d) Assist the Secretary of State in carrying out an investigation  
18 pursuant to NRS 293.124;

19 (e) Upon request, assist:

20 (1) The Department of Taxation in carrying out a criminal  
21 investigation relating to cannabis pursuant to NRS 372A.200 to  
22 372A.380, inclusive, *and section 20 of this act* and chapter 678A of  
23 NRS;

24 (2) The Division of Public and Behavioral Health of the  
25 Department of Health and Human Services in carrying out a  
26 criminal investigation relating to cannabis pursuant to chapter 678C  
27 of NRS; and

28 (3) The Cannabis Compliance Board in carrying out a  
29 criminal investigation pursuant to title 56 of NRS; and

30 (f) Perform such duties and exercise such powers as may be  
31 conferred upon it pursuant to this chapter and any other specific  
32 statute.

33 2. *In addition to the functions and responsibilities set forth in*  
34 *subsection 1, the Investigation Division shall be primarily*  
35 *responsible for the enforcement of criminal laws relating to*  
36 *unlicensed cannabis activities.*

37 3. The Nevada Highway Patrol Division shall, in conjunction  
38 with the Department of Motor Vehicles, execute, administer and  
39 enforce the provisions of chapters 484A to 484E, inclusive, of NRS  
40 and perform such duties and exercise such powers as may be  
41 conferred upon it pursuant to NRS 480.360 and any other specific  
42 statute.

43 ~~3.~~ 4. The State Fire Marshal Division shall execute,  
44 administer and enforce the provisions of chapter 477 of NRS and  
45 perform such duties and exercise such powers as may be conferred



1 upon it pursuant to chapter 477 of NRS and any other specific  
2 statute.

3 ~~[4.]~~ 5. The Division of Parole and Probation shall execute,  
4 administer and enforce the provisions of chapters 176A and 213 of  
5 NRS relating to parole and probation and perform such duties and  
6 exercise such powers as may be conferred upon it pursuant to those  
7 chapters and any other specific statute.

8 ~~[5.]~~ 6. The Capitol Police Division shall assist in the  
9 enforcement of subsection 1 of NRS 331.140.

10 ~~[6.]~~ 7. The Nevada Office of Cyber Defense Coordination  
11 shall:

12 (a) Serve as the strategic planning, facilitating and coordinating  
13 office for cybersecurity policy and planning in this State; and

14 (b) Execute, administer and enforce the provisions of NRS  
15 480.900 to 480.950, inclusive, and perform such duties and exercise  
16 such powers as may be conferred upon it pursuant to NRS 480.900  
17 to 480.950, inclusive, and any other specific statute.

18 ~~[7.]~~ 8. The Training Division shall provide training to the  
19 employees of the Department.

20 ~~[8.]~~ 9. The Records, Communications and Compliance  
21 Division shall:

22 (a) Execute, administer and enforce the provisions of chapter  
23 179A of NRS and perform such duties and exercise such powers as  
24 may be conferred upon it pursuant to chapter 179A of NRS and any  
25 other specific statute;

26 (b) Provide dispatch services for the Department and other  
27 agencies as determined by the Director;

28 (c) Maintain records of the Department as determined by the  
29 Director; and

30 (d) Provide support services to the Director, the divisions of the  
31 Department and the Nevada Criminal Justice Information System as  
32 may be imposed by the Director.

33 **Sec. 27.** NRS 618.9941 is hereby amended to read as follows:  
34 618.9941 “Cannabis establishment” has the meaning ascribed  
35 to it in NRS 678A.095 ~~[.]~~, *except that the term does not include a*  
36 *cannabis sales facility, as defined in NRS 678A.130.*

37 **Sec. 28.** 1. On or before December 31, 2026, the Cannabis  
38 Compliance Board and the Nevada Gaming Control Board shall  
39 jointly prepare and submit a report concerning the relationship  
40 between the gaming industry and the cannabis industry in this State  
41 to the Governor and the Director of the Legislative Counsel Bureau  
42 for transmittal to the next regular session of the Legislature.

43 2. The report required pursuant to subsection 1 must include,  
44 without limitation:



1 (a) An examination of the federal laws and regulations  
2 concerning cannabis;

3 (b) Recommendations as to whether and under what  
4 circumstances gaming licensees should be authorized to invest in  
5 cannabis establishments or otherwise work with the cannabis  
6 industry in this State;

7 (c) An identification of any specific changes to federal law that  
8 would be necessary or preferable in order to authorize gaming  
9 licensees to invest in cannabis establishments or otherwise work  
10 with the cannabis industry in this State; and

11 (d) An explanation of how the two boards will work together in  
12 the event that changes to federal law leads to a closer relationship  
13 between the gaming industry and the cannabis industry in this State.







