

Amendment No. 773

Assembly Amendment to Assembly Bill No. 341 First Reprint (BDR 56-583) Proposed by: Assembly Committee on Ways and Means Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 341 R1 (§§ 17, 34).

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



ASSEMBLY BILL NO. 341—ASSEMBLYMAN YEAGER

MARCH 19, 2021

Referred to Committee on Judiciary

SUMMARY—Provides for the licensure and regulation of cannabis consumption lounges. (BDR 56-583)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to cannabis; providing for the licensure and regulation by the Cannabis Compliance Board of cannabis consumption lounges; setting forth certain requirements for the licensure of cannabis consumption lounges; setting forth certain requirements for the operation of retail cannabis consumption lounges and independent cannabis consumption lounges; requiring the Board to adopt regulations establishing certain fees; revising provisions relating to certain cannabis products; revising provisions relating to the consumption of cannabis in a public place; establishing provisions relating to the civil liability of a person who serves, sells or furnishes cannabis or cannabis products to another person; revising provisions relating to the excise tax on retail sales of cannabis and cannabis products; exempting a cannabis consumption lounge from certain provisions prohibiting a person from maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides for the licensure and regulation of persons and establishments in
2 the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS)
3 Under existing law, a cannabis establishment is prohibited from allowing a person to consume
4 cannabis on the property or premises of the establishment. (NRS 678B.510) Existing law also
5 makes it a misdemeanor to consume cannabis or a cannabis product in a public place, in an
6 adult-use cannabis retail store or in a vehicle. (NRS 678D.310) This bill provides for the
7 licensure and regulation by the Board of certain businesses at which the consumption of
8 certain cannabis and cannabis products is allowed. **Section 2** of this bill designates such
9 businesses generally as “cannabis consumption lounges.”
10 **Sections 3 and 5** of this bill designate two types of cannabis consumption lounges.
11 **Section 5** of this bill defines “retail cannabis consumption lounge” to mean a business at
12 which the consumption of single-use or ready-to-consume cannabis products is allowed and
13 which is attached or immediately adjacent to an adult-use cannabis retail store. **Section 3** of
14 this bill defines “independent cannabis consumption lounge” to mean a business at which the

15 consumption of single-use or ready-to-consume cannabis products is allowed and which is not
16 attached or immediately adjacent to an adult-use cannabis retail store.

17 **Section 5.5** of this bill defines “single-use cannabis product” to generally mean a type of
18 cannabis or adult-use cannabis product that the Board has determined to be appropriate for
19 consumption in a cannabis consumption lounge. **Section 4** of this bill defines “ready-to-
20 consume cannabis product” to mean an adult-use edible cannabis product that is presented as a
21 foodstuff or beverage and is intended for immediate consumption. **Section 28** of this bill
22 requires the Board to adopt regulations designating types of cannabis and cannabis products as
23 single-use cannabis products and establishing requirements for the preparation and sale of
24 ready-to-consume cannabis products. **Sections 19 and 30** of this bill provide that certain
25 requirements for cannabis products established under existing law do not apply to ready-to-
26 consume cannabis products to the extent that such requirements are inconsistent with the
27 regulations adopted by the Board.

28 Existing law prohibits a person from engaging in the business of an adult-use cannabis
29 establishment unless the person has been issued an adult-use cannabis establishment license
30 by the Board. Existing law sets forth certain requirements to obtain such a license. (NRS
31 678B.250) **Section 7** of this bill includes a retail cannabis consumption lounge and an
32 independent cannabis consumption lounge within the definition of “adult-use cannabis
33 establishment” provided under existing law, thereby requiring persons who wish to operate
34 such establishments to obtain an adult-use cannabis establishment license in the manner
35 provided in existing law. (NRS 678A.035)

36 **Sections 13.5 and 14** of this bill prohibit a cannabis establishment, including a cannabis
37 consumption lounge, from being located on the property of an airport.

38 **Section 10** of this bill prohibits the Board from issuing an adult-use cannabis
39 establishment license for a retail cannabis consumption lounge unless: (1) the applicant holds
40 an adult-use cannabis establishment license for an adult-use cannabis retail store; and (2) the
41 location of the proposed retail cannabis consumption lounge is attached or immediately
42 adjacent to the adult-use cannabis retail store. **Sections 10 and 14** of this bill exempt a
43 proposed retail cannabis consumption lounge from certain restrictions relating to the location
44 of an adult-use cannabis establishment.

45 **Section 11** of this bill requires the Board to adopt regulations establishing criteria to
46 determine whether an applicant for the issuance or renewal of an adult-use cannabis
47 establishment license for an independent cannabis consumption lounge qualifies as a social
48 equity applicant, which is defined by **section 9** of this bill generally as an applicant that has
49 been adversely affected by previous laws that criminalized activity relating to cannabis.

50 **Section 12** of this bill requires the Board to adopt regulations establishing criteria of merit and
51 scoring guidelines to be used in evaluating applications for an adult-use cannabis
52 establishment license for a retail cannabis consumption lounge or an independent cannabis
53 consumption lounge. **Section 17** of this bill establishes fees for the issuance and renewal of
54 such licenses. **Section 17** authorizes the Board to reduce certain fees associated with an adult-
55 use cannabis establishment license for an independent cannabis consumption lounge for social
56 equity applicants. **Section 16** of this bill makes a conforming change to reflect the addition of
57 the requirements of **section 12**.

58 **Section 12.4 of this bill prohibits the Board, with certain exceptions, from issuing**
59 **more than 20 adult-use cannabis establishment licenses for an independent cannabis**
60 **consumption lounge. However, if on or before June 30, 2022, the Board issues 20 such**
61 **licenses, section 12.4 authorizes the Board to issue additional licenses, so long as the total**
62 **number of adult-use cannabis establishment licenses for an independent cannabis**
63 **consumption lounge does not, at any time, exceed the number of adult-use cannabis**
64 **establishment licenses for a retail cannabis consumption lounge issued by the Board.**
65 **Section 12.4 also requires that at least 10 of the first 20 adult-use cannabis establishment**
66 **licenses for an independent cannabis consumption lounge issued by the Board be issued**
67 **to social equity applicants.** **Section 12.5** of this bill sets forth certain requirements for the
68 issuance of adult-use cannabis establishment licenses for retail cannabis consumption lounges
69 and independent cannabis consumption lounges in a local governmental jurisdiction that limits
70 the number of business licenses issued to cannabis consumption lounges, which include,
71 among other requirements, that a certain number of adult-use cannabis establishment licenses
72 for independent cannabis consumption lounges be issued to social equity applicants.

Existing law prohibits the Board from issuing more than a certain number of adult-use cannabis establishment licenses to any one person, group **of persons** or entity in certain counties. (NRS 678B.270) **Section 15** of this bill provides that this prohibition does not apply to adult-use cannabis establishment licenses for retail cannabis consumption lounges or independent cannabis consumption lounges. Instead, **section 12.7** of this bill generally prohibits the Board from issuing more than one such license to any **one** person, group of persons or entity in any county. **Section 12.7** provides an exception to this prohibition for certain transfers of such licenses. **Section 12.3 of this bill prohibits the Board from issuing to any one person, group of persons or entity both an adult-use cannabis establishment license for an adult-use cannabis retail store and an adult-use cannabis establishment license for an independent cannabis consumption lounge.**

Existing law requires the Board to adopt regulations regarding the transfer of licenses issued by the Board. (NRS 678B.380) **Section 16.5** of this bill requires those regulations to impose certain requirements and restrictions on the transfer an adult-use cannabis establishment license for an independent cannabis consumption lounge. ~~for a holder who is a social equity applicant.]~~

Section 17.5 of this bill prohibits a local government from adopting or enforcing any ordinance or rule pertaining to zoning or land use which imposes restrictions on retail cannabis consumption lounges, unless such restrictions also apply to adult-use cannabis retail stores. Section 30.3 of this bill makes a conforming change to reflect the addition of the provisions of section 17.5.

Sections 22 and 24 of this bill set forth certain requirements and restrictions relating to the operation of a cannabis consumption lounge. **Section 24** prohibits, among other things, the consumption of any cannabis or cannabis product at a cannabis consumption lounge that is not a single-use cannabis product or ready-to-consume cannabis product. **Section 23** of this bill authorizes a cannabis consumption lounge to engage in certain activities. **Section 20** of this bill requires the Board to adopt certain regulations concerning cannabis consumption lounges.

Section 25 of this bill authorizes a retail cannabis consumption lounge to obtain single-use cannabis products from the adult-use cannabis retail store to which the lounge is attached or adjacent and sell such products to customers of the lounge. **Section 25** also authorizes a retail cannabis consumption lounge to prepare and sell ready-to-consume cannabis products.

~~[Section 26 of this bill requires an independent cannabis consumption lounge to allow single-use cannabis products to be delivered to a customer in the lounge. Section 26 also prohibits, with certain exceptions, an independent cannabis consumption lounge from acquiring or selling cannabis or cannabis products.]~~ **Section 27** of this bill ~~authorizes]~~ **requires** an independent cannabis consumption lounge to ~~submit a request to the Board for an endorsement to sell single-use and ready-to-consume cannabis products to customers of the lounge. If the Board approves such a request, section 27 authorizes the independent cannabis consumption lounge to: (1)]~~ enter into a contract with one or more adult-use cannabis retail stores to obtain single-use cannabis products for resale and cannabis or cannabis products for use in the preparation of ready-to-consume cannabis products. ~~[(2)]~~ **Section 27 authorizes an independent cannabis consumption lounge that has entered into such a contract to: (1)** sell single-use cannabis products to customers of the lounge; and ~~[(2)]~~ **(2)** prepare and sell ready-to-consume cannabis products to customers of the lounge.

Existing law prohibits a board of county commissioners, the governing body of an incorporated city or a town board from licensing or otherwise allowing a person to operate a business that allows cannabis or cannabis products to be consumed on the premises of the business. (NRS 244.335, 268.095, 269.170) Existing law eliminates this prohibition effective July 1, 2021. (Section 246 of chapter 595, Statutes of Nevada 2019, at page 3896) Sections 36.7 and 36.9 of this bill remove the prospective elimination of this prohibition. Instead, sections 30.6-30.9 of this bill prohibit such a local government from licensing or otherwise allowing the operation of a business that allows cannabis or cannabis products to be consumed on the premises of the business, other than a cannabis consumption lounge, in accordance with the provisions of this bill.

Section 30.5 of this bill establishes provisions relating to the civil liability of a person who serves, sells or furnishes cannabis or a cannabis product to another person for damages caused as a result of the consumption of the cannabis or cannabis product, which are based on similar provisions of existing law concerning alcoholic beverages. (NRS 41.1305)

Existing law imposes an excise tax on each retail sale of cannabis or cannabis products by an adult-use cannabis retail store. (NRS 372A.290) **Section 34** of this bill applies this excise tax to retail sales of cannabis and cannabis products by a cannabis consumption lounge. **Sections 31 and 33** of this bill make conforming changes to reflect the imposition of the excise tax on such sales.

Sections 18 and 29 of this bill revise provisions of existing law prohibiting the consumption of cannabis and cannabis products in a public place or in a cannabis establishment for the purpose of authorizing a person to engage in such activities in a cannabis consumption lounge. (NRS 678B.510, 678D.310)

Existing law prohibits a person from opening or maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance. (NRS 453.316) **Section 36** of this bill exempts a cannabis consumption lounge whose activities are confined to those authorized under the provisions of this bill from the application of this provision.

Section 36.3 of this bill authorizes a person who, on October 1, 2021, holds an adult-use cannabis establishment license for an adult-use cannabis retail store to submit to the Board an application for the issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge. Section 36.3 prohibits the Board from issuing such a license to such an applicant, unless the applicant has satisfied all applicable requirements for the issuance of the license.

Section 36.5 of this bill requires the Board, on or before January 1, 2023, to submit to the Legislature a report containing certain information regarding the effect of certain violations of the Nevada Unfair Trade Practice Act on independent cannabis consumption lounges.

Sections 2-5.5 and 9 of this bill define words and terms applicable to the provisions of this bill. **Sections 6 and 32** of this bill make conforming changes to properly place new language in the Nevada Revised Statutes. **Section 35** of this bill makes a conforming change to reflect the addition of the provisions of **section 17**.

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

Section 1. Chapter 678A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5.5, inclusive, of this act.

Sec. 2. “Cannabis consumption lounge” means:

- 1. A retail cannabis consumption lounge; or
- 2. An independent cannabis consumption lounge.

Sec. 3. “Independent cannabis consumption lounge” means a business that:

- 1. Is licensed by the Board pursuant to NRS 678B.250;
- 2. Is not attached or immediately adjacent to an adult-use cannabis retail store; and
- 3. Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.

Sec. 4. “Ready-to-consume cannabis product” means an adult-use edible cannabis product that is:

- 1. Prepared on the premises of a cannabis consumption lounge;
- 2. Presented in the form of a foodstuff or beverage;
- 3. Sold in a heated or unheated state; and
- 4. Intended for immediate consumption.

Sec. 5. “Retail cannabis consumption lounge” means a business that:

- 1. Is licensed by the Board pursuant to NRS 678B.250;
- 2. Is attached or immediately adjacent to an adult-use cannabis retail store; and

1 **3. Allows single-use cannabis products or ready-to-consume cannabis**
2 **products to be consumed on the premises of the business by persons 21 years of**
3 **age or older.**

4 **Sec. 5.5. “Single-use cannabis product” means a type of cannabis or adult-**
5 **use cannabis product, other than a ready-to-consume cannabis product, that the**
6 **Board has determined to be appropriate for consumption in a cannabis**
7 **consumption lounge pursuant to section 28 of this act.**

8 **Sec. 6.** NRS 678A.010 is hereby amended to read as follows:

9 678A.010 As used in this title, unless the context otherwise requires, the
10 words and terms defined in NRS 678A.020 to 678A.240, inclusive, **and sections 2**
11 **to 5.5, inclusive, of this act** have the meanings ascribed to them in those sections.

12 **Sec. 7.** NRS 678A.035 is hereby amended to read as follows:

13 678A.035 “Adult-use cannabis establishment” means:

- 14 1. An adult-use cannabis independent testing laboratory;
- 15 2. An adult-use cannabis cultivation facility;
- 16 3. An adult-use cannabis production facility;
- 17 4. An adult-use cannabis retail store; ~~{or}~~
- 18 5. An adult-use cannabis distributor ~~{;}~~;

19 **6. A retail cannabis consumption lounge; or**

20 **7. An independent cannabis consumption lounge.**

21 **Sec. 8.** Chapter 678B of NRS is hereby amended by adding thereto the
22 provisions set forth as sections 9 to 12.7, inclusive, of this act.

23 **Sec. 9. “Social equity applicant” means an applicant for the issuance or**
24 **renewal of an adult-use cannabis establishment license for an independent**
25 **cannabis consumption lounge who has been adversely affected by provisions of**
26 **previous laws which criminalized activity relating to cannabis, as determined by**
27 **the Board in accordance with the regulations adopted pursuant to section 11 of**
28 **this act. Such adverse effects may include, without limitation, adverse effects on**
29 **an owner or officer of the applicant.**

30 **Sec. 10. 1. The Board shall not issue an adult-use cannabis establishment**
31 **license for a retail cannabis consumption lounge pursuant to NRS 678B.250**
32 **unless:**

33 **(a) The applicant holds an adult-use cannabis establishment license for an**
34 **adult-use cannabis retail store; and**

35 **(b) The location of the proposed retail cannabis consumption lounge is**
36 **attached or immediately adjacent to the adult-use cannabis retail store for which**
37 **the applicant holds an adult-use cannabis establishment license.**

38 **2. The location of a proposed retail cannabis consumption lounge :**

39 **(a) Except as otherwise provided in paragraph (b), is not subject to the**
40 **restrictions set forth in sub-subparagraph (II) of subparagraph (2) of paragraph**
41 **(a) of subsection 3 of NRS 678B.250 so long as the adult-use cannabis retail store**
42 **to which the proposed retail cannabis consumption lounge is to be attached or**
43 **immediately adjacent was in compliance with such requirements at the time it**
44 **was issued an adult-use cannabis establishment license; and ~~{must}~~**

45 **(b) Must not be on the property of an airport.**

46 **Sec. 11. 1. The Board shall adopt regulations establishing criteria to be**
47 **used by the Board for determining whether an applicant for the issuance or**
48 **renewal of an adult-use cannabis establishment license for an independent**
49 **cannabis consumption lounge qualifies as a social equity applicant for the**
50 **purposes of this chapter. ~~{and section 27 of this act.}~~**

51 **2. The regulations adopted pursuant to subsection 1 must establish the**
52 **minimum percentage of ownership in a proposed independent cannabis**
53 **consumption lounge which will be held by a person or group of persons who have**

1 *been adversely affected by provisions of previous laws which criminalized activity*
2 *relating to cannabis for the applicant to qualify as a social equity applicant.*

3 **Sec. 12. 1.** *The Board shall adopt regulations establishing criteria of*
4 *merit and scoring guidelines to be used by the Board in evaluating applications*
5 *for the issuance of an adult-use cannabis establishment license for a retail*
6 *cannabis consumption lounge or an independent cannabis consumption lounge*
7 *pursuant to NRS 678B.250.*

8 *2. In determining whether to issue an adult-use cannabis establishment*
9 *license for a retail cannabis consumption lounge or an independent cannabis*
10 *consumption lounge pursuant to NRS 678B.250, the Board shall, in addition to*
11 *the factors set forth in that section, consider the criteria of merit and scoring*
12 *guidelines established pursuant to subsection 1.*

13 *3. The scoring guidelines established pursuant to subsection 1 must*
14 *establish a minimum required score for the issuance of an adult-use cannabis*
15 *establishment license for a retail cannabis consumption lounge or an*
16 *independent cannabis consumption lounge.*

17 *4. The criteria of merit established pursuant to subsection 1 must include,*
18 *without limitation:*

19 *(a) For a proposed independent cannabis consumption lounge:*

20 *(1) The diversity on the basis of race, ethnicity or gender of the applicant*
21 *or the persons who are proposed to be owners or officers of the proposed ~~retail~~*
22 *~~cannabis consumption lounge or~~ independent cannabis consumption lounge;*
23 *and*

24 *~~[(b)]~~ (2) Whether the applicant qualifies as a social equity applicant ; ~~if~~*
25 *applicable; and*

26 *~~[(c)]~~ (b) Any other criteria of merit that the Board determines to be relevant.*

27 **Sec. 12.3.** *The Board shall ~~give priority to a social equity applicant when~~*
28 *~~processing applications for~~ not issue to any one person, group of persons or*
29 *entity both an adult-use cannabis establishment license for an adult-use cannabis*
30 *retail store and an adult-use cannabis establishment license for an independent*
31 *cannabis consumption lounge ~~[and in the issuance of such a license.]~~*

32 **Sec. 12.4. 1.** *Except as otherwise provided in subsection 2, the Board*
33 *shall not issue more than 20 adult-use cannabis establishment licenses for an*
34 *independent cannabis consumption lounge.*

35 *2. If, on or before June 30, 2022, the Board issues 20 adult-use cannabis*
36 *establishment licenses for an independent cannabis consumption lounge, the*
37 *Board may thereafter issue adult-use cannabis establishment licenses for*
38 *independent cannabis consumption lounges in amounts that exceed the limit set*
39 *forth in subsection 1, so long as the total number of such licenses issued by the*
40 *Board does not, at any time, exceed the total number of adult-use cannabis*
41 *establishment licenses for a retail cannabis consumption lounge issued by the*
42 *Board.*

43 *3. At least 10 of the first 20 adult-use cannabis establishment licenses for*
44 *an independent cannabis consumption lounge issued by the Board must be issued*
45 *to social equity applicants.*

46 **Sec. 12.5. 1.** *The Board shall, for each local governmental jurisdiction*
47 *that limits the number of business licenses which may be issued to cannabis*
48 *consumption lounges, determine the number of licenses allocated to the*
49 *jurisdiction for retail cannabis consumption lounges and independent cannabis*
50 *consumption lounges.*

51 *2. Not more than 50 percent of the licenses allocated by the Board pursuant*
52 *to subsection 1 may be issued to retail cannabis consumption lounges.*

1 3. Except as otherwise provided in this subsection, at least 50 percent of the
2 licenses allocated to a local governmental jurisdiction pursuant to subsection 1
3 must be issued to independent cannabis consumption lounges. At least 50 percent
4 of the licenses issued to cannabis consumption lounges must be issued to social
5 equity applicants. If there are an insufficient number of social equity applicants
6 to distribute licenses in that manner, the local governmental jurisdiction shall
7 issue business licenses to all qualified social equity applicants and hold the
8 remaining business licenses in reserve for future issuance to social equity
9 applicants.

10 4. If the number of qualified applicants in a local governmental jurisdiction
11 exceeds the number of licenses allocated to that jurisdiction pursuant to
12 subsection 1, the Board shall issue adult-use cannabis establishment licenses for
13 retail cannabis consumption lounges and independent cannabis consumption
14 lounges in the local governmental jurisdiction to qualified applicants who are not
15 social equity applicants using a separate lottery system for each type of license.

16 5. As used in this section, "local governmental jurisdiction" means a city or
17 unincorporated area within a county.

18 **Sec. 12.7. 1.** Except as otherwise provided in subsection 2, the Board
19 shall not issue:

20 (a) More than one adult-use cannabis establishment license for an
21 independent cannabis consumption lounge to ~~for~~ any one person, group of
22 persons or entity;

23 (b) More than one adult-use cannabis establishment license for a retail
24 cannabis consumption lounge to ~~for~~ any one person, group of persons or entity;
25 or

26 (c) Both an adult-use cannabis establishment license for a retail cannabis
27 consumption lounge and an adult-use cannabis establishment license for an
28 independent cannabis consumption lounge to ~~for~~ any one person, group of
29 persons or entity.

30 2. The Board may approve a transfer of an adult-use cannabis
31 establishment license for a retail cannabis consumption lounge or an
32 independent cannabis consumption lounge to a person, group of persons or entity
33 that acquires a 100 percent ownership interest in a cannabis consumption lounge
34 in a county in which the person, group of persons or entity holds another such
35 license, if the transfer:

36 (a) Complies with all requirements for the transfer of a license established by
37 the Board pursuant to NRS 678B.380; and

38 (b) Will not result in the person, group of persons or entity holding ~~for~~
39 ~~_____ (1) Two or} more than two~~ adult-use cannabis establishment licenses for
40 a retail cannabis consumption lounge ~~for~~ _____

41 ~~_____ (2) Two or more} adult-use cannabis establishment licenses for an~~
42 independent cannabis lounge ~~for~~ _____ or

43 ~~_____ (3) Both;~~

44 ~~_____ (I) An adult use cannabis establishment license for a retail cannabis~~
45 ~~consumption lounge and an adult use cannabis establishment license for an~~
46 ~~independent cannabis consumption lounge; and~~

47 ~~_____ (II) Any additional adult use cannabis establishment license for a~~
48 ~~retail cannabis consumption lounge or an independent cannabis consumption~~
49 ~~lounge.~~

50 ~~_____ 3. A person, group of persons or entity that sells a 100 percent ownership~~
51 ~~interest in a cannabis consumption lounge may not subsequently apply for an~~
52 ~~adult use cannabis establishment license for a retail cannabis consumption~~

1 ~~lounge or an independent cannabis consumption lounge for the county in which~~
2 ~~the ownership interest was sold.] **any combination of the two.**~~

3 **Sec. 13.** NRS 678B.020 is hereby amended to read as follows:

4 678B.020 As used in this chapter, unless the context otherwise requires, the
5 words and terms defined in NRS 678B.030 to 678B.070, inclusive, **and section 9 of**
6 **this act** have the meanings ascribed to them in those sections.

7 **Sec. 13.5.** NRS 678B.210 is hereby amended to read as follows:

8 678B.210 1. A person shall not engage in the business of a medical
9 cannabis establishment unless the person holds a medical cannabis establishment
10 license issued by the Board pursuant to this section.

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

14 3. Except as otherwise provided in NRS 678B.220, 678B.230 and 678B.240,
15 not later than 90 days after receiving an application to engage in the business of a
16 medical cannabis establishment, the Board shall register the medical cannabis
17 establishment and issue a medical cannabis establishment license and a random 20-
18 digit alphanumeric identification number if:

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

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

22 (2) An application, which must include:

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

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

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

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

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

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

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

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

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

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

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

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

14 (b) None of the persons who are proposed to be owners, officers or board
15 members of the proposed medical cannabis establishment have been convicted of
16 an excluded felony offense;

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

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

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

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

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

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

34 5. Except as otherwise provided in subsection 6, if an application for
35 registration as a medical cannabis establishment satisfies the requirements of this
36 section, is qualified in the determination of the Board pursuant to NRS 678B.200
37 and the establishment is not disqualified from being registered as a medical
38 cannabis establishment pursuant to this section or other applicable law, the Board
39 shall issue to the establishment a medical cannabis establishment license. A medical
40 cannabis establishment license expires 1 year after the date of issuance and may be
41 renewed upon:

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

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

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

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

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

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

53 (b) A public park.

1 (c) A playground.

2 (d) A public swimming pool.

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

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

7 **Sec. 14.** NRS 678B.250 is hereby amended to read as follows:

8 678B.250 1. A person shall not engage in the business of an adult-use
9 cannabis establishment unless the person holds an adult-use cannabis establishment
10 license issued pursuant to this section.

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

14 3. Except as otherwise provided in NRS 678B.260, 678B.270 and 678B.280,
15 *and sections 10 ~~11~~ and 12 ~~13~~ and to 12.7, inclusive, of this act*, the Board
16 shall issue an adult-use cannabis establishment license to an applicant if:

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

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

20 (2) An application, which must include:

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

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

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

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

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

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

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

- 3 (I) Procedures to ensure the use of adequate security measures; and
4 (II) The use of an inventory control system;

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

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

9 (b) None of the persons who are proposed to be owners, officers or board
10 members of the proposed adult-use cannabis establishment have been convicted of
11 an excluded felony offense;

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

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

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

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

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

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

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

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

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

39 6. In determining whether to issue an adult-use cannabis license pursuant to
40 this section, the Board shall consider the criteria of merit *and scoring guidelines* set
41 forth in NRS 678B.280 ~~or~~ *section 12 of this act, as applicable*.

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

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

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

48 (b) A public park.

49 (c) A playground.

50 (d) A public swimming pool.

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

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

3 **Sec. 15.** NRS 678B.270 is hereby amended to read as follows:

4 678B.270 1. Except as otherwise provided in ~~subsection 2,~~ *this section*, to
5 prevent monopolistic practices, the Board shall ensure, in a county whose
6 population is 100,000 or more, that it does not issue, to any one person, group of
7 persons or entity, the greater of:

8 ~~1.)~~ (a) One adult-use cannabis establishment license; or

9 ~~2.)~~ (b) More than 10 percent of the adult-use cannabis establishment licenses
10 otherwise allocable in the county.

11 *2. The provisions of this section do not apply to an adult-use cannabis*
12 *establishment license for a retail cannabis consumption lounge or an*
13 *independent cannabis consumption lounge.*

14 **Sec. 16.** NRS 678B.280 is hereby amended to read as follows:

15 678B.280 1. In determining whether to issue an adult-use cannabis
16 establishment license pursuant to NRS 678B.250, *other than an adult-use*
17 *cannabis establishment license for a retail cannabis consumption lounge or an*
18 *independent cannabis consumption lounge*, the Board shall, in addition to the
19 factors set forth in that section, consider criteria of merit established by regulation
20 of the Board. Such criteria must include, without limitation:

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

24 (b) Whether the owners, officers or board members of the proposed adult-use
25 cannabis establishment have direct experience with the operation of a cannabis
26 establishment in this State and have demonstrated a record of operating such an
27 establishment in compliance with the laws and regulations of this State for an
28 adequate period of time to demonstrate success;

29 (c) The educational and life experience of the persons who are proposed to be
30 owners, officers or board members of the proposed adult-use cannabis
31 establishment;

32 (d) Whether the applicant has an integrated plan for the care, quality and
33 safekeeping of cannabis from seed to sale;

34 (e) The experience of key personnel that the applicant intends to employ in
35 operating the type of adult-use cannabis establishment for which the applicant seeks
36 a license;

37 (f) The diversity on the basis of race, ethnicity or gender of the applicant or the
38 persons who are proposed to be owners, officers or board members of the proposed
39 adult-use cannabis establishment, including, without limitation, the inclusion of
40 persons of backgrounds which are disproportionately underrepresented as owners,
41 officers or board members of adult-use cannabis establishments; and

42 (g) Any other criteria of merit that the Board determines to be relevant.

43 2. The Board shall adopt regulations for determining the relative weight of
44 each criteria of merit established by the Board pursuant to subsection 1.

45 **Sec. 16.5.** NRS 678B.380 is hereby amended to read as follows:

46 678B.380 1. Except as otherwise provided by regulations adopted by the
47 Board pursuant to subsection 2, the following are nontransferable:

48 (a) A cannabis establishment agent registration card.

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

50 (c) A medical cannabis establishment license.

51 (d) An adult-use cannabis establishment license.

52 2. The Board shall adopt regulations which prescribe procedures and
53 requirements by which a holder of a license ~~is, including, without limitation, the~~

~~holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge who is a social equity applicant,~~ may transfer the license to another party who is qualified to hold such a license pursuant to the provisions of this chapter.

3. The regulations adopted pursuant to subsection 2 must:

(a) Prohibit the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge ~~who is a social equity applicant~~ from transferring the license until at least ~~at least~~ 2 years from the date on which the independent cannabis consumption lounge for which the license was issued ~~has~~ became operational;

(b) Require the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge ~~who is a social equity applicant~~ and who wishes to cease operations before the ~~holder has held the license~~ independent cannabis consumption lounge for which the license was issued has been operational for at least ~~at least~~ 2 years to surrender the license to the Board; and

(c) Require the Board to hold a license surrendered pursuant to paragraph (b) in reserve for ~~a future~~ issuance to ~~a social equity~~ an applicant ~~for~~ for such a license in the future.

Sec. 17. NRS 678B.390 is hereby amended to read as follows:

678B.390 1. Except as otherwise provided in subsection ~~2~~ 3, the Board shall collect not more than the following maximum fees:

For the initial issuance of a medical cannabis establishment license for a medical cannabis dispensary	\$30,000
For the renewal of a medical cannabis establishment license for a medical cannabis dispensary	5,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis cultivation facility	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis cultivation facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis production facility	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis production facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis independent testing laboratory.....	5,000
For the renewal of a medical cannabis establishment license for a medical cannabis independent testing laboratory	3,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store	20,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store	6,600
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility.....	30,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility	\$10,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility	10,000

1 For the renewal of an adult-use cannabis establishment
2 license for an adult-use cannabis production facility 3,300
3 For the initial issuance of an adult-use cannabis
4 establishment license for an adult-use cannabis
5 independent testing laboratory 15,000
6 For the renewal of an adult-use cannabis establishment
7 license for an adult-use cannabis independent testing
8 laboratory 5,000
9 *For the initial issuance of an adult-use cannabis*
10 *establishment license for a retail cannabis*
11 *consumption lounge ~~20,000~~ 10,000*
12 *For the renewal of an adult-use cannabis establishment*
13 *license for a retail cannabis consumption lounge 10,000*
14 *For the initial issuance of an adult-use cannabis*
15 *establishment license for an independent cannabis*
16 *consumption lounge ~~3,500~~ 10,000*
17 *For ~~[an endorsement to]~~ the renewal of an adult-use*
18 *cannabis establishment license for an independent*
19 *cannabis consumption lounge ~~[to engage in the sale~~*
20 *~~of single use cannabis products and ready to consume~~*
21 *~~cannabis products] 6,500~~*
22 *~~For the renewal of an adult use cannabis establishment~~*
23 *~~license for an independent cannabis consumption~~*
24 *~~lounge without an endorsement to engage in the sale~~*
25 *~~of single use cannabis products and ready to consume~~*
26 *~~cannabis products] 3,000~~*
27 *~~For the renewal of an adult use cannabis establishment~~*
28 *~~license for an independent cannabis consumption~~*
29 *~~lounge with an endorsement to engage in the sale of~~*
30 *~~single use cannabis products and ready to consume~~*
31 *~~cannabis products] 10,000~~*
32 For the initial issuance of an adult-use cannabis
33 establishment license for an adult-use cannabis
34 distributor 15,000
35 For the renewal of an adult-use cannabis establishment
36 license for an adult-use cannabis distributor \$5,000
37 For each person identified in an application for the initial
38 issuance of a cannabis establishment agent registration
39 card 150
40 For each person identified in an application for the renewal
41 of a cannabis establishment agent registration card 150
42

- 43 2. ~~[An]~~ The Board may by regulation establish reduced fees for:
44 (a) The initial issuance and renewal of an adult-use cannabis establishment
45 license for an independent cannabis consumption lounge; and
46 (b) ~~[An endorsement to an adult use cannabis establishment license for an~~
47 ~~independent cannabis consumption lounge to engage in the sale of single use~~
48 ~~cannabis products and ready to consume cannabis products; and~~
49 ~~(c)] The application fee set forth in subsection 3,~~
50 ↪ for a social equity applicant. Such a reduction must not reduce the fee paid by
51 a social equity applicant by more than 75 percent of the fee paid by an applicant
52 who is not a social equity applicant.

1 **3. Except as otherwise provided in subsection 2, in** addition to the fees
2 described in subsection 1, each applicant for a medical cannabis establishment
3 license or adult-use cannabis establishment license must pay to the Board:

4 (a) ~~For an application for a license other than an adult-use cannabis~~
5 establishment license for a retail cannabis consumption lounge or independent
6 cannabis consumption lounge, a one-time, nonrefundable application fee of
7 \$5,000; ~~and~~

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

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

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

16 ~~3.~~ **4.** Any revenue generated from the fees imposed pursuant to this section:

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

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

22 **Sec. 17.5. NRS 678B.500 is hereby amended to read as follows:**

23 678B.500 1. Each cannabis establishment must comply with all local
24 ordinances and rules pertaining to zoning, land use and signage.

25 2. A cannabis establishment may move to a new location under the
26 jurisdiction of the same local government as its original location and regardless of
27 the distance from its original location if the operation of the cannabis establishment
28 at the new location has been approved by the local government. A local government
29 may approve a new location pursuant to this subsection only in a public hearing for
30 which written notice is given at least 7 working days before the hearing.

31 3. A local government shall not adopt or enforce any ordinance or rule
32 pertaining to zoning or land use which imposes restrictions on retail cannabis
33 consumption lounges, unless such restrictions also apply to adult-use cannabis
34 retail stores.

35 **Sec. 18. NRS 678B.510 is hereby amended to read as follows:**

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

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

39 (b) To ensure accurate recordkeeping.

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

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

45 (b) That is not a cannabis sales facility must have a single secure entrance and
46 shall implement strict security measures to deter and prevent the theft of cannabis
47 and unauthorized entrance into areas containing cannabis.

48 **↳** The provisions of this subsection do not supersede any state or local
49 requirements relating to minimum numbers of points of entry or exit, or any state or
50 local requirements relating to fire safety.

51 3. Except as otherwise provided in NRS 678D.400, all cultivation or
52 production of cannabis that a cannabis cultivation facility carries out or causes to be
53 carried out must take place in an enclosed, locked facility at the physical address

1 provided to the Board during the licensing process for the cannabis cultivation
2 facility. Such an enclosed, locked facility must be accessible only by cannabis
3 establishment agents who are lawfully associated with the cannabis cultivation
4 facility, except that limited access by persons necessary to perform construction or
5 repairs or provide other labor is permissible if such persons are supervised by a
6 cannabis establishment agent.

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

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

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

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

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

21 7. A cannabis establishment shall not dispense or otherwise sell cannabis or
22 cannabis products from a vending machine or allow such a vending machine to be
23 installed at the interior or exterior of the premises of the cannabis establishment. As
24 used in this subsection, "vending machine" has the meaning ascribed to it in NRS
25 209.229.

26 **Sec. 19.** NRS 678B.520 is hereby amended to read as follows:

27 678B.520 1. Each cannabis establishment shall, in consultation with the
28 Board, cooperate to ensure that all cannabis products offered for sale:

29 (a) Are labeled clearly and unambiguously:

30 (1) As cannabis or medical cannabis with the words "THIS IS A
31 MEDICAL CANNABIS PRODUCT" or "THIS IS A CANNABIS PRODUCT," as
32 applicable, in bold type; and

33 (2) As required by the provisions of this chapter and chapters 678C and
34 678D of NRS.

35 (b) Are not presented in packaging that contains an image of a cartoon
36 character, mascot, action figure, balloon or toy, except that such an item may
37 appear in the logo of the cannabis production facility which produced the product.

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

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

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

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

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

49 2. A cannabis production facility shall not produce cannabis products in any
50 form that:

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

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

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

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

9 3. A cannabis production facility shall:

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

12 (b) Affix a label to each cannabis product which includes without limitation, in
13 a manner which must not mislead consumers, the following information:

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

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

16 (3) A list of all allergens in the cannabis product; and

17 (4) The total content of THC measured in milligrams.

18 (c) Maintain a hand washing area with hot water, soap and disposable towels
19 which is located away from any area in which cannabis products are cooked or
20 otherwise prepared.

21 (d) Require each person who handles cannabis products to restrain his or her
22 hair, wear clean clothing and keep his or her fingernails neatly trimmed.

23 (e) Package all cannabis products produced by the cannabis production facility
24 on the premises of the cannabis production facility.

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

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

32 6. A cannabis sales facility shall:

33 (a) Include a written notification with each sale of cannabis or cannabis
34 products which advises the purchaser:

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

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

37 (3) That allowing children to ingest cannabis or cannabis products or
38 storing cannabis or cannabis products in a location which is accessible to children
39 may result in an investigation by an agency which provides child welfare services
40 or criminal prosecution for child abuse or neglect;

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

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

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

50 (7) That cannabis or cannabis products can impair concentration,
51 coordination and judgment and a person should not operate a motor vehicle while
52 under the influence of cannabis or cannabis products; and

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

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

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

7 8. If the health authority, as defined in NRS 446.050, where a cannabis
8 production facility, ~~for~~ cannabis sales facility *or cannabis consumption lounge*
9 which sells edible cannabis products is located requires persons who handle food at
10 a food establishment to obtain certification, the cannabis production facility, ~~for~~
11 cannabis sales facility *or cannabis consumption lounge* shall ensure that at least
12 one employee maintains such certification.

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

16 10. In addition to any other product authorized by the provisions of this title, a
17 cannabis sales facility may sell:

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

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

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

22 11. A cannabis establishment:

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

25 (1) Is false or misleading;

26 (2) Promotes overconsumption of cannabis or cannabis products;

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

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

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

37 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

2 12. Nothing in subsection 11 shall be construed to prohibit a local
3 government, pursuant to chapter 244, 268 or 278 of NRS, from adopting an
4 ordinance for the regulation of advertising relating to cannabis which is more
5 restrictive than the provisions of subsection 11 relating to:

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

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

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

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

15 13. If a cannabis establishment engages in advertising for which it is required
16 to determine the percentage of persons who are less than 21 years of age and who
17 may reasonably be expected to view or hear the advertisement, the cannabis
18 establishment shall maintain documentation for not less than 5 years after the date
19 on which the advertisement is first broadcasted, published or otherwise displayed
20 that demonstrates the manner in which the cannabis establishment determined the
21 reasonably expected age of the audience for that advertisement.

22 14. *To the extent that they are inconsistent or otherwise conflict with the*
23 *regulations adopted by the Board pursuant to section 28 of this act, the*
24 *requirements of this section pertaining to cannabis products do not apply to*
25 *ready-to-consume cannabis products prepared and sold by a cannabis*
26 *consumption lounge.*

27 15. In addition to any other penalties provided for by law, the Board may
28 impose a civil penalty upon a cannabis establishment that violates the provisions of
29 subsection 11 or 13 as follows:

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

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

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

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

38 ~~H5-1~~ 16. As used in this section, “motor vehicle used for public
39 transportation” does not include a taxicab, as defined in NRS 706.124.

40 **Sec. 20.** NRS 678B.650 is hereby amended to read as follows:

41 678B.650 The Board shall adopt such regulations as it determines to be
42 necessary or advisable to carry out the provisions of this chapter. Such regulations
43 are in addition to any requirements set forth in statute and must, without limitation:

44 1. Prescribe the form and any additional required content of applications for
45 licenses or registration cards issued pursuant to this chapter;

46 2. Establish procedures for the suspension or revocation of a license or
47 registration card or other disciplinary action to be taken against a licensee or
48 registrant;

49 3. Set forth rules pertaining to the safe and healthful operation of cannabis
50 establishments, including, without limitation:

51 (a) The manner of protecting against diversion and theft without imposing an
52 undue burden on cannabis establishments or compromising the confidentiality of

1 consumers and holders of registry identification cards and letters of approval, as
2 those terms are defined in NRS 678C.080 and 678C.070, respectively;

3 (b) Minimum requirements for the oversight of cannabis establishments;

4 (c) Minimum requirements for the keeping of records by cannabis
5 establishments;

6 (d) Provisions for the security of cannabis establishments, including without
7 limitation, requirements for the protection by a fully operational security alarm
8 system of each cannabis establishment; and

9 (e) Procedures pursuant to which cannabis establishments must use the services
10 of cannabis independent testing laboratories to ensure that any cannabis or cannabis
11 product or commodity or product made from hemp, as defined in NRS 557.160,
12 sold by a cannabis sales facility to an end user is tested for content, quality and
13 potency in accordance with standards established by the Board;

14 4. Establish circumstances and procedures pursuant to which the maximum
15 fees set forth in NRS 678B.390 may be reduced over time to ensure that the fees
16 imposed pursuant to NRS 678B.390 are, insofar as may be practicable, revenue
17 neutral;

18 5. Establish different categories of cannabis establishment agent registration
19 cards, including, without limitation, criteria for issuance of a cannabis
20 establishment agent registration card for a cannabis executive and criteria for
21 training and certification, for each of the different types of cannabis establishments
22 at which such an agent may be employed or volunteer or provide labor as a
23 cannabis establishment agent;

24 6. As far as possible while maintaining accountability, protect the identity and
25 personal identifying information of each person who receives, facilitates or delivers
26 services in accordance with this chapter;

27 7. Establish procedures and requirements to enable a dual licensee to operate
28 a medical cannabis establishment and an adult-use cannabis establishment at the
29 same location;

30 8. Determine whether any provision of this chapter or chapter 678C or 678D
31 of NRS would make the operation of a cannabis establishment by a dual licensee
32 unreasonably impracticable; ~~and~~

33 9. *Set forth rules pertaining to the safe and healthful operation of cannabis
34 consumption lounges, including, without limitation:*

35 (a) *Standards for the air quality in a cannabis consumption lounge;*

36 (b) ~~Procedures and requirements for the delivery of a single use cannabis
37 product to a customer in an independent cannabis consumption lounge;~~

38 ~~(c) Procedures and requirements for the collection and disposal of cannabis
39 and cannabis products which are left at a cannabis consumption lounge; and~~

40 ~~(d) (c) Requirements for the training of employees of a cannabis
41 consumption lounge in the sale and safe consumption of single-use cannabis
42 products and ready-to-consume cannabis products; and~~

43 10. Address such other matters as the Board deems necessary to carry out the
44 provisions of this title.

45 **Sec. 21.** Chapter 678D of NRS is hereby amended by adding thereto the
46 provisions set forth as sections 22 to 28, inclusive, of this act.

47 **Sec. 22. 1. A cannabis consumption lounge shall:**

48 (a) ~~Require any single use cannabis product brought into the cannabis
49 consumption lounge by a customer to be contained in the sealed, opaque
50 packaging in which the single use cannabis product was originally sold;~~

51 ~~(b) Require a person who wishes to bring single use cannabis products into
52 the cannabis consumption lounge to, before entry, submit each single use
53 cannabis product to an employee for inspection to ensure that:~~

~~(1) The single-use cannabis product satisfies the requirements of this subsection; and~~

~~(2) The person is in compliance with the legal limits on the possession of cannabis for adult-use purposes as set forth in NRS 678D.200;~~

~~(c) Install a ventilation and exhaust system which is capable of sufficiently expelling odors generated in the cannabis consumption lounge, reducing volatile organic compounds and maintaining the standards for air quality in the cannabis consumption lounge as set forth by regulation of the Board;~~

~~(b) Train each employee of the cannabis consumption lounge concerning paraphernalia, single-use cannabis products and ready-to-consume cannabis products, including, without limitation, the proper use of paraphernalia, the potency, absorption time and effects of single-use cannabis and products and ready-to-consume cannabis products, the recognition of impairment from and overconsumption of cannabis and the safe handling of a customer who is impaired;~~

~~(c) Submit a security plan to the Board which, without limitation, provides for adequate security and lighting at the cannabis consumption lounge and for each entrance and exit of the cannabis consumption lounge to be adequately secured, and submit to the Board such updates to the plan as the Board may require;~~

~~(d) Submit a plan to the Board setting forth protocols and procedures to deter customers from driving under the influence of cannabis, and submit to the Board such updates to the plan as the Board may require;~~

~~(e) Submit a plan to the Board setting forth protocols and procedures to ensure that cannabis and cannabis products are not sold or otherwise distributed in the cannabis consumption lounge other than as authorized in this chapter, and submit to the Board such updates to the plan as the Board may require;~~

~~(f) Dispose of cannabis or cannabis products which are left at the cannabis consumption lounge in accordance with the procedures for disposal set forth by the regulations of the Board;~~

~~(g) Comply with all local ordinances and rules ~~relating to zoning, land use and signage~~ and~~

~~(h) Comply with any requirements set forth by regulation of the Board.~~

2. As used in this section, "volatile organic compound" has the meaning ascribed to it in 40 C.F.R. § 51.100(s).

Sec. 23. A cannabis consumption lounge may:

1. Sell food and beverages to customers of the cannabis consumption lounge;

2. Sell any other item which does not contain cannabis or cannabis products and is not intended for use with cannabis or cannabis products to customers of the cannabis consumption lounge; and

3. Provide live entertainment at the cannabis consumption lounge.

Sec. 24. A cannabis consumption lounge shall not allow:

1. The consumption of cannabis or cannabis products at any place which is within view of a public place;

2. The entry of any person who is less than 21 years of age to the cannabis consumption lounge;

3. The consumption of any cannabis or cannabis product in the cannabis consumption lounge that is not a single-use cannabis product or ready-to-consume cannabis product; or

4. A single-use cannabis product or ready-to-consume cannabis product that was purchased at the cannabis consumption lounge to be removed from the premises of the cannabis consumption lounge.

1 **Sec. 25. 1. A retail cannabis consumption lounge may:**

2 (a) Obtain from the adult-use cannabis retail store to which the retail
3 cannabis consumption lounge is attached or immediately adjacent:

4 (1) Single-use cannabis products for the purposes of resale; and

5 (2) Cannabis or cannabis products for the purposes of producing ready-
6 to-consume cannabis products;

7 (b) Sell single-use cannabis products obtained pursuant to paragraph (a) to
8 customers of the retail cannabis consumption lounge; and

9 (c) Prepare ready-to-consume cannabis products using cannabis obtained
10 pursuant to paragraph (a) and sell such products to customers of the cannabis
11 consumption lounge.

12 2. A retail cannabis consumption lounge shall ensure that only single-use
13 cannabis products or ready-to-consume cannabis products that were purchased
14 from the retail cannabis consumption lounge are consumed in the lounge.

15 **Sec. 26. ~~1. An independent cannabis consumption lounge shall allow~~**
16 ~~single-use cannabis products sold by an adult-use cannabis retail store to be~~
17 ~~delivered to a customer in the independent cannabis consumption lounge. Such a~~
18 ~~delivery must comply with the applicable requirements for the delivery of~~
19 ~~cannabis or cannabis products to a consumer set forth in this title and any other~~
20 ~~requirements the Board may establish by regulation.~~

21 ~~2. Except as otherwise provided in section 27 of this act, an independent~~
22 ~~cannabis consumption lounge shall not obtain from any source or sell cannabis~~
23 ~~or cannabis products.~~ **(Deleted by amendment.)**

24 **Sec. 27. 1. ~~[If an] An independent cannabis consumption lounge [wishes~~**
25 ~~to sell single-use cannabis products or ready to consume cannabis products to~~
26 ~~customers of the lounge, the independent cannabis consumption lounge must~~
27 ~~submit to the Board a request for an endorsement to the license of the~~
28 ~~independent cannabis consumption lounge to engage in such activities. Such a~~
29 ~~request must be accompanied by the fee set forth in NRS 678B.390 and include~~
30 ~~any information the Board may by regulation require.~~

31 ~~2. If the Board approves a request submitted pursuant to subsection 1, the~~
32 ~~independent cannabis consumption lounge may:~~

33 ~~(a) Enter] shall enter into a contract with one or more adult-use cannabis~~
34 ~~retail stores to sell to the independent cannabis consumption lounge:~~

35 ~~[(1)] (a) Single-use cannabis products for the purpose of resale; and~~

36 ~~[(2)] (b) Cannabis and products for the purpose of preparing ready-to-~~
37 ~~consume cannabis products . [;]~~

38 ~~[(b)] 2. An independent cannabis consumption lounge which has entered~~
39 ~~into a contract pursuant to subsection 1 may:~~

40 ~~(a) Sell single-use cannabis products obtained pursuant to [paragraph (a)]~~
41 ~~subsection 1 to customers of the independent cannabis consumption lounge; and~~

42 ~~[(c)] (b) Prepare ready-to-consume cannabis products using cannabis and~~
43 ~~cannabis products obtained pursuant to [paragraph (a)] subsection 1 and sell~~
44 ~~such products to customers of the independent cannabis consumption lounge.~~

45 3. ~~[The Board shall adopt regulations governing the manner in which the~~
46 ~~Board will accept and evaluate requests submitted pursuant to subsection 1. The~~
47 ~~regulations must prescribe, without limitation:~~

48 ~~(a) The required contents of such a request;~~

49 ~~(b) Procedures for the submission and evaluation of such a request; and~~

50 ~~(c) The criteria by which the Board will evaluate such a request, which may~~
51 ~~include, without limitation:~~

52 ~~(1) Whether the requestor holds an additional adult use cannabis~~
53 ~~establishment license for another type of cannabis establishment;~~

~~(2) Whether the requestor is a social equity applicant; and~~
~~(3) Whether the requestor has previously been subject to disciplinary action by the Board.~~ An independent cannabis consumption lounge shall ensure that only single-use cannabis products or ready-to-consume cannabis products that were purchased from the independent cannabis consumption lounge are consumed in the lounge.

4. The Board may require an independent cannabis consumption lounge to submit a contract entered into pursuant to subsection 1 to the Board for review.

Sec. 28. *The Board shall adopt regulations governing the sale and consumption of single-use cannabis products and ready-to-consume cannabis products at a cannabis consumption lounge. Such regulations must, without limitation:*

1. Prescribe a list of a single-use cannabis products comprising each type of cannabis and adult-use cannabis product that the Board has determined to be appropriate for consumption at a cannabis consumption lounge;

2. Establish standards for the content, quality and potency of ready-to-consume cannabis products, including, without limitation, the maximum THC concentration for such products;

3. Prescribe procedures and protocols for the preparation and safe handling of ready-to-consume cannabis products to ensure that each such prepared product meets the standards established pursuant to subsection 1;

4. Establish requirements relating to the sale of ready-to-consume cannabis products, including, without limitation, requirements relating to notifications that must be provided to a purchaser of such a product at the time of sale; and

5. Set forth any other requirements concerning the preparation of ready-to-consume cannabis products and sale of single-use cannabis products and ready-to-consume cannabis products that the Board determines are necessary.

Sec. 29. NRS 678D.310 is hereby amended to read as follows:

678D.310 1. Except as otherwise provided in chapter 678C of NRS, any person shall not:

(a) Cultivate cannabis within 25 miles of an adult-use cannabis retail store licensed pursuant to chapter 678B of NRS, unless the person is an adult-use cannabis cultivation facility or is a cannabis establishment agent volunteering at, employed by or providing labor to an adult-use cannabis cultivation facility;

(b) Cultivate cannabis plants where they are visible from a public place by normal unaided vision; or

(c) Cultivate cannabis on property not in the cultivator's lawful possession or without the consent of the person in lawful physical possession of the property.

2. A person who violates the provisions of subsection 1 is guilty of:

(a) For a first violation, a misdemeanor punished by a fine of not more than \$600.

(b) For a second violation, a misdemeanor punished by a fine of not more than \$1,000.

(c) For a third violation, a gross misdemeanor.

(d) For a fourth or subsequent violation, a category E felony.

3. ~~(A)~~ **Except as otherwise provided in subsection 9, a** person who smokes or otherwise consumes cannabis or a cannabis product in a public place, in an adult-use cannabis retail store or in a vehicle is guilty of a misdemeanor punished by a fine of not more than \$600.

4. A person under 21 years of age who falsely represents himself or herself to be 21 years of age or older to obtain cannabis is guilty of a misdemeanor.

5. A person under 21 years of age who knowingly enters, loiters or remains on the premises of an adult-use cannabis establishment shall be punished by a fine

1 of not more than \$500 unless the person is authorized to possess cannabis pursuant
2 to chapter 678C of NRS and the adult-use cannabis establishment is a dual licensee.

3 6. A person who manufactures cannabis by chemical extraction or chemical
4 synthesis, unless done pursuant to an adult-use cannabis establishment license for
5 an adult-use cannabis production facility issued by the Board or authorized by this
6 title, is guilty of a category E felony.

7 7. A person who knowingly gives cannabis or a cannabis product to any
8 person under 21 years of age or who knowingly leaves or deposits any cannabis or
9 cannabis product in any place with the intent that it will be procured by any person
10 under 21 years of age is guilty of a misdemeanor.

11 8. A person who knowingly gives cannabis to any person under 18 years of
12 age or who knowingly leaves or deposits any cannabis in any place with the intent
13 that it will be procured by any person under 18 years of age is guilty of a gross
14 misdemeanor.

15 **9. *A person may smoke or otherwise consume cannabis or a cannabis***
16 ***product in a cannabis consumption lounge.***

17 **Sec. 30.** NRS 678D.420 is hereby amended to read as follows:

18 678D.420 1. An adult-use edible cannabis product or an adult-use cannabis-
19 infused product must be labeled in a manner which indicates the number of
20 servings of THC in the product, measured in servings of a maximum of 10
21 milligrams per serving.

22 2. An adult-use cannabis product must be sold in a single package. A single
23 package must not contain:

24 (a) More than 1 ounce of usable cannabis or one-eighth of an ounce of
25 concentrated cannabis.

26 (b) For an adult-use cannabis product sold as a capsule, more than 100
27 milligrams of THC per capsule or more than 800 milligrams of THC per package.

28 (c) For an adult-use cannabis product sold as a tincture, more than 800
29 milligrams of THC.

30 (d) For an adult-use edible cannabis product, more than 100 milligrams of
31 THC.

32 (e) For an adult-use cannabis product sold as a topical product, a concentration
33 of more than 6 percent THC or more than 800 milligrams of THC per package.

34 (f) For an adult-use cannabis product sold as a suppository or transdermal
35 patch, more than 100 milligrams of THC per suppository or transdermal patch or
36 more than 800 milligrams of THC per package.

37 (g) For any other adult-use cannabis product, more than 800 milligrams of
38 THC.

39 **3. *To the extent that they are inconsistent or otherwise conflict with the***
40 ***regulations adopted by the Board pursuant to section 28 of this act, the***
41 ***requirements of this section do not apply to a ready-to-consume cannabis product***
42 ***prepared and sold by a cannabis consumption lounge.***

43 **Sec. 30.3. NRS 678D.510 is hereby amended to read as follows:**

44 678D.510 1. The provisions of this chapter do not prohibit:

45 (a) A public or private employer from maintaining, enacting and enforcing a
46 workplace policy prohibiting or restricting actions or conduct otherwise permitted
47 under this chapter;

48 (b) A state or local governmental agency that occupies, owns or controls a
49 building from prohibiting or otherwise restricting the consumption, cultivation,
50 processing, manufacture, sale, delivery or transfer of cannabis in that building;

51 (c) A person who occupies, owns or controls a privately owned property from
52 prohibiting or otherwise restricting the smoking, cultivation, processing,
53 manufacture, sale, delivery or transfer of cannabis on that property; or

1 (d) ~~HA~~ Except as otherwise provided in section 17.5 of this act, a local
2 government from adopting and enforcing local cannabis control measures
3 pertaining to zoning and land use for adult-use cannabis establishments. ~~HA~~
4 including, without limitation, a measure which prohibits the operation of adult-
5 use cannabis establishments.

6 2. Nothing in the provisions of this chapter shall be construed as in any
7 manner affecting the provisions of chapter 678C of NRS relating to the medical use
8 of cannabis.

9 **Sec. 30.5.** Chapter 41 of NRS is hereby amended by adding thereto a new
10 section to read as follows:

11 1. *A person who serves, sells or otherwise furnishes cannabis or a cannabis*
12 *product to another person who is 21 years of age or older is not liable in a civil*
13 *action for any damages caused by the person to whom the cannabis or cannabis*
14 *product was served, sold or furnished as a result of the consumption of the*
15 *cannabis or cannabis product.*

16 2. *Except as otherwise provided in this section, a person who:*

17 (a) *Knowingly serves, sells or otherwise furnishes cannabis or a cannabis*
18 *product to an underage person; or*

19 (b) *Knowingly allows an underage person to consume cannabis or a*
20 *cannabis product on premises or in a conveyance belonging to the person or over*
21 *which the person has control,*

22 *is liable in a civil action for any damages caused by the underage person as a*
23 *result of the consumption of the cannabis or cannabis product.*

24 3. *The liability created pursuant to subsection 2 does not apply to a person*
25 *who is licensed to serve, sell or furnish cannabis or cannabis products or to a*
26 *person who is an employee or agent of such a person for any act or failure to act*
27 *that occurs during the course of business or employment and any such act or*
28 *failure to act may not be used to establish proximate cause in a civil action and*
29 *does not constitute negligence per se.*

30 4. *A person who prevails in an action brought pursuant to subsection 2 may*
31 *recover the person's actual damages, attorney's fees and costs and any punitive*
32 *damages that the facts may warrant.*

33 5. *As used in this section:*

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

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

36 (c) *"Underage person" means a person who is less than 21 years of age.*

37 **Sec. 30.6.** NRS 244.335 is hereby amended to read as follows:

38 244.335 1. Except as otherwise provided in subsections 2, 3, 4 and 9, and
39 NRS 244.33501, 244.35253 and 244.3535, a board of county commissioners may:

40 (a) Except as otherwise provided in NRS 244.331 to 244.3345, inclusive,
41 598D.150 and 640C.100, regulate all character of lawful trades, callings, industries,
42 occupations, professions and business conducted in its county outside of the limits
43 of incorporated cities and towns.

44 (b) Except as otherwise provided in NRS 244.3359 and 576.128, fix, impose
45 and collect a license tax for revenue or for regulation, or for both revenue and
46 regulation, on such trades, callings, industries, occupations, professions and
47 business.

48 2. The county license boards have the exclusive power in their respective
49 counties to regulate entertainers employed by an entertainment by referral service
50 and the business of conducting a dancing hall, escort service, entertainment by
51 referral service or gambling game or device permitted by law, outside of an
52 incorporated city. The county license boards may fix, impose and collect license

1 taxes for revenue or for regulation, or for both revenue and regulation, on such
2 employment and businesses.

3 3. A board of county commissioners shall not require that a person who is
4 licensed as a contractor pursuant to chapter 624 of NRS obtain more than one
5 license to engage in the business of contracting or pay more than one license tax
6 related to engaging in the business of contracting, regardless of the number of
7 classifications or subclassifications of licensing for which the person is licensed
8 pursuant to chapter 624 of NRS.

9 4. The board of county commissioners or county license board shall not
10 require a person to obtain a license or pay a license tax on the sole basis that the
11 person is a professional. As used in this subsection, "professional" means a person
12 who:

13 (a) Holds a license, certificate, registration, permit or similar type of
14 authorization issued by a regulatory body as defined in NRS 622.060 or who is
15 regulated pursuant to the Nevada Supreme Court Rules; and

16 (b) Practices his or her profession for any type of compensation as an
17 employee.

18 5. The county license board shall provide upon request an application for a
19 state business license pursuant to chapter 76 of NRS. No license to engage in any
20 type of business may be granted unless the applicant for the license:

21 (a) Signs an affidavit affirming that the business has complied with the
22 provisions of chapter 76 of NRS; or

23 (b) Provides to the county license board the business identification number of
24 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the
25 county may use to validate that the applicant is currently in good standing with the
26 State and has complied with the provisions of chapter 76 of NRS.

27 6. No license to engage in business as a seller of tangible personal property
28 may be granted unless the applicant for the license:

29 (a) Presents written evidence that:

30 (1) The Department of Taxation has issued or will issue a permit for this
31 activity, and this evidence clearly identifies the business by name; or

32 (2) Another regulatory agency of the State has issued or will issue a license
33 required for this activity; or

34 (b) Provides to the county license board the business identification number of
35 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the
36 county may use to validate that the applicant is currently in good standing with the
37 State and has complied with the provisions of paragraph (a).

38 7. Any license tax levied for the purposes of NRS 244.3358 or 244A.597 to
39 244A.655, inclusive, constitutes a lien upon the real and personal property of the
40 business upon which the tax was levied until the tax is paid. The lien has the same
41 priority as a lien for general taxes. The lien must be enforced:

42 (a) By recording in the office of the county recorder, within 6 months after the
43 date on which the tax became delinquent or was otherwise determined to be due
44 and owing, a notice of the tax lien containing the following:

45 (1) The amount of tax due and the appropriate year;

46 (2) The name of the record owner of the property;

47 (3) A description of the property sufficient for identification; and

48 (4) A verification by the oath of any member of the board of county
49 commissioners or the county fair and recreation board; and

50 (b) By an action for foreclosure against the property in the same manner as an
51 action for foreclosure of any other lien, commenced within 2 years after the date of
52 recording of the notice of the tax lien, and accompanied by appropriate notice to
53 other lienholders.

1 8. The board of county commissioners may delegate the authority to enforce
2 liens from taxes levied for the purposes of NRS 244A.597 to 244A.655, inclusive,
3 to the county fair and recreation board. If the authority is so delegated, the board of
4 county commissioners shall revoke or suspend the license of a business upon
5 certification by the county fair and recreation board that the license tax has become
6 delinquent, and shall not reinstate the license until the tax is paid. Except as
7 otherwise provided in NRS 239.0115 and 244.3357, all information concerning
8 license taxes levied by an ordinance authorized by this section or other information
9 concerning the business affairs or operation of any licensee obtained as a result of
10 the payment of such license taxes or as the result of any audit or examination of the
11 books by any authorized employee of a county fair and recreation board of the
12 county for any license tax levied for the purpose of NRS 244A.597 to 244A.655,
13 inclusive, is confidential and must not be disclosed by any member, officer or
14 employee of the county fair and recreation board or the county imposing the license
15 tax unless the disclosure is authorized by the affirmative action of a majority of the
16 members of the appropriate county fair and recreation board. Continuing disclosure
17 may be so authorized under an agreement with the Department of Taxation or
18 Secretary of State for the exchange of information concerning taxpayers.

19 9. A board of county commissioners shall not license or otherwise allow a
20 person to operate a business that allows cannabis, as defined in NRS 678A.085, or
21 cannabis products, as defined in NRS 678A.120, to be consumed on the premises of
22 the business H, other than a cannabis consumption lounge, as defined in section
23 2 of this act, in accordance with the provisions of chapter 678B of NRS.

24 **Sec. 30.7. NRS 268.095 is hereby amended to read as follows:**

25 268.095 1. Except as otherwise provided in subsections 4 and 9 and NRS
26 268.0951, 268.0977 and 268.0979, the city council or other governing body of each
27 incorporated city in this State, whether organized under general law or special
28 charter, may:

29 (a) Except as otherwise provided in subsection 2 and NRS 268.0968 and
30 576.128, fix, impose and collect for revenues or for regulation, or both, a license
31 tax on all character of lawful trades, callings, industries, occupations, professions
32 and businesses conducted within its corporate limits.

33 (b) Assign the proceeds of any one or more of such license taxes to the county
34 within which the city is situated for the purpose or purposes of making the proceeds
35 available to the county:

36 (1) As a pledge as additional security for the payment of any general
37 obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

38 (2) For redeeming any general obligation bonds issued pursuant to NRS
39 244A.597 to 244A.655, inclusive;

40 (3) For defraying the costs of collecting or otherwise administering any
41 such license tax so assigned, of the county fair and recreation board and of officers,
42 agents and employees hired thereby, and of incidentals incurred thereby;

43 (4) For operating and maintaining recreational facilities under the
44 jurisdiction of the county fair and recreation board;

45 (5) For improving, extending and bettering recreational facilities
46 authorized by NRS 244A.597 to 244A.655, inclusive; and

47 (6) For constructing, purchasing or otherwise acquiring such recreational
48 facilities.

49 (c) Pledge the proceeds of any tax imposed on the revenues from the rental of
50 transient lodging pursuant to this section for the payment of any general or special
51 obligations issued by the city for a purpose authorized by the laws of this State.

52 (d) Use the proceeds of any tax imposed pursuant to this section on the
53 revenues from the rental of transient lodging:

1 (1) To pay the principal, interest or any other indebtedness on any general
2 or special obligations issued by the city pursuant to the laws of this State;

3 (2) For the expense of operating or maintaining, or both, any facilities of
4 the city; and

5 (3) For any other purpose for which other money of the city may be used.

6 2. The city council or other governing body of an incorporated city shall not
7 require that a person who is licensed as a contractor pursuant to chapter 624 of NRS
8 obtain more than one license to engage in the business of contracting or pay more
9 than one license tax related to engaging in the business of contracting, regardless of
10 the number of classifications or subclassifications of licensing for which the person
11 is licensed pursuant to chapter 624 of NRS.

12 3. The proceeds of any tax imposed pursuant to this section that are pledged
13 for the repayment of general obligations may be treated as "pledged revenues" for
14 the purposes of NRS 350.020.

15 4. The city council or other governing body of an incorporated city shall not
16 require a person to obtain a license or pay a license tax on the sole basis that the
17 person is a professional. As used in this subsection, "professional" means a person
18 who:

19 (a) Holds a license, certificate, registration, permit or similar type of
20 authorization issued by a regulatory body as defined in NRS 622.060 or who is
21 regulated pursuant to the Nevada Supreme Court Rules; and

22 (b) Practices his or her profession for any type of compensation as an
23 employee.

24 5. The city licensing agency shall provide upon request an application for a
25 state business license pursuant to chapter 76 of NRS. No license to engage in any
26 type of business may be granted unless the applicant for the license:

27 (a) Signs an affidavit affirming that the business has complied with the
28 provisions of chapter 76 of NRS; or

29 (b) Provides to the city licensing agency the business identification number of
30 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the
31 city may use to validate that the applicant is currently in good standing with the
32 State and has complied with the provisions of chapter 76 of NRS.

33 6. No license to engage in business as a seller of tangible personal property
34 may be granted unless the applicant for the license:

35 (a) Presents written evidence that:

36 (1) The Department of Taxation has issued or will issue a permit for this
37 activity, and this evidence clearly identifies the business by name; or

38 (2) Another regulatory agency of the State has issued or will issue a license
39 required for this activity; or

40 (b) Provides to the city licensing agency the business identification number of
41 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the
42 city may use to validate that the applicant is currently in good standing with the
43 State and has complied with the provisions of paragraph (a).

44 7. Any license tax levied under the provisions of this section constitutes a lien
45 upon the real and personal property of the business upon which the tax was levied
46 until the tax is paid. The lien has the same priority as a lien for general taxes. The
47 lien must be enforced:

48 (a) By recording in the office of the county recorder, within 6 months
49 following the date on which the tax became delinquent or was otherwise
50 determined to be due and owing, a notice of the tax lien containing the following:

51 (1) The amount of tax due and the appropriate year;

52 (2) The name of the record owner of the property;

53 (3) A description of the property sufficient for identification; and

1 (4) A verification by the oath of any member of the board of county
2 commissioners or the county fair and recreation board; and

3 (b) By an action for foreclosure against such property in the same manner as an
4 action for foreclosure of any other lien, commenced within 2 years after the date of
5 recording of the notice of the tax lien, and accompanied by appropriate notice to
6 other lienholders.

7 8. The city council or other governing body of each incorporated city may
8 delegate the power and authority to enforce such liens to the county fair and
9 recreation board. If the authority is so delegated, the governing body shall revoke or
10 suspend the license of a business upon certification by the board that the license tax
11 has become delinquent, and shall not reinstate the license until the tax is paid.
12 Except as otherwise provided in NRS 239.0115 and 268.0966, all information
13 concerning license taxes levied by an ordinance authorized by this section or other
14 information concerning the business affairs or operation of any licensee obtained as
15 a result of the payment of those license taxes or as the result of any audit or
16 examination of the books of the city by any authorized employee of a county fair
17 and recreation board for any license tax levied for the purpose of NRS 244A.597 to
18 244A.655, inclusive, is confidential and must not be disclosed by any member,
19 official or employee of the county fair and recreation board or the city imposing the
20 license tax unless the disclosure is authorized by the affirmative action of a
21 majority of the members of the appropriate county fair and recreation board.
22 Continuing disclosure may be so authorized under an agreement with the
23 Department of Taxation or the Secretary of State for the exchange of information
24 concerning taxpayers.

25 9. The city council or other governing body of an incorporated city shall not
26 license or otherwise allow a person to operate a business that allows cannabis, as
27 defined in NRS 678A.085, or cannabis products, as defined in NRS 678A.120, to be
28 consumed on the premises of the business ~~or~~, other than a cannabis
29 consumption lounge, as defined in section 2 of this act, in accordance with the
30 provisions of chapter 678B of NRS.

31 10. The powers conferred by this section are in addition and supplemental to,
32 and not in substitution for, and the limitations imposed by this section do not affect
33 the powers conferred by, any other law. No part of this section repeals or affects
34 any other law or any part thereof, it being intended that this section provide a
35 separate method of accomplishing its objectives, and not an exclusive one.

36 **Sec. 30.9. NRS 269.170 is hereby amended to read as follows:**

37 269.170 1. Except as otherwise provided in subsections 5, 6 and 7 and NRS
38 576.128, 598D.150 and 640C.100, the town board or board of county
39 commissioners may, in any unincorporated town:

40 (a) Fix and collect a license tax on, and regulate, having due regard to the
41 amount of business done by each person so licensed, and all places of business and
42 amusement so licensed, as follows:

43 (1) Artisans, artists, assayers, auctioneers, bakers, banks and bankers,
44 barbers, boilermakers, cellars and places where soft drinks are kept or sold, clothes
45 cleaners, foundries, laundries, lumberyards, manufacturers of soap, soda, borax or
46 glue, markets, newspaper publishers, pawnbrokers, funeral directors and wood and
47 coal dealers.

48 (2) Bootmakers, cobblers, dressmakers, milliners, shoemakers and tailors.

49 (3) Boardinghouses, hotels, lodging houses, restaurants and refreshment
50 saloons.

51 (4) Barrooms, gaming, manufacturers of liquors and other beverages, and
52 saloons.

1 (5) Billiard tables, bowling alleys, caravans, circuses, concerts and other
2 exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks
3 and theaters.

4 (6) Corrals, hay yards, livery and sale stables and wagon yards.

5 (7) Electric light companies, illuminating gas companies, power
6 companies, telegraph companies, telephone companies and water companies.

7 (8) Carts, drays, express companies, freight companies, job wagons,
8 omnibuses and stages.

9 (9) Brokers, commission merchants, factors, general agents, mercantile
10 agents, merchants, traders and stockbrokers.

11 (10) Drummers, hawkers, peddlers and solicitors.

12 (11) Insurance analysts, adjusters and managing general agents and
13 producers of insurance within the limitations and under the conditions prescribed in
14 NRS 680B.020.

15 (b) Fix and collect a license tax upon all professions, trades or business within
16 the town not specified in paragraph (a).

17 2. No license to engage in business as a seller of tangible personal property
18 may be granted unless the applicant for the license presents written evidence that:

19 (a) The Department of Taxation has issued or will issue a permit for this
20 activity, and this evidence clearly identifies the business by name; or

21 (b) Another regulatory agency of the State has issued or will issue a license
22 required for this activity.

23 3. Any license tax levied for the purposes of NRS 244A.597 to 244A.655,
24 inclusive, constitutes a lien upon the real and personal property of the business
25 upon which the tax was levied until the tax is paid. The lien must be enforced in the
26 same manner as liens for ad valorem taxes on real and personal property. The town
27 board or other governing body of the unincorporated town may delegate the power to
28 enforce such liens to the county fair and recreation board.

29 4. The governing body or the county fair and recreation board may agree with
30 the Department of Taxation for the continuing exchange of information concerning
31 taxpayers.

32 5. The town board or board of county commissioners shall not require a
33 person to obtain a license or pay a license tax on the sole basis that the person is a
34 professional. As used in this subsection, "professional" means a person who:

35 (a) Holds a license, certificate, registration, permit or similar type of
36 authorization issued by a regulatory body as defined in NRS 622.060, or who is
37 regulated pursuant to the Nevada Supreme Court Rules; and

38 (b) Practices his or her profession for any type of compensation as an
39 employee.

40 6. The town board or board of county commissioners shall not require a
41 person to obtain a license or pay a license tax pursuant to this section for a cannabis
42 establishment, as defined in NRS 678A.095.

43 7. The town board or board of county commissioners shall not license or
44 otherwise allow a person to operate a business that allows cannabis, as defined in
45 NRS 678A.085, or cannabis products, as defined in NRS 678A.120, to be
46 consumed on the premises of the business, but, other than a cannabis consumption
47 lounge, as defined in section 2 of this act, in accordance with the provisions of
48 chapter 678B of NRS.

49 **Sec. 31.** Chapter 372A of NRS is hereby amended by adding thereto a new
50 section to read as follows:

51 *"Cannabis consumption lounge" has the meaning ascribed to it in section 2*
52 *of this act.*

1 **Sec. 32.** NRS 372A.200 is hereby amended to read as follows:

2 372A.200 As used in NRS 372A.200 to 372A.380, inclusive, *and section 31*
3 *of this act*, unless the context otherwise requires, the words and terms defined in
4 NRS 372A.205 to 372A.250, inclusive, *and section 31 of this act* have the
5 meanings ascribed to them in those sections.

6 **Sec. 33.** NRS 372A.250 is hereby amended to read as follows:

7 372A.250 “Taxpayer” means a:

- 8 1. Cannabis cultivation facility; ~~+~~
9 2. Adult-use cannabis retail store ~~+~~; *or*
10 3. *Cannabis consumption lounge.*

11 **Sec. 34.** NRS 372A.290 is hereby amended to read as follows:

12 372A.290 1. An excise tax is hereby imposed on each wholesale sale in this
13 State of cannabis by a medical cannabis cultivation facility to another cannabis
14 establishment at the rate of 15 percent of the fair market value at wholesale of the
15 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the
16 medical cannabis cultivation facility.

17 2. An excise tax is hereby imposed on each wholesale sale in this State of
18 cannabis by an adult-use cannabis cultivation facility to another cannabis
19 establishment at the rate of 15 percent of the fair market value at wholesale of the
20 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the
21 adult-use cannabis cultivation facility.

22 3. An excise tax is hereby imposed on each retail sale in this State of cannabis
23 or cannabis products by an adult-use cannabis retail store *or cannabis consumption*
24 *lounge* at the rate of 10 percent of the sales price of the cannabis or cannabis
25 products. The excise tax imposed pursuant to this subsection:

26 (a) Is the obligation of the ~~adult use cannabis retail store.~~ *seller of the*
27 *cannabis or cannabis product;*

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

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

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

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

38 5. The revenues collected from the excise tax imposed pursuant to subsection
39 2 must be distributed:

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

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

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

1 7. The revenues collected from the excise tax imposed pursuant to subsection
2 3 must be paid over as collected to the State Treasurer to be deposited to the credit
3 of the State Education Fund.

4 8. As used in this section:

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

7 (b) ~~["Adult use cannabis retail store" has the meaning ascribed to it in NRS~~
8 ~~678A.065.~~

9 ~~(c)~~ "Cannabis product" has the meaning ascribed to it in NRS 678A120.

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

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

13 ~~(f)~~ (e) "Medical cannabis establishment" has the meaning ascribed to it in
14 NRS 678A.180.

15 **Sec. 35.** NRS 387.1212 is hereby amended to read as follows:

16 387.1212 1. The State Education Fund is hereby created as a special
17 revenue fund to be administered by the Superintendent of Public Instruction for the
18 purpose of supporting the operation of the public schools in this State. The interest
19 and income earned on the money in the Fund, after deducting any applicable
20 charges, must be credited to the Fund.

21 2. Money which must be deposited for credit to the State Education Fund
22 includes, without limitation:

23 (a) All money derived from interest on the State Permanent School Fund, as
24 provided in NRS 387.030;

25 (b) The proceeds of the tax imposed pursuant to NRS 244.33561 and any
26 applicable penalty or interest, less any amount retained by the county treasurer for
27 the actual cost of collecting and administering the tax;

28 (c) The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;

29 (d) The portion of the money in each special account created pursuant to
30 subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2
31 of NRS 179.1187;

32 (e) The money identified in subsection 1 of NRS 328.450;

33 (f) The money identified in subsection 1 of NRS 328.460;

34 (g) The money identified in paragraph (a) of subsection 2 of NRS 360.850;

35 (h) The money identified in paragraph (a) of subsection 2 of NRS 360.855;

36 (i) The money required to be paid over to the State Treasurer for deposit to the
37 credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;

38 (j) The portion of the proceeds of the tax imposed pursuant to subsection 1 of
39 NRS 372A.290 identified in paragraph (b) of subsection 4 of NRS 372A.290;

40 (k) The proceeds of the tax imposed pursuant to subsection 3 of NRS
41 372A.290;

42 (l) The proceeds of the fees, taxes, interest and penalties imposed pursuant to
43 chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

44 (m) The money identified in paragraph (b) of subsection ~~4~~ 4 of NRS
45 678B.390;

46 (n) The portion of the proceeds of the excise tax imposed pursuant to
47 subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS
48 463.385;

49 (o) The money required to be distributed to the State Education Fund pursuant
50 to subsection 3 of NRS 482.181;

51 (p) The portion of the net profits of the grantee of a franchise, right or privilege
52 identified in NRS 709.110;

1 (q) The portion of the net profits of the grantee of a franchise identified in NRS
2 709.230;

3 (r) The portion of the net profits of the grantee of a franchise identified in NRS
4 709.270; and

5 (s) The direct legislative appropriation from the State General Fund required
6 by subsection 3.

7 3. In addition to money from any other source provided by law, support for
8 the State Education Fund must be provided by direct legislative appropriation from
9 the State General Fund in an amount determined by the Legislature to be sufficient
10 to fund the operation of the public schools in this State for kindergarten through
11 grade 12 for the next ensuing biennium for the population reasonably estimated for
12 that biennium. Money in the State Education Fund does not revert to the State
13 General Fund at the end of a fiscal year, and the balance in the State Education
14 Fund must be carried forward to the next fiscal year.

15 4. Money in the Fund must be paid out on claims as other claims against the
16 State are paid.

17 5. The Superintendent of Public Instruction may create one or more accounts
18 in the State Education Fund for the purpose of administering any money received
19 from the Federal Government for the support of education and any State money
20 required to be administered separately to satisfy any requirement imposed by the
21 Federal Government. The money in any such account must not be considered when
22 calculating the statewide base per pupil funding amount or appropriating money
23 from the State Education Fund pursuant to NRS 387.1214. The interest and income
24 earned on the money in any such account, after deducting any applicable charges,
25 must be credited to the account.

26 **Sec. 36.** NRS 453.316 is hereby amended to read as follows:

27 453.316 1. A person who opens or maintains any place for the purpose of
28 unlawfully selling, giving away or using any controlled substance is guilty of a
29 category C felony and shall be punished as provided in NRS 193.130.

30 2. If a person convicted of violating this section has previously been
31 convicted of violating this section, or if, in the case of a first conviction of violating
32 this section, the person has been convicted of an offense under the laws of the
33 United States or any state, territory or district which, if committed in this State,
34 would amount to a felony under this section, the person is guilty of a category B
35 felony and shall be punished by imprisonment in the state prison for a minimum
36 term of not less than 1 year and a maximum term of not more than 6 years, and may
37 be further punished by a fine of not more than \$10,000.

38 3. This section does not apply to ~~any~~:

39 (a) Any rehabilitation clinic established or licensed by the Division of Public
40 and Behavioral Health of the Department.

41 (b) *Any cannabis consumption lounge, as defined in section 2 of this act,*
42 *whose activities are confined to those authorized in title 56 of NRS.*

43 **Sec. 36.I. Section 246 of chapter 595, Statutes of Nevada 2019, at page**
44 **3896, is hereby amended to read as follows:**

45 Sec. 246. 1. This section and sections 199.3, 216.3 and 239.5 of
46 this act become effective upon passage and approval.

47 2. Sections 197.5 and 198.5 of this act become effective upon passage
48 and approval. ~~[and expire by limitation on June 30, 2021.]~~

49 3. Section 216.7 of this act becomes effective on November 23, 2019.

50 4. Sections 1 to 197, inclusive, 198, 199, 199.5, 201 to 216, inclusive,
51 217 to 239, inclusive, and 240 to 245, inclusive, of this act become
52 effective:

1 (a) Upon passage and approval for the purposes of adopting regulations
2 and performing any other preparatory tasks that are necessary to carry out
3 the provisions of this act; and

4 (b) On July 1, 2020, for all other purposes.

5 5. ~~Section 199.7 of this act becomes effective on July 1, 2021.~~

6 ~~6.]~~ Sections 108 and 109 of this act expire by limitation on the date 2
7 years after the date on which the provisions of 42 U.S.C. § 666 requiring
8 each state to establish procedures under which the state has authority to
9 withhold or suspend, or to restrict the use of professional, occupational and
10 recreational licenses of persons who:

11 (a) Have failed to comply with a subpoena or warrant relating to a
12 proceeding to determine the paternity of a child or to establish or enforce an
13 obligation for the support of a child; or

14 (b) Are in arrears in the payment for the support of one or more
15 children,

16 ↪ are repealed by the Congress of the United States.

17 **Sec. 36.3. 1. Any person who, on October 1, 2021, holds an adult-use**
18 **cannabis establishment license for an adult-use cannabis retail store may, on**
19 **or after October 1, 2021, submit to the Cannabis Compliance Board an**
20 **application for the issuance of an adult-use cannabis establishment license for**
21 **a retail cannabis consumption lounge in accordance with NRS 678B.250, as**
22 **amended by section 14 of this act.**

23 **2. The Cannabis Compliance Board shall not issue an adult-use cannabis**
24 **establishment license for a retail cannabis consumption lounge to a person who**
25 **submits an application pursuant to subsection 1, unless the Board has**
26 **determined that the person has satisfied all applicable requirements for the**
27 **issuance of such a license, as set forth in chapter 678B of NRS, as amended by**
28 **this act, and the regulations adopted pursuant thereto.**

29 **Sec. 36.5. 1. On or before January 1, 2023, the Cannabis Compliance**
30 **Board shall prepare and submit to the Director of the Legislative Counsel Bureau**
31 **for transmission to the Legislature, a report regarding the effect of violations of**
32 **NRS 598A.060 on independent cannabis consumption lounges. The report must**
33 **include any recommendations for legislation that the Cannabis Compliance Board**
34 **determines is necessary to ensure that such violations do not inhibit the growth of**
35 **independent cannabis consumption lounges in this State.**

36 **2. As used in this section, "independent cannabis consumption lounge" has**
37 **the meaning ascribed to it in section 3 of this act.**

38 **Sec. 36.7. Section 199.7 of chapter 595, Statutes of Nevada 2019, at page**
39 **3863 is hereby repealed.**

40 **Sec. 36.9. 1. This section and sections 36.1 and 36.7 of this act become**
41 **effective upon passage and approval.**

42 **2. Sections 1 to 36, inclusive, 36.3 and 36.5 of this act become effective on**
43 **October 1, 2021.**

TEXT OF REPEALED SECTION

Section 199.7 of chapter 595, Statutes of Nevada 2019:

Sec. 199.7. NRS 269.170 is hereby amended to read as follows:

269.170 1. Except as otherwise provided in subsections 5 ~~and 6~~ and 7 and NRS 269.183, 576.128, 598D.150 and 640C.100, the town board or board of county commissioners may, in any unincorporated town:

(a) Fix and collect a license tax on, and regulate, having due regard to the amount of business done by each person so licensed, and all places of business and amusement so licensed, as follows:

(1) Artisans, artists, assayers, auctioneers, bakers, banks and bankers, barbers, boilermakers, cellars and places where soft drinks are kept or sold, clothes cleaners, foundries, laundries, lumberyards, manufacturers of soap, soda, borax or glue, markets, newspaper publishers, pawnbrokers, funeral directors and wood and coal dealers.

(2) Bootmakers, cobblers, dressmakers, milliners, shoemakers and tailors.

(3) Boardinghouses, hotels, lodging houses, restaurants and refreshment saloons.

(4) Barrooms, gaming, manufacturers of liquors and other beverages, and saloons.

(5) Billiard tables, bowling alleys, caravans, circuses, concerts and other exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks and theaters.

(6) Corrals, hay yards, livery and sale stables and wagon yards.

(7) Electric light companies, illuminating gas companies, power companies, telegraph companies, telephone companies and water companies.

(8) Carts, drays, express companies, freight companies, job wagons, omnibuses and stages.

(9) Brokers, commission merchants, factors, general agents, mercantile agents, merchants, traders and stockbrokers.

(10) Drummers, hawkers, peddlers and solicitors.

(11) Insurance analysts, adjusters and managing general agents and producers of insurance within the limitations and under the conditions prescribed in NRS 680B.020.

(b) Fix and collect a license tax upon all professions, trades or business within the town not specified in paragraph (a).

2. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license presents written evidence that:

(a) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(b) Another regulatory agency of the State has issued or will issue a license required for this activity.

3. Any license tax levied for the purposes of NRS 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien must be enforced in the same manner as liens for ad valorem taxes on real and personal property. The town board or other governing body of the unincorporated town may delegate the power to enforce such liens to the county fair and recreation board.

4. The governing body or the county fair and recreation board may agree with the Department of Taxation for the continuing exchange of information concerning taxpayers.

5. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax on the sole basis that the

person is a professional. As used in this subsection, “professional” means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060, or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

6. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax pursuant to this section for a cannabis establishment, as defined in section 22 of this act.

~~[7. The town board or board of county commissioners shall not license or otherwise allow a person to operate a business that allows cannabis, as defined in section 18 of this act, or cannabis products, as defined in section 27 of this act, to be consumed on the premises of the business.]~~