

(§§ 17, 34)

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THIRD REPRINT

A.B. 341

ASSEMBLY BILL NO. 341—ASSEMBLYMAN YEAGER

MARCH 19, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to cannabis. (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 certain persons 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
2 establishments in the cannabis industry in this State by the Cannabis Compliance
3 Board. (Title 56 of NRS) Under existing law, a cannabis establishment is prohibited
4 from allowing a person to consume cannabis on the property or premises of the
5 establishment. (NRS 678B.510) Existing law also makes it a misdemeanor to
6 consume cannabis or a cannabis product in a public place, in an adult-use cannabis



7 retail store or in a vehicle. (NRS 678D.310) This bill provides for the licensure and
8 regulation by the Board of certain businesses at which the consumption of certain
9 cannabis and cannabis products is allowed. **Section 2** of this bill designates such
10 businesses generally as “cannabis consumption lounges.”

11 **Sections 3 and 5** of this bill designate two types of cannabis consumption
12 lounges. **Section 5** of this bill defines “retail cannabis consumption lounge” to
13 mean a business at which the consumption of single-use or ready-to-consume
14 cannabis products is allowed and which is attached or immediately adjacent to an
15 adult-use cannabis retail store. **Section 3** of this bill defines “independent cannabis
16 consumption lounge” to mean a business at which the consumption of single-use or
17 ready-to-consume cannabis products is allowed and which is not attached or
18 immediately adjacent to an adult-use cannabis retail store.

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

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

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

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

50 **Section 11** of this bill requires the Board to adopt regulations establishing
51 criteria to determine whether an applicant for the issuance or renewal of an adult-
52 use cannabis establishment license for an independent cannabis consumption
53 lounge qualifies as a social equity applicant, which is defined by **section 9** of this
54 bill generally as an applicant that has been adversely affected by previous laws that
55 criminalized activity relating to cannabis. **Section 12** of this bill requires the Board
56 to adopt regulations establishing criteria of merit and scoring guidelines to be used
57 in evaluating applications for an adult-use cannabis establishment license for a
58 retail cannabis consumption lounge or an independent cannabis consumption
59 lounge. **Section 17** of this bill establishes fees for the issuance and renewal of such
60 licenses. **Section 17** authorizes the Board to reduce certain fees associated with an
61 adult-use cannabis establishment license for an independent cannabis consumption



62 lounge for social equity applicants. **Section 16** of this bill makes a conforming
63 change to reflect the addition of the requirements of **section 12**.

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

81 Existing law prohibits the Board from issuing more than a certain number of
82 adult-use cannabis establishment licenses to any one person, group of persons or
83 entity in certain counties. (NRS 678B.270) **Section 15** of this bill provides that this
84 prohibition does not apply to adult-use cannabis establishment licenses for retail
85 cannabis consumption lounges or independent cannabis consumption lounges.
86 Instead, **section 12.7** of this bill generally prohibits the Board from issuing more
87 than one such license to any one person. **Section 12.7** provides an exception to this
88 prohibition for certain transfers of such licenses. **Section 12.3** of this bill prohibits
89 the Board from issuing to any one person both an adult-use cannabis establishment
90 license for an adult-use cannabis retail store and an adult-use cannabis
91 establishment license for an independent cannabis consumption lounge. **Section 20**
92 of this bill requires the Board to adopt regulations prescribing the manner in which
93 it will determine whether a person who holds an adult-use cannabis establishment
94 license is ineligible to hold additional licenses pursuant to **sections 12.3 and 12.7**.

95 Existing law requires the Board to adopt regulations regarding the transfer of
96 licenses issued by the Board. (NRS 678B.380) **Section 16.5** of this bill requires
97 those regulations to impose certain requirements and restrictions on the transfer an
98 adult-use cannabis establishment license for an independent cannabis consumption
99 lounge.

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

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

113 **Section 27** of this bill requires an independent cannabis consumption lounge to
114 enter into a contract with one or more adult-use cannabis retail stores to obtain
115 single-use cannabis products for resale and cannabis or cannabis products for use in
116 the preparation of ready-to-consume cannabis products. **Section 27** authorizes an



117 independent cannabis consumption lounge that has entered into such a contract to:
118 (1) sell single-use cannabis products to customers of the lounge; and (2) prepare
119 and sell ready-to-consume cannabis products to customers of the lounge.

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

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

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

141 **Section 18** of this bill revises provisions of existing law prohibiting the
142 consumption of cannabis and cannabis products in a cannabis establishment for the
143 purpose of authorizing a person to engage in such activities in a cannabis
144 consumption lounge. (NRS 678B.510)

145 Existing law prohibits, in general, the consumption of cannabis or cannabis
146 products in a public place. (NRS 678C.300, 678D.300, 678D.310) **Section 12.9** of
147 this bill authorizes the Board to adopt regulations setting forth circumstances under
148 which a person is authorized to consume cannabis or cannabis products in a public
149 place. **Sections 20.5, 28.5 and 29** of this bill revise provisions of existing law
150 prohibiting a person from consuming cannabis or cannabis products in a public
151 place for the purpose of authorizing a person to engage in such activities in a public
152 place in accordance with the regulations adopted by the Board pursuant to
153 **section 12.9**.

154 Existing law prohibits a person from opening or maintaining a place for the
155 purpose of unlawfully selling, giving away or using any controlled substance. (NRS
156 453.316) **Section 36** of this bill exempts from the application of this provision: (1)
157 a cannabis consumption lounge whose activities are confined to those authorized
158 under the provisions of this bill; and (2) any person who opens or maintains a
159 public place at which a person is authorized to consume cannabis or cannabis
160 products pursuant to regulations adopted by the Board pursuant to **section 12.9** and
161 whose activities are confined to those authorized by such regulations.

162 **Section 36.3** of this bill requires the Board to provide each person who, on
163 July 1, 2021, holds an adult-use cannabis establishment license for an adult-use
164 cannabis retail store a written notification informing the person that the person may
165 be eligible to hold an adult-use cannabis establishment license for a retail cannabis
166 consumption lounge.

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



171 Sections 2-5.5 and 9 of this bill define words and terms applicable to the
172 provisions of this bill. Sections 6 and 32 of this bill make conforming changes to
173 properly place new language in the Nevada Revised Statutes. Section 35 of this bill
174 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:

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

4 Sec. 2. *“Cannabis consumption lounge” means:*

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

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

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

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

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

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

- 24 1. *Is licensed by the Board pursuant to NRS 678B.250;*
25 2. *Is attached or immediately adjacent to an adult-use*
26 *cannabis retail store; and*
27 3. *Allows single-use cannabis products or ready-to-consume*
28 *cannabis products to be consumed on the premises of the business*
29 *by persons 21 years of age or older.*

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

35 Sec. 6. NRS 678A.010 is hereby amended to read as follows:
36 678A.010 As used in this title, unless the context otherwise
37 requires, the words and terms defined in NRS 678A.020 to



1 678A.240, inclusive, *and sections 2 to 5.5, inclusive, of this act*
2 have the meanings ascribed to them in those sections.

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

4 678A.035 “Adult-use cannabis establishment” means:

- 5 1. An adult-use cannabis independent testing laboratory;
- 6 2. An adult-use cannabis cultivation facility;
- 7 3. An adult-use cannabis production facility;
- 8 4. An adult-use cannabis retail store; ~~[or]~~
- 9 5. An adult-use cannabis distributor ~~[;]~~;
- 10 *6. A retail cannabis consumption lounge; or*
- 11 *7. An independent cannabis consumption lounge.*

12 **Sec. 8.** Chapter 678B of NRS is hereby amended by adding
13 thereto the provisions set forth as sections 9 to 12.9, inclusive, of
14 this act.

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

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

26 (a) *The applicant holds an adult-use cannabis establishment*
27 *license for an adult-use cannabis retail store;*

28 (b) *The adult-use cannabis retail store for which the applicant*
29 *holds an adult-use cannabis establishment license is operational;*
30 *and*

31 (c) *The location of the proposed retail cannabis consumption*
32 *lounge is attached or immediately adjacent to the adult-use*
33 *cannabis retail store for which the applicant holds an adult-use*
34 *cannabis establishment license.*

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

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

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



1 **Sec. 11.** 1. *The Board shall adopt regulations establishing*
2 *criteria to be used by the Board for determining whether an*
3 *applicant for the issuance or renewal of an adult-use cannabis*
4 *establishment license for an independent cannabis consumption*
5 *lounge qualifies as a social equity applicant for the purposes of*
6 *this chapter.*

7 2. *The regulations adopted pursuant to subsection 1 must*
8 *establish the minimum percentage of ownership in a proposed*
9 *independent cannabis consumption lounge which will be held by a*
10 *person or group of persons who have been adversely affected by*
11 *provisions of previous laws which criminalized activity relating to*
12 *cannabis for the applicant to qualify as a social equity applicant.*

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

19 2. *In determining whether to issue an adult-use cannabis*
20 *establishment license for a retail cannabis consumption lounge or*
21 *an independent cannabis consumption lounge pursuant to NRS*
22 *678B.250, the Board shall, in addition to the factors set forth in*
23 *that section, consider the criteria of merit and scoring guidelines*
24 *established pursuant to subsection 1.*

25 3. *The scoring guidelines established pursuant to subsection*
26 *1 must establish a minimum required score for the issuance of an*
27 *adult-use cannabis establishment license for a retail cannabis*
28 *consumption lounge or an independent cannabis consumption*
29 *lounge.*

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

32 (a) *For a proposed independent cannabis consumption*
33 *lounge:*

34 (1) *The diversity on the basis of race, ethnicity or gender of*
35 *the applicant or the persons who are proposed to be owners or*
36 *officers of the proposed independent cannabis consumption*
37 *lounge; and*

38 (2) *Whether the applicant qualifies as a social equity*
39 *applicant; and*

40 (b) *Any other criteria of merit that the Board determines to be*
41 *relevant.*

42 **Sec. 12.3.** *The Board shall not issue to any one person both*
43 *an adult-use cannabis establishment license for an adult-use*
44 *cannabis retail store and an adult-use cannabis establishment*
45 *license for an independent cannabis consumption lounge.*



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

5 2. *If, on or before June 30, 2022, the Board issues 20 adult-*
6 *use cannabis establishment licenses for an independent cannabis*
7 *consumption lounge, the Board may thereafter issue adult-use*
8 *cannabis establishment licenses for independent cannabis*
9 *consumption lounges in amounts that exceed the limit set forth in*
10 *subsection 1, so long as the total number of such licenses issued*
11 *by the Board does not, at any time, exceed the total number of*
12 *adult-use cannabis establishment licenses for a retail cannabis*
13 *consumption lounge issued by the Board.*

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

17 **Sec. 12.5. 1.** *The Board shall, for each local governmental*
18 *jurisdiction that limits the number of business licenses which may*
19 *be issued to cannabis consumption lounges, determine the number*
20 *of licenses allocated to the jurisdiction for retail cannabis*
21 *consumption lounges and independent cannabis consumption*
22 *lounges.*

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

26 3. *Except as otherwise provided in this subsection, at least 50*
27 *percent of the licenses allocated to a local governmental*
28 *jurisdiction pursuant to subsection 1 must be issued to*
29 *independent cannabis consumption lounges. At least 50 percent of*
30 *the licenses issued to independent cannabis consumption lounges*
31 *must be issued to social equity applicants. If there are an*
32 *insufficient number of social equity applicants to distribute*
33 *licenses in that manner, the local governmental jurisdiction shall*
34 *issue business licenses to all qualified social equity applicants and*
35 *hold the remaining business licenses in reserve for future issuance*
36 *to social equity applicants.*

37 4. *If the number of qualified applicants in a local*
38 *governmental jurisdiction exceeds the number of licenses*
39 *allocated to that jurisdiction pursuant to subsection 1, the Board*
40 *shall issue adult-use cannabis establishment licenses for retail*
41 *cannabis consumption lounges and independent cannabis*
42 *consumption lounges in the local governmental jurisdiction to*
43 *qualified applicants who are not social equity applicants using a*
44 *separate lottery system for each type of license.*



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

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

5 (a) More than one adult-use cannabis establishment license
6 for an independent cannabis consumption lounge to any one
7 person;

8 (b) More than one adult-use cannabis establishment license
9 for a retail cannabis consumption lounge to any one person; or

10 (c) Both an adult-use cannabis establishment license for a
11 retail cannabis consumption lounge and an adult-use cannabis
12 establishment license for an independent cannabis consumption
13 lounge to any one person.

14 2. The Board may approve a transfer of an adult-use
15 cannabis establishment license for a retail cannabis consumption
16 lounge or an independent cannabis consumption lounge to a
17 person that acquires a 100 percent ownership interest in a
18 cannabis consumption lounge in a county in which the person
19 holds another such license, if the transfer:

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

22 (b) Will not result in the person holding more than two adult-
23 use cannabis establishment licenses for a retail cannabis
24 consumption lounge, adult-use cannabis establishment licenses
25 for an independent cannabis lounge or any combination of the
26 two.

27 **Sec. 12.9.** The Board may adopt regulations setting forth
28 circumstances under which a person is authorized to consume
29 cannabis or cannabis products in a public place.

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

31 678B.020 As used in this chapter, unless the context otherwise
32 requires, the words and terms defined in NRS 678B.030 to
33 678B.070, inclusive, and section 9 of this act have the meanings
34 ascribed to them in those sections.

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

37 678B.210 1. A person shall not engage in the business of a
38 medical cannabis establishment unless the person holds a medical
39 cannabis establishment license issued by the Board pursuant to this
40 section.

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

44 3. Except as otherwise provided in NRS 678B.220, 678B.230
45 and 678B.240, not later than 90 days after receiving an application



1 to engage in the business of a medical cannabis establishment, the
2 Board shall register the medical cannabis establishment and issue a
3 medical cannabis establishment license and a random 20-digit
4 alphanumeric identification number if:

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

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

9 (2) An application, which must include:

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

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

29 (III) Evidence that the applicant controls not less than
30 \$250,000 in liquid assets to cover the initial expenses of opening the
31 proposed medical cannabis establishment and complying with the
32 provisions of this title;

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

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



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

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

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

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

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

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

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

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

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

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

32 (2) Previously had a cannabis establishment agent
33 registration card revoked; or

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

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

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



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

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

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

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

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

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

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

23 (b) A public park.

24 (c) A playground.

25 (d) A public swimming pool.

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

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

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

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

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

38 3. Except as otherwise provided in NRS 678B.260, 678B.270
39 and 678B.280, *and sections 10 and 12 to 12.7, inclusive, of this act*,
40 the Board shall issue an adult-use cannabis establishment license to
41 an applicant if:

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

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



1 (2) An application, which must include:

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

8 (b) A public park.

9 (c) A playground.

10 (d) A public swimming pool.

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

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

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

17 678B.270 1. Except as otherwise provided in ~~subsection 2,~~
18 *this section*, to prevent monopolistic practices, the Board shall
19 ensure, in a county whose population is 100,000 or more, that it
20 does not issue, to any one person, group of persons or entity, the
21 greater of:

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

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

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

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

29 678B.280 1. In determining whether to issue an adult-use
30 cannabis establishment license pursuant to NRS 678B.250, *other*
31 *than an adult-use cannabis establishment license for a retail*
32 *cannabis consumption lounge or an independent cannabis*
33 *consumption lounge*, the Board shall, in addition to the factors set
34 forth in that section, consider criteria of merit established by
35 regulation of the Board. Such criteria must include, without
36 limitation:

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

41 (b) Whether the owners, officers or board members of the
42 proposed adult-use cannabis establishment have direct experience
43 with the operation of a cannabis establishment in this State and have
44 demonstrated a record of operating such an establishment in



1 compliance with the laws and regulations of this State for an
2 adequate period of time to demonstrate success;

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

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

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

11 (f) The diversity on the basis of race, ethnicity or gender of the
12 applicant or the persons who are proposed to be owners, officers or
13 board members of the proposed adult-use cannabis establishment,
14 including, without limitation, the inclusion of persons of
15 backgrounds which are disproportionately underrepresented as
16 owners, officers or board members of adult-use cannabis
17 establishments; and

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

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

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

25 678B.380 1. Except as otherwise provided by regulations
26 adopted by the Board pursuant to subsection 2, the following are
27 nontransferable:

28 (a) A cannabis establishment agent registration card.

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

31 (c) A medical cannabis establishment license.

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

33 2. The Board shall adopt regulations which prescribe
34 procedures and requirements by which a holder of a license may
35 transfer the license to another party who is qualified to hold such a
36 license pursuant to the provisions of this chapter.

37 **3. *The regulations adopted pursuant to subsection 2 must:***

38 ***(a) Prohibit the holder of an adult-use cannabis establishment***
39 ***license for an independent cannabis consumption lounge from***
40 ***transferring the license until at least 2 years from the date on***
41 ***which the independent cannabis consumption lounge for which***
42 ***the license was issued became operational;***

43 ***(b) Require the holder of an adult-use cannabis establishment***
44 ***license for an independent cannabis consumption lounge and who***
45 ***wishes to cease operations before the independent cannabis***



1 *consumption lounge for which the license was issued has been*
2 *operational for at least 2 years to surrender the license to the*
3 *Board; and*

4 *(c) Require the Board to hold a license surrendered pursuant*
5 *to paragraph (b) in reserve for issuance to an applicant for such a*
6 *license in the future.*

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

8 678B.390 1. Except as otherwise provided in subsection ~~2,~~
9 **3,** the Board shall collect not more than the following maximum
10 fees:

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



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

41 2. ~~HB~~ *The Board may by regulation establish reduced fees*
42 *for:*

43 *(a) The initial issuance and renewal of an adult-use cannabis*
44 *establishment license for an independent cannabis consumption*
45 *lounge; and*



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

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

9 (a) ~~[A]~~ *For an application for a license other than an adult-*
10 *use cannabis establishment license for a retail cannabis*
11 *consumption lounge or independent cannabis consumption*
12 *lounge, a one-time, nonrefundable application fee of \$5,000; ~~[and]~~*

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

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

19 (d) *The actual costs incurred by the Board in processing the*
20 *application, including, without limitation, conducting background*
21 *checks.*

22 ~~[3]~~ 4. *Any revenue generated from the fees imposed pursuant*
23 *to this section:*

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

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

30 **Sec. 17.5.** (Deleted by amendment.)

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

32 678B.510 1. The operating documents of a cannabis
33 establishment must include procedures:

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

35 (b) To ensure accurate recordkeeping.

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

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

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



1 ↪ The provisions of this subsection do not supersede any state or
2 local requirements relating to minimum numbers of points of entry
3 or exit, or any state or local requirements relating to fire safety.

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

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

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

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

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

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

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

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

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

39 (a) Are labeled clearly and unambiguously:

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

43 (2) As required by the provisions of this chapter and chapters
44 678C and 678D of NRS.



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

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

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

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

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

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

18 2. A cannabis production facility shall not produce cannabis
19 products in any form that:

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

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

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

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

29 3. A cannabis production facility shall:

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

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

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

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

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

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

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

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



1 (e) Package all cannabis products produced by the cannabis
2 production facility on the premises of the cannabis production
3 facility.

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

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

12 6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

21 11. A cannabis establishment:

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

24 (1) Is false or misleading;

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

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

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

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

40 (c) Shall not place an advertisement:

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



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

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

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

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

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

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

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

15 12. Nothing in subsection 11 shall be construed to prohibit a
16 local government, pursuant to chapter 244, 268 or 278 of NRS, from
17 adopting an ordinance for the regulation of advertising relating to
18 cannabis which is more restrictive than the provisions of subsection
19 11 relating to:

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

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

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

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

31 13. If a cannabis establishment engages in advertising for
32 which it is required to determine the percentage of persons who are
33 less than 21 years of age and who may reasonably be expected to
34 view or hear the advertisement, the cannabis establishment shall
35 maintain documentation for not less than 5 years after the date on
36 which the advertisement is first broadcasted, published or otherwise
37 displayed that demonstrates the manner in which the cannabis
38 establishment determined the reasonably expected age of the
39 audience for that advertisement.

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



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

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

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

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

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

12 ~~15.1~~ **16.** As used in this section, “motor vehicle used for
13 public transportation” does not include a taxicab, as defined in
14 NRS 706.124.

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

16 678B.650 The Board shall adopt such regulations as it
17 determines to be necessary or advisable to carry out the provisions
18 of this chapter. Such regulations are in addition to any requirements
19 set forth in statute and must, without limitation:

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

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

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

28 (a) The manner of protecting against diversion and theft without
29 imposing an undue burden on cannabis establishments or
30 compromising the confidentiality of consumers and holders of
31 registry identification cards and letters of approval, as those terms
32 are defined in NRS 678C.080 and 678C.070, respectively;

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

35 (c) Minimum requirements for the keeping of records by
36 cannabis establishments;

37 (d) Provisions for the security of cannabis establishments,
38 including without limitation, requirements for the protection by a
39 fully operational security alarm system of each cannabis
40 establishment; and

41 (e) Procedures pursuant to which cannabis establishments must
42 use the services of cannabis independent testing laboratories to
43 ensure that any cannabis or cannabis product or commodity or
44 product made from hemp, as defined in NRS 557.160, sold by a



1 cannabis sales facility to an end user is tested for content, quality
2 and potency in accordance with standards established by the Board;

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

7 5. Establish different categories of cannabis establishment
8 agent registration cards, including, without limitation, criteria for
9 issuance of a cannabis establishment agent registration card for a
10 cannabis executive and criteria for training and certification, for
11 each of the different types of cannabis establishments at which such
12 an agent may be employed or volunteer or provide labor as a
13 cannabis establishment agent;

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

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

21 8. Determine whether any provision of this chapter or chapter
22 678C or 678D of NRS would make the operation of a cannabis
23 establishment by a dual licensee unreasonably impracticable; ~~and~~

24 9. *Prescribe the manner in which the Board will determine*
25 *whether a person who holds an adult-use cannabis establishment*
26 *license is ineligible to hold additional licenses pursuant to sections*
27 *12.3 and 12.7 of this act;*

28 10. *Set forth rules pertaining to the safe and healthful*
29 *operation of cannabis consumption lounges, including, without*
30 *limitation:*

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

33 (b) *Procedures and requirements for the collection and*
34 *disposal of cannabis and cannabis products which are left at a*
35 *cannabis consumption lounge; and*

36 (c) *Requirements for the training of employees of a cannabis*
37 *consumption lounge in the sale and safe consumption of single-*
38 *use cannabis products and ready-to-consume cannabis products;*
39 *and*

40 11. Address such other matters as the Board deems necessary
41 to carry out the provisions of this title.

42 **Sec. 20.5.** NRS 678C.300 is hereby amended to read as
43 follows:

44 678C.300 1. A person who holds a registry identification
45 card or letter of approval issued to him or her pursuant to



1 NRS 678C.230 or 678C.270 is not exempt from state prosecution
2 for, nor may the person establish an affirmative defense to charges
3 arising from, any of the following acts:

4 (a) Driving, operating or being in actual physical control of a
5 vehicle or a vessel under power or sail while under the influence of
6 cannabis.

7 (b) Engaging in any other conduct prohibited by NRS 484C.110,
8 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS
9 488.410, 488.420, 488.425 or 493.130.

10 (c) Possessing a firearm in violation of paragraph (b) of
11 subsection 1 of NRS 202.257.

12 (d) Possessing cannabis in violation of NRS 453.336 or
13 possessing paraphernalia in violation of NRS 453.560 or 453.566:

14 (1) If the possession of the cannabis or paraphernalia is
15 discovered because the person engaged or assisted in the medical
16 use of cannabis in:

17 (I) ~~Any~~ *Except as otherwise provided by regulations*
18 *adopted by the Board pursuant to section 12.9 of this act, any*
19 *public place or in any place open to the public or exposed to public*
20 *view; or*

21 (II) Any local detention facility, county jail, state prison,
22 reformatory or other correctional facility, including, without
23 limitation, any facility for the detention of juvenile offenders; or

24 (2) If the possession of the cannabis or paraphernalia occurs
25 on school property.

26 (e) Delivering cannabis to another person who he or she knows
27 does not lawfully hold a registry identification card or letter of
28 approval issued by the Division or its designee pursuant to NRS
29 678C.230 or 678C.270.

30 (f) Delivering cannabis for consideration to any person,
31 regardless of whether the recipient lawfully holds a registry
32 identification card or letter of approval issued by the Division or its
33 designee pursuant to NRS 678C.230 or 678C.270.

34 2. Except as otherwise provided in NRS 678C.240 and in
35 addition to any other penalty provided by law, if the Division
36 determines that a person has willfully violated a provision of this
37 chapter or any regulation adopted by the Division to carry out the
38 provisions of this chapter, the Division may, at its own discretion,
39 prohibit the person from obtaining or using a registry identification
40 card or letter of approval for a period of up to 6 months.

41 3. Nothing in the provisions of this chapter shall be construed
42 as in any manner affecting the provisions of chapter 678D of NRS
43 relating to the adult use of cannabis.



1 4. As used in this section, "school property" means the grounds
2 of any public school described in NRS 388.020 and any private
3 school as defined in NRS 394.103.

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

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

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

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

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

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

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

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

39 (g) *Comply with all local ordinances and rules; and*

40 (h) *Comply with any requirements set forth by regulation of*
41 *the Board.*

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

44 **Sec. 23.** A cannabis consumption lounge may:



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

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

7 *3. Provide live entertainment at the cannabis consumption*
8 *lounge.*

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

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

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

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

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

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

22 *(a) Obtain from the adult-use cannabis retail store to which*
23 *the retail cannabis consumption lounge is attached or immediately*
24 *adjacent:*

25 *(1) Single-use cannabis products for the purposes of resale;*
26 *and*

27 *(2) Cannabis or cannabis products for the purposes of*
28 *producing ready-to-consume cannabis products;*

29 *(b) Sell single-use cannabis products obtained pursuant to*
30 *paragraph (a) to customers of the retail cannabis consumption*
31 *lounge; and*

32 *(c) Prepare ready-to-consume cannabis products using*
33 *cannabis obtained pursuant to paragraph (a) and sell such*
34 *products to customers of the cannabis consumption lounge.*

35 *2. A retail cannabis consumption lounge shall ensure that*
36 *only single-use cannabis products or ready-to-consume cannabis*
37 *products that were purchased from the retail cannabis*
38 *consumption lounge are consumed in the lounge.*

39 **Sec. 26.** (Deleted by amendment.)

40 **Sec. 27.** *1. An independent cannabis consumption lounge*
41 *shall enter into a contract with one or more adult-use cannabis*
42 *retail stores to sell to the independent cannabis consumption*
43 *lounge:*

44 *(a) Single-use cannabis products for the purpose of resale;*
45 *and*



1 (b) Cannabis and products for the purpose of preparing ready-
2 to-consume cannabis products.

3 2. An independent cannabis consumption lounge which has
4 entered into a contract pursuant to subsection 1 may:

5 (a) Sell single-use cannabis products obtained pursuant to
6 subsection 1 to customers of the independent cannabis
7 consumption lounge; and

8 (b) Prepare ready-to-consume cannabis products using
9 cannabis and cannabis products obtained pursuant to subsection 1
10 and sell such products to customers of the independent cannabis
11 consumption lounge.

12 3. An independent cannabis consumption lounge shall ensure
13 that only single-use cannabis products or ready-to-consume
14 cannabis products that were purchased from the independent
15 cannabis consumption lounge are consumed in the lounge.

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

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

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

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

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

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

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

42 **Sec. 28.5.** NRS 678D.300 is hereby amended to read as
43 follows:

44 678D.300 1. A person is not exempt from state prosecution
45 for any of the following acts:



1 (a) Driving, operating or being in actual physical control of a
2 vehicle or a vessel under power or sail while under the influence of
3 cannabis.

4 (b) Engaging in any other conduct prohibited by NRS 484C.110,
5 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS
6 488.410, 488.420, 488.425 or 493.130.

7 (c) Possessing a firearm in violation of paragraph (b) of
8 subsection 1 of NRS 202.257.

9 (d) Possessing cannabis in violation of NRS 453.336 or
10 possessing paraphernalia in violation of NRS 453.560 or 453.566:

11 (1) If the possession of the cannabis or paraphernalia is
12 discovered because the person engaged in the adult use of cannabis
13 in:

14 (I) ~~[Any]~~ *Except as otherwise provided by regulations*
15 *adopted by the Board pursuant to section 12.9 of this act, any*
16 public place or in any place open to the public or exposed to public
17 view; or

18 (II) Any local detention facility, county jail, state prison,
19 reformatory or other correctional facility, including, without
20 limitation, any facility for the detention of juvenile offenders; or

21 (2) If the possession of the cannabis or paraphernalia occurs
22 on school property.

23 (e) Knowingly delivering cannabis to another person who is not
24 21 years of age or older unless:

25 (1) The recipient holds a valid registry identification card or
26 letter of approval issued to the person by the Division of Public and
27 Behavioral Health of the Department of Health and Human Services
28 or its designee pursuant to NRS 678C.230 or 678C.270.

29 (2) The person demanded and was shown bona fide
30 documentary evidence of the age and identity of the recipient issued
31 by a federal, state, county or municipal government, or subdivision
32 or agency thereof.

33 2. As used in this section, "school property" means the grounds
34 of any public school described in NRS 388.020 and any private
35 school as defined in NRS 394.103.

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

37 678D.310 1. Except as otherwise provided in chapter 678C
38 of NRS, any person shall not:

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

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



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

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

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

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

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

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

12 3. ~~1A~~ *Except as otherwise provided in subsection 9 or by*
13 *regulations adopted by the Board pursuant to section 12.9 of this*
14 *act, a* person who smokes or otherwise consumes cannabis or a
15 cannabis product in a public place, in an adult-use cannabis retail
16 store or in a vehicle is guilty of a misdemeanor punished by a fine of
17 not more than \$600.

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

21 5. A person under 21 years of age who knowingly enters,
22 loiters or remains on the premises of an adult-use cannabis
23 establishment shall be punished by a fine of not more than \$500
24 unless the person is authorized to possess cannabis pursuant to
25 chapter 678C of NRS and the adult-use cannabis establishment is a
26 dual licensee.

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

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

37 8. A person who knowingly gives cannabis to any person under
38 18 years of age or who knowingly leaves or deposits any cannabis in
39 any place with the intent that it will be procured by any person
40 under 18 years of age is guilty of a gross misdemeanor.

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

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

44 678D.420 1. An adult-use edible cannabis product or an
45 adult-use cannabis-infused product must be labeled in a manner



1 which indicates the number of servings of THC in the product,
2 measured in servings of a maximum of 10 milligrams per serving.

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

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

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

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

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

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

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

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

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

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

30 678D.510 1. The provisions of this chapter do not prohibit:

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

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

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

42 (d) A local government from adopting and enforcing local
43 cannabis control measures pertaining to zoning and land use for
44 adult-use cannabis establishments **including, without limitation,**



1 *a measure which prohibits the operation of adult-use cannabis*
2 *establishments.*

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

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

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

14 *2. Except as otherwise provided in this section, a person who:*
15 *(a) Knowingly serves, sells or otherwise furnishes cannabis or*
16 *a cannabis product to an underage person; or*

17 *(b) Knowingly allows an underage person to consume*
18 *cannabis or a cannabis product on premises or in a conveyance*
19 *belonging to the person or over which the person has control,*
20 *↵ is liable in a civil action for any damages caused by the*
21 *underage person as a result of the consumption of the cannabis or*
22 *cannabis product.*

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

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

34 *5. As used in this section:*

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

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

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

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

42 244.335 1. Except as otherwise provided in subsections 2, 3,
43 4 and 9, and NRS 244.33501, 244.35253 and 244.3535, a board of
44 county commissioners may:



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

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

10 2. The county license boards have the exclusive power in their
11 respective counties to regulate entertainers employed by an
12 entertainment by referral service and the business of conducting a
13 dancing hall, escort service, entertainment by referral service or
14 gambling game or device permitted by law, outside of an
15 incorporated city. The county license boards may fix, impose and
16 collect license taxes for revenue or for regulation, or for both
17 revenue and regulation, on such employment and businesses.

18 3. A board of county commissioners shall not require that a
19 person who is licensed as a contractor pursuant to chapter 624 of
20 NRS obtain more than one license to engage in the business of
21 contracting or pay more than one license tax related to engaging in
22 the business of contracting, regardless of the number of
23 classifications or subclassifications of licensing for which the person
24 is licensed pursuant to chapter 624 of NRS.

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

29 (a) Holds a license, certificate, registration, permit or similar
30 type of authorization issued by a regulatory body as defined in NRS
31 622.060 or who is regulated pursuant to the Nevada Supreme Court
32 Rules; and

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

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

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

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



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

4 (a) Presents written evidence that:

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

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

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

15 7. Any license tax levied for the purposes of NRS 244.3358 or
16 244A.597 to 244A.655, inclusive, constitutes a lien upon the real
17 and personal property of the business upon which the tax was levied
18 until the tax is paid. The lien has the same priority as a lien for
19 general taxes. The lien must be enforced:

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

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

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

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

27 and

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

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

34 8. The board of county commissioners may delegate the
35 authority to enforce liens from taxes levied for the purposes of NRS
36 244A.597 to 244A.655, inclusive, to the county fair and recreation
37 board. If the authority is so delegated, the board of county
38 commissioners shall revoke or suspend the license of a business
39 upon certification by the county fair and recreation board that the
40 license tax has become delinquent, and shall not reinstate the license
41 until the tax is paid. Except as otherwise provided in NRS 239.0115
42 and 244.3357, all information concerning license taxes levied by an
43 ordinance authorized by this section or other information concerning
44 the business affairs or operation of any licensee obtained as a result
45 of the payment of such license taxes or as the result of any audit or



1 examination of the books by any authorized employee of a county
2 fair and recreation board of the county for any license tax levied for
3 the purpose of NRS 244A.597 to 244A.655, inclusive, is
4 confidential and must not be disclosed by any member, officer or
5 employee of the county fair and recreation board or the county
6 imposing the license tax unless the disclosure is authorized by the
7 affirmative action of a majority of the members of the appropriate
8 county fair and recreation board. Continuing disclosure may be so
9 authorized under an agreement with the Department of Taxation or
10 Secretary of State for the exchange of information concerning
11 taxpayers.

12 9. ~~[A]~~ *Except as otherwise provided by regulations adopted by*
13 *the Cannabis Compliance Board pursuant to section 12.9 of this*
14 *act, a* board of county commissioners shall not license or otherwise
15 allow a person to operate a business that allows cannabis, as defined
16 in NRS 678A.085, or cannabis products, as defined in NRS
17 678A.120, to be consumed on the premises of the business ~~[A]~~ ,
18 *other than a cannabis consumption lounge, as defined in section 2*
19 *of this act, in accordance with the provisions of chapter 678B of*
20 *NRS.*

21 **Sec. 30.7.** NRS 268.095 is hereby amended to read as follows:
22 268.095 1. Except as otherwise provided in subsections 4 and
23 9 and NRS 268.0951, 268.0977 and 268.0979, the city council or
24 other governing body of each incorporated city in this State, whether
25 organized under general law or special charter, may:

26 (a) Except as otherwise provided in subsection 2 and NRS
27 268.0968 and 576.128, fix, impose and collect for revenues or for
28 regulation, or both, a license tax on all character of lawful trades,
29 callings, industries, occupations, professions and businesses
30 conducted within its corporate limits.

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

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

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

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

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



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

3 (6) For constructing, purchasing or otherwise acquiring such
4 recreational facilities.

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

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

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

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

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

18 2. The city council or other governing body of an incorporated
19 city shall not require that a person who is licensed as a contractor
20 pursuant to chapter 624 of NRS obtain more than one license to
21 engage in the business of contracting or pay more than one license
22 tax related to engaging in the business of contracting, regardless of
23 the number of classifications or subclassifications of licensing for
24 which the person is licensed pursuant to chapter 624 of NRS.

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

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

32 (a) Holds a license, certificate, registration, permit or similar
33 type of authorization issued by a regulatory body as defined in NRS
34 622.060 or who is regulated pursuant to the Nevada Supreme Court
35 Rules; and

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

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

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

44 (b) Provides to the city licensing agency the business
45 identification number of the applicant assigned by the Secretary of



1 State pursuant to NRS 225.082 which the city may use to validate
2 that the applicant is currently in good standing with the State and
3 has complied with the provisions of chapter 76 of NRS.

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

7 (a) Presents written evidence that:

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

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

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

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

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

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

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

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

29 and

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

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

37 8. The city council or other governing body of each
38 incorporated city may delegate the power and authority to enforce
39 such liens to the county fair and recreation board. If the authority is
40 so delegated, the governing body shall revoke or suspend the license
41 of a business upon certification by the board that the license tax has
42 become delinquent, and shall not reinstate the license until the tax is
43 paid. Except as otherwise provided in NRS 239.0115 and 268.0966,
44 all information concerning license taxes levied by an ordinance
45 authorized by this section or other information concerning the



1 business affairs or operation of any licensee obtained as a result of
2 the payment of those license taxes or as the result of any audit or
3 examination of the books of the city by any authorized employee of
4 a county fair and recreation board for any license tax levied for the
5 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential
6 and must not be disclosed by any member, official or employee of
7 the county fair and recreation board or the city imposing the license
8 tax unless the disclosure is authorized by the affirmative action of a
9 majority of the members of the appropriate county fair and
10 recreation board. Continuing disclosure may be so authorized under
11 an agreement with the Department of Taxation or the Secretary of
12 State for the exchange of information concerning taxpayers.

13 9. ~~The~~ *Except as otherwise provided by regulations adopted*
14 *by the Cannabis Compliance Board pursuant to section 12.9 of*
15 *this act, the* city council or other governing body of an incorporated
16 city shall not license or otherwise allow a person to operate a
17 business that allows cannabis, as defined in NRS 678A.085, or
18 cannabis products, as defined in NRS 678A.120, to be consumed on
19 the premises of the business ~~H~~, *other than a cannabis*
20 *consumption lounge, as defined in section 2 of this act, in*
21 *accordance with the provisions of chapter 678B of NRS.*

22 10. The powers conferred by this section are in addition and
23 supplemental to, and not in substitution for, and the limitations
24 imposed by this section do not affect the powers conferred by, any
25 other law. No part of this section repeals or affects any other law or
26 any part thereof, it being intended that this section provide a
27 separate method of accomplishing its objectives, and not an
28 exclusive one.

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

30 269.170 1. Except as otherwise provided in subsections 5, 6
31 and 7 and NRS 576.128, 598D.150 and 640C.100, the town board or
32 board of county commissioners may, in any unincorporated town:

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

29 3. Any license tax levied for the purposes of NRS 244A.597 to
30 244A.655, inclusive, constitutes a lien upon the real and personal
31 property of the business upon which the tax was levied until the tax
32 is paid. The lien must be enforced in the same manner as liens for ad
33 valorem taxes on real and personal property. The town board or
34 other governing body of the unincorporated town may delegate the
35 power to enforce such liens to the county fair and recreation board.

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

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

43 (a) Holds a license, certificate, registration, permit or similar
44 type of authorization issued by a regulatory body as defined in



1 NRS 622.060, or who is regulated pursuant to the Nevada Supreme
2 Court Rules; and

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

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

9 7. ~~The~~ *Except as otherwise provided by regulations adopted*
10 *by the Cannabis Compliance Board pursuant to section 12.9 of*
11 *this act, the* town board or board of county commissioners shall not
12 license or otherwise allow a person to operate a business that allows
13 cannabis, as defined in NRS 678A.085, or cannabis products, as
14 defined in NRS 678A.120, to be consumed on the premises of the
15 business ~~it~~, *other than a cannabis consumption lounge, as*
16 *defined in section 2 of this act, in accordance with the provisions*
17 *of chapter 678B of NRS.*

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

20 *“Cannabis consumption lounge” has the meaning ascribed to*
21 *it in section 2 of this act.*

22 **Sec. 32.** NRS 372A.200 is hereby amended to read as follows:
23 372A.200 As used in NRS 372A.200 to 372A.380, inclusive,
24 *and section 31 of this act*, unless the context otherwise requires, the
25 words and terms defined in NRS 372A.205 to 372A.250, inclusive,
26 *and section 31 of this act* have the meanings ascribed to them in
27 those sections.

28 **Sec. 33.** NRS 372A.250 is hereby amended to read as follows:
29 372A.250 “Taxpayer” means a:

- 30 1. Cannabis cultivation facility; ~~or~~
31 2. Adult-use cannabis retail store ~~it~~; *or*
32 3. *Cannabis consumption lounge.*

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

34 372A.290 1. An excise tax is hereby imposed on each
35 wholesale sale in this State of cannabis by a medical cannabis
36 cultivation facility to another cannabis establishment at the rate of
37 15 percent of the fair market value at wholesale of the cannabis. The
38 excise tax imposed pursuant to this subsection is the obligation of
39 the medical cannabis cultivation facility.

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



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

6 (a) Is the obligation of the ~~[adult use cannabis retail store.]~~ *seller*
7 *of the cannabis or cannabis product;*

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

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

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

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

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

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

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

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

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

41 8. As used in this section:

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

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



1 ~~(e)~~ “Cannabis product” has the meaning ascribed to it in
2 NRS 678A120.

3 ~~(d)~~ (c) “Local government” has the meaning ascribed to it in
4 NRS 360.640.

5 ~~(e)~~ (d) “Medical cannabis cultivation facility” has the meaning
6 ascribed to it in NRS 678A.170.

7 ~~(d)~~ (e) “Medical cannabis establishment” has the meaning
8 ascribed to it in NRS 678A.180.

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

10 387.1212 1. The State Education Fund is hereby created as a
11 special revenue fund to be administered by the Superintendent of
12 Public Instruction for the purpose of supporting the operation of the
13 public schools in this State. The interest and income earned on the
14 money in the Fund, after deducting any applicable charges, must be
15 credited to the Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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



1 (m) The money identified in paragraph (b) of subsection ~~3~~ 4 of
2 NRS 678B.390;

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

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

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

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

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

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

16 3. In addition to money from any other source provided by law,
17 support for the State Education Fund must be provided by direct
18 legislative appropriation from the State General Fund in an amount
19 determined by the Legislature to be sufficient to fund the operation
20 of the public schools in this State for kindergarten through grade 12
21 for the next ensuing biennium for the population reasonably
22 estimated for that biennium. Money in the State Education Fund
23 does not revert to the State General Fund at the end of a fiscal year,
24 and the balance in the State Education Fund must be carried forward
25 to the next fiscal year.

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

28 5. The Superintendent of Public Instruction may create one or
29 more accounts in the State Education Fund for the purpose of
30 administering any money received from the Federal Government for
31 the support of education and any State money required to be
32 administered separately to satisfy any requirement imposed by the
33 Federal Government. The money in any such account must not be
34 considered when calculating the statewide base per pupil funding
35 amount or appropriating money from the State Education Fund
36 pursuant to NRS 387.1214. The interest and income earned on the
37 money in any such account, after deducting any applicable charges,
38 must be credited to the account.

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

40 453.316 1. A person who opens or maintains any place for
41 the purpose of unlawfully selling, giving away or using any
42 controlled substance is guilty of a category C felony and shall be
43 punished as provided in NRS 193.130.

44 2. If a person convicted of violating this section has previously
45 been convicted of violating this section, or if, in the case of a first



1 conviction of violating this section, the person has been convicted of
2 an offense under the laws of the United States or any state, territory
3 or district which, if committed in this State, would amount to a
4 felony under this section, the person is guilty of a category B felony
5 and shall be punished by imprisonment in the state prison for a
6 minimum term of not less than 1 year and a maximum term of not
7 more than 6 years, and may be further punished by a fine of not
8 more than \$10,000.

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

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

12 (b) Any cannabis consumption lounge, as defined in section 2
13 of this act, whose activities are confined to those authorized in title
14 56 of NRS.

15 (c) Any person who opens or maintains any public place in
16 which a person is authorized to consume cannabis, as defined in
17 NRS 678A.085, or cannabis products, as defined in NRS
18 678A.120, pursuant to regulations adopted by the Cannabis
19 Compliance Board pursuant to section 12.9 of this act, and whose
20 activities are confined to those authorized by such regulations.

21 **Sec. 36.1.** Section 246 of chapter 595, Statutes of Nevada
22 2019, at page 3896, is hereby amended to read as follows:

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

26 2. Sections 197.5 and 198.5 of this act become effective
27 upon passage and approval . ~~and expire by limitation on~~
28 ~~June 30, 2021.~~

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

31 4. Sections 1 to 197, inclusive, 198, 199, 199.5, 201 to
32 216, inclusive, 217 to 239, inclusive, and 240 to 245,
33 inclusive, of this act become effective:

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

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

39 5. ~~[Section 199.7 of this act becomes effective on July 1,~~
40 ~~2021.~~

41 ~~—6.]~~ Sections 108 and 109 of this act expire by limitation
42 on the date 2 years after the date on which the provisions of
43 42 U.S.C. § 666 requiring each state to establish procedures
44 under which the state has authority to withhold or suspend, or



1 to restrict the use of professional, occupational and
2 recreational licenses of persons who:

3 (a) Have failed to comply with a subpoena or warrant
4 relating to a proceeding to determine the paternity of a child
5 or to establish or enforce an obligation for the support of a
6 child; or

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

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

10 **Sec. 36.3.** 1. The Cannabis Compliance Board shall provide
11 to each person who, on July 1, 2021, holds an adult-use cannabis
12 establishment license for an adult-use cannabis retail store a written
13 notification informing the person that the person may be eligible to
14 hold an adult-use cannabis establishment license for a retail
15 cannabis consumption lounge.

16 2. The notification required to be provided pursuant to
17 subsection 1 must include, without limitation:

18 (a) A statement indicating that the person may be limited to
19 holding one adult-use cannabis establishment license for a retail
20 cannabis consumption lounge pursuant to section 12.7 of this act;
21 and

22 (b) A description of the procedures and requirements for the
23 issuance of an adult-use cannabis establishment license for a retail
24 cannabis consumption lounge, as set forth in chapter 678B of NRS,
25 as amended by this act, and the regulations adopted pursuant
26 thereto.

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

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

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

40 **Sec. 36.9.** 1. This section and sections 36.1, 36.3 and 36.7 of
41 this act become effective upon passage and approval.

42 2. Sections 1 to 36, inclusive, and 36.5 of this act become
43 effective on 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~~ 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.]~~

