

SENATE BILL NO. 238—SENATOR CANCELA

FEBRUARY 27, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to marijuana.
(BDR 32-133)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to marijuana; authorizing the transfer of a medical marijuana establishment registration certificate and a license to operate a marijuana establishment in certain circumstances; revising provisions relating to inventory control systems; prohibiting the use of a third party by a medical marijuana dispensary or retail marijuana store to sell marijuana and related products; establishing requirements relating to the delivery of marijuana and related products to a consumer; authorizing the Attorney General to perform a study relating to the unlicensed sale of marijuana and related products in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law requires the Department to transfer a medical marijuana
- 2 establishment registration certificate to a party acquiring ownership of a medical
- 3 marijuana establishment and requires the Department to provide by regulation for
- 4 the transfer of a license to operate a marijuana establishment. (NRS 453A.334,
- 5 453D.200) **Sections 10 and 15** of this bill provide for the transfer of a medical
- 6 marijuana establishment registration certificate and a license to operate a marijuana
- 7 establishment in certain additional circumstances.
- 8 Existing law requires a medical marijuana establishment to maintain an
- 9 inventory control system and requires a marijuana establishment to package and
- 10 label marijuana products in a manner that allows tracking by way of an inventory
- 11 control system. (NRS 453A.356, 453D.310) **Sections 11 and 17** of this bill allow a
- 12 dual licensee to combine the inventory of its medical marijuana establishments and
- 13 marijuana establishments for the purpose of maintaining its inventory control
- 14 system and require a dual licensee to designate a sale to be pursuant to either



15 existing law relating to medical marijuana or existing law relating to adult-use
16 marijuana at the point of sale.

17 Existing law establishes certain requirements for the operation of a medical
18 marijuana dispensary or a retail marijuana store. (NRS 453A.358, 453D.310)
19 **Sections 12 and 17** of this bill prohibit a medical marijuana dispensary or retail
20 marijuana store from selling marijuana or related products through, or accepting a
21 sale from, any business that does not hold a medical marijuana establishment
22 registration certificate or license to operate a marijuana establishment. **Sections 12**
23 **and 17** also authorize a medical marijuana dispensary or retail marijuana store to
24 contract with a third party for delivery to consumers in certain circumstances.
25 **Sections 12 and 17** prohibit any person who does not hold a medical marijuana
26 establishment registration certificate or a license to operate a marijuana
27 establishment from: (1) advertising the sale of marijuana or related products by the
28 person; (2) selling, offering to sell or appearing to sell marijuana or related
29 products; or (3) allowing the submission of an order for marijuana or related
30 products.

31 Existing law authorizes a medical marijuana establishment to transport medical
32 marijuana in certain circumstances. (NRS 453A.362) **Section 13** of this bill
33 prohibits a medical marijuana dispensary from transporting marijuana and related
34 products to a person unless: (1) the person holds a valid registry identification card
35 or letter of approval; (2) the transportation is performed by a person who holds a
36 valid medical marijuana establishment agent registration card and is employed by
37 the medical marijuana dispensary or an independent contractor who contracted with
38 the medical marijuana dispensary; and (3) the name of the medical marijuana
39 dispensary and each independent contractor who transports marijuana and related
40 products for the medical marijuana dispensary are published on the Internet website
41 maintained by the Department. **Section 17** prohibits a retail marijuana store from
42 delivering marijuana and related products to a consumer using an independent
43 contractor unless the name of the retail marijuana store and each independent
44 contractor who transports marijuana and related products for the retail marijuana
45 store are published on the Internet website maintained by the Department.

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

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** NRS 372A.290 is hereby amended to read as follows:

3 372A.290 1. An excise tax is hereby imposed on each
4 wholesale sale in this State of marijuana by a cultivation facility to
5 another medical marijuana establishment at the rate of 15 percent of
6 the fair market value at wholesale of the marijuana. The excise tax
7 imposed pursuant to this subsection is the obligation of the
8 cultivation facility.

9 2. An excise tax is hereby imposed on each retail sale in this
10 State of marijuana or marijuana products by a retail marijuana store
11 at the rate of 10 percent of the sales price of the marijuana or
12 marijuana products. The excise tax imposed pursuant to this
13 subsection:

14 (a) Is the obligation of the retail marijuana store.



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

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

6 (a) To the Department and to local governments in an amount
7 determined to be necessary by the Department to pay the costs of
8 the Department and local governments in carrying out the provisions
9 of chapter 453A of NRS; and

10 (b) If any money remains after the revenues are distributed
11 pursuant to paragraph (a), to the State Treasurer to be deposited to
12 the credit of the State Distributive School Account in the State
13 General Fund.

14 4. For the purpose of subsection 3 and NRS 453D.510, a total
15 amount of \$5,000,000 of the revenues collected from the excise tax
16 imposed pursuant to subsection 1 and the excise tax imposed
17 pursuant to NRS 453D.500 in each fiscal year shall be deemed
18 sufficient to pay the costs of all local governments to carry out the
19 provisions of chapters 453A and 453D of NRS. The Department
20 shall, by regulation, determine the manner in which local
21 governments may be reimbursed for the costs of carrying out the
22 provisions of chapters 453A and 453D of NRS.

23 5. The revenues collected from the excise tax imposed pursuant
24 to subsection 2 must be paid over as collected to the State Treasurer
25 to be deposited to the credit of the Account to Stabilize the
26 Operation of the State Government created in the State General
27 Fund pursuant to NRS 353.288.

28 6. As used in this section:

29 (a) "Local government" has the meaning ascribed to it in
30 NRS 360.640.

31 (b) "Marijuana products" ~~has the meaning ascribed to it in NRS~~
32 ~~453D.030.]~~ *means any product sold by a retail marijuana store*
33 *which contains marijuana or an extract thereof.*

34 (c) "Medical marijuana establishment" has the meaning ascribed
35 to it in NRS 453A.116.

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

37 **Sec. 4.** (Deleted by amendment.)

38 **Sec. 5.** (Deleted by amendment.)

39 **Sec. 6.** (Deleted by amendment.)

40 **Sec. 7.** (Deleted by amendment.)

41 **Sec. 8.** (Deleted by amendment.)

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

43 **Sec. 10.** NRS 453A.334 is hereby amended to read as follows:

44 453A.334 1. ~~Except as otherwise provided in subsection 2,~~
45 ~~the following are nontransferable:~~



1 ~~—(a)~~ A medical marijuana establishment agent registration card ~~;~~
2 ~~—(b) A medical marijuana establishment registration certificate.]~~
3 *is nontransferable.*

4 2. ~~[A]~~ *Except as otherwise provided in subsection 3, a* medical
5 marijuana establishment may, upon submission of a statement
6 signed by a person authorized to submit such a statement by the
7 governing documents of the medical marijuana establishment,
8 transfer *its medical marijuana establishment registration*
9 *certificate or* all or any portion of its ownership to another party,
10 and the Department shall transfer the medical marijuana
11 establishment registration certificate issued to the establishment to
12 the party acquiring *the medical marijuana establishment*
13 *registration certificate or* ownership, if the party who will acquire
14 the *medical marijuana establishment registration certificate or*
15 ownership of the medical marijuana establishment submits:

16 (a) If the party will acquire the entirety of the ownership interest
17 in the medical marijuana establishment, evidence satisfactory to the
18 Department that the party has complied with the provisions of sub-
19 subparagraph (III) of subparagraph (2) of paragraph (a) of
20 subsection 3 of NRS 453A.322 for the purpose of operating the
21 medical marijuana establishment.

22 (b) For the party and each person who is proposed to be an
23 owner, officer or board member of the proposed medical marijuana
24 establishment, the name, address and date of birth of the person, a
25 complete set of the person's fingerprints and written permission of
26 the person authorizing the Department to forward the fingerprints to
27 the Central Repository for Nevada Records of Criminal History for
28 submission to the Federal Bureau of Investigation for its report.

29 (c) Proof satisfactory to the Department that, as a result of the
30 transfer of *the medical marijuana establishment registration*
31 *certificate or* ownership, no person, group of persons or entity will,
32 in a county whose population is 100,000 or more, hold more than
33 one medical marijuana establishment registration certificate or more
34 than 10 percent of the medical marijuana establishment registration
35 certificates allocated to the county, whichever is greater.

36 3. *A medical marijuana establishment that transfers its*
37 *medical marijuana registration certificate to another party without*
38 *transferring any portion of its ownership shall comply with all*
39 *laws or regulations of this State relating to the sale of a license,*
40 *registration or other permit to conduct business. Any transfer of a*
41 *medical marijuana registration certificate in violation of this*
42 *subsection is void.*



1 **Sec. 11.** NRS 453A.356 is hereby amended to read as follows:
2 453A.356 1. Each medical marijuana establishment, in
3 consultation with the Department, shall maintain an inventory
4 control system.

5 2. The inventory control system required pursuant to
6 subsection 1 must be able to monitor and report information,
7 including, without limitation:

8 (a) Insofar as is practicable, the chain of custody and current
9 whereabouts, in real time, of medical marijuana from the point that
10 it is harvested at a cultivation facility until it is sold at a medical
11 marijuana dispensary and, if applicable, if it is processed at a facility
12 for the production of edible marijuana products or marijuana-
13 infused products;

14 (b) The name of each person or other medical marijuana
15 establishment, or both, to which the establishment sold marijuana;

16 (c) In the case of a medical marijuana dispensary, the date on
17 which it sold marijuana to a person who holds a registry
18 identification card and, if any, the quantity of edible marijuana
19 products or marijuana-infused products sold, measured both by
20 weight and potency; and

21 (d) Such other information as the Department may require.

22 3. Nothing in this section prohibits more than one medical
23 marijuana establishment from co-owning an inventory control
24 system in cooperation with other medical marijuana establishments,
25 or sharing the information obtained therefrom.

26 4. A medical marijuana establishment must exercise reasonable
27 care to ensure that the personal identifying information of persons
28 who hold registry identification cards which is contained in an
29 inventory control system is encrypted, protected and not divulged
30 for any purpose not specifically authorized by law.

31 5. *If a medical marijuana establishment is operated by a dual*
32 *licensee, the medical marijuana establishment may:*

33 (a) *For the purpose of tracking medical marijuana, maintain a*
34 *combined inventory with a marijuana establishment operated by*
35 *the dual licensee; and*

36 (b) *For the purpose of reporting on the inventory of the*
37 *medical marijuana establishment, maintain a combined inventory*
38 *with a marijuana establishment operated by the dual licensee and*
39 *report the combined inventory under a single medical marijuana*
40 *establishment registration certificate or license to operate a*
41 *marijuana establishment.*

42 6. *If a medical marijuana establishment is operated by a dual*
43 *licensee, the medical marijuana establishment shall:*

44 (a) *For the purpose of reporting on the sales of any medical*
45 *marijuana establishment or marijuana establishment operated by*



1 *the dual licensee, designate each sale as a sale pursuant to the*
2 *provisions of this chapter or chapter 453D of NRS in its inventory*
3 *control system at the point of sale; and*

4 (b) *Verify that each person who purchases marijuana, edible*
5 *marijuana products or marijuana-infused products in a sale*
6 *designated as a sale pursuant to the provisions of this chapter*
7 *holds a valid registry identification card.*

8 7. *As used in this section:*

9 (a) *“Dual licensee” has the meaning ascribed to it in*
10 *NRS 453D.030.*

11 (b) *“Marijuana establishment” has the meaning ascribed to it*
12 *in NRS 453D.030.*

13 **Sec. 12.** NRS 453A.358 is hereby amended to read as follows:

14 453A.358 1. Each medical marijuana dispensary shall ensure
15 all of the following:

16 (a) The weight, concentration and content of THC in all
17 marijuana, edible marijuana products and marijuana-infused
18 products that the dispensary sells is clearly and accurately stated on
19 the product sold.

20 (b) That the dispensary does not sell to a person, in any one
21 transaction, more than 1 ounce of marijuana.

22 (c) That, posted clearly and conspicuously within the
23 dispensary, are the legal limits on the possession of marijuana for
24 medical purposes, as set forth in NRS 453A.200.

25 (d) That, posted clearly and conspicuously within the
26 dispensary, is a sign stating unambiguously the legal limits on
27 the possession of marijuana for medical purposes, as set forth in
28 NRS 453A.200.

29 (e) That only persons who are at least 21 years of age or hold a
30 registry identification card or letter of approval are allowed to enter
31 the premises of the medical marijuana dispensary.

32 2. A medical marijuana dispensary may, but is not required to,
33 track the purchases of marijuana for medical purposes by any person
34 to ensure that the person does not exceed the legal limits on the
35 possession of marijuana for medical purposes, as set forth in NRS
36 453A.200. The Department shall not adopt a regulation or in any
37 other way require a medical marijuana dispensary to track the
38 purchases of a person or determine whether the person has exceeded
39 the legal limits on the possession of marijuana for medical purposes,
40 as set forth in NRS 453A.200.

41 3. A medical marijuana dispensary which is a dual licensee, as
42 defined in NRS 453D.030, may, to the extent authorized by the
43 regulations adopted by the Department pursuant to paragraph (k) of
44 subsection 1 of NRS 453D.200, allow any person who is at least 21
45 years of age to enter the premises of the medical marijuana



1 dispensary, regardless of whether such a person holds a valid
2 registry identification card or letter of approval.

3 *4. A medical marijuana dispensary shall not sell marijuana,*
4 *edible marijuana products or marijuana-infused products to a*
5 *consumer through the use of, or accept a sale of marijuana, edible*
6 *marijuana products or marijuana-infused products from, a third*
7 *party, intermediary business, broker or any other business that*
8 *does not hold a medical marijuana establishment registration*
9 *certificate for a medical marijuana dispensary.*

10 *5. A medical marijuana dispensary may contract with a third*
11 *party or intermediary business to deliver marijuana, edible*
12 *marijuana products or marijuana-infused products to consumers*
13 *only if:*

14 *(a) Every sale of marijuana, edible marijuana products or*
15 *marijuana-infused products which is delivered by the third party*
16 *or intermediary business is made directly from the medical*
17 *marijuana dispensary or an Internet website, digital network or*
18 *software application service of the medical marijuana dispensary;*
19 *and*

20 *(b) The third party or intermediary business does not advertise*
21 *that it sells, offers to sell or appears to sell marijuana, edible*
22 *marijuana products or marijuana-infused products or allows the*
23 *submission of an order for marijuana, edible marijuana products*
24 *or marijuana-infused products.*

25 *6. Except as otherwise provided in chapter 453D of NRS, a*
26 *person shall not:*

27 *(a) Advertise the sale of marijuana, edible marijuana products*
28 *or marijuana-infused products by the person; or*

29 *(b) Sell, offer to sell or appear to sell marijuana, edible*
30 *marijuana products or marijuana-infused products or allow the*
31 *submission of an order for marijuana, edible marijuana products*
32 *or marijuana-infused products,*

33 *↳ unless the person holds a medical marijuana establishment*
34 *registration certificate.*

35 **Sec. 13.** NRS 453A.362 is hereby amended to read as follows:

36 453A.362 1. At each medical marijuana establishment,
37 medical marijuana must be stored only in an enclosed, locked
38 facility.

39 2. Except as otherwise provided in subsection 3, at each
40 medical marijuana dispensary, medical marijuana must be stored in
41 a secure, locked device, display case, cabinet or room within the
42 enclosed, locked facility. The secure, locked device, display case,
43 cabinet or room must be protected by a lock or locking mechanism
44 that meets at least the security rating established by Underwriters
45 Laboratories for key locks.



1 3. At a medical marijuana dispensary, medical marijuana may
2 be removed from the secure setting described in subsection 2:

- 3 (a) Only for the purpose of dispensing the marijuana;
4 (b) Only immediately before the marijuana is dispensed; and
5 (c) Only by a medical marijuana establishment agent who is
6 employed by or volunteers at the dispensary.

7 4. A medical marijuana establishment may:

8 (a) Transport medical marijuana to another medical marijuana
9 establishment or between the buildings of the medical marijuana
10 establishment; ~~and~~

11 (b) Enter into a contract with a third party to transport medical
12 marijuana to another medical marijuana establishment or between
13 the buildings of the medical marijuana establishment ~~and~~; ~~and~~

14 *(c) If the medical marijuana establishment is a medical
15 marijuana dispensary and except as otherwise provided in
16 subsection 5, transport, or enter into a contract with an
17 independent contractor to transport, medical marijuana to a
18 person who holds a valid registry identification card or letter of
19 approval.*

20 *5. A medical marijuana dispensary shall not transport
21 marijuana, edible marijuana products or marijuana-infused
22 products to a person unless:*

23 *(a) The person holds a valid registry identification card or
24 letter of approval;*

25 *(b) The transportation is performed by a medical marijuana
26 establishment agent who holds a valid medical marijuana
27 establishment agent registration card and is employed by the
28 medical marijuana dispensary or the independent contractor with
29 which the medical marijuana dispensary entered into a contract;
30 and*

31 *(c) The name of the medical marijuana dispensary and the
32 name of each independent contractor with which the medical
33 marijuana dispensary has entered into a contract to transport
34 marijuana, edible marijuana products or marijuana-infused
35 products to persons who hold a valid registry identification card or
36 letter of approval has been published on the Internet website of the
37 Department.*

38 **Sec. 14.** Chapter 453D of NRS is hereby amended by adding
39 thereto the provisions set forth as sections 15 and 16 of this act.

40 **Sec. 15.** *1. Except as otherwise provided in subsection 2, a
41 marijuana establishment may, upon submission of a statement
42 signed by a person authorized to submit such a statement by the
43 governing documents of the marijuana establishment, transfer its
44 license or all or any portion of its ownership to another party, and
45 the Department shall transfer the license issued to the*



1 *establishment to the party acquiring the license or ownership, if*
2 *the party who will acquire the license or ownership of the*
3 *marijuana establishment submits, for the party and each person*
4 *who is proposed to be an owner, officer or board member of the*
5 *proposed marijuana establishment, the name, address and date of*
6 *birth of the person, a complete set of the person's fingerprints and*
7 *written permission of the person authorizing the Department to*
8 *forward the fingerprints to the Central Repository for Nevada*
9 *Records of Criminal History for submission to the Federal Bureau*
10 *of Investigation for its report.*

11 *2. A marijuana establishment that transfers its license to*
12 *another party without transferring any portion of its ownership*
13 *shall comply with all laws or regulations of this State relating to*
14 *the sale of a license, registration or other permit to conduct*
15 *business. Any transfer of a license in violation of this subsection is*
16 *void.*

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

18 **Sec. 17.** NRS 453D.310 is hereby amended to read as follows:

19 453D.310 1. Each retail marijuana store and marijuana
20 product manufacturing facility shall, in consultation with the
21 Department, cooperate to ensure that all marijuana products offered
22 for sale:

23 (a) Are labeled clearly and unambiguously:

24 (1) As marijuana with the words "THIS IS A MARIJUANA
25 PRODUCT" in bold type; and

26 (2) As required by this chapter and any regulations adopted
27 pursuant thereto.

28 (b) Are not presented in packaging that contains an image of a
29 cartoon character, mascot, action figure, balloon or toy, except that
30 such an item may appear in the logo of the marijuana product
31 manufacturing facility which produced the product.

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

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

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

39 (f) Are labeled in a manner which indicates the number of
40 servings of THC in the product, measured in servings of a maximum
41 of 10 milligrams per serving, and includes a statement that the
42 product contains marijuana and its potency was tested with an
43 allowable variance of the amount determined by the Department by
44 regulation.

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



1 2. A marijuana product must be sold in a single package. A
2 single package must not contain:

3 (a) For a marijuana product sold as a capsule, more than 100
4 milligrams of THC per capsule or more than 800 milligrams of THC
5 per package.

6 (b) For a marijuana product sold as a tincture, more than 800
7 milligrams of THC.

8 (c) For a marijuana product sold as a food product, more than
9 100 milligrams of THC.

10 (d) For a marijuana product sold as a topical product, a
11 concentration of more than 6 percent THC or more than 800
12 milligrams of THC per package.

13 (e) For a marijuana product sold as a suppository or transdermal
14 patch, more than 100 milligrams of THC per suppository or
15 transdermal patch or more than 800 milligrams of THC per package.

16 (f) For any other marijuana product, more than 800 milligrams
17 of THC.

18 3. A marijuana product manufacturing facility shall not
19 produce marijuana products in any form that:

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

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 marijuana to a
27 commercially available candy or snack food item other than dried
28 fruit, nuts or granola.

29 4. A marijuana product manufacturing facility shall:

30 (a) Seal any marijuana 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 marijuana product intended for human
33 consumption by oral ingestion which includes, without limitation, in
34 a manner which must not mislead consumers, the following
35 information:

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

37 (2) A list of all ingredients used in the marijuana product;

38 (3) A list of all allergens in the marijuana product; and

39 (4) The total weight of marijuana contained in the marijuana
40 product or an equivalent measure of THC concentration.

41 (c) Maintain a washing area with hot water, soap and a hand
42 dryer or disposable towels which is located away from any area in
43 which marijuana products intended for human consumption by oral
44 ingestion are cooked or otherwise prepared.



1 (d) Require each person who handles marijuana products
2 intended for human consumption by oral ingestion to wear a hair net
3 and clean clothing and keep his or her fingernails neatly trimmed.

4 (e) Package all marijuana products produced by the marijuana
5 product manufacturing facility on the premises of the marijuana
6 product manufacturing facility.

7 5. A retail marijuana store or marijuana product manufacturing
8 facility shall not engage in advertising that in any way makes
9 marijuana or marijuana products appeal to children, including,
10 without limitation, advertising which uses an image of a cartoon
11 character, mascot, action figure, balloon, fruit or toy.

12 6. Each retail marijuana store shall offer for sale containers for
13 the storage of marijuana and marijuana products which lock and are
14 designed to prohibit children from unlocking and opening the
15 container.

16 7. A retail marijuana store shall:

17 (a) Include a written notification with each sale of marijuana or
18 marijuana products which advises the purchaser:

19 (1) To keep marijuana and marijuana products out of the
20 reach of children;

21 (2) That marijuana and marijuana products can cause severe
22 illness in children;

23 (3) That allowing children to ingest marijuana or marijuana
24 products, or storing marijuana or marijuana products in a location
25 which is accessible to children may result in an investigation by an
26 agency which provides child welfare services or criminal
27 prosecution for child abuse or neglect;

28 (4) That the intoxicating effects of marijuana products may
29 be delayed by 2 hours or more and users of marijuana products
30 should initially ingest a small amount of the product, then wait at
31 least 120 minutes before ingesting any additional amount of the
32 product;

33 (5) That pregnant women should consult with a physician
34 before ingesting marijuana or marijuana products;

35 (6) That ingesting marijuana or marijuana products with
36 alcohol or other drugs, including prescription medication, may result
37 in unpredictable levels of impairment and that a person should
38 consult with a physician before doing so;

39 (7) That marijuana or marijuana products can impair
40 concentration, coordination and judgment and a person should not
41 operate a motor vehicle while under the influence of marijuana or
42 marijuana products; and

43 (8) That ingestion of any amount of marijuana or marijuana
44 products before driving may result in criminal prosecution for
45 driving under the influence.



1 (b) Enclose all marijuana and marijuana products in opaque,
2 child-resistant packaging upon sale.

3 8. If the health authority, as defined in NRS 446.050, where a
4 marijuana product manufacturing facility or retail marijuana store
5 which sells marijuana products intended for human consumption by
6 oral ingestion is located requires persons who handle food at a food
7 establishment to obtain certification, the marijuana product
8 manufacturing facility or retail marijuana store shall ensure that at
9 least one employee maintains such certification.

10 9. A marijuana establishment:

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

13 (1) Is false or misleading;

14 (2) Promotes overconsumption of marijuana or marijuana
15 products;

16 (3) Depicts the actual consumption of marijuana or
17 marijuana products; or

18 (4) Depicts a child or other person who is less than 21 years
19 of age consuming marijuana or marijuana products or objects
20 suggesting the presence of a child, including, without limitation,
21 toys, characters or cartoons, or contains any other depiction which is
22 designed in any manner to be appealing to or encourage
23 consumption of marijuana or marijuana products by a person who is
24 less than 21 years of age.

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

29 (c) Shall not place an advertisement:

30 (1) Within 1,000 feet of a public or private school,
31 playground, public park or library, but may maintain such an
32 advertisement if it was initially placed before the school,
33 playground, public park or library was located within 1,000 feet of
34 the location of the advertisement;

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

37 (3) At a sports or entertainment event to which persons who
38 are less than 21 years of age are allowed entry.

39 (d) Shall not advertise or offer any marijuana or marijuana
40 product as "free" or "donated" without a purchase.

41 (e) Shall ensure that all advertising by the marijuana
42 establishment contains such warnings as may be prescribed by the
43 Department, which must include, without limitation, the following
44 words:

45 (1) "Keep out of reach of children"; and



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

2 10. Nothing in subsection 9 shall be construed to prohibit a
3 local government, pursuant to chapter 244, 268 or 278 of NRS, from
4 adopting an ordinance for the regulation of advertising relating to
5 marijuana which is more restrictive than the provisions of
6 subsection 9 relating to:

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

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

13 (c) Any stationary or moving display that is located on or near
14 the premises of a marijuana establishment.

15 *11. If a marijuana establishment is operated by a dual*
16 *licensee, the marijuana establishment may:*

17 (a) *For the purpose of tracking marijuana, maintain a*
18 *combined inventory with a medical marijuana establishment*
19 *operated by the dual licensee; and*

20 (b) *For the purpose of reporting on the inventory of the*
21 *marijuana establishment, maintain a combined inventory with a*
22 *medical marijuana establishment operated by the dual licensee*
23 *and report the combined inventory under a single medical*
24 *marijuana establishment registration certificate or license to*
25 *operate a marijuana establishment.*

26 *12. If a marijuana establishment is operated by a dual*
27 *licensee, the marijuana establishment shall:*

28 (a) *For the purpose of reporting on the sales of any medical*
29 *marijuana establishment or marijuana establishment operated by*
30 *the dual licensee, designate each sale as a sale pursuant to the*
31 *provisions of this chapter or chapter 453A of NRS in its inventory*
32 *control system at the point of sale; and*

33 (b) *Verify that each person who purchases marijuana, edible*
34 *marijuana products or marijuana-infused products in a sale*
35 *designated as a sale pursuant to the provisions of chapter 453A of*
36 *NRS holds a valid registry identification card.*

37 *13. A retail marijuana store shall not sell marijuana or*
38 *marijuana products to a consumer through the use of, or accept a*
39 *sale of marijuana or marijuana products from, a third party,*
40 *intermediary business, broker or any other business that does not*
41 *hold a license for a retail marijuana store.*

42 *14. A retail marijuana store may contract with a third party*
43 *or intermediary business to deliver marijuana or marijuana*
44 *products to consumers only if:*



1 (a) Every sale of marijuana or marijuana products which is
2 delivered by the third party or intermediary business is made
3 directly from the retail marijuana store or an Internet website,
4 digital network or software application service of the retail
5 marijuana store;

6 (b) The third party or intermediary business does not advertise
7 that it sells, offers to sell or appears to sell marijuana or
8 marijuana products or allows the submission of an order for
9 marijuana or marijuana products; and

10 (c) In addition to any other requirements imposed by the
11 Department by regulation, the name of the retail marijuana store
12 and all independent contractors who perform deliveries on behalf
13 of the retail marijuana store has been published on the Internet
14 website of the Department.

15 15. Except as otherwise provided in chapter 453A of NRS, a
16 person shall not:

17 (a) Advertise the sale of marijuana or marijuana products by
18 the person; or

19 (b) Sell, offer to sell or appear to sell marijuana or marijuana
20 products or allow the submission of an order for marijuana or
21 marijuana products,

22 ↪ unless the person holds a license to operate a marijuana
23 establishment.

24 16. As used in this section:

25 (a) "Edible marijuana products" has the meaning ascribed to
26 it in NRS 453A.101.

27 (b) "Marijuana-infused products" has the meaning ascribed to
28 it in NRS 453A.112.

29 (c) "Medical marijuana establishment" has the meaning
30 ascribed to it in NRS 453A.116.

31 (d) "Registry identification card" has the meaning ascribed to
32 it in NRS 453A.140.

33 **Sec. 17.5.** 1. The Attorney General may conduct a study
34 regarding the unlicensed sale of marijuana and products containing
35 marijuana. If the Attorney General conducts such a study, the
36 Attorney General shall:

37 (a) Review the legal authority of state agencies and local
38 governments to curtail the unlicensed sale of marijuana and products
39 containing marijuana, including, without limitation, by use of
40 websites, sales centers or other buildings to evade the laws of this
41 State relating to the registration of medical marijuana establishments
42 and the licensing of marijuana establishments.

43 (b) Review the resources available to state agencies and local
44 governments to prevent the unlicensed sale of marijuana and
45 products containing marijuana.



1 (c) Examine gaps in the enforcement of the laws of this State,
2 including, without limitation, the importation of marijuana and
3 products containing marijuana from other states.

4 (d) Identify the extent of the unlicensed sale of marijuana and
5 products containing marijuana in this State, including, without
6 limitation, the number of operations engaging in the unlicensed sale
7 of marijuana and products containing marijuana and the most
8 common methods used to engage in such sales.

9 (e) Examine any other issues relating to the unlicensed sale of
10 marijuana that the Attorney General determines to be appropriate.

11 2. If the Attorney General conducts a study pursuant to
12 subsection 1, on or before February 1, 2021, the Attorney General
13 shall report his or her findings, including, without limitation, any
14 recommendations for legislation, to the Governor and the Director
15 of the Legislative Counsel Bureau for transmission to the 81st
16 Session of the Nevada Legislature. The report shall include, without
17 limitation:

18 (a) Recommendations for efficiently and effectively closing any
19 gaps in legal authority or enforcement identified by the Attorney
20 General; and

21 (b) Identification of any money that may be necessary to carry
22 out the recommendations of the Attorney General.

23 **Sec. 18.** 1. This section becomes effective upon passage and
24 approval.

25 2. Section 17.5 of this act becomes effective on July 1, 2019.

26 3. Sections 2 to 17, inclusive, of this act become effective upon
27 passage and approval for the purpose of adopting any regulations
28 and performing any other preparatory administrative tasks that are
29 necessary to carry out the provisions of this act and on January 2,
30 2020, for all other purposes.



