

Senate Bill No. 277—Senators D. Harris; Flores, Neal
and Nguyen

CHAPTER.....

AN ACT relating to cannabis; revising provisions relating to cannabis establishment agents; requiring the Cannabis Compliance Board to consider certain matters before adopting, amending or repealing any regulation; revising provisions relating to the issuance and renewal of licenses and registration cards by the Board; revising certain restrictions on sales of cannabis; requiring the Board to develop and implement a process by which a person may petition for an exemption from certain provisions related to excluded felony offenses; decreasing certain fees for the issuance and renewal of an adult-use cannabis establishment license; authorizing cannabis establishments to have more than one entrance; deeming each adult-use cannabis establishment to be a dual licensee; revising the exemption from state prosecution for certain offenses relating to cannabis to increase the amount of cannabis and concentrated cannabis that a person who is 21 years of age or older is authorized to possess, deliver or produce; authorizing certain local governments to use money collected from a licensing tax on cannabis establishments for certain purposes; revising provisions relating to the excise tax on cannabis; revising the definition of the term “marijuana”; requiring the Cannabis Advisory Commission to conduct a study concerning certain matters relating to the scheduling of cannabis; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the licensure and regulation of persons and establishments involved in the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS) Existing law sets forth the method by which the Board may adopt, amend or repeal regulations. (NRS 678A.460) **Section 1.5** of this bill requires the Board, before adopting, amending or repealing any regulation, to consider whether the proposed action is likely to have an adverse effect on the environment and, if so, whether there are any methods to reduce or eliminate that adverse effect which would not impose an economic burden on holders of an adult-use cannabis establishment license or medical cannabis establishment license.

Existing law establishes different requirements for the cultivation, production and sale of cannabis and cannabis products depending upon whether the cannabis establishment engaging in such activities is an adult-use cannabis establishment or a medical cannabis establishment. (Chapters 678C and 678D of NRS) Under existing law, a person who holds both an adult-use cannabis establishment license and a medical cannabis establishment license of the same type is a “dual licensee” and is, in general, authorized to combine the operations of the adult-use cannabis establishment and medical cannabis establishment, subject to various requirements.



(NRS 678A.145, 678C.410, 678C.430, 678D.430) **Section 13** of this bill deems each adult-use cannabis establishment to be a dual licensee and authorizes the establishment to engage in activities relating to the medical use of cannabis to the same extent as if the adult-use cannabis establishment held a medical cannabis establishment license of the same type. **Section 15** of this bill exempts from the excise tax imposed on retail sales of cannabis or cannabis products by an adult-use cannabis retail store any sale of cannabis for the medical use of cannabis or a medical cannabis product to the holder of a registry identification card or letter of approval by an adult-use cannabis retail store deemed to be a dual licensee pursuant to **section 13**.

Sections 3, 5 and 6 of this bill prohibit the Board from issuing or renewing a medical cannabis establishment license on or after January 1, 2024, unless the medical cannabis establishment is located in a local governmental jurisdiction that is a "covered jurisdiction," which **section 3** defines to mean a local governmental jurisdiction that has adopted local cannabis control measures which prohibit the operation of adult-use cannabis establishments. **Section 17** of this bill sets forth a process by which a person who holds a medical cannabis establishment license on January 1, 2024, for a medical cannabis establishment that is not located in a covered jurisdiction may apply for and be issued an adult-use cannabis establishment license of the same type. **Section 3** sets forth a similar process to allow a person who holds a medical cannabis establishment license for a medical cannabis establishment that is located in a covered jurisdiction to apply for and be issued an adult-use cannabis establishment license of the same type if the local governmental jurisdiction in which the establishment is located ceases to be a covered jurisdiction.

Existing law imposes limits on the number of: (1) medical cannabis establishment licenses for medical cannabis dispensaries and adult-use cannabis establishment licenses for adult-use cannabis retail stores that the Board is authorized to issue within a county; and (2) medical cannabis establishment licenses and adult-use cannabis establishment licenses that a single person, group of persons or entity is authorized to hold in a county whose population is 100,000 or more (currently Clark and Washoe Counties). (NRS 678B.220, 678B.230, 678B.260, 678B.270) **Sections 3 and 17** deem an adult-use cannabis establishment license issued pursuant to those sections to be a medical cannabis establishment license for the purpose of those limitations, thereby exempting such a license from the limitations applicable to adult-use cannabis establishment licenses while continuing to subject such licenses to the limitations applicable to medical cannabis establishment licenses.

Section 10 of this bill decreases the maximum amount of the fees that the Board is authorized to charge for the issuance or renewal of an adult-use cannabis establishment license, other than the fee for the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store, to an amount that is equal to the amount set forth under existing law for the issuance or renewal, as applicable, of a medical cannabis establishment license of the same type.

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

Existing law provides an exemption from state prosecution for the possession, delivery and production of cannabis for: (1) a person who holds a valid registry identification card or letter of approval; and (2) a person who is 21 years of age or older. (NRS 678C.200, 678D.200) However, under existing law, that exemption is



subject to certain limitations. For a person who is 21 years of age or older, that exemption applies only to the extent that the person does not, at any one time, possess, deliver or produce more than: (1) one ounce of usable cannabis; (2) one-eighth of an ounce of concentrated cannabis; (3) six cannabis plants; and (4) a maximum allowable quantity of adult-use cannabis products established by regulation of the Board. (NRS 678D.200) **Section 14** of this bill increases the amount of usable cannabis, from 1 ounce to 2.5 ounces, and the amount of concentrated cannabis, from one-eighth of an ounce to one-fourth of an ounce, that a person who is 21 years of age or older is authorized to possess, deliver or produce at any one time and remain subject to the exemption from state prosecution for the possession, delivery and production of cannabis.

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

Existing law prohibits the Board from issuing a: (1) medical cannabis establishment license or adult-use cannabis establishment license if any of the persons proposed to be owners, officers or board members of the proposed medical or adult-use cannabis establishment have been convicted of an excluded felony offense; and (2) cannabis establishment agent registration card if the applicant for the registration card has been convicted of an excluded felony offense. (NRS 678B.210, 678B.250, 678B.340) **Section 4.5** of this bill requires the Board to develop and implement a process by which a person who has been convicted of an excluded felony offense may submit to the Board a petition for an exemption from those prohibitions. **Section 4.5** authorizes the Board to: (1) grant the exemption only if the Board determines that doing so would not pose a threat to the public health or safety or negatively impact the cannabis industry in this State; and (2) impose any conditions and limitations on the granting of an exemption that the Board determines necessary to preserve the public health and safety or mitigate the impact of granting the exemption on the cannabis industry in this State. **Section 4.5** requires the Board to adopt regulations to carry out the provisions of **section 4.5**. **Sections 5, 7 and 8** of this bill revise provisions setting forth the prohibitions concerning excluded felony offenses to reflect the authorization provided in **section 4.5** for the Board to grant an exemption from those prohibitions.

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

Existing law authorizes the board of county commissioners of a county and the governing body of an incorporated city to fix, impose and collect a license tax on



cannabis establishments. (NRS 244.35253, 268.0977) **Sections 14.3 and 14.6** of this bill authorize the board of county commissioners of a county and the governing body of an incorporated city to use any portion of any money collected from that license tax to educate the public on safely purchasing cannabis and cannabis products from licensed cannabis establishments and the safe consumption of cannabis products.

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

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

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

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

Section 1. NRS 678A.450 is hereby amended to read as follows:

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

- (a) Financial requirements for licensees.
- (b) Establishing such investigative and enforcement mechanisms as the Board deems necessary to ensure the compliance of a licensee or registrant with the provisions of this title.
- (c) Requirements for licensees or registrants relating to the cultivation, processing, manufacture, transport, distribution, testing, study, advertising and sale of cannabis and cannabis products.
- (d) Policies and procedures to ensure that the cannabis industry in this State is economically competitive, inclusive of racial minorities, women and persons and communities that have been adversely affected by cannabis prohibition and accessible to persons of low-income seeking to start a business.

(e) ~~Policies and procedures governing the circumstances under which the Board may waive the requirement to obtain a registration card pursuant to this title for any person who holds an ownership~~



~~interest of less than 5 percent in any one cannabis establishment or an ownership interest in more than one cannabis establishment of the same type that, when added together, is less than 5 percent.~~

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

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

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

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

- (a) Owner and manager of a cannabis establishment.
- (b) Holder of a cannabis establishment agent registration card.

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

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

- (a) Is in existence, operational and operated for a profit;
- (b) Maintains its principal place of business in this State; and
- (c) Satisfies requirements for the number of employees and annual gross revenue established by the Board by regulation.

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

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

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

- (1) Posted on the Internet website of the Board;
- (2) Mailed to every person who has filed a request therefor with the Board; and
- (3) When the Board deems advisable, mailed to any person whom the Board believes would be interested in the proposed



action, and published in such additional form and manner as the Board prescribes.

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

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

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

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

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

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

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

(2) All relevant matter presented to the Board.

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

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

(2) The reasons for the request; and

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

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

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

(a) The Board submits to the Governor:

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

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



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

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

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

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

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

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

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

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

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

8. If the Legislative Commission, or the Subcommittee to Review Regulations if the regulation was referred to the



Subcommittee, approves the regulation, the Legislative Counsel shall notify the Board that the Board may file the regulation with the Secretary of State. If the Commission or the Subcommittee objects to the regulation after determining that:

- (a) The regulation does not conform to statutory authority; or
 - (b) The regulation does not carry out legislative intent,
- ↳ the Legislative Counsel shall attach to the regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the regulation to the Board.

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

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

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

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

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

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



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

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

4. An application submitted pursuant to subsection 3 must:

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

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

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

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

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

8. As used in this section:

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

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

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



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

- (a) Paragraph (b) of subsection 3 of NRS 678B.210.*
- (b) Paragraph (b) of subsection 3 of NRS 678B.250.*
- (c) Paragraph (a) of subsection 6 of NRS 678B.340.*

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

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

- (a) Pose a threat to the public health or safety; or*
- (b) Negatively impact the cannabis industry in this State.*

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

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

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

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

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

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



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

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

(2) An application, which must include:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed medical cannabis establishment, the Board shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission



to the Federal Bureau of Investigation to determine the criminal history of that person.

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

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

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

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

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

8. As used in this section, “community facility” means:

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

(b) A public park.

(c) A playground.

(d) A public swimming pool.

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

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

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

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

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

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



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

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

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

2. The Board:

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

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

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

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

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

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

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

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



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

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

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

(2) An application, which must include:

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

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

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

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

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



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

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

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

(II) The use of an inventory control system;

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

8. As used in this section, “community facility” means:

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

(b) A public park.

(c) A playground.

(d) A public swimming pool.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

4. ~~Except as otherwise provided in any policies and procedures adopted by the Board pursuant to paragraph (e) of subsection 1 of NRS 678A.450, a person who wishes to hold an~~



~~ownership interest in a cannabis establishment of less than 5 percent shall submit to the Board an application on a form prescribed by the Board. The application must be accompanied by:~~

- ~~—(a) The name, address and date of birth of the prospective cannabis establishment agent;~~
- ~~—(b) A statement signed by the prospective cannabis establishment agent pledging not to dispense or otherwise divert cannabis to any person who is not authorized to possess cannabis in accordance with the provisions of this title;~~
- ~~—(c) A statement signed by the prospective cannabis establishment agent asserting that he or she has not previously had a cannabis establishment agent registration card revoked;~~
- ~~—(d) Any information required by the Board to complete an investigation into the background of the prospective cannabis establishment agent, including, without limitation, financial records and other information relating to the business affairs of the prospective cannabis establishment agent;~~
- ~~—(e) The application fee, as set forth in NRS 678B.390; and~~
- ~~—(f) Such other information as the Board may require by regulation.~~

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

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

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

(c) If the Board imposes the requirement described in paragraph (b), submit the fingerprints of the prospective cannabis establishment agent and each employee of the prospective cannabis establishment agent who will provide labor as a cannabis establishment agent to the Central Repository for Nevada Records



of Criminal History for submission to the Federal Bureau of Investigation for its report.

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

~~[7.—A]~~

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

- (a) Has been convicted of an excluded felony offense;
- (b) Is less than 21 years of age; or
- (c) Is not qualified, in the determination of the Board pursuant to

NRS 678B.200,

➔ shall not serve as a cannabis establishment agent.

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

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

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

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



~~[11.]~~ **10.** A cannabis establishment agent registration card issued pursuant to this section to an independent contractor or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any cannabis establishment in this State.

~~[12.]~~ **11.** A cannabis establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a ~~[medical]~~ cannabis establishment authorizes the person to volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.

~~[13.]~~ **12.** Except as otherwise prescribed by regulation of the Board, an applicant for registration or renewal of registration as a cannabis establishment agent is deemed temporarily registered as a cannabis establishment agent on the date on which a complete application for registration or renewal of registration is submitted to the Board. A temporary registration as a cannabis establishment agent expires 45 days after the date upon which the application is received.

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

Sec. 9. (Deleted by amendment.)

Sec. 10. NRS 678B.390 is hereby amended to read as follows:

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

For the initial issuance of a medical cannabis establishment license for a medical cannabis dispensary	\$30,000
For the renewal of a medical cannabis establishment license for a medical cannabis dispensary.....	5,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis cultivation facility.....	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis cultivation facility	1,000



For the initial issuance of a medical cannabis establishment license for a medical cannabis production facility.....	\$3,000
For the renewal of a medical cannabis establishment license for a medical cannabis production facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis independent testing laboratory	5,000
For the renewal of a medical cannabis establishment license for a medical cannabis independent testing laboratory	3,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store	20,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store.....	[6,600] 5,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility.....	[30,000] 3,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility.....	[10,000] 1,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility.....	[10,000] 3,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis production facility	[3,300] 1,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory	[15,000] 5,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory	[5,000] 3,000
For the initial issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge	10,000



For the renewal of an adult-use cannabis establishment license for a retail cannabis consumption lounge	\$10,000
For the initial issuance of an adult-use cannabis establishment license for an independent cannabis consumption lounge.....	10,000
For the renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge.....	10,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis distributor.....	15,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis distributor	5,000
For each person identified in an application for the initial issuance of a cannabis establishment agent registration card.....	150
For each person identified in an application for the renewal of a cannabis establishment agent registration card.....	150

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

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

(b) The application fee set forth in subsection 3,

↳ for a social equity applicant. Such a reduction must not reduce the fee paid by a social equity applicant by more than 75 percent of the fee paid by an applicant who is not a social equity applicant.

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

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



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

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

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

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

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

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

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

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

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

(b) To ensure accurate recordkeeping.

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

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

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

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

3. Except as otherwise provided in NRS 678D.400, all cultivation or production of cannabis that a cannabis cultivation facility carries out or causes to be carried out must take place in an enclosed, locked facility at the physical address provided to the Board during the licensing process for the cannabis cultivation facility. Such an enclosed, locked facility must be accessible only by cannabis establishment agents who are lawfully associated with the



cannabis cultivation facility, except that limited access by persons necessary to perform construction or repairs or provide other labor is permissible if such persons are supervised by a cannabis establishment agent.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

Sec. 14. NRS 678D.200 is hereby amended to read as follows:

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

- (a) The possession, delivery or production of cannabis;
- (b) The possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of cannabis;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

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

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

- (a) Is 21 years of age or older;
- (b) Is not employed by any agency or political subdivision of this State in a position which requires the person to be certified by the Peace Officers' Standards and Training Commission;
- (c) Engages in the adult use of cannabis in accordance with the provisions of this title;

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

- (1) ~~One ounce~~ *Two and one-half ounces* of usable cannabis;
- (2) ~~One-eighth~~ *One-fourth* of an ounce of concentrated cannabis;



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

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

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

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

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

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

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

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

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

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

(b) The possession or delivery of paraphernalia;

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

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

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



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

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

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

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

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

(a) Flat fee;

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

(e) The transportation of cannabis or cannabis products other than the direct transportation of cannabis or cannabis products to a consumer and a requirement to notify the county of any transportation of cannabis or cannabis products;

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

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

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

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

~~6.1~~ **7.** A person who obtains a business license described in this section is subject to all other licensing and permitting requirements of the State and any other counties and cities in which the person does business.

~~7.1~~ **8.** As used in this section:

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

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



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

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

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

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

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

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

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

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

(a) Flat fee;

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

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

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

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

5. In addition to any amount of money collected as a license tax pursuant to subsection 2, the governing body of an incorporated



city, whether organized under general law or special charter, may fix, impose and collect:

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

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

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

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

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

~~5.1~~ **6.** The governing body of an incorporated city, whether organized under general law or special charter, shall not enact or enforce any ordinance which is more restrictive than or conflicts with a law or regulation of this State relating to:

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

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

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

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

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

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

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

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

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

~~6.1~~ **7.** A person who obtains a business license described in this section is subject to all other licensing and permitting



requirements of the State and any other counties and cities in which the person does business.

~~[7]~~ 8. As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

8. *The excise tax imposed pursuant to subsection 3 does not apply to a sale of cannabis for the medical use of cannabis or a medical cannabis product to the holder of a registry identification card or letter of approval by an adult-use cannabis retail store that has been deemed to be a dual licensee pursuant to section 13 of this act.*

9. As used in this section:

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

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

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

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



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

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

~~(f)~~ (g) *“Medical cannabis product” has the meaning ascribed to it in NRS 678A.200.*

~~(g)~~ (h) *“Medical use of cannabis” has the meaning ascribed to it in NRS 678A.215.*

~~(h)~~ (i) *“Registry identification card” has the meaning ascribed to it in NRS 678C.080.*

(j) “Wholesale sale” means a sale or transfer of cannabis by a cannabis cultivation facility to another cannabis establishment. The term does not include a transfer of cannabis by a cannabis cultivation facility to another cannabis cultivation facility when both cannabis cultivation facilities share identical ownership.

Sec. 15.5. NRS 453.096 is hereby amended to read as follows:
453.096 1. “Marijuana” means:

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

(b) ~~The seeds thereof;~~

~~(c)~~ The resin extracted from any part of the plant, including concentrated cannabis;

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

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

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

2. “Marijuana” does not include:

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

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



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

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

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

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

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

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

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

3. As used in this section:

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

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

Sec. 17. 1. Except as otherwise provided in this section, a person who, on January 1, 2024, holds a medical cannabis establishment license for a medical cannabis establishment which is not located in a covered jurisdiction and which has been renewed by the person at least one time may, upon expiration of the license, submit an application to the Board for the issuance of an adult-use cannabis establishment license of the same type.

2. An application submitted pursuant to subsection 1 must:

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



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

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

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

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

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

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

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

(a) The person obtained the medical cannabis establishment license through a transfer in accordance with the regulations adopted by the Board pursuant to NRS 678B.380 which occurred on or after July 1, 2023, and on or before December 31, 2023; and

(b) The Board determines that:

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



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

9. As used in this section:

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

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

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

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

Sec. 18. (Deleted by amendment.)

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

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

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

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

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



