
SENATE BILL NO. 278—COMMITTEE ON COMMERCE AND LABOR

MARCH 14, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Authorizes medical marijuana establishments and associations of medical marijuana establishments to participate in programs of workforce development. (BDR 40-784)

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 a medical marijuana establishment or an association of medical marijuana establishments to participate in a program of workforce development to recruit, assess and train medical marijuana establishment agents; requiring the Office of Economic Development to ensure that minority-owned business enterprises, woman-owned business enterprises and disadvantaged business enterprises are involved in programs of workforce development in which medical marijuana establishments participate; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a person who volunteers or works at or provides labor to a
2 medical marijuana establishment as a medical marijuana establishment agent is
3 required to register with the Department of Taxation. (NRS 453A.332) Existing law
4 requires the Office of Economic Development, under the direction of the Executive
5 Director of the Office and in consultation with certain entities, to develop and
6 implement one or more programs to provide customized workforce development
7 services to persons that create and expand businesses in Nevada and relocate
8 businesses to Nevada. (NRS 231.055) Existing law provides for the establishment
9 of programs of workforce development and sets forth requirements for a business to
10 participate in such a program. (NRS 231.141-231.152) **Sections 1, 6 and 7** of this
11 bill authorize a medical marijuana establishment or an association of medical
12 marijuana establishments to participate in a program of workforce development for
13 the purposes of recruiting, assessing and training medical marijuana establishment



14 agents. **Section 4** of this bill requires the Office of Economic Development, to the
15 extent practicable, to ensure minority-owned business enterprises, woman-owned
16 business enterprises and disadvantaged business enterprises are involved in
17 programs of workforce development in which medical marijuana establishments or
18 associations of medical marijuana establishments participate.

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

1 **Section 1.** NRS 453A.352 is hereby amended to read as
2 follows:

3 453A.352 1. The operating documents of a medical
4 marijuana establishment must include procedures:

5 (a) For the oversight of the medical marijuana establishment;
6 and

7 (b) To ensure accurate recordkeeping, including, without
8 limitation, the provisions of NRS 453A.354 and 453A.356.

9 2. Except as otherwise provided in this subsection, a medical
10 marijuana establishment:

11 (a) That is a medical marijuana dispensary must have a single
12 entrance for patrons, which must be secure, and shall implement
13 strict security measures to deter and prevent the theft of marijuana
14 and unauthorized entrance into areas containing marijuana.

15 (b) That is not a medical marijuana dispensary must have a
16 single secure entrance and shall implement strict security measures
17 to deter and prevent the theft of marijuana and unauthorized
18 entrance into areas containing marijuana.

19 ➤ The provisions of this subsection do not supersede any state or
20 local requirements relating to minimum numbers of points of entry
21 or exit, or any state or local requirements relating to fire safety.

22 3. A medical marijuana establishment is prohibited from
23 acquiring, possessing, cultivating, manufacturing, delivering,
24 transferring, transporting, supplying or dispensing marijuana for any
25 purpose except to:

26 (a) Directly or indirectly assist patients who possess valid
27 registry identification cards;

28 (b) Assist patients who possess valid registry identification cards
29 or letters of approval by way of those patients' designated primary
30 caregivers; and

31 (c) Return for a refund marijuana, edible marijuana products or
32 marijuana-infused products to the medical marijuana establishment
33 from which the marijuana, edible marijuana products or marijuana-
34 infused products were acquired.

35 ➤ For the purposes of this subsection, a person shall be deemed to
36 be a patient who possesses a valid registry identification card or



1 letter of approval if he or she qualifies for nonresident reciprocity
2 pursuant to NRS 453A.364.

3 4. All cultivation or production of marijuana that a cultivation
4 facility carries out or causes to be carried out must take place in an
5 enclosed, locked facility at the physical address provided to the
6 Department during the registration process for the cultivation
7 facility. Such an enclosed, locked facility must be accessible only by
8 medical marijuana establishment agents who are lawfully associated
9 with the cultivation facility, except that limited access by persons
10 necessary to perform construction or repairs or provide other labor
11 is permissible if such persons are supervised by a medical marijuana
12 establishment agent.

13 5. A medical marijuana dispensary and a cultivation facility
14 may acquire usable marijuana or marijuana plants from a person
15 who holds a valid registry identification card, including, without
16 limitation, a designated primary caregiver. Except as otherwise
17 provided in this subsection, the patient or caregiver, as applicable,
18 must receive no compensation for the marijuana. A patient who
19 holds a valid registry identification card, and the designated primary
20 caregiver of such a patient, or the designated primary caregiver of a
21 person who holds a letter of approval may sell usable marijuana to a
22 medical marijuana dispensary one time and may sell marijuana
23 plants to a cultivation facility one time.

24 6. A medical marijuana establishment shall not allow any
25 person to consume marijuana on the property or premises of the
26 establishment.

27 7. Medical marijuana establishments are subject to reasonable
28 inspection by the Department at any time, and a person who holds a
29 medical marijuana establishment registration certificate must make
30 himself or herself, or a designee thereof, available and present for
31 any inspection by the Department of the establishment.

32 8. A dual licensee, as defined in NRS 453D.030:

33 (a) Shall comply with the regulations adopted by the
34 Department pursuant to paragraph (k) of subsection 1 of NRS
35 453D.200 with respect to the medical marijuana establishment
36 operated by the dual licensee; and

37 (b) May, to the extent authorized by such regulations, combine
38 the location or operations of the medical marijuana establishment
39 operated by the dual licensee with the marijuana establishment, as
40 defined in NRS 453D.030, operated by the dual licensee.

41 9. Each medical marijuana establishment shall install a video
42 monitoring system which must, at a minimum:

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



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

3 10. A medical marijuana establishment shall not dispense or
4 otherwise sell marijuana, edible marijuana products or marijuana-
5 infused products from a vending machine or allow such a vending
6 machine to be installed at the interior or exterior of the premises of
7 the medical marijuana establishment.

8 11. If a medical marijuana establishment is operated by a dual
9 licensee, as defined in NRS 453D.030, any provision of this section
10 which is determined by the Department to be unreasonably
11 impracticable pursuant to subsection 9 of NRS 453A.370 does not
12 apply to the medical marijuana establishment.

13 12. A facility for the production of edible marijuana products
14 or marijuana-infused products and a medical marijuana dispensary
15 may acquire industrial hemp, as defined in NRS 557.160, from
16 a grower or handler registered by the State Department of
17 Agriculture pursuant to NRS 557.100 to 557.290, inclusive. A
18 facility for the production of edible marijuana products or
19 marijuana-infused products may use industrial hemp to manufacture
20 edible marijuana products and marijuana-infused products. A
21 medical marijuana dispensary may dispense industrial hemp and
22 edible marijuana products and marijuana-infused products
23 manufactured using industrial hemp.

24 *13. A medical marijuana establishment or an association of*
25 *medical marijuana establishments may participate in a program*
26 *for workforce development in accordance with the provisions of*
27 *NRS 231.141 to 231.152, inclusive, and sections 3 and 4 of this act*
28 *for the purposes of recruiting, assessing and training medical*
29 *marijuana establishment agents.*

30 *14. As used in this section, "program of workforce*
31 *development" has the meaning ascribed to it in NRS 231.146.*

32 **Sec. 2.** Chapter 231 of NRS is hereby amended by adding
33 thereto the provisions set forth as sections 3 and 4 of this act.

34 **Sec. 3.** *"Medical marijuana establishment" has the meaning*
35 *ascribed to it in NRS 453A.116.*

36 **Sec. 4.** *The Office shall, to the greatest extent practicable,*
37 *ensure that businesses that have been certified by an agency or*
38 *entity approved by the Office as minority-owned business*
39 *enterprises, woman-owned business enterprises or disadvantaged*
40 *business enterprises are involved in programs of workforce*
41 *development in which medical marijuana establishments or*
42 *associations of medical marijuana establishments participate.*

43 **Sec. 5.** NRS 231.141 is hereby amended to read as follows:

44 231.141 As used in NRS 231.141 to 231.152, inclusive, *and*
45 *sections 3 and 4 of this act*, unless the context otherwise requires,



1 the words and terms defined in NRS 231.1415 and 231.146 *and*
2 *section 3 of this act* have the meanings ascribed to them in those
3 sections.

4 **Sec. 6.** NRS 231.1467 is hereby amended to read as follows:

5 231.1467 1. A person who wishes to provide a program of
6 workforce recruitment, assessment and training may apply to the
7 Office for approval of the program. The application must be
8 submitted on a form prescribed by the Office.

9 2. Each application must include:

- 10 (a) The name, address and telephone number of the applicant;
11 (b) The name of each business for which the applicant will
12 provide the proposed program of workforce recruitment, assessment
13 and training;
14 (c) A statement of the objectives of the proposed program of
15 workforce recruitment, assessment and training;
16 (d) A workforce diversity action plan; and
17 (e) The estimated cost of the proposed program of workforce
18 recruitment, assessment and training.

19 3. Any program of workforce recruitment, assessment and
20 training approved by the Office pursuant to this section must:

- 21 (a) Include a workforce diversity action plan approved by the
22 Office; and
23 (b) To the extent practicable, be provided on a statewide basis to
24 support the industrial and economic development of all geographic
25 areas of this State.

26 4. The Office shall:

- 27 (a) Maintain on the Internet website of the Office a list of the
28 criteria for evaluating applications for approval of a program of
29 workforce recruitment, assessment and training;
30 (b) Approve or disapprove each application for approval of a
31 program of workforce recruitment, assessment and training within
32 60 days after receiving a complete application; and
33 (c) Provide notice of the approval or disapproval of each
34 application to the applicant within 10 days after approving or
35 disapproving the application.

36 5. An authorized provider that provides a program of
37 workforce recruitment, assessment and training approved by the
38 Office pursuant to this section or the governing body of a local
39 government within the jurisdiction of which the authorized provider
40 will provide the program may apply to the Office for an allocation,
41 grant or loan of money to defray in whole or in part the cost of the
42 program. The application must be submitted on a form prescribed by
43 the Office.

44 6. The Office shall approve or deny each application for an
45 allocation, grant or loan of money submitted pursuant to subsection



1 5 within 45 days after receipt of the application. When considering
2 an application, the Office shall give priority to a program of
3 workforce recruitment, assessment and training that will provide
4 workforce development services to one or more businesses that:

5 (a) Provide high-skill and high-wage jobs to residents of this
6 State;

7 (b) To the greatest extent practicable, use materials that are
8 produced or bought in this State;

9 (c) Are consistent with the State Plan for Economic
10 Development developed by the Executive Director pursuant to
11 subsection 2 of NRS 231.053; and

12 (d) Are consistent with the unified state plan submitted by the
13 Governor to the Secretary of Labor pursuant to 29 U.S.C. § 3112.

14 7. An authorized provider may use money distributed pursuant
15 to this section:

16 (a) To provide technical services to a business that participates
17 in the program of workforce recruitment, assessment and training;

18 (b) To provide publicity for the program of workforce
19 recruitment, assessment and training and for job recruiting and
20 assessments conducted through the program;

21 (c) To provide instructional services;


22 (d) To provide analysis of on-site training;

23 (e) To pay any costs relating to the rental of instructional
24 facilities, including, without limitation, utilities and costs relating to
25 the storage and transportation of equipment and supplies;

26 (f) To pay administrative and personnel costs; and

27 (g) To pay any other costs necessary to effectively carry out the
28 program of workforce recruitment, assessment and training.

29 8. A person who operates a business or will operate a business
30 in this State *or a person who represents an association of medical*
31 *marijuana establishments* may apply to the Office to participate in
32 a program of workforce recruitment, assessment and training
33 provided by an authorized provider. The application must be
34 submitted on a form prescribed by the Office and must include,
35 without limitation:

36 (a) The name, address and telephone number of the business 
37 *or association*;

38 (b) Proof satisfactory to the Office that the business *or*
39 *association* is consistent with the State Plan for Economic
40 Development developed by the Executive Director pursuant to
41 subsection 2 of NRS 231.053;

42 (c) A description of the number and types of jobs that the
43 business *or association* expects will be created as a result of its
44 participation in the program of workforce recruitment, assessment



1 and training and the wages the business *or association* expects to
2 pay to persons employed in those jobs;

3 (d) The types of services which will be provided to the business
4 *or association* through the program of workforce recruitment,
5 assessment and training;

6 (e) A workforce diversity action plan approved by the Office;
7 and

8 (f) Any other information required by the Office.

9 **Sec. 7.** NRS 231.147 is hereby amended to read as follows:

10 231.147 1. A person who operates a business or will operate
11 a business in this State *or a person who represents an association*
12 *of medical marijuana establishments* may apply to the Office for
13 approval of a program of workforce training. The application must
14 be submitted on a form prescribed by the Office.

15 2. Each application must include:

16 (a) The name, address and telephone number of the business ~~;~~
17 *or association;*

18 (b) The number and types of jobs for the business *or association*
19 that are available or will be available upon completion of the
20 program of workforce training;

21 (c) A statement of the objectives of the proposed program of
22 workforce training;

23 (d) The estimated cost for each person enrolled in the program
24 of workforce training; and

25 (e) A statement signed by the applicant certifying that, if the
26 program of workforce training set forth in the application is
27 approved and money is granted by the Office to an authorized
28 provider for the program of workforce training, each employee who
29 completes the program of workforce training:

30 (1) Will be employed in a full-time and permanent position
31 in the business ~~;~~ *or in a medical marijuana establishment which*
32 *is a member of the association;* and

33 (2) While employed in that position, will be paid not less
34 than 80 percent of the lesser of the average industrial hourly wage
35 in:

36 (I) This State; or

37 (II) The county in which the business *or the medical*
38 *marijuana establishment* is located,

39 ↪ as determined by the Employment Security Division of the
40 Department of Employment, Training and Rehabilitation on July 1
41 of each fiscal year.

42 3. Upon request, the Office may assist an applicant in
43 completing an application pursuant to the provisions of this section.

44 4. Except as otherwise provided in subsection 5, the Office
45 shall approve or deny each application within 45 days after receipt



1 of the application. When considering an application, the Office shall
2 give priority to a business *or association* that:

3 (a) Provides high-skill and high-wage jobs to residents of this
4 State;

5 (b) To the greatest extent practicable, uses materials for the
6 business *or association* that are produced or bought in this State;

7 (c) Is consistent with the State Plan for Economic Development
8 developed by the Executive Director pursuant to subsection 2 of
9 NRS 231.053; and

10 (d) Is consistent with the unified state plan submitted by the
11 Governor to the Secretary of Labor pursuant to 29 U.S.C. § 3112.

12 5. Before approving an application, the Office shall establish
13 the amount of matching money that the applicant must provide for
14 the program of workforce training. The amount established by the
15 Office for that applicant must not be less than 25 percent of the
16 amount the Office approves for the program of workforce training.

17 6. If the Office approves an application, it shall notify the
18 applicant, in writing, within 10 days after the application is
19 approved.

20 7. If the Office denies an application, it shall, within 10 days
21 after the application is denied, notify the applicant in writing. The
22 notice must include the reason for denying the application.

23 **Sec. 8.** NRS 231.1473 is hereby amended to read as follows:

24 231.1473 A business *or association* that participates in a
25 program of workforce development may request that any proprietary
26 information, intellectual property or trade secret which is contained
27 in any training materials provided through the program be deemed
28 confidential. Upon approval by the Executive Director of such a
29 request, the proprietary information, intellectual property or trade
30 secret identified by the business *or association* shall be deemed
31 confidential, may be redacted from the training materials and may
32 not be disclosed.

33 **Sec. 9.** This act becomes effective on July 1, 2019.

