

Senate Bill No. 487—Committee on Revenue
and Economic Development

CHAPTER.....

AN ACT relating to marijuana; revising provisions governing the excise taxes on sales of marijuana for medical purposes; imposing an excise tax on sales of marijuana and related products by a retail marijuana store; distributing the money raised by such excise taxes; requiring each marijuana establishment and medical marijuana establishment to submit to the Department of Taxation a report of information concerning the production and sale of marijuana; establishing limitations on the regulation and taxation of a marijuana establishment or medical marijuana establishment by a city, town or county; transferring responsibility for the regulation of medical marijuana establishments from the Division of Public and Behavioral Health of the Department of Health and Human Services to the Department of Taxation; providing for the issuance of additional medical marijuana establishment registration certificates; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes an excise tax at the rate of 2 percent upon each wholesale sale of marijuana by a cultivation facility, each wholesale sale of edible marijuana products or marijuana-infused products by a facility for the production of edible marijuana products or marijuana-infused products and each retail sale of marijuana, edible marijuana products or marijuana-infused products by a medical marijuana dispensary. (NRS 372A.290) Existing law also imposes an excise tax at the rate of 15 percent upon each wholesale sale of marijuana by a marijuana cultivation facility. (NRS 453D.500) **Section 9** of this bill: (1) increases the rate of the excise tax on a wholesale sale of marijuana for medical use by a cultivation facility from 2 percent to 15 percent; (2) abolishes the excise tax on sales by a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary; and (3) imposes upon retail sales of marijuana or marijuana products by a retail marijuana store an excise tax at the rate of 10 percent of the sales price of the marijuana or product. **Sections 1-8 and 10-14** of this bill make conforming changes.

Section 3.5 of this bill requires each marijuana establishment and medical marijuana establishment to submit a report to the Department of Taxation that includes certain information concerning the production and sale of marijuana by the establishment.

Existing law distributes 75 percent of the proceeds of the excise taxes on medical marijuana establishments to the State Distributive School Account in the State General Fund and 25 percent to pay the costs of the Division of Public and Behavioral Health of the Department of Health and Human Services in carrying out the laws of this State relating to medical marijuana establishments. (NRS 372A.290) Existing law also distributes the proceeds of the excise tax on marijuana cultivation facilities to the Department of Taxation and each locality to



pay for the costs of carrying out the laws of this State relating to recreational marijuana establishments, with any remainder to be deposited in the State Distributive School Account in the State General Fund. (NRS 453D.510) **Section 9** of this bill revises the distribution of the proceeds of the excise tax imposed on wholesale sales of marijuana for medical use by a cultivation facility to another medical marijuana establishment to be similar to the distribution of the proceeds of the excise tax on a marijuana cultivation facility for the retail sale of marijuana or marijuana products. **Section 9** also deems an amount of \$5,000,000 from such excise taxes in each fiscal year to be sufficient to pay the costs of local governments to carry out the provisions of state law relating to the sale of marijuana for medical or other use. Finally, **section 9** distributes the proceeds of the excise tax on the retail sale of marijuana to the Account to Stabilize the Operation of the State Government, also known as the Rainy Day Fund, in the State General Fund.

Sections 15 and 17.5-18.7 of this bill limit the regulations and license taxes that a city, town or county may impose on a marijuana establishment or medical marijuana establishment.

Sections 20-56 of this bill transfer the responsibility for the regulation of medical marijuana establishments from the Division of Public and Behavioral Health of the Department of Health and Human Services to the Department of Taxation.

Section 30 of this bill requires the issuance of one medical marijuana establishment registration certificate for each incorporated city in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe) and allows the Department of Taxation to accept applications for the issuance of such certificates: (1) if the application is accompanied by a letter from the incorporated city endorsing the issuance of the certificate; and (2) on or before December 31, 2018, only from applicants who already hold a medical marijuana establishment registration certificate unless no medical marijuana establishment registration certificate has been issued to a medical marijuana dispensary located in the incorporated city. **Section 30** also requires the issuance of a medical marijuana establishment registration certificate for at least one cultivation facility and at least one facility for the production of edible marijuana products and marijuana-infused products in each county.

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. Chapter 372A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 3.5 of this act.

Sec. 2. *“Retail marijuana store” has the meaning ascribed to it in NRS 453D.030.*

Sec. 3. 1. *“Sales price” means the total amount for which tangible property is sold, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:*



- (a) *The cost of the property sold.*
- (b) *The cost of materials used, labor or service cost, interest charged, losses or any other expenses.*
- (c) *The cost of transportation of the property before its purchase.*

2. *The total amount for which property is sold includes all of the following:*

- (a) *Any services that are a part of the sale.*
- (b) *Any amount for which credit is given to the purchaser by the seller.*

3. *“Sales price” does not include any of the following:*

- (a) *Cash discounts allowed and taken on sales.*
- (b) *The amount charged for property returned by customers when the entire amount charged therefor is refunded either in cash or credit, except that this exclusion does not apply in any instance when the customer, to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned.*

(c) *The amount of any tax, not including any manufacturers’ or importers’ excise tax, imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer.*

Sec. 3.5. 1. *Each cultivation facility and each marijuana cultivation facility shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report:*

- (a) *The current production of the cultivation facility or marijuana cultivation facility;*
- (b) *Sales by product type;*
- (c) *Prices by product type; and*
- (d) *Such other information as the Department may require.*

2. *Each facility for the production of edible marijuana products or marijuana-infused products and each marijuana product manufacturing facility shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report:*

- (a) *The amount of marijuana purchased;*
- (b) *The amount of edible marijuana products, marijuana-infused products and marijuana products produced;*
- (c) *Sales by product type;*
- (d) *Prices by product type; and*
- (e) *Such other information as the Department may require.*



3. *Each medical marijuana dispensary and each retail marijuana store shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report:*

(a) *The amount of marijuana purchased by the dispensary or store from cultivation facilities, marijuana cultivation facilities, facilities for the production of edible marijuana products or marijuana-infused products or marijuana product manufacturing facilities;*

(b) *Sales to consumers by product type;*

(c) *Prices by product type; and*

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

4. *The Department shall adopt regulations prescribing the frequency of the reports required pursuant to this section which must be submitted not less frequently than quarterly and not more frequently than monthly.*

5. *As used in this section:*

(a) *“Cultivation facility” has the meaning ascribed to it in NRS 453A.056.*

(b) *“Edible marijuana products” has the meaning ascribed to it in NRS 453A.101.*

(c) *“Facility for the production of edible marijuana products or marijuana-infused products” has the meaning ascribed to it in NRS 453A.105.*

(d) *“Marijuana cultivation facility” has the meaning ascribed to it in NRS 453D.030.*

(e) *“Marijuana product manufacturing facility” has the meaning ascribed to it in NRS 453D.030.*

(f) *“Marijuana products” has the meaning ascribed to it in NRS 453D.030.*

(g) *“Marijuana-infused products” has the meaning ascribed to it in NRS 453A.112.*

(h) *“Medical marijuana dispensary” has the meaning ascribed to it in NRS 453A.115.*

Sec. 4. NRS 372A.200 is hereby amended to read as follows:

372A.200 As used in NRS 372A.200 to 372A.380, inclusive, *and sections 2 and 3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 372A.210 to 372A.250, inclusive, *and sections 2 and 3 of this act* have the meanings ascribed to them in those sections.

Sec. 5. NRS 372A.220 is hereby amended to read as follows:

372A.220 “Excise tax on ~~medical~~ marijuana” means any of the excise taxes imposed by NRS 372A.290.



Sec. 6. NRS 372A.250 is hereby amended to read as follows:
372A.250 “Taxpayer” means a:

1. Cultivation facility; *or*
2. ~~Facility for the production of edible marijuana products or marijuana-infused products; or~~
3. ~~Medical marijuana dispensary;~~ *Retail marijuana store.*

Sec. 7. NRS 372A.260 is hereby amended to read as follows:

372A.260 The provisions of chapter 360 of NRS relating to the payment, collection, administration and enforcement of taxes, including, without limitation, any provisions relating to the imposition of penalties and interest, shall be deemed to apply to the payment, collection, administration and enforcement of the excise tax on ~~medical~~ marijuana to the extent that those provisions do not conflict with the provisions of NRS 372A.200 to 372A.380, inclusive ~~1~~, *and sections 2 and 3 of this act.*

Sec. 8. NRS 372A.280 is hereby amended to read as follows:

372A.280 1. To verify the accuracy of any return filed by a taxpayer or, if no return is filed, to determine the amount required to be paid, the Department, or any person authorized in writing by the Department, may examine the books, papers and records of any person who may be liable for the excise tax on ~~medical~~ marijuana.

2. Any person who may be liable for the excise tax on ~~medical~~ marijuana and who keeps outside of this State any books, papers and records relating thereto shall pay to the Department an amount equal to the allowance provided for state officers and employees generally while traveling outside of the State for each day or fraction thereof during which an employee of the Department is engaged in examining those documents, plus any other actual expenses incurred by the employee while he or she is absent from his or her regular place of employment to examine those documents.

Sec. 9. 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 marijuana by a cultivation facility to another medical marijuana establishment at the rate of ~~2~~ *15* percent of the ~~sales price~~ *fair market value at wholesale* of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.

2. An excise tax is hereby imposed on each ~~wholesale sale in this State of edible marijuana products or marijuana-infused products by a facility for the production of edible marijuana products or marijuana-infused products to another medical marijuana establishment at the rate of 2 percent of the sales price of those products. The excise tax imposed pursuant to this subsection~~



~~is the obligation of the facility for the production of edible marijuana products or marijuana-infused products which sells the edible marijuana products or marijuana-infused products to the other medical marijuana establishment.~~

~~— 3. — An excise tax is hereby imposed on each retail sale in this State of marijuana, edible marijuana products or marijuana-infused products by a medical marijuana dispensary at the rate of 2 percent of the sales price of the marijuana, edible marijuana products or marijuana-infused products. The excise tax imposed pursuant to this subsection:~~

~~— (a) Is the obligation of the medical marijuana dispensary.~~

~~— (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.~~

~~— (c) Must be considered part of the total retail price to which general state and local sales and use taxes apply.~~

~~— 4. — retail sale in this State of marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. The excise tax imposed pursuant to this subsection:~~

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

~~(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.~~

3. The revenues collected from the excise ~~{taxes}~~ tax imposed pursuant to ~~{subsections}~~ subsection 1 ~~{, 2 and 3}~~ must be distributed : ~~{as follows:}~~

(a) ~~{Seventy five percent must be paid over as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.}~~ *To the Department and to local governments in an amount determined to be necessary by the Department to pay the costs of the Department and local governments in carrying out the provisions of chapter 453A of NRS; and*

(b) ~~{Twenty five percent must be expended to pay the costs of the Division of Public and Behavioral Health of the Department of Health and Human Services in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive.}~~

~~— 5. — 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 Distributive School Account in the State General Fund.~~



4. *For the purpose of subsection 3 and NRS 453D.510, 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 NRS 453D.500 in each fiscal year shall be deemed sufficient to pay the costs of all local governments to carry out the provisions of chapters 453A and 453D of NRS. The Department shall, by regulation, determine the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapters 453A and 453D of NRS.*

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

6. As used in this section:

(a) ~~“Edible marijuana products” has the meaning ascribed to it in NRS 453A.101.~~

~~—(b) “Marijuana infused”~~ *“Local government” has the meaning ascribed to it in NRS 360.640.*

(b) “Marijuana products” has the meaning ascribed to it in NRS ~~453A.112.~~ 453D.030.

(c) “Medical marijuana establishment” has the meaning ascribed to it in NRS 453A.116.

Sec. 10. NRS 372A.300 is hereby amended to read as follows:

372A.300 If the Department determines that the excise tax on ~~medical~~ marijuana or any penalty or interest has been paid more than once or has been erroneously or illegally collected or computed, the Department shall set forth that fact in the records of the Department and certify to the State Board of Examiners the amount collected in excess of the amount legally due and the person from whom it was collected or by whom it was paid. If approved by the State Board of Examiners, the excess amount collected or paid must, after being credited against any amount then due from the person in accordance with NRS 360.236, be refunded to the person or his or her successors in interest.

Sec. 11. NRS 372A.310 is hereby amended to read as follows:

372A.310 1. Except as otherwise provided in NRS 360.235 and 360.395:

(a) No refund of the excise tax on ~~medical~~ marijuana may be allowed unless a claim for refund is filed with the Department within 3 years after the last day of the month following the month for which the overpayment was made.



(b) No credit may be allowed after the expiration of the period specified for filing claims for refund unless a claim for credit is filed with the Department within that period.

2. Each claim must be in writing and must state the specific grounds upon which the claim is founded.

3. The failure to file a claim within the time prescribed in subsection 1 constitutes a waiver of any demand against the State on account of any overpayment.

Sec. 12. NRS 372A.320 is hereby amended to read as follows:

372A.320 1. Except as otherwise provided in subsection 2, NRS 360.320 or any other specific statute, interest must be paid upon any overpayment of the excise tax on ~~medical~~ marijuana at the rate set forth in, and in accordance with the provisions of, NRS 360.2937.

2. If the Department determines that any overpayment has been made intentionally or by reason of carelessness, the Department shall not allow any interest on the overpayment.

Sec. 13. NRS 372A.360 is hereby amended to read as follows:

372A.360 1. No injunction, writ of mandate or other legal or equitable process may issue in any suit, action or proceeding in any court against this State or against any officer of the State to prevent or enjoin the collection of the excise tax on ~~medical~~ marijuana or any amount of tax, penalty or interest required to be collected.

2. No suit or proceeding, including, without limitation, a proceeding for judicial review, may be maintained in any court for the recovery of any amount alleged to have been erroneously or illegally determined or collected unless a claim for refund or credit has been filed within the time prescribed in NRS 372A.310.

Sec. 14. NRS 372A.370 is hereby amended to read as follows:

372A.370 1. A person shall not, with intent to defraud the State or evade payment of the excise tax on ~~medical~~ marijuana or any part of the tax:

(a) Make, cause to be made or permit to be made any false or fraudulent return or declaration or false statement in any return or declaration.

(b) Make, cause to be made or permit to be made any false entry in books, records or accounts.

(c) Keep, cause to be kept or permit to be kept more than one set of books, records or accounts.

2. Any person who violates the provisions of subsection 1 is guilty of a gross misdemeanor.



Sec. 15. Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

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 marijuana establishment or medical marijuana 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 marijuana establishment or medical marijuana establishment located in the county outside of the limits of incorporated cities and towns as a:

(a) Flat fee;

(b) Percentage of the gross revenue of the marijuana establishment or medical marijuana establishment; or

(c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment or medical marijuana establishment.

3. The total amount of a license tax imposed on a marijuana establishment or medical marijuana 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 marijuana establishment or medical marijuana establishment, as applicable.

4. 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 marijuana establishment or medical marijuana establishment located in the county outside of the limits of incorporated cities and towns 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 marijuana establishment or medical marijuana establishment located in the county outside of the limits of incorporated cities and towns for which registration pursuant to chapter 453A of NRS or licensing pursuant to chapter 453D 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. 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 marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(b) The kinds of edible marijuana products, marijuana products and marijuana-infused products authorized to be sold pursuant to chapters 453A and 453D of NRS and any regulations adopted pursuant to chapter 453A of NRS;

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

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

(e) The transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products other than the direct transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products to a consumer and a requirement to notify the county of any transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

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

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

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

6. 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. As used in this section:

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

(b) "Letter of approval" has the meaning ascribed to it in NRS 453A.109.



(c) "Marijuana establishment" has the meaning ascribed to it in NRS 453D.030.

(d) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

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

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

(g) "Medical marijuana establishment agent" has the meaning ascribed to it in NRS 453A.117.

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

(i) "Written documentation" has the meaning ascribed to it in NRS 453A.170.

Secs. 16 and 17. (Deleted by amendment.)

Sec. 17.5. NRS 244.335 is hereby amended to read as follows:

244.335 1. Except as otherwise provided in subsections 2, 3 and 4, and NRS 244.33501, *and section 15 of this act*, a board of county commissioners may:

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

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

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

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



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

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

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

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

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

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

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

(a) Presents written evidence that:

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

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

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

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

(a) By recording in the office of the county recorder, within 6 months after the date on which the tax became delinquent or was



otherwise determined to be due and owing, a notice of the tax lien containing the following:

- (1) The amount of tax due and the appropriate year;
- (2) The name of the record owner of the property;
- (3) A description of the property sufficient for identification;

and

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

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

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

Sec. 18. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

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 marijuana establishment or medical marijuana 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 marijuana establishment or medical marijuana establishment located within its corporate limits as a:*

- (a) Flat fee;*
- (b) Percentage of the gross revenue of the marijuana establishment or medical marijuana establishment; or*
- (c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment or medical marijuana establishment.*

3. *The total amount of a license tax imposed on a marijuana establishment or medical marijuana 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 marijuana establishment or medical marijuana establishment, as applicable.*

4. *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 marijuana establishment or medical marijuana 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 marijuana establishment or medical marijuana establishment located within its corporate limits for which registration pursuant to chapter 453A of NRS or licensing pursuant to chapter 453D 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. *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 marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(b) The kinds of edible marijuana products, marijuana products and marijuana-infused products authorized to be sold pursuant to chapters 453A and 453D of NRS and any regulations adopted pursuant to chapter 453A of NRS;

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

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

(e) The transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products other than the direct transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products to a consumer and a requirement to notify the city of any transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

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

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

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

6. 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. As used in this section:

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

(b) "Letter of approval" has the meaning ascribed to it in NRS 453A.109.

(c) "Marijuana establishment" has the meaning ascribed to it in NRS 453D.030.

(d) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

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

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



(g) "Medical marijuana establishment agent" has the meaning ascribed to it in NRS 453A.117.

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

(i) "Written documentation" has the meaning ascribed to it in NRS 453A.170.

Sec. 18.3. NRS 268.095 is hereby amended to read as follows:

268.095 1. Except as otherwise provided in subsection 4 and NRS 268.0951, *and section 18 of this act*, the city council or other governing body of each incorporated city in this State, whether organized under general law or special charter, may:

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

(a) Presents written evidence that:

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



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

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

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

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

- (1) The amount of tax due and the appropriate year;
- (2) The name of the record owner of the property;
- (3) A description of the property sufficient for identification;

and

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

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

8. The city council or other governing body of each incorporated city may delegate the power and authority to enforce such liens to the county fair and recreation board. If the authority is so delegated, the governing body shall revoke or suspend the license of a business upon certification by the board that the license tax has become delinquent, and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 239.0115 and 268.0966, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of those license taxes or as the result of any audit or examination of the books of the city by any authorized employee of a county fair and recreation board for any license tax levied for the purpose of NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, official or employee of the county fair and recreation board or the city imposing the license tax unless the disclosure is authorized by the affirmative action of a



majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the Department of Taxation or the Secretary of State for the exchange of information concerning taxpayers.

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

Sec. 18.5. Chapter 269 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, the town board or board of county commissioners in any unincorporated town shall not fix or collect a license tax on a marijuana establishment or medical marijuana establishment located within the town.

2. Except as otherwise provided in subsection 3, the town board or board of county commissioners in any unincorporated town may fix and collect a license tax on a marijuana establishment or medical marijuana establishment located within the town as a:

(a) Flat fee;

(b) Percentage of the gross revenue of the marijuana establishment or medical marijuana establishment; or

(c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment or medical marijuana establishment.

3. The total amount of a license tax imposed on a marijuana establishment or medical marijuana 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 marijuana establishment or medical marijuana establishment, as applicable.

4. In addition to any amount of money collected as a license tax pursuant to subsection 2, the town board or board of county commissioners in any unincorporated town may fix 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 marijuana establishment or medical marijuana establishment located within the town 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 marijuana establishment or medical marijuana establishment located within the town for which registration pursuant to chapter 453A of NRS or licensing pursuant to chapter 453D of NRS is not required only if:

(1) The town board or 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 town board or board of county commissioners on other similar businesses.

5. The town board or board of county commissioners in any unincorporated town 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 marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(b) The kinds of edible marijuana products, marijuana products and marijuana-infused products authorized to be sold pursuant to chapters 453A and 453D of NRS and any regulations adopted pursuant to chapter 453A of NRS;

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

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

(e) The transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products other than the direct transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products to a consumer and a requirement to notify the town of any transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

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

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

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



6. *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. *As used in this section:*

(a) *“Edible marijuana products” has the meaning ascribed to it in NRS 453A.101.*

(b) *“Letter of approval” has the meaning ascribed to it in NRS 453A.109.*

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

(d) *“Marijuana products” has the meaning ascribed to it in NRS 453D.030.*

(e) *“Marijuana-infused products” has the meaning ascribed to it in NRS 453A.112.*

(f) *“Medical marijuana establishment” has the meaning ascribed to it in NRS 453A.116.*

(g) *“Medical marijuana establishment agent” has the meaning ascribed to it in NRS 453A.117.*

(h) *“Registry identification card” has the meaning ascribed to it in NRS 453A.140.*

(i) *“Written documentation” has the meaning ascribed to it in NRS 453A.170.*

Sec. 18.7. NRS 269.170 is hereby amended to read as follows:

269.170 1. Except as otherwise provided in subsection 5 and NRS 576.128, 598D.150 and 640C.100, ***and section 18.5 of this act***, the town board or board of county commissioners may, in any unincorporated town:

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

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

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

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

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



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

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

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

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

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

(10) Drummers, hawkers, peddlers and solicitors.

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

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

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

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

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

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

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

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

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



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

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

Sec. 19. (Deleted by amendment.)

Sec. 20. Chapter 453A of NRS is hereby amended by adding thereto a new section to read as follows:

“Department” means the Department of Taxation.

Sec. 21. NRS 453A.010 is hereby amended to read as follows:

453A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 453A.020 to 453A.170, inclusive, ***and section 20 of this act*** have the meanings ascribed to them in those sections.

Sec. 22. NRS 453A.056 is hereby amended to read as follows:

453A.056 “Cultivation facility” means a business that:

1. Is registered with the ~~Division~~ ***Department*** pursuant to NRS 453A.322; and
2. Acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells marijuana and related supplies to:
 - (a) Medical marijuana dispensaries;
 - (b) Facilities for the production of edible marijuana products or marijuana-infused products; or
 - (c) Other cultivation facilities.

Sec. 23. NRS 453A.102 is hereby amended to read as follows:

453A.102 “Electronic verification system” means an electronic database that:

1. Keeps track of data in real time; and
2. Is accessible by the Division ***and the Department*** and by registered medical marijuana establishments.

Sec. 24. NRS 453A.105 is hereby amended to read as follows:

453A.105 “Facility for the production of edible marijuana products or marijuana-infused products” means a business that:

1. Is registered with the ~~Division~~ ***Department*** pursuant to NRS 453A.322; and
2. Acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible marijuana products or marijuana-infused products to medical marijuana dispensaries.

Sec. 25. NRS 453A.115 is hereby amended to read as follows:

453A.115 “Medical marijuana dispensary” means a business that:

1. Is registered with the ~~Division~~ ***Department*** pursuant to NRS 453A.322; and



2. Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card.

Sec. 26. NRS 453A.118 is hereby amended to read as follows:

453A.118 “Medical marijuana establishment agent registration card” means a registration card that is issued by the ~~Division~~ **Department** pursuant to NRS 453A.332 to authorize a person to volunteer or work at a medical marijuana establishment.

Sec. 27. NRS 453A.119 is hereby amended to read as follows:

453A.119 “Medical marijuana establishment registration certificate” means a registration certificate that is issued by the ~~Division~~ **Department** pursuant to NRS 453A.322 to authorize the operation of a medical marijuana establishment.

Sec. 28. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (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 marijuana 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 medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

- (a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of a person’s chronic or debilitating medical condition; and



(b) Do not, at any one time, collectively possess with another who is authorized to possess, deliver or produce more than:

(1) Two and one-half ounces of usable marijuana in any one 14-day period;

(2) Twelve marijuana plants, irrespective of whether the marijuana plants are mature or immature; and

(3) A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.

↳ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to NRS 453A.322 or a valid medical marijuana establishment agent registration card issued to the person pursuant to NRS 453A.332, and who confines his or her activities to those authorized by NRS 453A.320 to 453A.370, inclusive, and the regulations adopted by the ~~Division~~ *Department* pursuant thereto, is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of paraphernalia;

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

(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 marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card, including, without limitation, a



designated primary caregiver, such a person is not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) The person who holds the registry identification card was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;

(b) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

(c) Because of illness or lack of transportation, the person who holds the registry identification card is unable reasonably to travel to a medical marijuana dispensary; or

(d) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, "marijuana" includes, without limitation, edible marijuana products and marijuana-infused products.

Sec. 29. NRS 453A.322 is hereby amended to read as follows:

453A.322 1. Each medical marijuana establishment must register with the ~~{Division}~~ **Department**.

2. A person who wishes to operate a medical marijuana establishment must submit to the ~~{Division}~~ **Department** an application on a form prescribed by the ~~{Division}~~ **Department**.

3. Except as otherwise provided in NRS 453A.324, 453A.326, 453A.328 and 453A.340, not later than 90 days after receiving an application to operate a medical marijuana establishment, the ~~{Division}~~ **Department** shall register the medical marijuana establishment and issue a medical marijuana establishment registration certificate and a random 20-digit alphanumeric identification number if:

(a) The person who wishes to operate the proposed medical marijuana establishment has submitted to the ~~{Division}~~ **Department** all of the following:

(1) The application fee, as set forth in NRS 453A.344;

(2) An application, which must include:

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

(II) The physical address where the proposed medical marijuana establishment will be located and the physical address of



any co-owned additional or otherwise associated medical marijuana establishments, the locations of which may not be 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 marijuana establishment was submitted to the ~~{Division}~~ **Department**, or within 300 feet of a community facility that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the ~~{Division}~~ **Department**;

(III) Evidence that the applicant controls not less than \$250,000 in liquid assets to cover the initial expenses of opening the proposed medical marijuana establishment and complying with the provisions of NRS 453A.320 to 453A.370, inclusive;

(IV) Evidence that the applicant owns the property on which the proposed medical marijuana establishment will be located or has the written permission of the property owner to operate the proposed medical marijuana 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 marijuana establishment, a complete set of the person's fingerprints and written permission of the person authorizing the ~~{Division}~~ **Department** 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;

(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 marijuana establishment; and

(VII) The name, address and date of birth of each person who is proposed to be employed by or otherwise provide labor at the proposed medical marijuana establishment as a medical marijuana establishment agent;

(3) Operating procedures consistent with rules of the ~~{Division}~~ **Department** for oversight of the proposed medical marijuana 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 453A.354 and 453A.356;

(4) If the proposed medical marijuana establishment will sell or deliver edible marijuana products or marijuana-infused products,



proposed operating procedures for handling such products which must be preapproved by the ~~{Division}~~ **Department**;

(5) If the city, town or county in which the proposed medical marijuana establishment will be located has enacted zoning restrictions, proof of licensure with the applicable local governmental authority or a letter from the applicable local governmental authority certifying that the proposed medical marijuana establishment is in compliance with those restrictions and satisfies all applicable building requirements; and

(6) Such other information as the ~~{Division}~~ **Department** may require by regulation;

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

(1) Served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked; or

(2) Previously had a medical marijuana establishment agent registration card revoked; and

(d) None of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana 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 marijuana establishment, the ~~{Division}~~ **Department** 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 application for registration as a medical marijuana establishment satisfies the requirements of this section and the establishment is not disqualified from being registered as a medical marijuana establishment pursuant to this section or other applicable law, the ~~{Division}~~ **Department** shall issue to the establishment a medical marijuana establishment registration certificate. A medical marijuana establishment registration certificate expires 1 year 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 453A.344.



6. In determining whether to issue a medical marijuana establishment registration certificate pursuant to this section, the ~~{Division}~~ **Department** shall consider the criteria of merit set forth in NRS 453A.328.

7. 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. 30. NRS 453A.324 is hereby amended to read as follows:

453A.324 1. Except as otherwise provided in this section and NRS 453A.326, the ~~{Division}~~ **Department** shall issue medical marijuana establishment registration certificates for medical marijuana dispensaries in the following quantities for applicants who qualify pursuant to NRS 453A.322:

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

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

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

(d) In each other county, one certificate ~~and~~; **and**

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

2. Notwithstanding the provisions of subsection 1, the ~~{Division}~~ **Department**:

(a) Shall not issue medical marijuana establishment registration certificates for medical marijuana dispensaries in such a quantity as to cause the existence within the applicable county of more than one medical marijuana dispensary for every ten pharmacies that have been licensed in the county pursuant to chapter 639 of NRS. The ~~{Division}~~ **Department** may issue medical marijuana establishment registration certificates for medical marijuana dispensaries in excess of the ratio otherwise allowed pursuant to this paragraph if to do so is necessary to ensure that the ~~{Division}~~ **Department** issues at least one medical marijuana establishment registration certificate in each county of this State ***and, pursuant to paragraph (e) of subsection 1, each incorporated city of this State*** in which the ~~{Division}~~



Department has approved an application for such an establishment to operate.

(b) Shall, for any county for which no applicants qualify pursuant to NRS 453A.322, within 2 months after the end of the period during which the ~~{Division}~~ **Department** accepts applications pursuant to subsection ~~{4,}~~ **5**, reallocate the certificates 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. **The Department:**

(a) *Shall not accept an application for the issuance of a medical marijuana establishment registration certificate pursuant to paragraph (e) of subsection 1 unless the application is accompanied by a letter from the incorporated city in which the proposed medical marijuana dispensary will be located endorsing the issuance of the medical marijuana establishment registration certificate;*

(b) *May accept such an application at any time if no medical marijuana establishment registration certificate has been issued to a medical marijuana dispensary located in the incorporated city pursuant to paragraph (e) of subsection 1; and*

(c) *May accept such an application on or before December 31, 2018, only from an applicant who holds a medical marijuana establishment registration certificate.*

4. With respect to medical marijuana establishments that are not medical marijuana dispensaries, the ~~{Division}~~ **Department** shall ~~{determine}~~ :

(a) *Issue a medical marijuana establishment registration certificate to at least one cultivation facility and at least one facility for the production of edible marijuana products or marijuana-infused products 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 marijuana dispensaries to which the ~~{Division}~~ **Department** has granted medical marijuana establishment registration certificates ~~†~~

~~—4.—The Division} and issue such a number of medical marijuana establishment registration certificates for such establishments in each county.~~

5. *Except as otherwise provided in subsection 3, the Department* shall not, for more than a total of 10 business days in any 1 calendar year, accept applications to operate medical marijuana establishments.



Sec. 31. NRS 453A.326 is hereby amended to read as follows:

453A.326 1. Except as otherwise provided in this subsection, in a county whose population is 100,000 or more, the ~~Division~~ **Department** shall ensure that not more than 25 percent of the total number of medical marijuana dispensaries that may be certified in the county, as set forth in NRS 453A.324, are located in any one local governmental jurisdiction within the county. The board of county commissioners of the county may increase the percentage described in this subsection if it determines that to do so is necessary to ensure that the more populous areas of the county have access to sufficient distribution of marijuana for medical use.

2. To prevent monopolistic practices, the ~~Division~~ **Department** shall ensure, in a county whose population is 100,000 or more, that it does not issue, to any one person, group of persons or entity, the greater of:

(a) One medical marijuana establishment registration certificate; or

(b) More than 10 percent of the medical marijuana establishment registration certificates otherwise allocable in the county.

3. In a local governmental jurisdiction that issues business licenses, the issuance by the ~~Division~~ **Department** of a medical marijuana establishment registration certificate shall be deemed to be provisional until such time as:

(a) The establishment is in compliance with all applicable local governmental ordinances or rules; and

(b) The local government has issued a business license for the operation of the establishment.

4. As used in this section, "local governmental jurisdiction" means a city, town, township or unincorporated area within a county.

Sec. 32. NRS 453A.328 is hereby amended to read as follows:

453A.328 In determining whether to issue a medical marijuana establishment registration certificate pursuant to NRS 453A.322, the ~~Division~~ **Department** shall, in addition to the factors set forth in that section, consider the following criteria of merit:

1. The total financial resources of the applicant, both liquid and illiquid;

2. The previous experience of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment at operating other businesses or nonprofit organizations;



3. The educational achievements of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment;

4. Any demonstrated knowledge or expertise on the part of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment with respect to the compassionate use of marijuana to treat medical conditions;

5. Whether the proposed location of the proposed medical marijuana establishment would be convenient to serve the needs of persons who are authorized to engage in the medical use of marijuana;

6. The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located;

7. The adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana;

8. Whether the applicant has an integrated plan for the care, quality and safekeeping of medical marijuana from seed to sale;

9. The amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment; and

10. Any other criteria of merit that the ~~{Division}~~ *Department* determines to be relevant.

Sec. 33. NRS 453A.332 is hereby amended to read as follows:

453A.332 1. Except as otherwise provided in this section, a person shall not volunteer or work at, contract to provide labor to or be employed by an independent contractor to provide labor to a medical marijuana establishment as a medical marijuana establishment agent unless the person is registered with the ~~{Division}~~ *Department* pursuant to this section.

2. A medical marijuana establishment that wishes to retain as a volunteer or employ a medical marijuana establishment agent shall submit to the ~~{Division}~~ *Department* an application on a form prescribed by the ~~{Division}~~ *Department*. The application must be accompanied by:

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

(b) A statement signed by the prospective medical marijuana establishment agent pledging not to dispense or otherwise divert



marijuana to any person who is not authorized to possess marijuana in accordance with the provisions of this chapter;

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

(d) A complete set of the fingerprints and written permission of the prospective medical marijuana establishment agent authorizing the ~~{Division}~~ **Department** 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;

(e) The application fee, as set forth in NRS 453A.344; and

(f) Such other information as the ~~{Division}~~ **Department** may require by regulation.

3. A medical marijuana establishment that wishes to contract with an independent contractor to provide labor as a medical marijuana establishment agent shall submit to the ~~{Division}~~ **Department** an application on a form prescribed by the ~~{Division}~~ **Department** for the registration of the independent contractor and each employee of the independent contractor who will provide labor as a medical marijuana establishment agent. The application must be accompanied by:

(a) The name, address and, if the prospective medical marijuana establishment agent has a state business registration, 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 medical marijuana establishment agent who will provide labor as a medical marijuana establishment agent;

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

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

(e) A complete set of the fingerprints of each employee of the prospective medical marijuana establishment agent who will provide labor as a medical marijuana establishment agent and written permission of the prospective medical marijuana establishment



agent and each employee of the prospective medical marijuana establishment agent authorizing the ~~{Division}~~ *Department* 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;

(f) The application fee, as set forth in NRS 453A.344; and

(g) Such other information as the ~~{Division}~~ *Department* may require by regulation.

4. A medical marijuana establishment shall notify the ~~{Division}~~ *Department* within 10 days after a medical marijuana establishment agent ceases to be employed by, volunteer at or provide labor as a medical marijuana establishment agent to the medical marijuana establishment.

5. A person who:

(a) Has been convicted of an excluded felony offense; or

(b) Is less than 21 years of age,

↪ shall not serve as a medical marijuana establishment agent.

6. The ~~{Division}~~ *Department* shall submit the fingerprints of an applicant for registration as a medical marijuana establishment agent to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of the applicant.

7. The provisions of this section do not require a person who is an owner, officer or board member of a medical marijuana establishment to resubmit information already furnished to the ~~{Division}~~ *Department* at the time the establishment was registered with the ~~{Division}~~ *Department*.

8. If an applicant for registration as a medical marijuana establishment agent satisfies the requirements of this section and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the ~~{Division}~~ *Department* 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 medical marijuana establishment agent, a medical marijuana establishment agent registration card. If the ~~{Division}~~ *Department* does not act upon an application for a medical marijuana establishment agent registration card within 30 days after the date on which the application is received, the application shall be deemed conditionally approved until such time as the ~~{Division}~~ *Department* acts upon the application. A medical marijuana establishment agent registration card expires 1 year 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 453A.344.

Sec. 34. NRS 453A.334 is hereby amended to read as follows:
453A.334 1. Except as otherwise provided in subsection 2, the following are nontransferable:

- (a) A medical marijuana establishment agent registration card.
 - (b) A medical marijuana establishment registration certificate.
2. A medical marijuana establishment may transfer all or any portion of its ownership to another party, and the ~~Division~~ *Department* shall transfer the medical marijuana establishment registration certificate issued to the establishment to the party acquiring ownership, if the party who will acquire the ownership of the medical marijuana establishment submits:

(a) Evidence satisfactory to the ~~Division~~ *Department* that the party has complied with the provisions of sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322 for the purpose of operating the medical marijuana establishment.

(b) For the party and each person who is proposed to be an owner, officer or board member of the proposed medical marijuana establishment, the name, address and date of birth of the person, a complete set of the person's fingerprints and written permission of the person authorizing the ~~Division~~ *Department* 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.

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

Sec. 35. NRS 453A.336 is hereby amended to read as follows:
453A.336 1. In addition to any other requirements set forth in this chapter, an applicant for the issuance or renewal of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate shall:

(a) Include the social security number of the applicant in the application submitted to the ~~Division~~ *Department*.

(b) Submit to the ~~Division~~ *Department* the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to



NRS 425.520. The statement must be completed and signed by the applicant.

2. The ~~{Division}~~ *Department* shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the medical marijuana establishment agent registration card or medical marijuana establishment registration certificate; or

(b) A separate form prescribed by the ~~{Division}~~ *Department*.

3. A medical marijuana establishment agent registration card or medical marijuana establishment registration certificate may not be issued or renewed by the ~~{Division}~~ *Department* if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the ~~{Division}~~ *Department* shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 36. NRS 453A.338 is hereby amended to read as follows:

453A.338 1. If the ~~{Division}~~ *Department* receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate, the ~~{Division}~~ *Department* shall deem the card or certificate issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the ~~{Division}~~ *Department* receives a letter issued to the holder of the card or certificate by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the card or certificate has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.



2. The ~~Division~~ *Department* shall reinstate a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate that has been suspended by a district court pursuant to NRS 425.540 if the ~~Division~~ *Department* receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose card or certificate was suspended stating that the person whose card or certificate was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 37. NRS 453A.340 is hereby amended to read as follows:

453A.340 The following acts constitute grounds for immediate revocation of a medical marijuana establishment registration certificate:

1. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment or a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver.

2. Acquiring usable marijuana or mature marijuana plants from any person other than a medical marijuana establishment agent, another medical marijuana establishment or a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver.

3. Violating a regulation of the ~~Division~~ *Department*, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment registration certificate.

4. Failure to pay a fee imposed pursuant to NRS 453A.330.

Sec. 38. NRS 453A.342 is hereby amended to read as follows:

453A.342 The following acts constitute grounds for the immediate revocation of the medical marijuana establishment agent registration card of a medical marijuana establishment agent:

1. Having committed or committing any excluded felony offense.

2. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment or a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver.

3. Violating a regulation of the ~~Division~~ *Department*, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment agent registration card.



Sec. 39. NRS 453A.344 is hereby amended to read as follows:
453A.344 1. Except as otherwise provided in subsection 2,
the ~~Division~~ **Department** shall collect not more than the following
maximum fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary	\$30,000
For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary	5,000
For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility	1,000
For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products	3,000
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products	1,000
For each person identified in an application for the initial issuance of a medical marijuana establishment agent registration card	75
For each person identified in an application for the renewal of a medical marijuana establishment agent registration card	75
For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory	5,000
For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory	3,000

2. In addition to the fees described in subsection 1, each applicant for a medical marijuana establishment registration certificate must pay to the ~~Division~~ **Department**:

- (a) A one-time, nonrefundable application fee of \$5,000; and



(b) The actual costs incurred by the ~~Division~~ *Department* in processing the application, including, without limitation, conducting background checks.

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

(a) Must be expended first to pay the costs of the ~~Division~~ *Department* in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive; 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 Distributive School Account in the State General Fund.

Sec. 40. NRS 453A.352 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

(b) Assist patients who possess valid registry identification cards or letters of approval by way of those patients' designated primary caregivers.

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



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

4. All cultivation or production of marijuana that a 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 ~~Division~~ **Department** during the registration process for the cultivation facility. Such an enclosed, locked facility must be accessible only by medical marijuana establishment agents who are lawfully associated with the 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 medical marijuana establishment agent.

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

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

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

Sec. 41. NRS 453A.354 is hereby amended to read as follows:

453A.354 1. Each medical marijuana establishment, in consultation with the ~~Division~~ **Department**, shall maintain an electronic verification system.

2. The electronic verification system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) In the case of a medical marijuana dispensary, for each person who holds a valid registry identification card and who purchased marijuana from the dispensary in the immediately preceding 60-day period:



- (1) The number of the card;
- (2) The date on which the card was issued; and
- (3) The date on which the card will expire.

(b) For each medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment, the number of the person's medical marijuana establishment agent registration card.

(c) In the case of a medical marijuana dispensary, such information as may be required by the ~~{Division}~~ *Department* by regulation regarding persons who are not residents of this State and who have purchased marijuana from the dispensary.

(d) Verification of the identity of a person to whom marijuana, edible marijuana products or marijuana-infused products are sold or otherwise distributed.

(e) Such other information as the ~~{Division}~~ *Department* may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an electronic verification system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

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

Sec. 42. NRS 453A.356 is hereby amended to read as follows:

453A.356 1. Each medical marijuana establishment, in consultation with the ~~{Division}~~ *Department*, shall maintain an inventory control system.

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

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

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

(c) In the case of a medical marijuana dispensary, the date on which it sold marijuana to a person who holds a registry identification card and, if any, the quantity of edible marijuana



products or marijuana-infused products sold, measured both by weight and potency; and

(d) Such other information as the ~~Division~~ *Department* may require.

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

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

Sec. 43. NRS 453A.360 is hereby amended to read as follows:

453A.360 Each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products shall, in consultation with the ~~Division~~ *Department*, cooperate to ensure that all edible marijuana products and marijuana-infused products offered for sale:

1. Are labeled clearly and unambiguously as medical marijuana.

2. Are not presented in packaging that is appealing to children.

3. Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

4. Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

Sec. 44. NRS 453A.364 is hereby amended to read as follows:

453A.364 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the ~~Division~~ *Department* which



sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and

(e) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. For the purposes of the reciprocity described in this section:

(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, "nonresident card" means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card or letter of approval, as determined by the ~~Division~~ **Department**.

Sec. 45. NRS 453A.366 is hereby amended to read as follows:

453A.366 1. A patient who holds a valid registry identification card or letter of approval and his or her designated primary caregiver, if any, may select one medical marijuana dispensary to serve as his or her designated medical marijuana dispensary at any one time.

2. A patient who designates a medical marijuana dispensary as described in subsection 1:

(a) Shall communicate the designation to the Division *and the Department* within the time specified by the ~~Division~~ **Department**.

(b) May change his or her designation not more than once in a 30-day period.

Sec. 46. NRS 453A.368 is hereby amended to read as follows:

453A.368 1. The ~~Division~~ **Department** shall establish standards for and certify one or more private and independent testing laboratories to test marijuana, edible marijuana products and marijuana-infused products that are to be sold in this State.

2. Such an independent testing laboratory must be able to determine accurately, with respect to marijuana, edible marijuana products and marijuana-infused products that are sold or will be sold at medical marijuana dispensaries in this State:

(a) The concentration therein of THC and cannabidiol.

(b) The presence and identification of molds and fungus.



(c) The composition of the tested material.

(d) The presence of chemicals in the tested material, including, without limitation, pesticides, herbicides or growth regulators.

3. To obtain certification by the ~~Division~~ **Department** on behalf of an independent testing laboratory, an applicant must:

(a) Apply successfully as required pursuant to NRS 453A.322.

(b) Pay the fees required pursuant to NRS 453A.344.

Sec. 47. NRS 453A.369 is hereby amended to read as follows:

453A.369 The ~~Division~~ **Department** may enter into an interlocal agreement pursuant to NRS 277.080 to 277.180, inclusive, to carry out the provisions of NRS 453A.320 to 453A.370, inclusive.

Sec. 48. NRS 453A.370 is hereby amended to read as follows:

453A.370 The ~~Division~~ **Department** shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370, inclusive. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to NRS 453A.322 and 453A.332.

2. Set forth rules pertaining to the safe and healthful operation of medical marijuana establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on medical marijuana establishments or compromising the confidentiality of the holders of registry identification cards and letters of approval.

(b) Minimum requirements for the oversight of medical marijuana establishments.

(c) Minimum requirements for the keeping of records by medical marijuana establishments.

(d) Provisions for the security of medical marijuana establishments, including, without limitation, requirements for the protection by a fully operational security alarm system of each medical marijuana establishment.

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana, edible marijuana products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the ~~Division~~ **Department**.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the ~~Division~~ **Department** if a patient



who holds a valid registry identification card or letter of approval has chosen the dispensary as his or her designated medical marijuana dispensary, as described in NRS 453A.366.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 453A.344 may be reduced over time ~~†~~:

~~—(a) To†~~ *to* ensure that the fees imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue neutral. ~~†; and~~

~~—(b) To reflect gifts and grants received by the Division pursuant to NRS 453A.720.†~~

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver, in any one 14-day period. Such an amount must not exceed the limits set forth in NRS 453A.200.

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

6. In cooperation with the Board of Medical Examiners and the State Board of Osteopathic Medicine, establish a system to:

(a) Register and track attending physicians who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;

(b) Insofar as is possible, track and quantify the number of times an attending physician described in paragraph (a) makes such an advisement; and

(c) Provide for the progressive discipline of attending physicians who advise the medical use of marijuana at a rate at which the *Department, in consultation with the* Division, and Board determine and agree to be unreasonably high.

7. Establish different categories of medical marijuana establishment agent registration cards, including, without limitation, criteria for training and certification, for each of the different types of medical marijuana establishments at which such an agent may be employed or volunteer or provide labor as a medical marijuana establishment agent.

8. Provide for the maintenance of a log by the *Department, in consultation with the* Division, of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200. The ~~†Division†~~ *Department* shall ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.



9. Address such other matters as may assist in implementing the program of dispensation contemplated by NRS 453A.320 to 453A.370, inclusive.

Sec. 49. NRS 453A.400 is hereby amended to read as follows:

453A.400 1. The fact that a person possesses a registry identification card or letter of approval issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250, a medical marijuana establishment registration certificate issued to the person by the ~~Division~~ **Department** or its designee pursuant to NRS 453A.322 or a medical marijuana establishment agent registration card issued to the person by the ~~Division~~ **Department** or its designee pursuant to NRS 453A.332 does not, alone:

(a) Constitute probable cause to search the person or the person's property; or

(b) Subject the person or the person's property to inspection by any governmental agency.

2. Except as otherwise provided in this subsection, if officers of a state or local law enforcement agency seize marijuana, paraphernalia or other related property from a person engaged in, facilitating or assisting in the medical use of marijuana:

(a) The law enforcement agency shall ensure that the marijuana, paraphernalia or other related property is not destroyed while in the possession of the law enforcement agency.

(b) Any property interest of the person from whom the marijuana, paraphernalia or other related property was seized must not be forfeited pursuant to any provision of law providing for the forfeiture of property, except as part of a sentence imposed after conviction of a criminal offense.

(c) Upon:

(1) A decision not to prosecute;

(2) The dismissal of charges; or

(3) Acquittal,

↳ the law enforcement agency shall, to the extent permitted by law, return to that person any usable marijuana, marijuana plants, paraphernalia or other related property that was seized. The provisions of this subsection do not require a law enforcement agency to care for live marijuana plants.

Sec. 50. NRS 453A.700 is hereby amended to read as follows:

453A.700 1. Except as otherwise provided in this section, NRS 239.0115 and subsection 4 of NRS 453A.210, the Division **and the Department** shall not disclose:

(a) The contents of any tool used by the ~~Division~~ **Department** to evaluate an applicant or its affiliate.



(b) Any information, documents or communications provided to the ~~Division~~ *Department* by an applicant or its affiliate pursuant to the provisions of this chapter, without the prior written consent of the applicant or affiliate or pursuant to a lawful court order after timely notice of the proceedings has been given to the applicant or affiliate.

(c) The name or any other identifying information of:

(1) An attending physician; or

(2) A person who has applied for or to whom the Division or its designee has issued a registry identification card or letter of approval.

↳ Except as otherwise provided in NRS 239.0115, the items of information described in this subsection are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

2. Notwithstanding the provisions of subsection 1, the Division or its designee may release the name and other identifying information of a person to whom the Division or its designee has issued a registry identification card or letter of approval to:

(a) Authorized employees of the Division or its designee as necessary to perform official duties of the Division; and

(b) Authorized employees of state and local law enforcement agencies, only as necessary to verify that a person is the lawful holder of a registry identification card or letter of approval issued to him or her pursuant to NRS 453A.220 or 453A.250.

Sec. 51. NRS 453A.720 is hereby amended to read as follows:

453A.720 1. The Administrator of the Division *or his or her designee* may apply for or accept any gifts, grants, donations or contributions from any source to carry out the provisions of this chapter ~~H~~ *governing the issuance of registration identification cards and letters of approval and the regulation of the holders of such cards and letters.*

2. Any money the Administrator *or his or her designee* receives pursuant to subsection 1 must be deposited in the State Treasury pursuant to NRS 453A.730.

Sec. 52. NRS 453A.730 is hereby amended to read as follows:

453A.730 1. Any money the Administrator of the Division *or his or her designee* receives pursuant to NRS 453A.720 or that is appropriated to carry out the provisions of this chapter ~~H~~ *governing the issuance of registry identification cards and letters of approval and the regulation of the holders of such cards and letters:*

(a) Must be deposited in the State Treasury and accounted for separately in the State General Fund;



(b) May only be used to carry out:

(1) The provisions of this chapter, *governing the issuance of registry identification cards and letters of approval and the regulation of the holders of such cards and letters* including the dissemination of information concerning ~~the~~ *those* provisions ~~of this chapter~~ and such other information as determined appropriate by the Administrator; and

(2) Alcohol and drug abuse programs pursuant to NRS 458.094; and

(c) Does not revert to the State General Fund at the end of any fiscal year.

2. The Administrator of the Division shall administer the account. Any interest or income earned on the money in the account must be credited to the account. Any claims against the account must be paid as other claims against the State are paid.

Sec. 53. NRS 453A.740 is hereby amended to read as follows:

453A.740 The Administrator of the Division shall adopt such regulations as the Administrator determines are necessary to carry out the provisions of this chapter ~~+~~ *governing the issuance of registry identification cards and letters of approval and the regulation of the holders of such cards and letters*. The regulations must set forth, without limitation:

1. Procedures pursuant to which the Division will issue a registry identification card or letter of approval or, in cooperation with the Department of Motor Vehicles, cause a registry identification card to be prepared and issued to a qualified person as a type of identification card described in NRS 483.810 to 483.890, inclusive. The procedures described in this subsection must provide that the Division will:

(a) Issue a registry identification card or letter of approval to a qualified person; or

(b) Designate the Department of Motor Vehicles to issue a registry identification card to a person if:

(1) The person presents to the Department of Motor Vehicles valid documentation issued by the Division indicating that the Division has approved the issuance of a registry identification card to the person; and

(2) The Department of Motor Vehicles, before issuing the registry identification card, confirms by telephone or other reliable means that the Division has approved the issuance of a registry identification card to the person.

2. That if the Division issues a registry identification card pursuant to subsection 1, the Division may charge and collect any



fee authorized for the issuance of an identification card described in NRS 483.810 to 483.890, inclusive.

3. Fees for:

(a) Providing to an applicant an application for a registry identification card or letter of approval, which fee must not exceed \$25; and

(b) Processing and issuing a registry identification card or letter of approval, which fee must not exceed \$75.

Sec. 54. 1. The amendatory provisions of this act do not affect the validity of an unexpired medical marijuana establishment registration certificate or medical marijuana establishment agent registration card that was issued by the Division of Public and Behavioral Health of the Department of Health and Human Services before July 1, 2017. However, upon the expiration of such a medical marijuana establishment registration certificate or medical marijuana establishment agent registration card, a person who wishes to retain the limited exemption from state prosecution which is set forth in NRS 453A.200 must:

(a) Reapply to the Department of Taxation for a new medical marijuana establishment registration certificate or medical marijuana establishment agent registration card issued by that agency.

(b) Pay any necessary fees as set forth in NRS 453A.344 or any regulations adopted pursuant to chapter 453A of NRS.

2. As used in this section:

(a) "Medical marijuana establishment agent registration card" has the meaning ascribed to it in NRS 453A.118.

(b) "Medical marijuana establishment registration certificate" has the meaning ascribed to it in NRS 453A.119.

Sec. 55. 1. The administrative regulations adopted by the Division of Public and Behavioral Health of the Department of Health and Human Services pursuant to chapter 453A of NRS governing the licensing and regulation of medical marijuana establishments remain in force and are hereby transferred to become the administrative regulations of the Department of Taxation on July 1, 2017. On and after July 1, 2017, these regulations must be interpreted in a manner so that all references to the Division of Public and Behavioral Health of the Department of Health and Human Services and its constituent parts are read and interpreted as being references to the Department of Taxation and its constituent parts, regardless of whether those references have been conformed pursuant to section 56 of this act at the time of interpretation.



2. Any contracts or other agreements entered into by the Division of Public and Behavioral Health of the Department of Health and Human Services and its constituent parts pursuant to chapter 453A of NRS governing the licensing and regulation of medical marijuana establishments are binding upon the Department of Taxation on and after July 1, 2017, rather than the Division of Public and Behavioral Health of the Department of Health and Human Services and its constituent parts. Such contracts and other agreements may be enforced by the Department of Taxation on and after July 1, 2017.

3. Any action taken by the Division of Public and Behavioral Health of the Department of Health and Human Services or its constituent parts pursuant to chapter 453A of NRS governing the licensing and regulation of medical marijuana establishments before July 1, 2017, remains in effect as if taken by the Department of Taxation or its constituent parts on and after July 1, 2017.

Sec. 56. The Legislative Counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

2. In preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

Sec. 57. NRS 372A.230 and 372A.240 are hereby repealed.

Sec. 58. This act becomes effective on July 1, 2017.



