

**PROPOSED REGULATION OF THE  
DEPARTMENT OF TAXATION**

**LCB FILE NO. R092-17I**

**The following document is the initial draft regulation proposed  
by the agency submitted on 09/06/2017**

## CHAPTER 453D – ADULT USE OF MARIJUANA

### GENERAL PROVISIONS

- Sec. 1. *Definitions*
- Sec. 2. *“Accreditation body” defined.*
- Sec. 3. *“Analyte” defined.*
- Sec. 4. *“Batch” defined.*
- Sec. 5. *“Batch number” defined.*
- Sec. 6. *“CBD” defined.*
- Sec. 7. *“Combined marijuana establishment” defined.*
- Sec. 8. *“Community facility” defined.*
- Sec. 9. *“Component marijuana establishment” defined.*
- Sec. 10. *“Concentrated marijuana” defined.*
- Sec. 11. *“Consumer” defined.*
- Sec. 12. *“Department” defined.*
- Sec. 13. *“Division” defined.*
- Sec. 14. *“Dual licensee” defined.*
- Sec. 15. *“Edible marijuana products” defined.*
- Sec. 16. *“Enclosed, locked facility” defined.*
- Sec. 17. *“Excise tax on marijuana” defined.*
- Sec. 18. *“Excluded felony offense” defined.*
- Sec. 19. *“Extraction” defined.*
- Sec. 20. *“Fair market value” defined.*
- Sec. 21. *“Foreign matter” defined.*
- Sec. 22. *“Growing unit” defined.*
- Sec. 23. *“Imminent health hazard” defined.*
- Sec. 24. *“Inventory control system” defined.*
- Sec. 25. *“Label” defined.*
- Sec. 26. *“Letter of approval” defined.*
- Sec. 27. *“Locality” defined.*
- Sec. 28. *“Lot” defined.*
- Sec. 29. *“Marijuana” defined.*
- Sec. 30. *“Marijuana cultivation facility” defined.*
- Sec. 31. *“Marijuana distributor” defined.*
- Sec. 32. *“Marijuana establishment” defined.*
- Sec. 33. *“Marijuana establishment agent” defined.*
- Sec. 34. *“Marijuana establishment agent registration card” defined.*
- Sec. 35. *“Marijuana paraphernalia” defined.*
- Sec. 36. *“Marijuana product manufacturing facility” defined.*
- Sec. 37. *“Marijuana products” defined.*

- Sec. 38. *“Marijuana testing facility” defined.*
- Sec. 39. *“Medical marijuana” defined.*
- Sec. 40. *“Medical marijuana establishment registration certificate” defined.*
- Sec. 41. *“Multiple-serving edible marijuana product” defined.*
- Sec. 42. *“Packaging” defined.*
- Sec. 43. *“Pesticide” defined.*
- Sec. 44. *“Potential total THC” defined.*
- Sec. 45. *“Potentially hazardous marijuana products and ingredients” defined.*
- Sec. 46. *“Premises” defined.*
- Sec. 47. *“Process” defined.*
- Sec. 48. *“Production run” defined.*
- Sec. 49. *“Production run number” defined.*
- Sec. 50. *“Proficiency testing” defined.*
- Sec. 51. *“Proficiency testing program” defined.*
- Sec. 52. *“Proficiency testing provider” defined.*
- Sec. 53. *“Proficiency testing provider accreditor” defined.*
- Sec. 54. *“Proficiency testing sample” defined.*
- Sec. 55. *“Public place” defined.*
- Sec. 56. *“Public transportation” defined.*
- Sec. 57. *“Retail marijuana store” defined.*
- Sec. 58. *“Sales price” defined.*
- Sec. 59. *“Sampling protocols” defined.*
- Sec. 60. *“Security equipment” defined.*
- Sec. 61. *“Seed to sale system” defined.*
- Sec. 62. *“Separate operations” defined.*
- Sec. 63. *“Single serving” defined.*
- Sec. 64. *“Singularly owned, co-located” defined.*
- Sec. 65. *“Surveillance” defined.*
- Sec. 66. *“Taxpayer” defined.*
- Sec. 67. *“THC” defined.*
- Sec. 68. *“Unreasonably impracticable” defined.*
- Sec. 69. *“Usable marijuana” defined.*

**Licensing of Marijuana Establishments and Registration of Marijuana Establishment Agents**

- Sec. 70. *Persons required to act on behalf of establishment.*
- Sec. 71. *Applicability of requirements of chapter to certain owners of establishments.*
- Sec. 72. *Request for application to operate establishment: Notice; required provisions; time period for submission of applicants.*
- Sec. 73. *Procedures for the issuance of a license to operate a marijuana establishment. Required provisions for current medical marijuana establishment registration certificate holders applying for the same license type.*
- Sec. 74. *Application to operate establishment: Required provisions.*

- Sec. 75. *Requirements for measuring distance between proposed establishment and school or community facility.*
- Sec. 76. *Licensing of establishments: Ranking of applicants.*
- Sec. 77. *Licensing of establishments: Issuance of conditional license to multiple applicants.*
- Sec. 78. *Licensing of establishments: Issuance of conditional license if only one application received.*
- Sec. 79. *Licensing of establishments; Issuance of conditional licenses: Generally.*
- Sec. 80. *Licensing of establishments: When operations may commence.*
- Sec. 81. *Licensing of establishments: Notice if license not issued.*
- Sec. 82. *Health and safety inspections of establishments.*
- Sec. 83. *Inspections of establishments: Investigative powers and duties of the Department.*
- Sec. 84. *Marijuana establishment licenses: Surrender if establishment not fully operational within 12 months.*
- Sec. 85. *Marijuana establishment licenses: Requirements for surrender upon closing.*
- Sec. 86. *Marijuana establishment licenses: Requirements for renewal.*
- Sec. 87. *Marijuana establishment licenses: Suspension for operational deficiencies; plan of correction.*
- Sec. 88. *Marijuana establishment licenses: Grounds for denial, suspension or revocation; notice.*
- Sec. 89. *Ownership change.*
- Sec. 90. *Score review.*
- Sec. 91. *Registration cards: Information required to obtain or renew.*
- Sec. 92. *Registration cards: Categories.*
- Sec. 93. *Training and education of marijuana establishment agents.*
- Sec. 94. *Registration cards: Electronic submission for applications.*
- Sec. 95. *Registration cards: Requirements for changing name or address.*
- Sec. 96. *Registration cards: Requirements for requesting replacement card.*
- Sec. 97. *Registration cards: Expiration date of replacement card.*
- Sec. 98. *Registration cards: Grounds for denial or revocation.*
- Sec. 99. *Fees; assessments.*

## **Requirements Concerning Operation of Marijuana Establishment**

- Sec. 100. *Posting of license and other authorization to conduct business.*
- Sec. 101. *Quality assurance testing required before sale of usable marijuana and marijuana products.*
- Sec. 102. *Persons authorized to be on premises of establishment; visitor identification badge required for other persons; maintenance of visitor log; regular, seasonal or temporary employees and volunteers.*
- Sec. 103. *Policies and procedures.*
- Sec. 104. *Duties of establishment relating to employees and volunteers; certain notice required.*

- Sec. 105. Inventory control system; where establishment may acquire marijuana and marijuana products; perpetual inventory system of manufacturing process; duties of establishment if loss is incurred.*
- Sec. 106. Seed to sale system.*
- Sec. 107. Reporting of loss or theft of marijuana; maintenance of documentation.*
- Sec. 108. Security.*
- Sec. 109. Hygiene requirements for agents; prohibition on direct contact with marijuana, equipment or materials for agents with certain health conditions.*
- Sec. 110. Building requirements; commercial weighing and measuring equipment.*
- Sec. 111. Requirements for establishments that prepare or sell edible marijuana products.*
- Sec. 112. Establishment responsible for costs incurred in cleaning up, mitigating or remedying environmental damage.*
- Sec. 113. Prohibition on use of chemicals or other compounds to alter color, appearance, weight or smell of usable marijuana.*
- Sec. 114. Modification and expansion of facilities.*
- Sec. 115. Change of location.*
- Sec. 116. Grounds for disciplinary action.*
- Sec. 117. Civil penalties.*
- Sec. 118. Reporting.*
- Sec. 119. Investigations by the Department.*
- Sec. 120. Order for summary suspension.*
- Sec. 121. Initiation of complaint by the Department.*
- Sec. 122. Administrative violations.*
- Sec. 123. Requesting a hearing.*
- Sec. 124. Hearing notice.*
- Sec. 125. Appearance; representation by attorney; standards of conduct; withdrawal from representation; sanctions; costs of defense.*
- Sec. 126. Answer; amendment of complaint; continuance; inclusion of pleadings in record.*
- Sec. 127. Discovery; limitations on interrogatories and depositions.*
- Sec. 128. Ex parte communications.*
- Sec. 129. Prehearing conferences.*
- Sec. 130. Continuances; recesses.*
- Sec. 131. Failure of party to appear.*
- Sec. 132. Burden of proof; presentation of evidence.*
- Sec. 133. Subpoenas.*
- Sec. 134. Admission of evidence; depositions; affidavits.*
- Sec. 135. Official notice.*
- Sec. 136. Briefs.*
- Sec. 137. Order of hearing for a complaint.*
- Sec. 138. Duties of hearing officer after hearing.*
- Sec. 139. Post hearing motions; rehearing and reconsideration; vacation and modification of final decision.*

- Sec. 140. *Appeal of decision of hearing officer.*  
Sec. 141. *Judicial review.*  
Sec. 142. *Reinstatement of a license.*

### **Requirements Concerning Operation of Retail Marijuana Stores**

- Sec. 143. *Hours of operation.*  
Sec. 144. *Duties of establishment agent before selling marijuana.*  
Sec. 145. *Acceptable forms of identification for verifying age.*  
Sec. 146. *Maximum allowable quantity of marijuana and marijuana products to be sold to a consumer.*  
Sec. 147. *Allowable products for sale in retail marijuana stores.*  
Sec. 148. *Storage of usable marijuana and marijuana products; disclosure of marijuana testing facility which performed quality assurance testing.*

### **Requirements Concerning Delivery by Retail Marijuana Stores**

- Sec. 149. *Requirements for an establishment to be authorized to conduct deliveries.*  
Sec. 150. *Inventory requirements when conducting delivery to a consumer.*  
Sec. 151. *Restrictions on delivery of marijuana.*  
Sec. 152. *Vehicle requirements for delivery.*

### **Requirements Concerning Operation of Cultivation Facilities**

- Sec. 153. *Usable marijuana: required disclosures; free samples.*  
Sec. 154. *Restrictions on access to enclosed, locked facility where marijuana is cultivated; accompaniment by authorized marijuana establishment agent; prevention of observation or detection of marijuana outside facility.*  
Sec. 155. *Limited lab testing for research and development purposes.*  
Sec. 156. *Outdoor cultivation, buffer zones.*

### **Requirements for the Production of Marijuana Products**

- Sec. 157. *Production forms: Generally.*  
Sec. 158. *“Potentially hazardous marijuana products and ingredients” defined.*  
Sec. 159. *Person in charge: Demonstration of knowledge.*  
Sec. 160. *Hand washing required of marijuana establishment agents.*  
Sec. 161. *Hand washing: Procedure.*  
Sec. 162. *Hand washing: When required.*  
Sec. 163. *Methods for handling marijuana products.*  
Sec. 164. *Non-marijuana ingredients: Approved sources.*  
Sec. 165. *Methods for preventing contamination.*  
Sec. 166. *Requirements for preparing, cooking and cooling marijuana products.*

- Sec. 167. Requirements for date marking and shelf life testing.*
- Sec. 168. Edible product approval and homogeneity testing.*
- Sec. 169. Materials used in construction of utensils and contact surfaces of equipment.*
- Sec. 170. Sinks; alternative equipment.*
- Sec. 171. Ventilation hood systems and devices.*
- Sec. 172. Temperature of hot water sanitizing rinse; chemical sanitizers.*
- Sec. 173. Surfaces of equipment and utensils: General requirements.*
- Sec. 174. Surfaces of equipment and utensils: Cleaning frequency.*
- Sec. 175. Surfaces of equipment and utensils: Sanitizing.*
- Sec. 176. Cooking and baking equipment and microwave ovens: Cleaning frequency.*
- Sec. 177. Light intensity.*
- Sec. 178. Mechanical ventilation.*
- Sec. 179. Filters used to manufacture process or package marijuana products.*
- Sec. 180. Authorized methods, equipment, solvents, gases and mediums.*

### **Standards for Cultivation and Preparation of Marijuana and Marijuana Products**

- Sec. 181. Minimum good manufacturing practices.*
- Sec. 182. Quality control unit.*
- Sec. 183. Hygiene standards for establishment agents at certain marijuana establishments.*
- Sec. 184. Physical facilities: Generally.*
- Sec. 185. Physical facilities: Lighting requirements.*
- Sec. 186. Physical facilities: Ventilation and filtration requirements for certain marijuana establishments.*
- Sec. 187. Potable water; drains.*
- Sec. 188. Procedures for sanitation and control of vermin.*
- Sec. 189. Maintenance of buildings in good state of repair.*
- Sec. 190. Equipment and utensils: Requirements for maintenance, cleaning, sanitizing and inspection for certain marijuana establishments.*
- Sec. 191. Requirements for components, product containers and closures for certain marijuana establishments.*
- Sec. 192. Written procedures for production and process control required for certain marijuana establishments.*
- Sec. 193. Requirements relating to labeling and packaging materials for certain marijuana establishments.*
- Sec. 194. Prohibition on salvage of marijuana and marijuana products subjected to certain conditions by certain marijuana establishments; salvage allowed with certain evidence; records.*
- Sec. 195. Disposal of marijuana products and waste.*

### **Requirements for Marijuana Testing Facilities**

- Sec. 196. Requirements of section in regards to marijuana testing facilities.*

- Sec. 197. Scientific director: Responsibilities; qualifications.*
- Sec. 198. Testing methodologies; practices, procedures and programs relating thereto; inspections.*
- Sec. 199. Required quality assurance tests.*
- Sec. 200. Cannabinoid and terpenoid testing.*
- Sec. 201. Homogeneity testing and adulterants.*
- Sec. 202. Pesticide use and testing.*
- Sec. 203. General requirements.*
- Sec. 204. Sample testing; disposal of samples; standards; testing facility test results; grounds for disciplinary action.*
- Sec. 205. Certification program.*
- Sec. 206. Proficiency testing program: establishment by Department; participation.*
- Sec. 207. Surveillance and confirmation testing.*
- Sec. 208. Establishment of policies for adequate chain of custody and requirements for samples of products provided to testing facilities.*
- Sec. 209. Requirements for testing facility claiming to be accredited.*
- Sec. 210. Random quality assurance compliance checks.*
- Sec. 211. Requirements regarding amount of usable marijuana products allowed on premises of testing facility.*
- Sec. 212. Authorized use of marijuana upon failure of quality assurance test; requirements for retesting.*

**Requirements Concerning Operations of Marijuana Transportation**

- Sec. 213. Requirements for transportation of marijuana.*
- Sec. 214. Inventory tracking for transportation of marijuana and marijuana products.*
- Sec. 215. Transportation of marijuana and marijuana products by a marijuana cultivation facility, marijuana testing facility, marijuana product manufacturing facility and retail marijuana store.*
- Sec. 216. Transportation of marijuana and marijuana products prohibited.*
- Sec. 217. Restrictions for transportation of marijuana.*
- Sec. 218. Vehicle requirements for transportation.*
- Sec. 219. Transportation requirements for marijuana distributors.*
- Sec. 220. Storage requirements for marijuana distributors.*

**Packaging and Labeling of Marijuana and Marijuana Products**

- Sec. 221. Packaging: Generally.*
- Sec. 222. Labeling: Generally.*
- Sec. 223. Labeling as “organic.”*
- Sec. 224. Maximum unit size; minimum requirements for font of label.*
- Sec. 225. Labeling requirements for marijuana and marijuana products for sale to retail marijuana stores from marijuana cultivation facilities.*

- Sec. 226. *Labeling requirements for marijuana and marijuana products for marijuana product manufacturing facilities.*
- Sec. 227. *Labeling requirements for usable marijuana sold at retail.*
- Sec. 228. *Labeling requirements for marijuana products sold at retail.*
- Sec. 229. *Requirements for marijuana sold at retail; written notification.*
- Sec. 230. *Required examinations of packaged and labeled products.*
- Sec. 231. *Stamping or molding of edible marijuana products.*

### **Advertising, Name, Logo, Sign, Advertisement and Packaging – Guidelines and Approval Process**

- Sec. 232. *Advertising guidelines and campaigns.*
- Sec. 233. *Approval required before use of name, logo, sign, advertisement and packaging.*
- Sec. 234. *Approval process.*

### **Reporting and Transmittal of Marijuana Taxes**

- Sec. 235. *Applicability of NRS 360.*
- Sec. 236. *Sales and use tax returns required. Payment of tax; monthly returns.*
- Sec. 237. *Excise tax returns required. Payment of tax: monthly return.*
- Sec. 238. *Maintenance and availability of records of taxpayer.*
- Sec. 239. *Examination of records by Department.*
- Sec. 240. *Manner for reimbursement to localities.*
- Sec. 241. *Miscellaneous tax provisions.*

### **Miscellaneous Provisions**

- Sec. 242. *Certain public employees prohibited from having financial interest in or being employed by or volunteering at marijuana establishment.*
- Sec. 243. *Maximum allowable quantity of marijuana and marijuana products.*
- Sec. 244. *Department authorized to limit marijuana cultivation within State.*
- Sec. 245. *Limitations on promoting marijuana and marijuana products; applicability of chapter governing labeling and testing.*
- Sec. 246. *Department authorized to collect fee for costs of investigating complaint if substantiated; amount of fee.*
- Sec. 247. *Confidentiality of information relating to security of marijuana establishment.*
- Sec. 248. *Confidentiality of name and any other identifying information of persons who facilitate or deliver services pursuant to chapter.*
- Sec. 249. *Vending machines.*
- Sec. 250. *Applicability of NRS 223.*
- Sec. 251. *Singularly-owned, co-located marijuana establishments.*
- Sec. 252. *Dual Licensees.*

## **Definitions**

**Sec. 1. Definitions (NRS 453D.200)** *As used in this chapter, unless the context otherwise requires, the words and terms defined in section 2 in NAC 453D to section 69 in NAC 453D inclusive, and sections 70 to 252, inclusive, of this regulation have the meanings ascribed to them in those sections.*

**Sec. 2. “Accreditation body” defined. (NRS 453D.200)** *“Accreditation body” means an impartial organization that operates in conformance with the International Organization for Standardization (ISO) / International Electrical Commission standard (ISO/IEC) 17011 and is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement (MRA) for Testing.*

**Sec. 3. “Analyte” defined. (NRS 453D.200)** *“Analyte” means any compound, element, contaminant organism, and species or other substance for which a marijuana sample is tested by a marijuana testing facility.*

**Sec. 4. “Batch” defined. (NRS 453D.200)** *“Batch” means the usable flower and trim consisting of a specific lot or lots of marijuana grown by a marijuana cultivation facility from one or more seeds or cuttings of the same strain of marijuana. The harvest date will be the final date of harvest and will close out the batch.*

**Sec. 5. “Batch number” defined. (453D.200)** *“Batch number” means a unique numeric or alphanumeric identifier assigned to a batch by a marijuana establishment when the batch is planted.*

**Sec. 6. “CBD” defined. (NRS 453D.200)** *“CBD” means cannabidiol, which is a primary phytocannabinoid compound found in marijuana.*

**Sec. 7. “Combined marijuana establishment” defined. (NRS 453D.200)** *“Combined marijuana establishment” refers collectively to a group of singularly owned, co-located marijuana establishments sharing a single real estate parcel.*

**Sec. 8. “Community facility” defined. (NRS 453D.030)** *“Community facility” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 9. “Component marijuana establishment” defined. (NRS 453D.200)** *“Component marijuana establishment” refers to the individual marijuana establishments which are qualified and registered to combine operations with other individual marijuana establishments.*

**Sec. 10. “Concentrated marijuana” defined. (NRS 453D.030)** *“Concentrated marijuana” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 11. “Consumer” defined. (NRS 453D.030)** *“Consumer” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 12. “Department” defined. (NRS 453D.030)** *“Department” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 13. “Division” defined. (NRS 453D.200)** *“Division” means the Division of Public and Behavioral Health of the Department of Health and Human Services.*

**Sec. 14. “Dual licensee” defined. (NRS 453D.030)** *“Dual licensee” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 15. “Edible marijuana products” defined. (NRS 453D.200)** *“Edible marijuana products” has the meaning ascribed to it in NRS 453A.101.*

**Sec. 16. “Enclosed, locked facility” defined. (NRS 453D. 200)** *“Enclosed, locked facility” has the meaning ascribed to it in NRS 453A.103.*

**Sec. 17. “Excise tax on marijuana” defined. (NRS 453D.200)** *“Excise tax on marijuana” means any of the excise taxes imposed by NRS Chapter 372A, Senate Bill 487 (2017) and NRS 453D.*

**Sec. 18. “Excluded felony offense” defined. (NRS 453D.030)** *An “Excluded felony offense” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 19. “Extraction” defined. (NRS 453D.200)** *“Extraction” has the meaning ascribed to it in section 1.4 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3085 (NRS 453.0825).*

**Sec. 20. “Fair market value” defined. (NRS 453D.200)** *“Fair market value” is the value established by the Department based on the price that a buyer would pay to a seller in an arm’s length transaction for marijuana in the wholesale market.*

**Sec. 21. “Foreign matter” defined. (NRS 453D.200)** *“Foreign matter” means:*

- 1. Any plant matter which is more than 2 millimeters in size and which constitutes more than 5 percent of the product; or*
- 2. Any physical contaminant, which is included in marijuana products.*

**Sec. 22. “Growing unit” defined. (NRS 453D.200)** *“Growing unit” means an area within a marijuana cultivation facility which is serviced by all building facilities, technology, and has all other features specified in the marijuana cultivation facility application to perform growing operations at all stages of growth. The area must have the ability to nourish clones/germinate seedlings, attain vegetative growth, flower plants to maturity, dry and cure cut plants, trim and package finished plants, and store finished marijuana product in compliance with all regulations. A Growing Unit may be single growing tables, enclosed pods, or rooms. A cultivation facility may have several rooms or areas that together create a growing unit and are*

*not required to have the capability to perform all operations at all stages of growth within each room of the cultivation facility.*

**Sec. 23. “Imminent health hazard” defined. (NRS 453D.200)** *“Imminent health hazard” means:*

- 1. A significant threat or danger to health that is considered to exist when there is evidence sufficient to show that a product, practice, circumstance or event creates a situation that requires immediate correction or cessation of operations to prevent injury based on:
  - (a) The nature, severity and duration of the anticipated injury, illness or disease; and*
  - (b) The number of potential injuries and illnesses to the public’s health.**
- 2. Situations include interruption of electrical service, no potable water or hot water, gross unsanitary occurrences or conditions including pest infestation, sewage or liquid waste not disposed of in an approved manner, lack of adequate refrigeration, lack of adequate employee toilets and handwashing facilities, misuse of poisonous and toxic materials, suspected foodborne illness outbreak, an emergency such as a fire or flood, and other conditions or circumstance that may endanger public health.*

**Sec. 24. “Inventory control system” defined. (NRS 453D.200)** *“Inventory control system” has the meaning ascribed to it in NRS 453A.108.*

**Sec. 25. “Label” defined. (NRS 453D.200)** *“Label” means written or printed material affixed or included with an article to furnish identification or other information.*

**Sec. 26. “Letter of approval” defined. (NRS 453D.200)** *“Letter of approval” means a document issued by the Division to an applicant who is under 10 years of age pursuant to NRS 453A.220, which provides that the applicant is exempt from state prosecution for engaging in the medical use of marijuana.*

**Sec. 27. “Locality” defined. (NRS 453D.030)** *“Locality” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 28. “Lot” defined. (NRS 453D.200)** *“Lot” means:*

- 1. The flowers from one or more marijuana plants of the same batch, in a quantity that weighs 5 pounds or less;*
- 2. The leaves or other plant matter from one or more marijuana plants of the same batch, other than full female flowers, in a quantity that weighs 15 pounds or less; or*
- 3. The wet leaves or other plant matter from one or more marijuana plants of the same batch used only for extraction, in a quantity that weighs 125 pounds or less and is weighed within 2 hours of harvest.*

**Sec. 29. “Marijuana” defined. (NRS 453D.030)** *“Marijuana” has the meaning ascribed to it in NRS 453D.030. “Marijuana” does not mean industrial hemp, as defined in NRS 557.040, which is grown or cultivated pursuant to the provisions of chapter 557 of NRS.*

**Sec. 30. “Marijuana cultivation facility” defined. (NRS 453D.030)** *“Marijuana cultivation facility” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 31. “Marijuana distributor” defined. (NRS 453D.030)** *“Marijuana distributor” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 32. “Marijuana establishment” defined. (NRS 453D.030)** *“Marijuana establishment” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 33. “Marijuana establishment agent” defined. (NRS 453D.200)** *“Marijuana establishment agent” means an owner, officer, board member, employee or volunteer of a marijuana establishment, an independent contractor who provides labor relating to the cultivation, processing, or distribution of marijuana or the production of marijuana or*

*marijuana products for a marijuana establishment, or an employee of such an independent contractor.*

**Sec. 34. “Marijuana establishment agent registration card” defined. (NRS 453D.200)**

*“Marijuana establishment agent registration card” means a registration card that is issued by the Department to authorize a person to volunteer or work at a marijuana establishment.*

**Sec. 35. “Marijuana paraphernalia” defined. (NRS 453D.030)** *“Marijuana paraphernalia” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 36. “Marijuana product manufacturing facility” defined. (NRS 453D.030)** *“Marijuana product manufacturing facility” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 37. “Marijuana products” defined. (NRS 453D.030)** *“Marijuana products” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 38. “Marijuana testing facility” defined. (NRS 453D.030)** *“Marijuana testing facility” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 39. “Medical marijuana” defined. (NRS 435D.200)** *“Medical marijuana” means the possession, delivery, production or use of marijuana pursuant to NRS 453A.*

**Sec. 40. “Medical marijuana establishment registration certificate” defined. (NRS 453D.200)** *“Medical marijuana establishment registration certificate” has the meaning ascribed to it in NRS 453A.119.*

**Sec. 41. “Multiple-serving edible marijuana product” defined. (NRS 453D.200)** *“Multiple-serving edible marijuana product” means an edible marijuana product unit for sale to consumers containing more than 10mg of THC and no more than 100mg of THC within a variance of +/- 15%. If the overall edible marijuana product unit for sale to the consumer consists of multiple pieces where each individual piece may contain less than 10mg THC, yet in*

*total all pieces combined within the unit for sale contain more than 10mg of THC, then the edible marijuana product shall be considered a multiple-serving edible marijuana product.*

**Sec. 42. “Packaging” defined. (NRS 453D.200)** *“Packaging” means materials used to wrap or protect goods.*

**Sec. 43. “Pesticide” defined. (NRS 453D.200)** *“Pesticide” has the meaning ascribed to it in NRS 586.195.*

**Sec. 44. “Potential total THC” defined. (NRS 453D.200)** *“Potential total THC” means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of THC.*

**Sec. 45. “Potentially hazardous marijuana products and ingredients” defined. (NRS 453D.200)** *“Potentially hazardous marijuana products and ingredients” has the meaning ascribed to it in section 158 of NAC 453D.*

**Sec. 46. “Premises” defined. (NRS 453D.200)** *“Premises” means:*

- 1. Any temporary or permanent structure, including, without limitation, any building, house, room, apartment, tenement, shed, carport, garage shop, warehouse, store, mill, barn, stable, outhouse or tent; or*
- 2. Any conveyance, including, without limitation, any vessel, boat, vehicle, airplane, glider, house trailer, travel trailer, motor home or railroad car, whether located above ground or underground and whether inhabited or not.*

**Sec. 47. “Process” defined. (NRS 453D.030)** *“Process” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 48. “Production run” defined. (NRS 453D.200)** *“Production run” means:*

1. *For the extraction of concentrated marijuana by a marijuana establishment, the combination of one or more lots used to make the same product in one homogenous mixture produced using the same method which results in not more than 2.2 pounds of concentrated marijuana.*
2. *For the production of marijuana products by a marijuana product manufacturing facility, one homogenous mixture produced at the same time using the same method and which may include a combination of concentrated marijuana and other materials for the production of marijuana products.*

**Sec. 49. “Production run number” defined. (NRS 453D.200)** *“Production run number” means a unique numeric or alphanumeric identifier assigned to a production run by a marijuana product manufacturing facility which accounts for each batch or lot or any concentrated marijuana used in the production run.*

**Sec. 50. “Proficiency testing” defined. (NRS 453D.200)** *“Proficiency testing” means to evaluate a marijuana testing facility’s performance under controlled conditions relative to a given set of criteria through analysis of unknown samples provided by an external source.*

**Sec. 51. “Proficiency testing program” defined. (NRS 453D.200)** *“Proficiency testing program” means the aggregate of providing rigorously controlled and standardized samples to a marijuana testing facility for analysis, reporting of results, statistical evaluation of results and the collective demographics and results summary of all participating laboratories.*

**Sec. 52. “Proficiency testing provider” defined. (NRS 453D.200)** *“Proficiency testing provider” means a person or organization accredited by a proficiency testing provider accreditor to operate a proficiency testing program.*

**Sec. 53. “Proficiency testing provider accreditor” defined. (NRS 453D.200)** *“Proficiency testing provider accreditor” means an ISO/IEC 7011-accredited organization which accredits and monitors the performance of proficiency testing providers.*

**Sec. 54. “Proficiency testing sample” defined. (NRS 435D.200)** *“Proficiency testing sample” means a sample, the composition of which is unknown to the marijuana testing facility and is provided to test whether the marijuana testing facility can produce analytical results within specified acceptance criteria.*

**Sec. 55. “Public place” defined. (NRS 453D.030)** *“Public place” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 56. “Public Transportation” defined. (NRS 453D.200)** *“Public transportation” means buses, trains, taxis, subways and other forms of transportations that charge fares and are available to the public and any fully regulated carriers, brokers of regulated services and operators of tow cars by authority as described in NRS 706.*

**Sec. 57. “Retail marijuana store” defined. (NRS 453D.030)** *“Retail marijuana store” has the meaning ascribed to it in NRS 453D.030.*

**Sec. 58. “Sales price” defined. (NRS 453D.200)**

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. 59. “Sampling protocols” defined. (NRS 435D.200)** *“Sampling protocols” means the sampling procedures specified by the Department which are required to be used to obtain samples of marijuana for quality assurance testing.*

**Sec. 60. “Security equipment” defined. (NRS 453D.200)** *“Security equipment” means a system of video cameras, monitors, recorders, video printers, motion detectors, exterior lighting, electronic monitoring and other ancillary equipment used for establishment surveillance.*

**Sec. 61. “Seed to sale system” defined. (NRS 453D.200)** *“Seed to sale system” means an electronic database that keeps track of data in real time which is accessible by the Department and by licensed marijuana establishments and is used to monitor the chain of custody of marijuana from the point of acquisition or planting to the end consumer.*

**Sec. 62. “Separate operations” defined. (NRS 453D.200)** *“Separate operations” are areas of operations in which component marijuana establishments within a combined marijuana establishment must maintain legal and operational separation from all other component marijuana establishments within the combined marijuana establishment.*

**Sec. 63. “Single serving” defined. (NRS 453D.200)** *“Single serving” means an edible marijuana product unit for sale to consumers containing no more than 10mg of THC.*

**Sec. 64. “Singularly owned, co-located” defined. (NRS 453D.200)** *“Singularly owned, co-located” means marijuana establishments which were issued conditional marijuana establishment licenses to operate as a marijuana cultivation facility, a marijuana product manufacturing facility, a marijuana distributor and/or retail marijuana store located on the same real estate parcel, and with identical ownership parties.*

**Sec. 65. “Surveillance” defined. (NRS 453D.200)** *“Surveillance” means the capability to observe and record activities being conducted outside and inside a licensed marijuana establishment.*

**Sec. 66. “Taxpayer” defined. (NRS 453D.200)** *“Taxpayer” means a:*

- 1. Marijuana cultivation facility; and a*
- 2. Retail marijuana store.*

**Sec. 67. “THC” defined. (NRS 453D.200)** *“THC” means:*

- 1. Delta-9-tetrahydrocannabinol;*
- 2. Delta-8-tetrahydrocannabinol; and*
- 3. The optical isomers of such substances.*

**Sec. 68. “Unreasonably impracticable” defined. (NRS 453D.030)** *“Unreasonably impracticable” has the meaning ascribed to it is NRS 453D.030.*

**Sec. 69. “Usable marijuana” defined. (NRS 453D.200)** *“Usable marijuana” has the meaning ascribed to it in NRS 453A.160.*

## **Licensing of Marijuana Establishments and Registration of Marijuana Establishment**

### **Agents**

**Sec. 70. Persons required to act on behalf of establishment. (NRS 453D.210)**

*1. A marijuana establishment is required pursuant to this chapter or chapter 453D of NRS to provide information, sign documents or ensure actions are taken. A person identified in this subsection shall comply with the requirement on behalf of the marijuana establishment:*

*(a) If a natural person is applying for a marijuana establishment license, the natural person which is filed with the State of Nevada Secretary of State;*

*(b) If a corporation is applying for a marijuana establishment license, a natural person who is an officer of the corporation which is filed with the State of Nevada Secretary of State;*

*(c) If a partnership is applying for a marijuana establishment license, a natural person who is a partner which is filed with the State of Nevada Secretary of State;*

*(d) If a limited-liability company is applying for a marijuana establishment license, a manager or, if the limited-liability company does not have a manager, a natural person who is a member of the limited-liability company which is filed with the State of Nevada Secretary of State;*

- (e) If an association or cooperative is applying for a marijuana establishment license, a natural person who is a member of the governing board of the association or cooperative;*
  - (f) If a joint venture is applying for a marijuana establishment license, a natural person who signed the joint venture agreement; and*
  - (g) If a business organization other than those described in paragraphs (b) to (f), inclusive, is applying for a marijuana establishment license, a natural person who is a member of the business organization.*
- 2. For the purposes of this chapter and chapter 453D of NRS, the following persons must comply with the provisions governing owners, officers and board members of a marijuana establishment:*
- (a) If a corporation is applying for a marijuana establishment license, the officers of the corporation which is filed with the State of Nevada Secretary of State;*
  - (b) If a partnership is applying for a marijuana establishment license, the partners;*
  - (c) If a limited-liability company is applying for a marijuana establishment license, the members of the limited-liability company;*
  - (d) If an association or cooperative is applying for a marijuana establishment license, the members of the association or cooperative;*
  - (e) If a joint venture is applying for a marijuana establishment license, the natural persons who signed the joint venture agreement; and*
  - (f) If a business organization other than those described in paragraphs (a) to (e), inclusive, is applying for a marijuana establishment license, the members of the business organization.*

**Sec. 71. Applicability of requirements of chapter to certain owners of establishments. (NRS 453D.210)**

- 1. Except as otherwise required in subsection 2, the requirements of this chapter concerning owners of marijuana establishments only apply to a person with an aggregate ownership interest of more than 5 percent in a marijuana establishment.*
- 2. If, in the judgment of the Department, the public interest will be served by requiring any owner with an ownership interest 5 percent or less in a marijuana establishment to comply with any provisions of this chapter concerning owners of marijuana establishments, the Department will notify that owner and he or she must comply with those provisions.*

**Sec. 72. Request for applications to operate establishment: Notice; required provisions; time period for submission of applicants. (NRS 453D.210)**

- 1. Once each year, the Department will determine whether a sufficient number of marijuana establishments exist to serve the people of this State and, if the Department determines that additional marijuana establishments are necessary, the Department will issue a request for applications to operate a marijuana establishment. The Department will provide notice of a request for applications to operate a marijuana establishment by:
  - (a) Posting on the Internet website of the Department of Taxation that the Department is requesting applicants to submit their applications;*
  - (b) Posting a copy of the request for applications at the principal office of the Department, the Legislative Building and at not less than three other separate, prominent places within this State; and**

*(c) Making notification of the posting locations using the electronic mailing list maintained by the Department for marijuana establishment information.*

- 2. When the Department issues a request for applications pursuant to this section, the Department will include in the request the point values that will be allocated to each applicable portion of the application.*
- 3. The Department will accept applications in response to a request for applications issued pursuant to this section for not more than 10 business days beginning on the date which is 30 days after the date on which the Department issued the request for applications.*
- 4. If the Department receives an application in response to a request for applications issued pursuant to this section on a date other than the dates set forth in subsection 3, the Department must not consider the application and must return the application to the entity that submitted the application.*

**Sec. 73. Procedures for the issuance of a license to operate a marijuana establishment. Required provisions for current medical marijuana establishment registration certificate holders applying for the same license type. (NRS 453D.210)**

- 1. Prior to November 15, 2018, a medical marijuana establishment that has received a final medical marijuana establishment certificate as of January 1, 2018, may apply for a marijuana establishment license of the same type of medical marijuana registration certificate it holds.*
- 2. The application must be submitted by the same entity that holds the medical marijuana establishment certificate and must be on a form prescribed by the Department pursuant to NRS 453D.210 and must include, without limitation:*
  - (a) A one-time, nonrefundable application fee of \$5,000 plus a license fee of:*

- (1) \$20,000 for a Retail Marijuana Store;*
  - (2) \$30,000 for a Marijuana Cultivation Facility;*
  - (3) \$10,000 for a Marijuana Product Manufacturing Facility;*
  - (4) \$15,000 for a Marijuana Testing Facility; or*
  - (5) \$15,000 for a Marijuana Distributor.*
- (b) That the applicant is applying for a marijuana establishment license;*
  - (c) The type of marijuana establishment license for which the applicant is applying;*
  - (d) The name of the marijuana establishment, as reflected on the registration certificate issued pursuant to NRS 453A and in the articles of incorporation or other documents filed with the Secretary of State;*
  - (e) The physical address where the marijuana establishment will be located and the physical address of any co-owned or otherwise affiliated marijuana establishments;*
  - (f) The mailing address of the applicant;*
  - (g) The telephone number of the applicant;*
  - (h) The electronic mail address of the applicant;*
  - (i) A signed copy of the Request and Consent to Release Application Form for Marijuana License;*
  - (j) An attestation that the information provided to the Department to apply for the marijuana establishment license is true and correct according to the information known by the affiant at the time of signing;*
  - (k) The signature of a natural person as described in section 70 in NAC 453D for the proposed marijuana establishment and the date on which the person signed the application; and*

- (l) Any other information that the Department may require.*
3. *Upon receipt of the application by the Department, the Department shall approve the issuance of a marijuana establishment license if:*
- (a) The applicant holds the same or similar registration certificate type under NRS 453A for which it is applying or is applying for a marijuana distributor license; and*
- (b) The locality in which the proposed marijuana establishment will be located does not affirm to the Department that the proposed marijuana establishment will be in violation of zoning or land use rules adopted by the locality.*
4. *If the marijuana establishment license is not approved, the license fee will be refunded by the Department.*

**Sec. 74. Applications to operate establishments: Required provisions. (NRS 453D.210)**

1. *Prior to November 15, 2018, a medical marijuana establishment that has received a final medical marijuana establishment certificate as of January 1, 2018, may apply for:*
- (a) Additional marijuana establishment licenses of the same type of medical marijuana registration certificate it holds; and*
- (b) Different license types than the type of medical marijuana registration certificate it holds.*
2. *After November 15, 2018, new applicants may apply for marijuana establishment licenses.*
3. *The applications must be submitted in response to a request for applications issued pursuant to NRS 453D.210 and must include:*
- (a) A one-time, non-refundable application fee of \$5,000;*

- (b) An application on a form prescribed by the Department pursuant to section 5, subsection (a) of NRS 453D.210. The application must include, without limitation:*
- (1) Whether the applicant is applying for a marijuana establishment license for a marijuana testing facility, a marijuana cultivation facility, a marijuana product manufacturing facility, a marijuana distributor or a retail marijuana store;*
  - (2) The name of the proposed marijuana establishment, as reflected in the articles of incorporation or other documents filed with the Secretary of State;*
  - (3) The type of business organization of the applicant, such as individual, corporation, partnership, limited-liability company, association or cooperative, joint venture or any other business organization;*
  - (4) Confirmation that the applicant has registered with the Secretary of State as the appropriate type of business, and the articles of incorporation, articles of organization or partnership or joint venture documents of the applicant;*
  - (5) The physical address where the proposed marijuana establishment will be located and the physical address of any co-owned or otherwise affiliated marijuana establishments;*
  - (6) The mailing address of the applicant;*
  - (7) The telephone number of the applicant;*
  - (8) The electronic mail address of the applicant;*
  - (9) A signed copy of the Request and Consent to Release Application Form for Marijuana License;*

- (10) *If the applicant is applying for a marijuana establishment license to operate a retail marijuana store, the proposed hours of operation during which the retail marijuana store plans to be available to sell marijuana to consumers;*
  - (11) *An attestation that the information provided to the Department to apply for the marijuana establishment license is true and correct according to the information known by the affiant at the time of signing; and*
  - (12) *The signature of a natural person for the proposed marijuana establishment as described in section 70 in NAC 453D, and the date on which the person signed the application;*
- (c) *Evidence of the amount of taxes paid to, or other beneficial financial contributions made to, this State or its political subdivisions within the last 5 years by the applicant or the persons who are proposed to be owners, officers or board members of the proposed marijuana establishment.*
- (d) *A description of the proposed organizational structure of the proposed marijuana establishment, including, without limitation:*
- (1) *An organizational chart showing all owners, officers and board members of the proposed marijuana establishment;*
  - (2) *A list of all owners, officers and board members of the proposed marijuana establishment that contains the following information for each person:*
    - (I) *The title of the person;*
    - (II) *The race, ethnicity and gender of the person;*
    - (III) *A short description of the role the person will serve in for the organization and his or her responsibilities;*

*(IV) Whether the person will be designated to provide written notice to the Department when a marijuana establishment agent has been employed by or has a contract to provide services for the marijuana establishment; volunteers at or on behalf of the marijuana establishment; or contracts to provide labor at or be employed by an independent contractor to provide labor at a marijuana establishment;*

*(V) Whether the person has served or is currently serving as an owner, officer or board member for another medical marijuana establishment or marijuana establishment;*

*(VI) Whether the person has served as an owner, officer or board member for a marijuana establishment that has had its marijuana establishment registration certificate or marijuana license revoked;*

*(VII) Whether the person has previously had a marijuana establishment agent registration card revoked;*

*(VIII) Whether the person is an attending physician currently providing written documentation for the issuance of medical marijuana registry identification cards or letters of approval;*

*(IX) Whether the person is a law enforcement officer;*

*(X) Whether the person is currently an employee or contractor of the Department;*  
*and*

*(XI) Whether the person has an ownership or financial investment interest in any other marijuana establishment.*

*(e) For each owner, officer and board member of the proposed marijuana establishment:*

- (1) An attestation signed and dated by the owner, officer or board member that he or she has not been convicted of an excluded felony offense, and that the information provided to support the application to operate a marijuana establishment is true and correct;*
- (2) A narrative description, not to exceed 750 words, demonstrating:*
- (I) Past experience working with governmental agencies and highlighting giving back to the community through their civic and/or philanthropic involvement;*
  - (II) Any previous experience at operating other businesses or nonprofit organizations; and*
  - (III) Any demonstrated knowledge, business experience or expertise with respect to marijuana.*
- (3) A resume.*
- (f) Documentation concerning the size of the proposed marijuana establishment including, without limitation, building and general floor and building plans with supporting details.*
- (g) The integrated plan of the proposed marijuana establishment for the care, quality and safekeeping of marijuana from seed to sale, including, without limitation, a plan for testing and verifying marijuana, a transportation and/or delivery plan and procedures to ensure adequate security measures, including, without limitation, building security and product security.*
- (h) A plan for the business which includes, without limitation, a description of the inventory control system of the proposed marijuana establishment to satisfy the requirements of NRS 453D.300 and section 105 of this regulation.*

- (i) A financial plan which includes, without limitation:*
- (1) Financial statements showing the resources of the applicant;*
  - (2) If the applicant is relying on money from an owner, officer or board member, evidence that the person has unconditionally committed such money to the use of the applicant in the event the Department awards a marijuana establishment license to the applicant and the applicant obtains the necessary approvals from the locality to operate the proposed marijuana establishment; and*
  - (3) Proof that the applicant has adequate money to cover all expenses and costs of the first year of operation.*
- (j) Evidence that the applicant has a plan to staff, educate and manage the proposed marijuana establishment on a daily basis, which must include, without limitation:*
- (1) A detailed budget for the proposed marijuana establishment, including preopening, construction and first year operating expenses;*
  - (2) An operations manual that demonstrates compliance with this chapter;*
  - (3) An education plan which must include, without limitation, providing educational materials to the staff of the proposed marijuana establishment; and*
  - (4) A plan to minimize the environmental impact of the proposed marijuana establishment.*
- (k) Prior to November 15, 2018, if the applicant is applying for a distributor license, confirmation that the applicant is:*
- (1) A person holding a liquor wholesaler dealer license pursuant to NRS 369, unless the Department determines or has determined that an insufficient number of marijuana distributors will result from this limitation;*

*(I) Person has the meaning ascribed to it in NRS 0.039; and*

*(II) The person holding the wholesaler liquor dealer license must be the person applying for the marijuana distributor license.*

*(l) A response to and information which supports any other criteria of merit the Department determines to be relevant, which will be specified and requested by the Department at the time the Department issues a request for applications which includes the point values that will be allocated to the applicable portions of the application pursuant to section 76 of NAC 453D.*

**Sec. 75. Requirements for measuring distance between proposed establishment and school or community facility. (NRS 453D.210)**

*For the purposes of section 5, subsection (c) of NRS 453D, the distance must be measured from the front door of the proposed marijuana establishment to the closest point of the property line of a school or community facility.*

**Sec. 76. Licensing of establishments: Ranking of applicants. (NRS 453D.210)**

*1. If the Department receives more than one application for a retail marijuana store in response to a request for applications made pursuant to NAC 453D.210 and the Department determines that more than one of the applications is complete and in compliance with this chapter and chapter 453D of NRS, the Department will rank the applications, within each applicable locality for any applicants which are in a jurisdiction that limits the number of retail marijuana stores in order from first to last based on compliance with the provisions of this chapter and chapter 453D of NRS and on the content of the applications as it relates to:*

- (a) Whether the owners, officers, and/or board members have experience operating another kind of business(s) that has given them applicable experience to running a marijuana establishment;*
- (b) The diversity of the owners, officers, and/or board members;*
- (c) The educational achievements of the persons who are proposed to be owners, officers or board members of the proposed marijuana establishment;*
- (d) The financial plan and resources of the applicant, both liquid and illiquid;*
- (e) Whether the applicant has an integrated plan for the care, quality and safekeeping of marijuana from seed to sale;*
- (f) The amount of taxes paid to, or other beneficial financial contributions, including giving back to the community through their civic and/or philanthropic involvement, 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 marijuana establishment;*
- (g) Whether the owners, officers and/or board members have direct experience with a Nevada medical and/or retail marijuana establishment and have demonstrated a track record of operating that establishment in a manner that complies with the requirements of the applicable State regulatory authority overseeing such establishments;*
- (h) A demonstration of an adequate period of performance of other marijuana establishments upon which the Department could base a conclusion as to the effectiveness of the existing operations of the establishment;*

- (i) The experience of key personnel to operate the license type in which the applicant is applying; and*
  - (j) Any other criteria of merit that the Department determines to be relevant.*
- 2. Localities will be given the responsibility to affirm applicant location(s) based on requirements within the respective jurisdiction.*
  - (a) The Department will not require zoning approval to be submitted in the marijuana establishment application. If an applicant does have zoning and land use approval and chooses to include it their application, no extra points or merit will be awarded for it being included.*
  - (b) The Department will pass each ranked marijuana establishment conditional license awarded on to the applicable locality, based on the maximum number of retail marijuana establishments allowed for the locality.*
  - (c) Each applicant that receives a conditional license from the Department will be required to secure locality approval for zoning and land use. If an applicant needs to pursue an alternative location because the original location was denied local approval, the alternative location must be similar in scope with respect to building size, operation, and systems. Licenses will remain conditional until all local requirements have been met.*
  - (d) The Department shall approve a license application if the locality in which the proposed marijuana establishment will be located does not affirm to the Department that the proposed marijuana establishment will be in violation of zoning or land use rules adopted by the locality.*

*(e) Upon request of a county government, the Department may issue retail marijuana store licenses in that county in addition to the number otherwise allowed pursuant to this paragraph.*

*(f) Retail marijuana store licenses allocated to the counties pursuant to section (5), subsection (d) of NRS 453D.210 are to be distributed to the localities within those counties proportionally based on the population in the jurisdiction(s).*

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

*(a) One retail marijuana store license; or*

*(b) More than 10 percent of the retail store licenses allocable in the county or within the municipality located within that county.*

*4. If the Department receives any findings from a report concerning the criminal history of an applicant or person who is proposed to be an owner, officer or board member of a proposed marijuana establishment that disqualify that person from being qualified to serve in that capacity, the Department will provide notice to the applicant and give the applicant an opportunity to revise its application. If a person who is disqualified from serving as an owner, officer or board member remains on the application as a proposed owner, officer or board member 90 days after the date on which the Department initially received the application, the Department may disqualify the application.*

**Sec. 77. Licensing of establishments: Issuance of conditional licenses to multiple applicants.**

**(NRS 453D.210)**

1. *Except as otherwise provided in this section, the Department will issue conditional marijuana establishment licenses for retail marijuana stores in accordance with NRS 453D.210 and section 76 of NAC 453D to the highest ranked applicants until the Department has issued the number of retail marijuana store licenses designated by the Department.*
2. *If two or more applicants have the same total number of points for the last application being awarded a conditional retail marijuana store license, the Department will select the applicant which has scored the highest number of points as it relates to the proposed organizational structure of the proposed marijuana establishment and the information concerning each owner, officer and board member of the proposed marijuana establishment, including, without limitation, the information provided pursuant to section 74 of NAC 453D.*

**Sec. 78. Licensing of establishments: Issuance of conditional license if only one application received. (NRS 453D.210)**

*If, within 10 business days after the date on which the Department begins accepting applications in response to a request for applications issued pursuant to NAC 453D.210, the Department receives only one application from an applicant:*

1. *In a specific locality which limits the number of a type of marijuana establishment to one;*  
*or*
2. *Statewide, if the applicant is in a jurisdiction which does not limit the number of a type of marijuana establishment, and the Department determines that the application is complete and in compliance with this chapter and chapter 453D of NRS, the Department will issue*

*a conditional marijuana establishment license to that applicant in accordance with NRS 453D.210 and section 80 of NAC 453D.*

3. *Upon the issuance of a conditional marijuana establishment license, the applicant will be required to pay the license fee as described in Sec 79 of NAC 453D.*

**Sec. 79. Licensing of establishments: Issuance of conditional licenses: Generally. (NRS 453D.230)**

1. *Upon the issuance of a conditional marijuana establishment license, the applicant will be required to pay, within 10 days, the license fee of:*
  - (a) *\$20,000 for a Retail Marijuana Store;*
  - (b) *\$30,000 for a Marijuana Cultivation Facility;*
  - (c) *\$10,000 for a Marijuana Product Manufacturing Facility;*
  - (d) *\$15,000 for a Marijuana Testing Facility; or*
  - (e) *\$15,000 for a Marijuana Distributor.*
2. *If the applicant fails to pay within 10 days, the conditional license will be withdrawn.*

**Sec. 80. Licensing of establishments: When operations may commence. (NRS 453D.200)**

1. *Except as otherwise provided in subsection 2, the issuance of a marijuana establishment license by the Department is conditional and not an approval to begin operations as a marijuana establishment until such time as:*
  - (a) *The marijuana establishment is in compliance with all applicable ordinances and rules of a locality; and*
  - (b) *The locality has issued a business license, or otherwise approved the applicant, for the operation of the marijuana establishment.*

2. *If the locality in which a marijuana establishment is located does not issue business licenses and does not approve or disapprove marijuana establishments in its jurisdiction, a marijuana establishment license becomes an approval to begin operations as a marijuana establishment when the marijuana establishment is in compliance with all applicable ordinances and rules of the locality.*
3. *The Department will not issue a marijuana establishment license until the Department completes an inspection of the marijuana establishment.*

**Sec. 81. Licensing of establishments: Notice if license not issued. (NRS 453D.210)**

*If the Department does not issue a conditional marijuana establishment license to an applicant to operate a marijuana establishment, the Department must provide written notice to the applicant stating that the Department did not issue a conditional marijuana establishment license to the applicant as a result of the provisions of sections 76 and 77 of NAC 453D.*

**Sec. 82. Health and safety inspections of establishments. (NRS 453D.300)**

1. *The Department may, at any time it determines an inspection is needed, conduct an investigation into the premises, facilities, qualifications of personnel, methods of operation, policies and purposes of any marijuana establishment and of any person proposing to engage in the operation of a marijuana establishment. An inspection of a facility may include, without limitation, investigation of standards for safety from fire on behalf of the Department by the local fire protection agency. If a local fire protection agency is not available, the State Fire Marshal may conduct the inspection after the marijuana establishment pays the appropriate fee to the State Fire Marshal for such inspection.*

2. *The Department will not issue a marijuana establishment license until the Department completes an inspection of the marijuana establishment. Such an inspection may require more than one visit to the marijuana establishment.*
3. *The Department may conduct preliminary walk-throughs of marijuana establishments, subject to the availability of inspectors, upon request to assist with questions and identify issues for correction prior to the pre-opening inspection.*
  - (a) *Marijuana establishments must have completed all construction, and be near completion of all other state requirements;*
  - (b) *If the inspection team commits to a preliminary walk-through, the marijuana establishment will be invoiced for the travel time and inspection time of the inspection team.*
4. *In addition to complying with the provisions of chapter 372A of NRS and chapter 372A of NAC, SB 487 and NRS 453D governing the imposition of an excise tax on marijuana establishments, a marijuana establishment may not operate until it has been issued a marijuana establishment license from the Department.*
5. *The Department will not issue a marijuana establishment license until it has received a satisfactory report of full compliance with and completion of all applicable public safety inspections required by state and localities, including, without limitation, fire, building, health and air quality inspections, except as otherwise provided in section 83 of NAC 453D.*

**Sec. 83. Inspections of establishments: Investigative powers and duties of the Department.  
(NRS 453D.300)**

1. *Submission of an application for a marijuana establishment license constitutes permission for entry to and reasonable inspection of the marijuana establishment by the Department, with or without notice. An inspector conducting an inspection pursuant to this section does not need to be accompanied during the inspection.*
2. *The Department may, upon receipt of a complaint against a marijuana establishment, except for a complaint concerning the cost of services, a complaint concerning the efficacy of marijuana or a complaint related to customer service issues, conduct an investigation during the operating hours of the marijuana establishment, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation, policies, procedures and records of that marijuana establishment or any other marijuana establishment which may have information pertinent to the complaint.*
3. *The Department shall administer the provisions of this chapter for the protection of the public and in the public interest in accordance with the policy of the State.*
4. *The Department may enter and inspect any building or premises at any time, with or without notice, to:*
  - (a) Secure compliance with any provision of this chapter or chapter 453D of NRS;*
  - (b) Prevent a violation of any provision of this chapter or chapter 453D of NRS; or*
  - (c) Conduct an unannounced inspection of a marijuana establishment in response to an allegation of noncompliance with this chapter or chapter 453D of NRS.*
5. *The Department and their agents may:*
  - (a) Inspect and examine all premises wherein marijuana is manufactured, sold or distributed;*
  - (b) Inspect all equipment and supplies in, upon or about such premises;*

- (c) Summarily seize and remove from such premises and impound any equipment, supplies, documents or records for the purpose of examination and inspection;*
  - (d) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any applicant or licensee, on his or her premises, or elsewhere as practicable, and in the presence of the applicant or licensee, or his or her agent, respecting the gross income produced by any marijuana establishment business, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of this chapter; and*
  - (e) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any affiliate of a licensee whom the Department knows or reasonably suspects is involved in the financing, operation or management of the licensee. The inspection, examination, photocopying and audit may take place on the affiliate's premises or elsewhere as practicable, and in the presence of the affiliate or its agent.*
- 6. The Department will enter and inspect at least annually, with or without notice, each building or the premises of a marijuana establishment to ensure compliance with the provisions of this chapter or chapter 453D of NRS. Nothing in this subsection shall prohibit appropriate local administrative authorities from conducting inspections of marijuana establishment operations and facilities as provided by local government ordinance.*
- 7. For the purposes of inspection for a dual licensee, both the medical and retail marijuana establishments shall be inspected by the Department at the same time by the same inspection team to ensure consistency and efficiencies between the Department and marijuana operations, and not be unduly burdensome for the marijuana establishment.*

*8. The Department will enter and inspect, with or without notice, any building or premises operated by a marijuana establishment within 72 hours after the Department is notified that the marijuana establishment is operating without a marijuana establishment license.*

**Sec. 84. Marijuana establishment licenses: Surrender if establishment not fully operational within 12 months. (NRS 453D.200)**

- 1. If the marijuana establishment has not received the final inspection within 12 months from the date the Department issued the conditional license, the applicant will surrender the conditional license to the Department. The Department may extend the 12 months due to extenuating circumstances at the discretion of the Department.*
- 2. If the conditional license of a marijuana establishment pursuant to this subsection is surrendered, the applicable fee paid by the establishment is not refundable.*

**Sec. 85. Marijuana establishment licenses: Requirements for surrender upon closing. (NRS 453D.200)**

*If a marijuana establishment is closing, the name of the person designated in subsection (a) – (g) of section 70 of NAC 453D of the marijuana establishment must notify the Department of the closing at least 15 days before the marijuana establishment is closed and the marijuana establishment must surrender its marijuana establishment license to the Department immediately upon closing.*

**Sec. 86. Marijuana establishment licenses: Requirements for renewal. (NRS 453D.220)**

*A person or entity that wishes to renew a marijuana establishment license must submit to the Department annually:*

- 1. Payment of the renewal fee;*
- 2. An application in the format prescribed by the Department that includes:*

- (a) The identification number of the marijuana establishment;*
- (b) The name of the entity applying to renew the marijuana establishment license, as reflected in the articles of incorporation or other documents filed with the Secretary of State;*
- (c) The name of the person designated to provide written notice to the Department when a marijuana establishment agent has been employed by or has a contract to provide services for the marijuana establishment; volunteers at or on behalf of the marijuana establishment; or contracts to provide labor at or be employed by an independent contractor to provide labor at a marijuana establishment;*
- (d) A list and description of any previously unreported to the Department:
  - (1) Convictions of an excluded felony offense by an owner, officer or board member;*
  - (2) Rendering of a civil penalty or judgement against an owner, officer, board member of the establishment; and*
  - (3) Initiation of a government investigation or proceeding of an applicant, owner, officer or board member of the establishment.**
- (e) If the marijuana establishment is a retail marijuana store, the proposed hours of operation during which the retail marijuana store plans to be available to sell marijuana to consumers;*
- (f) The number of the marijuana establishment agent registration cards issued to each owner, officer or board member of the marijuana establishment;*
- (g) For each owner, officer and board member of the marijuana establishment, whether the owner, officer or board member:*

- (1) Has served as an owner, officer or board member for a marijuana establishment that has had its marijuana establishment license revoked;*
  - (2) Is an attending physician currently providing written documentation for the issuance of registry identification cards or letters of approval;*
  - (3) Is a law enforcement officer;*
  - (4) Is an employee or contractor of the Department; or*
  - (5) Has an ownership or financial investment interest in any other marijuana establishment;*
  - (h) An attestation that the information provided to the Department to renew the marijuana establishment license is true and correct according to the information known by the affiant at the time of signing; and*
  - (i) The signature of a natural person for the marijuana establishment as described in subsection (a) – (g) of section 70 of NAC 453D and the date on which he or she signed the application.*
- 3. The fingerprints and background check of each person who is an owner, officer of board member of a marijuana establishment, which will only be required to be submitted for renewal:*
- (a) If such a person holds 5 percent or less of the ownership interest in any one marijuana establishment or an ownership interest in more than one marijuana establishment of the same type that, when added together, equals 5 percent or less, once in any 5-year period; or*
  - (b) If such a person holds more than 5 percent of the ownership interest in any one marijuana establishment or an ownership interest in more than one marijuana*

*establishment of the same type that, when added together, equals more than 5 percent, or is an officer or board member of a marijuana establishment, once in any 3-year period.*

- 4. If the marijuana establishment is a marijuana testing facility, submission of proof that the marijuana testing facility is accredited pursuant to standard ISO/IEC 17025 of the International Organization of Standardization.*

**Sec. 87. Marijuana establishment licenses: Suspension for operational deficiencies; plan of correction. (NRS 453D.200)**

- 1. If the Department determines that there are any deficiencies in the operation of a marijuana establishment or in the provision of services by a marijuana establishment, the Department may suspend its marijuana establishment license and request a written plan of correction from the marijuana establishment.*
- 2. A marijuana establishment whose marijuana establishment license has been suspended pursuant to subsection 1 shall develop a plan of correction for each deficiency and submit the plan to the Department for approval within 10 business days after receipt of the statement of deficiencies. The plan of correction must include specific requirements for corrective action, which must include times within which the deficiencies are to be corrected.*
- 3. If the plan submitted pursuant to subsection 2 is not acceptable to the Department, the Department may direct the marijuana establishment to resubmit a plan of correction or the Department may develop a directed plan of correction with which the marijuana establishment must comply.*

**Sec. 88. Marijuana establishment licenses: Grounds for denial, suspension or revocation; notice. (NRS 453D.200)**

1. *The Department will deny an application for or an application to renew a marijuana establishment license if:*
  - (a) *The application or the marijuana establishment is not in compliance with any provision of this chapter or chapter 453D of NRS; or*
  - (b) *An owner, officer or board member of the marijuana establishment:*
    - (1) *Is an employee or contractor of the Department;*
    - (2) *Has an ownership or financial investment interest in a marijuana testing facility and also is an owner, officer or board member of a retail marijuana store, marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor; or*
    - (3) *Provides false or misleading information to the Department.*
2. *The Department may revoke a marijuana establishment license if:*
  - (a) *The marijuana establishment engages in a category I violation in section 117 of NAC 453D;*
  - (b) *An owner, officer or board member of the establishment has been convicted of an excluded felony offense; or*
  - (c) *The Department receives formal notice from the applicable locality that the marijuana establishment has had its authorization to operate terminated.*
3. *The Department may deny an application for or an application to renew a marijuana establishment license or may suspend or revoke any marijuana establishment license*

*issued under the provisions of this chapter and chapter 453D of NRS upon any of the following grounds:*

- (a) Violation by the applicant or the marijuana establishment of any of the provisions of this chapter or chapter 453A and 453D of NRS;*
  - (b) The failure or refusal of an applicant or marijuana establishment to comply with any of the provisions of this chapter or chapter 453A and 453D of NRS;*
  - (c) The failure or refusal of a marijuana establishment to carry out the policies and procedures or comply with the statements provided to the Department in the application of the marijuana establishment;*
  - (d) Operating a marijuana establishment without a marijuana establishment license;*
  - (e) The failure or refusal to return an adequate plan of correction to the Department within 10 business days after receipt of a statement of deficiencies pursuant to section 87 of NAC 453D;*
  - (f) The failure or refusal to correct any deficiency specified by the Department within the period specified in a plan of correction developed pursuant to section 87 of NAC 453D;*
  - (g) The failure or refusal to cooperate fully with an investigation or inspection by the Department; or*
  - (h) The failure to comply with the provisions of chapter 372A of NRS and chapter 372A of NAC, SB 487 and NRS 453D governing the imposition of an excise tax on marijuana establishments.*
- 4. If the Department denies an application for or an application to renew a marijuana establishment license or revokes a marijuana establishment license, the Department must*

*provide notice to the applicant or marijuana establishment that includes, without limitation, the specific reasons for the denial, suspension or revocation.*

- 5. Before denying an application for or an application to renew a marijuana establishment license or revoking a marijuana establishment license as a result of the actions of an owner, officer or board member of the marijuana establishment pursuant to paragraph (b) of subsection 1 or paragraph (b) of subsection 2, the Department may provide the marijuana establishment with an opportunity to correct the situation.*
- 6. The Department will not deny an application to renew a marijuana establishment license or revoke a marijuana establishment license based on a change in ownership of the marijuana establishment if the marijuana establishment is in compliance with the provisions of this chapter and chapter 453D of NRS.*

**Sec. 89. Ownership change. (NRS 453D.200)**

- 1. A marijuana establishment may transfer all or any portion of its ownership to another party, upon submission of a statement signed by a person authorized to submit such a statement by the governing documents of the marijuana establishment, and the Department shall transfer the marijuana establishment license issued to the establishment to the party acquiring ownership, if the party who will acquire the ownership of the marijuana establishment submits:
  - (a) If the party will acquire the entirety of the ownership interest in the marijuana establishment, evidence satisfactory to the Department that the party has complied with the provisions of NRS 453D.300 for the purpose of operating the marijuana establishment;**

*(b) For the party and each person who is proposed to be an owner, officer or board member of the proposed 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 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; and*

*(c) Proof satisfactory to the 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 marijuana establishment license or more than 10 percent of the marijuana establishment licenses allocated to the county or within the municipality located within that county, whichever is greater.*

*2. A marijuana establishment will be responsible to the Department for all costs incurred by the Department to determine whether any changes in ownership or other changes were made to circumvent the provisions of this section which prevent the transfer of a marijuana establishment license.*

*3. No person shall sell, purchase, assign, lease, grant or foreclose a security interest, or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatsoever in or to any registered marijuana establishment (final license holder or conditional license holder), or any portions thereof, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any registered marijuana establishment or any portion thereof, except in accordance with law, regulation, and this policy. It is the policy of the Department that intention to transfer ownership interest, in any amount greater than zero (0) percent shall cause the owners,*

*operators and/or board members of any registered marijuana establishment to notify the Department on a form prescribed by the Department.*

- 4. If a person who is the owner of an interest in a registered marijuana establishment proposes to transfer any portion of his interest to a person who is not then the listed owner of an interest in a registered marijuana establishment, no such transfer shall become effective for any purpose until the proposed transferee or transferees have made notification to the Department, and have been found to be individually qualified. Notification shall be made on a form prescribed by the Department.*
- 5. No person shall transfer or convey in any manner whatsoever any interest in or to any registered marijuana establishment or any portion thereof, or permit any investment therein or participation in the profits thereof, by any person acting as agent, trustee or in any other representative capacity for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the Department. This disclosure should include a description of the reason for transfer and legal contracts or agreements detailing the ownership transaction signed by respective parties.*
- 6. No marijuana establishment registrant, or officer, director or transfer agent thereof, shall cause or permit any stock certificate or other evidence of beneficial interest therein to be registered in its books or records in the name of any nominee, agent, trustee or any other person other than the true and lawful owner of the beneficial interest therein without written permission of the Department to do so.*
- 7. All time and effort for reviewing and investigating any notification of an ownership change shall be billed to the marijuana establishment requesting the ownership change, pursuant to section 99, subsection (4) of NAC 453D.*

8. No transferee may wholly be listed as a corporation, trust, or any other entity; rather, ownership interest in such entities must be broken down to marijuana establishment percentage interest owned by natural persons.

(a) The following table illustrates specific scenarios and required documentation:

| <i>Ownership change / transfer scenario</i>  | <i>Applicable License Type</i> | <i>Document Requirements</i>   | <i>Transfer of Ownership % Allowable</i> |
|--|--------------------------------|--|--|
| <i>Internal Transfer to already vetted natural persons within existing marijuana establishment ownership</i>   | <i>Conditional and Final</i>   | <ul style="list-style-type: none"> <li>• <i>Transfer of Interest Form</i></li> <li>• <i>Legal contracts or agreements detailing the ownership transaction</i></li> <li>• <i>Proof satisfactory that no monopoly will be created</i></li> </ul>   | <i>100%</i>                              |
| <i>External Transfer to already vetted natural persons (through a separate marijuana establishment) acquiring ownership individually or as part of an entity (e.g., Limited Liability Corporation, S Corporation, C Corporation)</i> | <i>Conditional and Final</i>   | <ul style="list-style-type: none"> <li>• <i>Transfer of Interest Form</i></li> <li>• <i>Legal contracts or agreements detailing the ownership transaction</i></li> <li>• <i>Identification of marijuana establishment within which proposed transferees maintain existing ownership</i></li> <li>• <i>Organization chart</i></li> <li>• <i>Updated Secretary of State paperwork (if applicable)</i></li> <li>• <i>Fictitious firm name DBA paperwork (if applicable)</i></li> <li>• <i>Shares issued in total and per owner (if applicable)</i></li> <li>• <i>Locality business license (if applicable)</i></li> <li>• <i>Proof satisfactory that no monopoly will be created</i></li> <li>• </li> </ul> | <i>100%</i>                              |
| <i>External Transfer to non-vetted natural</i>   | <i>Conditional and Final</i>   | <ul style="list-style-type: none"> <li>• <i>Transfer of Interest Form</i></li> <li>• <i>Fingerprints</i></li> <li>• <i>Background Check DPS</i></li> <li>• <i>Evidence new owner has been entered into</i></li> </ul>  | <i>100%</i>                              |

|  |  |  |  |
|--|--|--|--|
| <p><i>person(s) acquiring ownership individually or as part of an entity (e.g., Limited Liability Corporation, S Corporation, and C Corporation)</i></p> |  | <p><i>the Agent Card Application Portal</i></p> <ul style="list-style-type: none"> <li>• <i>Organization chart</i></li> <li>• <i>Updated Secretary of State paperwork (if applicable)</i></li> <li>• <i>Fictitious firm name DBA paperwork (if applicable)</i></li> <li>• <i>Shares issued in total and per owner (if applicable)</i></li> <li>• <i>Locality business license (if applicable)</i></li> <li>• <i>Proof satisfactory that no monopoly will be created</i></li> <li>• <i>Legal contracts or agreements detailing the ownership transaction</i></li> </ul> |  |
|--|--|--|--|

9. Pursuant to NRS 453D.200, if the transfer of interest request is for a marijuana establishment holding a conditional license, a signed and notarized attestation, signed by a person authorized to submit such a statement by the governing documents of the marijuana establishment, must be included in the request. The attestation must declare that the marijuana establishment will be built and operated at standards that meet or exceed the application criteria for the original marijuana establishment.

10. A marijuana establishment registrant who wishes to reassign any ownership shares greater than 0% in its marijuana establishment to any individuals who are currently listed among the ownership of any registered marijuana establishment will submit all required documentation as prescribed in the table above to the Department.

(a) The Department will conduct such investigation of the proposed new ownership list as it deems necessary;

(b) After review of the registered marijuana establishment’s notice of transfer of interest form, the Department reserves the right to request additional information, as it determines necessary to complete the review;

*(c) The Department will respond in writing to the marijuana establishment registrant advising that it has duly recorded the new ownership of the registered marijuana establishment; and*

*(d) The Department will update the marijuana establishment's registrant's file and advise the locality of the ownership change.*

*11. A marijuana establishment registrant who wishes to reassign any ownership shares greater than 0% in its marijuana establishment to include any individual or party who is not currently listed among the ownership of any registered marijuana establishment will submit all required documentation as prescribed in the table above to the Department.*

*(a) The Department requires any individual or individuals who are prospective marijuana establishment owners to submit a notice of transfer of interest form and:*

*(1) A completed agent fingerprint submission form, annotated and signed by the technician who took the fingerprints at the fingerprinting facility. Note: Fingerprints are to be submitted electronically to the Nevada Department of Public Safety (DPS). A list of facilities which participate in the electronic fingerprint program is at <http://gsd.nv.gov/feesforms/fingerprints>; or*

*(2) If a prospective owner is unable to comply with the requirement to submit his/her fingerprints to DPS electronically, contact the Department for specific directions for making a fingerprint card submission. DPS background check fees can be viewed at <http://gsd.nv.gov/feesforms/fingerprints>.*

*(b) The Department will respond in writing to the marijuana establishment registrant requesting the ownership change if the prospective owners have been found to be*

*unqualified pursuant to NRS 453D, NAC 453D, or any other pertinent statute or regulation.*

*(c) If the ownership change does not violate NRS 453D, NAC 453D or any other pertinent statute or regulation, the Department will advise the marijuana establishment registrant that it has duly recorded the new ownership of the registered marijuana establishment.*

*(d) The Department will update the marijuana establishment registrant's file and advise the locality of the ownership change.*

**Sec. 90. Score Review. (NRS 453D.210)**

*1. The Department will provide retail marijuana store applicants who inquire with application scores.*

*2. Applicants wishing categorical breakdowns of their scores may schedule an in-person meeting.*

*(a) The Contact Person, Owner, Officer and/or Board Member may schedule and attend;*

*(b) Only designated staff persons can conduct this meeting; and*

*(c) The Department representative will ensure the legitimacy of the company representative to view the scoring information, including but not limited to, making a copy of their identification card.*

*3. During the meeting:*

*(a) The company representative will be provided the average score for each category of their application(s), and the total overall score(s);*

- (b) A copy of the marijuana establishment application will be provided to the company representative so they can compare the score with the maximum score available for that category;*
- (c) The company representative can make notes of the scoring information provided. No photocopies, scan, recordings, or photographs can be made of the information provided;*
- (d) Department staff will not discuss nor comment on the scores provided, nor discuss or comment on the Department's review process;*
- (e) No information will be provided on any other marijuana establishment application not associated with the company representative;*
- (f) The meeting will be scheduled for up to but no longer than 30 minutes; and*
- (g) A copy of the following documents will be maintained in the establishment hard copy file, and electronically: a copy of the establishment scoring information, copies of ID cards, and a copy of the MS Outlook appointment information.*

**Sec. 91. Registration cards: Information required to obtain or renew. (NRS 453D.300)**

- 1. To obtain or renew a marijuana establishment agent registration card pursuant to NRS 453D.300, for a person who wishes to contract to provide labor to or be employed by an independent contractor to provide labor to a marijuana establishment, or a person who volunteers at a marijuana establishment other than a consultant who performs professional services for the marijuana establishment, the marijuana establishment agent applicant shall submit to the Department:*
  - (a) A copy of any valid government-issued identification card of the person which includes a photograph of the person, current address and the date of birth;*

- (b) A statement signed by the prospective marijuana agent pledging not to sell 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 marijuana agent asserting that he or she has not previously had a medical marijuana or marijuana establishment agent registration card revoked;*
  - (d) An attestation signed and dated by the prospective marijuana agent that the prospective marijuana agent has not been convicted of an excluded felony offense;*
  - (e) A complete set of the fingerprints and written permission of the prospective marijuana agent authorizing the Department to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigations for its report;*
  - (f) If required, authorization for the Department to obtain account information regarding fingerprints and background checks;*
  - (g) The application fee, as allowed by law; and*
  - (h) Such other information as the Department may require.*
- 2. If an applicant for a marijuana establishment agent card satisfies the requirements of this section and is not disqualified from serving as such an agent pursuant to any other applicable law, the Department shall issue to the person a marijuana establishment agent card.*
  - 3. An applicant for registration or renewal of registration as a marijuana establishment agent is deemed temporarily registered as a marijuana establishment agent on the date on which a complete application for registration or renewal of registration is submitted*

*to the Department. A temporary registration as a marijuana establishment agent expires 30 days after the date upon which the application is received. Verification of temporary registration will be provided by the Department at the time the completed application is received.*

- 4. A person shall not serve as a marijuana agent if he or she:
  - (a) Has been convicted of an excluded felony offense; or*
  - (b) Is less than 21 years of age.**
- 5. All marijuana establishment officers and board members must obtain marijuana establishment agent cards pursuant to this section. An owner with 5% or less interest, that is not an officer or board member, will not be required to obtain a marijuana establishment agent card.*

**Sec. 92. Registration cards: Categories. (NRS 453D.300)**

- 1. The Department will issue marijuana establishment agent registration cards for each of the following categories:
  - (a) A marijuana testing facility;*
  - (b) A marijuana cultivation facility;*
  - (c) A marijuana product manufacturing facility;*
  - (d) A marijuana distributor; and*
  - (e) A retail marijuana store.**
- 2. Each marijuana establishment agent registration card issued pursuant to section 91 of 453D must indicate the applicable category. A person who is employed by or volunteers at a marijuana establishment and to whom a marijuana establishment registration card is issued may only be employed by or volunteer at the type of marijuana establishment*

*for which he or she is registered. A person may hold more than one category of marijuana establishment agent registration cards.*

- 3. A marijuana establishment agent registration card issued pursuant to this section to an independent contractor or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any marijuana establishment in this State.*
- 4. A marijuana establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a marijuana establishment authorizes the person to volunteer or work at any marijuana establishment in this State for which the category of the marijuana establishment agent registration card authorizes the person to volunteer or work.*
- 5. If a marijuana establishment agent holds a valid medical marijuana establishment agent registration card, they are authorized to work in marijuana establishments and dual licensed establishments of the same category.*

**Sec. 93. Training and education of marijuana establishment agents. (NRS 453D.300)**

- 1. A marijuana establishment shall ensure that training is provided to a marijuana establishment agent before that person begins to work or volunteer at or provide labor as a marijuana establishment agent at the marijuana establishment. Such training must include, without limitation:*
  - (a) The proper use of security measures and controls that have been adopted by the marijuana establishment for the prevention of diversion, theft or loss of marijuana;*
  - (b) Procedures and instructions for responding to an emergency; and*
  - (c) State and federal statutes and regulations related to the use of marijuana.*

2. *In addition to the training set forth in subsection 1, a retail marijuana store shall ensure that instruction is provided to a marijuana establishment agent before that person begins to work or volunteer at or provide labor as a marijuana establishment agent at the retail marijuana store. Such instruction must include, without limitation:*
  - (a) The different strains of marijuana;*
  - (b) The different methods of using marijuana and marijuana products;*
  - (c) Learning to recognize signs of marijuana abuse, impairment and instability in the use of marijuana by a consumer;*
  - (d) Clinical effects of marijuana on the human body and how THC affects the consumer;*
  - (e) Required warnings and literature which must be supplied to the consumer;*
  - (f) Methods of refusing entry or sales to intoxicated persons, including:*
    - (1) Verifying identification and using age verification devices;*
    - (2) Education on the effects of marijuana on those under 21;*
    - (3) Recognition of false or altered identification.*
  - (g) Understanding law enforcement's role and compliance checks;*
  - (h) Applicable state and local laws regarding marijuana;*
  - (i) Preventing unlawful consumption and open and public consumption laws;*
  - (j) Preventing use of marijuana by minors, laws and penalties;*
  - (k) How to prevent and deal with disturbances; and*
  - (l) Agent responsibility and strategies for preventing diversion.*
3. *In addition to the training set forth in subsection 1, a marijuana testing facility shall ensure that instruction is provided to a marijuana establishment agent before that person*

*begins to work or volunteer at or provide labor as a marijuana establishment agent at the marijuana testing facility. Such instruction must include, without limitation:*

- (a) The good laboratory practices adopted by the marijuana testing facility; and*
- (b) The standard operating procedures and the quality control and quality assurance programs of the marijuana testing facility.*

*4. In addition to the training set forth in subsection 1, a marijuana cultivation facility shall ensure that instruction is provided to a marijuana establishment agent before that person begins to work or volunteer at or provide labor as a marijuana establishment agent at the marijuana cultivation facility. Such instruction must include, without limitation:*

- (a) The methods of cultivation used by the marijuana cultivation facility;*
- (b) The methods of fertilization used by the marijuana cultivation facility;*
- (c) Methods for recognizing the signs of insect infestation, pathogens and disease in marijuana plants, and the procedures for eradication and the safe disposal of plants so affected;*
- (d) The nutritional requirements of marijuana plants at various growth stages, including, without limitation, proper mixing and dispersal of fertilizer, flushing procedures and procedures for postharvest trimming, drying and curing; and*
- (e) The safe handling of equipment, including, without limitation, high-intensity discharge lamps, electrical ballasts, pumps, fans, cutting implements and other equipment for cultivation.*

*5. In addition to the training set forth in subsection 1, a marijuana product manufacturing facility shall ensure that instruction is provided to a marijuana establishment agent*

*before that person begins to work or volunteer at or provide labor as a marijuana establishment agent at the marijuana product manufacturing facility. Such instruction must include, without limitation:*

- (a) Understanding the difference between concentrated marijuana, topical products and marijuana products, as applicable to the operations of the marijuana product manufacturing facility;*
- (b) The procedures used by the marijuana product manufacturing facility to create concentrated marijuana and marijuana products; and*
- (c) The proper procedures for handling concentrated marijuana and marijuana products including, without limitation, the procedures used to prepare, produce, package and store such products as required by the provisions of this chapter and chapter 453D of NRS.*

*6. In addition to the training set forth in subsection 1 a marijuana distributor shall ensure that instruction is provided to a marijuana establishment agent before that person begins to work or volunteers at the facility for the transportation of marijuana products. Such instruction must include, without limitation:*

- (a) The proper procedures for the handling of marijuana plants, usable marijuana, concentrated marijuana and marijuana products;*
- (b) The procedures for proper transportation and storage of marijuana plants, marijuana, concentrated marijuana and marijuana products; and*
- (c) Maintaining the proper Nevada state driver's license for the expected loads.*

**Sec. 94. Registration cards: Electronic submission of applications. (NRS 453D.300)**

*An applicant submitting an application for a marijuana establishment agent registration card pursuant to section 91 of NAC 453D or renewing, amending, changing or replacing a marijuana establishment agent registration card shall submit the application electronically in the format prescribed by the Department.*

**Sec. 95. Registration cards: Requirements for changing name or address. (NRS 453D.300)**

*To make a change to the name or address on a marijuana establishment agent registration card, the marijuana establishment agent must submit to the Department a request for the change, which must include:*

- 1. The name on and the number of the current marijuana establishment agent registration card of the cardholder;*
- 2. The new name or address of the cardholder;*
- 3. The effective date of the new name or address of the cardholder;*
- 4. For a change of the address of the cardholder, the county and state in which the new address is located; and*
- 5. For a change of the name of the cardholder, a copy of any valid government issued identification card of the cardholder which includes a photograph of the person, the new name and address of the cardholder and documentation for the reason for the name change.*

**Sec. 96. Registration cards: Requirements for requesting replacement card. (NRS**

**453D.300)** *To request a replacement marijuana establishment agent registration card that has been lost, stolen or destroyed, the marijuana establishment agent shall submit to the Department, within 3 working days after the card was lost, stolen or destroyed, a request for a replacement card which must include:*

1. *The name and date of birth of the cardholder;*
2. *If known, the number of the lost, stolen or destroyed marijuana establishment agent registration card; and*
3. *If the cardholder cannot provide the number of the lost, stolen or destroyed marijuana establishment agent registration card, a copy of:*
  - (a) Any valid government-issued identification card of the cardholder which includes a photograph of the person; or*
  - (b) A marijuana establishment agent registration card previously issued to the person.*

**Sec. 97. Registration cards: Expiration date of replacement card. (NRS 453D.300)**

*If the Department issues a marijuana establishment agent registration card based on a request pursuant to section 91 of NAC 453D, the new marijuana establishment agent registration card must have the same expiration date as the marijuana establishment registration agent card being changed or replaced.*

**Sec. 98. Registration cards: Grounds for denial or revocation. (NRS 453D.300)**

1. *The Department will deny an application for or an application to renew a marijuana establishment agent registration card if the applicant:*
  - (a) Does not meet the requirements set forth in NRS 453D.300; or*
  - (b) Previously had a marijuana establishment agent registration card revoked.*
2. *The Department may deny an application for or an application to renew a marijuana establishment agent registration card if the applicant provides false or misleading information to the Department.*
3. *The Department may revoke a marijuana establishment agent registration card if the marijuana establishment agent:*

*(a) Sells or otherwise diverts marijuana to a person who is not authorized by law to possess marijuana in accordance with the provisions of this chapter and chapter 453D of NRS;*

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

*(c) Engages in a Category I violation activity set forth in section 117 of NAC 453D.*

*4. The Department may revoke a marijuana establishment agent registration card if the marijuana establishment agent knowingly violates any provision of this chapter or chapter 453D of NRS.*

*5. If the Department denies an application for or an application to renew a marijuana establishment agent registration card or revokes a marijuana establishment agent registration card, the Department will provide notice to the applicant or marijuana establishment agent that includes, without limitation, the specific reasons for the denial or revocation.*

**Sec. 99. Fees; assessments. (NRS 453D.230)**

*1. Except as otherwise provided in subsection 1 of 453D.230, the Department will charge and collect the following fees:*

*For the initial issuance of a marijuana establishment license for a retail marijuana store.....\$20,000*

*For the renewal of a marijuana establishment license for a retail marijuana store..... \$6,600*

*For the initial issuance of a marijuana establishment license for a marijuana cultivation facility ..... \$30,000*

*For the renewal of a marijuana establishment license for a marijuana cultivation facility.....\$10,000*

*For the initial issuance of a marijuana establishment license for a marijuana product manufacturing facility .....\$10,000*

*For the renewal of a marijuana establishment license for marijuana product manufacturing facility ..... \$3,300*

*For the initial issuance of a marijuana establishment license for a marijuana testing facility ..... \$15,000*

*For the renewal of a marijuana establishment license for a marijuana testing facility..... \$5,000*

*For the initial issuance of a marijuana establishment license for a marijuana distributor ,,.,..... \$15,000*

*For the renewal of a marijuana establishment license for a marijuana distributor ..... \$5,000*

- 2. Each marijuana establishment shall submit the fee required by subsection 1 to the Department annually.*
- 3. As used in this section, “marijuana establishment license” includes a conditional marijuana establishment license.*
- 4. For the ongoing activities of the Department relating to the oversight of marijuana establishments, not related to processing an application by a marijuana establishment, the Department will collect an assessment from each marijuana establishment for the time and effort attributed to the oversight of each marijuana establishment individually at an hourly rate established by the Department.*

## **Requirements Concerning Operation of Marijuana Establishments**

### **Sec. 100. Posting of license and other authorization to conduct business. (NRS 453D.200)**

*A marijuana establishment shall post its marijuana establishment license, business license and any other authorization to conduct business in a conspicuous place within the marijuana establishment.*

### **Sec. 101. Quality assurance testing required before sale of usable marijuana and marijuana products. (NRS 453D.200)**

*A marijuana establishment shall not sell or transfer a lot of usable marijuana, concentrated marijuana or marijuana products until all required quality assurance testing has been completed.*

### **Sec. 102. Persons authorized to be on premises of establishment; visitor identification badge required for other persons; maintenance of visitor log; regular, seasonal or temporary employees and volunteers. (NRS 453D.300)**

*1. Except as otherwise provided in this section, the only persons who may be on the premises*

*of a retail marijuana store are:*

*(a) A person who is at least 21 years of age;*

*(b) A marijuana establishment agent;*

*(c) A patient who holds a valid medical marijuana registry identification card;*

*(d) The designated primary caregiver of a patient who holds a valid medical marijuana registry identification card or letter of approval;*

*(e) A non-resident patient who holds an authorizing document valid for his or her state; or*

- (f) A person inspecting the marijuana establishment, including local administrative authorities conducting inspections, pursuant to section 5 NRS 453D.300 and sections 82 and 83 of NAC 453D.*
2. *Except for retail marijuana stores, the only persons who may be on the premises of a marijuana establishment are:*
- (a) A marijuana establishment agent; and*
- (b) A person inspecting the marijuana establishment, including local administrative authorities conducting inspections, pursuant to section 5 NRS 453D,300 and sections 82 and 83 of NAC 453D.*
3. *Any person other than those authorized to be on the premises of a marijuana establishment pursuant to subsection 1 and 2 must obtain a visitor identification badge from a marijuana establishment agent before entering the premises of the marijuana establishment.*
4. *A person who obtains a visitor identification badge pursuant to subsection 3, including, without limitation, an outside vendor or contractor:*
- (a) Must be escorted and monitored by a marijuana establishment agent at all times he or she is on the premises of the marijuana establishment;*
- (b) Must visibly display his or her visitor identification badge at all times he or she is on the premises of the marijuana establishment;*
- (c) Must not handle any marijuana or cash whatsoever; and*
- (d) Must return the visitor identification badge to a marijuana establishment agent upon leaving the premises of the marijuana establishment.*

5. *Each marijuana establishment shall maintain a visitor log which includes the name of the visitor and the date, time and purpose of each visit by a person other than those authorized to be on the premises of the marijuana establishment pursuant to subsection 3. The marijuana establishment shall make its visitor log available to the Department upon request.*
6. *Each regular, seasonal or temporary employee of, or volunteer at, or person who provides labor as a marijuana establishment agent at a marijuana establishment must obtain a marijuana establishment agent registration card pursuant to the provisions of this chapter and may not be authorized to be on the premises of the marijuana establishment by obtaining a visitor identification badge pursuant to the provisions of this section.*

**Sec. 103. Policies and procedures. (NRS 453D.200)**

*A marijuana establishment shall:*

1. *Develop, document and implement policies and procedures regarding:*
  - (a) *Job descriptions and employment contracts, including, without limitation:*
    - (1) *The duties, authority, responsibilities and qualifications of personnel;*
    - (2) *Supervision of personnel;*
    - (3) *Training in and adherence to confidentiality requirements;*
    - (4) *Periodic performance evaluations; and*
    - (5) *Disciplinary actions.*
  - (b) *Business records, such as manual or computerized records of assets and liabilities, monetary transactions, journals, ledgers and supporting documents, including, without limitation, agreements, checks, invoices and vouchers.*

*(c) Inventory control, including, without limitation:*

*(1) Tracking;*

*(2) Packaging;*

*(3) Acquiring marijuana from other marijuana establishments;*

*(4) Disposing of unusable marijuana; and*

*(5) Return for a refund marijuana or marijuana products to the marijuana establishment from which the marijuana or marijuana products were acquired.*

*(d) Consumer education and support, including, without limitation:*

*(1) The availability of different strains of marijuana and the purported effects of the different strains;*

*(2) Information about the purported effectiveness of various methods, forms and routes of administering marijuana;*

*(3) The prohibition on the smoking of marijuana in public places, places open to the public, places exposed to public view and on federal lands;*

*(4) Education on how marijuana impairs a person's ability to operate a moving vehicle and that driving, operating, or being in actual physical control of a vehicle while under the influence of marijuana or while impaired by marijuana is unlawful; and*

*(5) That marijuana possession over a certain quantity is still a felony crime with various legal consequences.*

*2. Maintain copies of the policies and procedures developed pursuant to subsection 1 at the marijuana establishment and provide copies to the Department for review upon request.*

**Sec. 104. Duties of establishment relating to employees and volunteers; certain notice required. (NRS 453D.200)**

*A marijuana establishment shall:*

- 1. Ensure that each marijuana establishment agent has his or her valid marijuana establishment agent registration card or temporary authorization in his or her immediate possession when the marijuana establishment agent:*
  - (a) Is employed by, volunteering at or providing labor as a marijuana establishment agent at the marijuana establishment;*
  - (b) Is transporting marijuana and marijuana products for the marijuana establishment, including transportations under any marijuana establishment license type; or*
  - (c) Is delivering marijuana and marijuana products for a retail marijuana store.*
- 2. Not allow a person who does not possess a marijuana establishment agent registration card issued under the marijuana establishment license to:*
  - (a) Serve as an officer or board member for the marijuana establishment or as an owner with ownership of more the 5%;*
  - (b) Be employed by or have a contract to provide services for the marijuana establishment;*
  - (c) Volunteer at or on behalf of the marijuana establishment; or*
  - (d) Contract to provide labor at or be employed by an independent contractor to provide labor at a marijuana establishment.*
- 3. Provide written notice to the Department, including the date of the event, within 10 working days after the date on which a marijuana establishment agent begins:*
  - (a) Serving as an officer or board member for the marijuana establishment;*

- (b) Employment by or provide services for the marijuana establishment;*
- (c) Volunteering at or on behalf of the marijuana establishment; or*
- (d) Provides labor at or employment by an independent contractor to provide labor at a marijuana establishment pursuant to a contract.*

*4. Provide written notice to the Department, including the reason and the date of the event, within 10 working days after the date on which a marijuana establishment agent no longer:*

- (a) Serves as an officer or board member for the marijuana establishment;*
- (b) Is employed by or has a contract to provide services for the marijuana establishment;*
- (c) Volunteers at or on behalf of the marijuana establishment; or*
- (d) Contracts to provide labor at or be employed by an independent contractor to provide labor at a marijuana establishment.*

*5. Provide written notice to the Department, including the date of the event, within 10 business days after the date on which the person designated to provide written notice to the Department ceases to serve in that capacity at the marijuana establishment and the designated replacement.*

**Sec. 105. Inventory control system; where establishment may acquire marijuana and marijuana products; perpetual inventory system of manufacturing process; duties of establishment if loss is incurred. (NRS 453D.300)**

- 1. Each marijuana establishment shall designate in writing a marijuana establishment agent who has oversight of the inventory control system of the marijuana establishment.*

2. *Except as otherwise provided in subsection 3, a marijuana establishment shall only acquire marijuana or marijuana products from:*
  - (a) *Another marijuana establishment, including, without limitation, a marijuana cultivation facility, a marijuana product manufacturing facility, or a retail marijuana store; and*
  - (b) *A marijuana establishment may acquire product from a medical marijuana establishment that is licensed under NRS 453A;*
3. *A marijuana cultivation facility may acquire seeds for the cultivation of marijuana that are legally purchased pursuant to NRS 453D.*
4. *A marijuana establishment shall not acquire concentrated marijuana or products containing concentrated marijuana from another marijuana establishment, except that a retail marijuana store or a marijuana product manufacturing facility may acquire concentrated marijuana or products containing concentrated marijuana from a marijuana product manufacturing facility. A marijuana cultivation facility may sell crude collected resins from one single batch that are unprocessed and not combined directly to a retail marijuana store.*
5. *Each marijuana cultivation facility, retail marijuana store, marijuana distributor and marijuana product manufacturing facility shall establish and implement an inventory control system that documents:*
  - (a) *Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana and ending inventory, including, without limitation, the:*
    - (1) *Number of plants and cuttings;*

- (2) Weight of flowers, measured in grams;*
  - (3) Weight of trim, measured in grams;*
  - (4) Quantity of THC, measured in milligrams; and*
  - (5) Weight of seeds, measured in grams.*
- (b) When acquiring marijuana from another marijuana establishment:*
- (1) A description of the marijuana acquired, including the amount, strain and batch number, lot number and production run number, or any combination thereof;*
  - (2) The name and identification number of the marijuana establishment license of the marijuana establishment providing the marijuana;*
  - (3) The name and marijuana establishment agent registration card number of the marijuana establishment agent providing the marijuana;*
  - (4) The name and marijuana establishment agent registration card number of the marijuana establishment agent receiving the marijuana on behalf of the marijuana establishment; and*
  - (5) The date of acquisition.*
- (c) When acquiring marijuana from a medical marijuana establishment licensed pursuant to NRS 453A:*
- (1) A description of the marijuana acquired, including the amount, strain and batch number;*
  - (2) The name and identification number of the medical marijuana establishment registration certificate of the medical marijuana establishment providing the medical marijuana;*

- (3) *The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the medical marijuana;*
  - (4) *The name and marijuana establishment agent registration card number of the marijuana establishment agent receiving the marijuana on behalf of the marijuana establishment; and*
  - (5) *The date of acquisition.*
- (d) *For each batch of marijuana cultivated:*
  - (1) *The batch number, lot number and production run number, as applicable;*
  - (2) *Whether the batch originated from marijuana seeds or marijuana cuttings;*
  - (3) *The strain of the marijuana seeds or marijuana cuttings planted;*
  - (4) *The number of marijuana seeds or marijuana cuttings planted;*
  - (5) *The date on which the marijuana seeds or cuttings were planted;*
  - (6) *A list of all chemical additives used in the cultivation, including, without limitation, nonorganic pesticides, herbicides and fertilizers;*
  - (7) *The number of marijuana plants grown to maturity;*
  - (8) *Harvest information, including, without limitation:*
    - (I) *The date of harvest;*
    - (II) *The final yield weight of processed usable marijuana, in grams; and*
    - (III) *The name and marijuana establishment agent registration card number of the marijuana establishment agent responsible for the harvest.*
  - (9) *The disposal of marijuana that is not usable marijuana, including:*
    - (I) *A description of and reason for the marijuana being disposed of, including, if applicable, the number of failed or other unusable marijuana plants;*

- (II) *The date of disposal;*
- (III) *Confirmation that the marijuana was rendered unusable before disposal;*
- (IV) *The method of disposal; and*
- (V) *The name and marijuana establishment agent registration card number of the marijuana establishment agent responsible for the disposal.*

*(e) When providing marijuana to another marijuana establishment:*

- (1) The amount, strain, batch number, lot number and production run number, as applicable, of marijuana provided to the marijuana establishment;*
- (2) The name and marijuana establishment license number of the receiving marijuana establishment;*
- (3) The name and marijuana establishment agent registration card number of the marijuana establishment agent who received the marijuana on behalf of the receiving marijuana establishment; and*
- (4) The date on which the marijuana was provided to the marijuana establishment.*

*(f) When receiving edible marijuana products from another marijuana establishment:*

- (1) A description of the edible marijuana products received from the marijuana establishment, including the total weight of each edible marijuana product and the amount of THC, measured in milligrams, and the production run number of the marijuana in each edible marijuana product.*
- (2) The total amount and production run number of marijuana in the edible marijuana products.*
- (3) The name and:*





*(III) Marijuana establishment agent registration card number of the marijuana establishment agent receiving the concentrated marijuana or products containing concentrated marijuana on behalf of the receiving marijuana establishment.*

*(3) The date on which the concentrated marijuana or products containing concentrated marijuana were provided to the marijuana establishment.*

*6. Each marijuana establishment shall:*

*(a) Establish and maintain a seed to sale inventory system which adequately documents the flow of materials through the manufacturing process;*

*(b) Establish procedures which reconcile the raw material used to the finished product on the basis of each job. Significant variances must be documented, investigated by management personnel and immediately reported to the Department and to the marijuana establishment that ordered the concentrated marijuana or marijuana product; and*

*(c) Provide for quarterly physical inventory counts to be performed by persons independent of the manufacturing process which are reconciled to the perpetual inventory records. Significant variances must be documented, investigated by management personnel and immediately reported to the Department.*

*7. If a marijuana establishment identifies a reduction in the amount of marijuana in the inventory of the marijuana establishment not due to documented causes, the marijuana establishment shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of marijuana in the inventory of the marijuana establishment is due to suspected criminal activity by a marijuana*

*establishment agent, the marijuana establishment shall report the marijuana establishment agent to the Department and to the appropriate law enforcement agencies within 24 hours. The Department will determine if any other information will be necessary to conduct an investigation.*

*8. A marijuana establishment shall:*

- (a) Maintain the documentation required in subsections 5, 6 and 7 at the marijuana establishment for at least 5 years after the date on the document; and*
- (b) Provide the documentation required in subsections 5, 6 and 7 to the Department for review upon request.*

**Sec. 106. Seed to sale system. (NRS 453D.300)**

*A marijuana establishment shall:*

- 1. Use the State seed to sale tracking system managed by the independent contractor selected by the Department;*
- 2. Connect to the State seed to sale tracking system using the independent contractor's application programming interface; and*
- 3. Pay any fees assessed by the independent contractor for using the State seed to sale tracking system, including, without limitation, user fees or application programming interface fees.*

**Sec. 107. Reporting of loss or theft of marijuana; maintenance of documentation. (NRS 453D.300)**

*A marijuana establishment shall:*

- 1. Document and report any loss or theft of marijuana from the marijuana establishment to the appropriate law enforcement agency and to the Department within 24 hours; and*

2. *Maintain copies of any documentation required pursuant to this chapter and chapter 453D of NRS for at least 5 years after the date on the documentation and provide copies of the documentation to the Department for review upon request.*

**Sec. 108. Security. (NRS 453D.300)**

*To prevent unauthorized access to marijuana at a marijuana establishment, the marijuana establishment must have:*

1. *Security equipment to deter and prevent unauthorized entrance into limited access areas that includes, without limitation:*

*(a) Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic device. For outdoor cultivation, this must include the entire cultivation area, perimeter and exterior area.*

*(b) Exterior lighting to facilitate surveillance, to cover the grow area, perimeter wall, fence and the exterior area around the grow area for outdoor cultivation. During times where such lighting may interfere with a crop's grow cycle, the lighting may be restricted to the perimeter wall, fence and exterior area around the grow area.*

*(c) Electronic monitoring, including, without limitation:*

*(1) At least one call-up monitor that is 19 inches or more;*

*(2) A video printer capable of immediately producing a clear still photo from any video camera image;*

*(3) Video cameras with a recording resolution of at least 1920 x 1080 or the equivalent which provide coverage of all entrances to and exits from limited access areas and all entrances to and exits from the establishment, are capable of*

*identifying any activity occurring in or adjacent to the establishment 24 hours a day, and which are capable of being accessed remotely by a law enforcement agency in real-time upon request. Security cameras shall record at a minimum 30 frames per second (FPS) at all times. For outdoor cultivation, the video cameras must provide coverage of the entire cultivation area, perimeter and exterior area around the cultivation area;*

*(4) A video camera must include date and time generators which possess the capability to display the date and time of recorded events on video tape recordings. The displayed date and time must not significantly obstruct the recorded view;*

*(5) Video cameras required must be installed in a manner that will prevent it from being readily obstructed, tampered with or disabled by patrons or employees;*

*(6) A video camera at each point-of-sale location which allows for the identification of any individual purchasing marijuana;*

*(7) A video camera which is capable of identifying any activity occurring within the establishment in low light conditions 24 hours a day;*

*(8) A method for storing video recordings from the video cameras for at least 30 calendar days. Recordings from security cameras must be maintained in a secure off-site location, or through a service or network that provides on-demand access to the files;*

*(9) A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;*

- (10) *Sufficient battery backup for video cameras and recording equipment to support at least 5 minutes of recording in the event of a power outage; and*
- (11) *Immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the establishment in the interior of the establishment;*
- (d) *Reasonable effort must be made to repair each malfunction of surveillance system equipment within seventy-two (72) hours after the malfunction is discovered. The licensee must notify the Department and local law enforcement within 24 hours of the detected malfunction and provide a plan of correction. If a malfunction is not repaired within 72 hours after it is discovered, the establishment may be subject to civil penalties for non-compliance with security standards.*
- (e) *In the event of a dedicated camera malfunction, the licensee must immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity. If other security measures are taken, the licensee must immediately contact the Department who will determine whether the other security measures are adequate.*
- (f) *The video recording of a recorded event must be provided to the Department upon request. At the request and expense of the marijuana establishment, a copy of the event will be provided to the Department.*
- (g) *The marijuana establishment must have the capability to produce a still copy or photograph of the images depicted on a video recording, which must be provided to the Department upon request. This may be accomplished using a video printer, still camera or other available means.*

*(h) Each marijuana establishment must maintain a log that documents each malfunction and repair of the surveillance system pursuant to subsections (d) and (e) of this section. The log must state the time, date and nature of each malfunction, the efforts expended to repair the malfunction and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired and where applicable, any alternative security measures that were taken. The log should also reference, by date and time, any communications with the Department concerning any malfunction or corrective action. The log must be retained for a minimum of 1 year after the date of the last entry in it.*

*(i) Additional security requirements for outdoor marijuana cultivation facilities must include:*

*(1) A location which is within a 15-minute response time of local law enforcement or as otherwise determined by local law enforcement to be an acceptable response time;*

*(2) An alarm system and cameras monitored 24 hours a day;*

*(3) A solid 8-foot block wall and an additional 8-foot fence inside that wall, installed with 10 to 20 feet separation between them or a chain link fence as the exterior barrier, and then the 8-foot fence inside that wall, installed with 10 to 20 feet separation between them as determined by local law enforcement; and*

*(4) A secure block building suitable to dry and store marijuana as approved by the Department. The building must meet the security and sanitation requirements of indoor cultivation establishments.*

*2. Policies and procedures:*

- (a) That restrict access to the areas of the establishment that contain marijuana to persons authorized to be in those areas only;*
- (b) That provide for the identification of persons authorized to be in the areas of the establishment that contain marijuana;*
- (c) That prevent loitering;*
- (d) For conducting electronic monitoring; and*
- (e) For the use of the automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the marijuana establishment.*

**Sec. 109. Hygiene requirements for agents; prohibition on direct contact with marijuana, equipment or materials for agents with certain health conditions. (NRS 453D.200)**

*1. Each marijuana establishment must ensure that each marijuana establishment agent who is employed by, volunteers at or provides labor as a marijuana establishment agent to the marijuana establishment:*

- (a) Cleans his or her hands and exposed portions of his or her arms in a hand-washing sink:
  - (1) Immediately upon entrance to the establishment;*
  - (2) Immediately before working with marijuana plants;*
  - (3) Immediately before engaging in preparation for the extraction of concentrated marijuana or production of marijuana products, including, without limitation, exposed marijuana products, clean equipment and utensils and unwrapped single-service and single-use articles;**

- (4) After touching bare human body parts other than clean hands and exposed portions of arms, including, without limitation, surrogate prosthetic devices for hands and arms;*
  - (5) After using the toilet facilities;*
  - (6) After coughing, sneezing, using a handkerchief or disposable tissue, using tobacco, eating or drinking;*
  - (7) After handling soiled equipment or utensils;*
  - (8) During preparation for the extraction of concentrated marijuana or production of marijuana products, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;*
  - (9) When switching between working with un-processed marijuana products or un-cooked food products and working with finished concentrated marijuana or marijuana products;*
  - (10) Before donning gloves for working with marijuana products; and*
  - (11) After engaging in other activities that contaminate the hands,*
- (b) If working directly in the preparation of concentrated marijuana or marijuana products:*
- (1) Keeps his or her fingernails trimmed, filed and maintained so that the edges and surfaces are cleanable;*
  - (2) Unless wearing intact gloves in good repair, does not have fingernail polish or artificial fingernails on his or her fingernails; and*
  - (3) Wears a hair net.*
- (c) Wears clean clothing appropriate to the tasks assigned to him or her.*

2. *If the person designated by a marijuana establishment to address health conditions at the marijuana establishment determines that a marijuana establishment agent who is employed by, volunteers at or provides labor as a marijuana establishment agent to the marijuana establishment has a health condition that may adversely affect the safety or quality of the concentrated marijuana or marijuana products at the marijuana establishment, that marijuana establishment agent is prohibited from having direct contact with any marijuana or equipment or materials for processing concentrated marijuana or marijuana products until the designated person determines that the health condition of the marijuana establishment agent will not adversely affect the concentrated marijuana or marijuana products.*
3. *Employees must be restricted from working directly with concentrated marijuana and or marijuana products if they have any of the five following symptoms of foodborne illness:*
  - (a) Vomiting;*
  - (b) Diarrhea;*
  - (c) Jaundice;*
  - (d) Sore throat with fever; or*
  - (e) A lesion containing pus, a boil or infected wound that is not open or draining and is located on the hands or wrists. Such a lesion shall:*
    - (1) Require an impermeable cover including but not limited to a bandage or finger cot, and a single-use glove worn over the impermeable cover, both of which shall be changed whenever hand washing is required;*
    - (2) On exposed portions of arms, such a lesion shall be protected by an impermeable cover; and*

*(3) On other parts of the body, such a lesions shall be covered by a dry, durable, tight-fitting bandage.*

**Sec. 110. Building requirements; commercial weighing and measuring equipment. (NRS 453D.200)**

*1. A building used as a marijuana establishment, or a facility of a dual licensee, must have:*

*(a) At least one toilet facility which must contain:*

*(1) A flushable toilet;*

*(2) Mounted toilet tissue;*

*(3) A hand sink with running water which is capable of delivering hot water at a minimum temperature of 100°F (39.4°C);*

*(4) Soap contained in a dispenser; and*

*(5) Disposable, single-use paper towels in a mounted dispenser.*

*(b) Except for marijuana distributors, at least one hand-washing sink not located in a toilet facility and located away from any area in which edible marijuana products are cooked or otherwise prepared to prevent splash contamination;*

*(c) Designated storage areas for concentrated marijuana and marijuana products or materials used in direct contact with such items separate from storage areas for toxic or flammable materials.*

*(d) If preparation or packaging of concentrated marijuana and marijuana products is done in the building, a designated area for the preparation or packaging that:*

*(1) Includes work space that can be sanitized; and*

*(2) Is only used for the preparation or packaging of concentrated marijuana or marijuana products.*

2. *For any commercial weighing and measuring equipment used at a marijuana establishment, the marijuana establishment must:*
  - (a) *Ensure that the commercial device is licensed pursuant to chapter 581 of NRS;*
  - (b) *Maintain documentation of the license of the commercial device; and*
  - (c) *Provide a copy of the license of the commercial device to the Department for review upon request.*

**Sec. 111. Requirements for establishments that prepare or sell edible marijuana products.  
(NRS 453D.200)**

1. *A marijuana establishment that prepares or sells edible marijuana products must:*
  - (a) *Before preparing or selling an edible marijuana product, obtain written authorization from the Department to prepare or sell edible marijuana products;*
  - (b) *If the marijuana establishment prepares edible marijuana products, ensure that the edible marijuana products are prepared according to the applicable requirements set forth in NRS 453D.200 and the operating procedures included in its application pursuant to subsection 5 of NRS 453D.210;*
  - (c) *If the edible marijuana products are not prepared at the marijuana establishment, obtain and maintain at the marijuana establishment a copy of the current written authorization to prepare edible marijuana products from the marijuana establishment that prepares the edible marijuana products; and*
  - (d) *Package all edible marijuana products produced by the marijuana product manufacturing facility on the premises of the facility;*

*(e) If the marijuana establishment sells edible marijuana products, ensure that the edible marijuana products are sold according to the applicable requirements set forth in subsection 1 of NRS 453D110.*

*2. A marijuana establishment is responsible for the content and quality of any edible marijuana product sold by the marijuana establishment.*

*3. A facility for the production of edible marijuana products is not subject to the provisions of chapter 446 of NRS or chapter 446 of NAC.*

**Sec. 112. Establishment responsible for costs incurred in cleaning up, mitigating or remedying environmental damage. (NRS 453D.200)**

*A marijuana establishment is responsible to the State or a locality for all costs incurred by the State or locality in cleaning up, mitigating or remedying any environmental damage caused by the marijuana establishment.*

**Sec. 113. Prohibition on use of chemicals or other compounds to alter color, appearance, weight or smell of usable marijuana. (NRS 453D.200)** *A marijuana establishment may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight or smell of the usable marijuana.*

**Sec. 114. Modification and expansion of facilities (NRS 453D.200)** *A marijuana establishment must operate according to the plans and specifications included within that marijuana establishment's licensing application as submitted to the Department. Changes to the plans and specifications are permissible, provided the marijuana establishment provides the Department with notification of their intent to make such a change, and provided such changes*

*do not take the marijuana establishment out of compliance with State, local, or Department regulations and requirements.*

*1. A marijuana establishment registrant who has chosen to modify their marijuana establishment facility will submit a written notification to the Department. The written notification will include:*

*(a) Establishment name, current physical address of the establishment and establishment license number; and*

*(b) A narrative describing the proposed change*

*2. Facilities modification notifications will be appended to the establishment's application file at the Department.*

*3. Inspections and Audits*

*(a) A marijuana establishment that has implemented a change to their facility will submit documentation of the change prior to their next scheduled inspection.*

*(b) Modifications to a marijuana establishment facility will be inspected and/or audited as appropriate at the marijuana establishment facility's next regular inspection, follow-up inspection, complaint inspection, or any other time as the Department deems necessary after the marijuana establishment's projected implementation date for the change or after the marijuana establishment has notified the Department that the modification is completed.*

*(c) Material changes to a facility or operating capability will require a Department inspection or audit prior to commencing operation as deemed necessary, including but not limited to:*

- (1) Material modifications to the facility infrastructure including modifications requiring demolition or new construction of walls, plumbing, electrical infrastructure, heating, ventilation or air conditioning;*
- (2) Material modifications to the operating capability of the marijuana establishment, including implementation of a new extraction device or removal of an existing extraction device, changes to the growing method from that previously described and inspected, change to lighting technology, hydroponic system, pod or other contained growing systems; and*
- (3) Additions of new pods identical to one which has already been inspected are not modifications, and do not require a facilities change request or inspection prior to being implemented and becoming operational.*

**Sec. 115. Change of location (NRS 453D.200)** *The Department will accept, process and approve/deny requests to relocate marijuana establishments pursuant to section 1, subsection (j) of NRS 453D.200.*

- 1. A marijuana establishment may move to a new location under the jurisdiction of the same locality as its original location and regardless of the distance from its original location if the operation of the marijuana establishment at the new location has been approved by the locality.*
- 2. A locality may approve a new location pursuant to this subsection only in a public hearing for which written notice is given at least 7 working days before the hearing.*
- 3. The method by which marijuana establishment registrants may request a change in the location, either conditional or final, is to submit a written relocation request to the Department.*

*(a) The written request shall include the following:*

- (1) Establishment name, application identification number, current physical address of the establishment and the proposed new address of the establishment;*
- (2) Documentation of the public meeting wherein the local jurisdiction considered the relocation request;*
- (3) Documentation of local jurisdiction land use approval;*
- (4) A professional survey demonstrating the proposed location meets the distance requirements set forth in section 5, subsection (c) of NRS 453D.210; and*
- (5) A signed, written attestation that the marijuana establishment at the new address will meet or exceed the merits of the location specified in their scored marijuana establishment application.*

*4. The Department will review all documentation submitted from section 3 for a decision on the change of location. Upon approval, the Department will issue the marijuana establishment a new conditional license, amended to reflect the new address.*

**Sec. 116. Grounds for disciplinary action. (NRS 453D.200)**

- 1. A violation of any of the provisions of section 70 of NAC 453D to section 252 of NAC 453D, inclusive, is grounds for disciplinary action by the Department up to and including immediate revocation of a marijuana establishment license pursuant to NRS 453D.200.*
- 2. A violation of any of the provisions of section 70 of NAC 453D to section 252 of NAC 453D, inclusive, is grounds for disciplinary action by the Department up to and including immediate revocation of a marijuana establishment agent registration card pursuant to 453D.200.*

**Sec. 117. Civil penalties. (NRS 453D.200)**

1. *The Department may:*

(a) *Impose a civil penalty of up to \$35,000 on any person who operates a marijuana establishment without a license;*

(b) *Impose a civil penalty of up to \$10,000 on any person who:*

(1) *Fails to comply with any provisions of this chapter and NRS 453D; and*

(2) *Violates any provision of this chapter and NRS 453D.*

(c) *Revoke an establishment license; or*

(d) *Suspend an establishment license for a minimum of 3 days to a maximum of 30 days.*

2. *In determining the amount of any civil penalty assessed under this chapter, the Department shall take into account the gravity of the violation, the economic benefit or savings (if any) resulting from the violation, the size of the violator's business, the violator's history of compliance with this chapter and chapter 453A, action taken to remedy the violation, the effect of the penalty on the violator's ability to continue in business, and such other matters as justice may require.*

3. *The Department uses the following violation categories:*

(a) *Category I - Violations that make licensee ineligible for a license;*

(b) *Category II - Violations that create a present threat to public health or safety;*

(c) *Category II(b) - Violations for sales to a minor;*

(d) *Category III - Violations that create a potential threat to public health or safety;*

(e) *Category IV - Violations that create a climate conducive to abuses associated with the sale or manufacture of marijuana items; and*

(f) *Category V - Violations inconsistent with the orderly regulation of the sale or manufacture of marijuana items.*

| <i>Category</i> | <i>1 Violation in a 2-year period</i> | <i>2 Violations in a 2-year period</i> | <i>3 Violations in a 2-year period</i> | <i>4 Violations in a 2-year period</i> | <i>5 Violations in a 2-year period</i> | <i>6 or more Violations in a 2-year period</i> |
|-----------------|---------------------------------------|--|--|--|--|--|
| <i>I</i>        | <i>30 Days and \$35,000 or Revoke</i> | <i>Revoke</i>                          |  |  |  |  |
| <i>II</i>       | <i>Up to 20 Days and \$10,000</i>     | <i>Up to 30 days and \$20,000</i>      | <i>Revoke</i>                          |  |  |  |
| <i>II(b)</i>    | <i>\$5,000</i>                        | <i>Up to 20 days or \$10,000</i>       | <i>Up to 30 days</i>                   | <i>Revoke</i>                          |  |  |
| <i>III</i>      | <i>\$2,500</i>                        | <i>Up to 10 days or \$5,000</i>        | <i>Up to 20 days or \$10,000</i>       | <i>Up to 30 Days</i>                   | <i>Revoke</i>                          |  |
| <i>IV</i>       | <i>\$1,250</i>                        | <i>Up to 7 days or \$2,500</i>         | <i>Up to 10 days or \$5,000</i>        | <i>Up to 20 days or \$10,000</i>       | <i>Up to 30 Days</i>                   | <i>Revoke</i>                                  |
| <i>V</i>        | <i>Warning</i>                        | <i>\$750</i>                           | <i>Up to 3 days or \$1,250</i>         | <i>Up to 7 days or \$2,500</i>         | <i>Up to 10 days or \$5,000</i>        | <i>Up to 20 days or \$10,000</i>               |

| <i>Category</i> | <i>Violation</i>  |
|-----------------|---|
| <i>I</i>        | <i>Conviction of an excluded felony offense (owner, officer or board member)</i>  |
|                 | <i>Operating without all required permits, certificates and licenses</i>  |
|                 | <i>Making an intentional false statement to the Department</i>  |
|                 | <i>Intentionally destroying or concealing evidence</i>  |
|                 | <i>Intentionally failing to pay taxes to Department of Taxation</i>   |
|                 | <i>Allowing noisy, disorderly or unlawful activity that results in death or serious physical injury, or that involves unlawful use or attempted use of a deadly weapon against another person, or that results in a sexual offense which is a Class A felony, such as first degree rape, sodomy, or unlawful sexual penetration</i> |
|                 | <i>Operating a licensed business while suspended</i>  |
|                 | <i>Transporting marijuana outside of Nevada state boundaries, except where authorized by agreement between the Governor of Nevada and participating sovereign tribes.</i>   |
| <i>Category</i> | <i>Violation</i>  |

|   |   |
|---|---|
| <b>II</b>   | <i>Making a false statement or representation of fact to the Department (other than intentional)</i>  |
|   | <i>Failing to verify the age of a minor. Selling or otherwise providing marijuana and/or marijuana paraphernalia to a person less than twenty-one years of age.</i>   |
|   | <i>Failing to promptly admit regulatory personnel or law enforcement into licensed premises</i>   |
|   | <i>Destroying or concealing evidence (other than intentionally)</i>   |
|   | <i>Failing to notify the Department of a change of ownership</i>  |
|   | <i>Denying access by law enforcement or regulatory personnel to the licensed premises during regular business hours</i>   |
|   | <i>Allowing noisy, disorderly or unlawful activity that involves use of a dangerous weapon against another person with intent to cause death or serious physical injury</i>   |
|   | <i>Allowing a person under the age of 21 to work at the establishment</i>   |
|   | <i>Refusing to allow an inspection and/or obstructing a law enforcement officer from performing his/her official duties</i>   |
|   | <i>Failing to cease operation and notify Department during an imminent health hazard</i>  |
|   | <i>Purchasing marijuana from unapproved source</i>  |
|   | <i>Purchasing or selling marijuana without passing required marijuana testing facility analysis or receiving written approval from the Department</i>   |
|   | <i>Operating an unapproved extraction unit</i>  |
|   | <i>Selling an amount of marijuana in excess of transaction limits</i>   |
| <i>Failing to maintain required security alarm and surveillance systems</i> |   |
| <b>Category</b>   | <b>Violation</b>  |
| <b>III</b>  | <i>Allowing a minor to enter or remain in a marijuana establishment or transport vehicle (except that a medical marijuana patient under the age of 21 may enter a dispensary)</i>   |
|   | <i>Permitting sales by an employee without a marijuana agent card unless that employee is deemed to be temporarily registered pursuant to NRS 453A.332</i>  |
|   | <i>Allowing consumption (by employees, customers or the public) of alcohol, marijuana or other intoxicants on the licensed premises or in areas adjacent to the licensed premises under licensee's control (such as parking lots)</i> |
|   | <i>Failing to keep required records, including seed to sale tracking requirements</i>   |
|   | <i>Failing to tag all plants as required</i>  |
|   | <i>Failing to follow an approved security plan</i>  |
|   | <i>Allowing disorderly activity</i>   |
|   | <i>Allowing unlawful (under state law) activity</i>   |
|   | <i>Failing to notify Department within 24 hours of a serious incident/criminal activity on the premises of the establishment</i>  |
|   | <i>Failing to pay taxes to the Department of Taxation (not intentionally)</i>   |

|  |  |
|--|--|
|  | <i>Selling unauthorized products</i>   |
|  | <i>Failing to notify department of facility modification or expansion or a change in equipment or menu</i> |
|  | <i>Violating packaging and/or labeling requirements</i>  |
|  | <i>Storing or delivering an unapproved product</i>   |
|  | <i>Failing to meet marijuana waste disposal requirements</i>   |
|  | <i>Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids</i>             |
|  | <i>Exceeding maximum serving requirements for marijuana products</i>                                       |
|  | <i>Exceeding reasonable delivery time frame without approval from the Department</i>                       |
|  | <i>Transporting or storing marijuana from an unlicensed source and/or diversion of product</i>             |
|  | <i>Picking up, unloading, or delivering marijuana at an unauthorized location</i>                          |
|  | <i>Handwashing and employee hygiene violations, including bare hand contact on products</i>                |
|  | <i>Failing to maintain proper temperature of potentially hazardous food or marijuana items</i>             |
|  | <i>Failing to comply with water temperature requirements</i>   |
|  | <i>Failing to prevent backflow (plumbing)</i>  |
|  | <i>Marijuana and food items spoiled or contaminated</i>  |
| <b>Category</b>  | <b>Violation</b>   |
| <b>IV</b>  | <i>Failing to display or have in immediate possession an agent card or proof of temporary registration</i> |
|  | <i>Removing, altering or covering license suspension or other required notice sign</i>                     |
|  | <i>Violating advertising requirements</i>  |
|  | <i>Retailer displaying products in a manner visible to the general public from a public right of way.</i>  |
|  | <i>Failing to respond to administrative violation notice and/or failing to pay fines</i>                   |
|  | <i>Violating sampling restrictions</i>   |
|  | <i>Failing to maintain standardized scale requirements</i>   |
|  | <i>Transporting marijuana in an unauthorized vehicle</i>   |
|  | <i>Improper storing of foods or marijuana</i>  |
|  | <i>Failing to properly wash, rinse and sanitize product contact surfaces as required</i>                   |
|  | <i>Handwashing facilities not stocked, accessible, and limited to handwashing only</i>                     |
|  | <i>Minor pest infestation (pests are not multigenerational or on contact surfaces)</i>                     |
|  | <i>Failing to properly use sanitizer as required</i>   |
| <i>Violating transportation or delivery requirements not otherwise mentioned</i> |  |
| <b>Category</b>  | <b>Violation</b>   |

|          |   |
|----------|---|
| <b>V</b> | <i>Failing to submit monthly tax/sales reports and/or payments.</i>                     |
|          | <i>Failing to notify the Department of a temporary closure of the licensed business</i> |
|          | <i>Failing to post required signs</i>   |
|          | <i>Failing to notify the Department of a change in business name</i>                    |
|          | <i>Making payment with NSF (insufficient funds) check</i>                               |
|          | <i>Failing to comply with any other requirements not otherwise mentioned</i>            |

**Sec. 118. Reporting. (NRS 453D.200)** *Each marijuana establishment shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report.*

*1. Each marijuana cultivation facility shall submit:*

- (a) The current production of the 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 marijuana product manufacturing facility shall submit:*

- (a) The amount of marijuana purchased;*
- (b) The amount of edible marijuana 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 retail marijuana store shall submit:*

- (a) The amount of marijuana purchased by the retail marijuana store from other retail marijuana stores, marijuana cultivation facilities, and 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. Each marijuana establishment shall submit to the Department quarterly, on or before the 15th day of April, July, October and January, the report on the form prescribed by the Department for the three months preceding the report month. A report must be filed whether or not a sale or purchase has occurred.*

**Sec. 119. Investigations by the Department. (NRS 453D.200)**

*The Department shall make appropriate investigations:*

- 1. To determine whether there has been any violation of NRS Chapter 453D or any regulations adopted thereunder.*
- 2. To determine any facts, conditions, practices or matters which it may deem necessary or proper to aid in the enforcement of any such law or regulation.*
- 3. To aid in adopting regulations.*
- 4. To secure information as a basis for recommending legislation relating to NRS Chapter 453D.*

**Sec. 120. Order for summary suspension. (NRS 453D.200)**

- 1. If the Department finds that public health, safety or welfare imperatively require emergency action, and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action.*
- 2. The suspension of a license will be effective immediately.*

3. *The Department will give notice to the licensee of facts or conduct that warrant the intended action and provide the licensee an opportunity to show compliance pursuant to section 3 of NRS 233B.127.*
4. *The licensee may not operate until the Department has confirmed that the deficiencies identified in the Order for Summary Suspension have been corrected.*
5. *The licensee may request an administrative hearing regarding the summary suspension within 30 days of the date of the order for summary suspension.*

**Sec. 121. Initiation of complaint by the Department. (NRS 453D.200)**

*If, after any investigation the Department is satisfied that:*

1. *A license granted under NRS Chapter 453D should be suspended or revoked; or*
2. *A person or entity which is licensed under NRS Chapter 453D should be fined*  
→ *the Department shall initiate a hearing before a hearing officer by filing a Complaint with the hearing officer pursuant to subsection 3 of NRS 453D.200 and Section 120 and transmit therewith a summary of evidence in its possession bearing on the matter.*

**Sec. 122. Administrative violations (NRS 453D.200)**

1. *The Department may impose civil penalties for violations of NRS Chapter 453D and NAC 453D as described in section 117.*
2. *The Department may rescind any civil penalty that has been inappropriately issued.*
3. *Each notice of civil penalty shall contain the following information:*
  - (a) *The date(s) of the violation(s) or, if the date of the violation(s) is/are unknown, then the date the violation(s) is/are identified;*
  - (b) *The address or description of the location where the violation(s) occurred;*

- (c) The section(s) of NRS 453D or NAC 453D that has been violated and the description of the violation(s);*
- (d) The amount of the fine or action taken for the violation(s);*
- (e) A description of the payment process, including a description of the time within which and the place to which the fine shall be paid;*
- (f) An order prohibiting the continuation or repeated occurrence of the violation(s) described in the notice of civil penalty;*
- (g) A description of the appeals process, including the time within which the civil penalty may be contested and the place to which the request must be made; and*
- (h) The name and signature of the citing enforcement officer.*

**Sec. 123. Requesting a hearing. (NRS 453D.200)**

- 1. A respondent that has been served with a notice of civil penalty pursuant to section 122 may request a hearing within 30 days of the date of the notice of civil penalty.*
- 2. A respondent that has been served with a Complaint shall be entitled to a hearing regarding the matters addressed therein.*
- 3. A respondent that has been served with an Order for Summary Suspension shall be entitled to a hearing regarding the summary suspension.*

**Sec. 124. Hearing notice. (NRS 453D.200)**

- 1. The hearing officer shall send a notice to set a hearing to the respondent in writing to the last mailing address of record.*
- 2. The hearing officer shall conduct an administrative hearing pursuant to section 123;*
  - (a) Within 15 days after receiving the Complaint from the Department. The hearing officer may continue such a hearing for good cause shown; or*

- (b) As soon as practicable for all other matters.*
- 3. Notice of an administrative hearing conducted pursuant to this section must be served by mail at least 10 days before the date of the hearing to any person or entity whose license is subject to be suspended or revoked.*
  - 4. Notice of a hearing served pursuant to subsection 2 must specify:*
    - (a) The purpose of the hearing; and*
    - (b) The date, time and location of the hearing.*
  - 5. Hearings will be held at the offices of the Department in Carson City, Nevada, or at such other place in the State as may be designated in the notice of hearing.*
  - 6. In all hearings ordered to be held by the hearing officer, the hearing date may be set with less than 10 days' notice if the petitioner, or the petitioner's counsel, and staff agree in writing.*
  - 7. After a hearing held pursuant to this section, the hearing officer shall prepare written findings of fact, conclusions of law and his or her decision on the issues presented at the hearing. The hearing officer shall serve a copy of his or her findings of fact, conclusions of law and decision upon the licensee, within 20 days after the date of the hearing.*
  - 8. In the written decision on the Complaint, the hearing officer may:*
    - (a) Suspend or revoke the license of any licensed marijuana establishment. If the hearing officer orders suspension of the license, the order shall prescribe the time period of suspension. If the hearing officer orders revocation of the license, the order shall prescribe a period which the person or entity may not apply for reinstatement of the license. The period must not be less than 1 year and not more than 10 years;*

- (b) Fine each person or entity, or both, which is licensed pursuant to NRS Chapter 453D not more than \$250,000 for each separate violation of any regulation adopted pursuant to NRS 453D which is the subject of an initial or subsequent complaint; and*
- (c) All fines must be paid to the State Treasurer for deposit in the State General Fund.*

**Sec. 125. Appearance; representation by attorney; standards of conduct; withdrawal from representation; sanctions; costs of defense. (NRS 453D.200)**

- 1. In any contested case against a licensee pursuant to this chapter, the licensee may appear on his or her own behalf or the licensee may be represented by:
  - (a) An attorney licensed to practice law in this State; or*
  - (b) An attorney licensed to practice law in another state who is properly associated with an attorney licensed to practice law in this State and who provides a certificate of good standing from the licensing authority of the other state.**
- 2. An attorney representing a licensee shall:
  - (a) Ensure that his or her conduct complies with the Nevada Rules of Professional Conduct; and*
  - (b) Conform to all standards of ethical and courteous behavior required in the courts of this State.**
- 3. An attorney may withdraw from representing a licensee upon notice to the licensee and the Department and hearing officer. The notice must include the reason for the requested withdrawal. The hearing officer may deny the request if there may be an unreasonable delay in the case or the substantial rights of the licensee may be prejudiced.*

4. *If the hearing officer finds that an attorney has violated any provision of NAC 453D, the hearing officer may bar the attorney from participating in the case or may impose such other sanctions as the hearing officer deems appropriate.*
5. *A licensee is responsible for all costs related to the presentation of his or her defense.*

**Sec. 126. Answer; amendment of complaint; continuance; inclusion of pleadings in record.  
(NRS 453D.200)**

1. *After being served with the Complaint, the licensee may, but is not required to, file an answer to the order. The licensee may file such an answer not later than 10 days after the date of service of the order.*
2. *The Department may amend the Complaint at any time before the hearing. If the Department amends the Complaint before the hearing, the Department shall:*
  - (a) *File the amended Complaint with the hearing officer; and*
  - (b) *Serve the licensee with the amended Complaint.*
3. *After being served with an amended Complaint, the licensee may do any or all of the following:*
  - (a) *File an answer to the amended Complaint. The licensee may file such an answer not later than 10 days after the date of service of the amended Complaint or not later than the date of the hearing, whichever date is sooner.*
  - (b) *Move for a continuance of the hearing. The hearing officer shall grant the continuance if the licensee demonstrates that:*
    - (1) *The amendment materially alters the allegations in the Complaint; and*
    - (2) *The licensee does not have a reasonable opportunity to prepare a defense against the amended Complaint before the date of the hearing.*

4. *The Department may amend the Complaint at the time of the hearing if the amendment is not considered material and the substantial rights of the licensee would not be prejudiced by the amendment.*
5. *The Complaint, any amended Complaint and any answer filed by the licensee must be made part of the record at the hearing.*

**Sec. 127. Discovery; limitations on interrogatories and depositions. (NRS 453D.200)**

1. *At any time after being served with the Complaint, the licensee may file with the hearing officer a written discovery request for a copy of all documents and other evidence intended to be presented by the Department in support of the case and a list of proposed witnesses.*
2. *The investigative file for the case is not discoverable unless the Department intends to present materials from the investigative file as evidence in support of the case. The investigative file for the case includes all communications, records, affidavits or reports acquired or created as part of the investigation of the case, whether or not acquired through a subpoena related to the investigation of the licensee.*
3. *A party may not serve any interrogatories on another party or take any depositions relating to the case.*

**Sec. 128. Ex parte communications. (NRS 453D.200)** *A party shall not communicate either directly or indirectly with the hearing officer about any issue of fact or law related to the case unless the communication:*

1. *Is part of a pleading, motion or other document that is properly filed and served on all parties; or*

2. *Occurs while all parties are present or occurs during a meeting or hearing for which all parties have been given proper notice, whether or not all parties are present at that meeting or hearing.*

**Sec. 129. Prehearing conferences. (NRS 453D.200)**

1. *The hearing officer may, upon his or her own motion or the motion of a party, hold a prehearing conference for the purpose of formulating or simplifying the issues, obtaining admissions of fact or documents which will avoid unnecessary proof, arranging for the exchange of proposed exhibits or prepared expert testimony, limiting the number of witnesses, any procedure for the hearing and any other matters which may expedite orderly conduct and the disposition of the proceedings or settlements thereof.*
2. *The action taken at a prehearing conference and the agreements, admissions or stipulations made by the parties concerned must be made a part of the record and must be approved by the parties. When approved, the action will control the course of subsequent proceedings, unless otherwise stipulated to by all the parties of record with the consent of the hearing officer.*
3. *In any proceeding the hearing officer may, in his or her discretion, call all of the parties together for a conference before the taking of testimony. The hearing officer shall state on the record the results of the conference.*

**Sec. 130. Continuances; recesses. (NRS 453D.200)** *The hearing officer may, in his or her discretion, either before or during a hearing, grant continuances or recesses.*

**Sec. 131. Failure of party to appear. (NRS 453D.200)** *At the time and place set for the hearing, if a party fails to appear, the hearing officer may, in his or her discretion, dismiss the*

*proceeding with or without prejudice or may recess the hearing for a period of time to be set by the hearing officer to enable the party to attend.*

**Sec. 132. Burden of proof; presentation of evidence. (NRS 453D.200)**

1. *With a filing of a Complaint, the Department has the burden of proof in any evidentiary hearing ordered or noticed for that purpose. The standard of proof in such a hearing is a preponderance of the evidence as defined in NRS 233B.0375.*
2. *Evidence may be received in any manner ordered by the hearing officer, but will ordinarily be received from the parties in the following order:*
  - (a) *Brief orientation by the staff;*
  - (b) *The petitioner;*
  - (c) *The staff;*
  - (d) *Interveners; and*
  - (e) *Rebuttal by the petitioner.*
3. *If requested by any party, the hearing or any portion of the hearing must be transcribed. The party making the request shall pay all costs for the transcription.*

**Sec. 133. Subpoenas. (NRS 453D.200)**

1. *With the exception that the Department shall not issue a subpoena to compel the production of books and papers that contain individually identifiable health information, the Department may issue a subpoena requiring the attendance of a witness from any place in the State to any designated place of a hearing for the purpose of taking testimony by the hearing officer.*
2. *A party desiring to subpoena a witness must submit an application in writing to the hearing officer stating the reasons why a subpoena is requested.*

3. *The hearing officer may require that a subpoena requested by a party for the production of books, waybills, papers, accounts or other documents be issued only after the submission of an application in writing, which specifies as clearly as may be, the books, waybills, papers, accounts or other documents desired.*
4. *The hearing officer, upon receipt of an application for a subpoena, shall:*
  - (a) *Grant the application and issue the subpoena;*
  - (b) *Deny the application; or*
  - (c) *Schedule a hearing to decide whether to grant or deny the application.*
5. *All costs incident to the subpoenas issued at the request of the petitioner must be paid by the petitioner, and the hearing officer may demand payment of the costs before the issuance of a subpoena.*

**Sec. 134. Admission of evidence; depositions; affidavits. (NRS 453D.200)**

1. *The hearing will not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted, except where precluded by law, if it is of a type commonly relied upon by reasonable and prudent persons in the conduct of their affairs, even though the evidence might be subject to objection in civil actions.*
2. *Hearsay evidence, as that term is used in civil actions, may be admitted for the purpose of supplementing or explaining other evidence, but it is not sufficient to support findings of fact unless it would be admissible over objection in civil actions.*
3. *The rules of privilege will be applied as they are applied in civil actions.*
4. *Irrelevant, cumulative and unduly repetitious evidence is not admissible, nor is incompetent evidence, as that term is used in civil trials, with the exception of hearsay evidence as above provided.*

5. *The parties or their counsel may, by written stipulation, agree that certain specified evidence may be admitted, even though the evidence would otherwise be subject to objection.*
6. *The hearing officer or any party to any proceeding may cause the depositions of witnesses to be taken in the manner prescribed by law and the rules of the court for depositions in civil actions.*
7. *The affidavit of any person may be admitted in evidence if all the parties stipulate and consent to its admission.*

**Sec. 135. Official notice. (NRS 435D.200)** *The hearing officer may take official notice of the following matters:*

1. *Rules, regulations, official reports, decisions and orders of the Commission and any regulatory agency of the State;*
2. *Contents of decisions, orders, certificates and permits issued by the Commission;*
3. *Matters of common knowledge and technical or scientific facts of established character;*
4. *Official documents, if pertinent, when properly introduced into the record of formal proceedings by reference if proper and definite reference to the document is made by the party offering it and it is published and generally circulated so that all of the parties of interest at the hearing have an opportunity to examine it and present rebuttal evidence; and*
5. *Matters which may be judicially noticed by the courts of the State.*

**Sec. 136. Briefs. (NRS 453D.200)**

1. *In any hearing, the hearing officer may order briefs filed within such time as he or she allows.*

2. *Briefs must be filed with the hearing officer and be accompanied by an acknowledgment of or an affidavit showing service on all other parties of record.*

**Sec. 137. Order of hearing for a complaint. (NRS 453D.200)**

1. *Except as otherwise provided in this section, in any hearing for a Complaint, the hearing must proceed as follows:*
  - (a) *The hearing officer shall call the hearing to order;*
  - (b) *The parties and their representatives and the hearing officer must be introduced;*
  - (c) *The hearing officer shall consider any preliminary motions, stipulations or orders and shall address any administrative details regarding the hearing;*
  - (d) *The hearing officer:*
    - (1) *Shall ask the parties if they want any witness excluded from the hearing;*
    - (2) *Shall instruct any witness who is excluded from the hearing not to discuss the case during the course of the hearing;*
    - (3) *Shall allow the licensee to remain in the hearing;*
    - (4) *Shall allow any person who acts as both a representative of the Department and a witness in the hearing to remain in the hearing; and*
    - (5) *May, on its own motion, exclude any witness from the hearing.*
  - (e) *The Department may make an opening statement. After the Department has had the opportunity to make an opening statement, the licensee may make an opening statement. The hearing officer may limit equally the time of the opening statement of each party.*
  - (f) *The Department may present his or her case by presenting evidence and calling witnesses in the following manner:*

- (1) The witness must be sworn in;*
  - (2) The Department may directly examine the witness;*
  - (3) The licensee may cross-examine the witness;*
  - (4) If requested, the Department may question the witness on redirect examination;*  
*and*
  - (5) If requested, the licensee may question the witness on recross-examination.*
- (g) After the Department has had the opportunity to present his or her case, the licensee may present his or her case by presenting evidence and calling witnesses in the following manner:*
- (1) The witness must be sworn in;*
  - (2) The licensee may directly examine the witness;*
  - (3) The Department may cross-examine the witness;*
  - (4) If requested, the licensee may question the witness on redirect examination; and*
  - (5) If requested, the Department may question the witness on recross-examination.*
- (h) The hearing officer may question a witness at any time during the hearing. If a witness is questioned by the hearing officer, the party who called the witness may request permission to ask further questions, limited to the area addressed by the hearing officer. When that party has asked those questions, the other party may request permission to ask further questions, limited to the area addressed by the hearing officer.*
- (i) After the Department and licensee have presented their cases, the hearing officer may allow the Department and licensee to call rebuttal witnesses. If the Department or licensee, or both, call one or more rebuttal witnesses, each rebuttal witness must be*

- sworn in and questioned in the same manner as provided in paragraph (f) or (g), as appropriate.*
- (j) The Department may make a closing argument. After the Department has had the opportunity to make a closing argument, the licensee may make a closing argument. The hearing officer may limit equally the time of the closing argument of each party. If the licensee makes a closing argument, the Department may make a final closing argument. The hearing officer may limit the time of the final closing argument.*
  - (k) If allowed by the hearing officer, either party may recommend specific disciplinary action to the hearing officer at the appropriate time.*
  - (l) After the close of the hearing, the hearing officer shall deliberate and reach a decision not later than 60 days after the close of the hearing.*
  - (m) If the hearing was conducted by the hearing officer, the hearing officer shall prepare written findings and recommendations and serve the findings and recommendations on the parties and the Department for its review.*
- 2. The hearing officer may deviate from the order of the hearing set forth in subsection 1 if the hearing officer:*
- (a) Upon a showing of good cause, deems it appropriate; or*
  - (b) Deems it necessary to expedite or ensure the fairness of the hearing.*

**Sec. 138. Duties of hearing officer after hearing. (NRS 453D.200)**

- 1. After the hearing of a contested case, the hearing officer shall prepare findings of fact, conclusions of law and his or her final decision on the issues presented in the hearing.*

2. *The hearing officer shall serve a copy of his or her findings of fact, conclusions of law and decision upon all the parties of record and members of the Commission within 60 days after the date of the hearing.*

**Sec. 139. Post hearing motions; rehearing and reconsideration; vacation and modification of final decision. (NRS 453D.200)**

1. *After the close of the hearing, a party may file only the following motions:*
  - (a) *A motion requesting a rehearing;*
  - (b) *A motion requesting reconsideration of the findings and recommendations of the hearing officer; or*
  - (c) *With leave of the hearing officer, any other motion requesting appropriate action or relief after the close of the hearing.*
2. *A motion requesting a rehearing or reconsideration must be filed with the hearing officer not later than 15 days after the date of service of the findings and recommendations of the hearing officer.*
3. *A party who opposes the motion may file a response to the motion not later than 7 days after the date of service of the motion.*
4. *A motion requesting a rehearing or reconsideration may be based only on one of the following grounds:*
  - (a) *Newly discovered or available evidence;*
  - (b) *Error in the hearing or in the findings and recommendations or the decision that would be grounds for reversal of the findings and recommendations or the decision;*  
*or*

*(c) The need in the public interest for further consideration of the issues or evidence, or both.*

*5. The hearing officer shall enter an order ruling on the motion requesting a rehearing or reconsideration not later than 25 days after the date on which the motion is filed. A copy of the order must be served on each party. The hearing officer may:*

*(a) Deny the motion;*

*(b) Order a rehearing or partial rehearing;*

*(c) Order reconsideration of the findings and recommendations or the decision; or*

*(d) Direct other proceedings as the regulatory body or hearing panel or officer deems appropriate.*

*6. If the hearing officer orders a rehearing, the rehearing must be confined to the issues upon which the rehearing was ordered.*

**Sec. 140. Appeal of decision of hearing officer. (NRS 453D.200)**

*1. The staff, petitioner or a designated representative may, within 30 days after service of the copy of the findings of fact, conclusions of law and decision of the hearing officer, file a notice of appeal with the Commission.*

*2. Within 30 days after filing a notice of appeal, the appellant shall file with the Commission a:*

*(a) Brief setting forth the points relied upon in his or her appeal and authorities in support thereof; and*

*(b) Designation of the parts of the record before the hearing officer that he or she deems relevant to his or her appeal.*

3. *An appeal from the decision of the hearing officer to the Commission must be based upon one or more of the grounds set forth in subsection 3 of NRS 233B.135.*
4. *The filing of a notice of appeal does not excuse compliance with the decision of the hearing officer nor suspend the effectiveness of a decision unless otherwise ordered by the hearing officer.*
5. *After receipt of a notice of appeal, filed in compliance with subsection 1, and the documentation required by subsection 2, the Department will schedule a time for oral argument before the Commission at its next meeting. The oral argument will be limited to a period of time not to exceed 20 minutes unless extended by the Commission. The Commission will not review evidence which was not submitted to the hearing officer unless it determines that good cause exists for a failure to submit the evidence to the hearing officer.*
6. *The Commission will modify, reverse or affirm the decision of the hearing officer or remand the case to the hearing officer. The Director shall issue a final written decision on behalf of the Commission.*
7. *Any decision of revocation, suspension or fine affirmed by the Commission is effective until reversed upon judicial review, except that the Commission may stay its order pending a rehearing or judicial review upon such terms and conditions as it deems proper.*
8. *Judicial review of any such order or decision of the Commission may be had in accordance with section 141.*

**Sec. 141. Judicial review. (NRS 453D.200)**

1. *Except as otherwise provided in the Constitution of this State, a party may not seek any type of judicial intervention or review of a contested case until after the contested case results in a final decision of the Commission.*
2. *Except as otherwise provided in this section, a party may seek judicial review of a final decision of the Commission in accordance with the provisions of chapter 233B of NRS that apply to a contested case.*
3. *Notwithstanding the provisions of subsection 1 of NRS 233B.131 regarding transmittal of the record of the proceeding under judicial review:*
  - (a) *The party filing the petition for judicial review shall provide an original or certified copy of the transcript of the hearing to the reviewing court; and*
  - (b) *The Department shall provide an original or certified copy of the remainder of the record of the proceeding under review to the reviewing court.*

**Sec. 142. Reinstatement of a license. (NRS 453D.200)**

1. *If a person applies for reinstatement of a license that has been revoked in a contested case pursuant to section 138, the person shall:*
  - (a) *Submit an application on a form supplied by the Department;*
  - (b) *Satisfy all the current requirements for the issuance of an initial license;*
  - (c) *Attest that, in this State or any other jurisdiction:*
    - (1) *The person has not, during the period of revocation, violated any state or federal law governing marijuana, and no criminal or civil action involving such a violation is pending against the person; and*

- (2) *No other regulatory body has, during the period of revocation, taken disciplinary action against the person, and no such disciplinary action is pending against the person.*
- (d) *Satisfy any additional requirements for reinstatement of the license prescribed by the Department.*
2. *The Department shall consider each application for reinstatement of a license submitted pursuant to this section. In determining whether to reinstate the license, the Department shall consider the following criteria:*
- (a) *The severity of the act resulting in the revocation of the license;*
- (b) *The conduct of the person after the revocation of the license;*
- (c) *The amount of time elapsed since the revocation of the license;*
- (d) *The veracity of the attestations made by the person;*
- (e) *The degree of compliance by the person with any additional requirements for reinstatement of the license prescribed by the Department; and*
- (f) *The degree of rehabilitation demonstrated by the person.*
4. *If the Department reinstates the license, the Department may place any conditions, limitations or restrictions on the license as it deems necessary.*
5. *The Department may deny reinstatement of the license if the person fails to comply with any provisions of NRS 453D and NAC 453D.*
6. *The Department's denial of reinstatement of the license is not a contested case for the purposes of judicial review.*

### **Requirements Concerning Operation of Retail Marijuana Stores**

**Sec. 143. Hours of operation. (NRS 453D.300)** *Each retail marijuana store shall:*

1. *Ensure that the retail marijuana store is operating and available to sell marijuana and marijuana products to consumers, during, and only during, the designated hours of operation of the retail marijuana store as provided to the Department pursuant to NAC 453D.210 and the hours authorized by the locality in which the retail marijuana store is located; and*
2. *Post, in a place that can be viewed by persons entering the retail marijuana store, the hours of operation during which the retail marijuana store will sell marijuana and marijuana products to consumers.*

**Sec. 144. Duties of establishment agent before selling marijuana. (NRS 453D.300)**

*At the time a marijuana establishment agent sells marijuana or marijuana products to a consumer, the marijuana establishment agent shall:*

1. *Verify age by checking a photographic identification through an ID scanner approved by the Department to determine validity of any government issued photo identification card;*
2. *Offer any appropriate consumer education or support materials;*
3. *Enter the following information into the inventory control system:*
  - (a) The amount of marijuana or marijuana product sold;*
  - (b) The date and time at which the marijuana or marijuana product was sold;*
  - (c) The number of the marijuana establishment agent registration card of the marijuana establishment agent performing the sale; and*
  - (d) The number of the marijuana establishment license of the marijuana establishment*

**Sec. 145. Acceptable forms of identification for verifying age. (NRS 453D.300)**

1. *A retail marijuana store shall refuse the sale of marijuana or marijuana products to anyone, unless such person can produce a form of valid identification showing that the purchaser is 21 years of age or older.*
2. *The identification must contain a picture and date of birth.*
3. *The kind and type of identification deemed adequate shall be limited to the following, as long as such identification is valid and not expired:*
  - (a) An operator's, chauffeur's or similar type driver's license or instruction permit, issued by any state within the United States or any U.S. Territory;*
  - (b) An identification card, issued by any state for the purpose of proof of age;*
  - (c) A United States military identification card;*
  - (d) A Merchant Marine identification card issued by the United States Coast Guard;*
  - (e) A passport; or*
  - (f) An enrollment card issued by the governing authority of a federally recognized Indian tribe located in the state of Nevada, if the enrollment card incorporates proof of age requirements.*

**Sec. 146. Maximum allowable quantity of marijuana and marijuana products to be sold to a consumer. (NRS 453D.110)**

*For the purposes of this chapter, the maximum quantity of marijuana and marijuana products allowed to be sold to a consumer is:*

1. *One ounce of usable marijuana other than concentrated marijuana;*
2. *One-eighth ounce of concentrated marijuana that is the equivalent of 1750 mg of THC;*
3. *One-eighth ounce of concentrated marijuana that is the equivalent of 1750 mg of THC when it is an edible marijuana product; or*

*4. A combination of the three not to exceed the allowable limits.*

**Sec. 147. Allowable products for sale in marijuana retail stores. (NRS 453D.200)**

- 1. Only marijuana products, marijuana paraphernalia, marijuana-related accessories, CBD products, and hemp products related to marijuana are allowed to be offered for sale in retail marijuana stores.*
- 2. Traditional (non-marijuana) food, beverage and personal care items are prohibited to be sold in marijuana retail stores.*
- 3. Products containing alcohol are prohibited to be sold in retail marijuana stores if the sale of the product containing alcohol would require a license pursuant to NRS 369.*
- 4. Products containing nicotine are prohibited to be sold in retail marijuana stores.*
- 5. All products sold in a retail marijuana store should only include marijuana and items that relate to the marijuana establishment or brands of items sold at the retail store.*
- 6. Retail marijuana stores shall offer for sale containers for the storage of marijuana and marijuana products which lock and are designed to prohibit children from unlocking and opening the container.*

**Sec. 148. Storage of usable marijuana and marijuana products; disclosure of marijuana testing facility which performed quality assurance testing. (NRS 453D.200)**

- 1. A retail marijuana store must store all usable marijuana, concentrated marijuana and marijuana products behind a counter or other barrier to ensure a customer does not have direct access to the usable marijuana, concentrated marijuana or marijuana products.*
- 2. Upon the request of a consumer, a retail marijuana store must disclose the name of the marijuana testing facility which performed the required quality assurance tests for the*

*marijuana establishment and the corresponding marijuana testing facility certificate of analysis.*

- 3. A retail marijuana store may only sell usable marijuana obtained from a marijuana cultivation facility which holds a marijuana establishment license issued by the Department.*
- 4. Except as otherwise provided in subsection 5, a retail marijuana store may only sell concentrated marijuana and marijuana products obtained from a marijuana product manufacturing facility which holds a marijuana establishment license issued by the Department.*
- 5. Except as otherwise provided in subsection 6, a retail marijuana store may not sell a product other than usable marijuana or marijuana products which contain any level of THC or CBD without the approval of the Department. Each retail marijuana store shall maintain a file which contains a certificate of analysis for any such approved product at the retail marijuana store and shall make the file available for review upon request.*
- 6. The provisions of subsections 3 and 4 do not apply to industrial hemp, as defined in section 7 of Senate Bill No. 305, chapter 349, Statutes of Nevada 2015, at page 1973 (NRS 557.040), which is certified and registered with the State Department of Agriculture.*

### **Requirements Concerning Delivery by Retail Marijuana Stores**

**Sec. 149. Requirements for an establishment to be authorized to conduct deliveries. (NRS 453D.200)**

*Except for delivery made pursuant to NRS 453D.110(3), delivery of marijuana or marijuana products to a consumer by a marijuana establishment or any third party are prohibited unless each of the following requirements are met:*

- 1. Retail marijuana registered agents who hold marijuana retail store establishment agent cards may deliver product to consumers;*
- 2. A retail marijuana store may enter into a service agreement with an independent contractor that employs marijuana retail store establishment agents that may conduct delivery to consumers. The name of the independent contractor with whom the retail marijuana store has entered into a service agreement for delivery must be disclosed to the Department prior to any deliveries being made;*
- 3. The name of all retail stores and any independent contractor who is authorized to make deliveries as an agent of the retail store will be published on the Department's website.*
- 4. The delivery process, including accepting the order and the physical delivery of marijuana and marijuana products, shall be conducted by a retail marijuana store agent only after the Department has received confirmation from the retail marijuana store that the retail marijuana store agent has been employed by or has a contract to provide services for the retail marijuana store; volunteers at or on behalf of the retail marijuana store; or has been contracted to provide labor at or be employed by an independent contractor to provide labor at the retail marijuana store conducting the delivery;*
- 5. Prior to physically providing the marijuana or marijuana products to a consumer upon delivery, the retail marijuana store agent must obtain verification of the person's identity and age by verifying the form of identification and age by scanning at least one form of identification listed under section 145 of NAC 453D;*

6. *Retail marijuana store agents cannot deliver marijuana or marijuana product with any other product unless that product is marijuana paraphernalia, merchandise, packaging or promotional items directly related to the marijuana or marijuana product being delivered;*
7. *Delivery must only be conducted during the hours the retail store is open for business;*
8. *The retail marijuana store agent delivering marijuana and marijuana products must only travel to and from the retail marijuana store and delivery destination and must not make any unnecessary stops that are not disclosed in the trip plan and shipping manifest. If the delivery vehicle makes stops for fuel, the stops must be documented in the trip plan and maintained for review by the Department; and*
9. *A retail marijuana store may only deliver marijuana and marijuana products within Nevada.*

**Sec. 150. Inventory requirements when conducting delivery to a consumer. (NRS 453D.300)**

1. *Before delivering marijuana or marijuana products pursuant to section 149 of NAC 453D, the licensed retail marijuana store must:*
  - (a) *Ensure that all marijuana and marijuana products are secured at all times during delivery; and*
  - (b) *Maintain a hard copy or electronic version of a seed to sale tracking system generated delivery manifest that contains all the information required by this section and shall be in the format approved by the Department;*
2. *A licensed retail marijuana store may deliver marijuana or marijuana product to multiple consumers so long as the delivery manifest correctly reflects the specific inventory destined for the specific consumer and location.*

3. *When a retail marijuana store delivers marijuana and marijuana product to a consumer, the retail marijuana store shall input the required information into the seed to sale system generated delivery manifest indicating that it will be delivered to a consumer.*
4. *A retail marijuana store agent shall not alter the information of the retail marijuana store after the information has been entered on the seed to sale inventory tracking system generated delivery manifest by the retail marijuana store.*
5. *If the retail marijuana store agent is not able to deliver the marijuana or marijuana product directly to the consumer, the retail marijuana store agent shall return the product to the retail marijuana store.*
6. *A retail marijuana store shall provide a copy of the seed to sale system generated delivery manifest to each consumer receiving the inventory described in the delivery manifest. In order to maintain transaction confidentiality, the retail marijuana store shall prepare a separate seed to sale tracking system generated delivery manifest for each consumer.*
7. *The retail marijuana store shall complete a seed to sale system generated delivery manifest which shall include the following information:*
  - (a) The delivery date and approximate time of delivery;*
  - (b) The name, location, address, and license number of the retail marijuana store;*
  - (c) The name and location address of the consumer;*
  - (d) The product name and quantities (by weight and unit) of each product to be delivered to each consumer;*
  - (e) Delivery vehicle make and model, license plate number and identification card number;*

- (f) Name, retail marijuana store agent registration card number and signature of the agent(s) accompanying the delivery of the marijuana and marijuana products.*
- 8. In addition to all the other tracking requirements set forth in this section, a retail marijuana store shall be responsible for all the procedures associated with the tracking of inventory pursuant to sections 105 and 106 of NAC 453D.*
  - 9. Prior to departure, the retail marijuana store shall adjust its records to reflect the removal of marijuana or marijuana product. Entries to the records shall reflect the seed to sale system generated delivery manifest and shall be easily reconciled, by product name and quantity, with the applicable delivery manifest.*
  - 10. After delivering marijuana or marijuana products pursuant to section 149 of NAC 453D, a licensed retail marijuana store is responsible for entering any changes to the trip plan that was completed pursuant to subsection (7) of section 149 of NAC 453D.*
  - 11. Any damaged marijuana or marijuana product that is undeliverable to the consumer or that is refused by the consumer shall be delivered back to the retail marijuana store and reconciled in the seed to sale inventory tracking system.*
  - 12. The retail marijuana store must have the ability to reconcile its delivered marijuana or marijuana product with the seed to sale inventory tracking system and the associated transaction history and transaction order receipts.*
  - 13. A retail marijuana store must reconcile transactions to the seed to sale inventory tracking system at the close of business each day.*
  - 14. All information on the seed to sale inventory generated delivery manifests must be accurate for the delivery to be completed.*
  - 15. A retail marijuana store shall:*

- (a) Maintain the documents required in subsection (1) – (14) of this section; and*
- (b) Provide a copy of the documents required in subsection (1) – (14) of this section to the Department for review upon request.*

**Sec. 151. Restrictions on delivery of marijuana. (NRS 453D.200)**

- 1. A retail marijuana store may not deliver more than 5 ounces of marijuana or the equivalent amount of marijuana products pursuant to section 149 of NAC 453D at any one time within a single trip plan.*
- 2. A retail marijuana store is prohibited from delivering marijuana or marijuana product to a consumer at any location that has been issued a gaming license as defined in NRS 463.015.*
- 3. A retail marijuana store may only deliver marijuana or marijuana products to a private residence, and can only deliver one ounce of marijuana or the equivalent of marijuana product to an individual consumer.*
- 4. Only the person who placed the order may accept the delivery of the marijuana and marijuana products.*
- 5. When delivering marijuana or marijuana products to a consumer pursuant to subsection 4 of this section, a retail marijuana store agent must:*
  - (a) Before delivery, confirm verbally with the consumer by telephone that the consumer ordered the marijuana or marijuana products and verify the identity of the consumer;*
  - (b) Enter the details of the confirmation obtained pursuant to paragraph (a) of this section in a log which must be available for inspection by the appropriate law enforcement agency and by the Department; and*

- (c) Upon delivery, review the government issued identification to confirm the consumer's identify and age and only leave the items with the consumer whose age and identity was confirmed.*
- 6. When delivering by vehicle, marijuana and marijuana product must be in a lockbox or locked cargo area. A trunk of a vehicle is not considered secure storage unless there is no access from within the vehicle and it is not the same key access as the vehicle.*
  - 7. A retail store marijuana agent, while delivering by vehicle, must have a means of communicating with the retail marijuana store for which he or she is providing the delivery.*
  - 8. The marijuana or marijuana products cannot be visible from outside the vehicle.*
  - 9. While engaged in the delivery of marijuana and marijuana products, any person that occupies a delivery vehicle when it is loaded with marijuana or marijuana products must be a registered marijuana establishment agent for the retail marijuana store.*
  - 10. All marijuana and marijuana product being delivered by vehicle must be delivered in sealed packages and containers and remain unopened during delivery.*
  - 11. Each retail marijuana store agent delivering marijuana or marijuana products must:*
    - (a) Report any vehicle accident that occurs during the delivery to a person designated by the retail marijuana store to receive such reports within 2 hours after the accident occurs;*
    - (b) Report any loss or theft of marijuana or marijuana products that occurs during the delivery to a person designated by the retail marijuana store to receive such reports immediately after the retail marijuana store agent becomes aware of the loss or theft;*

*(c) A retail marijuana store that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency and to the Department as required by section 107 of this chapter; and*

*(d) Report any unauthorized stop that lasts longer than 2 hours to the Department.*

**Sec. 152. Vehicle requirements for delivery. (NRS 453D.200)**

- 1. A retail marijuana store can use any vehicle that meets the vehicle requirements in NRS Chapter 484D and sections (2) through (6) in this section, to deliver marijuana and marijuana products.*
- 2. Licensed retail marijuana stores must obtain approval from the Department for each vehicle it is intending to use for delivery of marijuana and marijuana products. The Department will issue an identification card containing information as determined by the Department for each vehicle and this card is to be kept in the vehicle at all times.*
- 3. Licensed retail marijuana store delivery vehicles cannot have any advertising, signage or markings related to marijuana.*
- 4. Delivery vehicles must be equipped with an audible car alarm.*
- 5. A retail marijuana store must provide adequate care for perishable marijuana products and refrigeration during delivery, if required. The method of temperature control must be approved by the Department. Temperature control shall be maintained below 41 degrees while transporting potentially hazardous marijuana products.*
- 6. Licensed retail marijuana store delivery vehicles are subject to inspection by the Department, pursuant to sections 82 and 83 of NAC 453D and NRS 453D.300.*

## **Requirements Concerning Operation of Cultivation Facilities**

### **Sec. 153. Usable marijuana: required disclosures; free samples. (NRS 453D.200)**

- 1. A marijuana cultivation facility must disclose in writing with each lot of usable marijuana provided to a retail marijuana store:
  - (a) All soil amendments, fertilizers and other crop production aids applied to the growing medium or marijuana plant included in the lot; and*
  - (b) The name of the marijuana testing facility which performed the required quality assurance tests and the certificate of analysis for the lot.**
- 2. A marijuana cultivation facility may provide a retail marijuana store free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. A sample jar may not contain more than 3 1/2 grams of usable marijuana. The sample jars may not be left unattended and must be sealed shut. The sample jar and the usable marijuana within may not be sold to a consumer and must be either returned to the marijuana cultivation facility which provided the usable marijuana or destroyed by the retail marijuana store after use and documented by the retail marijuana store using its inventory control system pursuant to NRS 453D.300 and section 105 of NAC 453D.*
- 3. The provisions of chapter 372A of NRS and chapter 372A of NAC, SB 487 and NRS 453D governing the imposition of an excise tax on marijuana establishments apply to the free samples provided to a retail marijuana store.*

### **Sec. 154. Restrictions on access to enclosed, locked facility where marijuana is cultivated; accompaniment by authorized marijuana establishment agent; prevention of observation or detection of marijuana outside facility. (NRS 453D.300)**

1. *Except as otherwise provided in subsection 2, a marijuana cultivation facility must ensure that access to the enclosed, locked facility where marijuana is cultivated is limited to the officers, board members and authorized marijuana establishment agents of the marijuana cultivation facility.*
2. *Each marijuana cultivation facility shall ensure that an authorized marijuana establishment agent accompanies any person other than another marijuana establishment agent associated with the marijuana establishment at all times when the person is present in the enclosed, locked facility where marijuana is cultivated or produced by the marijuana cultivation facility.*
3. *Each marijuana cultivation facility shall ensure that any marijuana growing at the marijuana cultivation facility:*
  - (a) *Cannot be observed from outside the marijuana cultivation facility and must not be visible from a public place by normal unaided vision; and*
  - (b) *Except for an outdoor marijuana cultivation facility, does not emit an odor that is detectable from outside the marijuana cultivation facility.*

**Sec. 155. Limited lab testing for research and development purposes. (NRS 453D.200)**

1. *A marijuana cultivation facility or a marijuana product manufacturing facility may request limited marijuana testing by a marijuana testing facility for research and development purposes.*
2. *A marijuana cultivation facility or marijuana product manufacturing facility described in subsection 1 shall:*

- (a) Notify the Department of its intent to conduct research and development on a form prescribed by the Department by electronic mail before sending a sample to a marijuana testing facility;*
  - (b) Quarantine each batch, lot or production run in a separate quarantine area and label each batch, lot or production run with a distinctive label containing “R&D QUARANTINE” as a header and footer in 20-point white font and a red background;*
  - (c) Account for all marijuana subject to quarantine pursuant to paragraph (b) in its inventory control system;*
  - (d) Limit all research and development operations to clearly segregated and designated areas or rooms marked “R&D CULTIVATION AREA” or “R&D PRODUCTION AREA” on 8 1/2 by 11 inch signs with a red background and white lettering, posted at the entrance to the area or room and along the walls of the area or room, with a minimum of one sign for every 300 square feet of the area or room; and*
  - (e) Perform research and development operations in a grow room only if the plants used for such operations are designated and separated from other plants.*
- 3. A marijuana cultivation facility or marijuana product manufacturing facility operating as described in subsection 1 may request limited testing protocols from a marijuana testing facility for research and development purposes.*
- 4. A marijuana testing facility that performs testing for a marijuana cultivation facility or marijuana product manufacturing facility described in subsection 1 shall report the results of the testing to the marijuana establishment and to the Department by electronic mail. The marijuana testing facility shall clearly mark the test results with “R&D*

*TESTING ONLY -- NOT FOR RESALE” on the header and footer of the report in 20-point white font and a red background.*

- 5. A batch, lot or production run produced for research and development purposes pursuant to this section which fails quality assurance testing need not be destroyed.*
- 6. A batch, lot or production run originally produced for research and development purposes pursuant to this section may not be sold to a retail marijuana store until the batch, lot or production run has undergone and passed all testing required by section 101 of NAC 453D.*

**Sec. 156. Outdoor cultivation, buffer zones. (NRS 453D.300)**

- 1. For each outdoor cultivation location, an applicant must submit to the Department a verification of adequate isolation, from both outdoor marijuana and hemp cultivation locations, including expansion or modification of existing facilities to prevent cross pollination of the cannabis crops. An outdoor cultivation facility shall request from the Department of Agriculture confirmation of adequate buffer zone isolation prior to submitting the application for licensing of the location.*
- 2. Each application for confirmation of adequacy of buffer zone isolation must:*
  - (a) Be on a form obtained from the Department of Agriculture;*
  - (b) Include documentation that verifies that the marijuana cultivation facility has:*
    - 1) Appropriate licensing;*
    - 2) Approved zoning; and*
    - 3) Any other use approvals required by the local jurisdiction.*
  - (c) Include a map and/or GPS co-ordinates that demonstrate the location of the proposed marijuana cultivation facility;*

- (d) Include any other information requested by the Department of Agriculture; and*
- (e) Be received and approved by the Department of Agriculture before the proposed cultivation area begins operations.*

## **Requirements for the Production of Marijuana Products**

### **Sec. 157. Production Forms: Generally. (NRS 453D.200)**

- 1. A marijuana product manufacturing facility shall not produce marijuana products in any form that:*
  - (a) Is or appears to be a lollipop or ice cream;*
  - (b) Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon or artistic rendering;*
  - (c) Is modeled after a brand of products primarily consumed by or marketed to children;*  
*or*
  - (d) Is made by applying concentrated marijuana to a commercially available candy or snack food item other than dried fruit, nuts or granola.*

### **Sec. 158. “Potentially hazardous marijuana products and ingredients” defined. (NRS 453D.200)**

- 1. “Potentially hazardous marijuana products and ingredients” means an edible item that is natural or synthetic and that requires temperature control because it is in a form capable of supporting:*
  - (a) The rapid and progressive growth of infectious or toxigenic microorganisms;*
  - (b) The growth and toxin production of Clostridium botulinum; or*
  - (c) In raw shell eggs, the growth of Salmonella Enteritidis.*

2. *The term “potentially hazardous marijuana products and ingredients” includes, without limitation:*
  - (a) *An animal item that is raw or heat-treated;*
  - (b) *An item of plant origin that is heat-treated or consists of raw seed sprouts;*
  - (c) *Cut melons and tomatoes;*
  - (d) *Garlic-in-oil mixtures that are not modified in a way that result in mixtures which prohibit growth; and*
  - (e) *Whipped butter.*
3. *The term “potentially hazardous marijuana products and ingredients” does not include:*
  - (a) *An ingredient with a value of water activity of 0.85 or less;*
  - (b) *An ingredient with a pH level of 4.6 or below when measured at 75°F (24°C); or*
  - (c) *An ingredient, in a hermetically sealed and unopened container, that is commercially processed to achieve and maintain commercial sterility under conditions of non-refrigerated storage and distribution.*

**Sec. 159. Person in charge: Demonstration of knowledge. (NRS 453D.200)**

*Based on the risks inherent to the operation of a marijuana product manufacturing facility, the persons responsible for managing each such facility shall demonstrate to the Department knowledge of disease prevention, and the requirements of this chapter and chapter 453D of NRS by:*

1. *Complying with the provisions of this chapter and chapter 453D of NRS and having no violations in categories (I) –(III) as described in section 177 of NAC 453D during inspection;*

2. *As defined in NRS 446.050, the marijuana product manufacturing facility or retail marijuana store shall ensure that at least one employee maintains such certification as a food protection manager from an ANSI accredited program;*
3. *Responding correctly to the questions of an inspector of marijuana establishments regarding:*
  - (a) *The relationship between the prevention of disease and the personal hygiene of a marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products;*
  - (b) *The prevention of the transmission of disease by a marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products who has a disease or condition that may transmit disease;*
  - (c) *The symptoms associated with the diseases that are transmissible through marijuana products and ingredients;*
  - (d) *The significance of the relationship between maintaining the temperature for a certain amount of time for potentially hazardous marijuana products and ingredients and the prevention of illness transmission;*
  - (e) *The hazards involved in the consumption of raw or undercooked meat, poultry and eggs;*
  - (f) *The required temperatures and times for safe cooking of potentially hazardous marijuana products and ingredients, including, without limitation, meat, poultry and eggs;*
  - (g) *The required temperatures and times for the safe refrigerated storage, hot holding, cooling and reheating of potentially hazardous marijuana products and ingredients;*

*(h) The relationship between the prevention of illness transmission and the management and control of:*

*(1) Cross contamination;*

*(2) Hand contact with finished marijuana products and ingredients;*

*(3) Hand washing; and*

*(4) Maintaining the establishment in a clean condition and in good repair.*

*(i) The correct procedures for cleaning and sanitizing utensils and the surfaces of equipment that have direct contact with marijuana products and ingredients; and*

*(j) The identification of poisonous or toxic materials in the facility and the procedures necessary to ensure that those materials are safely stored, sold, used and disposed of according to applicable state and federal laws and regulations.*

**Sec. 160. Hand washing required of marijuana establishment agents. (NRS 453D.200)**

*Each marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products shall keep his or her hands and the exposed portions of his or her arms clean in the manner set forth in NRS 453D.*

**Sec. 161. Hand washing: Procedure. (NRS 453D.200)**

*1. Each marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products shall, when required pursuant to section 162 of NAC 453D, clean his or her hands and the exposed portions of his or her arms for at least 20 seconds, using a cleaning compound in a handwashing sink that is appropriately equipped.*

2. *Each marijuana establishment agent shall use the following cleaning procedure in the order stated to clean his or her hands and the exposed portions of his or her arms, including, without limitation, surrogate prosthetic devices for hands and arms:*
  - (a) *Rinse under clean, running warm water;*
  - (b) *Apply an amount of cleaning compound recommended by the manufacturer of the cleaning compound;*
  - (c) *Rub together vigorously for at least 15 seconds while:*
    - (1) *Paying particular attention to removing soil from underneath the fingernails during the cleaning procedure; and*
    - (2) *Creating friction on the surfaces of the hands and arms, fingertips and areas between the fingers.*
  - (d) *Thoroughly rinse under clean, running warm water; and*
  - (e) *Immediately follow the cleaning procedure with thorough drying using a clean paper towel.*

**Sec. 162. Hand washing: When required. (NRS 453D.200)**

*Each marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products shall clean his or her hands and exposed portions of his or her arms in the manner set forth in section 161 of NAC 453D:*

1. *Immediately upon entrance to the product area;*
2. *Immediately before working with marijuana plants;*
3. *Immediately before engaging in preparation for the extraction of concentrated marijuana or production of marijuana products, including, without limitation, exposed marijuana*

- products, clean equipment and utensils and unwrapped single-service and single-use articles;*
- 4. After touching bare human body parts other than clean hands and exposed portions of arms, including, without limitation, surrogate prosthetic devices for hands and arms;*
  - 5. After using the toilet room;*
  - 6. After coughing, sneezing, using a handkerchief or disposable tissue, using tobacco, eating or drinking;*
  - 7. After handling soiled equipment or utensils;*
  - 8. During preparation for the extraction of concentrated marijuana or production of marijuana products, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;*
  - 9. When switching between working with un-processed marijuana products or un-cooked food products and working with finished concentrated marijuana or marijuana products;*
  - 10. Before donning gloves for working with marijuana products; and*
  - 11. After engaging in other activities that contaminate the hands.*

**Sec. 163. Methods for handling marijuana products. (NRS 453D.200)**

- 1. A marijuana establishment agent shall not have contact with exposed, finished marijuana products with his or her bare hands and shall use suitable utensils, including, without limitation, deli tissue, spatulas, tongs, single-use gloves or dispensing equipment when handling exposed, finished concentrated marijuana or marijuana products.*
- 2. A marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products shall minimize bare hand and arm contact with exposed marijuana products that are not in a finished form.*

**Sec.164. Non-marijuana ingredients: Approved sources. (NRS 453D.200)**

1. *Each marijuana product manufacturing facility shall ensure that it obtains non-marijuana ingredients for marijuana products from sources that comply with the requirements of federal and state law and regulations, including, without limitation, commercial and retail businesses.*
2. *A marijuana product manufacturing facility shall not use or prepare non-marijuana ingredients prepared or stored in a private home.*

**Sec. 165. Methods for preventing contamination. (NRS 453D.200)**

1. *Except as otherwise provided in subsection 3, each marijuana product manufacturing facility shall ensure that marijuana products and ingredients are protected from cross-contamination by:*
    - (a) *Separating raw animal ingredients during storage, preparation, holding and display from raw marijuana products, or other raw ingredients such as fruits and vegetables, and from concentrated marijuana and cooked or baked and finished marijuana products which are ready to eat or otherwise use;*
    - (b) *Except when combined as ingredients, separating types of raw animal ingredients from each, including, without limitation, meat, poultry and eggs, during storage, preparation, holding and display by preparing each type of raw animal ingredient at a different time or in a different area and:*
      - (1) *Using separate equipment for each type of raw animal ingredient;*
- or*



3. *Ingredients such as eggs, meat, poultry and marijuana containing these raw animal ingredients are cooked to heat all parts of the marijuana product to a temperature and for a time that complies with one of the following methods based on the product that is being cooked:*
  - (a) *At 145°F (63°C) or above for 15 seconds for:*
    - (1) *Raw eggs; and*
    - (2) *Meat, including, without limitation, commercially-raised game animals.*
  - (b) *At 155°F (68°C) or above for 15 seconds for:*
    - (1) *Mechanically tenderized and injected meats; and*
    - (2) *Meat and commercially raised game animals if it is comminuted.*
  - (c) *At 165°F (74°C) or above for 15 seconds for poultry, stuffed meat, stuffed pasta, stuffed poultry or stuffing containing meat or poultry.*
4. *Except during preparation, cooking or cooling, potentially hazardous marijuana products and ingredients shall be maintained:*
  - (a) *At 135°F (57°C) or above; or*
  - (b) *At 41°F (5°C) or less.*
5. *During the thawing process, potentially hazardous marijuana products and ingredients shall:*
  - (a) *Never exceed 41°F (5°C);*
  - (a) *Use one of the four approved methods, including:*
    - (1) *Under refrigeration;*
    - (2) *Under cool running water;*
    - (3) *As part of the cooking process; or*

*(4) In a microwave if to be cooked immediately after.*

**Sec. 167. Requirements for date marking and shelf life testing. (NRS 453D.200)**

*Each marijuana product manufacturing facility shall ensure that:*

- 1. Potentially hazardous marijuana products and ingredients prepared and held by the facility for more than 24 hours are clearly marked to indicate the date or day by which the item must be consumed, sold or discarded when held at a temperature of 41°F (5°C) or less for a maximum of 7 days. Products and ingredients which are frozen are not held to the 7 day requirement until thawed;*
- 2. Potentially hazardous marijuana products and ingredients that are prepared and packaged by a commercial processing plant are clearly marked at the time that the original container is opened and, if the item is held for more than 24 hours, indicate the date or day by which the item must be consumed, sold or discarded, based on the temperature and time combination set forth in subsection 1. The day on which the original container is opened in the marijuana establishment must be counted as “day 1.” The day or date marked by the marijuana product manufacturing facility may not exceed a use-by date of the manufacturer if the manufacturer determined the use-by date;*
- 3. If the marijuana product is perishable, the expiration date must come from the shelf life testing, or must be refrigerated and must not exceed 7 days, including the date of preparation; and*
- 4. Shelf life testing for perishable edible marijuana products will be required to obtain the expiration date on the first production run. The Department will determine which products require shelf life testing during the product review and approval process.*

*Changes in recipe, production run size and/or equipment will require new shelf life testing.*

**Sec. 168. Edible product approval and homogeneity testing. (NRS 453D.200)**

1. *Edible product approval and homogeneity testing is required for all edible marijuana products.*
2. *Edible product approval and homogeneity testing:*
  - (a) *Product pre-approval will be required by the Department and potency homogeneity verified by a marijuana testing facility;*
  - (b) *The size of a single serving of marijuana shall be no more than 10mg of THC. A marijuana product manufacturing facility that manufactures edible marijuana product shall determine the total number of standardized servings of marijuana for each product that it manufactures. No multiple-serving edible marijuana product for sale shall contain more than 100 milligrams of THC.*
  - (c) *For a production kitchen, the recipe with production procedures ensuring consistent concentration of THC for the edible manufacturing process will need to be approved by the Department for each different product;*
  - (d) *The product manufacturing facility will need to demonstrate their process which produces homogeneous product; and*
  - (e) *Changes in recipe, production run size and/or equipment must be pre-approved by the Department and may require a revalidation of the production procedures and production run homogeneity testing.*

**Sec. 169. Materials used in construction of utensils and contact surfaces of equipment. (NRS 453D.200)**

*Each marijuana establishment shall ensure that the materials that are used in the construction of utensils and the contact surfaces of equipment are certified as food grade for commercial use and:*

- 1. Do not allow the migration of deleterious substances or impart colors, odors or tastes to marijuana products; and*
- 2. Under normal use conditions are:*
  - (a) Safe;*
  - (b) Durable, corrosion-resistant and nonabsorbent;*
  - (c) Sufficient in weight and thickness to withstand repeated warewashing;*
  - (d) Finished to have a smooth, easily cleanable surface; and*
  - (e) Resistant to pitting, chipping, crazing, scratching, scoring, distortion and decomposition.*

**Sec. 170. Sinks; alternative equipment. (NRS 453D.200)**

- 1. Each facility for the production of marijuana products shall ensure that it provides:*
  - (a) A sink with at least three compartments for manually washing, rinsing and sanitizing equipment and utensils;*
  - (b) Sink compartments that are large enough to accommodate immersion of the largest equipment and utensils; and*
  - (c) Running water that reaches a minimum temperature of 120°F (49°C).*
- 2. If equipment or utensils are too large for the warewashing sink, a marijuana product manufacturing facility must use a warewashing machine or alternative equipment.*

**Sec. 171. Ventilation hood systems and devices. (NRS 453D.200)**

*Each marijuana product manufacturing facility shall ensure that its ventilation hood systems and devices are sufficient in number and capacity to prevent grease or condensation from collecting on walls and ceilings.*

**Sec. 172. Temperature of hot water sanitizing rinse; chemical sanitizers. (NRS 453D.200)**

*Each facility for the production of marijuana products shall ensure that:*

- 1. In a mechanical operation, the temperature of the fresh hot water sanitizing rinse as it enters the manifold is not more than 194°F (90°C) or less than 180°F (82°C);*
- 2. A chemical sanitizer used in a sanitizing solution for a manual or mechanical operation at contact times is used in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency, and as follows:*
  - (a) A chlorine solution must have a concentration between 50 parts per million and 100 parts per million or be otherwise prepared in accordance with the manufacturer's label;*
  - (b) An iodine solution must have concentration between 12.5 parts per million and 25 parts per million; and*
  - (c) A quaternary ammonium compound solution must have a concentration of 200 parts per million or be otherwise prepared in accordance with the manufacturer's label.*
- 3. If a chemical sanitizer other than chlorine, iodine or a quaternary ammonium compound is used, it is applied in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency and must obtain approval for use from the Department;*
- 4. A sanitizer bucket or spray bottle must be available during all hours of operation and be kept at the proper concentration; and*

*5. Test strips must be appropriate for the type of sanitizer available and used properly.*

**Sec. 173. Surfaces of equipment and utensils: General requirements. (NRS 453D.200)**

*Each marijuana product manufacturing facility shall ensure that:*

- 1. The surfaces of equipment and utensils that have direct contact with marijuana products are clean to sight and touch;*
- 2. The surfaces of cooking equipment and pans that have direct contact with marijuana products are kept free of encrusted grease deposits and other soil accumulations; and*
- 3. The surfaces of equipment that do not have direct contact with marijuana products are kept free of an accumulation of dust, dirt, residue and other debris.*

**Sec. 174. Surfaces of equipment and utensils: Cleaning frequency. ( NRS 453D.200) *Each***

*marijuana product manufacturing facility shall ensure that:*

- 1. The surfaces of equipment and utensils that have direct contact with marijuana products are cleaned:*
  - (a) Before each use with a different type of raw animal ingredient, including, without limitation, beef, pork or poultry;*
  - (b) Each time there is a change from working with raw products to working with finished products;*
  - (c) Between uses with raw fruits and vegetables and with potentially hazardous marijuana products and ingredients, using the appropriate time and temperature controls to ensure the safety of the marijuana products; and*
  - (d) At any time during operation when contamination may have occurred.*
- 2. If in continuous use, surfaces and utensils are cleaned throughout the day at least once every 4 hours; and*

3. *The surfaces of utensils and equipment that have direct contact with marijuana products and ingredients that are not potentially hazardous are cleaned:*
  - (a) *At any time when contamination may have occurred; and*
  - (b) *In equipment, including, without limitation, ice bins and beverage dispensing nozzles, and enclosed components of equipment, such as ice makers, cooking oil storage tanks and distribution lines, beverage and syrup dispensing lines or tubes, coffee bean grinders and water vending equipment:*
    - (1) *At a frequency specified by the manufacturer; or*
    - (2) *If the manufacturer does not specify a frequency, at a frequency necessary to prevent the accumulation of soil or mold.*

**Sec. 175. Surfaces of equipment and utensils: Sanitizing. (NRS 453D.200)**

*Each marijuana product manufacturing facility shall ensure that:*

1. *The surfaces and utensils that have direct contact with marijuana products are adequately washed, rinsed and sanitized;*
2. *After being cleaned, surfaces of equipment and utensils that have direct contact with marijuana products are sanitized in:*
  - (a) *Hot water manual operations by immersion for at least 30 seconds with a temperature of 170°F (77°C) or above;*
  - (b) *Hot water mechanical operations by being cycled through equipment that is set up and achieving a utensil surface temperature of 160°F (71°C) as measured by an irreversible registering temperature indicator; or*
  - (c) *Chemical manual or mechanical operations, including, without limitation, the application of sanitizing chemicals by immersion, manual swabbing, brushing or*

*pressure spraying methods using a solution as specified on the manufacturer's label use instructions that are approved by the Environmental Protection Agency, by providing an exposure time of at least 30 seconds or per manufacturer's directions.*

**Sec. 176. Cooking and baking equipment and microwave ovens: Cleaning frequency. (NRS 453D.200)**

*Each marijuana product manufacturing facility shall ensure that:*

- 1. The surfaces of cooking and baking equipment that have direct contact with marijuana products are cleaned at least once every 24 hours; and*
- 2. The cavities and door seals of microwave ovens are cleaned at least once every 24 hours by using the recommended cleaning procedure of the manufacturer.*

**Sec. 177. Light intensity. (NRS 453D.200)**

*Each facility for the production of marijuana products shall ensure that the light intensity in the facility is:*

- 1. At least 20 foot candles (215 lux):*
  - (a) At a distance of 30 inches (75 cm) above the floor in walk-in refrigeration units and areas for storage of dry marijuana products and in other areas and rooms during periods of cleaning;*
  - (b) Inside equipment such as reach-in and under-counter refrigerators; and*
  - (c) At a distance of 30 inches (75 cm) above the floor in areas used for hand washing, warewashing and equipment and utensil storage and in toilet rooms.*
- 2. At least 50 foot candles (540 lux) at a surface where a marijuana establishment agent engaged in the extraction of concentrated marijuana or production of marijuana products is working with marijuana products or working with utensils or equipment,*

*including, without limitation, knives, slicers, grinders or saws where employee safety is a factor.*

**Sec. 178. Mechanical ventilation. (NRS 453D.200)** *Each marijuana product manufacturing facility shall ensure that it provides mechanical ventilation of sufficient capacity as necessary to keep rooms free of excessive heat, steam, condensation, vapors, obnoxious odors, smoke and fumes.*

**Sec. 179. Filters used to manufacture, process or package marijuana products. (NRS 453D.200)**

- 1. Except as otherwise provided in subsection 2, each marijuana product manufacturing facility shall ensure that filters for liquid filtration used in the extraction of concentrated marijuana or manufacture, processing or packaging of marijuana products intended for human use do not release fibers into such products.*
- 2. A marijuana product manufacturing facility shall not use a fiber-releasing or asbestos-containing filter.*

**Sec. 180. Authorized methods, equipment, solvents, gases and mediums. (NRS 453D.200)**

- 1. A marijuana product manufacturing facility may only use the methods, equipment, solvents, gases and mediums set forth in this section when creating marijuana extracts.*
- 2. A marijuana product manufacturing facility may use the hydrocarbons N-butane, isobutane, propane, heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the Department. These solvents must be of at least 99 percent purity and a marijuana product manufacturing facility must, when using such solvents:*

- (a) Use the solvents in a professional grade, closed-loop extraction system designed to recover the solvents;*
  - (b) Work in a spark-free environment with proper ventilation; and*
  - (c) Follow all applicable local fire, safety and building codes in the processing and storage of the solvents.*
- 3. A marijuana product manufacturing facility may use a professional grade, closed-loop CO<sub>2</sub> gas extraction system where every vessel is rated to a minimum of 900 pounds per square inch and it follows all applicable local fire, safety and building codes in the processing and the storage of the solvents. The CO<sub>2</sub> must be of at least 99 percent purity.*
- 4. A marijuana product manufacturing facility may use heat, screens, presses, steam distillation, ice water and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other extracts.*
- 5. A marijuana product manufacturing facility may use food grade glycerin, ethanol and propylene glycol solvents to create marijuana extracts.*
- 6. A marijuana product manufacturing facility which creates marijuana extracts must develop standard operating procedures, good manufacturing practices and a training plan before producing marijuana extracts for the marketplace. Any person using solvents or gases in a closed-looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and safely handle and store the solvents and gases.*

7. *The acceptable parts per million for 1 gram of finished extract of residual solvent or gas will be determined by the Independent Laboratory Advisory Committee established pursuant to NAC 453A.666.*

## **Standards for Cultivation and Preparation of Marijuana and Marijuana Products**

**Sec. 181. Minimum good manufacturing practices. (NRS 453D.200)** *Section 182 to section 195 of NAC 453D, inclusive, set forth the minimum good manufacturing practices for the cultivation and preparation of marijuana and marijuana products for administration to humans.*

**Sec. 182. Quality control unit. (NRS 453D.200)**

1. *Each marijuana cultivation facility, marijuana product manufacturing facility, and retail marijuana store shall have a quality control unit that:*
  - (a) *Has the responsibility and authority to approve or reject all components, product containers, closures, in-process materials, packaging materials, labeling and marijuana or marijuana products;*
  - (b) *Has the authority to review production records to assure that no errors have occurred or, if errors have occurred, that they have been fully investigated and resolved;*
  - (c) *Is responsible for approving or rejecting marijuana or marijuana products manufactured, processed, packaged or held under contract by another marijuana establishment; and*
  - (d) *Is responsible for approving or rejecting all procedures or specifications which may impact the identity, strength, quality and purity of the marijuana or marijuana products.*

2. *Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall:*
  - (a) *Set forth the responsibilities and procedures applicable to the quality control unit in writing; and*
  - (b) *Follow the written responsibilities and procedures set forth pursuant to paragraph (a).*

**Sec. 183. Hygiene standards for establishment agents at certain marijuana establishments. (NRS 453D.200)**

*Each marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor and retail marijuana store shall ensure that:*

1. *Each marijuana establishment agent who is employed by or volunteers at the marijuana establishment and who is engaged in cultivating, manufacturing, processing, packaging or holding marijuana or marijuana products wears clean clothing appropriate for the duties he or she performs;*
2. *Protective apparel, such as head, face, hand and arm coverings, are worn as necessary to protect marijuana or marijuana products from contamination; and*
3. *Each marijuana establishment agent who is employed by or volunteers at the marijuana establishment practices good sanitation and health habits.*

**Sec. 184. Physical facilities: Generally. (NRS 453D.(200))**

1. *Each marijuana establishment shall ensure that any building used to manufacture, process, package, support or hold marijuana or marijuana products:*
  - (a) *Is of suitable size, construction and location to facilitate cleaning, maintenance and proper operations;*

- (b) Has adequate space for the orderly placement of equipment and materials to prevent miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of marijuana or marijuana products between different components, product containers, closures, labels, in-process materials and marijuana or marijuana products and to prevent contamination; and*
- (c) Contains interior surfaces which are not constructed of bare, painted or coated wood or wood product unless:
  - (1) The bare, painted or coated wood is within a building used only as a retail marijuana store and all marijuana or marijuana products are packaged or protected at all times; or*
  - (2) The wood is sealed and coated with an epoxy paint which renders the surface:
    - (I) Safe;*
    - (II) Durable, corrosion-resistant, nonporous and nonabsorbent;*
    - (III) Finished to have a smooth, easily cleanable surface; and*
    - (IV) Resistant to pitting, chipping, crazing, scratching, scoring, distortion and decomposition.***

*2. Each marijuana establishment shall ensure that:*

- (a) The flow of components, product containers, closures, labels, in-process materials and marijuana and marijuana products through any building used to manufacture, process, package or hold marijuana or marijuana products is designed to prevent contamination;*
- (b) The operations of the marijuana establishment are performed within specifically defined areas of adequate size;*

- (c) All items are stored at least 6” off the floor;*
- (d) All access points to outside areas are sealed, such as door sweeps; and*
- (e) There are separate or defined areas or such other control systems for the operations of the marijuana establishment as are necessary to prevent contamination or miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of marijuana or marijuana products during the course of the following procedures:*
  - (1) Receipt, identification, storage and withholding from use of components, product containers, closures and labels, pending the appropriate sampling, testing or examination by the quality control unit before release for manufacturing, processing or packaging;*
  - (2) Holding rejected components, product containers, closures and labels before disposition;*
  - (3) Storage of released components, product containers, closures and labels;*
  - (4) Storage of in-process materials;*
  - (5) Processing operations;*
  - (6) Packaging and labeling operations;*
  - (7) Quarantine storage before the release of marijuana or marijuana products;*
  - (8) Storage of marijuana or marijuana products after release;*
  - (9) Control and marijuana testing facility operations; and*
  - (10) Sanitary processing, which includes as appropriate:
    - (I) Floors, walls and ceilings made of smooth, hard surfaces that are easily cleanable;**

- (II) Temperature and humidity controls;*
- (III) An air supply filtered through high-efficiency particulate air filters under positive pressure;*
- (IV) A system for monitoring environmental conditions;*
- (V) A system for cleaning and sanitizing rooms and equipment; and*
- (VI) A system for maintaining any equipment used to control sanitary conditions.*

**Sec. 185. Physical facilities: Lighting requirements. (NRS 453D.200)**

- 1. Each marijuana establishment shall ensure that adequate lighting is provided in all areas of the marijuana establishment.*
- 2. If it is necessary for the marijuana establishment to have dim or no lighting in a certain area of the marijuana establishment for a specific reason, the marijuana establishment must have a written policy which specifies:
  - (a) The area needing dim or no lighting; and*
  - (b) The reason the area needs dim or no lighting.**

**Sec. 186. Physical facilities: Ventilation and filtration requirements for certain marijuana establishments. (NRS 453D.200)**

- 1. Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall ensure that any building used to manufacture, process, package or hold marijuana or marijuana products:
  - (a) Has adequate ventilation; and*
  - (b) Contains equipment for adequate control over air pressure, microorganisms, dust, humidity and temperature when appropriate for the manufacture, processing, packaging or holding of marijuana or marijuana products.**

2. *Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store must use filtration systems, including, without limitation, prefilters and particulate matter air filters, when appropriate on air supplies to production areas. If air is recirculated to production areas, the marijuana establishment must take measures to control recirculation of dust from production. In areas where air contamination occurs during production, the marijuana establishment must ensure that there are adequate exhaust systems or other systems adequate to control contaminants.*

**Sec. 187. Potable water; drains. (NRS 453D.200)** *Each marijuana establishment shall ensure that:*

1. *Any building used to manufacture, process, package or hold marijuana or marijuana products supplies potable water under continuous positive pressure in a plumbing system free of defects that could contribute to the contamination of any marijuana or marijuana products. Potable water must meet the standards prescribed in the Primary Drinking Water Regulations, 40 C.F.R. Part 141. Water not meeting such standards is not permitted in the potable water system; and*
2. *Drains are of adequate size and, where connected directly to a sewer, are provided with an air break or other mechanical device to prevent back-siphonage.*

**Sec. 188. Procedures for sanitation and control of vermin. (NRS 453D.200)**

1. *Each marijuana establishment shall ensure that it has written procedures:*
  - (a) *Assigning responsibility for sanitation and describing in sufficient detail the cleaning schedules, methods, equipment and materials to be used in cleaning the buildings and facilities of the marijuana establishment; and*

*(b) For the use of appropriate rodenticides, insecticides, fungicides, fumigating agents and cleaning and sanitizing agents by the marijuana establishment.*

- 2. Each marijuana establishment shall ensure that the written procedures described in subsection 1 are followed;*
- 3. All sanitation procedures of a marijuana establishment apply to work performed by contractors or temporary marijuana establishment agents for the marijuana establishment as well as work performed by full-time marijuana establishment agents during the ordinary course of operations; and*
- 4. Each marijuana cultivation facility shall maintain at least one Certified Pesticide Applicator at each facility, certified by the Nevada Department of Agriculture pesticide program, in the Greenhouse Category for indoor/outdoor greenhouse marijuana cultivations and/or Agricultural Plant and/or Agricultural Animal Categories for outdoor marijuana cultivation.*

**Sec. 189. Maintenance of buildings in good state of repair. (NRS 453D.200)**

*Each marijuana establishment shall ensure that any building used to manufacture, process, package, test, transport or hold marijuana or marijuana products is maintained in a good state of repair.*

**Sec. 190. Equipment and utensils: Requirements for maintenance, cleaning, sanitizing and inspection for certain marijuana establishments. (NRS 453D.200)**

- 1. Each marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor and retail marijuana store shall ensure that any equipment used to manufacture, process, package, deliver, transport or hold marijuana or marijuana products:*

- (a) Is of appropriate design and adequate size and is suitably located to facilitate operations for its intended use and for its cleaning and maintenance; and*
  - (b) Is constructed so that surfaces which have direct contact with components, in-process materials, marijuana or marijuana products are not reactive, additive or absorptive so as to alter the safety, identity, strength, quality or purity of the marijuana or marijuana products beyond the official or other established requirements.*
- 2. Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall ensure that:*
  - (a) Any substances required for its operation, such as lubricants or coolants, do not come into contact with components, product containers, in-process materials, marijuana or marijuana products so as to alter the safety, identity, strength, quality or purity of the marijuana or marijuana products beyond the official or other established requirements;*
  - (b) Equipment and utensils are cleaned, maintained and, as appropriate for the nature of the marijuana or marijuana products, cleaned and sanitized at appropriate intervals to prevent malfunctions or contamination that would alter the safety, identity, strength, quality or purity of the marijuana or marijuana products beyond the official or other established requirements; and*
  - c) Written procedures are established and followed for the cleaning and maintenance of equipment and utensils used to manufacture, process, package or hold marijuana or marijuana products. These procedures must include, without limitation:*
    - (1) Assignment of responsibility for cleaning and maintaining equipment;*

- (2) Maintenance and cleaning schedules, including, where appropriate, sanitizing schedules;*
  - (3) A description in sufficient detail of the methods, equipment and materials used in cleaning and maintenance operations and the methods of disassembling and reassembling equipment as necessary to assure proper cleaning and maintenance;*
  - (4) Protection of clean equipment from contamination before use; and*
  - (5) Inspection of equipment for cleanliness immediately before use.*
- 3. Each marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor and retail marijuana store must maintain records of any maintenance, cleaning, sanitizing and inspection carried out pursuant to this section.*

**Sec. 191. Requirements for components, product containers and closures for certain marijuana establishments. (NRS 453D.200)**

*Each marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor and retail marijuana store shall ensure that:*

- 1. It has written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, testing and approval or rejection of components, product containers and closures and that it follows those procedures;*
- 2. Components, product containers and closures are at all times handled and stored in a manner so as to prevent contamination; and*
- 3. Bagged or boxed components, product containers or closures are stored at least 6" off the floor and are suitably spaced to permit cleaning and inspection.*

**Sec. 192. Written procedures for production and process control required for certain marijuana establishments. (NRS 453D.200)**

- 1. Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall have written procedures for production and process control that are designed to assure that the marijuana or marijuana products have the identity, strength, quality and purity they purport or are represented to possess.*
- 2. The written procedures required pursuant to subsection 1 and any changes to those procedures must be drafted, reviewed and approved by the appropriate organizational units of the marijuana establishment and reviewed and approved by the quality control unit of the marijuana establishment.*
- 3. Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall follow written production and process control procedures in executing various production and process control functions and shall document these procedures at the time of performance. Any deviation from the written procedures must be recorded and justified by the marijuana establishment.*

**Sec. 193. Requirements relating to labeling and packaging materials for certain marijuana establishments. (NRS 453D.200)**

- 1. Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall establish and follow written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, examination and testing of labeling and packaging materials.*
- 2. Any labeling or packaging materials that meet the appropriate written specifications established pursuant to subsection 1 may be approved and released for use. Any labeling*

*or packaging materials that do not meet the specifications established pursuant to subsection 1 must be rejected to prevent their use in operations for which they are unsuitable.*

3. *Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall:*

*(a) Store separately with suitable identification the labels and other labeling materials for each type of marijuana or marijuana product, and the different strength, dosage form or quantity of contents;*

*(b) Limit access to the storage area described in paragraph (a) to authorized personnel of the marijuana establishment; and*

*(c) Destroy obsolete and outdated labels, labeling and other packaging materials.*

**Sec. 194. Prohibition on salvage of marijuana and marijuana products subjected to certain conditions by certain marijuana establishments; salvage allowed with certain evidence; records. (NRS 453D.200)**

1. *Each marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor and retail marijuana store shall ensure that marijuana or marijuana products that have been subjected to improper storage conditions, including, without limitation, extremes in temperature, humidity, smoke, fumes, pressure, age or radiation due to natural disasters, fires, accidents or equipment failures, are not salvaged and returned to the marketplace.*

2. *Whenever it is unclear whether marijuana or marijuana products have been subjected to the conditions described in subsection 1, a marijuana cultivation facility, marijuana*

*product manufacturing facility or retail marijuana store may conduct salvaging operations only if:*

- (a) The product is sent to production for extraction;*
- (b) Evidence from marijuana testing facility tests and assays that the marijuana or marijuana products meet all applicable standards of quality and purity; and*
- (c) Evidence from inspection of the premises that the marijuana or marijuana products and their associated packaging were not subjected to improper storage conditions as a result of the disaster or accident, if any.*

- 3. A marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store must maintain records, including, without limitation, the name, lot number, production run number and disposition for marijuana or marijuana products salvaged pursuant to subsection 2.*

**Sec. 195. Disposal of marijuana products and waste. (NRS 453D.200)**

*The procedures for marijuana to be made unusable includes the following:*

- 1. The allowable method to render marijuana plant waste unusable is by grinding and incorporating the marijuana plant waste with other ground materials so the resulting mixture is at least fifty percent non-marijuana waste by volume. Other methods to render marijuana waste unusable, including rendering roots and stalks unusable by methods other than grinding, must be approved by the Department before implementation;*
- 2. Material used to grind with the marijuana falls into two categories: Compostable waste and non-compostable waste:*

*(a) Compostable mixed waste: Marijuana waste to be disposed as compost or in another organic waste method (for example, anaerobic digester) may be mixed with the following types of waste materials:*

*(1) Food waste;*

*(2) Yard waste; and*

*(3) Other waste as approved by the Department.*

*(b) Non-compostable mixed waste: Marijuana waste to be disposed in a landfill or another disposal method (for example, incinerator) may be mixed with the following types of waste materials:*

*(1) Paper waste;*

*(2) Cardboard waste;*

*(3) Plastic waste;*

*(4) Soil; or*

*(5) Other waste as approved by the Department.*

*3. Solid and liquid wastes and wastewater generated during marijuana production and processing must be stored, managed, and disposed of in accordance with applicable state and local laws and regulations;*

*4. Waste that must be disposed of includes, but are not limited to, the following:*

*(a) Waste from marijuana flowers, trim and solid plant material used to create an extract;*

*(b) Waste solvents used in the marijuana process;*

*(c) Discarded plant waste, spent solvents and marijuana testing facility waste from any marijuana processing or quality assurance testing;*

- (d) Marijuana extract that fails to meet quality testing.*
- 5. *Marijuana waste must be rendered unusable prior to leaving a licensed marijuana establishment. Retail marijuana stores and marijuana distributors may return the product to the production or cultivation facilities to be rendered unusable;*
- 6. *Waste that must be rendered unusable prior to disposal include, but are not limited to, the following:*
  - (a) Marijuana plant waste, including roots, stalks, leaves, and stems;*
  - (b) Solid marijuana sample plant waste possessed by third-party laboratories accredited by the Department to test for quality assurance that must be disposed of; and*
  - (c) Other waste as determined by the Department.*
- 7. *Establishments must provide the Department notice in the seed to sale tracking system prior to rendering the product unusable and disposing of it.*

### **Requirements for Marijuana Testing Facilities**

#### **Sec. 196. Requirements of section in regards to marijuana testing facilities. (NRS 453D.200)**

*The testing requirements authorized under NRS 453D and this section will become effective upon adoption of the same testing requirements under chapter 453A of the Nevada Administrative Code.*

#### **Sec. 197. Scientific director: Responsibilities; qualifications. (NRS 453D.200 )**

- 1. *Each marijuana testing facility must employ a scientific director who must be responsible for:*
  - (a) Ensuring that the testing facility achieves and maintains quality standards of practice; and*
  - (b) Supervising all staff of the testing facility.*

2. *The scientific director of a marijuana testing facility must have earned:*
  - (a) *A doctorate degree in science from an accredited college or university and have at least 2 years of post-degree laboratory experience;*
  - (b) *A master's degree in science from an accredited college or university and have at least 4 years of post-degree laboratory experience; or*
  - (c) *A bachelor's degree in science from an accredited college or university and have at least 6 years of post-degree laboratory experience.*
3. *If a scientific director is no longer employed by the marijuana testing facility, the marijuana testing facility will not be permitted to conduct any testing.*
4. *Upon appointment of a new scientific director, the Department will conduct an inspection prior to the marijuana testing facility resuming testing.*

**Sec. 198. Testing methodologies; practices, procedures and programs relating thereto; inspections. (NRS 453D.(200))**

1. *Each marijuana testing facility must:*
  - (a) *Follow the most current version of the Cannabis Inflorescence: Standards of Identify, Analysis, and Quality Control monograph published by the American Herbal Pharmacopoeia;*
  - (b) *Follow the recommendations for regulators-cannabis operations: Laboratory operations from the American Herbal Product Association (AHPA);*
  - (c) *Be licensed by the State and accredited to the ISO/IEC 17025 standard; the assessment and accreditation process must be carried out by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC)*

- Mutual Recognition Arrangement operating in conformance with the ISO/IEC 17011 standard; and*
- (d) Follow AOAC International Guidelines for Laboratories performing Microbiological and Chemical Analyses of Food, Dietary Supplements, and Pharmaceuticals – An Aid to the Interpretation of ISO/IEC 17025 or the most current revisions.*
- 2. Each marijuana testing facility shall become proficient in testing samples using analytical methods approved by the Department within 6 months after the date upon which the marijuana testing facility is issued a marijuana establishment license.*
  - 3. The Department may require a marijuana testing facility to have its basic proficiency to execute correctly the analytical testing methodologies used by the testing facility validated and monitored on an ongoing basis by an independent third-party.*
  - 4. Each marijuana testing facility shall:*
    - (a) Adopt and follow minimum good laboratory practices which must, at a minimum, satisfy the OECD Principles of Good Laboratory Practice and Compliance Monitoring published by the Organization for Economic Co-operation and Development;*
    - (b) Become certified by the International Organization for Standardization and agree to have the inspections and reports of the International Organization for Standardization made available to the Department;*
    - (c) Maintain internal standard operating procedures; and*
    - (d) Maintain a quality control and quality assurance program.*
  - 5. The Department or an independent third-party authorized by the Department may conduct an inspection of the practices, procedures and programs adopted, followed and*

*maintained pursuant to subsection 4 and inspect all records of the marijuana testing facility that are related to the inspection.*

6. *The Department hereby adopts by reference:*

*(a) The Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control monograph published by the American Herbal Pharmacopoeia. A copy of that publication may be obtained from the American Herbal Pharmacopoeia.*

*(b) The OECD Principles of Good Laboratory Practice and Compliance Monitoring published by the Organization for Economic Co-operation and Development. A copy of that publication may be obtained from the Organization for Economic Co-operation and Development.*

7. *Independent Testing Laboratories must use, when available, test methods that have undergone validation as an AOAC-OMA or AOAC-RI PTM, FDA BAM, ISO, USP, FSIS MLG method, or an equivalent 3<sup>rd</sup> party inter-laboratory validation study as determined and accepted by the Department. Where no appropriate 3<sup>rd</sup> party validated test method exists, as determined by the Department, an independent testing laboratory may use an alternative or in-house developed method after satisfactorily demonstrating the test method's validity and receiving approval from the Department.*

**Sec. 199. Required quality assurance tests. (NRS 453D.200)**

1. *Each marijuana testing facility must use the sampling protocols required in this section and the general body of required quality assurance tests for usable marijuana, as received, concentrated marijuana and marijuana products set forth in this section. Such tests may include moisture content, potency analysis, foreign matter inspection, microbial screening, pesticide and other chemical residue and metals screening and residual*

*solvents levels. A marijuana testing facility may request additional sample material for the purposes of completing required quality assurance tests. A marijuana testing facility shall retrieve samples from the premises of marijuana establishments and may make multiple stops under the condition that the samples remain secured at all times, and must transport the samples directly to the testing facility.*

*2. The tests required pursuant to subsection 1 by a marijuana testing facility are as follows:*

| <b>Product</b>   | <b>Tests Required</b>  | <b>Tolerance Limit</b>  |
|--|--|---|
| <i>Usable marijuana and crude collected resins, as received, excluding wet marijuana</i> | <ol style="list-style-type: none"> <li>1. <i>Moisture content</i></li> <li>2. <i>Potency analysis</i></li> <li>3. <i>Terpene analysis</i></li> <li>4. <i>Foreign matter inspection</i></li> <li>5. <i>Mycotoxin screening</i></li> <li>6. <i>Heavy metal screening</i></li> <li>7. <i>Pesticide residue analysis</i></li> <li>8. <i>Herbicide screening</i></li> <li>9. <i>Growth regulator screening</i></li> <li>10. <i>Total yeast and mold</i></li> <li>11. <i>Total Enterobacteriaceae</i></li> <li>12. <i>Salmonella</i></li> <li>13. <i>Pathogenic E. coli</i></li> <li>14. <i>Aspergillus fumigatus</i></li> <li>15. <i>Aspergillus flavus</i></li> <li>16. <i>Aspergillus terreus</i></li> <li>17. <i>Aspergillus niger</i></li> <li>18. <i>Total coliform</i></li> </ol> | <ol style="list-style-type: none"> <li>1. <i>&lt;15%</i></li> <li>2. <i>N/A</i></li> <li>3. <i>N/A</i></li> <li>4. <i>No foreign matter detected</i></li> <li>5. <i>&lt;20ug/kg for the total of Aflatoxins B1, B2, G1 and G2 combined.<br/>&lt;20ug/kg for Ochratoxin A.</i></li> <li>6. <i>Arsenic: &lt;2 ppm<br/>Cadmium &lt;0.82 ppm<br/>Lead &lt;1.2 ppm<br/>Mercury &lt;0.4 ppm</i></li> <li>7. <i>See monitoring list</i></li> <li>8. <i>See monitoring list</i></li> <li>9. <i>See monitoring list</i></li> <li>10. <i>&lt;10,000 CFU/g</i></li> <li>11. <i>&lt;1000 CFU/g</i></li> <li>12. <i>ND in 1 gram</i></li> <li>13. <i>ND in 1 gram</i></li> <li>14. <i>ND in 1 gram</i></li> <li>15. <i>ND in 1 gram</i></li> <li>16. <i>ND in 1 gram</i></li> <li>17. <i>ND in 1 gram</i></li> <li>18. <i>&lt;1,000 CFU/g</i></li> </ol> |

| Product  | Tests Required   | Tolerance Limit   |
|--|--|---|
| <i>Wet marijuana, as received, which is destined for extraction</i>  | <ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Mycotoxin screening</li> <li>5. Heavy metal screening</li> <li>6. Pesticide residue analysis</li> <li>7. Herbicide screening</li> <li>8. Growth regulator screening</li> <li>9. Total yeast and mold</li> <li>10. Total Enterobacteriaceae</li> <li>11. Salmonella</li> <li>12. Pathogenic E. coli</li> <li>13. Aspergillus fumigatus</li> <li>14. Aspergillus flavus</li> <li>15. Aspergillus terreus</li> <li>16. Aspergillus niger</li> <li>17. Total coliform</li> </ol> | <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. No foreign matter detected</li> <li>4. &lt;20ug/kg for the total of Aflatoxins B1, B2, G1 and G2 combined.<br/>&lt;20ug/kg for Ochratoxin A.</li> <li>5. Arsenic: &lt;2 ppm<br/>Cadmium &lt;0.82 ppm<br/>Lead &lt;1.2 ppm<br/>Mercury &lt;0.4 ppm</li> <li>6. See monitoring list</li> <li>7. See monitoring list</li> <li>8. See monitoring list</li> <li>9. &lt; 10,000 CFU/g</li> <li>10. &lt;1000 CFU/g</li> <li>11. ND in 1 gram</li> <li>12. ND in 1 gram</li> <li>13. ND in 1 gram</li> <li>14. ND in 1 gram</li> <li>15. ND in 1 gram</li> <li>16. ND in 1 gram</li> <li>17. &lt;1,000 CFU/g</li> </ol> |
| <i>Extract of marijuana (nonsolvent) like hashish, bubble hash, infused dairy butter, mixtures of extracted products, or oils or fats derived from natural sources, including concentrated cannabis extracted with CO2</i> | <ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Total yeast and mold</li> <li>5. Total Enterobacteriaceae</li> <li>6. Salmonella</li> <li>7. Pathogenic E. coli</li> <li>8. Aspergillus fumigatus</li> <li>9. Aspergillus flavus</li> <li>10. Aspergillus terreus</li> <li>11. Aspergillus niger</li> <li>12. Heavy metal screening</li> <li>13. Mycotoxin screening</li> <li>14. Pesticide residue Analysis</li> </ol>  | <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. No foreign matter detected</li> <li>4. &lt; 1,000 CFU/g</li> <li>5. &lt;100 CFU/g</li> <li>6. ND in 1 gram</li> <li>7. ND in 1 gram</li> <li>8. ND in 1 gram</li> <li>9. ND in 1 gram</li> <li>10. ND in 1 gram</li> <li>11. ND in 1 gram</li> <li>12. Arsenic: &lt;2 ppm<br/>Cadmium &lt;0.82 ppm<br/>Lead &lt;1.2 ppm<br/>Mercury &lt;0.4 ppm</li> <li>13. &lt;20ug/kg for the total of Aflatoxins B1, B2, G1 and G2 combined.</li> <li>14. See monitoring list</li> </ol>  |
| <i>Extract of marijuana (solvent-based) made with any approved solvent, including concentrated cannabis extracted by means other than with CO2</i>   | <ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Residual solvent test</li> <li>5. Total yeast and mold</li> <li>6. Total Enterobacteriaceae</li> <li>7. Salmonella</li> <li>8. Pathogenic E. coli</li> <li>9. Aspergillus fumigatus</li> <li>10. Aspergillus flavus</li> </ol>   | <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. No foreign matter detected</li> <li>4. Under 500ppm</li> <li>5. &lt; 1,000 CFU/g</li> <li>6. &lt;100 CFU/g</li> <li>7. ND in 1 gram</li> <li>8. ND in 1 gram</li> <li>9. ND in 1 gram</li> <li>10. ND in 1 gram</li> </ol>  |

| Product  | Tests Required  | Tolerance Limit  |
|--|---|--|
|  | <ol style="list-style-type: none"> <li>11. <i>Aspergillus terreus</i></li> <li>12. <i>Aspergillus niger</i></li> <li>13. Heavy metal screening</li> <li>14. Mycotoxin screening</li> <li>15. Pesticide residue analysis</li> </ol>                                  | <ol style="list-style-type: none"> <li>11. ND in 1 gram</li> <li>12. ND in 1 gram</li> <li>13. Arsenic: &lt;2 ppm<br/>Cadmium &lt;0.82 ppm<br/>Lead &lt;1.2 ppm<br/>Mercury &lt;0.4 ppm</li> <li>14. &lt;20ug/kg for the total of Aflatoxins B1, B2, G1 and G2 combined.</li> <li>15. See monitoring list</li> </ol> |
| Edible marijuana product, including a product which contains concentrated cannabis   | <ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Total Enterobacteriaceae</li> <li>5. Salmonella</li> <li>6. Pathogenic E. coli</li> <li>7. Total aerobic count</li> </ol> | <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. ND</li> <li>4. &lt;100 CFU/g</li> <li>5. ND in 1 gram</li> <li>6. ND in 1 gram</li> <li>7. 1,000,000 CFU/g</li> </ol>  |
| Liquid marijuana product, including, without limitation, soda or tonic, including a product which contains concentrated cannabis | <ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Total Enterobacteriaceae</li> <li>5. Salmonella</li> <li>6. Pathogenic E. coli</li> <li>7. Total aerobic count</li> </ol> | <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. No foreign matter detected</li> <li>4. &lt;100 CFU/g</li> <li>5. ND in 1 gram</li> <li>6. ND in 1 gram</li> <li>7. 1,000,000 CFU/g</li> </ol>  |
| Topical marijuana product, including a product which contains concentrated cannabis  | <ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> </ol>  | <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> </ol>   |

3. A sample size for usable marijuana shall be 10 grams or more. A sample size for a production run must be 1% of the product weight, not to exceed 25 units or 300 grams. All samples must be homogenized prior to testing.
4. A marijuana establishment shall not submit wet marijuana to a marijuana testing facility for testing unless the wet marijuana is destined for extraction and weighed within two hours of harvest.
5. As used in this section, “as received” means the unaltered state in which a sample was collected, without any processing or conditioning, which accounts for all mass, including moisture content.

**Sec. 200. Cannabinoid and terpenoid testing. (NRS 453D.200)**

*1. Marijuana Testing Facilities shall test for and quantify the presence of the following cannabinoids and terpenoids in order to satisfy labeling requirements and provide results to consumers:*

|  |  |
|--|--|
| <i>1. Cannabinoids</i> <ul style="list-style-type: none"><li><i>a. THC</i></li><li><i>b. THCA</i></li><li><i>c. CBD</i></li><li><i>d. CBDA</i></li><li><i>e. CBN</i></li></ul> | <i>2. Terpenoids</i> <ul style="list-style-type: none"><li><i>a. Alpha-Bisabolol</i></li><li><i>b. Alpha-Humulene</i></li><li><i>c. Alpha-Pinene</i></li><li><i>d. Alpha-Terpinolene</i></li><li><i>e. Beta-Caryophyllene</i></li><li><i>f. Beta-Myrcene</i></li><li><i>g. Beta-Pinene</i></li><li><i>h. Caryophyllene Oxide</i></li><li><i>i. Limonene</i></li><li><i>j. Linalool</i></li></ul> |
|--|--|

*2. Each marijuana testing facility will collect a random sample from a cultivator or production facility for testing, as specified in section 101 of NAC 453D, and will test it for cannabinoids and terpenoids.*

*3. The final certificate of analysis including all required test results shall be provided to the cultivator or production facility from which the sample was drawn and to the Department within 2 business days of obtaining the results.*

*4. Marijuana establishments shall label products to identify the cannabinoid and terpenoid profile based on the marijuana testing facility results in accordance with section 222 to section 228 of NAC 453D. If a marijuana establishment wishes to include “Potential Total THC” on a label of a product which contains THCA, it shall calculate it as: Potential Total THC = THC + (THCA\*0.877). No other method of calculating potential total THC is authorized.*

**Sec. 201. Homogeneity testing and adulterants. (NRS 453D.200)**

*1. Homogeneity testing of a production run for edibles will require testing of multiple units of a single production run to ensure the manufacturer's process is validated. The subsequent testing of single units or serving of a production run will serve as a spot check.*

*2. Production Run Testing*

*(a) A multiple serving will be analyzed from each production run for testing;*

*(b) Variation is the difference between the marijuana testing facility measured concentration and producer's expected serving size concentration;*

*(c) The Department will allow variation including weight and homogeneity between the marijuana testing facility results and the intended concentration of +/-15% with 10% of the product containing no more than 20% of the total THC of the product; and*

*(d) Homogeneity testing shall be conducted upon the first production run and any recipe changes.*

**Sec. 202. Pesticide use and testing. (NRS 453D.200)** *A marijuana establishment shall only use a pesticide if the pesticide has been approved by the Nevada Department of Agriculture for use on marijuana. The marijuana testing facility must analyze for pesticides designated by the Department at detection levels specified by the Department. Further, at its discretion, the Department may require marijuana testing facilities to test for other substances including fungicides, herbicides, or growth regulators that are not identified above.*

*1. Any measurable and positively verified detection of a pesticide/analyte not on the list of pesticides approved by the Nevada Department of Agriculture will result in a failed test.*

2. *If a lot fails a pesticide test, it shall not be manufactured, packaged, labeled for sale or otherwise processed, but shall be destroyed. Upon notification of the failed test, the marijuana establishment will continue to quarantine the lot per section 204 of NAC 453D, and schedule an appointment with the Department for its destruction. A staff member shall witness the destruction of the lot. If this destruction procedure is not strictly complied with, disciplinary action may be taken pursuant to section 117 of NAC 453D.*
3. *If a marijuana establishment believes that the results of the pesticide testing were not accurate, the marijuana establishment may request one retest at its own expense from the Nevada Department of Agriculture.*
4. *If the marijuana establishment wishes to reserve the option of requesting a retest from the Nevada Department of Agriculture per section 3, then twice the sample size needed to complete all tests must be collected by the marijuana testing facility at the time of sample collection with one of the samples remaining at the facility in a tamper proof package.*

**Sec. 203. General requirements. (NRS 453D.200)**

*A marijuana testing facility shall not handle, test or analyze marijuana unless:*

1. *The testing facility has been issued a marijuana establishment license;*
2. *The testing facility is independent from all other persons involved in the marijuana industry in Nevada; and*
3. *No person with a direct or indirect interest in the testing facility has a direct or indirect financial interest in:*
  - (a) *A retail marijuana store;*
  - (b) *A marijuana product manufacturing facility;*

- (c) A marijuana cultivation facility;*
- (d) A marijuana distributor;*
- (e) Is a physician who provides or has provided written documentation for the issuance of registry identification cards or letters of approval; or*
- (f) Any other entity that may benefit from the cultivation, manufacture, dispensing, sale, purchase or use of marijuana or marijuana products.*

*4. Notwithstanding the forgoing, testing facilities are exempted from using a marijuana distributor to collect and move testing samples.*

**Sec. 204. Sample testing; disposal of samples; standards; testing facility test results; grounds for disciplinary action. (NRS 453D.200)**

*1. Immediately before packaging:*

- (a) Usable marijuana for sale to a retail marijuana store, marijuana product manufacturing facility or another marijuana cultivation facility, a marijuana cultivation facility shall segregate all harvested marijuana into homogenized lots of flower and trim, respectively, and allow a marijuana testing facility to select a representative sample for testing from each lot the marijuana cultivation facility has segregated. The marijuana testing facility which performs the test must collect the samples. If the cultivation facility has segregated the lot of harvested material into packages or container sizes smaller than the entire lot, the marijuana testing facility must sample and test each package containing harvested material from the lot presented for testing;*
- (b) Concentrated marijuana or marijuana products, a marijuana product manufacturing facility shall allow a marijuana testing facility to select a random sample from each*

*production run for testing by the marijuana testing facility. The marijuana testing facility performing the testing must collect the samples; and*

*(c) Using tamper resistant products, the marijuana testing facility shall record the lot or production run, record the batch number, record the weight or quantity and seal each package of harvested material or production run which is included in a single testing facility test.*

- 1. A marijuana testing facility that receives a sample pursuant to this section shall test the sample as provided in section 199 through section 202 of NAC 453D.*
- 2. From the time that a lot or production run has been homogenized for sample testing and eventual packaging and sale to a retail marijuana store, marijuana product manufacturing facility or, if applicable, another marijuana cultivation facility until the marijuana testing facility provides the certificate of analysis from its tests and analysis, the facility which provided the sample shall segregate and withhold from use the entire lot or production run, except for the samples that have been removed by the marijuana testing facility for testing. During this period of segregation, the facility which provided the sample shall maintain the lot or production run in a secure, cool and dry location so as to prevent the marijuana from becoming contaminated or losing its efficacy and maintain the product in quarantine. Under no circumstances shall the facility which provided the sample sell the marijuana or marijuana product as applicable, to a retail marijuana store, marijuana product manufacturing facility or, if applicable, another marijuana cultivation facility before the time that the marijuana testing facility has completed its testing and analysis and provided the certificate of analysis to the facility which provided the sample.*

3. *Marijuana testing facilities shall keep failed sample retains or any random sample collected by the Department of Agriculture for confirmation testing for up to 30 days. Samples in retain should be stored in an approved manner. After 30 days, they should be destroyed by the marijuana testing facility according to the lab disposal policy.*
4. *Other than failed samples, a marijuana testing facility shall immediately return or dispose of any sample received pursuant to this section upon the completion of any testing, use or research. If a marijuana testing facility disposes of a sample received pursuant to this section, the testing facility shall document the disposal of the sample using its inventory control system pursuant to NRS 453D.300 and sections 105 and section 106 of NAC 453D.*
5. *Except as otherwise provided in section 212 of NAC 453D, if a sample provided to a marijuana testing facility pursuant to this section does not pass the testing required by section 101 of NAC 453D, the facility which provided the sample shall dispose of the entire lot or production run from which the sample was taken and document the disposal of the sample using its inventory control system pursuant to NRS 453D.300 and section 105 and section 106 of NAC 453D.*
6. *If a sample provided to a marijuana testing facility pursuant to this section passes the testing required by section 101 of NAC 453D, the marijuana testing facility shall release the entire lot or production run for immediate manufacturing, packaging and labeling for sale to a retail marijuana store, a marijuana product manufacturing facility or, if applicable, another marijuana cultivation facility.*
7. *A marijuana testing facility shall file with the Department, in a manner prescribed by the Department, an electronic copy of all marijuana testing facility certificates of analysis at*

*the time they are obtained and compiled, regardless of the outcome of the test, including all testing required by section 199 through section 202 of NAC 453D. If a facility chooses to utilize two marijuana testing facilities for the same lot, the facility must receive approval from the Department.*

*(a) In addition to the requirements of section 106 of NAC 453D, the marijuana testing facility will transmit a PDF copy of the certificate of analysis to the Department by emailing a copy to one of two email addresses, depending on the outcome of the tests performed (pass/fail).*

*(1) If the test result is a pass, certificates of analysis are sent to:  
mmelabpass@tax.state.nv.us; or*

*(2) If the test result is a fail, test certificates of analysis are sent to:  
mmelabfail@tax.state.nv.us.*

*(b) In the subject line of the email, enter the name of the establishment. The file containing the test results must be named using the following format:*

*(1) [4 Digit Identifier number of the testing facility]\_[4 Digit Identifier of the MME for which the testing was being performed]\_[batch number]\_[lot number]; or  
[4 Digit Identifier number of the testing facility]\_[4 Digit Identifier of the MME for which the testing was being performed]\_[production run number];*

*(2) Example: If ABC Testing Facility, Inc., L005, performed testing for JT's Cultivation, LLC, C204, on batch number xy and lot number xyz, the file would be named: "L005-C204-xy-xyz.pdf."*

*(c) When retesting a previously failed lot, the file containing the certificate of analysis must be named using the following format:*

(1) [4 Digit Identifier number of the testing facility]\_[4 Digit Identifier of the MME for which the testing was being performed]\_[batch number]\_[lot number] [Retest].

(2) Example: If ABC Testing Facilities, Inc., L005, performed retesting for JT's Cultivation, LLC, C204, on batch number xy and lot number xyz, the file would be named: "L005-C204-xy-xyz-Retest.pdf."

(d) When amending a certificate of analysis the file containing the test results must state "Amended" in bold red font at the top center of the report and the reason for change must be indicated in the report. The file containing the test results must be named using the following format:

(1) [4 Digit Identifier number of the testing facility]\_[4 Digit Identifier of the MME for which the testing was being performed]\_[batch number]\_[lot number] [Amended].

(2) Example: If ABC Testing Facilities, Inc., L005, performed retesting for JT's Cultivation, LLC, C204, on batch number xy and lot number xyz, the file would be named: "L005-C204-xy-xyz-Amended.pdf."

9. The Department will take immediate disciplinary action against any marijuana establishment which fails to comply with the provisions of this section or falsifies records related to this section, including, without limitation, revoking the marijuana establishment license of the marijuana establishment.

10. A marijuana testing facility may subcontract its testing of marijuana and marijuana products only to another marijuana testing facility. The transfer of samples shall be completed between the two marijuana testing facilities directly.

**Sec. 205. Certification program. (NRS 453D.200)**

*Marijuana testing facilities may be audited and certified by the Nevada Department of Agriculture.*

- 1. The appropriate technical inspection of marijuana testing facilities and testing activities will be performed by the Nevada Department of Agriculture.*
- 2. Requirements for quality standards for both general testing facility requirements as well for each category of methods for each test will be audited.*
- 3. Marijuana testing facilities will be scheduled for an annual audit by the Nevada Department of Agriculture that will include:*
  - (a) Record review;*
  - (b) Testing facility compliance audit;*
  - (c) On-site verification of marijuana testing facilities' ability to execute test methods;*  
*and*
  - (d) On-site verification of sampling procedure.*
- 4. Marijuana testing facilities will be subject to unannounced audits that will include review of the marijuana testing facility method validation.*

**Sec. 206. Proficiency testing program: establishment by Department; participation. (NRS 453D.200)**

- 1. The Department will establish a proficiency testing program for marijuana testing facilities.*
- 2. Each marijuana testing facility must participate in the proficiency testing program established pursuant to this section.*

3. *As part of renewing a marijuana establishment license, the marijuana testing facility must have successfully passed the proficiency testing program.*
4. *To maintain continued registration as a marijuana testing facility, a testing facility must participate in a Department approved proficiency testing program with continued satisfactory performance as determined by the Department.*
5. *A marijuana testing facility must analyze proficiency test samples using the same procedures with the same number of replicate analyses, standards, testing analysts and equipment as used for product testing.*
6. *The scientific director of the marijuana testing facility and all testing analysts that participated in a proficiency test must sign corresponding attestation statements.*
7. *The scientific director of the marijuana testing facility must review and evaluate all proficiency test results.*
8. *Successful participation is the positive identification of 80 percent of the target analytes that the marijuana testing facility reports to include quantitative results when applicable. Any false positive results reported will be considered an unsatisfactory score for the proficiency test.*
9. *Unsuccessful participation in a proficiency test may result in limitation, suspension or revocation of the marijuana establishment license of the marijuana testing facility.*
10. *The procedures for proficiency testing which the Department will use to determine whether a marijuana testing facility demonstrates the requisite proficiency to continue to operate as a registered marijuana establishment in Nevada are as follows:*
  - (a) *An approved certified proficiency testing provider will conduct the proficiency testing program for Nevada marijuana testing facilities. The Department will determine the*

*schedule the proficiency testing provider will follow when sending the proficiency testing samples to the marijuana testing facilities for analysis;*

*(b) Participation:*

*(1) Each marijuana testing facility must participate in this proficiency testing program and must:*

*(I) Obtain single-blind proficiency test samples from the proficiency testing provider;*

*(II) Analyze the proficiency test sample for all required analytes listed in section 109 through section 202 of NAC 453D;*

*(III) Report the results of the analysis to the proficiency testing provider; and*

*(IV) Analyze the proficiency testing sample pursuant to the program not less than once every 12 months.*

*(2) Each marijuana testing facility shall pay the costs of subscribing to a proficiency testing program specified in paragraph (a), subsection 10 of this section;*

*(3) Each marijuana testing facility shall, before obtaining a proficiency test sample pursuant to sub-subparagraph (I), subparagraph (1), of paragraph (b), subsection 1 authorize the provider of the proficiency test sample to submit to the Department the results of any test taken pursuant to the provisions of section 206 of NAC 453D. If the marijuana testing facility fails to provide an authorization, the Department may refuse to consider the results of any test taken pursuant to the provisions of NAC 453D.206;*

*(4) The Department shall consider the results of any test taken to be satisfactory if results are within the limits of acceptance range according to the proficiency testing provider;*

*(5) If the Department determines that the results of a test are satisfactory, a marijuana testing facility will be eligible to renew its license; and*

*(6) If the Department determines that the results of a test are not satisfactory, the Department may allow a marijuana testing facility to retest once before a license may be limited, suspended or revoked.*

**Sec. 207. Surveillance and confirmation testing. (NRS 453D.200)**

*The Nevada Department of Agriculture may collect and test random and equitable surveillance samples.*

*1. To prevent sample tampering by producers and prevent inadvertently or fraudulently inaccurate test results from marijuana testing facilities, the Nevada Department of Agriculture will:*

*(a) Use data to help revise test requirements and limits in addition to aiding in creating a statistically significant sample size;*

*(b) Randomly collect surveillance samples of lots of product recently sampled by marijuana testing facilities; and*

*(c) Test these samples and compare results to marijuana testing facility results. Discrepancies may be investigated to determine a cause and appropriately reported to the Department.*

**Sec. 208. Establishment of policies for adequate chain of custody and requirements for samples of products provided to testing facility. (NRS 453D.200) *Each marijuana testing***

*facility must establish policies for an adequate chain of custody and requirements for samples of products provided to the testing facility for testing or research purposes, including, without limitation, policies and requirements for:*

- 1. Issuing instructions for the minimum sample and sample storage requirements;*
- 2. Documenting the condition of the external package and integrity seals utilized to prevent contamination of, or tampering with, the sample;*
- 3. Documenting the condition and amount of the sample provided at the time of receipt;*
- 4. Documenting all persons handling the original samples, aliquots and extracts;*
- 5. Documenting all transfers of samples, aliquots and extracts referred to another marijuana testing facility for additional testing or whenever requested by a client;*
- 6. Maintaining a current list of authorized marijuana establishment agents and restricting entry to the testing facility to only those authorized;*
- 7. Securing the testing facility during nonworking hours;*
- 8. Securing short- and long-term storage areas when not in use;*
- 9. Utilizing a secured area to log-in and aliquot samples;*
- 10. Ensuring samples are stored appropriately; and*
- 11. Documenting the disposal of samples, aliquots and extracts.*

**Sec. 209. Requirements for testing facility claiming to be accredited. (NRS 453D.200)**

- 1. Each marijuana testing facility must agree to become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization within one year after licensure.*
- 2. Each marijuana testing facility that claims to be accredited must provide the Department with copies of each annual inspection report upon receipt from the accrediting*

*organization, including, without limitation, any deficiencies identified in and any corrections made in response to the report.*

- 3. Inspection by an accrediting organization is not a substitute for inspection by the Department.*

**Sec. 210. Random quality assurance compliance checks. (NRS 453D.200)**

- 1. Upon the request of the Department, a marijuana cultivation facility and a marijuana product manufacturing facility must provide a marijuana testing facility designated by the Department with a sample of marijuana or a marijuana product in an amount determined by the marijuana testing facility to be sufficient for random quality assurance compliance checks in a secure manner such that the testing facility can confirm that it has received and is testing the correct sample.*
- 2. The marijuana testing facility that receives a sample pursuant to subsection 1 shall, as directed by the Department:*
  - (a) Screen the sample for pesticides, chemical residues, herbicides, growth regulators and unsafe levels of metals;*
  - (b) Perform any other quality assurance test deemed necessary by the Department; and*
  - (c) Report its results to the Department.*
- 3. The marijuana cultivation facility or marijuana product manufacturing facility is responsible for all costs involved in screening or testing performed pursuant to this section.*

**Sec. 211. Requirements regarding amount of usable marijuana and marijuana products allowed on premises of testing facility. (NRS 453D.200)** *A marijuana testing facility is not limited in the amount of usable marijuana and marijuana products it may have on the premises*

*of the testing facility at any given time, but the testing facility must maintain records to prove that all usable marijuana and marijuana products on the premises are there for testing purposes only.*

**Sec. 212. Authorized use of marijuana upon failure of quality assurance test; requirements for retesting. (NRS 453D.200)**

- 1. Upon approval of the Department, a lot of marijuana that fails a microbial screening may be used to make an extract. After processing, the extract must pass all required quality assurance tests.*
- 2. Except as defined in subsection 1, if a sample from a marijuana product manufacturing facility fails a quality assurance test, the entire production run from which the sample was taken automatically fails the quality assurance test.*
- 3. At the request of a marijuana cultivation facility or a marijuana product manufacturing facility, the Department may, on a case-by-case basis, authorize a retest to validate the results of a failed test. The marijuana cultivation facility or marijuana product manufacturing facility is responsible for all costs involved in a retest performed pursuant to this section.*
- 4. A marijuana cultivation facility or a marijuana product manufacturing facility may not request a retest pursuant to this section unless, at the time samples are initially taken for testing, two samples are collected at the same time by a marijuana testing facility using tamper-resistant bags. One of the samples must be taken by the marijuana testing facility for testing and the facility must place the other sample in a secure quarantine storage area at the facility for further retesting by a secondary marijuana testing facility or the State Department of Agriculture.*

5. *A marijuana cultivation facility or a marijuana product manufacturing facility shall submit a request for retesting to the Department in writing and on a form designated by the Department.*
6. *If the Department grants a request for retesting, the Department will select the marijuana testing facility that will perform the retest.*
7. *Except as otherwise provided in this section, a marijuana cultivation facility or a marijuana product manufacturing facility may submit a request for retesting of not more than 50 lots each calendar year. For any subsequent failure of a quality assurance test in a calendar year, the facility shall destroy the lot or the entire production run, as applicable. A lot which only fails a quality assurance test for moisture content must not be counted for the purpose of this subsection.*
8. *A failed quality assurance test for pesticide residue must be retested by the State Department of Agriculture.*
9. *If a sample passes the same quality assurance test upon retesting, the marijuana cultivation facility or marijuana product manufacturing facility need not destroy the lot or production run and may sell the lot or production run to a marijuana cultivation facility, retail marijuana store or marijuana product manufacturing facility, as applicable.*
10. *If a sample fails the same quality assurance test upon retesting, and the Department denies a request for retesting or a marijuana cultivation facility or a marijuana product manufacturing facility does not request retesting after a sample fails a quality assurance test, the facility shall destroy the entire lot or production run from which the sample was taken.*

## **Requirements Concerning Operations of Marijuana Transportation**

### **Sec. 213. Requirements for transportation of marijuana. (NRS 453D.200)**

- 1. A licensed marijuana distributor may transport marijuana and marijuana products between a marijuana establishment and:
  - (a) Another marijuana establishment; and*
  - (b) Between the buildings of the marijuana establishment.**
- 2. A marijuana establishment may only transport marijuana and marijuana products to a retail marijuana store if they hold a marijuana distributor license.*
- 3. A marijuana distributor may not purchase or sell marijuana or marijuana products unless they hold another marijuana establishment license that allows for the purchase or sale of marijuana and marijuana products.*
- 4. Licensed marijuana distributors may enter into service agreements or contracts with licensed marijuana establishments for the transport of marijuana and marijuana products which may include such requirements as insurance coverage, third party and employee theft and climate control.*
- 5. Marijuana establishment agent registration cardholders and the licensed marijuana distributor they work for are responsible for the marijuana and marijuana product once they take control of the product and leave the premises of the marijuana establishment.*
- 6. During the transportation of marijuana or marijuana products pursuant to this section, the licensed marijuana distributor agent must:
  - (a) Carry a copy of the seed to sale system generated transport manifest completed pursuant to section 214 of NAC 453D with him or her for the duration of the trip;*
  - (b) Have his or her marijuana establishment agent registration card or verification of temporary authorization in his or her immediate possession;**

- (c) Use a vehicle without any identification relating to marijuana and which is equipped with a secure lockbox or locking cargo area which must be used for the sanitary and secure transportation of marijuana or marijuana products;*
- (d) Have a means of communicating with the marijuana establishment for which he or she is providing the transportation; and*
- (e) Ensure that all marijuana or marijuana products are not visible.*

*7. Each licensed marijuana distributor agent transporting marijuana or marijuana products pursuant to subsection 1 of this section, must:*

- (a) Report any vehicle accident that occurs during the transportation to a person designated by the marijuana distributor to receive such reports within 2 hours after the accident occurs;*
- (b) Report any loss or theft of marijuana or marijuana products that occurs during the transportation to a person designated by the marijuana distributor to receive such reports immediately after the marijuana establishment agent becomes aware of the loss or theft;*
- (c) A marijuana distributor that receives a report of loss or theft pursuant to this paragraph must immediately report within 24 hours the loss or theft to the appropriate law enforcement agency and to the Department as required by section 107 of NAC 453D;*
- (d) Report any unauthorized stop that lasts longer than 2 hours to the Department; and*
- (e) Each marijuana distributor shall maintain a log of all reports received pursuant to subsections (a) – (d) of this section for review by the Department upon request.*

*8. Any damaged or refused marijuana or marijuana products shall be transported back to the originating marijuana establishment.*

**Sec. 214. Inventory tracking for transportation of marijuana and marijuana products.**

**(NRS 453D.300)**

*1. Before transporting marijuana or marijuana products pursuant to section 213 of NAC 453D, the licensed marijuana distributor must:*

*(a) Ensure that all marijuana and marijuana products are secured at all times during transportation;*

*(b) Maintain a hard copy or electronic version of a seed to sale tracking system generated transport manifest that contains all the information required by this section and shall be in the format approved by the Department;*

*(c) A licensed marijuana distributor may transport marijuana or marijuana product to multiple locations so long as the transport manifest correctly reflects the specific inventory destined for the specific licensed locations.*

*(d) When a retail marijuana store, marijuana product manufacturing facility or marijuana cultivation facility uses a marijuana distributor for transporting its marijuana or marijuana products, the originating marijuana establishment shall input the required information into the seed to sale system generated transport manifest for the final destination establishment that will be receiving the marijuana or marijuana products.*

*(e) A marijuana distributor is prohibited from being listed as the final destination establishment.*

- (f) A marijuana distributor shall not alter the information of the final destination marijuana establishment after the information has been entered into the seed to sale inventory tracking system generated transport manifest by the originating marijuana establishment.*
  - (g) If the marijuana distributor is not able to deliver the marijuana or marijuana product directly to the receiving marijuana establishment due to normal business operations of the transportation process, the marijuana distributor shall communicate to the Department and the originating marijuana establishment the premises where the marijuana or marijuana product will be stored and the anticipated date and time of delivery.*
  - (h) A marijuana distributor shall provide a copy of the seed to sale system generated transport manifest to each marijuana establishment receiving the inventory described in the transport manifest. In order to maintain transaction confidentiality, the marijuana distributor shall prepare a separate seed to sale tracking system generated transport manifest for each receiving marijuana establishment.*
- 2. The marijuana distributor shall complete a seed to sale system generated transport manifest which shall include the following information:*
- (a) The departure date and approximate time of departure;*
  - (b) The name, location, address, and license number of the originating marijuana establishment;*
  - (c) The name, location address, and license number of the destination marijuana establishment;*
  - (d) The name, location address, and license number of the marijuana distributor;*

*(e) The product name and quantities (by weight and unit) of each product to be delivered to the specific destination location;*

*(f) Planned arrival date and estimated time of arrival;*

*(g) Transportation vehicle make and model, license plate number and identification card number; and*

*(h) Name, marijuana establishment agent registration card number and signature of the agent(s) accompanying the transportation of the marijuana and marijuana products.*

*3. In addition to all the other tracking requirements set forth in this section, a marijuana establishment shall be responsible for all the procedures associated with the tracking of inventory pursuant to section 105 and section 106 of NAC 453D.*

*(a) Prior to departure, the originating marijuana establishment shall adjust its records to reflect the removal of marijuana or marijuana product. Entries to the records shall reflect the seed to sale system generated transport manifest and shall be easily reconciled, by product name and quantity, with the applicable transport manifest;*

*(b) Upon receipt, the receiving marijuana establishment shall ensure that the marijuana or marijuana products received are as described in the transport manifest and shall immediately adjust its records to reflect the receipt of inventory. Entries to the inventory records shall note the seed to sale system generated transport manifest and shall be easily reconciled by the product name and quantity, with the applicable transport manifest; and*

*(c) A receiving marijuana establishment shall separately document any differences between the quantity specified in the transport manifest and the quantities received.*

*Such documentation shall be made in the seed to sale system and in any relevant business records.*

*4. After transporting marijuana or marijuana products pursuant to section 213 of NAC 453D, a licensed marijuana distributor is responsible for entering the end time of the trip and any changes to the trip plan that was completed pursuant to paragraph (f) of subsection (2) of section 214 of NAC 453D and paragraph (f) of subsection (1) of section 214 of NAC 453D.*

*5. A marijuana distributor shall:*

*(a) Maintain the documents required in this section; and*

*(b) Provide a copy of the documents required in this section to the Department for review upon request.*

**Sec. 215. Transportation of marijuana and marijuana products by a marijuana cultivation facility, marijuana testing facility, marijuana product manufacturing facility and retail marijuana store. (NRS 453D.200)** *A licensed marijuana cultivation facility, marijuana testing facility, marijuana product manufacturing facility or retail marijuana store may transport marijuana and marijuana products without a marijuana distributor license as follows:*

*1. A marijuana cultivation facility and a marijuana product manufacturing facility may transport marijuana and marijuana products to or from a marijuana testing facility, a marijuana cultivation facility or a marijuana product manufacturing facility.*

*2. All the requirements in section 213, subsection (1) through (8) must be maintained for the transport of marijuana or marijuana products, unless the licensed marijuana distributor is transporting marijuana and marijuana products between co-located marijuana establishments;*

3. *A marijuana testing facility may transport marijuana and marijuana products to or from a marijuana testing facility for testing; and*
4. *A retail marijuana store may transport marijuana and marijuana products to or from a marijuana testing facility.*

**Sec. 216. Transportation of marijuana and marijuana products prohibited. (NRS 453D.200)** *A marijuana establishment is prohibited from transporting marijuana and marijuana products to a retail marijuana store unless the establishment has a marijuana distributor license. This provision does not apply to:*

1. *A medical marijuana establishment only transporting marijuana or marijuana products for sale to medical patients;*
2. *A marijuana testing facility transporting samples for laboratory testing;*
3. *A medical marijuana establishment or dual licensee transporting only medical marijuana or medical marijuana products to a medical marijuana dispensary or dual licensee.*

**Sec. 217. Restrictions for transportation of marijuana. (NRS 453D.200)**

1. *There is no load limit on the amount or weight of marijuana and marijuana products that are being transported by a licensed marijuana distributor. Marijuana distributors are required to adhere to Department regulation and those required through their insurance coverage.*
2. *When transporting by vehicle, marijuana and marijuana product must be in a lockbox or locked cargo area. A trunk of a vehicle is not considered secure storage unless there is no access from within the vehicle and it is not the same key access as the vehicle. Live plants can be transported in a fully enclosed, windowless locked trailer or secured area*

*inside the body/compartment of a locked van or truck so that they are not visible to the outside.*

- 3. While engaged in the transportation of marijuana and marijuana products, any person that occupies a transport vehicle when it is loaded with marijuana or marijuana products must be a registered marijuana establishment agent for the marijuana distributor establishment type.*
- 4. If the value of the marijuana and marijuana products being transported by vehicle is in excess of \$25,000 (the insured fair market wholesale value per the transport manifest), there will be no fewer than two of the marijuana distributor's marijuana establishment agents involved in the transportation.*
- 5. All marijuana and marijuana products must be tagged for purposes of inventory tracking with a unique identifying label as required by the Department and remain tagged during transport.*
- 6. All marijuana and marijuana products when transported by vehicle must be transported in sealed packages and containers and remain unopened during transport.*
- 7. All marijuana and marijuana products transported by vehicle must be inventoried and accounted for in the seed to sale inventory tracking system pursuant to section 214 of NAC 453D. Loading and unloading of marijuana and marijuana products from the transporting vehicle must be within view of existing video surveillance systems. Security requirements in section 108 of NAC 453D are required for the transportation of marijuana and marijuana products.*

**Sec. 218. Vehicle requirements for transportation. (NRS 453D.200)**

1. *Licensed marijuana distributors that will be transporting the product between its own licensed establishments that are contained within the same building, are contiguous or are located within 500 feet of each other are not required to transport by vehicle.*
2. *A licensed marijuana distributor can use any vehicle that meets the vehicle requirements in NRS Chapter 484D and subsections (3) through (7) in this section, to transport marijuana and marijuana products.*
3. *Licensed marijuana distributors must obtain approval from the Department for each vehicle it is intending to use for transportation of marijuana and marijuana products. The Department will issue an identification card containing information as determined by the Department for each vehicle and this card is to be kept in the vehicle at all times.*
4. *Licensed marijuana distributor's transporting vehicles cannot have any advertising, signage or markings related to marijuana.*
5. *Transporting vehicles must be equipped with an audible car alarm.*
6. *A marijuana distributor must provide adequate care for perishable marijuana products and refrigeration during transportation, if required.*
7. *Marijuana distributors are to maintain at least one vehicle which is temperature controlled for the transportation of marijuana and marijuana products. Temperature control shall be maintained below 41 degrees while transporting potentially hazardous marijuana products. The method of temperature control must be pre-approved by the Department.*
8. *Licensed marijuana distributor's transport vehicles are subject to inspection by the Department, pursuant to section 82 and section 83 of 453D.*

**Sec. 219. Transportation requirements for marijuana distributors. (NRS 453D.200)**

1. *Licensed marijuana distributors may transport marijuana and marijuana products from multiple licensed marijuana establishments but cannot transport marijuana with any other product unless that product is marijuana paraphernalia or merchandise, packaging or promotional items directly related to the marijuana or marijuana products being transported.*
2. *During transportation of marijuana and marijuana products, drivers must carry in the vehicle valid driver's insurance at the limits required by the State of Nevada and the Department, a copy of the marijuana distributor's license, the driver's valid marijuana establishment agent registration card or verification of temporary authorization, the driver's valid driver's license, and the required vehicle registration. All drivers must be bonded in an amount sufficient to cover any claim that could be brought, or disclose to all parties that their drivers are not bonded.*
3. *Transportation hours should be reasonable as to allow for delivery to a licensed marijuana establishment during operating hours.*
4. *If transportation occurs by vehicle, the licensed marijuana distributor agent transporting marijuana and marijuana products must only travel to and from licensed marijuana establishments and must not make any unnecessary stops that are not disclosed in the trip plan and transport manifest. The transporting vehicle may make fuel stops as necessary and keep a list of designated fuel stops along the route that can be submitted to the Department upon request.*
5. *If the transport vehicle is stopped at an unlicensed location, is involved in a traffic accident, or the vehicle breaks down and scheduled travel is interrupted for more than 2*

*hours, the distributor must notify the Department of the interruption by means determined by the Department.*

- 6. A licensed marijuana distributor shall use the seed to sale inventory tracking system approved by the Department to create transport manifests documenting the transport of marijuana and marijuana products between marijuana establishments that are not co-located. A paper manifest or digital copy is to be kept with product at all times unless the licensed marijuana distributor is transporting marijuana and marijuana products between co-located marijuana establishments.*
- 7. A licensed marijuana distributor may only transport marijuana and marijuana products within Nevada.*

**Sec. 220. Storage requirements for marijuana distributors. (NRS 453D.200)**

- 1. When a marijuana distributor experiences an unusual or extraordinary circumstance beyond their control as part of normal business operations of the transportation process, and the marijuana distributor deems it necessary to utilize their storage area for the temporary storage of marijuana or marijuana products, the marijuana distributor must submit to the Department a marijuana distributor temporary storage notice.*
- 2. At each licensed marijuana distributor, marijuana must be stored only in a separate, enclosed, locked facility. No products unrelated to the marijuana distributor establishment can be stored with marijuana or marijuana products, including any products containing alcohol.*
- 3. Marijuana distributors are to maintain at least one storage area which is temperature controlled for the storage of marijuana and marijuana products. Temperature control*

*shall be maintained in a commercial food grade unit below 41 degrees while storing potentially hazardous marijuana products.*

- 4. At each licensed marijuana distributor, marijuana must be stored in a secure, locked device, cabinet or room or locked transportation vehicle within the enclosed, locked facility. The secure, locked device or room must be protected by a lock or locking mechanism that meets at least the security rating established by Underwriters Laboratories for key locks.*
- 5. Licensed marijuana distributor premises shall be made available for inspection by the Department during normal business hours without notice.*
- 6. Marijuana products shall not be stored with the distributor for more than (3) days without written consent from the Department. If the product is removed from the vehicle for storage, the inventory shall be verified following off-load and prior to on-load.*
- 7. Storage will be allowed only as normal business operations of the transportation process and security requirements provided in this chapter to deter and prevent un-authorized entry will be required pursuant to section 108 of NAC 453D.*

## **Packaging and Labeling of Marijuana and Marijuana Products**

### **Sec. 221. Packaging: Generally. (NRS 453D.200)**

*All marijuana and marijuana products, must be:*

- 1. Clearly and unambiguously packaged as marijuana with the words “THIS IS A MARIJUANA PRODUCT” in bold type that clearly identifies that the product contains marijuana;*

2. *Packaged in a manner which is not modeled after a brand of products primarily consumed by or marketed to children;*
3. *Are not presented in packaging that contains an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the facility for the production of edible marijuana products which produced the product;*
4. *Are not packaged or marketed as candy;*
5. *When sold at a retail marijuana store, any product containing marijuana must be packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. § 1700, and maintains its child-resistant effectiveness for multiple openings prior to leaving the retail marijuana establishment in the hands of the consumer. If the package or container containing the usable marijuana or marijuana products is not already inside an opaque, child resistant package, then the marijuana retail store must place the marijuana or marijuana products into an exit package that meets the above listed requirements.*
6. *Marijuana products in solid or liquid form must be packaged in plastic which is 4 mils or more in thickness, except for liquid products packaged in glass bottles which shall be packaged in accordance with subsection 8 of this section;*
7. *Any container or packaging containing usable marijuana or marijuana products must protect the contents from contamination and must be of a food grade material;*
8. *Marijuana products in liquid form shall be packaged using a re-sealable cap. The container shall clearly demark each serving of marijuana in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of THC. Further:*

- (a) The portion of the container that clearly demarks each serving of marijuana need not be opaque; and*
- (b) The container shall include a device that allows a reasonable person to intuitively measure and serve a single serving of THC.*
- 9. Seal any edible marijuana products, including cookies or brownies, in a bag or other container which is not transparent;*
- 10. Opaque packaging is required for edible products;*
- 11. Each single standardized serving of marijuana of a multiple-serving edible marijuana product shall be physically demarked in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving. Each demarked standardized serving must be easily separable in order to allow an average person 21 years of age and over to physically separate, with minimal effort, individual servings of the products; and*
- 12. If an edible marijuana product is of the type that is impracticable to clearly demark each standardized serving of marijuana or to make each standardized serving of marijuana easily separable, then the product must contain no more than 10 milligrams of THC per unit of sale or each single serving edible must be individually wrapped.*

**Sec. 222. Labeling: Generally. (NRS 453D.200)**

*Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall, in consultation with the Department, cooperate to ensure that all marijuana and marijuana products offered for sale:*

1. *Are clearly and unambiguously labeled as marijuana with the words “THIS IS MARIJUANA PRODUCT” in bold type that identifies that the product contains marijuana;*
2. *Labeled in a manner which is not modeled after a brand of products primarily consumed by or marketed to children;*
3. *Are not labeled as candy;*
4. *Use for labeling all marijuana and marijuana products the standard label described in sections 224 through 228 of NAC 453D;*
5. *Exercise strict control over labeling materials issued for use in labeling operations for marijuana and marijuana products;*
6. *Carefully examine labeling materials issued for a batch for identity and conformity to the labeling specified in the applicable production or control records; and*
7. *Have and follow written procedures describing in sufficient detail the control procedures employed for the issuance of labels.*

**Sec. 223. Labeling as “organic.” (NRS 453D.200)**

*A marijuana cultivation facility or marijuana product manufacturing facility shall not label usable marijuana and marijuana products as “organic” unless the marijuana plants and all ingredients used are produced, processed and certified in a manner that is consistent with the national organic standards established by the United States Department of Agriculture in accordance with the Organic Foods Production Act of 1990.*

**Sec. 224. Maximum unit size; minimum requirements for font of label. (NRS 453D.200)**

1. *A retail marijuana store may individually package, label and seal marijuana and marijuana products. A single package must not contain:*

- (a) More than one ounce of usable marijuana;*
  - (b) For a marijuana product sold as a capsule, more than 100 milligrams of THC per capsule or more than 800 milligrams of THC per package;*
  - (c) For a marijuana product sold as a tincture, more than 800 milligrams of THC;*
  - (d) For a marijuana product sold as an edible product, more than 100 milligrams of THC;*
  - (e) For a marijuana product sold as a topical product, a concentration of more than 6 percent THC or more than 800 milligrams of THC per package;*
  - (f) For a marijuana product sold as a suppository or transdermal patch, more than 100 milligrams of THC per suppository or transdermal patch or more than 800 milligrams of THC per package;*
  - (g) For any other marijuana product, more than 800 milligrams of THC.*
- 2. An edible marijuana product sold in a single package must not contain more than 100 milligrams of THC and packaged in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams per serving, and include a statement that the product contains marijuana and its potency was tested with an allowable variance of plus or minus 15%.*
  - 3. For marijuana and marijuana products that are intended to be sold to a consumer, the text used on all labeling must be printed in at least 8-point font and may not be in italics.*

**Sec. 225. Labeling requirements for marijuana and marijuana products for sale to retail marijuana stores from marijuana cultivation facilities. (NRS 453D.200)**

1. *A marijuana cultivation facility shall label all marijuana before it sells the marijuana to a retail marijuana store and shall securely affix to the package a label that includes, without limitation, in legible English:*
  - (a) The name of the marijuana establishment and its marijuana establishment license number;*
  - (b) For dual licensees, the medical marijuana registration certificate number;*
  - (c) The batch number;*
  - (d) The lot number;*
  - (e) The final date of harvest;*
  - (f) The date of final testing;*
  - (g) The date on which the product was packaged;*
  - (h) The cannabinoid profile and potency levels and terpenoid profile of the top three terpenes as determined by the marijuana testing facility, which may include the potential total THC but shall not include any other calculated level of THC;*
  - (i) If the product is perishable, the expiration date; and*
  - (j) The quantity of marijuana being sold.*
2. *The label required by subsection 1 for a container or package containing usable marijuana sold by a marijuana cultivation facility must be in substantially the following form:*

**SG'S NURSERY**  
License Number: 123 456 789 001 0001  
Registration Certificate Number: 543 210789 000 0010

THIS IS A MARIJUANA PRODUCT

Batch Number:  
1234  
Lot Number:  
1234

Final Harvested date:  
01/01/2017

Testing Date: 01/15/2017  
Packaged on: 01/17/2017  
Best if used by: 3/17/2017

16.7% THC 1.5% CBD 0.3% CBN  
Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g

Net Weight: 2 lbs.

**Sec. 226. Labeling requirements for marijuana and marijuana products for marijuana product manufacturing facilities. (NRS 453D.200)** *A marijuana product manufacturing facility shall:*

*1. Before it sells the products to a retail marijuana store, if not already included on the packaging, affix a label to each marijuana product intended for human consumption by oral ingestion which includes, without limitation, in a manner which must not mislead consumers, in legible English, the following information:*

- (a) The name of the marijuana establishment and its marijuana establishment license number;*
- (b) For dual licensees, the medical marijuana registration certificate number;*
- (c) The production run number;*

- (d) The words “Keep out of reach of children”;*
- (e) The date of production;*
- (f) The date of testing;*
- (g) The date on which the product was packaged;*
- (h) The cannabinoid profile and potency levels and terpenoid profile as determined by the marijuana testing facility, which may include the potential total THC but shall not include any other calculated level of THC;*
- (i) If the product is perishable, the expiration date;*
- (j) The total THC concentration measured in milligrams;*
- (k) Total THC per serving for edibles plus or minus 15%;*
- (l) A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343;*
- (m) The net weight of the product; and*
- (n) If concentrated marijuana was added to the product or if the product consists solely of concentrated marijuana, a disclosure of the type of extraction process used and any solvent, gas or other chemical used in the extraction process or any other compound added to the concentrated marijuana.*

2. *The label required by subsection 1 for a container or package containing concentrated marijuana or marijuana products sold by a marijuana product manufacturing facility must be in substantially the following form:*

**DC's Marijuana Products**  
License Number: 123 456 789 001 0001  
Registration Certificate Number: 543 210789 000 0010

Production Run Number: 1234

**THIS IS A MARIJUANA PRODUCT**

Keep out of reach of children

Produced on: 01/01/2017  
Final Testing Date: 01/15/2017  
Packaged on: 01/17/2017  
Best if used by: 3/17/2017  
Cannabinoid profile:  
Terpenoid profile:

Total THC concentration:  
THC concentration per serving +/- 15%:  
This product contains concentrated cannabis produced  
with butane.

Ingredients: Wheat, Sugar, Milk Chocolate  
Allergy Warning: Peanuts, Tree Nuts, Eggs, Wheat,  
Soy  
Net weight: 100mg

**Sec. 227. Labeling requirements for usable marijuana sold at retail. (NRS 453D.200)**

- 1. *A retail marijuana store must affix or include with each container or package containing usable marijuana sold at retail a label which must include, without limitation:*
  - (a) *The business or trade name and the marijuana establishment license number of the marijuana cultivation facility that cultivated and sold the usable marijuana;*
  - (b) *For dual licensees, the medical marijuana registration certificate number;*
  - (c) *The batch number;*
  - (d) *The lot number;*

- (e) The date and quantity sold, including the net weight measured in ounces and grams or by volume, as appropriate;*
  - (f) The name and address of the retail marijuana store;*
  - (g) The cannabinoid profile and potency levels and terpenoid profile as determined by the marijuana testing facility, which may include the potential total THC but shall not include any other calculated level of THC;*
  - (h) A warning that states: “This product may have intoxicating effects and may be habit forming”;*
  - (i) The statement: “This product may be unlawful outside of the State of Nevada”;* and
  - (j) The final date on which the marijuana was harvested.*
- 2. The label required by subsection 1 for a container or package containing usable marijuana sold at retail must be in substantially the following form:*

**JP's Plant Emporium**  
License #: 123 456 789 001 0001  
Registration Certificate Number: 543 210789 000 0010

THIS IS A MARIJUANA PRODUCT

Batch #: 1234  
Lot#: 1234  
Final harvest: 01/01/2017

by  
We Care Retail Marijuana Store  
123 Main Street, Carson City, NV 89701

WARNING:  
This product may have intoxicating effects and may be habit forming.

16.7% THC 1.5% CBD 0.3% CBN  
Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g

Net Weight: .25 ounces (7 grams)

This product may be unlawful outside the State of  
Nevada.

**Sec. 228. Labeling requirements for marijuana products sold at retail. (NRS 453D.200)**

*1. A retail marijuana store must affix or include with each container or package containing marijuana products sold at retail, except that edible marijuana product labels must be affixed, a label which must not mislead consumers. The label must include, without limitation, if not already included on the packaging or existing label:*

- (a) The business or trade name and the marijuana establishment license number of the marijuana product manufacturing facility that extracted and sold the concentrated marijuana or manufactured and sold the product;*
- (b) For dual licensees, the medical marijuana registration certificate number;*

- (c) The production run number that accounts for all lot numbers of all marijuana used to extract the concentrated marijuana or create the product, as recorded in the inventory control system of the marijuana product manufacturing facility that sold the marijuana product;*
- (d) The name and address of the retail marijuana store;*
- (e) The date on which the concentrated marijuana was extracted or the product was manufactured;*
- (f) The date on which the concentrated marijuana or product was packaged;*
- (g) If the product is perishable, a suggested use-by date;*
- (h) The cannabinoid profile and terpenoid profile of the product, as determined by the marijuana testing facility that tested the product, which may include the potential total THC but shall not include any other calculated level of THC;*
- (i) Edible marijuana should be labeled using only the Delta-9-tetrahydrocannabinol milligrams;*
- (j) The total THC concentration measured in milligrams;*
- (k) THC concentration per serving, plus or minus 15%;*
- (l) A list of all ingredients and all major food allergens as identified in 21 U.S.C. §§ 343;*
- (m) The total THC concentration;*
- (n) A warning that states: “Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours”;*
- (o) If concentrated marijuana or a marijuana extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the extract;*

*(p) A warning that states: “This product may have intoxicating effects and may be habit forming”;*

*(q) A warning that states: “Keep out of reach of children”; and*

*(r) A statement that: “This product may be unlawful outside of the State of Nevada.”*

- 2. The label required by subsection 1 for a container or package containing concentrated marijuana or marijuana products sold at retail must be in substantially the following form:*

**We Care Retail Marijuana Store**  
123 Main Street, Carson City, NV 89701

THIS IS A MARIJUANA PRODUCT

Date Sold : 3/27/2017

Cookie

Net Weight: 2oz. (56 grams)

Produced on: 1/1/2017

Final Testing Date: 1/15/2017

Packaged on: 1/17/2017

Best if used by: 6/3/2017

Cannabinoid profile:

Terpenoid profile:

Total THC concentration:

THC concentration per serving +/- 15%:

CAUTION: When eaten or swallowed the intoxicating effects of this product can be delayed 2 or more hours.

Keep out of reach of children

This product may be unlawful outside the State of Nevada.

Manufactured at: KC's Kitchen

License #: 321654987101 0401

Registration Certificate Number: 543 210789 000 0010

Production Run #5463

INGREDIENTS: Flour, Butter, Canola Oil,  
Sugar, Chocolate, Marijuana, Strawberries

CONTAINS ALLERGENS: Milk, Wheat

Contains marijuana extract processed with butane.  
Contains concentrated marijuana produced with CO2.

WARNING: This product may have intoxicating effects  
and may be habit forming.

**Sec. 229. Requirements for marijuana sold at retail; written notification. (NRS 453D.200)**

*A retail marijuana store:*

1. *Must provide with all usable marijuana sold at retail written notification that discloses any pesticides applied to the marijuana plants and growing medium during production and processing;*
2. *Shall include a written notification with each sale of marijuana or marijuana products which advises the purchaser:*
  - (a) *To keep marijuana and marijuana products out of the reach of children;*
  - (b) *That marijuana and marijuana products can cause severe illness in children;*
  - (c) *That allowing children to ingest marijuana or marijuana products, or storing marijuana or marijuana products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect; and*
  - (d) *Capitalized in bold type, state that:*

*THE INTOXICATING EFFECTS OF MARIJUANA MAY BE DELAYED BY 2 HOURS OR MORE AND USERS OF MARIJUANA PRODUCTS SHOULD INITIALLY INGEST A SMALL AMOUNT OF THE PRODUCT CONTAINING NO MORE THAN 10 MILLIGRAMS OF THC, THEN WAIT AT LEAST 2 HOURS BEFORE INGESTING ANY ADDITIONAL AMOUNT OF THE PRODUCT.*

3. *Shall include the following warnings:*
  - (a) *“This product may have intoxicating effects and may be habit forming. Smoking is hazardous to your health”;*

- (b) *“Ingesting marijuana or marijuana products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so”;*
- (c) *“There may be health risks associated with consumption of this product”;*
- (d) *“Pregnant women should consult with a physician before ingesting marijuana or marijuana products”;*
- (e) *“Marijuana or marijuana products can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of marijuana or marijuana products”;* and
- (f) *“Ingestion of any amount of marijuana or marijuana products before driving may result in criminal prosecution for driving under the influence.”*

4. *The text used on all accompanying material must be printed in at least 12-point font and may not be in italics.*

**Sec. 230. Required examinations of packaged and labeled products. (NRS 453D.200)** *Each marijuana cultivation facility, marijuana product manufacturing facility and retail marijuana store shall:*

1. *Examine packaged and labeled products during finishing operations to provide assurance that the containers and packages have the correct labels;*
2. *Collect a representative sample of units at the completion of finishing operations and ensure that the samples are visually examined for correct labeling; and*
3. *Record the results of the examinations performed pursuant to subsections (1) and (2) in the applicable production or control records.*

**Sec. 231. Stamping or molding of edible marijuana products (NRS 453D.200)**

*By January 1, 2019, single serving edible products must be stamped or molded with a universal symbol developed by the Department indicating marijuana.*

- 1. Every single standardized serving (a serving consists of 10 mg of THC) of an edible retail marijuana product must be individually marked, stamped or imprinted with the new universal symbol developed by the Department.*
- 2. When impractical to mark an edible retail marijuana product with the universal symbol, as in the case of bulk goods and powders, these products must be packaged in a single serving, child-resistant container.*
- 3. Liquids are to be packaged as described in section 221 of NAC 453D, and are considered impractical to be marked with the universal symbol.*
- 4. In an edible retail marijuana product that contains multiple servings, each single standardized serving must be marked, stamped or imprinted with the universal symbol.*

## **Advertising, Name, Logo, Sign, Advertisement and Packaging – Guidelines and Approval Process**

### **Sec. 232. Advertising guidelines and campaigns. (NRS 453D.200)**

*A marijuana establishment:*

- 1. Shall not engage in advertising which contains any statement or illustration that:
  - (a) Is false or misleading;*
  - (b) Promotes overconsumption of marijuana or marijuana products;*
  - (c) Depicts the actual consumption of marijuana or marijuana products; or*
  - (d) Depicts a child or other person who is less than 21 years of age consuming marijuana or marijuana products or objects suggesting the presence of a child, including,**

- without limitation, toys, characters or cartoons, or contains any other depiction which is designed in any manner to be appealing to or encourage consumption of marijuana or marijuana products by a person who is less than 21 years of age.*
2. *Shall not advertise in any publication or on radio, television or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be persons who are less than 21 years of age. Audience segmentation data shall be required for advertising approval;*
  3. *Shall not place an advertisement:*
    - (a) *Within 1,000 feet of a public or private school, playground, public park or library, but may maintain such an advertisement if it was initially placed before the school, playground, public park or library was located within 1,000 feet of the location of the advertisement;*
    - (b) *On or inside of a motor vehicle used for public transportation or any shelter for public transportation;*
    - (c) *On or inside motor vehicles used for private transportation;*
    - (d) *At a sports or entertainment event to which persons who are less than 21 years of age are allowed entry;*
    - (e) *On signs carried by a natural person, including handbills, pamphlets, cards or other types of advertisements that are distributed to the general public, excluding an advertisement placed in a newspaper of general circulation, trade publication or other form of print media; and*
    - (f) *Where prohibited by ordinance of the locality.*

4. *Shall not advertise or offer any marijuana or marijuana product as "free" or "donated" without a purchase;*
5. *Shall ensure that all advertising by the marijuana establishment contains such warnings as may be prescribed by the Department, which must include, without limitation, the following words:*
  - (a) *"Keep out of reach of children"; and*
  - (b) *"For use only by adults 21 years of age and older."*
6. *Signage in marijuana retail stores should include activities that are strictly prohibited and punishable by law, including but not limited to the following messages:*
  - (a) *"No minors permitted on the premises unless accompanied by a caregiver";*
  - (b) *"No on-site consumption of any marijuana products";*
  - (c) *"Distribution to persons under the age of 21 is prohibited";*
  - (d) *"Except for medical marijuana patients, possession over 1 ounce of usable marijuana, 1/8 ounce of concentrated marijuana or 1750 mg. of edible marijuana product, or a combination of the three not to exceed the legal limit is prohibited";*  
*and*
  - (e) *"Transportation across state lines is prohibited."*

**Sec. 233. Approval required before use of name, logo, sign, advertisement and packaging.  
(NRS 453D.200)**

*A marijuana establishment shall not use:*

1. *A name or logo unless the name or logo has been approved by the Department;*
2. *Any sign or advertisement unless the sign or advertisement has been approved by the Department; or*

3. *Packaging unless the packaging has been approved by the Department.*

**Sec. 234. Approval process. (NRS 453D.200)**

*Approval is required of the Department of any marijuana establishment name, logo, sign, advertisement or packaging before it is used by the marijuana establishment. The Department may require up to 30 days for approval.*

1. *Marijuana establishments must submit electronic files of all proposed names, logos, signs, radio and television ads, advertisements or packaging on a form prescribed by the Department to be considered as part of their pre-opening inspection findings and whenever new designs are created. Website, social media, blog posts, e-mails and text updates do not require pre-approval, but may be subject to Department review to determine if advertising guidelines have been met. Civil penalties will be utilized for those not in compliance.*
2. *The submitted artwork will be reviewed by the Department to evaluate compliance with the advertising guidelines. The Department will supply a form to the establishment indicating its recommendation to approve or deny the proposed artwork.*
3. *If the proposed artwork is not recommended, the reason for the recommended denial of any portion of the submission will be indicated on the form, including feedback and reasons for the decision. Marijuana establishments may resubmit modified artwork based on the reason for denial.*
4. *The Department has final say on approvals and denials for proposed names, logos, signs, radio and television ads, advertisements and packaging. Appeals of the Department's final decision are not permitted.*

5. *The following guidelines will be used to evaluate marijuana establishment names, logos, signs, radio and television ads, advertisements and packaging;*
- (a) Are not presented in packaging that contains an image of a cartoon character, mascot, action-figure, balloon or toy, except that such an item may appear in the logo of the marijuana product manufacturing facility which produced the product;*
  - (b) Are not packaged in a manner which is modeled after a brand of products primarily consumed by or marketed to children;*
  - (c) Shall not engage in advertising that in any way makes marijuana or marijuana products appeal to children, including without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy;*
  - (d) Overall design of any submission should contain no reference to or perception of being high in nature;*
  - (e) Typography selections shall include using clean fonts (sans serif), and avoiding script, decorative or gimmicky fonts. It is preferred that a maximum of two fonts and three colors are used in the design;*
  - (f) Acceptable words or references include, but are not limited to: green, wellness, compassion, health, patient, therapy, care, garden, nature, marijuana and cannabis;*
  - (g) Shall not make unfounded claims or promises or using the word “cure”;*
  - (h) Shall not use marijuana slang such as high, bud, pot, weed, grass, joint, doobie, 420; and*
  - (i) All logos submitted for approval must also be used on business cards, letterhead, and any other types of stationery used by the marijuana establishment, as well as any*

*advertisements purchased by the marijuana establishment. Different logos, other than those approved by the Department, will not be permitted.*

## **Reporting and Transmittal of Marijuana Taxes**

**Sec. 235. Applicability of NRS 360. (NRS 453D.200)** *The provisions of NRS 360 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 and sales tax on marijuana.*

**Sec. 236. Sales and use tax returns required. Payment of tax; monthly return. (NRS 453D.500)** *Marijuana sold pursuant to NRS 453D is subject to sales tax when it is sold at a retail store. Returns and payments must be submitted as provided in NRS 372.354 through NRS 372.395.*

**Sec. 237. Excise tax returns required. Payment of tax: monthly return. (NRS 453D.200)**

- 1. An excise tax must be collected by the State on the wholesale sales of marijuana at a rate of 15 percent of the fair market value at wholesale of the marijuana pursuant to NRS 453D.500.*
- 2. An excise tax must be collected by the State on 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 pursuant to Senate Bill 487 (2017). The excise tax does not apply to non-marijuana products sold by the retail marijuana store. This tax is the obligation of the retail marijuana store and 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. *Each marijuana cultivator or retail marijuana store shall, on or before the last day of the month immediately following each month for which the marijuana is sold, file with the Department a return on a form prescribed by the Department and remit to the Department any tax due for the month covered by the return. A return must be filed whether or not a sale or purchase has occurred.*
4. *The marijuana cultivation facility shall pay the excise tax to the Department upon the first sale of marijuana to a retail marijuana store, a marijuana product manufacturing facility, or another marijuana cultivation facility. The retail marijuana store shall pay the excise tax to the department upon the first sale of marijuana to a consumer.*
  - (a) *If a marijuana cultivation facility sells to another marijuana cultivation facility and pays the wholesale excise tax to the Department on the sale as required by NRS 453D.500, the wholesale excise tax will not be due on any subsequent wholesale sales of that product.*
  - (b) *A marijuana cultivation facility or retail marijuana store must keep all supporting documentation for verification that the excise tax was paid on the first sale of the product.*
  - (c) *The Department may require a marijuana establishment to submit a financial statement as determined to be necessary by the Department to ensure the collection of taxes which may be owed by the marijuana establishment.*
5. *Calculation and payment of tax for marijuana cultivation facilities requires:*
  - (a) *Calculation of fair market value at wholesale:*
    - (1) *The Department will calculate the fair market value at wholesale using reported sales or transfer of each category; and*

*(2) The Department will determine the best methodology to arrive at the fair market value at wholesale. The Department may, from time to time, change its method of calculating the fair market value at wholesale if, in the judgment of the Department, such change is necessary to arrive at the most accurate fair market value at wholesale given the market conditions.*

*(b) The tax shall be calculated based on the category of the marijuana product being sold to set the initial fair market value at wholesale. The Department will use data related to the fair market value at wholesale in making the calculation:*

*(1) The excise tax for bud is computed on the total weight of all bud that is sold.*

*Notwithstanding this rule, the inadvertent inclusion of inconsequential amounts of bud in a sale that is otherwise trim shall not be treated as the sale of bud;*

*(2) The excise tax for trim is calculated on the total weight of all trim that is sold.*

*Notwithstanding this rule, the inadvertent inclusion of inconsequential amounts of bud in a sale that is otherwise trim shall be treated as the sale of trim;*

*(3) The excise tax for immature plants is calculated on the total number of immature plants being sold;*

*(4) The excise tax for wet whole plants is calculated on the total weight of the entire marijuana wet whole plant. The weight of the entire plant is subject to tax because the fair market value at wholesale for wet whole plant already reflects an allowance for water weight and waste:*

*(1) The wet whole plant may not undergo any further processing (i.e., drying the plant and subsequently selling separately the bud and trim) prior to being weighed when using the wet whole plant basis; and*

*(II) The marijuana wet whole plant must be weighed within 2 hours of the batch being harvested and without any further processing, including any artificial drying such as increasing the ambient temperature of the room or any other form of drying, curing, or trimming. Tax must be calculated and paid on the total wet whole plant weight. If the wet whole plant is not weighed within 2 hours of the batch being harvested or is subjected to further processing before being weighed, the excise tax on such plant cannot be calculated and paid on the wet whole plant basis and must instead be calculated and paid at the bud and trim rates. The marijuana cultivation facility must maintain records of the time each batch was harvested and weighed and the weight of each plant. The records must be in writing and created contemporaneously with the harvesting and weighing.*

*(5) The excise tax for seeds is calculated on the total number of seeds being sold; and*

*(6) The excise tax for any other category of marijuana product category will be determined by the Department.*

**Sec. 238. Maintenance and availability of records of taxpayer. (NRS 453D.200)** *Each person responsible for maintaining the records of a taxpayer shall:*

- 1. Keep such records as may be necessary to determine the amount of the liability of the taxpayer pursuant to the provisions of NRS 453D.500 and Senate Bill 487 (2017);*
- 2. Preserve those records for 4 years or until any litigation or prosecution pursuant to NRS 453D.500 and Senate Bill 487, inclusive, is finally determined, whichever is longer; and*
- 3. Make the records available for inspection by the Department upon demand at reasonable times during regular business hours.*

**Sec. 239. Examination of records by Department. (NRS 453D.200)**

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 marijuana.*
2. *Any person who may be liable for the excise tax on 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. 240. Manner for distribution to localities. (NRS 453D.510)** *For the purposes of NRS 453D.510 and Sec. 9 of Senate Bill 487, a total amount of \$5,000,000 in each fiscal year shall be deemed sufficient to pay the costs of all localities to carry out the provision of chapters 453A and 453D of NRS.*

1. *On November 1 of each year or within 30 days of the effective date of this regulation, each locality shall be reimbursed for the costs of carrying out the provisions of chapters 453D and 453A of NRS as follows:*
  - (a) The Department shall distribute \$1,500,000 equally to each county; and*
  - (b) The Department shall distribute the remaining \$3,500,000 in an amount equal to the percentage of each locality's population as follows:*

- (1) To the locality where the marijuana establishment license or registration certificate issued pursuant to NRS Chapters 453A or NRS 453D is located as of September 1 of each year, except that the initial distribution under this regulation will include each locality where a marijuana establishment is located as of January 1, 2018; and*
- (2) The Department will, if necessary recalculate the distribution amount on September 1 of each year based on the grant of new licenses or registration certificates in a locality where there were previously no marijuana establishments located.*

**Sec. 241. Miscellaneous tax provisions. (NRS 453D.200)** *The provisions of NRS 372A.300 through NRS 372A.380 shall be deemed to apply the administration of the tax under NRS 453D.*

#### **Miscellaneous Provisions**

**Sec. 242. Certain public employees prohibited from having financial interest in or being employed by or volunteering at marijuana establishment. (NRS 453D.200)**

*No employee of this State who is responsible for implementing or enforcing the provisions of this chapter or chapter 453D of NRS may have a direct or indirect financial interest in a marijuana establishment or be employed by or volunteer at a marijuana establishment.*

**Sec. 243. Maximum allowable quantity of marijuana and marijuana products. (NRS 453D.110)**

*For the purposes of subsection 1 of NRS 453D.110, the maximum allowable quantity of marijuana is an amount that:*

- 1. Is equivalent to one ounce of usable marijuana other than concentrated marijuana;*

2. *One-eighth ounce of concentrated marijuana that is the equivalent of 1750 mg of THC;*
3. *One-eighth ounce of concentrated marijuana that is the equivalent of 1750 mg of THC when it is an edible marijuana product; or*
4. *A combination of the three not to exceed the allowable limits.*

**Sec. 244. Department authorized to limit marijuana cultivation within State. (NRS 453D.200)**

*The Department may, upon findings made following a public hearing that the public interest will be supported by limiting the cultivation of marijuana in this State, limit the amount of marijuana cultivated within this State.*

**Sec. 245. Limitations on promoting marijuana and marijuana products; applicability of chapter governing labeling and testing. (NRS 453D.200)**

1. *A marijuana establishment:*
  - (a) *May only promote marijuana or a marijuana product through marketing the marijuana testing facility results on the label of the marijuana or marijuana product; and*
  - (b) *Must not use a marijuana testing facility or other laboratory to promote any other attributes of marijuana or a marijuana product.*
2. *The provisions of this chapter governing labeling and testing of marijuana and marijuana products apply to all marijuana and marijuana products, including, without limitation, pre-rolls.*

**Sec. 246. Department authorized to collect fee for costs of investigating complaint if substantiated; amount of fee. (NRS 453D.200)**

1. *The Department may charge and collect a fee from any marijuana establishment that is involved in a complaint submitted to the Department by a consumer to recover the costs of investigating the complaint after the investigation is completed if the complaint is substantiated. The fee will be based upon the hourly rate established for each investigator of marijuana establishments as determined by the budget of the Department.*
2. *As used in this section, “substantiated” means supported or established by evidence or proof.*

**Sec. 247. Confidentiality of information relating to security of marijuana establishment. (NRS 453D.200)**

*Except as otherwise provided in NRS 239.0115 and section 248 of NAC 453D, any information received by the Department related to the security of a marijuana establishment is confidential and must not be disclosed by the Department.*

**Sec. 248. Confidentiality of name and any other identifying information of persons who facilitate or deliver services pursuant to chapter. (NRS 453D.200)**

1. *Except as otherwise provided in this section and NRS 239.0115, the Department and any designee of the Department shall maintain the confidentiality of and shall not disclose the name or any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453D of NRS. Except as otherwise provided in NRS 239.0115, the name and any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453D of NRS 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 Department or its designee may release the name and other identifying information of a person who facilitates or delivers services pursuant to this chapter or chapter 453D of NRS to:*
  - (a) *Authorized employees of the Department or its designee as necessary to perform official duties of the Department; and*
  - (b) *Authorized employees of state and local law enforcement agencies only as necessary to verify that a person is lawfully facilitating or delivering services pursuant to this chapter or chapter 453D of NRS.*
3. *Nothing in this section prohibits the Department from providing a locality with a copy of all information and documentation provided as part of an application to operate a marijuana establishment upon the request of the locality and with the prior consent of the applicant.*

**Sec. 249. Vending machines. (NRS 453D.200)**

*A marijuana establishment shall not sell marijuana or marijuana products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the marijuana establishment.*

**Sec. 250. Applicability of NRS 223. (NRS 453D.200)** *The provisions of sections 70 to 252 of NAC 453D relating to the regulation of adult use marijuana shall be deemed to apply to any Indian tribe that has entered into one or more compacts in this State to efficiently coordinate the cross-jurisdictional administration of the laws of this State and the laws of tribal governments relating to the use of marijuana. pursuant to Senate Bill 375, chapter 305 and NRS 223.*

**Sec. 251. Singularly-owned, co-located marijuana establishments. (NRS 453D.200)**

*The Department will regulate the interoperability of singularly owned, co-located marijuana establishments by establishing areas of overlap and separation for the combined business operations.*

- 1. Component marijuana establishments within a combined marijuana establishment retain their individual legal status as separate entities.*
- 2. Combined marijuana establishments are not issued a separate license which supersedes the individual marijuana establishment licenses issued to the component marijuana establishments.*
- 3. Facilities:*
  - (a) Component marijuana establishments may share a single, secured storage area, however the inventory from each component marijuana establishment must be securely segregated within the storage space apart from that of other component marijuana establishments;*
  - (b) Building infrastructure and security systems may be shared and combined within appropriate control systems;*
  - (c) Combined marijuana establishment facilities may include common entrances, exits, break room, locker rooms, loading docks, and other areas as are expedient for business and appropriate for the site as determined and approved by Department inspectors;*
  - (d) A marijuana establishment may cultivate, manufacture, distribute, and sell to the public both medical marijuana and retail marijuana according to the establishment's license type; and*
  - (e) Each marijuana establishment must:*

*(1) Be located in a commercial or industrial zone or overlay as approved by the locality; and*

*(2) Comply with all local ordinances and rules pertaining to zoning, land use and signage;*

*4. Inspections:*

*(a) All Component marijuana establishments within a combined marijuana establishment will be inspected prior to commencing operations as the Department determines appropriate, and each component marijuana establishment shall be inspected at least once prior to issuance of a permanent license pursuant to sections 82 and 83 of NAC 453D;*

*(b) All Component marijuana establishments within a combined marijuana establishment must be prepared to commence operations at the time of the pre-opening inspection;*

*(c) In order to gain approval, actual operation and/or intent to immediately commence operations is not required. Each marijuana establishment must simply demonstrate that all construction, equipment, and policies and procedures have been completed and obtained, have been inspected by the local jurisdiction as required, and all portions of the combined marijuana establishment are prepared to commence operations;*

*(d) All walls, ceilings, floors, electrical cabling, plumbing, HVAC ducting, general (non-cultivation specific) lighting for each entire building must be completed as specified in the floorplan submitted to the Department in the marijuana establishment application, at a completion level sufficient to obtain a certificate of occupancy as issued by the local jurisdiction at the time of the pre-opening inspection; and*

*(e) The final license for a combined marijuana establishment shall specify which establishment types are registered to operate at that location.*

*5. Phased Implementations:*

*(a) Component marijuana establishments may be opened in phases:*

*(1) To be considered “ready to commence operations,” a cultivation component marijuana establishment must demonstrate the lights, plumbing, HVAC, humidity, CO2, and all other growing technical facilities, along with their related control systems, for at least one growing unit;*

*(2) To be considered “ready to commence operations,” a production component marijuana establishment must demonstrate the proper, safe, installation of all extraction, cooking, or other equipment, along with the plumbing, ventilation, solvent lines, electricity, electrical lines, refrigerators, and all other production equipment; and*

*(3) Once a marijuana establishment facility has been inspected and received its marijuana establishment license, operations within a previously inspected and approved space may be expanded to areas designated for the intended purpose to the level described in their application without further inspection or approval. However, the Department retains the right to return for inspections as often as necessary, if the marijuana establishment commences operations in phases.*

*6. Combined operations of singularly owned, co-located combined marijuana establishments:*

- (a) Employee inter-marijuana establishment transit will be permitted if the agent in transit is registered and carries the appropriate agent registration card types for all component marijuana establishment types to be entered;*
- (b) Employees may perform work functions for any related component marijuana establishment during their work shift if the agent is registered and carries the appropriate agent registration card type for all component marijuana establishment types assigning such work;*
- (c) Equipment not specific to the operation of one component marijuana establishment, including vehicles, may be shared among all component marijuana establishments; and*
- (d) Equipment which is specific to the scope of operation performed by one marijuana establishment, such as extraction devices which are specifically used by a production unit, or cultivation lights which are specifically used by a cultivation unit, may not be shared between component marijuana establishments.*

*7. Separate operations of the component marijuana establishments. Each component marijuana establishment within a combined marijuana establishment must:*

- (a) Be individually licensed and approved to operate as a business by all relevant jurisdictions and authorities, distinct from all other marijuana establishment operating on the same real estate parcel unless this practice is prohibited by the jurisdiction in which the combined marijuana establishment is located;*
- (b) Be able to present financial records complying with current GAAP (Generally Accepted Accounting Principles) separately from all other component marijuana establishments operating on the same parcel; and*

*(c) File all financial disclosures and tax documents separately from all other marijuana establishments within the combined marijuana establishment.*

8. *Exceptions to the above include:*

*(a) Exceptions to conducting a single pre-opening inspection on all component marijuana establishments within a combined marijuana establishment may be available;*

*(b) Written requests for exception, containing detailed justification for the exception to this policy must be presented to the Department;*

*(c) Exceptions may be granted at the Department's discretion for extraordinary circumstances beyond the control of a component marijuana establishment's management or ownership, but the Department's policy is that financial outlays, and/or vendor/supplier difficulties associated with readying all component marijuana establishments for inspection, will not be considered extraordinary circumstances; and*

*(d) If a request to an exception is granted, and the pre-opening inspection of one component marijuana establishment is successful, the Department may permit the component marijuana establishment which passed the inspection to operate under its license for a period of time approved by the Department. The license shall reflect that not all components have been registered. A final license will only be issued to any combined marijuana establishment after all component marijuana establishments have passed opening inspections, paid fees, and satisfied all other state and local laws, regulations, and ordinances.*

**Sec. 252. Dual Licensees (NRS 435D.200)**

1. *A dual licensee shall comply with the regulations adopted by the Department pursuant to NRS 453A with respect to the medical marijuana establishment operated by the dual licensee.*
2. *To the extent authorized by such regulation, a dual licensee shall combine the location or operations of the marijuana establishment operated by the dual licensee with the medical marijuana establishment operated by the dual licensee.*