

**PROPOSED REGULATION OF THE
CANNABIS COMPLIANCE BOARD**

LCB File No. R103-26

August 17, 2026

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

AUTHORITY: § 1, NRS 678A.450 and 678A.455; §§ 2 and 19-35, NRS 678A.450, 678B.650, 678C.490 and 678D.500; §§ 3, 5 and 6, NRS 678A.450, 678B.387 and 678B.650; § 4, NRS 678A.450 and 678A.470; §§ 7, 8, 9, 15 and 17, NRS 678A.450 and 678B.650; § 10, NRS 678A.450, 678B.210, 678B.220 and 678B.650; §§ 11 and 16, NRS 678A.450, 678B.210, 678B.250 and 678B.650; §§ 12 and 13, NRS 678A.450, 678B.250 and 678B.650; § 14, NRS 678A.450, 678B.240, 678B.280, 678B.324 and 678B.650; § 18, NRS 678A.450, 678B.240, 678B.280 and 678B.650.

A REGULATION relating to cannabis; setting forth certain procedures and requirements for the issuance of a hold order; revising requirements concerning advertising and signage of a cannabis establishment; revising procedures and requirements relating to certain hazards at a cannabis establishment; setting forth certain procedures and requirements for the disclosure of certain information by the Cannabis Compliance Board; revising provisions relating to the imposition of disciplinary action by the Board; removing, reenacting, revising and reorganizing and adding to provisions governing the process to obtain a cannabis establishment license; revising requirements for training for cannabis establishment agents; revising various requirements concerning the acquisition and management of the inventory of a cannabis establishment; revising requirements concerning the security of a cannabis establishment; revising requirements for a building used as a cannabis establishment or by a dual licensee; revising certain requirements concerning the operations of a cannabis establishment; revising procedures for the disposal of waste containing cannabis; revising certain packaging and labeling requirements for cannabis and cannabis products; repealing certain duplicative and obsolete provisions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Cannabis Compliance Board to adopt regulations governing the issuance of a hold order for cannabis or a cannabis product to prohibit a person from transferring or moving the cannabis or cannabis product subject to the hold order without the approval of the Board or an agent of the Board. (NRS 678A.455) **Section 1** of this regulation sets forth procedures and requirements for the issuance of such a hold order.

Existing law requires the Board to adopt certain regulations governing the existence of a substantial hazard to the public health at a cannabis establishment. Existing law defines “substantial hazard to the public health” to mean certain specified occurrences and conditions. (NRS 678B.387) Existing law authorizes an agent of the Board who discovers the existence of such a hazard to issue a written order to the licensee which may state that the license of the cannabis establishment is immediately suspended and all operations must be immediately discontinued. Existing law sets forth procedures for the reinstatement of such a license. (NRS 678B.3875) **Sections 3, 5 and 6** of this regulation revise provisions of existing regulations relating to the existence of an “imminent health hazard” at a cannabis establishment to instead set forth certain procedures and requirements concerning a substantial hazard to the public health, as required by existing law. **Section 3** revises the definition of “imminent health hazard” as used in those regulations to specify that the term has the meaning ascribed to “substantial hazard to the public health” under existing law with certain additional occurrences and conditions. **Sections 5 and 6** set forth procedures governing the discovery of such an imminent health hazard at a cannabis establishment and, if discovered by an agent of the Board, the suspension and reinstatement of a cannabis establishment license pursuant to an order issued by the agent.

Existing law provides that certain information and data prepared or obtained by the Board or by an agent or employee of the Board, including information and data that contains the name or other personal information of a natural person who facilitates or delivers services in accordance with the provisions of existing law governing cannabis and the regulations adopted pursuant thereto, is confidential. Existing law authorizes such information and data to be revealed to an authorized agent of any governmental entity or with specific authorization by the Board pursuant to the regulations of the Board. (NRS 678A.470) Existing law requires the Board to adopt regulations to protect the identity and personal identifying information of each person who receives, facilitates or delivers services in accordance with the provisions of existing law governing cannabis. (NRS 678B.650) **Section 4** of this regulation sets forth procedures and requirements governing the disclosure of the name and personal information of a person who receives, facilitates or delivers services in accordance with the provisions of existing law governing cannabis and the regulations adopted pursuant thereto by the Board to the agents and employees of certain governmental entities.

Sections 7 and 8 of this regulation revise procedures for the imposition of disciplinary action against a licensee or registrant to: (1) reflect that under existing law after the enactment of Assembly Bill No. 76 (A.B. 76) of the 2025 Legislative Session, disciplinary hearings are required to be heard before a hearing officer and subpoenas associated with such hearings are required to be issued by the hearing officer; and (2) change certain timelines to be consistent with the provisions of existing law. (Assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2971)

Existing law establishes various procedures, requirements and restrictions for the issuance of adult-use cannabis establishment licenses and medical cannabis establishment licenses of all types. (NRS 678B.200-678B.390) However, in general, existing regulations set forth specific application procedures, for the issuance of: (1) a medical cannabis establishment license at the request of the board of county commissioners of certain counties; and (2) an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge. (NAC 678B.056-678B.089) **Sections 10-18** of this regulation remove, reenact, revise, reorganize and add to provisions in existing regulations governing the

application process to obtain those specific types of licenses for the purpose of establishing provisions governing the application process to obtain any type of cannabis establishment license.

Sections 10 and 16 reorganize provisions governing the submission of a request for the issuance of a medical cannabis establishment license by the board of county commissioners of certain counties.

Section 18 revises the method by which applications for the issuance of a cannabis establishment license, other than an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge will be scored. **Sections 11 and 16** revise and reorganize provisions setting forth procedures for the ranking of applications for the issuance of such a license and the selection of applicants to proceed to a suitability investigation. **Sections 12 and 14** revise and reorganize provisions governing the conducting of a suitability investigation and suitability review and the issuance of a conditional license. **Section 15** revises provisions governing the issuance of a final license to apply to all types of licenses issued by the Board.

Sections 13 and 17 reorganize provisions setting forth the manner in which an application fee for a license must be submitted to the Board. **Sections 14, 16 and 18** specify that the amount of liquid assets an applicant for a license is required to control is: (1) \$200,000 for an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge; and (2) \$250,000 for any other license.

Existing regulations require certain training and instruction to be provided before a person begins to work, volunteer or provide labor as a cannabis establishment agent at a cannabis establishment. (NAC 678B.208) **Section 19** of this regulation: (1) specifies that such training and instruction must be provided before a person begins independently performing any duties at a cannabis establishment; and (2) revises the topics of training and instruction that must be provided to the person. **Section 20** of this regulation requires a cannabis establishment to develop, document and implement certain policies and procedures concerning training on topics specific to the cannabis establishment.

Section 21 of this regulation revises various requirements concerning the acquisition and management of the inventory of a cannabis establishment. Under existing regulations, a cannabis cultivation facility is authorized to acquire cannabis seeds from any person if the acquisition does not violate the provisions of existing state law governing cannabis. (NAC 678B.214) **Section 21** instead authorizes the acquisition of cannabis seeds from any person if the acquisition does not violate any provision of state or federal law. **Section 21** additionally revises the information that must be documented in an inventory control system of a cannabis establishment other than a cannabis independent testing laboratory. **Section 21** further requires a cannabis independent testing laboratory to: (1) establish and implement an inventory control system that meets certain requirements; and (2) conduct quarterly physical inventory counts.

Existing regulations require a cannabis establishment to establish and maintain a seed-to-sale tracking system that meets certain requirements. (NAC 678B.214) **Section 21** requires that system to comply with certain standards which are adopted by reference in **section 21**.

Existing regulations set forth certain procedures that a cannabis establishment must follow if it identifies a variance or reduction in inventory, including requirements that: (1) if a significant variance is discovered, it is immediately documented, investigated and reported to the Executive Director of the Board; and (2) if the variance is not due to documented causes, the cannabis establishment determine where the loss has occurred and document corrective action.

(NAC 678B.214) **Section 21** requires a cannabis establishment to: (1) report a significant variance to the appropriate Board agent within 24 hours after the completion of the investigation; and (2) additionally notify the Board of the discrepancy within 24 hours after discovering the reduction, conduct an investigation and notify the Board of the results within 24 hours after the completion of the investigation.

Section 22 of this regulation revises various requirements concerning the security of a cannabis establishment.

Existing regulations set forth certain requirements for a building used as a cannabis establishment or by a dual licensee. (NAC 678B.232) **Section 23** of this regulation revises requirements concerning the toilet facilities and handwashing sinks that must be contained in such a building.

Existing regulations prohibit a cannabis establishment from transferring a lot of cannabis until all required quality assurance testing has been completed. (NAC 678B.235) **Section 24** of this regulation additionally prohibits a cannabis establishment from combining lots until all such testing has been completed.

Existing regulations require a cannabis sales facility to post certain signs containing certain statements and warnings in prominent locations inside the cannabis sales facility. (NAC 678B.247) **Section 25** of this regulation requires such signs to also be posted at any customer entrance and drive-through window. **Section 25** additionally removes certain provisions of existing regulations that are duplicative of provisions set forth in existing law. **Section 25** further provides that a sign containing only a business name or company logo is not required to contain certain warnings.

Existing law prohibits a cannabis establishment from advertising or offering any cannabis or cannabis product as “free” or “donated” without a purchase. (NRS 678B.520) **Section 25** prohibits the advertising or offering of any cannabis or cannabis product as “free” or “donated” without a purchase in the same transaction.

Existing regulations set forth requirements governing advertising by a cannabis establishment, including warnings which must be included in such advertisements and limitations on the manner and form of such advertising. (NAC 678B.253) **Sections 2 and 26** of this regulation: (1) require such warnings to be set forth in a visible and legible manner; (2) provide that advertisements which are posted inside a cannabis establishment and not for distribution are not subject to certain advertising requirements and limitations; (3) revise certain prohibitions with respect to advertising to reflect the prohibition against use of an anthropomorphic image set forth in existing law; and (4) reorganize certain requirements relating to advertising.

Existing law requires a cannabis establishment agent to verify the age of a consumer by checking a government-issued identification that contains a photograph of the consumer using an identification scanner which has been approved by an appropriate agent of the Board to determine the validity of any government-issued identification. (NRS 678B.545) **Section 27** of this regulations specifies that, at the point of entry and at the point of sale, the age of the consumer must be manually verified by checking such an identification and at either the point of entry or the point of sale an identification scanner must be used to determine the validity of any government-issued identification.

Existing regulations authorize a cannabis sales facility to sell, among other items, cannabis-related accessories. (NAC 678B.312) LCB File No. R152-24: (1) specified that cannabis-related accessories includes, without limitation, branded merchandise; and (2)

prohibited the sale of any cannabis-related accessory that appeals to children, depicts certain images or is modeled after a product which is primarily consumed by or marketed to children. (Section 55 of LCB File No. R152-24) **Section 28** of this regulation revises that requirement to remove branded merchandise as a type of cannabis-related accessory, thereby continuing to allow sales of branded merchandise but removing the restrictions otherwise applicable to cannabis-related accessories.

Section 29 of this regulation removes a prohibition against the in-person or onsite ordering of an item from a cannabis sales facilities for curbside pickup. (NAC 678B.318)

Existing regulations set forth certain requirements and restrictions on the use of non-cannabis ingredients in cannabis and cannabis products. (NAC 678B.373) **Section 30** of this regulation requires a cannabis production facility to ensure that all flavorings and terpenes from external sources are accompanied by a signed attestation prescribed by the Board certifying that the flavorings and terpenes comply with state law and regulations.

Existing regulations set forth various requirements for the disposal of waste containing cannabis. (NAC 678B.475) **Section 31** of this regulation: (1) establishes requirements for the disposal of root balls; (2) requires, with certain exceptions, certain additional notice be provided to the Board for disposal of cannabis, cannabis products or biomass over a certain amount; and (3) establishes certain requirements for the documentation of disposal activities.

Existing law sets forth the maximum amount of cannabis and the maximum amount of THC that may be contained in an adult-use cannabis product that is sold in a single package. (NRS 678D.420) **Section 32** of this regulation removes provisions concerning such maximum amounts set forth in existing regulations that are duplicative of provisions set forth in existing law.

Subject to certain restrictions, existing law authorizes the Board to adopt regulations setting forth requirements relating to the packaging and labeling of cannabis and cannabis products. (NRS 678A.450) Existing regulations set forth various requirements for the packaging and labeling of cannabis and cannabis products. (NAC 678B.590-678B.626) **Section 33** of this regulation revises, reorganizes and sets forth additional requirements for the packaging of cannabis and cannabis products sold by a cannabis establishment.

Section 34 of this regulation repeals certain duplicative or obsolete provisions.

Section 1. Chapter 678A of NAC is hereby amended by adding thereto a new section to read as follows:

1. A Board agent may issue a hold order for cannabis or a cannabis product to prohibit a person from transferring, moving or selling the cannabis or cannabis product without the prior approval in writing of the Board, a Board agent or a hearing officer employed by the Board only in accordance with the provisions of this section.

2. A Board agent may issue a hold order for cannabis or a cannabis product if the cannabis or cannabis product fails to comply with a requirement of title 56 of NRS or any regulation adopted pursuant thereto and constitutes a substantial hazard to the public health. Cannabis or a cannabis product shall be deemed to satisfy the criteria for the issuance of a hold order pursuant to this subsection if the cannabis or cannabis product:

- (a) Has failed any required laboratory testing and has not subsequently passed the testing;*
- (b) Has failed to complete any required laboratory testing;*
- (c) Is not adequately traceable in the seed-to-sale tracking system;*
- (d) Has been sold after failing any required laboratory testing and has not received the necessary approval from the appropriate Board agent for the sale;*
- (e) Has been introduced through inversion from an unlicensed source;*
- (f) Has been diverted to an unlicensed source;*
- (g) Has been subject to unapproved additives or contaminants, including, without limitation, any unapproved pesticide, herbicide, fertilizer or adulterant;*
- (h) Is misbranded, adulterated or dishonestly presented; or*
- (i) Has failed to comply with a requirement of title 56 of NRS or any regulation adopted pursuant thereto and any other circumstance is present that is deemed by a Board agent to be a threat to the public health or public safety.*

3. A hold order terminates 30 days after the date on which it is issued unless:

- (a) The Board assigns the matter to a hearing officer;*
- (b) The hearing officer provides notice to the cannabis establishment whose cannabis or cannabis product is subject to the hold order and holds a hearing on the matter;*

(c) The hearing officer finds good cause to extend the duration of the hold order, which may include, without limitation, any of the following circumstances:

- (1) There is pending laboratory retesting or reanalysis;*
 - (2) The Board is awaiting investigative results from a law enforcement agency or regulatory agency;*
 - (3) There is a delay in the receipt of required documentation from the applicable cannabis establishment; and*
 - (4) Any other circumstance in which the public health or public safety remains at risk;*
- and*

(d) The hearing officer issues an order extending the duration of the hold order.

4. A cannabis establishment whose cannabis or cannabis product is subject to the hold order may, at any time after the hold order has been issued, submit a request to the Board for a hearing on the matter. Upon receipt of such a request, the Board shall assign the matter to a hearing officer, who shall hold a hearing on the matter as soon as practicable. At the conclusion of the hearing, the hearing officer may remove the hold order if:

- (a) The appropriate Board agent determines that the cannabis or cannabis product is no longer a substantial hazard to the public health or public safety;*
- (b) If the hold order was issued due to the failure to pass or failure to complete any required laboratory testing, the cannabis or cannabis product passes such testing;*
- (c) The Board is unable to substantiate the investigation concerning the cannabis or cannabis product;*
- (d) The Board approves the cannabis or cannabis product for extraction or remediation; or*

(e) The hearing officer authorizes the release for a reason not described in paragraphs (a) to (d), inclusive, in which case the seed-to-sale tracking system must be updated to reflect the release.

5. A person who is not a Board agent shall not:

(a) Remove any tag, label or other identification affixed to cannabis or a cannabis product that indicates that the cannabis or cannabis product is subject to a hold order; or

(b) Move, transfer or sell cannabis or a cannabis product that is subject to a hold order without the prior approval in writing of the Board, an appropriate Board agent or a hearing officer employed by the Board.

6. A violation of subsection 5 is grounds for disciplinary action by the Board, including, without limitation, the summary suspension of a license.

7. The Board may require the destruction of cannabis or a cannabis product that is subject to a hold order and which fails to be brought into compliance with the requirements of title 56 of NRS and the regulations adopted pursuant thereto.

Sec. 2. NAC 678A.020 is hereby amended to read as follows:

678A.020 ~~11.1~~ “Advertise” or “advertising” means an attempt by written, electronic or graphic representation to promote a company or company products or services. The term includes, without limitation, such representations made:

~~1(a)~~ **1.** On radio, television or the Internet.

~~1(b)~~ **2.** In newspapers, magazines, directories, in-store signs and menus, circulars, brochures or other printed matters.

~~{(e)}~~ 3. On outdoor advertising or other signage consisting of signs, posters, displays, billboards or any other stationary or permanently affixed advertisement promoting the sale of cannabis or cannabis products.

~~{2. Signage of the business name, company logos, devices, lights, figures, paintings, drawings, branding or plaques that are used in the design of the cannabis establishment are not subject to the requirements of subsection 1 of NAC 678B.253, however, each of the foregoing items must comply with the requirements detailed in subsection 2 of NAC 678B.253.}~~

Sec. 3. NAC 678A.115 is hereby amended to read as follows:

678A.115 “Imminent health hazard” ~~{means a situation that requires immediate correction or cessation of operations to prevent injury or serious illness as determined by the Board pursuant to NAC 678A.540.}~~ *has the meaning ascribed to “substantial hazard to the public health” in NRS 678B.387 and additionally includes the following occurrences and conditions:*

- 1. Lack of adequate refrigeration;*
- 2. Lack of adequate toilet and hand-washing facilities for employees; and*
- 3. Any occurrence or condition covered by an emergency directive issued by the Governor.*

Sec. 4. NAC 678A.465 is hereby amended to read as follows:

678A.465 1. Except as otherwise provided in this section , ~~{and NRS 239.0115,}~~ the Board ~~{and any designee of the Board shall maintain the confidentiality of and shall not}~~ *may* disclose *to an employee or agent of a governmental entity* the name or any ~~{other identifying}~~ *personal* information of any *natural* person who *receives*, facilitates or delivers services pursuant to this chapter, chapter 678B or 678D of NAC or title 56 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, chapter 678B or 678D of NAC or title 56 of NRS are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.~~ *only in accordance with the provisions of this section.*

2. ~~[Notwithstanding the provisions of subsection 1, the]~~ *The* Board or its designee may ~~[release the name and other identifying information of a person who facilitates or delivers services pursuant to this chapter, chapter 678B or 678D of NAC or title 56 of NRS]~~ *disclose the information described in subsection 1 to:*

(a) ~~[Authorized employees of the Board or its designee as necessary to perform official duties of the Board.~~

~~—(b) Authorized employees]~~ *An authorized employee* of a federal, state or local law enforcement ~~[agencies only as necessary to verify that a]~~ *agency for the purpose of:*

(1) Verifying that the natural person is lawfully *receiving*, facilitating or delivering services pursuant to this chapter, chapter 678B or 678D of NAC or title 56 of NRS ~~[. Nothing in this section will preclude the Board from disclosing the name and contact information of any person who facilitates or delivers services when providing a list of witnesses pursuant to a disciplinary complaint.~~

~~—(c)] ; or~~

(2) Conducting a joint investigation with the law enforcement agency involving the enforcement of the provisions of title 56 of NRS and the regulations adopted pursuant thereto, including, without limitation, the prevention of unlicensed cannabis sales, if the disclosure of the information is necessary to carry out the investigation.

(b) Any other authorized agent of a governmental entity:

(1) Upon the lawful order or subpoena of a court of competent jurisdiction ~~by authorized agents of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country.~~ *directing the disclosure of the information to the governmental entity. A governmental entity is not required to comply with the requirements of subsection 5 of NRS 678A.470 to obtain such an order.*

(2) *Upon an administrative subpoena or other compulsory administrative process issued by the governmental entity acting within its lawful authority.*

(3) *Pursuant to a memorandum of understanding, intergovernmental agreement or other contract with the Board entered into for the purpose of the administration of the provisions of title 56 of NRS and the regulations adopted pursuant thereto. Information disclosed pursuant to this subparagraph may be disclosed only to the extent necessary to carry out the duties and responsibilities set forth in the memorandum, agreement or contract.*

3. Nothing in this section ~~prohibits~~ :

(a) *Prohibits* the Board from providing a local ~~government~~ *governmental jurisdiction* with a copy of all information and documentation provided as part of an application to operate a cannabis establishment , *which may include personal information of the applicant*, upon the request of the local ~~government~~ *governmental jurisdiction* and with the prior consent of the applicant.

(b) *Prohibits the Board from disclosing the information described in subsection 1 as necessary for the administration of the provisions of title 56 of NRS and the regulations adopted pursuant thereto, including, without limitation, for the purposes of an audit, inspection, investigation or the imposition of disciplinary action.*

(c) Requires the Board, in disclosing an otherwise public record, to redact the name of a natural person described in subsection 1 so long as the name was already available to the public or otherwise known in the context of the public record.

4. The provisions of this section do not apply to any information and data described in subsection 3 of NRS 678A.470.

Sec. 5. NAC 678A.540 is hereby amended to read as follows:

678A.540 1. ~~{The Board, through its}~~ *In determining whether to issue an order pursuant to subsection 1 of NRS 678B.3875 and the content of such an order, a Board* ~~{agents, will determine}~~ *agent shall consider* whether an ~~{event is an}~~ imminent health hazard ~~{that}~~ requires immediate correction or cessation of operations to prevent injury or serious illness based on the nature, severity and duration of any anticipated injury, illness or disease and the number of injuries or illnesses to members of the public which may occur. ~~{Events that are presumed to be imminent health hazards include, without limitation:~~

- ~~—(a) Interruption of electrical service;~~
- ~~—(b) Lack of potable water or hot water;~~
- ~~—(c) Grossly unsanitary occurrences or conditions including, without limitation, pest infestation or sewage or liquid waste not being disposed of in an approved manner;~~
- ~~—(d) Lack of adequate refrigeration;~~
- ~~—(e) Lack of adequate toilet and hand washing facilities for employees;~~
- ~~—(f) Misuse of poisonous or toxic materials;~~
- ~~—(g) A suspected outbreak of foodborne illness;~~
- ~~—(h) A fire or flood;~~
- ~~—(i) Governor's emergency directives; or~~

~~—(j) Any other condition or circumstance which endangers public health.~~

2. If a *Board agent issues an order pursuant to NRS 678B.3875 that states that the license of the cannabis establishment is immediately suspended and all operations must be immediately discontinued, the Board agent may authorize the cannabis establishment to contact the Board agent directly to schedule a reinspection by the Board agent and resume operations after that reinspection, in lieu of following the procedures set forth in NAC 678A.550. If a Board agent elects to provide the cannabis establishment with such authorization, the Board agent shall specify that fact in the order issued by the Board agent.*

3. *Except as otherwise provided in subsection 4, if a cannabis establishment becomes aware of any ~~{such}~~ occurrence or condition ~~{listed above,}~~ constituting an imminent health hazard independently and not through ~~{the Board's}~~ a Board agent, ~~{it must report said}~~ the cannabis establishment shall:*

(a) Immediately discontinue operations in any area of the cannabis establishment that is affected by the imminent health hazard. The cannabis establishment is not required to discontinue operations in any area of the cannabis establishment that is unaffected by the imminent health hazard.

(b) Report the imminent health hazard to the Board or an appropriate Board ~~{agents within 2 hours of the hazard's discovery,}~~ agent as soon as practicable after ensuring the safety of all persons in the vicinity of the hazard.

(c) Take appropriate corrective action to eliminate the imminent health hazard, as directed by the appropriate Board agent.

(d) Before resuming operations, notify the Board or an appropriate Board agent that the corrective action has been taken and the imminent health hazard has been eliminated.

4. A cannabis establishment that becomes aware of an interruption of electrical service for more than 2 hours or interruption of water service is not required to discontinue operations in any area of the cannabis establishment affected by the interruption if:

(a) An appropriate Board agent has approved an emergency operating plan for the cannabis establishment;

(b) The cannabis establishment takes corrective action to eliminate, prevent or control any potential contamination risk from the interruption and any other potential injury or illness from the interruption; and

(c) The cannabis establishment notifies an appropriate Board agent when the cannabis establishment has implemented the emergency operating plan.

Sec. 6. NAC 678A.550 is hereby amended to read as follows:

678A.550 1. ~~If, due to the actions of~~ *Except as otherwise provided in NAC 678A.540, if* a cannabis establishment ~~there could be an impairment of the health and safety of the public, the Executive Director, or the Deputy Director in his or her absence, will convene an emergency Board meeting telephonically.~~

~~—2.— Pursuant to subsection 3 of NRS 233B.127, if the Board finds that the public health, safety or welfare imperatively requires emergency action, the Board may issue~~ *to which* an order ~~of summary suspension of~~ *has been issued pursuant to NRS 678B.3875 stating that* the license of ~~the~~ *the* cannabis establishment ~~or a~~ *is suspended and the operations of the* cannabis establishment ~~agent registration card pending proceedings for revocation or other action. An order of summary suspension issued by the Board must contain findings of the exigent circumstances which warrant the issuance of the order of summary suspension, and a suspension under such an order is effective immediately.~~

~~—3.— The Board will give notice to a licensee or person that is subject to an order of summary suspension of the facts or conduct that warrant the order and the deficiencies that must be corrected to lift the order. A cannabis establishment whose license has been suspended pursuant to subsection 2 shall develop a~~ *must be immediately discontinued wishes to apply for a reinspection for reinstatement of the license, the cannabis establishment must submit a written application to the electronic mail address auditinspections@ccb.nv.gov. In addition to the requirements set forth in subsection 2 of NRS 678B.3875, the application must include, without limitation:*

(a) A written emergency operating plan ~~{of correction for each deficiency and submit the plan to the}~~ *that has been approved by a Board* ~~{for approval within 10 business days after receipt of the order of summary suspension. The plan of correction must include specific requirements for}~~ *agent; and*

(b) Proof that corrective action ~~{, which must include times within which the deficiencies are to be corrected. A licensee or person that is subject to an order of summary suspension shall not operate until the Board or its designee has confirmed that the deficiencies identified in the order have been corrected.~~

~~—4.— If the plan submitted pursuant to subsection 3 is not acceptable to the Board or its designee, the Board may direct the cannabis establishment to resubmit a plan of correction or the Board may develop a directed plan of correction with which the cannabis establishment must comply. The Board's acceptance of a plan of correction}~~ *has been taken to eliminate, mitigate or control any imminent health hazard.*

2. If the Board reinstates the license and allows the resumption of operations of a cannabis establishment whose license was suspended and whose operations were discontinued

pursuant to an order issued pursuant to NRS 678B.3875, that action does not preclude the Board from assessing fines or pursuing disciplinary action against the licensee for any violations connected with the suspension.

~~{5. — A licensee or person that is subject to an order of summary suspension may}~~

3. If a cannabis establishment described in subsection 1 wishes to request a hearing regarding the order ~~{within 10 business}~~ *issued pursuant to NRS 678B.3875, the cannabis establishment must submit a written petition to the electronic mail address ccbhearings@ccb.nv.gov. The petition must include, without limitation:*

(a) A statement of the reasons why the operations of the cannabis establishment do not create an imminent health hazard or any other reason why the suspension should be lifted, rescinded or modified; and

(b) Supporting documentary or photographic evidence substantiating the reasons set forth in paragraph (a).

*4. If a petition submitted pursuant to subsection 3 is filed more than 7 days after the date on which the order ~~{is}~~ was issued ~~{A}~~ pursuant to NRS 678B.3875, the submission of the petition constitutes both an acknowledgment by the petitioner and a written agreement between the petitioner and the Board that the hearing may be held after the 14-day period required by subsection 1 of NRS 678B.3875. Regardless of the date on which such a petition is filed, the hearing ~~{on the summary suspension}~~ must be held ~~{within 30}~~ *not later than 14* days after ~~{that request for hearing.}~~ *the date on which the petition was filed unless the Board and the petitioner agree in writing to a longer period.**

Sec. 7. NAC 678A.580 is hereby amended to read as follows:

678A.580 1. Within 10 *business* days after the respondent answers the complaint pursuant to NRS 678A.520 and demands a hearing or if the Board orders a hearing even if the respondent waives his or her right to a hearing, the parties shall hold an early case conference at which the parties and a hearing officer employed by the Board ~~†, or as permitted by NAC 616C.2753, or a delegated member of the Board, a panel of the Board or the Board†~~ must preside. At the early case conference, the parties shall in good faith:

(a) Set *the estimated duration of the hearing and* the earliest possible hearing date agreeable to the parties and the hearing officer ~~†, a delegated member of the Board, panel of the Board, or the Board, including the estimated duration of the hearing†~~, *which must be* not later than ~~{45}~~ *120* days after receiving the respondent's answer unless an *extension is granted pursuant to subsection 8 of NRS 678A.520, or an* expedited hearing is determined to be appropriate;

(b) Set dates:

- (1) By which all documents must be exchanged;
- (2) By which witness lists must be exchanged;
- (3) By which all prehearing motions and responses thereto must be filed; and
- (4) For any other foreseeable actions that may be required for the matter;

(c) Discuss or attempt to resolve all or any portion of the evidentiary or legal issues in the matter;

(d) Discuss the potential for settlement of the matter on terms agreeable to the parties; and

(e) Discuss and deliberate any other issues that may facilitate the timely and fair conduct of the matter.

2. A formal hearing must be held at the time and date set ~~{at the early case conference}~~ *pursuant to subsection 1 and presided over* by ~~†~~:

~~—(a) The Board;~~

~~—(b) A~~ *hearing officer* . ~~or~~

~~—(c) A panel of three members of the Board.]~~

3. The hearing will be conducted as set forth in NRS 678A.540. ~~[If the hearing is held before a hearing officer or panel of the Board, the hearing officer or panel shall issue, within 30 days after the last date of the hearing, findings of fact and conclusions of law for the Board's review pursuant to subsection 1 of NAC 678A.610.]~~

4. ~~[For purposes of NRS 678A.550 and the provisions of this chapter regarding the conduct of a hearing, a Board member shall be deemed present at a hearing when said Board member has reviewed the full written or audio transcript of the hearing and all evidence submitted at the hearing.]~~ *The dates set pursuant to paragraph (b) of subsection 1 may be continued to a later date by agreement of the parties with the approval of the Chair or the hearing officer.*

Sec. 8. NAC 678A.605 is hereby amended to read as follows:

678A.605 1. The ~~[Executive Assistant]~~ *hearing officer* shall issue subpoenas, including subpoenas duces tecum, upon the request of a party, in accordance with this section.

2. Subpoenas may be issued ~~[only for the following purposes:~~

~~—(a) To compel a nonparty witness] to [appear and give oral testimony at a deposition as provided by subsection 2 of NRS 678A.530; and~~

~~—(b) To]~~ compel any person to appear at the hearing on the merits of the case, to give oral testimony alone or to produce documents or other tangible things.

3. Subpoenas shall be submitted to the ~~[Executive Assistant]~~ *hearing officer* for issuance on a form approved by the Chair. Concurrently with the submission of the subpoena to the

~~{Executive Assistant,}~~ *hearing officer*, the requesting party shall serve a copy on all other parties to the proceeding, and shall file proof of such service with the ~~{Board,}~~ *hearing officer*.

4. Subpoenas will not be issued in blank. A subpoena submitted for issuance must contain the title and number of the case, the name of the person to whom it will be directed, the date, time and place of the hearing or deposition and the name and signature of the requesting party or the requesting party's attorney. A subpoena duces tecum must in addition contain a complete description of specific documents or other tangible things that the witness will be required to produce at the hearing.

5. Unless the witness agrees otherwise, a subpoena issued ~~{for the purpose provided by paragraph (b) of subsection 2}~~ *pursuant to this section* must be served by the requesting party at least 10 calendar days before the hearing . ~~{for deposition,}~~ A subpoena will be issued during the hearing or upon less than 10 days' notice only upon order of the ~~{Board,}~~ *hearing officer* for reasonable cause shown by the requesting party.

Sec. 9. Chapter 678B of NAC is hereby amended by adding thereto the provisions set forth as sections 10, 11 and 12 of this regulation.

Sec. 10. 1. *A board of county commissioners of a county which does not have any medical cannabis establishments as of December 31, 2023, may submit a request to the Board to issue a medical cannabis establishment license for one medical cannabis cultivation facility or one medical cannabis production facility, or both, pursuant to paragraph (a) of subsection 3 of NRS 678B.220. A board of county commissioners of a county that wishes to submit such a request must:*

(a) Submit the request on the form prescribed by the Board; and

(b) Provide all information on the form prescribed by the Board, including, without limitation, confirmation that the county does not currently have a medical cannabis establishment license for a medical cannabis cultivation facility or medical cannabis production facility, as applicable.

2. The Board may deny the request made pursuant to subsection 1 only if the Board finds that the request violates any statute or regulation of the Board.

3. Along with the request made pursuant to subsection 1, the board of county commissioners may include community impact factors for criteria deemed important to the county which must be incorporated into the application materials before the Board opens the licensing round and accepts applications in accordance with NAC 678B.086.

4. If the Board grants the request to issue a medical cannabis establish license pursuant to this section, the Board will open a licensing round specific to the county and accept applications in accordance with NAC 678B.086.

5. Any license issued by the Board pursuant to a request to issue a medical cannabis establishment license submitted pursuant to this section will be issued as an adult-use cannabis establishment license pursuant to NRS 678B.215 unless the license is issued in a covered jurisdiction.

Sec. 11. *1. At the close of an application period in which applications are accepted pursuant to NAC 678B.086, Board agents shall conduct a review of the applications submitted and rank each application in order of the score obtained pursuant to the application of the criteria of merit set forth in NAC 678B.089 and required in NRS 678B.240 or 678B.280, as applicable.*

2. If, at the close of an application period in which applications are accepted pursuant to NAC 678B.086, the Board receives a number of applications that meet the requirements of NAC 678B.086 that is equal to or less than the number of licenses available for that application period, the Board shall select each applicant who submitted an application that meets those requirements to proceed with a suitability investigation pursuant to NAC 678B.062.

3. If, at the close of an application period in which applications are accepted pursuant to NAC 678B.086, the Board receives a number of applications that meet the requirements of NAC 678B.086 that is greater than the number of licenses available for that application period:

(a) The Board will initially select a number of applicants that will proceed with a suitability investigation that is equal to the number of licenses available. Except as otherwise provided in paragraph (d), applicants must be selected in descending order of the score received pursuant to subsection 1.

(b) If an applicant selected to proceed with a suitability investigation is denied a conditional license and does not file a petition pursuant to NAC 678B.092 within the time required by that section, files such a petition which is denied by the Board or files such a petition and is denied a conditional license after reevaluation, the applicant with the highest score received pursuant to subsection 1 who has not been selected to proceed with a suitability investigation must be selected to proceed with such an investigation.

(c) The process set forth in paragraph (b) must continue until:

(1) The number of conditional licenses issued to applicants who submitted an application that meets the requirements of NAC 678B.086 equals the number of licenses available for the application period; or

(2) There are no remaining applicants who have submitted an application during the application period that meets the requirements of NAC 678B.086.

(d) If, at any time, two or more applicants have submitted applications that have received a tied score pursuant to subsection 1 and the selection of all the applicants who submitted applications with the tied score would result in the selection of a number of applicants to proceed with suitability investigations that is greater than the number of licenses available, the Board will use a random number selector to determine which of the applicants who submitted applications with the tied score will be selected to proceed with a suitability investigation. In no case may an applicant who submitted an application with a tied score be selected for a suitability investigation before an applicant who submitted an application with a higher score.

4. If at any time after the applications submitted during an application period are ranked pursuant to subsection 1 there are no remaining applications submitted that meet the requirements of NAC 678B.086, the Board is not required to issue any remaining available license and may retain that license until a subsequent licensing round is opened.

Sec. 12. *1. The fact that an application for an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge has met the minimum scoring guidelines and, if applicable, has been selected by the random number selector for the issuance of a prospective license does not constitute a guarantee that the Board will issue the applicant a conditional license.*

2. *If the number of adult-use cannabis establishment licenses for a retail cannabis consumption lounge or an independent cannabis consumption lounge are limited and an application meets the minimum scoring guidelines to qualify for the license, the application will be entered into a random number selector to determine which applicants will be selected. If selected through the random number selector, the application will be eligible for a prospective license.*

3. *If there is no limit on the number of adult-use cannabis establishment licenses for a retail cannabis consumption lounge or an independent cannabis consumption lounge that will be issued in any particular licensing round, a random number selector will not be used. Any application submitted during such a licensing round must meet the minimum scoring guidelines to be selected to proceed with a suitability investigation.*

Sec. 13. NAC 678B.059 is hereby amended to read as follows:

678B.059 1. ~~{Upon a request by the Board for applications to operate a cannabis consumption lounge license, a}~~ *A person may , in accordance with the provisions of this section, apply for {a} an adult-use cannabis establishment license {that has} for a retail cannabis consumption lounge or an independent cannabis consumption lounge during* an open application period ~~{}~~ *established by the Board for the acceptance of applications for such licenses.* An application must be submitted through the Board's designated electronic licensing application system during the time listed on the open application period. No applications will be accepted before or after the open application period. The deadline for application submissions and compliance with the application instructions will be strictly enforced. The Board will grant no grace period for an application once the application period has concluded. The Board will not be held responsible for any technical or other issues that the applicant may experience with the

electronic licensing application system during the application period. Failure to submit an application, in a timely manner, for any reason including technical issues, will result in a denial. Questions on the application or application submittal process must only be submitted in writing to an electronic mail address designated explicitly for that purpose in the written application instructions. All such electronic mail will be posted publicly on the Board's website. Regarding such electronic mail, the Board cannot guarantee a response within any particular time frame or before the application submittal deadline. No applicant is entitled to rely on any verbal information relayed to them regarding the application submittal process. All official application instructions will be posted on the Board's website at ~~http://www.ccb.nv.gov~~ <https://ccb.nv.gov>. The applicant must also provide a point of contact, as required by NAC 678A.440, and update that information as required.

2. An application for ~~an~~ *an adult-use* cannabis establishment license *for a retail cannabis consumption lounge or an independent cannabis consumption lounge* is non-transferable.

3. To meet the minimum scoring guidelines, the initial application must include the following:

(a) A one-time, nonrefundable administrative processing fee in an amount designated in NRS 678B.390 for ~~that particular~~ *an adult-use* cannabis establishment license ~~type~~ *for a retail cannabis consumption lounge or an independent cannabis consumption lounge submitted to the Board in accordance with NAC 678B.087*.

(b) The type of cannabis ~~establishment license~~ *consumption lounge for which* the applicant is applying for ~~a~~ *a license*.

(c) The legal name of the proposed cannabis ~~establishment~~ *consumption lounge*, as reflected in the articles of incorporation or other formation documents filed with the Nevada Secretary of State.

(d) An attestation that the applicant can, has or will secure evidence that the applicant controls liquid assets in an amount of at least \$200,000 and will provide said evidence within the time frame required in paragraph (b) of subsection ~~44~~ 3 of NAC 678B.062. If and when an applicant meets the minimum scoring guidelines on the application and is selected for a prospective license this affirmation will be verified and, if untrue, may be used to deny the applicant a conditional license.

(e) The address where the proposed cannabis ~~establishment~~ *consumption lounge* will be located and, if applicable, the physical address of any co-owned or otherwise affiliated cannabis establishments. While the physical address may change before opening the cannabis ~~establishment~~ *consumption lounge*, this address will be used to identify the local jurisdiction where the cannabis ~~establishment~~ *consumption lounge* must be located and remain pursuant to NRS 678B.500. Once the applicant identifies the address, the applicant is limited to locations within said local jurisdiction pursuant to NRS 678B.500.

(f) An attestation wherein the applicant agrees and understands that the actual location, when determined, where the cannabis ~~establishment~~ *consumption lounge* will be conducting business:

(1) Must not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed cannabis ~~establishment~~ *consumption lounge* was submitted to the Board;

(2) Must not be within 300 feet of a community facility that existed on the date on which the application for the proposed cannabis ~~establishment~~ *consumption lounge* was submitted to the Board; and

(3) If the proposed cannabis ~~establishment~~ *consumption lounge* will be located in a county whose population is 100,000 or more, must not be within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on which the application for the proposed cannabis ~~establishment~~ *consumption lounge* was submitted to the Board.

➔ Pursuant to paragraph (a) of subsection 2 of NRS 678B.322, “[t]he location of a proposed retail cannabis consumption lounge: [e]xcept as otherwise provided in paragraph (b) [of subsection 2 of NRS 678B.322], is not subject to the restrictions set forth in sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 678B.250 so long as the adult-use cannabis retail store to which the proposed retail cannabis consumption lounge is to be attached or immediately adjacent was in compliance with such requirements at the time it was issued an adult-use cannabis establishment license.” “[T]he time [the adult-use cannabis retail store] was issued an adult-use cannabis establishment license” is interpreted to mean the time frame referenced in sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 678B.250.

(g) An attestation that the applicant can, has or will secure evidence when available that the applicant either:

(1) Owns the property on which the cannabis ~~establishment~~ *consumption lounge* will be physically located; or

- (2) Has the written permission of the property owner to operate the cannabis ~~establishment~~ *consumption lounge* at that physical location.
- (h) The mailing address, telephone number and electronic mail address of the applicant. If contacted by the Board the applicant must respond immediately, but if that is impossible, then not later than 2 business days after contact by the Board. If the applicant does not timely respond to any Board communication, that fact may be used to deny the applicant from receiving a prospective, conditional or final license.
- (i) The name, address and date of birth of each natural person proposed to be an owner, officer or board member of the proposed cannabis ~~establishment~~ *consumption lounge*. If the applicant or an owner is anything other than a natural person, said applicant or owner must submit the aforementioned information for all owners who hold shares or any type of ownership interest directly or indirectly in any way that equate to 5 percent or more. All owners within the ownership structure for the cannabis ~~establishment~~ *consumption lounge* must be listed if the person owns 5 percent or more interest in any entity within the ownership structure.
- (j) ~~For cannabis consumption lounges only, an~~ *An* affirmation that no person who owns 5 percent or more interest in any entity within the ownership structure has applied for another *adult-use cannabis establishment license for a retail* cannabis consumption lounge ~~license~~ *or an independent cannabis consumption lounge*. If any application has an owner who owns 5 percent or more interest in any entity within the ownership organization chart and said owner is also on any other application wherein they are listed as an owner who owns 5 percent or more interest in any entity within the ownership structure, all such applications will be removed from consideration. Any application removed for any reason will not have its administrative processing fee returned and it is a nonrefundable fee.

(k) For each owner, officer and board member listed in the application, the agent card portal record number showing proof the person has applied for a registration card as a prospective owner, officer or board member. Payment of the fee for a registration card will not be required until the applicant has met the minimum scoring guidelines on the application and has been selected for a prospective license. Applicants must complete all other sections of the application, including a complete set of the person's fingerprints, which must be submitted to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report. If any owner, officer or board member listed in the application has been convicted of an excluded felony offense the application will be removed from the process.

(l) An affirmation that the applicant has and will implement a diversity plan as required under paragraph (j) of subsection ~~4~~ 3 of NAC 678B.062. An applicant shall upload the diversity plan as further detailed in subparagraphs (1) to (8), inclusive, of paragraph (j) of subsection ~~4~~ 3 of NAC 678B.062.

(m) An attestation that the information provided to the Board to apply for the license is true and correct according to the information known by the attestant at the time of the attestation.

(n) An attestation stating, in pertinent part, the following: "By submitting this application, I agree to release and hold harmless the State of Nevada, the Cannabis Compliance Board and each of their employees, attorneys and consultants from any and all liability for any and all decisions and actions taken in response to the information and data submitted by me or obtained by the Cannabis Compliance Board regarding this application, including, but not limited to, any rejection or denial of this application."

~~{4. Applicants are solely responsible for ensuring that the Board physically receives payment for the fee required by paragraph (a) of subsection 3 not later than 5:00 p.m., Pacific Time, on the final date of the open application period, at either:~~

~~—(a) The Board's Carson City office located at 1550 College Parkway, Suite 142, Carson City, Nevada 89706; or~~

~~—(b) The Board's Las Vegas office located at 700 East Warm Springs Road, Suite 100, Las Vegas, Nevada 89119.~~

~~➡ Payments delivered to any other locations will not be considered valid or received.~~

~~—5. Payments must strictly comply with the application instruction requirements regarding submission of payments and will be rejected for any failure to comply with those application instructions.~~

~~—6. Payments must be made via one of the following methods:~~

~~—(a) Electronic transfer via ACH through the Board's electronic licensing system;~~

~~—(b) Cashier's check; or~~

~~—(c) Money order.~~

~~—7. If payment is made by ACH, that process must be completed not later than 5:00 p.m., Pacific Time, on the final date of the open application period. If payment is made by cashier's check or money order, it still must be physically received not later than 5:00 p.m., Pacific Time, on the final date of the open application period.~~

~~—8. For applicants paying by ACH, if payment does not clear, the application will be deemed incomplete, untimely and rejected. The Board and its staff are not required to notify applicants of the failure of their payments to clear. The Board is not responsible for any difficulties any~~

~~applicant may experience in the timely submission of their electronic payment, no matter where such issues or problems may arise.~~

~~—9. For applicants paying by cashier's check or money order, such payment must be delivered in person to the Board offices listed in subsection 4, but still must be physically received not later than 5:00 p.m., Pacific Time, on the final date of the open application period. Payments must not be dropped off in any drop boxes or mail slots, which will result in the associated application being deemed incomplete, untimely and rejected. The Board shall not be responsible for any payments that are late due to misdirected deliveries from the applicant or anyone else making the in-person delivery, banking issues or mistakes, transportation problems or any other reasons. Payment will not be accepted via mail or any other form of commercial delivery service such as Federal Express, United Parcel Service or DHL.~~

~~—10. Failure to timely pay the administrative proceeding fee will result in the associated application or applications being deemed incomplete and the Board shall reject them.]~~

Sec. 14. NAC 678B.062 is hereby amended to read as follows:

678B.062 1. ~~[There is no guarantee that an applicant who meets the minimum scoring guidelines and is selected by the random number selector for a prospective license will also receive a conditional license.]~~ To receive a conditional license, an applicant must be found suitable by the Board only after a suitability investigation is completed by Board agents ~~[]~~ *pursuant to this section.*

2. ~~[In the event the number of licenses for a cannabis consumption lounge type are limited, and if the application meets the minimum scoring guidelines to qualify, the application will be entered into a random number selector to determine which applicants will be selected. If selected through the random number selector, the application will be eligible for a prospective license for~~

~~a cannabis establishment. If there is no limit on the number of licenses to be awarded in any particular licensing period, a random number selector will not be used. However, the applicant must meet the minimum scoring guidelines before they can proceed to a suitability investigation by the Board agents and suitability review by the Board to receive a conditional license.~~

~~— 3. If the applicant has met the minimum scoring guidelines on the application and was selected for a prospective license for a cannabis consumption lounge, the~~ *An applicant who has been selected to proceed with the suitability investigation* must fully cooperate with Board agents to conduct a suitability investigation ~~{ }~~ *pursuant to this section.*

~~{4.} 3. An applicant who receives a letter informing them that they {received a prospective license and that they}~~ will be proceeding to a suitability investigation by Board agents must upload the following documents within 120 days of receipt of such letter : ~~{ -There will be no extensions granted to the 120-day deadline with the exception of the funding requirement pursuant to paragraph (b).}~~

(a) If the applicant is applying for ~~{a}~~ *an adult-use cannabis establishment* license for a *retail* cannabis consumption lounge ~~{ }~~ *or an independent cannabis consumption lounge*, the proposed hours of operation during which the cannabis consumption lounge plans to be open to consumers.

(b) Evidence that the applicant controls ~~[\$200,000]~~ *the following amount* in liquid assets ~~{ }~~ :

(1) If the applicant is applying for an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge, \$200,000.

(2) If the applicant is applying for any license other than a license described in subparagraph (1), \$250,000.

(c) Operating procedures consistent with this chapter and chapters 678A and 678D of NAC to ensure the use of adequate security measures.

(d) Operating procedures consistent with this chapter and chapters 678A and 678D of NAC for the use of an inventory control system.

(e) Operating procedures consistent with this chapter and chapters 678A and 678D of NAC for handling such cannabis or adult-use cannabis products.

(f) Whether the owners, officers or board members of the proposed cannabis ~~consumption lounge~~ establishment have direct experience with the operation of a cannabis establishment in Nevada and whether they have demonstrated a record of operating such an establishment in compliance with Nevada's laws and regulations for an adequate period of time to demonstrate success.

(g) Whether the owners, officers or board members of the proposed cannabis ~~consumption lounge~~ establishment have direct experience with the operation of a cannabis establishment in a state, jurisdiction or country other than Nevada and whether they have demonstrated a record of operating such an establishment in compliance with the laws and regulations of that state, jurisdiction or country.

(h) The educational and life experience of the persons who are proposed to be owners, officers or board members of the proposed cannabis ~~consumption lounge~~ establishment.

(i) The experience of key personnel that the applicant intends to employ in operating the proposed cannabis ~~consumption lounge for which the applicant seeks a license~~ establishment and a short description of the role in which each personnel will serve for the organization and their responsibilities.

(j) A diversity plan which must be in the form of a detailed written plan that includes objectives, timetables and evaluation metrics and describes the steps an applicant will take to ensure that the *proposed* cannabis ~~consumption lounge~~ *establishment* will promote the meaningful inclusion of diverse groups. The Board will determine whether the stated goals outlined in each diversity plan are reasonable and represent a good faith effort to assure that the applicant ~~is who has met the minimum scoring guidelines on the application;~~ accords all persons an equal opportunity in contracting and employment. As used in chapter 678B of NRS, diversity refers to minorities, women and the inclusion of other persons of backgrounds which are disproportionately underrepresented. However, the inclusion of other underrepresented groups, including, without limitation, veterans, persons with disabilities and LGBTQ+, is encouraged. The diversity plan must include the following information:

- (1) The demographic information of each owner, officer, board member, employee and independent contractor as currently known by the applicant;
- (2) Strategies for obtaining a diverse group of owners, officers, board members, employees, including executive positions, management and independent contractors;
- (3) Employee hiring and retention diversity goals adopted by the applicant;
- (4) A plan for diversity-related outreach or events the applicant will conduct to support its diversity goals in ownership, investment, management, employment and contracting;
- (5) Any materials from the applicant on its mentoring, training or professional development programs for diverse groups;
- (6) Proposed timelines and benchmarks for achieving the diversity goals outlined in the diversity plan, or in the alternative, a narrative describing the applicant's ability to record and report on the components of the diversity plan;

(7) Any other information that demonstrates the applicant's commitment to diversity in ownership, investment, management, employment and contracting; and

(8) Any other information or documentation required by the Board.

(k) Last two fiscal year financial statements, or a statement explaining why the financial statements are not available, including an income statement, balance sheet and earnings before interest, taxes, depreciation and amortization (EBITDA).

(l) Resumes or curriculum vitae for all owners, officers and board members.

(m) Two-year business plan and first-year operating budget for the *proposed* cannabis establishment.

(n) History of the company.

(o) If a publicly traded company, the most recent non-objecting beneficial owner (NOBO) list.

4. The Board will not grant any exception to the requirement set forth in subsection 3 to submit the documents specified in that subsection within 120 days after receiving the letter, except that the Board may grant an exception from that requirement for the documents specified in paragraph (b) of subsection 3.

5. An applicant who receives a letter informing them that they received a prospective license based on the social equity criteria and is proceeding to a suitability investigation by Board agents must upload the following documents in addition to the documents listed in subsection ~~4~~ 3 within 120 days of receipt of such letter:

(a) Evidence that a social equity applicant's residence is in an approved census tract by displaying an original or certified copy of any two of the following documents:

(1) A receipt from the rent or lease of a residence located in an approved census tract.

(2) A lease of a residence located in an approved census tract on which the applicant appears as the lessee during a lease term within the previous 5 years.

(3) A record from a public utility for a service address located in an approved census tract dated within the previous 5 years.

(4) A bank or credit card statement indicating a residential address located in an approved census tract dated within the previous 5 years.

(5) A stub from an employment check indicating a residential address located in an approved census tract.

(6) A document from a state or federal court indicating a residential address located in an approved census tract dated within the previous 5 years.

(7) A document issued by an insurance company or its agent, including, without limitation, an insurance card, binder or bill, indicating a residential address located in an approved census tract.

(8) A record, receipt or bill from a medical provider indicating a residential address located in an approved census tract.

(9) Tax records for the most recent tax year, other than the records described in subparagraph (11), indicating a residential address located in an approved census tract.

(10) A statement or bill requesting payment, other than a bill from a medical provider, indicating a residential address located in an approved census tract dated within the previous 5 years.

(11) A record of property taxes assessed or paid for the most recent tax year for a residence located in an approved census tract.

(12) A deed of trust or other documentation of a current mortgage for a residence located in an approved census tract.

(13) A record from an educational institution in an approved census tract which establishes that the applicant is currently enrolled in the educational institution or an identification card issued by the educational institution dated within the previous 5 years that contains the address in which the applicant resided.

(14) A receipt from a hotel, motel, recreational vehicle park or campground located in an approved census tract indicating not fewer than 30 days of consecutive residency which is dated within the previous 5 years.

(15) A voter registration card issued to the applicant within the previous 5 years.

(16) Documentation of receipt of benefits in an approved census tract under any state program of public assistance dated within the previous 5 years.

(17) A leave and earnings statement, or an equivalent or successor form, indicating residency in an approved census tract, of an applicant who is a member of the military and who is deployed outside of Nevada while serving on active duty dated within the previous 5 years. As used in this subparagraph, “military” means the Armed Forces of the United States, a reserve component thereof or the National Guard.

(18) A notarized statement from the owner of a residence located in an approved census tract indicating that the applicant physically resides at the residence dated within the previous 5 years.

(19) Documentation indicating that the applicant is a person for whom a fictitious address has been issued pursuant to NRS 217.462 to 217.471, inclusive.

(20) A form approved by the Board as proof of the applicant's residence in an approved census tract.

(b) A social equity applicant must provide proof of conviction for a cannabis offense for either the applicant or the applicant's parent, sibling or child. Required documents are as follows:

- (1) Certified copy of the judgment of conviction; or
- (2) Proceedings sheet or court minutes.

6. The documents listed under subsection ~~44~~ 3 are the minimum documents applicants ~~that~~ who have ~~met the minimum scoring guidelines on the applications,~~ *been selected to proceed with a suitability investigation* are required to upload to the designated electronic licensing application system. If there are no responsive documents to one of the minimum required documents, the applicant must submit an explanation of why they omitted the document. The applicant must turn over any other documents requested by the Board. They must also facilitate in a timely manner any interview of an owner, officer or board member requested by the Board or Board agents. If the Board or Board agents contact the applicant for any reason, the applicant must respond immediately. If an immediate response is not possible, the applicant must respond not later than 2 business days after contact by the Board or Board agents. If the applicant fails to respond to any Board or Board agent communication in a timely manner, that fact may be used to deny the applicant from receiving a prospective, conditional or final license.

7. When Board agents complete a suitability investigation, a presentation must be scheduled at an open and public meeting in front of the Board. The applicant and any requested owner, officer or board member must be in attendance and prepared to give an affirmative presentation to the Board regarding its application for a license and final suitability determination. The

applicant must be prepared to answer any and all questions posed by the Board during the open and public meeting.

8. The Board will determine on a case-by-case basis the relative weight to give, if any, to any criterion of merit considered and established by the Board ~~that~~ *concerning the issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge.*

9. Once an applicant's conditional license has been issued, the applicant's diversity plan will no longer be confidential.

Sec. 15. NAC 678B.065 is hereby amended to read as follows:

678B.065 If ~~the~~ *an* applicant ~~who has met the minimum scoring guidelines on the application~~ receives a conditional license for a cannabis ~~consumption lounge,~~ *establishment,* the applicant must obtain the final license and become operational within the time limit set in NAC 678B.107. The applicant must work closely with state and local governments and officials to meet all necessary requirements to receive the final license which include, without limitation, the following:

1. Compliance with the zoning and land use rules adopted by the local government in which the establishment will operate;
2. Issuance of a permanent or temporary business license for the operation of the cannabis establishment by the local government;
3. Completion of a pre-opening final inspection of the cannabis establishment by the Board that results in a statement of no deficiencies or approved plan of correction;

4. Establishment and implementation of any and all other requirements as required by the specific regulations that govern the cannabis establishment license type awarded as well as any other requirement of the Board or local government; and

5. Full payment of all annual license renewal fees and outstanding time and effort billings.

Sec. 16. NAC 678B.086 is hereby amended to read as follows:

678B.086 1. ~~{Upon request by the board of county commissioners of a county which does not have any medical cannabis establishments as of December 31, 2023, to the Board to issue a medical cannabis establishment license for one medical cannabis cultivation facility or one medical cannabis production facility, or both, pursuant to paragraph (a) of subsection 3 of NRS 678B.220 the board of county commissioners of the county must:~~

~~—(a) Submit the request on the form prescribed by the Board; and~~

~~—(b) Provide all information on the form prescribed by the Board, including, without limitation, confirmation that the county does not currently have a medical cannabis establishment license for a medical cannabis cultivation facility or medical cannabis production facility, as applicable.~~

~~—2. The Board may deny the request made pursuant to subsection 1 only if the Board finds that the request violates statute or regulation of the Board.~~

~~—3. Along with the request made pursuant to subsection 1, the board of county commissioners may include community impact factors and criteria deemed important to the county which shall be incorporated into the application materials prior to the Board opening the licensing round and accepting applications in accordance with subsection 5.~~

~~—4.— Should the Board grant the request to issue a medical cannabis establishment license pursuant to this section, the Board shall open a licensing round specific to the county and accept applications as set forth in subsection 5.~~

~~—5.— Upon a request by the Board for applications to operate a cannabis establishment pursuant to subsection 1,]~~ *Except for an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge,* a person may *, in accordance with the provisions of this section,* apply for a cannabis establishment license ~~[that has]~~ *during* an open application period ~~[+]~~ *established by the Board for the acceptance of applications for such a license.* An application must be submitted through the Board’s designated electronic licensing application system during the time listed on the open application period. No applications will be accepted before or after the open application period. The deadline for application submissions and compliance with the application instructions will be strictly enforced. The Board will grant no grace period for an application once the application period has concluded. The Board will not be held responsible for any technical or other issues that the applicant may experience with the electronic licensing application system during the application period. Failure to submit an application, in a timely manner, for any reason including technical issues, will result in a denial. Questions on the application or application submittal process must only be submitted in writing to an electronic mail address designated explicitly for that purpose in the written application instructions. All such questions sent via electronic mail will be posted publicly on the Board’s website and may be combined or re-worded for clarity purposes. Regarding such questions and electronic mail, the Board cannot guarantee a response within any particular time frame or before the application submittal deadline. No applicant is entitled to rely on any verbal information relayed to them regarding the application submittal process. All

official application instructions will be posted on the Board's website at ~~{www.ccb.nv.gov}~~ <https://ccb.nv.gov>. The applicant must also provide a point of contact, as required by NAC 678A.440, and update that information as required.

~~16.1~~ 2. The initial application must include the following:

(a) A one-time, nonrefundable administrative processing fee in an amount designated in NRS 678B.390 for that particular cannabis establishment license type ~~H~~, *submitted to the Board in accordance with NAC 678B.087*.

(b) The type of cannabis establishment license the applicant is applying for.

(c) The legal name of the proposed cannabis establishment, as reflected in the articles of incorporation or other formation documents filed with the Nevada Secretary of State.

(d) An attestation that the applicant can, has or will secure evidence that the applicant controls liquid assets in an amount of at least ~~1\$200,0001~~ *\$250,000* and evidence of the liquid assets.

(e) The address where the proposed cannabis establishment will be located and, if applicable, the physical address of any co-owned or otherwise affiliated cannabis establishments. While the physical address may change before opening the cannabis establishment, this address will be used to identify the local jurisdiction where the cannabis establishment must be located and remain pursuant to NRS 678B.500. Once the applicant identifies the address, the applicant is limited to locations within said local jurisdiction pursuant to NRS 678B.500.

(f) An attestation wherein the applicant agrees and understands that the actual location, when determined, where the cannabis establishment will be conducting business:

(1) Must not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that

existed on the date on which the application for the proposed cannabis establishment was submitted to the Board;

(2) Must not be within 300 feet of a community facility that existed on the date on which the application for the proposed cannabis establishment was submitted to the Board; and

(3) If the proposed cannabis establishment will be located in a county whose population is 100,000 or more, must not be within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on which the application for the proposed cannabis establishment was submitted to the Board.

(g) An attestation that the applicant can, has or will secure evidence when available that the applicant either:

(1) Owns the property on which the cannabis establishment will be physically located; or

(2) Has the written permission of the property owner to operate the cannabis establishment at that physical location.

(h) The mailing address, telephone number and electronic mail address of the applicant. If contacted by the Board the applicant must respond immediately, but if that is impossible, then not later than 2 business days after contact by the Board. If the applicant does not timely respond to any Board communication that fact may be used to deny the applicant from receiving a prospective, conditional or final license.

(i) The name, address and date of birth of each natural person proposed to be an owner, officer or board member of the proposed cannabis establishment. If the applicant or an owner is anything other than a natural person, said applicant or owner must submit the aforementioned information for all owners who hold shares or any type of ownership interest directly or

indirectly in the proposed cannabis establishment that in any way equate to 5 percent or more on a fully diluted basis.

(j) For each owner, officer and board member listed in the application the registration card portal record number showing proof the person has applied for a registration card as a prospective owner, officer or board member. Applicants must complete all sections of the application, including a complete set of the person's fingerprints, which must be submitted to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report and payment. If any owner, officer or board member listed in the application has been convicted of an excluded felony offense, the application will be removed from the process, unless said person has a pending petition, or has had a petition granted, pursuant to NRS 678B.633.

(k) An affirmation that the applicant has and will implement a diversity plan as required under paragraph (j) of subsection ~~4~~ 3 of NAC 678B.062.

(l) An attestation that the application will not result in a violation of paragraph (a) of subsection 3 of NRS 678B.220, NRS 678B.230 and 678B.270 . ~~4~~

(m) An attestation that the information provided to the Board to apply for the license is true and correct according to the information known by the attestant at the time of the attestation . ~~4~~
~~and~~

(n) An attestation stating, in pertinent part, the following: "By submitting this application, I agree to release and hold harmless the State of Nevada, the Cannabis Compliance Board and each of their board members, board officers, employees, attorneys and consultants from any and all liability for any and all decisions and actions taken in response to the information and data

submitted by me or obtained by the Cannabis Compliance Board regarding this application, including, without limitation, any rejection or denial of this application.”

~~{7. At the close of the initial application, the Board and Board agents will conduct a review of the applications and rank each application based on a rubric developed and approved by the Board based on the criteria of merit as set forth in NAC 678B.089 and required in NRS 678B.240. The Board shall give additional weight and consideration to an applicant’s response to subsection 5 of NAC 678B.089 and paragraph (f) of subsection 1 of NRS 678B.240. If one applicant ranks first with the highest score, that applicant will undergo a suitability investigation. If the Board approves that applicant’s suitability, that applicant shall be issued the cannabis establishment license for which they have applied. If the Board does not approve this applicant’s suitability, the applicant shall be denied a cannabis establishment license and the Board shall evaluate the suitability of the next highest scoring applicant. This process shall be repeated until a cannabis license is issued.~~

~~—8. In the event of a tie score, the applicants with the highest rank shall be entered into a random number generator. If an applicant is selected in the random number generator, that applicant will proceed to suitability investigation and be issued a cannabis establishment license on approval by the Board. If that applicant is not deemed suitable, another applicant shall be selected for suitability evaluation via the random number generator when two or more applicants have tied for the highest score. Otherwise, the next highest scoring applicant shall undergo a suitability investigation.~~

~~—9. Pursuant to NRS 678B.215, if the Board issues a license pursuant to this section after January 1, 2024, said license shall be issued as an adult use cannabis establishment license, unless the license is issued in a covered jurisdiction.}~~

(o) A response to each applicable criterion set forth in NAC 678B.089 and any documentation that is necessary to support those responses or to support any other portion of the application of the applicant.

Sec. 17. NAC 678B.087 is hereby amended to read as follows:

678B.087 1. ~~{Applicants are}~~ *An applicant who is required to pay a fee pursuant to paragraph (a) of subsection 3 of NAC 678B.059 or paragraph (a) of subsection 2 of NAC 678B.086 is* solely responsible for ensuring that the Board physically receives payment for the fee ~~{required by paragraph (a) of subsection 6 of NAC 678B.086}~~ not later than 5:00 p.m., Pacific Time, on the final date of the open application period, at either:

(a) The Board's Carson City office located at 3850 Arrowhead Drive, Suite 100, Carson City, Nevada 89706; or

(b) The Board's Las Vegas office located at 700 East Warm Springs Road, Suite 100, Las Vegas, Nevada 89119.

➡ Payments delivered to any other locations will not be considered valid or received.

2. Payments must strictly comply with the application instruction requirements regarding submission of payments and will be rejected for any failure to comply with those application instructions.

3. Payments must be made via one of the following methods:

(a) Electronic transfer via ACH through the Board's electronic licensing system;

(b) Cashier's check; or

(c) Money order.

4. If payment is made by ACH, that process must be completed not later than 5:00 p.m., Pacific Time, on the final date of the open application period. If payment is made by cashier's

check or money order, it still must be physically received not later than 5:00 p.m., Pacific Time, on the final date of the open application period.

5. For applicants paying by ACH, if payment does not clear, the application will be deemed incomplete, untimely and rejected. The Board and its staff are not required to notify applicants of the failure of their payments to clear. The Board is not responsible for any difficulties any applicant may experience in the timely submission of their electronic payment, no matter where such issues or problems may arise.

6. For applicants paying by cashier's check or money order, such payment must be delivered in person to the Board offices listed in subsection 1, but still must be physically received not later than 5:00 p.m., Pacific Time, on the final date of the open application period. Payments must not be dropped off in any drop boxes or mail slots which will result in the associated application being deemed incomplete, untimely and rejected. The Board shall not be responsible for any payments that are late due to misdirected deliveries from the applicant or anyone else making the in-person delivery, banking issues or mistakes, transportation problems or any other reasons. Payment will not be accepted via mail or any other form of commercial delivery services such as Federal Express, United Parcel Service or DHL.

7. Failure to timely pay the administrative processing fee will result in the associated application or applications being deemed incomplete and the Board shall reject them.

Sec. 18. NAC 678B.089 is hereby amended to read as follows:

678B.089 In determining whether to issue a ~~medical~~ cannabis establishment license pursuant to NAC 678B.086, the Board shall consider the following criteria of merit and score each application accordingly:

1. Whether the applicant controls liquid assets in an amount determined by the Board to be sufficient to cover the initial expenses of opening the proposed ~~{medical}~~ cannabis establishment and complying with the provisions of title 56 of NRS. Select one below:

(a) Zero points- Meets minimum requirement of ~~{\$200,000}~~ **\$250,000** or minimum established by the Board.

(b) One point- Meets twice the minimum requirement of ~~{\$200,000}~~ **\$250,000** or minimum established by the Board.

(c) Two points- Meets three times or more of minimum requirement of ~~{\$200,000}~~ **\$250,000** or minimum established by the Board.

2. The previous experience of the persons who are proposed to be owners, officers or board members of the proposed ~~{medical}~~ cannabis establishment at operating other businesses or nonprofit organizations. Select one below:

(a) Zero points- No previous operating experience within the last 10 years.

(b) One point- Two or more persons within the ownership structure have responsibility and direct experience managing a company's operations or finances within the last 10 years.

(c) Two points- Four or more persons within the ownership structure have responsibility and direct experience managing a company's operations or finances.

3. The educational and life experience of the persons who are proposed to be owners, officers or board members of the proposed ~~{medical}~~ cannabis establishment. Select one of the first three below plus the bonus, if appropriate:

(a) Zero points- No proposed owners have undergraduate or graduate degrees and less than 5 years of work experience.

(b) One point- Two or more persons in the ownership structure have undergraduate degrees, inclusive of a Bachelor's or Associate's degree or their equivalent, or 5 years of work experience.

(c) Two points- Two or more persons have undergraduate degrees plus at least one person has a postgraduate degree or 10 years of work experience.

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

(a) Zero points- No demonstrated knowledge.

(b) One point- Demonstrated knowledge or experience.

5. ~~{The}~~ *For an application for a medical cannabis establishment license, the* likely impact of the proposed medical cannabis establishment on the community in which it is proposed to be located. ~~{If the board of county commissioners issues a letter of approval for the applicant, the applicant shall be awarded 5 points.}~~ *Select one below:*

(a) Zero points- No demonstrated impact of the proposed medical cannabis establishment on the community in which it is proposed to be located.

(b) One point- Demonstrated impact of the proposed medical cannabis establishment on the community in which it is proposed to be located.

6. ~~{The}~~ *For an application for a license to operate a cannabis cultivation facility or a cannabis production facility, the* adequacy of the size of the proposed ~~{medical}~~ cannabis ~~{establishment}~~ *cultivation facility or cannabis production facility* to serve the needs of persons who are authorized to engage in the medical use of cannabis. Select one below:

(a) Zero points- The applicant estimates that it will cultivate less than 10 cannabis plants or process less than 10 pounds of cannabis per year.

(b) One point- The applicant estimates that it will cultivate 10 to 50 cannabis plants or process 10 to 50 pounds of cannabis per year.

(c) Two points- The applicant estimates that it will cultivate 51 to 100 cannabis plants or process 51 to 100 pounds of cannabis per year.

(d) Three points- The applicant estimates that it will cultivate more than 100 cannabis plants or process more than 100 pounds of cannabis per year.

7. *For an application for a license to operate a cannabis sales facility, the adequacy of the proposed cannabis sales facility to serve the needs of persons who are authorized to engage in the medical use of cannabis. Select one below:*

(a) Zero points- No demonstrated plan to serve the needs of medical cannabis patients.

(b) One point- Demonstrated plan to serve the needs of medical cannabis patients.

8. A diversity plan that comports with paragraph (j) of subsection ~~44~~ 3 of NAC 678B.062.

Select all that apply:

(a) Zero points- No diversity plan.

(b) Five points – A diversity plan that fully complies with all requirements of paragraph (j) of subsection ~~44~~ 3 of NAC 678B.062.

~~18-1~~ 9. Whether the applicant or the persons who are proposed to be owners, officers or board members of the proposed ~~medical~~ cannabis establishment has or had an ownership interest of 5 percent or more or board or officer position in a cannabis establishment that has admitted to a violation or been adjudicated to have violated a category I violation , ~~in NAC~~

~~678A.515 or a~~ category II violation ~~in NAC 678A.520~~ *or category III violation. Select one below:*

- (a) Zero points- No infraction history.
- (b) Minus one point (negative) – Two *or more violations that were each categorized as a category ~~II violations~~ III violation at the time that the violation was committed.*
- (c) Minus two points (negative) – ~~Three~~ *One* or ~~more~~ *two violations that were each categorized as a category II ~~violations~~ violation at the time the violation was committed.*
- (d) Minus ~~two~~ *three* points (negative) – ~~One~~ *Three* or ~~two~~ *more violations that were each categorized as a category ~~II violations~~ II violation at the time the violation was committed.*
- (e) Minus ~~three~~ *four* points (negative) – ~~Three~~ *One* or more *violations that were each categorized as a category I ~~violations~~ violation at the time the violation was committed.*

10. Whether the persons who are proposed to be the owners, officers or board members of the proposed cannabis establishment have direct experience with the operation of a cannabis establishment in this State or another state and have demonstrated a record of operating such an establishment in compliance with the laws and regulations of this State or another state for a period of time adequate to demonstrate success. Select one below:

- (a) Zero points- No previous direct experience with the operation of a cannabis establishment.*
- (b) One point- Direct experience with and a demonstrated record of compliance with the relevant laws and regulations related to the operation of a cannabis establishment in another state.*

(c) Two points- Direct experience with and a demonstrated record of compliance with the relevant laws and regulations related to the operation of a cannabis establishment in this State.

11. Whether the applicant presents a proposed organizational chart with position descriptions and demonstrates the experience of proposed personnel in key positions that the applicant intends to employ in operating the type of cannabis establishment for which the applicant seeks a license. Select one below:

(a) Zero points- The applicant does not present such an organizational chart.

(b) One point- The applicant does present such an organizational chart.

12. For applications submitted pursuant to a request submitted pursuant to Section 10 of this regulation and subsection 3 of NRS 678B.220, the likely impact of the proposed cannabis establishment on the community in which it is proposed to be located. Select one below:

(a) Zero points- The relevant board of county commissioners does not issue a letter of approval for the applicant.

(b) Five points- The relevant board of county commissioners issues a letter of approval for the applicant.

Sec. 19. NAC 678B.208 is hereby amended to read as follows:

678B.208 1. A cannabis establishment shall ensure that training is provided to a cannabis establishment agent before that person begins to ~~work or volunteer~~ *independently perform any duties at the cannabis establishment, including, without limitation, working at, volunteering at* or ~~provide~~ *providing* labor as a cannabis establishment agent at the cannabis establishment.

Such training must include, without limitation:

(a) The proper use of security measures and controls that have been adopted by the cannabis establishment for the prevention of diversion, theft or loss of cannabis;

(b) Procedures and instructions for responding to an emergency; ~~{and}~~

(c) State and federal statutes and regulations related to the use of cannabis ~~{,}~~ ;

(d) Use of the seed-to-sale tracking system in accordance with the training requirements set forth by the Board; and

(e) Procedures for the proper handling of cannabis plants, usable cannabis, concentrated cannabis and cannabis products.

2. In addition to the training set forth in subsection 1, a cannabis sales facility shall ensure that instruction is provided to a cannabis establishment agent, including *a* delivery ~~{drivers,}~~ *driver*, before that person begins to ~~{work or volunteer}~~ *independently perform any duties, including, without limitation, working at, volunteering* at or ~~{provide}~~ *providing* labor as a cannabis establishment agent to the cannabis sales facility. Such instruction must include, without limitation:

(a) The different strains of cannabis;

(b) The different methods of using cannabis and cannabis products;

(c) Learning to recognize signs of cannabis abuse, impairment or instability in the use of cannabis by a consumer;

(d) Clinical effects of cannabis 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 prohibited persons, including, without limitation:

(1) Verifying *and authenticating* identification and using age verification devices;

(2) Education on the effects of cannabis on persons under 21 years of age; and

- (3) Recognition of false or altered identification;
- (g) Understanding the role of law enforcement in confirming compliance with laws and regulations relating to cannabis;
- (h) Applicable state and local laws and regulations regarding cannabis;
- (i) Preventing unlawful consumption of cannabis, including, without limitation, information regarding laws which prohibit open or public consumption of cannabis;
- (j) Preventing the use of cannabis by persons under the age of 21 years, including, without limitation, laws which prohibit such use and the penalties for the violation of such laws;
- (k) How to prevent and address disturbances; and
- (l) The responsibility of the cannabis establishment agent to put into effect strategies adopted by the cannabis establishment to prevent the diversion of cannabis.

3. In addition to the training set forth in subsection 1, a cannabis independent testing laboratory shall ensure that instruction is provided to a cannabis establishment agent before that person begins to work or volunteer at or provide labor as a cannabis establishment agent to the cannabis independent testing laboratory. Such instruction must include, without limitation:

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

4. In addition to the training set forth in subsection 1, a cannabis cultivation facility shall ensure that instruction is provided to a cannabis establishment agent before that person begins to ~~work or volunteer~~ *independently perform any duties, including, without limitation, working*

at, volunteering at or ~~{provide}~~ *providing* labor as a cannabis establishment agent to the cannabis cultivation facility. Such instruction must include, without limitation:

- (a) The methods of cultivation used by the cannabis cultivation facility;
- (b) The methods of fertilization used by the cannabis cultivation facility;
- (c) Methods for recognizing the signs of insect infestation, pathogens and disease in cannabis plants, and the procedures for eradication and the safe disposal of plants so affected;
- (d) The nutritional requirements of cannabis 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 cannabis production facility shall ensure that instruction is provided to a cannabis establishment agent before that person begins to ~~{work or volunteer}~~ *independently perform any duties, including, without limitation, working at, volunteering* at or ~~{provide}~~ *providing* labor as a cannabis establishment agent to the cannabis production facility. Such instruction must include, without limitation:

- (a) Understanding the difference between concentrated cannabis, topical products and cannabis products, as applicable to the operations of the cannabis production facility;
- (b) The procedures used by the cannabis production facility to create concentrated cannabis and cannabis products; and
- (c) The proper procedures for handling concentrated cannabis and cannabis products, including, without limitation, the procedures used to prepare, produce, package and store such

products as required by the provisions of this chapter, chapters 678A and 678D of NAC and chapters 678C and 678D of NRS.

6. In addition to the training set forth in subsection 1, an adult-use cannabis distributor shall ensure that instruction is provided to a cannabis establishment agent before that person begins to ~~{work or volunteer}~~ *independently perform any duties, including, without limitation, working at, volunteering* at or ~~{provide}~~ *providing* labor as a cannabis establishment agent to the adult-use cannabis distributor. Such instruction must include, without limitation:

- (a) ~~{Procedures for the proper handling of cannabis plants, usable cannabis, concentrated cannabis and cannabis products;~~
- ~~—(b)}~~ Procedures for the proper transportation and storage of cannabis plants, usable cannabis, concentrated cannabis and cannabis products; and
- ~~{(e)}~~ *(b)* Information regarding the type of driver's license which must be maintained for the loads expected to be transported.

7. In addition to the training set forth in subsection 1, cannabis consumption lounges shall ensure that instruction is provided to a cannabis establishment agent before that person begins to ~~{work or volunteers}~~ *independently perform any duties, including, without limitation, working at, volunteering at* or ~~{provides}~~ *providing* labor as a cannabis establishment agent at the cannabis consumption lounge. Such instruction must include, without limitation:

- (a) Methods for identifying signs of visible overconsumption of cannabis or impairment from alcohol or other drugs;
- (b) Resources to mitigate impaired driving, including safe transportation options available to consumers;

- (c) Strategies for inquiring about and understanding a consumer's varying experience with cannabis and options for lower dose cannabis products;
- (d) Policies for ceasing all consumption and other activities until law enforcement, firefighters, emergency medical service providers or other public safety personnel have completed any investigation or services and vacated the cannabis establishment;
- (e) Guidelines for employees and licensees to identify themselves during an interaction with law enforcement, Board agents or local regulators;
- (f) Signs of poly-substance interactions, including, without limitation, interactions of cannabis with alcohol, prescription and over-the-counter medications and other substances;
- (g) Risks and potential responses to adverse events such as overconsumption, dehydration, poly-substance use or other similar events;
- (h) Procedures to de-escalate interactions with intoxicated consumers and potentially dangerous situations, which include, without limitation, development of an emergency action plan;
- (i) Approaches for sexual assault prevention associated with overconsumption or poly-substance intoxication;
- (j) Resources available for responsible cannabis use;
- (k) Resources for understanding the difference between concentrated cannabis, topical products and cannabis products, as applicable to the operations of the consumption lounge; and
- (l) Proper methods of destruction of single-use cannabis products and ready-to-consume cannabis products.

Sec. 20. NAC 678B.211 is hereby amended to read as follows:

678B.211 A cannabis 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;
 - (5) Disciplinary actions; and
 - (6) Disclosure of potential health risks involved with the performance of job duties.
 - (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 cannabis from other cannabis establishments;
 - (4) Disposing of waste containing cannabis or unconsumed cannabis and cannabis product rendered unusable in accordance with NAC 678B.475; and
 - (5) Returning for a refund of cannabis or cannabis products to the cannabis establishment from which the cannabis or cannabis products were acquired.
 - (d) If applicable, consumer education and support, including, without limitation:
 - (1) The availability of different strains of cannabis and the purported effects of the different strains;

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

(3) The prohibition on the smoking or consumption of cannabis in public places, places open to the public, within a cannabis sales facility, except within licensed cannabis consumption lounges, and places exposed to public view;

(4) Education on how cannabis 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 cannabis or while impaired by cannabis is unlawful; and

(5) That possession of cannabis exceeding a certain quantity remains a felony with various legal consequences.

(e) Training on topics that are specific to the cannabis establishment, including, without limitation:

(1) The operations, policies and procedures of the cannabis establishment;

(2) The use of the seed-to-sale tracking system, including, without limitation, the entry, reconciliation and reporting of data concerning cannabis and cannabis products;

(3) The proper management and handling of cannabis and cannabis products including, without limitation, procedures for storage, packaging, labeling, transfer and waste;

(4) Procedures to ensure the security of cannabis and cannabis products, including, without limitation, restricted access, surveillance and incident reporting; and

(5) Any additional health, safety or compliance training the Board deems necessary.

2. Maintain copies of the policies and procedures developed pursuant to subsection 1 at the cannabis establishment and provide copies to the Board or Board agents for review upon request.

Sec. 21. NAC 678B.214 is hereby amended to read as follows:

678B.214 1. Each cannabis establishment shall designate in writing a cannabis establishment agent who has oversight of the inventory control system of the cannabis establishment.

2. Except as otherwise provided in subsection 4, a cannabis establishment shall only acquire cannabis or cannabis products from another Nevada licensed cannabis establishment, including, without limitation, a cannabis cultivation facility, a cannabis production facility or a cannabis sales facility.

3. Pursuant to title 56 of NRS, a cannabis consumption lounge may only acquire single-use cannabis products, cannabis and adult-use cannabis products needed for ready-to-consume cannabis products from a cannabis sales facility.

4. A cannabis cultivation facility may acquire seeds for the cultivation of cannabis from any person if the acquisition of the seeds does not violate ~~the provisions of title 56 of NRS.~~ *any provision of state or federal law.* A cannabis cultivation facility may also acquire cannabis or cannabis products from a consumer if the acquisition does not violate the provisions of title 56 of NRS.

5. With the exception of a cannabis consumption lounge, a cannabis establishment shall not acquire concentrated cannabis or products containing concentrated cannabis from another cannabis establishment, except that a cannabis sales facility or a cannabis production facility may acquire concentrated cannabis or products containing concentrated cannabis from a cannabis production facility. A cannabis cultivation facility may sell crude collected resins to a cannabis sales facility if the crude collected resins are:

- (a) From a single batch;
- (b) Unaltered; and

(c) Not combined, except as otherwise provided in subsection 6.

6. A cannabis cultivation facility may combine lots of crude collected resins which have been collected in accordance with subsection 5 and have passed all testing pursuant to NAC 678B.554 before combining.

7. Each cannabis establishment, except a cannabis independent testing laboratory, shall establish and implement an inventory control system that *, as applicable to the types of cannabis or cannabis products maintained in the inventory of the cannabis establishment,* documents:

(a) Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable cannabis 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 ~~and~~ ; *and*
- (6) Weight of concentrated cannabis, measured in grams.*

(b) When acquiring cannabis from another cannabis establishment:

- (1) A description of the cannabis 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 license of the cannabis establishment providing the cannabis;
- (3) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent providing the cannabis;

(4) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis on behalf of the cannabis establishment; and

(5) The date of acquisition.

(c) When acquiring cannabis from a medical cannabis establishment : ~~licensed pursuant to the Act.~~

(1) A description of the cannabis 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 medical cannabis establishment license of the medical cannabis establishment providing the cannabis;

(3) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent providing the cannabis;

(4) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis on behalf of the cannabis establishment; and

(5) The date of acquisition.

(d) For each batch of cannabis cultivated:

(1) The batch number, lot number and production run number, as applicable.

(2) Whether the batch originated from cannabis seeds or cannabis cuttings.

(3) The strain of the cannabis seeds or cannabis cuttings planted.

(4) The number of cannabis seeds or cannabis cuttings planted.

(5) The date on which the cannabis 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 cannabis plants grown to maturity.

(8) Harvest information, including, without limitation:

- (I) The date of harvest;
- (II) The final yield weight of processed usable cannabis, in grams; ~~and~~
- (III) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent responsible for the harvest ~~H~~; *and*

(IV) The harvest batch number.

(9) The disposal of cannabis that is not usable cannabis, including:

- (I) A description of and reason for the cannabis being disposed of, including, if applicable, the number of failed or other unusable cannabis plants;
- (II) The date of disposal;
- (III) Confirmation that the cannabis was rendered unusable before disposal;
- (IV) The method of disposal; and
- (V) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent responsible for the disposal.

(e) When providing cannabis to another cannabis establishment:

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

(f) When receiving edible cannabis products from another cannabis establishment:

(1) A description of the edible cannabis products received from the cannabis establishment, including the total weight of each edible cannabis product and the amount of THC, measured in milligrams, and the production run number of the cannabis in each edible cannabis product.

(2) The total amount and production run number of cannabis in the edible cannabis products.

(3) The name and:

(I) License number of the cannabis establishment providing the edible cannabis products to the receiving cannabis establishment;

(II) The number of the cannabis establishment agent registration card of the cannabis establishment agent providing the edible cannabis products to the receiving cannabis establishment; and

(III) The number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the edible cannabis products on behalf of the receiving cannabis establishment.

(4) The date on which the edible cannabis products were provided to the cannabis establishment.

(g) When receiving cannabis products from another cannabis establishment:

(1) A description of the cannabis products received from the cannabis establishment, including the total weight of each cannabis product and the amount of THC, measured in milligrams, and production run number of the cannabis in each cannabis product.

(2) The total amount and production run number of cannabis in the cannabis products.

(3) The name and:

(I) License number of the cannabis establishment providing the cannabis products to the receiving cannabis establishment;

(II) The number of the cannabis establishment agent registration card of the cannabis establishment agent providing the cannabis products to the receiving cannabis establishment; and

(III) The number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis products on behalf of the receiving cannabis establishment.

(4) The date on which the cannabis products were provided to the cannabis establishment.

(h) When receiving concentrated cannabis or products containing concentrated cannabis from a cannabis production facility:

(1) A description of the concentrated cannabis or products containing concentrated cannabis received from the cannabis production facility, including the total weight of each product, the amount of THC, ~~{except a cannabis independent testing laboratory,}~~ measured in milligrams, and the production run number for each product;

(2) The name and:

(I) License number of the cannabis establishment providing the concentrated cannabis or products containing concentrated cannabis to the receiving cannabis establishment;

(II) The number of the cannabis establishment agent registration card of the cannabis establishment agent providing the concentrated cannabis or products containing concentrated cannabis to the receiving cannabis establishment; and

(III) The number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the concentrated cannabis or products containing concentrated cannabis on behalf of the receiving cannabis establishment; and

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

8. Each cannabis establishment shall:

(a) Establish and maintain a seed-to-sale tracking system which adequately documents the flow of *cannabis* materials ~~{through the manufacturing process.}~~ *from raw input through processing, packaging and final sale, to ensure complete traceability. The system must be capable of capturing real-time data and maintaining audit trails in compliance with the publications adopted by reference in subsection 13.*

(b) Establish procedures which reconcile the raw material used to *create* the finished product on the basis of each job. Significant variances must be documented, investigated by management personnel and immediately reported to the ~~{Executive Director}~~ *appropriate Board agent* and to the cannabis establishment that ordered the concentrated cannabis or cannabis product.

(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 ~~{Executive Director.}~~ *appropriate Board agent within 24 hours after the completion of the investigation.*

9. If a cannabis establishment identifies a reduction in the amount of cannabis in the inventory of the cannabis establishment which is not due to documented causes, the cannabis establishment shall :

(a) Notify the Board of the discrepancy within 24 hours after discovering the reduction;

(b) Conduct an investigation to determine where the loss has occurred ~~{and take}~~ ;

(c) Take and document corrective action ~~{}~~ ; *and*

(d) Notify the Board of the results of any investigation conducted by the cannabis establishment within 24 hours after the completion of the investigation.

10. If the reduction in the amount of cannabis in the inventory of the cannabis establishment is due to suspected criminal activity by a cannabis establishment agent, the cannabis establishment shall report the cannabis establishment agent to the Board *in writing* and to the appropriate law enforcement agencies within 24 hours. The Board may require the cannabis establishment to provide additional information as it determines necessary to conduct an investigation.

~~10.~~ **11.** A cannabis establishment shall:

(a) Maintain the documentation required by subsections 7, 8 and 9 at the cannabis establishment for at least 5 years after the date on the document; ~~and~~

(b) Provide the documentation required by subsections 7, 8 and 9 to the Board or Board agents for review upon request ~~+~~ ; *and*

(c) Use forms or formats approved by the Board to maintain and provide documentation required by subsections 7, 8 and 9, when those forms are available.

12. *A cannabis independent testing laboratory shall:*

(a) Establish and implement an inventory control system that accurately records and tracks all cannabis and cannabis product test samples, including, without limitation, acquisitions, testing in progress, samples consumed during testing, samples destroyed and the resulting beginning and ending inventory for each business day in the seed-to-sale tracking system.

(b) Conduct physical inventory counts quarterly in accordance with the requirements set forth in subsection 8.

13. The Board hereby adopts by reference the most current version of the following publications:

(a) The FASB Accounting Standards Codification published by the Financial Accounting Standards Board. A copy of that publication may be obtained, free of charge, at the Internet address <https://www.fasb.org>.

(b) The COSO - Internal Control - Integrated Framework: 2013 (Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission. An electronic copy of that publication may be obtained from the Institute of Internal Auditors, 1035 Greenwood Blvd. Suite 401, Lake Mary, Florida 32746, at the Internet address <https://theiia.org> at a cost of \$157.50.

14. The Board shall review each revision to a publication adopted by reference in subsection 13 to ensure its suitability for this State. If the Board determines that a revision is not suitable for this State, the Board shall hold a public hearing to review its determination within 6 months after the date of the publication of the revision and give notice of that hearing. If, after the hearing, the Board does not revise its determination, the Board shall give notice within 30 days after the hearing that the revision is not suitable for this State. If the Board does not give such notice, the revision becomes part of the applicable publication adopted by reference in subsection 13.

Sec. 22. NAC 678B.220 is hereby amended to read as follows:

678B.220 1. To prevent unauthorized access to cannabis at a cannabis establishment, the cannabis establishment must *develop a written standard operating procedure for security and* have:

- (a) ~~{One single, secure entrance}~~ *All entrances* of the physical building ~~{}~~ *secured in accordance with this section.*
- (b) No cannabis or cannabis products visible from outside the establishment.
- (c) Security equipment to deter and prevent unauthorized entrance into limited access areas that includes, without limitation:

(1) 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, and which, for a cannabis cultivation facility which engages in outdoor cultivation, covers the entirety of the cultivation area and the perimeter and exterior area of the cannabis cultivation facility.

(2) Exterior lighting to facilitate surveillance which, for a cannabis cultivation facility which engages in outdoor cultivation:

(I) When the lighting would not interfere with the growing cycle of a crop, covers the entirety of the cultivation area and the perimeter and exterior area of the cannabis cultivation facility.

(II) When the lighting would interfere with the growing cycle of a crop, covers the perimeter and exterior area of the cannabis cultivation facility.

(3) Electronic monitoring, including, without limitation, each of the following:

(I) At least one call-up monitor that is 55 inches or more.

(II) A printer capable of immediately producing a clear still ~~{photo}~~ *photograph* from any video camera image, which ~~{photo}~~ *photograph* must be provided to the Board or Board agents for review upon request.

(III) Video cameras with a recording resolution of at least 1920 x 1080, or the equivalent, at a rate of at least 15 frames per second which provide *unobstructed* coverage of all entrances and exits of the building, *the entirety of* any room or area that holds a vault and any point-of-sale location, which record 24 hours per day, which are capable of being accessed remotely by a law enforcement agency in real time and which may record motion only. The information necessary to remotely access the camera footage must be entered into the cannabis establishment's Accela portal. A video camera providing coverage of a point-of-sale location must allow for the identification of any person purchasing cannabis. In a cannabis consumption lounge, the entire area that is used by consumers must be covered by video cameras.

(IV) Video cameras with a recording resolution of at least 720 x 480, or the equivalent, at a rate of at least 15 frames per second which provide *continuous* coverage of all limited-access areas not described in sub-subparagraph (III) and any activity *occurring* in or adjacent to the establishment, which record 24 hours per day, which are capable of being accessed remotely by a law enforcement agency, the Board and Board agents in real time upon request, which may record motion only and which, for a cannabis cultivation facility which engages in outdoor cultivation, cover the entirety of the cultivation area and the perimeter and exterior area of the cannabis cultivation facility. The information necessary to remotely access the camera footage must be entered into the cannabis establishment's portal within the Board's electronic licensing system.

(V) A video camera which is capable of identifying any activity occurring within the cannabis establishment in low light conditions 24 hours per day.

(VI) A method for storing video recordings from the video cameras for at least 30 calendar days in a secure on-site or off-site location or through a service or network that provides

on-demand access to the recordings and providing copies of the recordings to the Board and Board agents for review upon request, on portable, external hard drives or other media as directed by the Board or Board agents, at the expense of the cannabis establishment, and within a reasonable time frame as determined by the Board or Board agents. Adequately sized, portable external drives must be immediately available to store a minimum of 7 days, or 168 hours, of video from a minimum of seven cameras. External drives must be USB 3.0 or greater and formatted with FAT32 or exFAT and will not be returned to the establishment.

(VII) A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system.

(VIII) Sufficient battery backup for video cameras and recording equipment to support at least ~~15~~ 60 minutes of recording in the event of a power outage.

(4) Immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the cannabis establishment in the interior of each building of the cannabis establishment.

(5) For a cannabis cultivation facility which engages in outdoor cultivation:

(I) An alarm system and video cameras which are monitored 24 hours per day.

(II) An exterior barrier, determined to be appropriate by local law enforcement, which is located around the perimeter of the cannabis cultivation facility and which consists of a solid block wall or chain link fence with a height of at least 8 feet and an additional fence with a height of at least 8 feet located at least 10 feet and not more than 20 feet inside of the solid block wall or chain link fence.

(III) A secure brick and mortar building which is approved by the appropriate Board agent as suitable to dry and store cannabis and which meets the security and sanitation requirements for a cannabis cultivation facility which engages in indoor cultivation of cannabis.

(d) Policies and procedures:

(1) That restrict access to the areas of the cannabis establishment that contain cannabis to persons authorized to be in those areas only.

(2) That provide for the identification of persons authorized to be in the areas of the cannabis establishment that contain cannabis.

(3) That prevent loitering, other than consumers already admitted to a cannabis consumption lounge.

(4) For conducting electronic monitoring.

(5) For the use of the automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the cannabis establishment.

(6) For limiting the amount of money available in any retail areas of the cannabis establishment and for training employees on this practice.

(7) For notifying the public of the minimal amount of money available, which may include, without limitation, the posting of a sign.

(8) For maintaining communication with law enforcement agencies.

(9) For providing and receiving notifications regarding burglary, attempted burglary, robbery, attempted robbery and other suspicious activity.

2. Each video camera used pursuant to subparagraph (3) of paragraph (c) of subsection 1 must:

(a) Include a date and time generator which ~~{possesses the capability to display}~~ *displays* the date and time of recorded events on the recording in a manner that does not significantly obstruct the recorded view; and

(b) Be installed in a manner that will prevent the video camera from being readily obstructed, tampered with or disabled ~~{}~~, *including, without limitation, in a manner that accounts for the changing height and density of plants during growth cycles.*

3. In a cannabis consumption lounge, security personnel are required to monitor real-time security camera footage while the facility is open for business as prescribed by the Board.

4. A cannabis establishment shall make a reasonable effort to repair any malfunction of security equipment within 72 hours after the malfunction is discovered. ~~{A}~~ *Within 24 hours after discovering the malfunction, the* cannabis establishment shall ~~{notify}~~ :

(a) *Notify* the Board and *, if requested,* local law enforcement ; ~~{within 24 hours after a malfunction is discovered}~~ and ~~{provide}~~

(b) *Provide to the Board* a plan of correction. ~~{Failure to correct a malfunction within 72 hours after the malfunction is discovered is a violation of this section.}~~

5. *A cannabis establishment shall not tamper with, disengage or otherwise disable any component of a security system unless it is for the purpose of repair or maintenance of that component.* If a video camera used pursuant to subparagraph (3) of paragraph (c) of subsection 1 malfunctions ~~{}~~ *or is disabled for the purpose of repair or maintenance*, the cannabis establishment shall immediately provide alternative video camera coverage or use other security measures, such as assigning additional supervisory or security personnel, to provide for the security of the cannabis establishment. If the cannabis establishment uses other security

measures, the cannabis establishment must immediately notify the Executive Director, and the Executive Director will determine whether the other security measures are adequate.

6. Each cannabis establishment shall maintain a log that documents each malfunction and repair of the security equipment of the cannabis establishment pursuant to subsections 4 and 5. The log must state the date, time and nature of each malfunction, the efforts taken to repair the malfunction and the date of each effort, the reason for any delay in repairing the malfunction, the date the malfunction is repaired and, if applicable, any alternative security measures that were taken. The log must also list, by date and time, all communications with the Board, Board agents or Executive Director concerning each malfunction and corrective action. The cannabis establishment shall maintain the log for at least 1 year after the date of last entry in the log.

7. Each cannabis establishment must employ a security manager or director who must be responsible for:

(a) Conducting a semiannual audit of security measures to ensure compliance with the state procedures of the cannabis establishment and identify potential security issues;

(b) Training employees on security measures, emergency response and robbery prevention and response before starting work and on an annual basis; and

(c) Evaluating the credentials of any third party who intends to provide security to the cannabis establishment before the third party is hired by or enters into a contract with the cannabis establishment.

8. Each cannabis establishment shall ensure that the security manager or director of the cannabis establishment, at least one employee of the cannabis establishment or the employees of any third party who provides security to the cannabis establishment has completed or will

complete within 3 months of being hired, to be proven by written attestation from the employee and the training officer, the following training:

- (a) Training in theft prevention or a related subject;
- (b) Training in emergency response or a related subject;
- (c) Training in the appropriate use of force or a related subject that covers when the use of force is and is not necessary;
- (d) Training in the use and administration of first aid, including cardiopulmonary resuscitation;
- (e) Training in the protection of a crime scene or a related subject;
- (f) Training in the control of access to protected areas of a cannabis establishment or a related subject;
- (g) Not less than 8 hours of on-site training in providing security services; and
- (h) Not less than 8 hours of classroom training in providing security services.

9. A cannabis cultivation facility which engages in the outdoor cultivation of cannabis must be located in such a manner as to allow local law enforcement to respond to the cannabis cultivation facility within 15 minutes after being contacted unless the local law enforcement agency determines some other response time is acceptable.

10. Cannabis establishments must ensure that armed security officers do not violate the provisions of NRS 202.257, possessing a firearm while under the influence of a controlled substance. In addition, a cannabis consumption lounge shall prohibit consumers from bringing firearms into a cannabis consumption lounge, including the posting of signs providing notice of same.

11. A cannabis establishment shall operate the business in a decent, orderly and respectable manner. A licensee shall not knowingly permit any activity or acts of disorderly conduct, nor shall a licensee permit rowdiness, undue noise or other disturbances or activity offensive to a reasonable person, neighboring business or to the residents of the neighborhood in which the business is located.

12. If an emergency requires law enforcement, firefighters, emergency medical service providers, Board agents or other public safety personnel to enter the premises of the business, the cannabis establishment is responsible for ensuring that all consumption of inhalable cannabis, if allowed, and other activities if requested, cease until such personnel have completed their investigation or services and have left the premises.

13. A cannabis establishment must report directly to the Board *, in writing*, any criminal activity requiring an in-person response from law enforcement within 24 hours after an owner or employee of the business learns of the event.

14. If the Board learns of an increase in criminal activity at or near the location of a particular cannabis establishment, the Board may require the licensee to create an appropriate risk mitigation plan and submit ~~the~~ *the plan* to the Board.

15. Employees are prohibited from consuming cannabis while on duty and at work. The cannabis establishment shall create appropriate procedures to ensure employees do not show up to work or remain at work intoxicated.

Sec. 23. NAC 678B.232 is hereby amended to read as follows:

678B.232 1. A building used as a cannabis establishment or by a dual licensee must have:

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

(1) A flushable toilet;

(2) Mounted toilet tissue; *and*

(3) A ~~{hand}~~ *fully stocked handwashing* sink . ~~{with running water which is capable of delivering hot water at a minimum temperature of 100°F (37.8°C);~~

~~—— (4) Soap contained in a dispenser;~~

~~—— (5) Disposable, single-use paper towels in a mounted dispenser; and~~

~~—— (6) A conveniently located trash can.}~~

↪ If a building used as a cannabis establishment or by a dual licensee has more than one toilet facility, each of the toilet facilities must have all the items specified in this paragraph.

(b) Except for an adult-use cannabis distributor, ~~{at least one}~~ *a* fully stocked handwashing sink, which is designated for hand washing only, ~~{not}~~ *conveniently* located in ~~{a toilet facility}~~ *each area where handwashing may be required*, and located ~~{away from any area in which edible cannabis products are cooked or otherwise prepared to prevent}~~ *in a manner that prevents* splash contamination. Additional handwashing sinks may be required to facilitate hand washing as required.

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

(d) At least one mop sink or dump sink to dispose of liquid waste.

(e) If preparation or packaging of concentrated cannabis or cannabis products is done in the building, a designated area for the preparation or packaging that:

(1) Includes workspace that can be sanitized;

(2) Is only used for the preparation or packaging of concentrated cannabis or cannabis products; and

(3) Has a fully stocked handwashing sink conveniently located and designated for hand washing only.

2. For any commercial weighing and measuring equipment used at a cannabis establishment, the cannabis 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 Board or Board agents for review upon request.

3. As used in this section, “fully stocked handwashing sink” means a sink with running water which is capable of delivering hot water at a minimum temperature of 100°F (37.8°C) and which has the following items located in close proximity of the sink:

- (a) Soap contained in a dispenser;*
- (b) Disposable, single-use paper towels in a mounted dispenser; and*
- (c) A conveniently located trash can.*

Sec. 24. NAC 678B.235 is hereby amended to read as follows:

678B.235 A cannabis establishment shall not sell , *combine lots* or transfer a lot of usable cannabis, concentrated cannabis or cannabis products until all required quality assurance testing has been completed.

Sec. 25. NAC 678B.247 is hereby amended to read as follows:

678B.247 1. ~~1A~~ *In addition to the restrictions set forth in paragraph (c) of subsection 11 of NRS 678B.520, a* cannabis establishment:

- (a) Shall not ~~engage in advertising which contains any statement or illustration that:~~
 - ~~(1) Is false or misleading;~~

- ~~—— (2) Promotes overconsumption of cannabis or cannabis products;~~
- ~~—— (3) Depicts the actual consumption of what appears to be cannabis or cannabis products;~~
- ~~or~~
- ~~—— (4) Depicts a child or other person who appears to be less than 21 years of age consuming cannabis or cannabis 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 cannabis or cannabis products by a person who is less than 21 years of age.~~
- ~~—— (b) 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.~~
- ~~—— (c) Shall not~~ place an advertisement:
- (1) ~~[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;~~
- ~~—— (2) On or inside of a motor vehicle used for public transportation or any shelter for public transportation;~~
- ~~—— (3) At a sports or entertainment event to which persons who are less than 21 years of age are allowed entry;~~
- ~~—— (4)]~~ On or inside of a motor vehicle used by a cannabis establishment for private transportation;
- ~~[(5)]~~ (2) On signs carried by a natural person, including, without limitation, handbills, pamphlets, cards or other types of advertisements that are distributed to the general public, but

excluding an advertisement placed in a newspaper of general circulation, trade publication or other form of print media; ~~and~~

~~—(6)~~ *or*

(3) Where prohibited by local ordinance.

~~[(d)]~~ (b) Shall not advertise or offer any cannabis or cannabis product as “free” or “donated” without a purchase ~~+~~

~~—(e) Shall ensure that all advertising by the cannabis establishment contains such warnings as may be prescribed by the Board, which must be visible, be legible and include, without limitation, the following words:~~

~~—(1) “Keep out of reach of children”; and~~

~~—(2) “For use only by adults 21 years of age and older.”]~~ *in the same transaction.*

2. A cannabis sales facility shall post signs in prominent locations inside the cannabis sales facility , *including, without limitation, any customer entrance and drive-through window,* which state activities that are strictly prohibited and punishable by law, including, without limitation, the following statements:

(a) “No minors permitted on the premises unless the minor holds a letter of approval and is accompanied by a designated primary caregiver”;

(b) “No on-site or public consumption of any cannabis or cannabis products”;

(c) “Distribution to persons under the age of 21 is prohibited”;

(d) ~~["Except for medical cannabis patients, possession"]~~ *“Possession* of over ~~11 ounce~~ *2.5 ounces* of usable cannabis, ~~1a~~ cannabis ~~product~~ *products* containing more than ~~3,543~~ *7,087* milligrams of THC or a combination of the two which exceeds the legal limit is prohibited”; and

(e) “Transportation of cannabis or cannabis products across state lines is prohibited.”

3. *A sign containing only a business name or company logo is not required to contain the words “Keep out of reach of children” or “For use only by adults 21 years of age and older.”*

Sec. 26. NAC 678B.253 is hereby amended to read as follows:

678B.253 1. ~~1.A~~ *Except as otherwise provided in subsection 2, a* cannabis establishment shall ensure that all advertising by the cannabis establishment contains:

(a) ~~Such~~ *In a visible and legible manner, the following* warnings : ~~as may be prescribed by the Board, which must include, without limitation, the following words:~~

(1) “Keep out of reach of children”; and

(2) “For use only by adults 21 years of age and older”; *and*

(b) *The following information in a visible and legible manner:*

(1) The name of the cannabis establishment; and

~~1(e)~~ *(2)* The adult-use cannabis establishment identification number assigned to the cannabis establishment by the Board ~~1.H~~ *or, if* a cannabis establishment holds more than one license, ~~the cannabis establishment must include any one of~~ *either* the adult-use cannabis establishment identification number or *the* medical cannabis establishment identification number . ~~in all of the cannabis establishment’s advertisements.~~

2. ~~1.A~~ *The requirements of subsection 1 do not apply to:*

(a) Signage of the business name, company logos, devices, lights, figures, paintings, drawings, branding or plaques that are used in the design of the cannabis establishment; or

(b) Advertisements which are posted inside a licensed cannabis establishment and are not for distribution, including, without limitation, displays or images for the promotion of a brand.

3. *Except as otherwise provided in subsection 4, a* cannabis establishment shall not engage in advertising that ~~1.m~~ :

(a) *In* any way makes cannabis or cannabis products appeal to children, including, without limitation, advertising which uses an *anthropomorphic* image *or an image* of a cartoon character, mascot, action figure, balloon, fruit or toy ~~[-The cannabis establishment shall ensure that the advertisement is not]~~ ; *or*

(b) *Is* modeled after a brand of products primarily consumed by or marketed to children.

4. The limitations set forth in subsection 3 on the use of fruit for advertising cannabis or a cannabis product:

(a) *Do not apply to signage of the business name, company logos, devices, lights, figures, paintings, drawings, branding or plaques that are used in the design of the cannabis establishment.*

(b) *Do not apply to a display or image for the promotion of a brand which is posted inside a licensed cannabis establishment and not for distribution.*

Sec. 27. NAC 678B.303 is hereby amended to read as follows:

678B.303 Before a cannabis establishment agent sells cannabis or cannabis products to a consumer, the cannabis establishment agent shall:

1. Verify the age of the consumer *in compliance with NRS 678B.545 by:*

(a) *At the point of entry and at the point of sale, manually verifying the age of the consumer* by checking a *valid* government-issued identification card containing a photograph of the consumer ; *and*

(b) *At either the point of entry or the point of sale,* using an identification scanner approved by the appropriate Board agent to determine the validity of any government-issued identification card;

2. Offer any appropriate consumer education or support materials; and

3. Enter the following information into the inventory control system:

- (a) The amount of cannabis or cannabis product sold;
- (b) The date and time at which the cannabis or cannabis product was sold;
- (c) The number of the cannabis establishment agent registration card of the cannabis establishment agent; and
- (d) The number of the license for the cannabis establishment.

Sec. 28. NAC 678B.312 is hereby amended to read as follows:

678B.312 1. Except as otherwise provided in subsection 3, a cannabis sales facility shall only offer for sale:

- (a) Cannabis;
- (b) Cannabis products;
- (c) Cannabis paraphernalia;
- (d) Cannabis-related accessories, including:
 - (1) Items for the consumption or storage of cannabis;
 - (2) Lighters; *and*
 - (3) Air purifiers; ~~and~~

~~—(4)~~

- (e) Branded merchandise;
- ~~†(e)†~~ (f) Products containing CBD; and
- ~~†(f)†~~ (g) Products containing hemp, as defined in NRS 557.160, which are related to cannabis.

2. Each cannabis sales facility shall offer for sale containers for the storage of cannabis and cannabis products which lock and are designed to prohibit children from unlocking and opening the container.

3. A cannabis sales facility shall not sell any food, beverage or personal care item that does not contain cannabis, except that a cannabis sales facility may sell any food described in subsection 2 of NAC 446.042.

4. A cannabis sales facility shall not sell:

- (a) Any product that contains nicotine;
- (b) Any product that contains alcohol if the product would require the cannabis sales facility to hold a license issued pursuant to chapter 369 of NRS; or
- (c) Any cannabis-related accessory which:
 - (1) Appeals to children;
 - (2) Depicts an image of a cartoon character, mascot, action figure, balloon, fruit or toy; or
 - (3) Is modeled after a product which is primarily consumed by or marketed to children.

5. A cannabis sales facility shall not:

- (a) Sell cannabis or cannabis products to a consumer through the use of, or accept a sale of cannabis or cannabis products from, a third party, intermediary business, broker or any other business that does not hold a license for a cannabis sales facility in this State;
- (b) Enter into a contract with a third party or intermediary business to advertise delivery to consumers; or
- (c) Recommend products to women who are pregnant or breastfeeding.

6. As used in this section, “branded merchandise” means any item which is not cannabis or a cannabis product and which contains the logo or other branding of a cannabis sales facility, including, without limitation, an article of clothing, pen, bag or other similar item that contains such a logo or such branding.

Sec. 29. NAC 678B.318 is hereby amended to read as follows:

678B.318 1. Cannabis sales facilities may only offer curbside pickup after submitting and receiving approval from the appropriate Board agent.

2. ~~{All orders must be placed in advance. Any form of in-person or onsite ordering will not be permitted.}~~ Consumers and patients shall be instructed to not exit their vehicle.

3. Each cannabis sales facility offering curbside pickup shall develop, and submit to the Board for approval, standard operating procedures for curbside pickup that address the following:

- (a) Security plan.
- (b) Curbside pickup plan.
- (c) Curbside pickup designation.
- (d) Transaction protection measures.

Sec. 30. NAC 678B.373 is hereby amended to read as follows:

678B.373 1. Each cannabis establishment shall ensure that it obtains non-cannabis ingredients, including hemp and CBD, for cannabis products from sources that comply with the requirements of federal and state law and regulations and are approved by the Board, including, without limitation, commercial and retail businesses.

2. A cannabis establishment shall not use or prepare non-cannabis ingredients prepared or stored in a private home.

3. A cannabis production facility must submit all new menu items and their ingredients to the appropriate Board agent for approval on a form prescribed by the Board before production and sale of new products. A cannabis establishment may not produce nasal spray, inhalers, eye drops or medical devices.

4. *A cannabis production facility shall ensure that all flavorings and terpenes from external sources are accompanied by a signed attestation prescribed by the Board certifying that the flavorings and terpenes comply with state law and regulations.*

5. A cannabis establishment preparing menu items that require a HACCP plan as determined by the appropriate Board agent must be approved by a processing authority before submission. Special processes requiring a HACCP plan include, without limitation, canning, reduced oxygen packaging and other processes as determined by the appropriate Board agent.

Sec. 31. NAC 678B.475 is hereby amended to read as follows:

678B.475 1. Except as otherwise provided in subsection 2, a cannabis establishment shall:

(a) Store, manage and dispose of all solid and liquid waste and wastewater generated during the processing of cannabis or production of cannabis products in accordance with all applicable state and local laws and regulations; and

(b) Render waste containing cannabis unusable before the waste leaves the cannabis establishment. Such waste includes, without limitation:

(1) Waste from cannabis plants, including, without limitation, roots, stalks, leaves, stems, flower, trim or solid plant material and any plant material used to create an extract;

(2) Solvents used in the processing of cannabis or extraction of concentrated cannabis;

(3) Any plant material or solvents discarded as a result of quality assurance testing or any other testing performed by a cannabis independent testing laboratory; and

(4) Any other waste as determined by the Board.

2. An adult-use cannabis distributor or cannabis sales facility may return a cannabis product to a cannabis cultivation facility or cannabis production facility to be rendered unusable.

3. Unless another method approved by the Board is used, waste containing cannabis must be rendered unusable by grinding and incorporating the waste with:

(a) For disposal using an organic method other than composting, the following kinds of compostable mixed waste:

- (1) Food waste;
- (2) Yard waste;
- (3) Soil; or
- (4) Other waste as approved by the Board; or

(b) For disposal in a landfill or other method not described in paragraph (a), the following kinds of noncompostable mixed waste:

- (1) Paper waste;
- (2) Cardboard waste;
- (3) Plastic waste; or
- (4) Other waste as approved by the Board.

↪ The amount of waste containing cannabis in the resulting mixture must be less than 50 percent by volume. Such waste may be disposed of by composting. Such methods must comply with the USDA National Organic Standards Board (NOSB) guidance document “NOSB Recommendation for Guidance: Use of Compost, Vermicompost, Processed Manure and Compost Tea”, available at

<https://www.ams.usda.gov/sites/default/files/media/NOP%20Final%20Rec%20Guidance%20use%20of%20Compost.pdf>, and be approved by the appropriate Board agent. Compost must never be used as compost or soil outside of the licensed cannabis establishment.

4. A cannabis establishment shall *fully separate root balls from the stalks of a plant after harvest and dispose of the root balls in accordance with local waste management guidelines. A cannabis establishment is not required to document the destruction of root balls in the seed-to-sale tracking system.*

5. *Except as otherwise provided in subsection 6, a cannabis establishment shall* provide notice to the Board using the seed-to-sale tracking system before rendering unusable and disposing of cannabis or cannabis products. *If the total amount to be disposed exceeds 23,000 grams, 4,000 individual units or 50 pounds in aggregate weight of cannabis, cannabis products or biomass, the cannabis establishment must submit a separate disposal request through the electronic licensing system used by the Board for review and approval before proceeding.*

6. *A cannabis establishment may destroy routine cultivation waste, including, without limitation, fan leaves, stems and other plant material not associated with tracked packages or tagged plants and document the destruction in the seed-to-sale tracking system without a separate disposal request submitted through the electronic licensing system pursuant to subsection 5, so long as the waste is processed in compliance with paragraph (b) of subsection 1.*

7. *A cannabis establishment shall ensure that:*

(a) All destruction and disposal activities conducted by the cannabis establishment are recorded by surveillance cameras;

(b) Time-stamped photographic evidence concerning those activities are retained by the cannabis establishment; and

(c) The method of destruction and the name and the number of the cannabis establishment agent registration card of the employee responsible are documented and retained by the cannabis establishment.

Sec. 32. NAC 678B.593 is hereby amended to read as follows:

678B.593 ~~1.—Unless preparing bulk packages only for delivery to another cannabis establishment and not for sale to a consumer, a cannabis establishment that packages cannabis or cannabis products must individually package, label and seal the cannabis or cannabis products in a single package for sale. A cannabis sales facility shall only sell cannabis or cannabis products in a single package which must not contain:~~

- ~~—(a) More than 1 ounce (28.35 grams) of usable cannabis.~~
- ~~—(b) For a cannabis 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 cannabis product sold as a tincture, more than 800 milligrams of THC.~~
- ~~—(d) For a cannabis product sold as an edible cannabis product, more than 100 milligrams of THC.~~
- ~~—(e) For a cannabis 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 cannabis 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 cannabis product, more than 800 milligrams of THC.~~
- ~~—2.—An edible cannabis product must be packaged in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams of THC~~

~~per serving, and include a statement that the edible cannabis product contains cannabis and its potency was tested with an allowable variance of plus or minus 15 percent of the allowable limit.~~

~~—3.†~~ For cannabis or cannabis 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. 33. NAC 678B.596 is hereby amended to read as follows:

678B.596 1. Any ~~{edible}~~ cannabis *or cannabis* product ~~{containing}~~ *sold by a cannabis establishment* must:

(a) Be clearly and unambiguously packaged as cannabis with *, if not already included on a label affixed to or included with the container or package containing the cannabis or cannabis product,* the words “THIS PRODUCT CONTAINS CANNABIS” and ~~{include the}~~ warning “KEEP OUT OF REACH OF CHILDREN” in bold type that clearly identifies that the product contains cannabis. ~~{†}~~

(b) Be packaged in a manner which is not modeled after a brand of products primarily consumed by or marketed to children. ~~{†}~~

(c) Be presented in packaging which does not contain an *anthropomorphic* image *or an image* of a cartoon character, mascot, action figure, balloon or toy, except that *, for a cannabis product,* such an item may appear in the logo of the cannabis production facility which produced the product. ~~{†}~~

(d) Not be packaged or marketed as candy. ~~{†; and}~~

(e) ~~{Include:}~~ *Be packaged in packaging that is of a food-grade material and which protects the contents from contamination.*

(f) When sold at a cannabis sales facility, be placed into a package or directly packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. Part 1700 and the

requirements set forth in this section. The child-resistant packaging must maintain its effectiveness for multiple openings before leaving the cannabis sales facility with the consumer.

(g) For an adult-use edible cannabis product or medical edible cannabis product, be packaged in a manner that, if not already included on a label affixed to or included with the container or package containing the edible cannabis product:

(1) *Includes:*

(I) A Nevada universal cannabis symbol approved by the Board to indicate that the product contains cannabis;

~~[(2)]~~ *(II)* The net weight of the product;

~~[(3)]~~ *(III)* A list of all ingredients and all major food allergens as identified in 21 U.S.C. § ~~343; and~~
~~—[(4)]~~ *321(qq);*

(IV) A notice that the actual amount of THC may be within 15 percent of the stated amount for the edible cannabis product ~~[(I)]~~; *and*

(V) A warning that states “Caution: Intoxicating effects may be delayed by 2 or more hours”; and

(2) Indicates the number of servings of THC in the edible cannabis product. If the edible cannabis product is an adult-use edible cannabis product, the number of servings must be measured in servings of a maximum of 10 milligrams of THC per serving.

2. ~~[(When sold at a cannabis sales facility, any cannabis or cannabis product must be placed into a package or directly packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. Part 1700 and the standards specified in subsection 3 or 4. The child-resistant packaging~~

~~must maintain its effectiveness for multiple openings before leaving the cannabis sales facility with the consumer.~~

~~—3. Except as otherwise provided in subsection 4, cannabis products in solid or liquid form must be packaged in a food-grade material or container.~~

~~—4. Edible]~~ *Adult-use edible* cannabis products in liquid form containing more than 10 milligrams of THC must be packaged using a resealable cap in a container that:

(a) Clearly demarks each serving of cannabis in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of THC; or

(b) Includes a device that allows a reasonable person to intuitively measure and serve a single serving of THC.

↪ The portion of such a container that demarks each serving of cannabis need not be opaque.

~~{5. Any container or packaging containing usable cannabis, concentrated cannabis or cannabis products must protect the contents from contamination and must be of a food-grade material.~~

~~—6. An edible cannabis product must be sealed in a container which is not transparent and sold in packaging which is opaque.~~

~~—7.]~~ *3.* Each single serving in a multiple-serving edible cannabis product must be physically demarked in a way that enables a reasonable person to intuitively determine how much of the edible cannabis product constitutes a single serving. Each demarked serving must be easily separable in a manner that allows an average person who is 21 years of age or over to physically separate, with minimal effort, an individual serving of the edible cannabis product.

~~18.1~~ 4. If an *adult-use* edible cannabis product is of a kind that is impracticable to clearly demark each serving of cannabis with the dose in milligrams of THC, the *adult-use* edible cannabis product must:

- (a) Contain not more than 10 milligrams of THC per unit of sale; or
- (b) Be sold in a package that contains more than one individually wrapped single-serving edible cannabis product.

Sec. 34. NAC 678A.125, 678A.145, 678A.275, 678B.095 and 678B.098 hereby repealed.

Sec. 35. 1. This section and sections 1 to 27, inclusive, and 29 to 34, inclusive, of this regulation become effective on the date on which this regulation is approved by the Legislative Commission and filed with the Secretary of State pursuant to NRS 233B.070.

2. Section 28 of this regulation becomes effective only if LCB File No. R152-24 is approved by the Legislative Commission and filed with the Secretary of State pursuant to NRS 233B.070. Section 28 of this regulation becomes effective on the later of:

- (a) The date on which this regulation is approved by the Legislative Commission and filed with the Secretary of State pursuant to NRS 233B.070; or
- (b) The date on which LCB File No. R152-24 is approved by the Legislative Commission and filed with the Secretary of State pursuant to NRS 233B.070.

TEXT OF REPEALED SECTIONS

678A.125 “Label” defined. “Label” means written or printed material affixed to or included with cannabis or a cannabis product to provide identification or other information.

678A.145 “Packaging” defined. “Packaging” means the immediate consumer-facing wrapper or container in which usable cannabis or cannabis product is packaged.

678A.275 “Derived” interpreted. For purposes of NRS 678A.239, “derived” means obtained directly from a plant of the genus *Cannabis* as used in the definition of cannabis in NRS 678A.085 or hemp in NRS 557.160, whether naturally or through an extraction process approved by the Board. This does not prohibit decarboxylation of delta-9-tetrahydrocannabinolic acid (THCA).

678B.095 Board authorized to consider application of holder of medical cannabis establishment license for cannabis establishment license of same type. The Board may consider an application by a person who already holds a medical cannabis establishment license for not more than one license for a cannabis establishment of the same type if the person meets all requirements of this chapter, chapters 678A and 678D of NAC and title 56 of NRS.

678B.098 Board required to promulgate regulations concerning submission of application for cannabis establishment license by holder of medical cannabis establishment license. Before requesting applications pursuant to NAC 678B.056, the Board will promulgate

regulations on how a person who holds a medical cannabis establishment license will submit an application for a cannabis establishment of the same type or different type in response to a request by the Board pursuant to NAC 678B.056.