

**ADOPTED REGULATION OF THE  
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH  
OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**LCB File No. R004-14**

Effective April 1, 2014

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

AUTHORITY: §§1-25, 27-39, 41-48, 50-67, 69-129 and 131-139, NRS 453A.370; §26, NRS 453A.322, 453A.344 and 453A.370; §40, NRS 453A.332 and 453A.370; §49, NRS 453A.344 and 453A.370; §68, NRS 453A.354 and 453A.370; §130, NRS 453A.200 and 453A.370; §§140-145, NRS 453A.370 and 453A.740.

A REGULATION relating to medical marijuana; providing for the registration of medical marijuana establishments and medical marijuana establishment agents; providing requirements concerning the operation of medical marijuana establishments; providing additional requirements concerning the operation of medical marijuana dispensaries, cultivation facilities, facilities for the production of edible marijuana products or marijuana-infused products and independent testing laboratories; providing standards for the packaging and labeling of marijuana and marijuana products; providing requirements relating to the production of edible marijuana products and marijuana-infused products; providing standards for the cultivation and production of marijuana; and providing other matters properly relating thereto.

**Section 1.** Chapter 453A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 138, inclusive, of this regulation.

**Sec. 2.** *“Batch” means a specific lot of marijuana grown from one or more seeds or cuttings that are planted and harvested at the same time.*

**Sec. 3.** *“Batch number” means a unique numeric or alphanumeric identifier assigned to a batch by a medical marijuana establishment when the batch is planted.*

**Sec. 4.** *“Cultivation facility” has the meaning ascribed to it in NRS 453A.056.*

**Sec. 5.** *“Edible marijuana products” has the meaning ascribed to it in NRS 453A.101.*

Sec. 6. *“Electronic verification system” has the meaning ascribed to it in NRS 453A.102.*

Sec. 7. *“Enclosed, locked facility” has the meaning ascribed to it in NRS 453A.103.*

Sec. 8. *“Excluded felony offense” has the meaning ascribed to it in NRS 453A.104.*

Sec. 9. *“Facility for the production of edible marijuana products or marijuana-infused products” has the meaning ascribed to it in NRS 453A.105.*

Sec. 10. *“Independent testing laboratory” has the meaning ascribed to it in NRS 453A.107.*

Sec. 11. *“Inventory control system” has the meaning ascribed to it in NRS 453A.108.*

Sec. 12. *“Lot” means:*

1. *The flowers from one or more marijuana plants of the same strain, in a quantity that weighs 5 pounds or less; or*

2. *The leaves or other plant matter from one or more marijuana plants, other than full female flowers, in a quantity that weighs 15 pounds or less.*

Sec. 13. *“Marijuana-infused products” has the meaning ascribed to it in NRS 453A.112.*

Sec. 14. *“Medical marijuana dispensary” has the meaning ascribed to it in NRS 453A.115.*

Sec. 15. *“Medical marijuana establishment” has the meaning ascribed to it in NRS 453A.116.*

Sec. 16. *“Medical marijuana establishment agent” has the meaning ascribed to it in NRS 453A.117. The term does not include a consultant who performs professional services for a medical marijuana establishment.*

Sec. 17. *“Medical marijuana establishment agent registration card” has the meaning ascribed to it in NRS 453A.118.*

Sec. 18. *“Medical marijuana establishment registration certificate” has the meaning ascribed to it in NRS 453A.119.*

Sec. 19. *“Paraphernalia” has the meaning ascribed to it in NRS 453A.125.*

Sec. 20. *“Pesticide” has the meaning ascribed to it in NRS 586.195.*

Sec. 21. *“Physician” has the meaning ascribed to it in NRS 0.040.*

Sec. 22. *“Usable marijuana” has the meaning ascribed to it in NRS 453A.160.*

Sec. 23. *1. When a medical marijuana establishment is required pursuant to this chapter or chapter 453A of NRS to provide information, sign documents or ensure actions are taken, a person identified in this subsection shall comply with the requirement on behalf of the medical marijuana establishment:*

*(a) If a natural person is applying for a medical marijuana establishment registration certificate, the natural person;*

*(b) If a corporation is applying for a medical marijuana establishment registration certificate, a natural person who is an officer of the corporation;*

*(c) If a partnership is applying for a medical marijuana establishment registration certificate, a natural person who is a partner;*

*(d) If a limited-liability company is applying for a medical marijuana establishment registration certificate, a manager or, if the limited-liability company does not have a manager, a natural person who is a member of the limited-liability company;*

*(e) If an association or cooperative is applying for a medical marijuana establishment registration certificate, a natural person who is a member of the governing board of the association or cooperative;*

*(f) If a joint venture is applying for a medical marijuana establishment registration certificate, a natural person who signed the joint venture agreement; and*

*(g) If a business organization other than those described in paragraphs (b) to (f), inclusive, is applying for a medical marijuana establishment registration certificate, a natural person who is a member of the business organization.*

*2. For the purposes of this chapter and chapter 453A of NRS, the following persons must comply with the provisions governing owners, officers and board members of a medical marijuana establishment:*

*(a) If a corporation is applying for a medical marijuana establishment registration certificate, the officers of the corporation;*

*(b) If a partnership is applying for a medical marijuana establishment registration certificate, the partners;*

*(c) If a limited-liability company is applying for a medical marijuana establishment registration certificate, the members of the limited-liability company;*

*(d) If an association or cooperative is applying for a medical marijuana establishment registration certificate, the members of the association or cooperative;*

*(e) If a joint venture is applying for a medical marijuana establishment registration certificate, the natural persons who signed the joint venture agreement; and*

*(f) If a business organization other than those described in paragraphs (a) to (e), inclusive, is applying for a medical marijuana establishment registration certificate, the members of the business organization.*

*Sec. 24. 1. Except as otherwise required in subsection 2, the requirements of this chapter concerning owners of medical marijuana establishments only apply to a person with an aggregate ownership interest of 5 percent or more in a medical marijuana establishment.*

*2. If, in the judgment of the Division, the public interest will be served by requiring any owner with an ownership interest of less than 5 percent in a medical marijuana establishment to comply with any provisions of this chapter concerning owners of medical marijuana establishments, the Division will notify that owner and he or she must comply with those provisions.*

*Sec. 25. 1. Once each year, the Division will determine whether a sufficient number of medical marijuana establishments exist to serve the people of this State and, if the Division determines that additional medical marijuana establishments are necessary, the Division will issue a request for applications to operate a medical marijuana establishment. The Division will provide notice of a request for applications to operate a medical marijuana establishment by:*

*(a) Posting on the website of the Division that the Division is requesting applicants to submit their applications;*

*(b) Posting a copy of the request for applications at the principal office of the Division, the Legislative Building and at not less than three other separate, prominent places within this State; and*

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

2. *When the Division issues a request for applications pursuant to this section, the Division will include in the request the point values that will be allocated to each applicable portion of the application.*

3. *The Division will accept applications in response to a request for applications issued pursuant to this section for 10 business days beginning on the date which is 45 business days after the date on which the Division issued the request for applications.*

4. *If the Division receives an application in response to a request for applications issued pursuant to this section on a date other than the dates set forth in subsection 3, the Division must not consider the application and must return the application to the entity that submitted the application.*

**Sec. 26.** *An application submitted in response to a request for applications issued pursuant to section 25 of this regulation must include:*

1. *A one-time, nonrefundable application fee of \$5,000.*

2. *An application on a form prescribed by the Division pursuant to subsection 2 of NRS 453A.322. The application must include, without limitation:*

(a) *Whether the applicant is applying for a medical marijuana establishment registration certificate for an independent testing laboratory, a cultivation facility, a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary;*

(b) *The name of the proposed medical marijuana establishment, as reflected in the articles of incorporation or other documents filed with the Secretary of State;*

*(c) The type of business organization of the applicant, such as individual, corporation, partnership, limited-liability company, association or cooperative, joint venture or any other business organization;*

*(d) Confirmation that the applicant has registered with the Secretary of State as the appropriate type of business, and the articles of incorporation, articles of organization or partnership or joint venture documents of the applicant;*

*(e) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned or otherwise affiliated medical marijuana establishments;*

*(f) The mailing address of the applicant;*

*(g) The telephone number of the applicant;*

*(h) The electronic mail address of the applicant;*

*(i) If the applicant is applying for a medical marijuana establishment registration certificate to operate a medical marijuana dispensary, the proposed hours of operation during which the medical marijuana dispensary plans to be available to dispense medical marijuana to patients who hold valid registry identification cards or to the designated primary caregivers of such patients;*

*(j) An attestation that the information provided to the Division to apply for the medical marijuana establishment registration certificate is true and correct according to the information known by the affiant at the time of signing; and*

*(k) The signature of a natural person for the proposed medical marijuana establishment as described in subsection 1 of section 23 of this regulation and the date on which the person signed the application.*

*3. Documentation from a financial institution in this State, or any other state or the District of Columbia, which demonstrates:*

*(a) That the applicant has at least \$250,000 in liquid assets as required pursuant to subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322, which are unencumbered and can be converted within 30 days after a request to liquidate such assets; and*

*(b) The source of those liquid assets.*

*4. To assist the Division in considering the criterion of merit set forth in subsection 9 of NRS 453A.328, evidence of the amount of taxes paid to, or other beneficial financial contributions made to, this State or its political subdivisions within the last 5 years by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment.*

*5. A description of the proposed organizational structure of the proposed medical marijuana establishment, including, without limitation:*

*(a) An organizational chart showing all owners, officers and board members of the proposed medical marijuana establishment;*

*(b) A list of all owners, officers and board members of the proposed medical marijuana establishment that contains the following information for each person:*

*(1) The title of the person;*

*(2) A short description of the role the person will serve in for the organization and his or her responsibilities;*

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



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

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

*(6) Whether the person is an attending physician currently providing written documentation for the issuance of registry identification cards;*

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

*(8) Whether the person is currently an employee or contractor of the Division; and*

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

*6. For each owner, officer and board member of the proposed medical marijuana establishment:*

*(a) An attestation signed and dated by the owner, officer or board member that he or she has not been convicted of an excluded felony offense, and that the information provided to support the application to operate a medical marijuana establishment is true and correct;*

*(b) A narrative description, not to exceed 750 words, demonstrating:*

*(1) Past experience working with governmental agencies and highlighting past community involvement;*

*(2) Any previous experience at operating other businesses or nonprofit organizations;  
and*

*(3) Any demonstrated knowledge or expertise with respect to the compassionate use of marijuana to treat medical conditions; and*

*(c) A resume.*

*7. To assist the Division in considering the criterion of merit set forth in subsection 7 of NRS 453A.328, documentation concerning the adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana, including, without limitation, building and construction plans with supporting details.*

*8. To assist the Division in considering the criterion of merit set forth in subsection 8 of NRS 453A.328, the integrated plan of the proposed medical marijuana establishment for the care, quality and safekeeping of medical marijuana from seed to sale, including, without limitation, a plan for testing and verifying medical marijuana, a transportation plan and procedures to ensure adequate security measures, including, without limitation, building security and product security.*

*9. A plan for the business which includes, without limitation, a description of the inventory control system of the proposed medical marijuana establishment to satisfy the requirements of sub-subparagraph (II) of subparagraph (3) of paragraph (a) of subsection 3 of NRS 453A.322.*

*10. To assist the Division in considering the criterion of merit set forth in subsection 1 of NRS 453A.328, a financial plan which includes, without limitation:*

*(a) Financial statements showing the resources of the applicant;*

*(b) If the applicant is relying on money from an owner, officer or board member, evidence that the person has unconditionally committed such money to the use of the applicant in the event the Division awards a medical marijuana establishment registration certificate to the*

*applicant and the applicant obtains the necessary approvals from local governments to operate the proposed medical marijuana establishment; and*

*(c) Proof that the applicant has adequate money to cover all expenses and costs of the first year of operation.*

*11. Evidence that the applicant has a plan to staff, educate and manage the proposed medical marijuana establishment on a daily basis, which must include, without limitation:*

*(a) A detailed budget for the proposed medical marijuana establishment, including pre-opening, construction and first year operating expenses;*

*(b) An operations manual that demonstrates compliance with this chapter;*

*(c) An education plan which must include, without limitation, providing educational materials to the staff of the proposed medical marijuana establishment; and*

*(d) A plan to minimize the environmental impact of the proposed medical marijuana establishment.*

*12. To assist the Division in considering the criteria of merit set forth in subsections 6 and 7 of NRS 453A.328, a proposal demonstrating:*

*(a) The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located; and*

*(b) The manner in which the proposed medical marijuana establishment will meet the needs of the persons who are authorized to engage in the medical use of marijuana.*

*13. If a local government in which a proposed medical marijuana establishment will be located has not enacted zoning restrictions or the applicant is not required to secure approval that the applicant is in compliance with any such restrictions, a professionally prepared survey*

*which demonstrates that the applicant has satisfied all the requirements of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322.*

*14. A response to and information which supports any other criteria of merit the Division determines to be relevant, which will be specified and requested by the Division at the time the Division issues a request for applications which includes the point values that will be allocated to the applicable portions of the application pursuant to subsection 2 of section 25 of this regulation.*

*Sec. 27. For the purposes of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322, the distance must be measured from the front door of the proposed medical marijuana establishment to the closest point of the property line of a school or community facility.*

*Sec. 28. 1. If, within 10 business days after the date on which the Division begins accepting applications in response to a request for applications issued pursuant to section 25 of this regulation, the Division receives more than one application and the Division determines that more than one of the applications is complete and in compliance with this chapter and chapter 453A of NRS, the Division will rank the applications, within each applicable local governmental jurisdiction for any applicants which are in a jurisdiction that limits the number of a type of medical marijuana establishment and statewide for each applicant which is in a jurisdiction that does not specify a limit, in order from first to last based on compliance with the provisions of this chapter and chapter 453A of NRS and on the content of the applications as it relates to:*

*(a) The ownership or authorized use of property as required by sub-subparagraph (IV) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322;*

*(b) Documentation of liquid assets as required by sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322;*

*(c) Evidence of taxes paid and other beneficial financial contributions as described in subsection 9 of NRS 453A.328; and*

*(d) The description of the proposed organizational structure of the proposed medical marijuana establishment and information concerning each owner, officer and board member of the proposed medical marijuana establishment, including, without limitation, the information provided pursuant to subsections 5 and 6 of section 26 of this regulation.*

*2. The Division will not further evaluate an application that does not demonstrate a sufficient response to the criteria set forth in subsection 1 and will not issue a medical marijuana establishment registration certificate to that applicant.*

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

**Sec. 29. 1.** *Except as otherwise provided in this section, the Division will issue provisional medical marijuana establishment registration certificates in accordance with subsection 3 of NRS 453A.326 and section 31 of this regulation to the highest ranked*

*applicants until the Division has issued the number of medical marijuana establishment registration certificates designated by the Division.*

*2. If two or more applicants have the same total number of points for the last application being awarded a provisional medical marijuana establishment registration certificate, the Division will select the applicant which has scored the highest number of points as it relates to the proposed organizational structure of the proposed medical marijuana establishment and the information concerning each owner, officer and board member of the proposed medical marijuana establishment, including, without limitation, the information provided pursuant to subsections 5 and 6 of section 26 of this regulation.*

**Sec. 30.** *If, within 10 business days after the date on which the Division begins accepting applications in response to a request for applications issued pursuant to section 25 of this regulation, the Division receives only one application from an applicant:*

*1. In a specific local governmental jurisdiction which limits the number of a type of medical marijuana establishment to one; or*

*2. Statewide, if the applicant is in a jurisdiction which does not limit the number of a type of medical marijuana establishment,*

*↪ and the Division determines that the application is complete and in compliance with this chapter and chapter 453A of NRS, the Division will issue a provisional medical marijuana establishment registration certificate to that applicant in accordance with subsection 3 of NRS 453A.326 and section 31 of this regulation.*

**Sec. 31.** *1. Except as otherwise provided in subsection 2, the issuance of a medical marijuana establishment registration certificate by the Division is provisional and not an approval to begin operations as a medical marijuana establishment until such time as:*

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

*(b) The local government has issued a business license, or otherwise approved the applicant, for the operation of the medical marijuana establishment.*

*2. If the local government for a jurisdiction in which a medical marijuana establishment is located does not issue business licenses and does not approve or disapprove medical marijuana establishments in its jurisdiction, a medical marijuana establishment registration certificate becomes an approval to begin operations as a medical marijuana establishment when the medical marijuana establishment is in compliance with all applicable local governmental ordinances and rules.*

*Sec. 32. If the Division does not issue a medical marijuana establishment registration certificate to an applicant to operate a medical marijuana establishment, the Division must provide written notice to the applicant stating that the Division did not issue a medical marijuana establishment registration certificate to the applicant as a result of the provisions of sections 28 and 29 of this regulation.*

*Sec. 33. 1. The Division may, at any time it determines an inspection is needed, conduct an investigation into the premises, facilities, qualifications of personnel, methods of operation, policies and purposes of any medical marijuana establishment and of any person proposing to engage in the operation of a medical marijuana establishment. An inspection of a facility may include, without limitation, investigation of standards for safety from fire on behalf of the Division by the local fire protection agency. If a local fire protection agency is not available, the State Fire Marshal may conduct the inspection after the medical marijuana establishment pays the appropriate fee to the State Fire Marshal for such inspection.*

*2. The Division will not issue a medical marijuana establishment registration certificate until the Division completes an inspection of the medical marijuana establishment. Such an inspection may require more than one visit to the medical marijuana establishment.*

*3. In addition to complying with the provisions of chapter 372A of NRS and chapter 372A of NAC governing the imposition of an excise tax on medical marijuana establishments, a medical marijuana establishment may not operate until it has been issued a medical marijuana establishment registration certificate from the Division.*

*4. The Division will not issue a medical marijuana establishment registration certificate until it has received a satisfactory report of full compliance with and completion of all applicable public safety inspections required by state and local jurisdictions, including, without limitation, fire, building, health and air quality inspections, except as otherwise provided in subsection 3 of section 63 of this regulation.*

**Sec. 34.** *1. If a medical marijuana establishment is not fully operational within 18 months after the date on which the Division issued the medical marijuana establishment registration certificate, the Division may revoke the medical marijuana establishment registration certificate. If the Division revokes a medical marijuana establishment registration certificate pursuant to this subsection, the applicable annual renewal fee paid by the establishment is not refundable.*

*2. If the Division revokes the medical marijuana establishment registration certificate of a medical marijuana establishment pursuant to subsection 1, the medical marijuana establishment may not reapply for a medical marijuana establishment registration certificate until at least 12 months after the date on which the previous medical marijuana establishment registration certificate was revoked.*



*Sec. 35. 1. A medical marijuana establishment must surrender its medical marijuana establishment registration certificate and reapply for a medical marijuana establishment registration certificate during the next request for applications issued by the Division pursuant to section 25 of this regulation:*

*(a) Before all or substantially all of the assets of the medical marijuana establishment or 10 percent or more of the stock of the medical marijuana establishment are transferred; or*

*(b) Except as otherwise provided in this section, any time there is a change in the location of the medical marijuana establishment if:*

*(1) It is a material change that requires the medical marijuana establishment to go through an approval process by a local governmental entity; or*

*(2) The new location is more than 5 miles from its original approved location.*

*2. A medical marijuana establishment may change the location of the medical marijuana establishment to a new location that is 5 miles or less from its original approved location if:*

*(a) It provides to the Division before it changes location:*

*(1) Written justification for the need to change the location; and*

*(2) Land use approval for the new location from the local government, if applicable;*

*and*

*(b) The Division determines that the written justification is sufficient to justify the change in location.*

*3. A medical marijuana establishment may change the location of the medical marijuana establishment to a new location if the local government in which the medical marijuana establishment is located enacts zoning restrictions which prohibit the location of the medical*

*marijuana establishment after the Division has issued a medical marijuana establishment registration certificate to the medical marijuana establishment.*

*4. If a medical marijuana establishment is closing, the manager of the medical marijuana establishment must notify the Division of the closing at least 15 days before the medical marijuana establishment is closed and the medical marijuana establishment must surrender its medical marijuana establishment registration certificate to the Division immediately upon closing.*

*5. If, after investigation, the Division determines that there is cause to believe that a medical marijuana establishment has made changes in ownership or other changes to circumvent the provisions of NRS 453A.334 which prevent the transfer of a medical marijuana establishment registration certificate, the Division will take action to revoke the medical marijuana establishment registration certificate of that medical marijuana establishment.*

*6. A medical marijuana establishment is responsible to the Division for all costs incurred by the Division to determine whether any changes in ownership or other changes were made to circumvent the provisions of NRS 453A.334 which prevent the transfer of a medical marijuana establishment registration certificate.*

*Sec. 36. In addition to the information required to be submitted to the Division pursuant to subsection 5 of NRS 453A.322, a person or entity that wishes to renew a medical marijuana establishment registration certificate must submit to the Division:*

*1. An application in the format prescribed by the Division that includes:*

*(a) The identification number of the medical marijuana establishment;*

*(b) The name of the entity applying to renew the medical marijuana establishment registration certificate, as reflected in the articles of incorporation or other documents filed with the Secretary of State;*

*(c) The name of the person designated to submit applications for medical marijuana establishment agent registration cards on behalf of the medical marijuana establishment pursuant to subsection 2 of NRS 453A.332;*

*(d) If the medical marijuana establishment is a medical marijuana dispensary, the proposed hours of operation during which the medical marijuana dispensary plans to be available to dispense medical marijuana to patients who hold valid registry identification cards or to the designated primary caregivers of such patients;*

*(e) The number of the medical marijuana establishment agent registration cards issued to each owner, officer or board member of the medical marijuana establishment;*

*(f) For each owner, officer and board member of the medical marijuana establishment, whether the owner, officer or board member:*

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

*(2) Is an attending physician currently providing written documentation for the issuance of registry identification cards;*

*(3) Is a law enforcement officer;*

*(4) Is an employee or contractor of the Division; or*

*(5) Has an ownership or financial investment interest in any other medical marijuana establishment;*

*(g) An attestation that the information provided to the Division to renew the medical marijuana establishment registration certificate is true and correct according to the information known by the affiant at the time of signing; and*

*(h) The signature of a natural person for the medical marijuana establishment as described in subsection 1 of section 23 of this regulation and the date on which he or she signed the application.*

*2. A copy of an annual financial statement of the medical marijuana establishment for the previous year, or for the portion of the previous year during which the medical marijuana establishment was operational, which is prepared according to generally accepted accounting principles.*

*3. A report of an audit by an independent certified public accountant of the annual financial statement submitted pursuant to subsection 2.*

*Sec. 37. 1. Submission of an application for a medical marijuana establishment registration certificate constitutes permission for entry to and reasonable inspection of the medical marijuana establishment by the Division, with or without notice. An inspector conducting an inspection pursuant to this section does not need to be accompanied during the inspection.*

*2. The Division may, upon receipt of a complaint against a medical marijuana establishment, except for a complaint concerning the cost of services, a complaint concerning the efficacy of medical marijuana or a complaint related to customer service issues, conduct an investigation during the operating hours of the medical marijuana establishment, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation,*

*policies, procedures and records of that medical marijuana establishment or any other medical marijuana establishment which may have information pertinent to the complaint.*

*3. The Division may enter and inspect any building or premises at any time, with or without notice, to:*

- (a) Secure compliance with any provision of this chapter or chapter 453A of NRS;*
- (b) Prevent a violation of any provision of this chapter or chapter 453A of NRS; or*
- (c) Conduct an unannounced inspection of a medical marijuana establishment in response to an allegation of noncompliance with this chapter or chapter 453A of NRS.*

*4. The Division will enter and inspect at least annually, with or without notice, each building or the premises of a medical marijuana establishment to ensure compliance with the standards for health and sanitation.*

*5. The Division will enter and inspect, with or without notice, any building or premises operated by a medical marijuana establishment within 72 hours after the Division is notified that the medical marijuana establishment is operating without a medical marijuana establishment registration certificate.*

**Sec. 38. 1.** *If the Division determines that there are any deficiencies in the operation of a medical marijuana establishment or in the provision of services by a medical marijuana establishment, the Division may suspend its medical marijuana establishment registration certificate and request a written plan of correction from the medical marijuana establishment.*

*2. A medical marijuana establishment whose medical marijuana establishment registration certificate has been suspended pursuant to subsection 1 shall develop a plan of correction for each deficiency and submit the plan to the Division for approval within 10 business days after receipt of the statement of deficiencies. The plan of correction must*

*include specific requirements for corrective action, which must include times within which the deficiencies are to be corrected.*

*3. If the plan submitted pursuant to subsection 2 is not acceptable to the Division, the Division may direct the medical marijuana establishment to resubmit a plan of correction or the Division may develop a directed plan of correction with which the medical marijuana establishment must comply.*

**Sec. 39. 1.** *The Division will deny an application for or an application to renew a medical marijuana establishment registration certificate if:*

*(a) The application or the medical marijuana establishment is not in compliance with any provision of this chapter or chapter 453A of NRS; or*

*(b) An owner, officer or board member of the medical marijuana establishment:*

*(1) Is an employee or contractor of the Division;*

*(2) Has an ownership or financial investment interest in an independent testing laboratory and also is an owner, officer or board member of a medical marijuana dispensary, cultivation facility or facility for the production of edible marijuana products or marijuana-infused products; or*

*(3) Provides false or misleading information to the Division.*

**2.** *The Division will revoke a medical marijuana establishment registration certificate if:*

*(a) The medical marijuana establishment engages in an activity set forth in NRS 453A.340;*

*(b) An owner, officer or board member of the establishment has been convicted of an excluded felony offense; or*

*(c) The Division receives formal notice from the applicable local government that the medical marijuana establishment has had its authorization to operate terminated.*

*3. The Division may deny an application for or an application to renew a medical marijuana establishment registration certificate or may suspend or revoke any medical marijuana establishment registration certificate issued under the provisions of this chapter and chapter 453A of NRS upon any of the following grounds:*

*(a) Violation by the applicant or the medical marijuana establishment of any of the provisions of this chapter or chapter 453A of NRS.*

*(b) The failure or refusal of an applicant or medical marijuana establishment to comply with any of the provisions of this chapter or chapter 453A of NRS.*

*(c) The failure or refusal of a medical marijuana establishment to carry out the policies and procedures or comply with the statements provided to the Division in the application of the medical marijuana establishment.*

*(d) Operating a medical marijuana establishment without a medical marijuana establishment registration certificate.*

*(e) The failure or refusal to return an adequate plan of correction to the Division within 10 days after receipt of a statement of deficiencies pursuant to section 38 of this regulation.*

*(f) The failure or refusal to correct any deficiency specified by the Division within the period specified in a plan of correction developed pursuant to section 38 of this regulation.*

*(g) The failure or refusal to cooperate fully with an investigation or inspection by the Division.*

*(h) The failure to comply with the provisions of chapter 372A of NRS and chapter 372A of NAC governing the imposition of an excise tax on medical marijuana establishments.*

*4. If the Division denies an application for or an application to renew a medical marijuana establishment registration certificate or revokes a medical marijuana establishment registration certificate, the Division must provide notice to the applicant or medical marijuana establishment that includes, without limitation, the specific reasons for the denial or revocation.*

*5. Before denying an application for or an application to renew a medical marijuana establishment registration certificate or revoking a medical marijuana establishment registration certificate as a result of the actions of an owner, officer or board member of the medical marijuana establishment pursuant to paragraph (b) of subsection 1 or paragraph (b) of subsection 2, the Division may provide the medical marijuana establishment with an opportunity to correct the situation.*

*6. The Division will not deny an application to renew a medical marijuana establishment registration certificate or revoke a medical marijuana establishment registration certificate based on a change in ownership of the medical marijuana establishment if the medical marijuana establishment is in compliance with the provisions of this chapter and chapter 453A of NRS.*

*Sec. 40. To obtain or renew a medical marijuana establishment agent registration card pursuant to NRS 453A.332, for a person employed by or contracted with a medical marijuana establishment or a person who volunteers at a medical marijuana establishment other than a consultant who performs professional services for the medical marijuana establishment, the medical marijuana establishment shall, in addition to the information required to be submitted to the Division pursuant to NRS 453A.332, submit to the Division:*



1. *A copy of any valid government-issued identification card of the person which includes a photograph of the person.*
2. *The name and identification number of the medical marijuana establishment.*
3. *The signature of the natural person designated to submit applications for medical marijuana establishment agent registration cards on behalf of the medical marijuana establishment pursuant to subsection 2 of NRS 453A.332 and the date of that signature.*
4. *An attestation signed and dated by the person that the person has not been convicted of an excluded felony offense.*
5. *Either:*
  - (a) *A statement that the person does not currently hold a valid medical marijuana establishment agent registration card; or*
  - (b) *The number of the person's current medical marijuana establishment agent registration card.*
6. *A current photograph of the person.*
7. *If fingerprints were submitted pursuant to subsection 5 of NRS 453A.332 to the Division as part of an application for a medical marijuana establishment agent registration card for another medical marijuana establishment within the 6 months immediately preceding the date of the application, the number of the medical marijuana establishment agent card issued to the person as a result of the application.*

**Sec. 41. 1.** *The Division will issue medical marijuana establishment agent registration cards for each of the following categories:*

- (a) *An independent testing laboratory;*
- (b) *A cultivation facility;*

*(c) A facility for the production of edible marijuana products or marijuana-infused products; or*

*(d) A medical marijuana dispensary.*

*2. Each medical marijuana establishment agent registration card issued pursuant to NRS 453A.332 must indicate the applicable category. The person to whom the medical marijuana establishment registration card is issued may only be employed by or volunteer at the type of medical marijuana establishment for which he or she is registered.*

*3. A medical marijuana establishment shall ensure that training is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the medical marijuana establishment. Such training must include, without limitation:*

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

*(b) Procedures and instructions for responding to an emergency; and*

*(c) State and federal statutes and regulations regarding confidentiality of information related to the medical use of marijuana.*

*4. In addition to the training set forth in subsection 3, a medical marijuana dispensary shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the medical marijuana dispensary. Such instruction must include, without limitation:*

*(a) The different strains of marijuana;*

*(b) The different methods of using marijuana, edible marijuana products and marijuana-infused products; and*

*(c) Learning to recognize signs of medicine abuse or instability in the medical use of marijuana by a patient.*

*5. In addition to the training set forth in subsection 3, an independent testing laboratory shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the independent testing laboratory. Such instruction must include, without limitation:*

*(a) The good laboratory practices adopted by the independent testing laboratory; and*

*(b) The standard operating procedures and the quality control and quality assurance programs of the independent testing laboratory.*

*6. In addition to the training set forth in subsection 3, a cultivation facility shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the cultivation facility. Such instruction must include, without limitation:*

*(a) The methods of cultivation used by the cultivation facility;*

*(b) The methods of fertilization used by the cultivation facility;*

*(c) Methods for recognizing the signs of insect infestation, pathogens and disease in marijuana plants, and the procedures for eradication and the safe disposal of plants so affected;*

*(d) The nutritional requirements of marijuana plants at various growth stages, including, without limitation, proper mixing and dispersal of fertilizer, flushing procedures and procedures for postharvest trimming, drying and curing; and*

*(e) The safe handling of equipment, including, without limitation, high-intensity discharge lamps, electrical ballasts, pumps, fans, cutting implements and other equipment for cultivation.*

*7. In addition to the training set forth in subsection 3, a facility for the production of edible marijuana products or marijuana-infused products shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the facility for the production of edible marijuana products or marijuana-infused products. Such instruction must include, without limitation:*

*(a) Understanding the difference between topical products, edible marijuana products and marijuana-infused products, as applicable to the operations of the facility for the production of edible marijuana products or marijuana-infused products;*

*(b) The procedures used by the facility for the production of edible marijuana products or marijuana-infused products to create edible marijuana products or marijuana-infused products; and*

*(c) The proper procedures for handling edible marijuana products or marijuana-infused products, including, without limitation, the procedures used to prepare, produce, package and store such products as required by the provisions of this chapter and chapter 453A of NRS.*

**Sec. 42.** *An applicant submitting an application for a medical marijuana establishment agent registration card pursuant to NRS 453A.332 or renewing, amending, changing or replacing a medical marijuana establishment agent registration card shall submit the application electronically in the format prescribed by the Division.*

*Sec. 43. To make a change to the name or address on a medical marijuana establishment agent registration card, the medical marijuana establishment agent must submit to the Division a request for the change, which must include:*

*1. The name on and the number of the current medical marijuana establishment agent registration card of the cardholder;*

*2. The new name or address of the cardholder;*

*3. The effective date of the new name or address of the cardholder;*

*4. For a change of the address of the cardholder, the county and state in which the new address is located; and*

*5. For a change of the name of the cardholder, a copy of any valid government-issued identification card of the cardholder which includes a photograph of the person and the new name and address of the cardholder.*

*Sec. 44. To request a replacement medical marijuana establishment agent registration card that has been lost, stolen or destroyed, the medical marijuana establishment agent shall submit to the Division, within 3 working days after the card was lost, stolen or destroyed, a request for a replacement card which must include:*

*1. The name and date of birth of the cardholder;*

*2. If known, the number of the lost, stolen or destroyed medical marijuana establishment agent registration card; and*

*3. If the cardholder cannot provide the number of the lost, stolen or destroyed medical marijuana establishment agent registration card, a copy of:*

*(a) Any valid government-issued identification card of the cardholder which includes a photograph of the person; or*

*(b) A medical marijuana establishment agent registration card previously issued to the person.*

*Sec. 45. If the Division issues a medical marijuana establishment agent registration card based on a request pursuant to section 43 or 44 of this regulation, the new medical marijuana establishment agent registration card must have the same expiration date as the medical marijuana establishment registration agent card being changed or replaced.*

*Sec. 46. 1. The Division will provide written notice to a medical marijuana establishment agent that his or her medical marijuana establishment agent registration card is void and no longer valid when:*

*(a) The medical marijuana establishment registration certificate listed on the medical marijuana establishment agent registration card of the cardholder is no longer valid; or*

*(b) The Division receives the written notice required by subsection 3 of NRS 453A.332 or subsection 3 or 4 of section 55 of this regulation that the medical marijuana establishment agent:*

*(1) No longer serves as an owner, officer or board member of the medical marijuana establishment;*

*(2) Is no longer employed by or contracted with the medical marijuana establishment;*  
*or*

*(3) No longer volunteers at the medical marijuana establishment.*

*2. Written notice provided by the Division pursuant to this section is not a revocation and is not considered a final decision of the Division subject to administrative review.*

*Sec. 47. 1. The Division will deny an application for or an application to renew a medical marijuana establishment agent registration card if the applicant:*

*(a) Does not meet the requirements set forth in NRS 453A.332; or*

*(b) Previously had a medical marijuana establishment agent registration card revoked.*

*2. The Division may deny an application for or an application to renew a medical marijuana establishment agent registration card if the applicant provides false or misleading information to the Division.*

*3. The Division will revoke a medical marijuana establishment agent registration card if the medical marijuana establishment agent:*

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

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

*(c) Engages in an activity set forth in NRS 453A.342.*

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

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

**Sec. 48. 1. A violation of any of the provisions of sections 23 to 138, inclusive, of this regulation is grounds for disciplinary action by the Division, including, without limitation,**

*immediate revocation of a medical marijuana establishment registration certificate pursuant to subsection 3 of NRS 453A.340.*

*2. A violation of any of the provisions of sections 23 to 138, inclusive, of this regulation is grounds for disciplinary action by the Division, including, without limitation, immediate revocation of a medical marijuana establishment agent registration card pursuant to subsection 3 of NRS 453A.342.*

**Sec. 49. 1. Except as otherwise provided in subsection 2 of NRS 453A.344, the Division will charge and collect the following fees:**

<i>For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....</i>	<i>\$30,000</i>
<i>For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary .....</i>	<i>5,000</i>
<i>For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility.....</i>	<i>3,000</i>
<i>For the renewal of a medical marijuana establishment registration certificate for a cultivation facility .....</i>	<i>1,000</i>
<i>For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....</i>	<i>3,000</i>
<i>For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....</i>	<i>1,000</i>



*For the initial issuance of a medical marijuana establishment agent registration card.....75*

*For the renewal of a medical marijuana establishment agent registration card.....75*

*For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory .....5,000*

*For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory.....3,000*

*2. For the ongoing activities of the Division relating to the inspection of medical marijuana establishments, not related to processing an application by a medical marijuana establishment, the Division will collect an assessment from each medical marijuana establishment for the time and effort attributed to the oversight of the medical marijuana establishment that is based upon the hourly rate established for each inspector or auditor of medical marijuana establishments as determined by the budget of the Division.*

*Sec. 50. A medical marijuana establishment shall post its medical marijuana establishment registration certificate, business license and any other authorization to conduct business in a conspicuous place within the medical marijuana establishment.*

*Sec. 51. A medical marijuana establishment shall not use:*

*1. A name or logo unless the name or logo has been approved by the Administrator of the Division; or*

*2. Any sign or advertisement unless the sign or advertisement has been approved by the Administrator of the Division.*

*Sec. 52. A medical marijuana establishment shall not sell a lot of usable marijuana, edible marijuana products or marijuana-infused products until all required quality assurance testing has been completed.*

*Sec. 53. 1. Except as otherwise provided in this section, the only persons who may be on the premises of a medical marijuana establishment are:*

*(a) A medical marijuana establishment agent;*

*(b) A patient who holds a valid registry identification card;*

*(c) The designated primary caregiver of a patient who holds a valid registry identification card; or*

*(d) A person inspecting the medical marijuana establishment pursuant to section 33 or 37 of this regulation.*

*2. Any person other than those authorized to be on the premises of a medical marijuana establishment pursuant to subsection 1 must obtain a visitor identification badge from a medical marijuana establishment agent before entering the premises of the medical marijuana establishment.*

*3. A person who obtains a visitor identification badge pursuant to subsection 2, including, without limitation, an outside vendor or contractor:*

*(a) Must be escorted and monitored by a medical marijuana establishment agent at all times he or she is on the premises of the medical marijuana establishment;*

*(b) Must visibly display his or her visitor identification badge at all times he or she is on the premises of the medical marijuana establishment; and*

*(c) Must return the visitor identification badge to a medical marijuana establishment agent upon leaving the premises of the medical marijuana establishment.*

*4. Each medical marijuana establishment shall maintain a visitor log which includes the name of the visitor and the date, time and purpose of each visit by a person other than those authorized to be on the premises of the medical marijuana establishment pursuant to subsection 1. The medical marijuana establishment shall make its visitor log available to the Division upon request.*

*5. Each regular, seasonal or temporary employee of or volunteer at a medical marijuana establishment must obtain a medical marijuana establishment agent registration card pursuant to the provisions of this chapter and chapter 453A of NRS and may not be authorized to be on the premises of the medical marijuana establishment by obtaining a visitor identification badge pursuant to the provisions of this section.*

**Sec. 54.** *A medical marijuana establishment shall:*

*1. Develop, document and implement policies and procedures regarding:*

*(a) Job descriptions and employment contracts, including, without limitation:*

*(1) The duties, authority, responsibilities and qualifications of personnel;*

*(2) Supervision of personnel;*

*(3) Training in and adherence to confidentiality requirements;*

*(4) Periodic performance evaluations; and*

*(5) Disciplinary actions.*

*(b) Business records, such as manual or computerized records of assets and liabilities, monetary transactions, journals, ledgers and supporting documents, including, without limitation, agreements, checks, invoices and vouchers.*

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

*(1) Tracking;*

*(2) Packaging;*

*(3) Accepting marijuana from patients who hold valid registry identification cards and from their designated primary caregivers;*

*(4) Acquiring marijuana from other medical marijuana establishments; and*

*(5) Disposing of unusable marijuana.*

*(d) Records of patients who hold valid registry identification cards, including, without limitation, purchases, denials of sale, any delivery options, confidentiality and retention.*

*(e) Patient education and support, including, without limitation:*

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

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

*(3) Prohibition on the smoking of marijuana in public places, places open to the public and places exposed to public view.*

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

**Sec. 55.** *A medical marijuana establishment shall:*

*1. Ensure that each medical marijuana establishment agent has his or her medical marijuana establishment agent registration card in his or her immediate possession when the medical marijuana establishment agent:*

*(a) Is employed by or volunteering at the medical marijuana establishment; or*

*(b) Is transporting marijuana, edible marijuana products or marijuana-infused products for the medical marijuana establishment.*

*2. Not allow a person who does not possess a medical marijuana establishment agent registration card issued under the medical marijuana establishment registration certificate to:*

*(a) Serve as an officer or board member for the medical marijuana establishment;*

*(b) Be employed by or have a contract to provide services for the medical marijuana establishment; or*

*(c) Volunteer at or on behalf of the medical marijuana establishment.*

*3. Provide written notice to the Division, including the date of the event, within 10 working days after the date on which a medical marijuana establishment agent no longer:*

*(a) Serves as an officer or board member for the medical marijuana establishment;*

*(b) Is employed by or has a contract to provide services for the medical marijuana establishment; or*

*(c) Volunteers at or on behalf of the medical marijuana establishment.*

*4. Provide written notice to the Division, including the date of the event, within 10 days after the date on which an owner, officer or board member ceases to serve in that capacity at the medical marijuana establishment.*

**Sec. 56.** *Before a medical marijuana establishment agent dispenses medical marijuana to the holder of a valid registry identification card or the designated primary caretaker of such a person, the medical marijuana establishment agent shall:*

*1. Verify the identity of the holder of the registry identification card or the designated primary caregiver;*

*2. Offer any appropriate patient education or support materials;*

3. *Verify the validity of the registry identification card of the patient or the designated primary caretaker;*

4. *Verify that the amount of medical marijuana the patient or the designated primary caregiver is requesting would not cause the patient to exceed the limit on obtaining no more than 2 1/2 ounces of medical marijuana during any one 14-day period as set forth in NRS 453A.200 or the limit on obtaining edible marijuana products and marijuana-infused products set forth in section 130 of this regulation; and*

5. *Enter the following information into the electronic verification system:*

(a) *The name and number of the registry identification card of the patient or the name of the designated primary caregiver of the patient;*

(b) *The amount of medical marijuana dispensed;*

(c) *Whether the medical marijuana was dispensed to the patient or to the designated primary caregiver of the patient;*

(d) *The date and time at which the medical marijuana was dispensed;*

(e) *The number of the medical marijuana establishment agent registration card of the medical marijuana establishment agent; and*

(f) *The number of the medical marijuana establishment registration certificate of the medical marijuana establishment.*

**Sec. 57. 1.** *Each medical marijuana establishment shall designate in writing a medical marijuana establishment agent who has oversight of the inventory control system of the medical marijuana establishment.*

2. *A medical marijuana establishment shall only acquire marijuana, edible marijuana products or marijuana-infused products from:*

*(a) Another medical marijuana establishment, including, without limitation, a cultivation facility and a facility for the production of edible marijuana products or marijuana-infused products, except that a medical marijuana dispensary may not purchase marijuana from another medical marijuana dispensary; or*

*(b) A person who holds a valid registry identification card or his or her designated primary caregiver in the manner set forth in subsection 5 of NRS 453A.352.*

*3. Each medical marijuana establishment shall establish and implement an inventory control system that documents:*

*(a) Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana and ending inventory.*

*(b) When acquiring medical marijuana from a person who holds a valid registry identification card or his or her designated primary caregiver:*

*(1) A description of the medical marijuana acquired, including the amount and strain as specified by the cardholder or caregiver, if known;*

*(2) The name and number of the valid registry identification card of the person who provided the medical marijuana or, if provided by a designated primary caregiver, his or her name;*

*(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana dispensary; and*

*(4) The date of acquisition.*

*(c) When acquiring medical marijuana from another medical marijuana establishment:*

*(1) A description of the medical marijuana acquired, including the amount, strain and batch number;*

*(2) The name and identification number of the medical marijuana establishment registration certificate of the medical marijuana establishment providing the medical marijuana;*

*(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the medical marijuana;*

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

*(5) The date of acquisition.*

*(d) For each batch of marijuana cultivated:*

*(1) The batch number.*

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

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

*(4) The number of marijuana seeds or marijuana cuttings planted.*

*(5) The date on which the marijuana seeds or cuttings were planted.*

*(6) A list of all chemical additives used in the cultivation, including, without limitation, nonorganic pesticides, herbicides and fertilizers.*

*(7) The number of marijuana plants grown to maturity.*

*(8) Harvest information, including, without limitation:*

*(I) The date of harvest;*

*(II) The final yield weight of processed usable marijuana; and*



*(III) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the harvest.*

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

*(I) A description of and reason for the marijuana being disposed of, including, if applicable, the number of failed or other unusable marijuana plants;*

*(II) The date of disposal;*

*(III) Confirmation that the marijuana was rendered unusable before disposal;*

*(IV) The method of disposal; and*

*(V) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the disposal.*

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

*(1) The amount, strain and batch number of medical marijuana provided to the medical marijuana establishment;*

*(2) The name and medical marijuana establishment registration certificate number of the other medical marijuana establishment;*

*(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent who received the medical marijuana on behalf of the other medical marijuana establishment; and*

*(4) The date on which the medical marijuana was provided to the medical marijuana establishment.*

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

*(1) A description of the edible marijuana products received from the medical marijuana establishment, including the total weight of each edible marijuana product and the estimated amount and batch number of the marijuana in each edible marijuana product.*

*(2) The total estimated amount and batch number of marijuana in the edible marijuana products.*

*(3) The name and:*

*(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the edible marijuana products to the receiving medical marijuana establishment;*

*(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the edible marijuana products to the receiving medical marijuana establishment; and*

*(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the edible marijuana products on behalf of the receiving medical marijuana establishment.*

*(4) The date on which the edible marijuana products were provided to the medical marijuana establishment.*

*(g) When receiving marijuana-infused products from another medical marijuana establishment:*

*(1) A description of the marijuana-infused products received from the medical marijuana establishment, including the total weight of each marijuana-infused product and the estimated amount and batch number of the marijuana infused in each marijuana-infused product.*

*(2) The total estimated amount and batch number of marijuana infused in the marijuana-infused products.*

*(3) The name and:*

*(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the marijuana-infused products to the receiving medical marijuana establishment;*

*(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the marijuana-infused products to the receiving medical marijuana establishment; and*

*(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the marijuana-infused products on behalf of the receiving medical marijuana establishment.*

*(4) The date on which the marijuana-infused products were provided to the medical marijuana establishment.*

*4. Each medical marijuana establishment shall:*

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

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

*(c) Provide for quarterly physical inventory counts to be performed by persons independent of the manufacturing process which are reconciled to the perpetual inventory records.*

*Significant variances are to be documented, investigated by management personnel and immediately reported to the Division.*

*5. If a medical marijuana establishment identifies a reduction in the amount of medical marijuana in the inventory of the medical marijuana establishment not due to documented causes, the medical marijuana establishment shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of medical marijuana in the inventory of the medical marijuana establishment is due to suspected criminal activity by a medical marijuana establishment agent, the medical marijuana establishment shall report the medical marijuana establishment agent to the Division and to the appropriate law enforcement agencies.*

*6. A medical marijuana establishment shall:*

*(a) Maintain the documentation required in subsections 3, 4 and 5 at the medical marijuana establishment for at least 5 years after the date on the document; and*

*(b) Provide the documentation required in subsections 3, 4 and 5 to the Division for review upon request.*

*Sec. 58. 1. A medical marijuana establishment agent authorized by the medical marijuana establishment for which he or she is employed or volunteers may transport marijuana, paraphernalia, edible marijuana products and marijuana-infused products between the medical marijuana establishment and:*

*(a) Another medical marijuana establishment; and*

*(b) A person who holds a valid registry identification card or his or her designated primary caregiver.*

*2. Not more than 10 ounces of marijuana, edible marijuana products or marijuana-infused products, or any combination thereof, may be transported at any one time from a medical marijuana establishment to persons who hold valid registry identification cards or their designated primary caregivers.*

*3. When transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products to a person who holds a valid registry identification card or his or her designated caregiver pursuant to subsection 1, a medical marijuana establishment agent must:*

*(a) Before transportation, confirm verbally with the patient or designated primary caregiver by telephone that the patient or designated primary caregiver ordered the marijuana, paraphernalia, edible marijuana products or marijuana-infused products and verify the identity of the patient;*

*(b) Enter the details of the confirmation obtained pursuant to paragraph (a) in a log which must be available for inspection by the appropriate law enforcement agency; and*

*(c) Secure a signature from the patient or designated primary caregiver when the items are delivered and may only leave the items with the patient or designated primary caregiver.*

*4. Before transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, a medical marijuana establishment agent must:*

*(a) Complete a trip plan that includes, without limitation:*

*(1) The name of the medical marijuana establishment agent in charge of the transportation;*

*(2) The date and start time of the trip;*

*(3) A description of the marijuana, paraphernalia, edible marijuana products and marijuana-infused products being transported; and*

*(4) The anticipated route of transportation.*

*(b) Provide a copy of the trip plan completed pursuant to paragraph (a) to the medical marijuana establishment for which he or she is providing the transportation.*

*5. During the transportation of marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, the medical marijuana establishment agent must:*

*(a) Carry a copy of the trip plan completed pursuant to paragraph (a) of subsection 4 with him or her for the duration of the trip;*

*(b) Have his or her medical marijuana establishment agent registration card in his or her immediate possession;*

*(c) Use a vehicle without any identification relating to marijuana and which is equipped with a secure lockbox or locking cargo area which must be used for the sanitary and secure transportation of marijuana, paraphernalia, edible marijuana products or marijuana-infused products;*

*(d) Have a means of communicating with the medical marijuana establishment for which he or she is providing the transportation; and*

*(e) Ensure that all marijuana, paraphernalia, edible marijuana products or marijuana-infused products are not visible.*

*6. After transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, a medical marijuana establishment agent must*

*enter the end time of the trip and any changes to the trip plan that was completed pursuant to paragraph (a) of subsection 4.*

*7. Each medical marijuana establishment agent transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, must:*

*(a) Report any vehicle accident that occurs during the transportation to a person designated by the medical marijuana establishment to receive such reports within 2 hours after the accident occurs; and*

*(b) Report any loss or theft of marijuana, paraphernalia, edible marijuana products or marijuana-infused products that occurs during the transportation to a person designated by the medical marijuana establishment to receive such reports immediately after the medical marijuana establishment agent becomes aware of the loss or theft. A medical marijuana establishment that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency and to the Division as required by section 59 of this regulation.*

*8. A medical marijuana establishment shall:*

*(a) Maintain the documents required in paragraph (a) of subsection 4 and subsections 6 and 7; and*

*(b) Provide a copy of the documents required in paragraph (a) of subsection 4 and subsections 6 and 7 to the Division for review upon request.*

*9. Each medical marijuana establishment shall maintain a log of all reports received pursuant to subsection 7.*

**Sec. 59.** *A medical marijuana establishment shall:*

- 1. Document and report any loss or theft of medical marijuana from the medical marijuana establishment to the appropriate law enforcement agency and to the Division; and*
- 2. Maintain copies of any documentation required pursuant to this chapter and chapter 453A of NRS for at least 5 years after the date on the documentation and provide copies of the documentation to the Division for review upon request.*

*Sec. 60. To prevent unauthorized access to medical marijuana at a medical marijuana establishment, the medical marijuana establishment must have:*

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

*(a) Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic device;*

*(b) Exterior lighting to facilitate surveillance;*

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

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

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

*(3) Video cameras with a recording resolution of at least 704 x 480 or the equivalent which provide coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building and which are capable of identifying any activity occurring in or adjacent to the building;*



*(4) A video camera at each point-of-sale location which allows for the identification of any person who holds a valid registry identification card or his or her designated primary caregiver purchasing medical marijuana;*

*(5) A video camera in each grow room which is capable of identifying any activity occurring within the grow room in low light conditions;*

*(6) A method for storing video recordings from the video cameras for at least 30 calendar days;*

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

*(8) Sufficient battery backup for video cameras and recording equipment to support at least 5 minutes of recording in the event of a power outage; and*

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

*2. Policies and procedures:*

*(a) That restrict access to the areas of the medical marijuana establishment that contain medical marijuana to persons authorized to be in those areas only;*

*(b) That provide for the identification of persons authorized to be in the areas of the establishment that contain medical marijuana;*

*(c) That prevent loitering;*

*(d) For conducting electronic monitoring; and*

*(e) For the use of the automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the medical marijuana establishment.*

*Sec. 61. 1. Each medical marijuana establishment must ensure that each medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment:*

*(a) Cleans his or her hands and exposed portions of his or her arms in a hand-washing sink:*

*(1) Before preparing edible marijuana products or marijuana-infused products, including, without limitation, working with ingredients, equipment or utensils;*

*(2) During preparation, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;*

*(3) After handling soiled equipment or utensils;*

*(4) After touching bare human body parts other than his or her clean hands and exposed portions of arms; and*

*(5) After using the toilet facilities.*

*(b) If working directly in the preparation of edible marijuana products or marijuana-infused products:*

*(1) Keeps his or her fingernails trimmed, filed and maintained so that the edges and surfaces are cleanable; and*

*(2) Unless wearing intact gloves in good repair, does not have fingernail polish or artificial fingernails on his or her fingernails.*

*(c) Wears clean clothing appropriate to the tasks assigned to him or her.*

*2. If the person designated by a medical marijuana establishment to address health conditions at the medical marijuana establishment determines that a medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment*

*has a health condition that may adversely affect the safety or quality of the edible marijuana products or marijuana-infused products at the medical marijuana establishment, that medical marijuana establishment agent is prohibited from having direct contact with any marijuana or equipment or materials for processing edible marijuana products or marijuana-infused products until the designated person determines that the health condition of the medical marijuana establishment agent will not adversely affect the edible marijuana products or marijuana-infused products.*

**Sec. 62. 1. A building used as a medical marijuana establishment must have:**

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

*(1) A flushable toilet;*

*(2) Mounted toilet tissue;*

*(3) A sink with running water;*

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

*(5) Disposable, single-use paper towels in a mounted dispenser or a mechanical air hand dryer.*

*(b) At least one hand-washing sink not located in a toilet facility.*

*(c) Designated storage areas for edible marijuana products or marijuana-infused products or materials used in direct contact with such products separate from storage areas for toxic or flammable materials.*

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

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

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

*2. For any commercial weighing and measuring equipment used at a medical marijuana establishment, the medical marijuana establishment must:*

- (a) Ensure that the commercial device is licensed pursuant to chapter 581 of NRS;*
- (b) Maintain documentation of the license of the commercial device; and*
- (c) Provide a copy of the license of the commercial device to the Division for review upon request.*

*Sec. 63. 1. A medical marijuana establishment that prepares, sells or dispenses edible marijuana products must:*

- (a) Before preparing, selling or dispensing an edible marijuana product obtain written authorization from the Division to prepare, sell or dispense edible marijuana products;*
- (b) If the medical marijuana establishment prepares edible marijuana products, ensure that the edible marijuana products are prepared according to the applicable requirements set forth in NRS 453A.360 and the operating procedures included in its application pursuant to subparagraph (4) of paragraph (a) of subsection 3 of NRS 453A.322;*
- (c) If the edible marijuana products are not prepared at the medical marijuana establishment, obtain and maintain at the medical marijuana establishment a copy of the current written authorization to prepare edible marijuana products from the medical marijuana establishment that prepares the edible marijuana products; and*
- (d) If the medical marijuana establishment sells or dispenses edible marijuana products, ensure that the edible marijuana products are sold or dispensed according to the applicable requirements set forth in NRS 453A.360.*

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

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

**Sec. 64.** *A medical marijuana establishment is responsible to the State or a local governmental entity for all costs incurred by the State or local governmental entity in cleaning up, mitigating or remedying any environmental damage caused by the medical marijuana establishment.*

**Sec. 65.** *A medical marijuana establishment may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight or smell of the usable marijuana.*

**Sec. 66.** *Each medical marijuana dispensary shall:*

1. *Ensure that the medical marijuana dispensary is operating and available to dispense or sell marijuana, edible marijuana products or marijuana-infused products to patients who hold valid registry identification cards or to the designated primary caregivers of such patients during, and only during, the designated hours of operation of the medical marijuana dispensary as provided to the Division pursuant to paragraph (i) of subsection 2 of section 26 of this regulation and the hours authorized by the local government in which the medical marijuana dispensary is located; and*

2. *Post, in a place that can be viewed by persons entering the medical marijuana dispensary, the hours of operation during which the medical marijuana dispensary will dispense or sell marijuana, edible marijuana products or marijuana-infused products to*

*patients who hold valid registry identification cards or to the designated primary caregivers of such patients.*

**Sec. 67. 1. Each medical marijuana dispensary shall ensure that:**

*(a) A patient record is established and maintained for each holder of a valid registry identification card who obtains marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary;*

*(b) An entry in a patient record:*

*(1) Is recorded only by a medical marijuana establishment agent who is authorized by the policies and procedures of the medical marijuana dispensary to make an entry;*

*(2) Is dated and signed by the medical marijuana establishment agent who is recording the entry;*

*(3) Includes the number of the medical marijuana establishment agent registration card of the medical marijuana establishment agent who is recording the entry; and*

*(4) Is not changed to make the initial entry illegible;*

*(c) If an electronic signature is used to sign an entry, the medical marijuana establishment agent whose signature the electronic code represents is accountable for the use of the electronic signature;*

*(d) A patient record is only accessed by a medical marijuana establishment agent authorized by the policies and procedures of the medical marijuana dispensary to access the patient record;*

*(e) A patient record is provided to the Division for review upon request.;*

*(f) A patient record is protected from loss, damage or unauthorized use; and*

*(g) A patient record is maintained for at least 5 years after the date on which the patient or his or her designated primary caregiver last requested marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary.*

*2. If a medical marijuana dispensary maintains patient records electronically, the medical marijuana dispensary shall ensure that:*

*(a) There are safeguards to prevent unauthorized access; and*

*(b) The date and time of an entry in a patient record is recorded electronically by an internal clock.*

*3. A medical marijuana dispensary shall ensure that the patient record for a holder of a valid registry identification card who requests or whose designated primary caregiver on behalf of the holder of the valid registry identification card requests marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary contains:*

*(a) Patient information that includes:*

*(1) The name of the patient;*

*(2) The date of birth of the patient; and*

*(3) The name of the designated primary caregiver of the patient, if applicable;*

*(b) Documentation of any patient education and support materials provided to the patient or the designated primary caregiver of the patient, including, without limitation, a description of the materials and the date on which the materials were provided; and*

*(c) For each time the patient requests and does not obtain marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary or, if applicable, the designated primary caregiver requests on behalf of the patient and does not*

*obtain marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary, the following:*

- (1) The date;*
- (2) The name and number of the registry identification card of the patient who requested the marijuana, edible marijuana products or marijuana-infused products; and*
- (3) The reason the marijuana, edible marijuana products or marijuana-infused products was not provided.*

*Sec. 68. Each medical marijuana dispensary which recognizes a nonresident card pursuant to NRS 453A.364 shall, in addition to the requirements of section 67 of this regulation, enter the information it obtains concerning the nonresident card pursuant to NRS 453A.364 in the electronic verification system.*

*Sec. 69. 1. A medical marijuana dispensary must store all usable marijuana, edible marijuana products and marijuana-infused products behind a counter or other barrier to ensure a customer does not have direct access to the marijuana, edible marijuana products or marijuana-infused products.*

*2. Upon the request of a customer, a medical marijuana dispensary must disclose the name of the independent testing laboratory which performed the required quality assurance tests for the medical marijuana establishment.*

*Sec. 70. A cultivation facility or facility for the production of edible marijuana products or marijuana-infused products shall not label usable marijuana, edible marijuana products or marijuana-infused products as “organic” unless the marijuana plants used are produced, processed and certified in a manner that is consistent with the national organic standards*



*established by the United States Department of Agriculture in accordance with the Organic Foods Production Act of 1990.*

**Sec. 71. 1.** *A cultivation facility must disclose in writing with each lot of usable marijuana provided to a medical marijuana dispensary:*

*(a) All soil amendments, fertilizers and other crop production aids applied to the growing medium or marijuana plant included in the lot; and*

*(b) The name of the independent testing laboratory which performed the required quality assurance tests and the results of the required quality assurance tests for the lot.*

**2.** *A cultivation facility may provide a medical marijuana dispensary free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. A sample jar may not contain more than 3 1/2 grams of usable marijuana. The sample jar and the usable marijuana within may not be sold to a customer and must be either returned to the cultivation facility which provided the usable marijuana and sample jar or destroyed by the medical marijuana dispensary after use and documented by the medical marijuana dispensary using its inventory control system pursuant to NRS 453A.356 and section 57 of this regulation.*

**Sec. 72. 1.** *Except as otherwise provided in subsection 2, a cultivation facility must ensure that access to the enclosed, locked facility where marijuana is cultivated is limited to the officers, board members and authorized medical marijuana establishment agents of the cultivation facility.*

**2.** *Each cultivation facility shall ensure that an authorized medical marijuana establishment agent accompanies any person other than another medical marijuana establishment agent associated with the medical marijuana establishment when the person is*

*present in the enclosed, locked facility where marijuana is cultivated or produced by the cultivation facility.*

*3. Each cultivation facility shall ensure that any marijuana growing at the cultivation facility:*

*(a) Cannot be observed from outside the cultivation facility; and*

*(b) Does not emit an odor that is detectable from outside the cultivation facility.*

**Sec. 73.** *1. Any product containing marijuana must be packaged in child-resistant packaging in accordance with 16 C.F.R. § 1700 or the standards specified in subsection 2 or 3.*

*2. Except as otherwise provided in subsection 3, marijuana-infused products in solid or liquid form must be packaged in plastic which is 4 millimeters or more in thickness and must be heat-sealed without an easy-open tab, dimple, corner or flap so that it is difficult for a child to open and as a tamperproof measure.*

*3. Marijuana-infused products in liquid form may be sealed using a metal crown cork-style bottle cap.*

*4. Any container or packaging containing usable marijuana, edible marijuana products or marijuana-infused products must protect the contents from contamination and must not impart any toxic or deleterious substance to the usable marijuana or marijuana product.*

**Sec. 74.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall:*

*1. Use for labeling all marijuana, edible marijuana products and marijuana-infused products the standard label described in sections 76 to 79, inclusive, of this regulation;*

*2. Exercise strict control over labeling materials issued for use in labeling operations for marijuana, edible marijuana products and marijuana-infused products;*

*3. Carefully examine labeling materials issued for a batch for identity and conformity to the labeling specified in the applicable production or control records; and*

*4. Have and follow written procedures describing in sufficient detail the control procedures employed for the issuance of labeling.*

*Sec. 75. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall:*

*1. Examine packaged and labeled products during finishing operations to provide assurance that the containers and packages have the correct labels;*

*2. Collect a representative sample of units at the completion of finishing operations and ensure that the samples are visually examined for correct labeling; and*

*3. Record the results of the examinations performed pursuant to subsections 1 and 2 in the applicable production or control records.*

*Sec. 76. 1. Any medical marijuana establishment that packages marijuana, edible marijuana products or marijuana-infused products must individually package, label and seal the marijuana or marijuana products in unit sizes such that no single unit contains more than a 2 1/2 ounce supply of marijuana.*

*2. For marijuana, edible marijuana products or marijuana-infused products that are intended to be dispensed or sold to a holder of a valid registry identification card or his or her designated primary caregiver:*

*(a) The text used on all labeling must be printed in at least 10-point font and may not be in italics; and*

*(b) Each label must be at least 2 3/4 inches high by 4 inches wide.*

*Sec. 77. 1. A cultivation facility or facility for the production of edible marijuana products or marijuana-infused products shall label all marijuana, edible marijuana products and marijuana-infused products before it sells the marijuana or marijuana products to a medical marijuana dispensary and shall securely affix to the package a label that includes, without limitation, in legible English:*

*(a) The name of the medical marijuana establishment and its medical marijuana establishment registration certificate number;*

*(b) The lot number;*

*(c) The date of harvest;*

*(d) The date of final testing;*

*(e) The date on which the product was packaged;*

*(f) The cannabinoid profile and potency levels and terpenoid profile as determined by the independent testing laboratory;*

*(g) If the product is perishable, the expiration date; and*

*(h) The quantity of marijuana being sold.*

*2. The label required by subsection 1 for a container or package containing usable marijuana, edible marijuana products or marijuana-infused products sold by a cultivation facility or facility for the production of edible marijuana products or marijuana-infused products must be in substantially the following form:*

<b>JT'S NURSERY</b>		
<b>Certificate Number:</b> 123 456 789 001 0001		
<b>Lot Number:</b> 1234		
<b>Harvested on:</b> 01/01/2013		
<b>Final Testing Date:</b> 01/15/2013		
<b>Packaged on:</b> 01/17/2013		
<b>Best if used by:</b> March 17, 2013		
16.7% THC	1.5% CBD	0.3% CBN
Myrcene 5.6 mg/g	Limonene 5.1 mg/g	Valencene 3.5 mg/g
<b>Net Weight:</b> 2 lbs.		

**Sec. 78. 1. *A medical marijuana dispensary must affix to each container or package containing usable marijuana sold at retail a label which must include, without limitation:***

***(a) The business or trade name and the medical marijuana establishment registration certificate number of the cultivation facility that cultivated and sold the usable marijuana.***

***(b) The lot number.***

***(c) The date and quantity dispensed, including the net weight measured in ounces and grams or by volume, as appropriate.***

***(d) The name and registry identification card number of the patient and, if applicable, the name of his or her designated primary caregiver.***

***(e) The name and address of the medical marijuana dispensary.***

***(f) The cannabinoid profile and potency levels and terpinoid profile as determined by the independent testing laboratory.***

***(g) A warning that states: "This product may have intoxicating effects and may be habit forming."***

***(h) The statement: "This product may be unlawful outside of the State of Nevada."***

*(i) The date on which the marijuana was harvested.*

*2. The label required by subsection 1 for a container or package containing usable marijuana sold at retail must be in substantially the following form:*

Joe's Plant Emporium Lot#: 1234	Cert.#: 123 456 789 001 0001 Harvested: 01/01/2013
<b>Dispensed to:</b> John J. Smith #1234987 on 11/27/2013 by We Care Dispensary 123 Main Street, Carson City, NV 89701	
<b>WARNING:</b> This product may have intoxicating effects and may be habit forming.	
16.7% THC    1.5% CBD    0.3% CBN Myrcene 5.6 mg/g    Limonene 5.1 mg/g    Valencene 3.5 mg/g	
Net Weight: .25 ounces (7 grams)	
<b><u>This product may be unlawful outside the State of Nevada.</u></b>	

*3. A medical marijuana dispensary must provide with all usable marijuana sold at retail accompanying material that discloses any pesticides applied to the marijuana plants and growing medium during production and processing and contains the following warnings:*

*(a) "Warning: This product may have intoxicating effects and may be habit forming.*

*Smoking is hazardous to your health."*

*(b) "There may be health risks associated with consumption of this product."*

*(c) "Should not be used by women who are pregnant or breast feeding."*

*(d) "For use only by the person named on the label of the dispensed product. Keep out of the reach of children."*

*(e) “Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug.”*

*4. The text used on all accompanying material must be printed in at least 12-point font and may not be in italics.*

*Sec. 79. 1. A medical marijuana dispensary must affix to each container or package containing edible marijuana products or marijuana-infused products sold at retail a label which must include, without limitation:*

*(a) The business or trade name and the medical marijuana establishment registration certificate number of the facility for the production of edible marijuana products or marijuana-infused products that manufactured and sold the product.*

*(b) The lot numbers of all marijuana used to create the product.*

*(c) The batch number of the product.*

*(d) The date and quantity dispensed, including the net weight in ounces and grams or by volume, as appropriate.*

*(e) The name and registry identification card number of the patient and, if applicable, the name of his or her designated caregiver.*

*(f) The name and address of the medical marijuana dispensary.*

*(g) The date on which the product was manufactured.*

*(h) If the product is perishable, a suggested use-by date.*

*(i) The total milligrams of active cannabinoids and terpenoids in the product, as provided by the independent testing laboratory that tested the product.*

*(j) A list of all ingredients and all major food allergens as identified in 21 U.S.C. §§ 343.*

*(k) A warning that states: “Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours.”*

*(l) If a marijuana extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the extract.*

*(m) A warning that states: “This product may have intoxicating effects and may be habit forming.”*

*(n) A statement that: “This product may be unlawful outside of the State of Nevada.”*

*2. The front and back of the label required by subsection 1 for a container or package containing edible marijuana products or marijuana-infused products sold at retail must be in substantially the following form:*

We Care Dispensary, 123 Main Street, Carson City, NV 89701  
**Date Dispensed:** 3/27/2014 **To:** John J. Smith #1234987

Cookie  
**Net Weight:** 6oz (168 Grams)  
**Serving Size:** 10mg of THC  
**Contains 10 servings and a total of 100 MG of THC**  
**Use by:** 6/3/2014  
Myrcene 5.6 mg/g    Limonene 5.1 mg/g    Valencene 3.5 mg/g

**CAUTION:** When eaten or swallowed the intoxicating effects of this product can be delayed 2 or more hours.

**This product may be unlawful outside the State of Nevada.**



**Manufactured at:** Joe's Kitchen      Cert.#: 321654987101 0401  
123 Main Street, Las Vegas, NV on 2/1/14

Lot#: 1234 Batch #5463

**INGREDIENTS:** Flour, Butter, Canola Oil,  
Sugar, Chocolate, Marijuana, Strawberries

**CONTAINS ALLERGENS:** Milk, Wheat

**Contains marijuana extract processed with butane.**

**WARNING:** This product may have intoxicating effects  
and may be habit forming.

*3. A medical marijuana dispensary must provide with all edible marijuana products and marijuana-infused products sold at retail accompanying material that discloses any pesticides applied to the marijuana plants and growing medium during production of the marijuana used to create the extract added to the edible marijuana products or marijuana-infused products and the type of extraction method used, including, without limitation, any solvents, gases or other chemicals or compounds used to produce or that are added to the extract, and contains the following warnings:*

*(a) "There may be health risks associated with consumption of this product."*

*(b) "This product contains or is infused with marijuana or active compounds of marijuana."*

*(c) "Should not be used by women who are pregnant or breast feeding."*

*(d) "For use only by the person named on the label of the dispensed product. Keep out of the reach of children."*

*(e) "Products containing marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug."*

*(f) “Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours.”*

*4. The text used on all accompanying material must be printed in at least 12-point font and may not be in italics.*

**Sec. 80.** *As used in sections 80 to 101, inclusive, of this regulation, unless the context otherwise requires:*

*1. “Potentially hazardous marijuana products and ingredients” means an edible item that is natural or synthetic and that requires temperature control because it is in a form capable of supporting:*

*(a) The rapid and progressive growth of infectious or toxigenic microorganisms;*

*(b) The growth and toxin production of Clostridium botulinum; or*

*(c) In raw shell eggs, the growth of Salmonella Enteritidis.*

*2. The term “potentially hazardous marijuana products and ingredients” includes, without limitation:*

*(a) An animal item that is raw or heat-treated;*

*(b) An item of plant origin that is heat-treated or consists of raw seed sprouts;*

*(c) Cut melons and tomatoes; and*

*(d) Garlic-in-oil mixtures that are not modified in a way that results in mixtures which prohibit growth.*

*3. The term “potentially hazardous marijuana products and ingredients” does not include:*

*(a) An ingredient with a value of water activity of 0.85 or less;*

*(b) An ingredient with a pH level of 4.6 or below when measured at 75°F (24°C); or*

*(c) An ingredient, in a hermetically sealed and unopened container, that is commercially processed to achieve and maintain commercial sterility under conditions of nonrefrigerated storage and distribution.*

**Sec. 81.** *Based on the risks inherent to the operation of a facility for the production of edible marijuana products or marijuana-infused products, the persons responsible for managing each such facility shall demonstrate to the Division knowledge of disease prevention, and the requirements of this chapter and chapter 453A of NRS by:*

*1. Complying with the provisions of this chapter and chapter 453A of NRS and having no violations of a critical nature during inspections.*

*2. Attending appropriate courses and training and implementing an appropriate training program for all medical marijuana establishment agents engaged in the production of edible marijuana products or marijuana-infused products at the facility.*

*3. Responding correctly to the questions of an inspector of medical marijuana establishments regarding:*

*(a) The relationship between the prevention of disease and the personal hygiene of a medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products.*

*(b) The prevention of the transmission of disease by a medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products who has a disease or medical condition that may transmit disease.*

*(c) The symptoms associated with the diseases that are transmissible through marijuana products and ingredients.*

*(d) The significance of the relationship between maintaining the temperature for a certain amount of time for potentially hazardous marijuana products and ingredients and the prevention of illness transmission.*

*(e) The hazards involved in the consumption of raw or undercooked meat, poultry and eggs.*

*(f) The required temperatures and times for safe cooking of potentially hazardous marijuana products and ingredients, including, without limitation, meat, poultry and eggs.*

*(g) The required temperatures and times for the safe refrigerated storage, hot holding, cooling and reheating of potentially hazardous marijuana products and ingredients.*

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

*(1) Cross contamination;*

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

*(3) Hand washing; and*

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

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

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

**Sec. 82.** *Each medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products shall keep his or her hands and the exposed portions of his or her arms clean.*

**Sec. 83. 1.** *Each medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products shall, when required pursuant to section 84 of this regulation, clean his or her hands and the exposed portions of his or her arms for at least 20 seconds, using a cleaning compound in a hand-washing sink that is appropriately equipped*

*2. Each medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products shall use the following cleaning procedure in the order stated to clean his or her hands and the exposed portions of his or her arms, including, without limitation, surrogate prosthetic devices for hands and arms:*

*(a) Rinse under clean, running warm water.*

*(b) Apply an amount of cleaning compound recommended by the manufacturer of the cleaning compound.*

*(c) Rub together vigorously for at least 15 seconds while:*

*(1) Paying particular attention to removing soil from underneath the fingernails during the cleaning procedure; and*

*(2) Creating friction on the surfaces of the hands and arms, fingertips and areas between the fingers.*

*(d) Thoroughly rinse under clean, running warm water.*

*(e) Immediately follow the cleaning procedure with thorough drying.*

**Sec. 84.** *Each medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products shall clean his or her hands and exposed portions of his or her arms in the manner set forth in section 83 of this regulation:*

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

*Sec. 85. 1. A medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products shall not have contact with exposed, finished marijuana products with his or her bare hands and shall use suitable utensils, including, without limitation, deli tissue, spatulas, tongs, single-use gloves or dispensing equipment when handling exposed, finished edible marijuana products or marijuana-infused products.*

*2. A medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products shall minimize bare hand and arm contact with exposed marijuana products that are not in a finished form.*

*Sec. 86. 1. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that it obtains non-marijuana ingredients for edible marijuana products or marijuana-infused products from sources that comply with the requirements of federal and state law and regulations and are approved by the Division, including, without limitation, commercial and retail businesses.*

*2. A facility for the production of edible marijuana products or marijuana-infused products shall not use or prepare non-marijuana ingredients prepared or stored in a private home.*

*Sec. 87. 1. Except as otherwise provided in subsection 2, each facility for the production of edible marijuana products or marijuana-infused products shall ensure that marijuana products and ingredients are protected from cross-contamination by:*

*(a) Separating raw animal ingredients during storage, preparation, holding and display from raw marijuana products, or other raw finished ingredients such as fruits and vegetables, and from cooked or baked and finished edible marijuana products or marijuana-infused products.*

*(b) Except when combined as ingredients, separating types of raw animal ingredients from each, including, without limitation, meat, poultry and eggs, during storage, preparation, holding and display by preparing each type of raw animal ingredient at a different time or in a different area and:*

*(1) Using separate equipment for each type of raw animal ingredient; or*

*(2) Arranging each type of raw animal ingredient in equipment so that cross-contamination of one type of raw animal ingredient with another is prevented.*

*(c) Preparing each type of raw animal ingredient at different times or in separate areas.*

*2. The provisions of this section do not apply to items stored frozen in a freezer.*

**Sec. 88.** *Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

*1. Pasteurized eggs or egg products are substituted for raw eggs in the preparation of edible marijuana products or marijuana-infused products.*

*2. Marijuana products and ingredients only have contact with the surfaces of:*

*(a) Equipment and utensils that are cleaned and sanitized; or*

*(b) Single-service and single-use articles that have not previously been used.*

*3. Ingredients such as eggs, meat, poultry and marijuana containing these raw animal ingredients are cooked to heat all parts of the marijuana product to a temperature and for a time that complies with one of the following methods based on the product that is being cooked:*

*(a) At 145°F (63°C) or above for 15 seconds for:*

*(1) Raw eggs; and*

*(2) Meat, including, without limitation, commercially-raised game animals.*

*(b) At 155°F (68°C) or above for 15 seconds for:*

*(1) Mechanically tenderized and injected meats; and*

*(2) Meat and commercially raised game animals if it is comminuted.*

*(c) At 165°F (74°C) or above for 15 seconds for poultry, stuffed meat, stuffed pasta, stuffed poultry or stuffing containing meat or poultry.*



*4. Except during preparation, cooking or cooling, potentially hazardous marijuana products and ingredients shall be maintained:*

*(a) At 135°F (57°C) or above; or*

*(b) At 41°F (5°C) or less.*

*Sec. 89. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

*1. Finished potentially hazardous marijuana products and ingredients prepared and held by the facility for more than 24 hours are clearly marked to indicate the date or day by which the item must be consumed on the premises, sold or discarded when held at a temperature of 41°F (5°C) or less for a maximum of 7 days; and*

*2. Finished potentially hazardous marijuana products and ingredients that are prepared and packaged by a commercial processing plant are clearly marked at the time that the original container is opened and, if the item is held for more than 24 hours, indicate the date or day by which the item must be consumed on the premises, sold or discarded, based on the temperature and time combination set forth in subsection 1. The day on which the original container is opened in the medical marijuana establishment must be counted as “day 1.” The day or date marked by the facility for the production of edible marijuana products or marijuana-infused products may not exceed a use-by date of the manufacturer if the manufacturer determined the use-by date.*

*Sec. 90. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that the materials that are used in the construction of utensils and the contact surfaces of equipment:*

*1. Do not allow the migration of deleterious substances or impart colors, odors or tastes to marijuana products; and*

*2. Under normal use conditions are:*

*(a) Safe;*

*(b) Durable, corrosion-resistant and nonabsorbent;*

*(c) Sufficient in weight and thickness to withstand repeated warewashing;*

*(d) Finished to have a smooth, easily cleanable surface; and*

*(e) Resistant to pitting, chipping, crazing, scratching, scoring, distortion and decomposition.*

**Sec. 91.** *1. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that it provides:*

*(a) A sink with at least three compartments for manually washing, rinsing and sanitizing equipment and utensils; and*

*(b) Sink compartments that are large enough to accommodate immersion of the largest equipment and utensils.*

*2. If equipment or utensils are too large for the warewashing sink, a facility for the production of edible marijuana products or marijuana-infused products must use a warewashing machine or alternative equipment.*

**Sec. 92.** *Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that its ventilation hood systems and devices are sufficient in number and capacity to prevent grease or condensation from collecting on walls and ceilings.*

**Sec. 93.** *Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

1. *In a mechanical operation, the temperature of the fresh hot water sanitizing rinse as it enters the manifold is not more than 194°F (90°C) or less than 180°F (82°C).*

2. *A chemical sanitizer used in a sanitizing solution for a manual or mechanical operation at contact times is used in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency, and as follows:*

(a) *A chlorine solution must have a minimum temperature based on the concentration and pH of the solution as listed in the following chart:*

<i>Concentration Range</i>	<i>Minimum Temperature</i>		
	<i>mg/L</i>	<i>pH 10 or less °F (°C)</i>	<i>pH 8 or less °F (°C)</i>
<i>25 – 49</i>	<i>120°F (49°C)</i>	<i>120°F (49°C)</i>	
<i>50 – 99</i>	<i>100°F (38°C)</i>	<i>75°F (24°C)</i>	
<i>100 or more</i>	<i>55°F (13°C)</i>	<i>55°F (13°C)</i>	

(b) *An iodine solution must have:*

(1) *A minimum temperature of 68°C (20°C);*

(2) *A pH of 5.0 or less or a pH not higher than the level for which the manufacturer specifies the solution is effective, whichever limit is higher; and*

(3) *A concentration between 12.5 mg/L and 25 mg/L.*

(c) *A quaternary ammonium compound solution must:*

(1) *Have a minimum temperature of 75°F (24°C);*

*(2) Have a concentration of not less than 200 mg/L;*

*(3) Be used as indicated by the use directions of the manufacturer included on the label;*

*and*

*(4) Be used only in water with 500 mg/L hardness or less, or in water having a hardness not greater than specified by the manufacturer's label use instructions that are approved by the Environmental Protection Agency, whichever limit is higher.*

*3. If a chemical sanitizer other than chlorine, iodine or a quaternary ammonium compound is used, it is applied in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency.*

*Sec. 94. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

*1. The surfaces of equipment and utensils that have direct contact with marijuana products are clean to sight and touch;*

*2. The surfaces of cooking equipment and pans that have direct contact with marijuana products are kept free of encrusted grease deposits and other soil accumulations; and*

*3. The surfaces of equipment that do not have direct contact with marijuana products are kept free of an accumulation of dust, dirt, residue and other debris.*

*Sec. 95. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

*1. The surfaces of equipment and utensils that have direct contact with marijuana products are cleaned:*

*(a) Before each use with a different type of raw animal ingredient, including, without limitation, beef, pork or poultry;*

*(b) Each time there is a change from working with raw marijuana products to working with finished marijuana products;*

*(c) Between uses with raw fruits and vegetables and with potentially hazardous marijuana products and ingredients, using the appropriate time and temperature controls to ensure the safety of the marijuana products; and*

*(d) At any time during operation when contamination may have occurred.*

*2. If they come into contact with potentially hazardous marijuana products and ingredients, surfaces and utensils are cleaned throughout the day at least once every 4 hours.*

*3. The surfaces of utensils and equipment that have direct contact with marijuana products and ingredients that are not potentially hazardous are cleaned:*

*(a) At any time when contamination may have occurred; and*

*(b) In equipment, including, without limitation, ice bins and beverage dispensing nozzles, and enclosed components of equipment, such as ice makers, cooking oil storage tanks and distribution lines, beverage and syrup dispensing lines or tubes, coffee bean grinders and water vending equipment:*

*(1) At a frequency specified by the manufacturer; or*

*(2) If the manufacturer does not specify a frequency, at a frequency necessary to prevent the accumulation of soil or mold.*

**Sec. 96.** *Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

*1. The surfaces of cooking and baking equipment that have direct contact with marijuana products are cleaned at least once every 24 hours; and*

*2. The cavities and door seals of microwave ovens are cleaned at least once every 24 hours by using the recommended cleaning procedure of the manufacturer.*

*Sec. 97. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:*

*1. The surfaces and utensils that have direct contact with marijuana products are adequately sanitized.*

*2. The utensils and surfaces of equipment that have direct contact with marijuana products are sanitized before use after cleaning.*

*3. After being cleaned, surfaces of equipment and utensils that have direct contact with marijuana products are sanitized in:*

*(a) Hot water manual operations by immersion for at least 30 seconds with a temperature of 170°F (77°C) or above;*

*(b) Hot water mechanical operations by being cycled through equipment that is set up and achieving a utensil surface temperature of 160°F (71°C) as measured by an irreversible registering temperature indicator; or*

*(c) Chemical manual or mechanical operations, including, without limitation, the application of sanitizing chemicals by immersion, manual swabbing, brushing or pressure spraying methods using a solution as specified on the manufacturer's label use instructions that are approved by the Environmental Protection Agency, by providing:*

*(1) An exposure time of at least 10 seconds for a standard chlorine solution;*

*(2) An exposure time of at least 7 seconds for a chlorine solution of 50 mg/L that has a pH of 10 or less and a temperature of at least 100°F (38°C) or a pH of 8 or less and a temperature of at least 75°F (24°C); or*

*(3) An exposure time of at least 30 seconds for any other chemical sanitizing solutions.*

**Sec. 98.** *Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that the light intensity in the facility is:*

*1. At least 20 foot candles (215 lux):*

*(a) At a distance of 30 inches (75 cm) above the floor in walk-in refrigeration units and areas for storage of dry marijuana products and in other areas and rooms during periods of cleaning;*

*(b) Inside equipment such as reach-in and under-counter refrigerators; and*

*(c) At a distance of 30 inches (75 cm) above the floor in areas used for hand washing, warewashing and equipment and utensil storage and in toilet rooms.*

*2. At least 50 foot candles (540 lux) at a surface where a medical marijuana establishment agent engaged in the production of edible marijuana products or marijuana-infused products is working with marijuana products or working with utensils or equipment, including, without limitation, knives, slicers, grinders or saws where employee safety is a factor.*

**Sec. 99.** *Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that it provides mechanical ventilation of sufficient capacity as necessary to keep rooms free of excessive heat, steam, condensation, vapors, obnoxious odors, smoke and fumes.*

**Sec. 100.** *1. Except as otherwise provided in subsection 2, each facility for the production of edible marijuana products or marijuana-infused products shall ensure that filters for liquid filtration used in the manufacture, processing or packaging of marijuana-infused products intended for human use do not release fibers into such products.*

*2. Fiber-releasing filters may be used when it is not possible to manufacture marijuana-infused products without the use of these filters. If the use of a fiber-releasing filter is necessary, the facility for the production of edible marijuana products or marijuana-infused products shall use an additional nonfiber-releasing filter having a maximum nominal pore size rating of 0.2 micron, or 0.45 micron if the manufacturing conditions so dictate, to reduce the content of particles in the marijuana-infused product.*

*3. A facility for the production of edible marijuana products or marijuana-infused products shall not use an asbestos-containing filter.*

**Sec. 101.** *1. A facility for the production of edible marijuana products or marijuana-infused products may only use the methods, equipment, solvents, gases and mediums set forth in this section when creating marijuana extracts.*

*2. A facility for the production of edible marijuana products or marijuana-infused products may use the hydrocarbons N-butane, isobutane, propane, heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the Division. These solvents must be of at least 99 percent purity and a facility for the production of edible marijuana products or marijuana-infused products must, when using such solvents:*

*(a) Use the solvents in a professional grade, closed-loop extraction system designed to recover the solvents;*

*(b) Work in a spark-free environment with proper ventilation; and*

*(c) Follow all applicable local fire, safety and building codes in the processing and storage of the solvents.*

*3. A facility for the production of edible marijuana products or marijuana-infused products may use a professional grade, closed-loop CO<sub>2</sub> gas extraction system where every*



*vessel is rated to a minimum of 900 pounds per square inch and it follows all applicable local fire, safety and building codes in the processing and the storage of the solvents. The CO<sub>2</sub> must be of at least 99 percent purity.*

*4. A facility for the production of edible marijuana products or marijuana-infused products may use heat, screens, presses, steam distillation, ice water and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other extracts.*

*5. A facility for the production of edible marijuana products or marijuana-infused products may use food grade glycerin, ethanol and propylene glycol solvents to create marijuana extracts.*

*6. A facility for the production of edible marijuana products or marijuana-infused products which creates marijuana extracts must develop standard operating procedures, good manufacturing practices and a training plan before producing marijuana extracts for the marketplace. Any person using solvents or gases in a closed-looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and safely handle and store the solvents and gases.*

*7. The acceptable parts per million for 1 gram of finished extract of residual solvent or gas will be determined by the Independent Laboratory Advisory Committee established pursuant to section 124 of this regulation.*

**Sec. 102.** *Sections 102 to 115, inclusive, of this regulation set forth the minimum good manufacturing practices for the cultivation and preparation of marijuana and marijuana products for administration to humans.*

**Sec. 103. 1.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall have a quality control unit that:*

*(a) Has the responsibility and authority to approve or reject all components, product containers, closures, in-process materials, packaging materials, labeling and marijuana or marijuana products;*

*(b) Has the authority to review production records to assure that no errors have occurred or, if errors have occurred, that they have been fully investigated and resolved;*

*(c) Is responsible for approving or rejecting marijuana or marijuana products manufactured, processed, packaged or held under contract by another medical marijuana establishment; and*

*(d) Is responsible for approving or rejecting all procedures or specifications which may impact the identity, strength, quality and purity of the marijuana or marijuana products.*

**2.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall:*

*(a) Set forth the responsibilities and procedures applicable to the quality control unit in writing; and*

*(b) Follow the written responsibilities and procedures set forth pursuant to paragraph (a).*

**Sec. 104.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that:*

**1.** *Each medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment and who is engaged in cultivating, manufacturing,*

*processing, packaging or holding marijuana or marijuana products wears clean clothing appropriate for the duties he or she performs;*

*2. Protective apparel, such as head, face, hand and arm coverings, are worn as necessary to protect marijuana or marijuana products from contamination; and*

*3. Each medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment practices good sanitation and health habits.*

**Sec. 105.** *1. Each medical marijuana establishment shall ensure that any building used to manufacture, process, package or hold marijuana or marijuana products:*

*(a) Is of suitable size, construction and location to facilitate cleaning, maintenance and proper operations; and*

*(b) Has adequate space for the orderly placement of equipment and materials to prevent miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of marijuana or marijuana products between different components, product containers, closures, labels, in-process materials and marijuana or marijuana products and to prevent contamination.*

*2. Each medical marijuana establishment shall ensure that:*

*(a) The flow of components, product containers, closures, labels, in-process materials and marijuana and marijuana products through any building used to manufacture, process, package or hold marijuana or marijuana products is designed to prevent contamination;*

*(b) The operations of the medical marijuana establishment are performed within specifically defined areas of adequate size; and*

*(c) There are separate or defined areas or such other control systems for the operations of the medical marijuana establishment as are necessary to prevent contamination or*

*miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of marijuana or marijuana products during the course of the following procedures:*

*(1) Receipt, identification, storage and withholding from use of components, product containers, closures and labels, pending the appropriate sampling, testing or examination by the quality control unit before release for manufacturing, processing or packaging;*

*(2) Holding rejected components, product containers, closures and labels before disposition;*

*(3) Storage of released components, product containers, closures and labels;*

*(4) Storage of in-process materials;*

*(5) Processing operations;*

*(6) Packaging and labeling operations;*

*(7) Quarantine storage before the release of marijuana or marijuana products;*

*(8) Storage of marijuana or marijuana products after release;*

*(9) Control and laboratory operations; and*

*(10) Sanitary processing, which includes as appropriate:*

*(I) Floors, walls and ceilings made of smooth, hard surfaces that are easily cleanable;*

*(II) Temperature and humidity controls;*

*(III) An air supply filtered through high-efficiency particulate air filters under positive pressure;*

*(IV) A system for monitoring environmental conditions;*

*(V) A system for cleaning and sanitizing rooms and equipment; and*

*(VI) A system for maintaining any equipment used to control sanitary conditions.*

**Sec. 106.** *1. Each independent testing laboratory, cultivation facility and medical marijuana dispensary shall ensure that adequate lighting is provided in all areas of the medical marijuana establishment.*

*2. If it is necessary for an independent testing laboratory, cultivation facility or medical marijuana dispensary to have dim or no lighting in a certain area of the medical marijuana establishment for a specific reason, the medical marijuana establishment must have a written policy which specifies:*

*(a) The area needing dim or no lighting; and*

*(b) The reason the area needs dim or no lighting.*

**Sec. 107.** *1. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that any building used to manufacture, process, package or hold marijuana or marijuana products:*

*(a) Has adequate ventilation; and*

*(b) Contains equipment for adequate control over air pressure, microorganisms, dust, humidity and temperature when appropriate for the manufacture, processing, packaging or holding of marijuana or marijuana products.*

*2. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary must use filtration systems, including, without limitation, prefilters and particulate matter air filters, when appropriate on air supplies to production areas. If air is recirculated to production areas, the medical marijuana establishment must take measures to control recirculation of dust from production.*

*In areas where air contamination occurs during production, the medical marijuana establishment must ensure that there are adequate exhaust systems or other systems adequate to control contaminants.*

**Sec. 108.** *Each medical marijuana establishment shall ensure that:*

*1. Any building used to manufacture, process, package or hold marijuana or marijuana products supplies potable water under continuous positive pressure in a plumbing system free of defects that could contribute to the contamination of any marijuana or marijuana products. Potable water must meet the standards prescribed in the Primary Drinking Water Regulations, 40 C.F.R. Part 141. Water not meeting such standards is not permitted in the potable water system.*

*2. Drains are of adequate size and, where connected directly to a sewer, are provided with an air break or other mechanical device to prevent back-siphonage.*

**Sec. 109.** *1. Each medical marijuana establishment shall ensure that it has written procedures:*

*(a) Assigning responsibility for sanitation and describing in sufficient detail the cleaning schedules, methods, equipment and materials to be used in cleaning the buildings and facilities of the medical marijuana establishment; and*

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

*2. Each medical marijuana establishment shall ensure that the written procedures described in subsection 1 are followed.*

*3. All sanitation procedures of a medical marijuana establishment apply to work performed by contractors or temporary medical marijuana establishment agents for the*

*medical marijuana establishment as well as work performed by full-time medical marijuana establishment agents during the ordinary course of operations.*

**Sec. 110.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that any building used to manufacture, process, package or hold marijuana or marijuana products is maintained in a good state of repair.*

**Sec. 111. 1.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that any equipment used to manufacture, process, package or hold marijuana or marijuana products:*

*(a) Is of appropriate design and adequate size and is suitably located to facilitate operations for its intended use and for its cleaning and maintenance; and*

*(b) Is constructed so that surfaces which have direct contact with components, in-process materials, marijuana or marijuana products are not reactive, additive or absorptive so as to alter the safety, identity, strength, quality or purity of the marijuana or marijuana products beyond the official or other established requirements.*

**2.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that:*

*(a) Any substances required for its operation, such as lubricants or coolants, do not come into contact with components, product containers, in-process materials, marijuana or marijuana products so as to alter the safety, identity, strength, quality or purity of the marijuana or marijuana products beyond the official or other established requirements;*

*(b) Equipment and utensils are cleaned, maintained and, as appropriate for the nature of the marijuana or marijuana products, sanitized and sterilized at appropriate intervals to prevent malfunctions or contamination that would alter the safety, identity, strength, quality or purity of the marijuana or marijuana products beyond the official or other established requirements; and*

*(c) Written procedures are established and followed for the cleaning and maintenance of equipment and utensils used to manufacture, process, package or hold marijuana or marijuana products. These procedures must include, without limitation:*

*(1) Assignment of responsibility for cleaning and maintaining equipment;*

*(2) Maintenance and cleaning schedules, including, where appropriate, sanitizing schedules;*

*(3) A description in sufficient detail of the methods, equipment and materials used in cleaning and maintenance operations and the methods of disassembling and reassembling equipment as necessary to assure proper cleaning and maintenance;*

*(4) Protection of clean equipment from contamination before use; and*

*(5) Inspection of equipment for cleanliness immediately before use.*

*3. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary must maintain records of any maintenance, cleaning, sanitizing and inspection carried out pursuant to this section.*

**Sec. 112.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that:*



- 1. It has written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, testing and approval or rejection of components, product containers and closures and that it follows those procedures;*
- 2. Components, product containers and closures are at all times handled and stored in a manner so as to prevent contamination;*
- 3. Bagged or boxed components, product containers or closures are stored off the floor and are suitably spaced to permit cleaning and inspection; and*
- 4. Each container or grouping of containers for components, product containers or closures is identified with a distinctive code for each lot in each shipment received. This code must be used in recording the disposition of each lot. Each lot must be appropriately identified as to its status such as quarantined, approved or rejected.*

*Sec. 113. 1. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall have written procedures for production and process control that are designed to assure that the marijuana or marijuana products have the identity, strength, quality and purity they purport or are represented to possess.*

*2. The written procedures required pursuant to subsection 1 and any changes to those procedures must be drafted, reviewed and approved by the appropriate organizational units of the medical marijuana establishment and reviewed and approved by the quality control unit of the medical marijuana establishment.*

*3. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall follow written production and process control procedures in executing various production and process control functions*

*and shall document these procedures at the time of performance. Any deviation from the written procedures must be recorded and justified by the medical marijuana establishment.*

**Sec. 114. 1.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall establish and follow written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, examination and testing of labeling and packaging materials.*

*2. Any labeling or packaging materials that meet the appropriate written specifications established pursuant to subsection 1 may be approved and released for use. Any labeling or packaging materials that do not meet the specifications established pursuant to subsection 1 must be rejected to prevent their use in operations for which they are unsuitable.*

*3. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall:*

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

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

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

**Sec. 115. 1.** *Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that marijuana or marijuana products that have been subjected to improper storage conditions, including, without limitation, extremes in temperature, humidity, smoke, fumes, pressure, age*

*or radiation due to natural disasters, fires, accidents or equipment failures, are not salvaged and returned to the marketplace.*

*2. Whenever it is unclear whether marijuana or marijuana products have been subjected to the conditions described in subsection 1, a cultivation facility, facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary may conduct salvaging operations only if there is:*

*(a) Evidence from laboratory tests and assays that the marijuana or marijuana products meet all applicable standards of identity, strength, quality and purity; and*

*(b) Evidence from inspection of the premises that the marijuana or marijuana products and their associated packaging were not subjected to improper storage conditions as a result of the disaster or accident, if any.*

*3. A cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary must maintain records, including, without limitation, the name, lot number and disposition for marijuana or marijuana products salvaged pursuant to subsection 2.*

**Sec. 116.** *1. Each independent testing laboratory must employ a scientific director who must be responsible for:*

- (a) Ensuring that the laboratory achieves and maintains quality standards of practice; and*
- (b) Supervising all staff of the laboratory.*

*2. The scientific director of an independent testing laboratory must have earned:*

*(a) A doctorate degree in chemical or biological sciences from an accredited college or university and have at least 2 years of post-degree laboratory experience;*

*(b) A master's degree in chemical or biological sciences from an accredited college or university and have at least 4 years of post-degree laboratory experience; or*

*(c) A bachelor's degree in chemical or biological sciences from an accredited college or university and have at least 6 years of post-degree laboratory experience.*

**Sec. 117. 1. Each independent testing laboratory must:**

*(a) Follow the most current version of the Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control monograph published by the American Herbal Pharmacopoeia; or*

*(b) Notify the Division of the alternative testing methodology the laboratory is following for each quality assurance test it conducts. The Division may require the independent testing laboratory to have the testing methodology followed pursuant to this paragraph validated by an independent third-party to ensure that the methodology followed by the laboratory produces scientifically accurate results before the laboratory may use the methodology when conducting testing services.*

*2. The Division may require an independent testing laboratory to have its basic proficiency to execute correctly the analytical testing methodologies used by the laboratory validated and monitored on an ongoing basis by an independent third-party.*

*3. Each independent testing laboratory shall:*

*(a) Either:*

*(1) Adopt and follow minimum good laboratory practices which must, at a minimum, satisfy the OECD Principles of Good Laboratory Practice and Compliance Monitoring published by the Organisation for Economic Co-operation and Development; or*

*(2) Become certified by the International Organization for Standardization and agree to have the inspections and reports of the International Organization for Standardization made available to the Division.*

*(b) Maintain internal standard operating procedures.*

*(c) Maintain a quality control and quality assurance program.*

*4. The Division or an independent third-party authorized by the Division may conduct an inspection of the practices, procedures and programs adopted, followed and maintained pursuant to subsection 3 and inspect all records of the independent testing laboratory that are related to the inspection.*

*5. The Division hereby adopts by reference:*

*(a) The Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control monograph published by the American Herbal Pharmacopoeia. A copy of that publication may be obtained from the American Herbal Pharmacopoeia, P.O. Box 66809, Scotts Valley, California 95067, or at the Internet address <http://www.herbal-ahp.org/>, for the price of \$44.95.*

*(b) The OECD Principles of Good Laboratory Practice and Compliance Monitoring published by the Organisation for Economic Co-operation and Development. A copy of that publication may be obtained free of charge from the Organisation for Economic Co-operation and Development at the Internet address <http://www.oecd.org/env/ehs/testing/oecdseriesonprinciplesofgoodlaboratorypracticeglpandcompliancemonitoring.htm>.*

**Sec. 118. 1.** *Each independent testing laboratory must use the general body of required quality assurance tests for usable marijuana, marijuana-infused products, extracts of*

*marijuana and edible marijuana products set forth in this section. Such tests may include moisture content, potency analysis, foreign matter inspection, microbial screening, pesticide and other chemical residue and metals screening and residual solvents levels. An independent testing laboratory may request additional sample material in excess of the amounts listed in the table set forth in this section for the purposes of completing required quality assurance tests. An independent testing laboratory may retrieve samples from the premises of another medical marijuana establishment and transport the samples directly to the laboratory.*

*2. The tests required pursuant to subsection 1 and the sample size of products required for the required testing of each type of marijuana or marijuana product by an independent testing laboratory are as follows:*

<i>Product</i>	<i>Tests Required</i>	<i>Sample Size Needed to Complete all Tests</i>
<i>Usable marijuana</i>	<ol style="list-style-type: none"> <li><i>1. Moisture content</i></li> <li><i>2. Potency analysis</i></li> <li><i>3. Terpene analysis</i></li> <li><i>4. Foreign matter inspection</i></li> <li><i>5. Microbial screening</i></li> <li><i>6. Mycotoxin screening</i></li> <li><i>7. Heavy metal screening</i></li> <li><i>8. Pesticide residue analysis</i></li> </ol>	<i>12 grams or less</i>

<i>Product</i>	<i>Tests Required</i>	<i>Sample Size Needed to Complete all Tests</i>
<i>Extract of marijuana (nonsolvent) like kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Foreign matter inspection</i></li> <li>3. <i>Microbial screening</i></li> <li>4. <i>Terpene analysis</i></li> </ol>	<i>7 grams or less</i>
<i>Extract of marijuana (solvent-based) made with a CO<sub>2</sub> extractor</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Terpene analysis</i></li> <li>3. <i>Microbial screening</i></li> </ol>	<i>2 grams or less</i>
<i>Extract of marijuana (solvent-based) made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the Division of at least 99 percent purity</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Terpene analysis</i></li> <li>3. <i>Residual solvent test</i></li> <li>4. <i>Microbial screening (only if using marijuana that failed the initial test)</i></li> </ol>	<i>2 grams or less</i>
<i>Extract of marijuana made with food grade ethanol</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Terpene analysis</i></li> <li>3. <i>Microbial screening (only if using marijuana that failed the initial test)</i></li> </ol>	<i>2 grams or less</i>

<i>Product</i>	<i>Tests Required</i>	<i>Sample Size Needed to Complete all Tests</i>
<i>Extract of marijuana made with food grade glycerin or propylene glycol</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Terpene analysis</i></li> <li>3. <i>Microbial screening (only if using marijuana that failed the initial test)</i></li> </ol>	<i>20 grams or less</i>
<i>Edible marijuana-infused product</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Terpene analysis</i></li> <li>3. <i>Microbial screening</i></li> </ol>	<i>1 unit</i>
<i>Liquid marijuana-infused product, including, without limitation, soda or tonic</i>	<ol style="list-style-type: none"> <li>1. <i>Potency analysis</i></li> <li>2. <i>Terpene analysis</i></li> <li>3. <i>Microbial screening</i></li> </ol>	<i>1 unit</i>
<i>Topical marijuana-infused product</i>	<i>Potency analysis</i>	<i>1 unit</i>

**Sec. 119.** *An independent testing laboratory shall not handle, test or analyze marijuana unless:*

*1. The laboratory has been issued a medical marijuana establishment registration certificate;*

*2. The laboratory is independent from all other persons involved in the medical marijuana industry in Nevada; and*



*3. No person with a direct or indirect interest in the laboratory has a direct or indirect financial interest in:*

*(a) A medical marijuana dispensary;*

*(b) A facility for the production of edible marijuana products or marijuana-infused products;*

*(c) A cultivation facility;*

*(d) A physician who provides or has provided written documentation for the issuance of registry identification cards; or*

*(e) Any other entity that may benefit from the cultivation, manufacture, dispensing, sale, purchase or use of marijuana or marijuana products.*

**Sec. 120. 1. Immediately before packaging:**

*(a) Raw marijuana for sale to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or another cultivation facility, a cultivation facility shall segregate all harvested marijuana into homogenized batches and select a random sample from each batch for testing by an independent testing laboratory. The independent testing laboratory must collect the samples unless the cultivation facility designates a person responsible for segregating all harvested marijuana into homogenized batches pursuant to this subsection in accordance with the standards set forth by the laboratory and the cultivation facility to ensure a random, homogenized sample. If the cultivation facility designates a person to segregate homogenized batches, the cultivation facility must file an attestation with the Division as to the manner in which each random, homogenized sample is selected for testing.*

*(b) Edible marijuana products or marijuana-infused products, a facility for the production of edible marijuana products or marijuana-infused products shall select a random sample from each batch for testing by an independent testing laboratory. The independent testing laboratory must collect the samples unless the facility for the production of edible marijuana products or marijuana-infused products designates a person responsible for identifying the samples in accordance with the standards set forth by the laboratory and the facility for the production of edible marijuana products or marijuana-infused products. If the facility for the production of edible marijuana products or marijuana-infused products designates a person to collect the samples, the facility shall file an attestation with the Division as to the manner in which each sample is selected for testing.*

*2. An independent testing laboratory that receives a sample pursuant to this section shall test the sample for cannabinoids, terpenoids, microbial contaminants, mycotoxins, heavy metals and pesticide chemical residue, residual solvents levels and for purposes of conducting an active ingredient analysis, as specified in the policy manual for independent testing laboratories created by the Division.*

*3. From the time that a batch has been homogenized for sample testing and eventual packaging and sale to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility until the independent testing laboratory provides the results from its tests and analysis, the facility which provided the sample shall segregate and withhold from use the entire batch, except the samples that have been removed for testing. During this period of segregation, the facility which provided the sample shall maintain the batch in a secure, cool and dry location so as to prevent the marijuana from becoming contaminated or losing its efficacy. Under no*

*circumstances shall the facility which provided the sample sell the marijuana or edible marijuana products or marijuana-infused products, as applicable, to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility before the time that the independent testing laboratory has completed its testing and analysis and provided those results, in writing, to the facility which provided the sample.*

*4. An independent testing laboratory shall immediately return or dispose of any sample received pursuant to this section upon the completion of any testing, use or research. If an independent testing laboratory disposes of a sample received pursuant to this section, the laboratory shall document the disposal of the sample using its inventory control system pursuant to NRS 453A.356 and section 57 of this regulation.*

*5. Except as otherwise provided in section 127 of this regulation, if a sample provided to an independent testing laboratory pursuant to this section does not pass the microbial, mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test based on the standards of the Division, the facility which provided the sample shall dispose of the entire batch from which the sample was taken and document the disposal of the sample using its inventory control system pursuant to NRS 453A.356 and section 57 of this regulation.*

*6. For the purposes of the microbial test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the standards set forth in Table 9 of the Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control monograph adopted by reference pursuant to section 117 of this regulation.*

7. For the purposes of the mycotoxin test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it meets the following standards:

<u>Test</u>	<u>Specification</u>
The total of aflatoxin B1, aflatoxin B2, aflatoxin G1 and aflatoxin G2 .....	<20 uG/KG of Substance
Ochratoxin A .....	<20 uG/KG of Substance

8. For the purposes of the heavy metal test, a sample of marijuana shall be deemed to have passed if it meets the following standards:

<u>Metal</u>	<u>Natural Health Products</u> <u>Acceptable limits uG/KG</u>
Arsenic .....	<0.14
Cadmium.....	<0.09
Lead.....	<0.29
Mercury.....	<0.29

9. The Independent Laboratory Advisory Committee established pursuant to section 124 of this regulation shall establish the list of pesticides approved for use in the cultivation and production of marijuana, edible marijuana products and marijuana-infused products to be

*sold or used in this State. For the purposes of the pesticide chemical residue test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the most stringent acceptable standard for an approved pesticide chemical residue in any food item as set forth in Subpart C of 40 C.F.R. Part 180.*

*10. If a sample provided to an independent testing laboratory pursuant to this section passes the microbial, mycotoxin, heavy metal, pesticide chemical residue and residual solvents levels tests, the independent testing laboratory shall release the entire batch for immediate manufacturing, packaging and labeling for sale to a medical marijuana dispensary, a facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility.*

*11. An independent testing laboratory shall file with the Division an electronic copy of each laboratory test result for any batch that does not pass the microbial, mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test at the same time that it transmits those results to the facility which provided the sample. In addition, the independent testing laboratory shall maintain the laboratory test results and make them available to the Division upon request.*

*12. The Division will take immediate disciplinary action against any medical marijuana establishment which fails to comply with the provisions of this section or falsifies records related to this section, including, without limitation, revoking the medical marijuana establishment registration certificate of the medical marijuana establishment.*

**Sec. 121. 1.** *The Division will establish a proficiency testing program for independent testing laboratories.*

2. *Each independent testing laboratory must participate in the proficiency testing program established pursuant to this section.*
3. *If required by the Division as part of being issued or renewing a medical marijuana establishment registration certificate, the independent testing laboratory must have successfully participated in the proficiency testing program within the preceding 12 months.*
4. *To maintain continued registration as an independent testing laboratory, a laboratory must participate in the designated proficiency testing program with continued satisfactory performance as determined by the Division.*
5. *An independent testing laboratory must analyze proficiency test samples using the same procedures with the same number of replicate analyses, standards, testing analysts and equipment as used for product testing.*
6. *The scientific director of the independent testing laboratory and all testing analysts that participated in a proficiency test must sign corresponding attestation statements.*
7. *The scientific director of the independent testing laboratory must review and evaluate all proficiency test results.*
8. *An independent testing laboratory must take and document remedial action when a score of less than 100 percent is achieved during a proficiency test. Documentation of remedial action must include, without limitation, a review of samples tested and results reported since the last successful proficiency test.*
9. *Successful participation is the positive identification of 80 percent of the target analytes that the independent testing laboratory reports to include quantitative results when applicable. Any false positive results reported will be considered an unsatisfactory score for the proficiency test.*

*10. Unsuccessful participation in a proficiency test may result in limitation, suspension or revocation of the medical marijuana establishment registration certificate of the independent testing laboratory.*

**Sec. 122.** *Each independent testing laboratory must establish policies for an adequate chain of custody and requirements for samples of products provided to the laboratory for testing or research purposes, including, without limitation, policies and requirements for:*

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

**Sec. 123.** *1. Each independent testing laboratory that claims to be accredited must provide the Division with copies of each annual inspection report from the accrediting*

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

*2. An independent testing laboratory may not claim to be accredited unless it is accredited by an accrediting organization that is nationally recognized and approved by the Division.*

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

**Sec. 124.** *1. The Division will establish an Independent Laboratory Advisory Committee comprised of members which ensure that the membership of the Advisory Committee is representative of the independent testing laboratories and other medical marijuana establishments in this State.*

*2. The Advisory Committee shall:*

*(a) Provide recommendations to the Division regarding the testing of medical marijuana;*

*(b) Make recommendations to the Division for any changes to this chapter relating to the testing of medical marijuana; and*

*(c) Assist the Division in creating and updating a policy manual to be used by the Division to guide the testing of edible marijuana products and marijuana-infused products by independent testing laboratories.*

**Sec. 125.** *1. Upon the request of the Division, a cultivation facility and a facility for the production of edible marijuana products or marijuana-infused products must provide an independent testing laboratory designated by the Division with a sample of marijuana or a marijuana product in the amount listed in section 118 of this regulation for random quality assurance compliance checks in a secure manner such that the laboratory can confirm that it has received and is testing the correct sample.*



*2. The independent testing laboratory that receives a sample pursuant to subsection 1 shall, as directed by the Division:*

- (a) Screen the sample for pesticides, chemical residues and unsafe levels of metals;*
- (b) Perform any other quality assurance test deemed necessary by the Division; and*
- (c) Report its results to the Division.*

*3. The cultivation facility or facility for the production of edible marijuana products or marijuana-infused products is responsible for all costs involved in screening or testing performed pursuant to this section.*

*Sec. 126. An independent testing laboratory is not limited in the amount of usable marijuana and marijuana products it may have on the premises of the laboratory at any given time, but the laboratory must maintain records to prove that all usable marijuana and marijuana products on the premises are there for testing purposes only.*

*Sec. 127. 1. If a lot of usable marijuana fails a quality assurance test, any marijuana plant trim, leaf and other usable material from the same plants automatically fails the quality assurance test. Upon approval of the Division, a lot of marijuana that fails a quality assurance test may be used to make a CO<sub>2</sub> or solvent-based extract. After processing, the CO<sub>2</sub> or solvent-based extract must pass all required quality assurance tests.*

*2. At the request of a cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products, the Division may, on a case-by-case basis, authorize a retest to validate the results of a failed test. The cultivation facility or facility for the production of edible marijuana products or marijuana-infused products is responsible for all costs involved in a retest performed pursuant to this section.*

**Sec. 128.** *No employee of this State who is responsible for implementing or enforcing the provisions of this chapter or chapter 453A of NRS may have a direct or indirect financial interest in a medical marijuana establishment or be employed by or volunteer at a medical marijuana establishment.*

**Sec. 129.** *1. The Division will, at least annually, consider:*

*(a) The maximum fees set forth in NRS 453A.344 and section 49 of this regulation;*

*(b) The revenue received from such fees; and*

*(c) The gifts and grants received by the Division pursuant to NRS 453A.720.*

*2. Based on its evaluation conducted pursuant to subsection 1, the Division may reduce the fees set forth in section 49 of this regulation at such times as, in its judgment, the Division considers a reduction equitable in relation to ensuring that the fees are revenue neutral and reflecting the gifts and grants received by the Division pursuant to NRS 453A.720.*

**Sec. 130.** *For the purposes of subparagraph (3) of paragraph (b) of subsection 3 of NRS 453A.200, the maximum allowable quantity of edible marijuana products and marijuana-infused products is an amount that is equivalent to 2 1/2 ounces of usable marijuana.*

**Sec. 131.** *The Division may, upon findings made following a public hearing that the public interest will be supported by limiting the cultivation of medical marijuana in this State, limit the amount of marijuana in production within this State.*

**Sec. 132.** *1. A medical marijuana establishment:*

*(a) May only promote marijuana or a marijuana product through marketing the laboratory results on the label of the marijuana or marijuana product; and*

*(b) Must not use an independent testing laboratory or other laboratory to promote any other attributes of marijuana or a marijuana product.*

*2. The provisions of this chapter governing labeling and testing of marijuana and marijuana products apply to all marijuana and marijuana products, including, without limitation, pre-rolls.*

*Sec. 133. 1. The Division may charge and collect a fee from any medical marijuana establishment that is involved in a complaint submitted to the Division by a consumer to recover the costs of investigating the complaint after the investigation is completed if the complaint is substantiated. The fee will be based upon the hourly rate established for each investigator of medical marijuana establishments as determined by the budget of the Division.*

*2. As used in this section, “substantiated” means supported or established by evidence or proof.*

*Sec. 134. Except as otherwise provided in NRS 239.0115, any information received by the Division related to the security of a medical marijuana establishment is confidential and must not be disclosed by the Division.*

*Sec. 135. 1. Except as otherwise provided in this section and NRS 239.0115, the Division will and any designee of the Division shall maintain the confidentiality of and shall not disclose the name or any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453A of NRS. Except as otherwise provided in NRS 239.0115, the name and any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453A of NRS are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.*

*2. Notwithstanding the provisions of subsection 1, the Division or its designee may release the name and other identifying information of a person who facilitates or delivers services pursuant to this chapter or chapter 453A of NRS to:*

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

*(b) Authorized employees of state and local law enforcement agencies only as necessary to verify that a person is lawfully facilitating or delivering services pursuant to this chapter or chapter 453A of NRS.*

*3. Nothing in this section prohibits the Division from providing a local government with a copy of all information and documentation provided as part of an application to operate a medical marijuana establishment upon the request of the local government.*

**Sec. 136. 1.** *The Division will register and track each attending physician who advises a patient that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition. To the extent possible, the Division will maintain a confidential record of:*

*(a) The number of patients whom the physician advises that the medical use of marijuana may mitigate the symptoms or effects of the patients' medical conditions;*

*(b) The chronic or debilitating medical conditions of such patients;*

*(c) The number of times the physician advises each patient that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;*

*(d) The number of different chronic or debilitating medical conditions for which the physician advises each patient that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical conditions; and*

*(e) How frequently the physician advises each patient that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition.*

*2. Based on its evaluation of the records maintained pursuant to subsection 1, if the Division determines that an attending physician is advising patients that the medical use of marijuana may mitigate the symptoms or effects of the patients' medical conditions at a rate that appears unreasonably high, the Division will notify the Board of Medical Examiners or the State Board of Osteopathic Medicine in writing so that the appropriate board may investigate the notification as a complaint against the physician pursuant to chapter 630 or 633 of NRS, as applicable.*

*3. The Division will, for each calendar year, submit to the Board of Medical Examiners and the State Board of Osteopathic Medicine for each physician licensed by that board the information the Division maintains pursuant to subsection 1.*

*4. If the Division has reason to believe that the public health, safety or welfare imperatively requires action, the Division may refer, in writing, a case involving an alleged violation by a physician of any provision of this chapter or chapter 453A of NRS related to the medical use of marijuana to the Board of Medical Examiners or the State Board of Osteopathic Medicine so that the appropriate board may investigate the referral as a complaint against the physician pursuant to chapter 630 or 633 of NRS, as applicable.*

**Sec. 137. 1.** *The Division will maintain a log of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200.*

*2. The log must indicate, for each person:*

*(a) Whether the person is authorized to cultivate, grow or produce marijuana and whether the person is authorized to engage in two or more of those activities; and*

*(b) Whether the person is authorized to do so because:*

*(1) The person who holds the registry identification card or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with chapter 453A of NRS on or before July 1, 2013;*

*(2) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, closed or were unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;*

*(3) As a result of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or*

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

*3. The Division will ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.*

**Sec. 138.** *If a patient who holds a valid registry identification card or his or her designated primary caregiver, if any, selects one medical marijuana dispensary to serve as the designated medical marijuana dispensary of the patient pursuant to NRS 453A.366, the Division will communicate the designation to the designated medical marijuana dispensary.*

**Sec. 139.** NAC 453A.010 is hereby amended to read as follows:

453A.010 As used in ~~[NAC 453A.010 to 453A.240, inclusive,]~~ *this chapter*, unless the context otherwise requires, the words and terms defined in NAC 453A.020 to 453A.070,

inclusive, *and sections 2 to 22, inclusive, of this regulation*, have the meanings ascribed to them in those sections.

**Sec. 140.** NAC 453A.100 is hereby amended to read as follows:

453A.100 1. In addition to the materials required by NRS 453A.210, an application for a registry identification card must include:

(a) A written statement signed by the applicant's attending physician verifying that he or she was presented with a photographic identification of the applicant and the designated primary caregiver, if any, and that the applicant and the designated primary caregiver, if any, are the persons named in the application;

(b) On forms prescribed by the ~~{Department,}~~ *Division*, any information required by the Central Repository for Nevada Records of Criminal History;

(c) On forms prescribed by the ~~{Department,}~~ *Division*, any information required by the Department of Motor Vehicles;

~~(d) {A complete set of the fingerprints of the applicant and the designated primary caregiver, if any, taken by a state or local law enforcement agency;~~

~~—(e) A notarized}~~ *A* medical marijuana program waiver and liability release form that is prescribed by the ~~{Department}~~ *Division* and signed by the applicant and designated primary caregiver, if any;

~~{(f) A notarized}~~

*(e) An* acknowledgment form that is prescribed by the ~~{Department}~~ *Division* and signed by the applicant and designated primary caregiver, if any;

~~{(g)}~~ *(f)* If the applicant is under 18 years of age, a minor release form signed by the designated primary caregiver of the minor; and

~~{(h)}~~ (g) Proof that the applicant is a resident, including, without limitation, a photocopy of a driver's license issued by the Department of Motor Vehicles or a photocopy of an identification card issued by the Department of Motor Vehicles.

2. *The Division will request a name-based check of an applicant, a caregiver or the parent of a child from the Central Repository for Nevada Records of Criminal History and, if such check is inadequate to determine the criminal history of an applicant, caregiver or parent of a child, the Division may request a complete set of the fingerprints of the applicant and the designated primary caregiver, if any.*

3. As used in this section, "resident" has the meaning ascribed to it in NRS 453A.210.

**Sec. 141.** NAC 453A.110 is hereby amended to read as follows:

453A.110 1. If the ~~{State Department of Agriculture}~~ **Division** approves an application for a registry identification card:

(a) The ~~{Department}~~ **Division** will provide the applicant and designated primary caregiver, if any, with written notice of its approval. ~~{by registered mail.}~~

(b) The applicant and designated primary caregiver, if any, must present the written notice and proof of identity to an appropriate office of the Department of Motor Vehicles in order to receive a registry identification card. Upon the presentation of the written notice and proof of identity, the Department of Motor Vehicles shall prepare and issue a registry identification card to the applicant and designated primary caregiver, if any, after it has confirmed by telephone or other reliable means that the ~~{State Department of Agriculture}~~ **Division** has approved the issuance of the card.



2. If the ~~{Department}~~ *Division* denies an application for a registry identification card, the ~~{Department}~~ *Division* will provide the applicant and designated primary caregiver, if any, with written notice of its denial by ~~{registered}~~ *certified* mail.

**Sec. 142.** NAC 453A.120 is hereby amended to read as follows:

453A.120 A person who is required to comply with the provisions of NRS 453A.230 shall notify the ~~{Department}~~ *Division* of any change in the information required by that section within 7 days after the change in that information.

**Sec. 143.** NAC 453A.130 is hereby amended to read as follows:

453A.130 ~~{1. Except as otherwise provided in subsection 2, a}~~ A person to whom a registry identification card has been issued may renew that card by:

~~{(a)}~~ 1. Submitting to the ~~{State Department of Agriculture}~~ *Division* a form for renewal prescribed by the ~~{Department}~~ *Division* and the materials required by NRS 453A.210 and NAC 453A.100; and

~~{(b)}~~ 2. Returning his or her expired registry identification card to the Department of Motor Vehicles.

~~{2. A person who wishes to renew his or her registry identification card is not required to comply with the provisions of paragraph (d) of subsection 1 of NAC 453A.100.}~~

**Sec. 144.** NAC 453A.140 is hereby amended to read as follows:

453A.140 The ~~{Department}~~ *Division* will charge and collect the following fees:

1. For the issuance to a person, for the first time, of a packet of application materials to be used in applying for a registry identification card..... ~~{\$50}~~ *\$25*

2. For the issuance to a person of a registry identification card after the ~~{Department}~~ *Division* has approved the person's application to receive such a card..... ~~{ \$150 }~~ *\$75*

**Sec. 145.** This regulation becomes effective on April 1, 2014.

# DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

March 14, 2014

LCB File No. R004-14

## Information Statement per NRS 233B.066

### **1. A clear and concise explanation of the need for the adopted regulation.**

The proposed regulations are necessary to carry out the requirements of Chapter 453A of the Nevada Revised Statutes (NRS) that require certification of medical marijuana establishments in Nevada. Provisions in this regard have an effective date of April 1, 2014. These provisions were added by an act of the 2013 Nevada Legislature, Senate Bill 374 (Chapter 547, Statutes of Nevada 2013).

The proposed regulations identify provisions for the establishment, licensure, operation, and regulation of medical marijuana establishments in the State of Nevada. The proposed regulations address this new industry as a privileged industry as outlined in NRS 453A.320 and provide processes for accepting/renewing applications, awarding establishment certificates and cards, and establishing requirements for each of the four establishment types related to tracking from seed to sale. Additionally, the regulations revise provisions related to criminal background checks for applicants for medical marijuana cards.

The regulations are needed to ensure oversight standards for medical marijuana establishments. Additionally, the requirements for testing marijuana that is cultivated and produced will assist end users of medicinal marijuana in understanding what is in the product they are ingesting.

### **2. A description of how public comment was solicited, a summary of the public response and an explanation of how other interested persons may obtain a copy of the summary.**

Public comment was solicited through public notices posted at the Division of Public and Behavioral Health offices in Carson City and Las Vegas, the Legislative Building in Carson City, the Grant Sawyer State Office Building in Las Vegas, the Division of Aging and Disability Services in Elko, Early Intervention Services in Las Vegas, Nevada's public libraries, the Washoe County Health District, and the Nevada State Library and Archives. In addition, copies of the notices were distributed through the Division's Medical Marijuana LISTSERV to 843 subscribers.

On October 4, 7, and 8, 2013, the Division held four stakeholder meetings over three days. The sessions focused on each of the four establishment types as well as the application process. These meetings were videoconferenced between Carson City and Las Vegas. A telephone line was also used to extend outreach to as many stakeholders as possible. Over 200 people attended in person with an unknown number of people on the telephone. The Division received considerable feedback over the three days and incorporated recommendations into a comprehensive draft of regulations that were issued with the Small Business Impact Statement on November 22, 2013.

During the stakeholder sessions, there were many comments about the financial requirements, including the \$250,000 liquidity requirement and the \$5,000 non-refundable application fee. The comments specified these requirements might exclude veterans and individuals from being able to apply for certificates. The Division cannot change these requirements because they are established in the NRS. Commenters were encouraged to participate in and voice their concerns to the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice.

In addition, there was interest in staggering the application process to allow for the acceptance of cultivation and laboratory applicants to enter the process first because the product cannot be sold until it is grown and tested by a Nevada-certified independent testing laboratory. After legal review, it was determined this option was not feasible.

The Small Business Impact Questionnaires and the final draft of the regulations were sent to all members of the Division's Medical Marijuana LISTSERV. At the time, there were 559 recipients on this list. These documents were also sent as follows to the:

- Department of Taxation's list of 322 interested persons;
- 339 members of the Retail Association of Nevada;
- 23 members of the Nevada League of Cities; and
- 17 members of the Nevada Association of Counties.

In addition, on November 25, 2013, the Division sent the questionnaire and proposed regulations with a request to distribute through their memberships to the Asian Chamber of Commerce, Boulder City Chamber of Commerce, Carson Valley Chamber of Commerce, Economic Development Authority of Western Nevada, Las Vegas Chamber of Commerce, Las Vegas Global Economic Alliance, Las Vegas Metro Chamber of Commerce, Latin Chamber of Commerce, Laughlin Chamber of Commerce, Mesquite Chamber of Commerce, Mesquite Regional Business, Inc., Nevada Association of Minority Contractors, Nevada Minority Business Development Agency, Nevada Minority Supplier Development Council, Nevada SBDC Business Success Center, Nevada Small Business Development Center (SBDC), Pahrump Chamber of Commerce, Reno Live and Buy Local, Small Business Association in Reno and Las Vegas, University of Nevada – Business Start Up Center, Urban Chamber of Commerce, Ward 5 Chamber of Commerce, Women's Chamber of Commerce of Nevada, and Nevada Workforce Connections.

Six responses were received out of 1,880 questionnaires that were distributed. The comments received from the Small Business Impact Questionnaire were taken into consideration with comments received from a Public Workshop held on December 23, 2013, for possible further revisions to the proposed regulations. The comment period was officially closed on December 31, 2013.

On December 23, 2013, the Division held a Public Workshop that was videoconferenced between Carson City and Las Vegas, and approximately 120 people signed in. The Division

received extensive comments at the workshop, and numerous written comments were submitted for consideration. The Division subsequently made more than 70 changes to the draft regulations based on the comments received. Copies of suggested amendments/comments received were posted on the Division's webpage. After making the changes, the final draft regulations were delivered to the Legislative Counsel Bureau (LCB) on January 13, 2014, and returned to the Division on February 11, 2014.

On February 19 and 24, 2014, the Division held additional stakeholder sessions to answer questions about the proposed regulations as they were redrafted by the LCB. The email notification for the meetings went to 891 recipients. Both meetings were videoconferenced between Carson City and Las Vegas, a conference call line was made available, and the sessions were broadcast over the Internet. The Internet had 192 and 165 views for each meeting, respectively. The meetings helped to identify areas of the regulations where technical changes needed to be made, and those technical changes were provided in the form of an errata for consideration at the same time the regulations were adopted.

The Division has provided several opportunities for interested parties to submit input and comments regarding the proposed medical marijuana regulations, including the economic impact the proposed regulations may have on small businesses in Nevada. Some of the major modifications made to the proposed regulations include:

- Removing the requirement for dispensaries to have a medical director as a consultant which alleviated a significant economic burden;
- Revising the circumstances that would result in an establishment needing to surrender its certificate when changes in ownership are made by making them less stringent;
- Changed the application solicitation period from 60 days to 45 days as public testimony indicated 60 days was a lengthy period of time;
- Eliminated a requirement that would have resulted in only Nevada residents being eligible to work as agents in establishments as testimony indicated this provision was overly restrictive;
- Eliminated a provision that would have required expiration dates to be listed on marijuana and marijuana products because testimony indicated it would have been costly to perform this testing, and the cost could be prohibitive for the consumer;
- Revised the provisions related to the Division making a decision to limit the production of marijuana in the State by requiring that such findings be made in a public hearing; and
- Adjusted the requirements for sanitation to ensure that it is applicable to the type of production and not overly restrictive.

The one area the Division chose not to change was the requirement for an annual audit. The reason it was not changed is Chapter 453A of the NRS specifies that this new industry is a privileged industry and requires significant regulation and oversight to prevent criminal activity. There is potential for a certified establishment to sell marijuana in the illegal market, and it is

essential there be professional financial oversight to assess whether internal controls have been followed as well as to perform an intense review of revenue and expenses to determine whether the numbers are consistent with the activities of the business. Further, audit requirements are charged based on the size of the business; therefore, the Division determined there would not be an undue burden based on the size of the businesses.

The Division received significant comment about the following provisions contained in the regulations:

- Cultivating marijuana in a manner such that it is shielded from any view exterior to the cultivation facility: At this time, this provision is important to protect the integrity of this new industry. In the future, if it is determined that this is not an issue, the regulations can be amended to remove this provision.
- Collecting data regarding physicians who are recommending marijuana to patients: This provision is mandated by NRS 453A.370 and cannot be changed by the Division. However, prior to the law being changed, the Division was required to distribute a copy of a cardholder's completed application to the respective licensing board of a physician. Additionally, NRS 453A.500 and 453A.510 protect a physician from disciplinary action simply because the physician recommends marijuana for his patients. In spite of these laws, the respective boards always have the authority to take disciplinary action for the practice actions of a physician if the board finds the practices violate the provisions of the physician's license.
- Use of organic materials in the cultivation of marijuana: Organic use is permitted if the establishment is able to secure the organic certification from an entity authorized to issue such certification.
- The use of appeals: No provisions are contained specifically for appeals of decisions of the Division. Because this is a privileged certificate, the Division was advised not to include such provisions in the regulations.
- Advertising provisions: The regulations specify that an establishment shall not use any sign or advertisement unless the sign or advertisement has been approved by the Administrator of the Division. The Division is developing guidance in this regard that will be issued to establishments after the implementation date of the law.

The Division received significant comment about the laboratory testing provisions. The NRS require that laboratories be independent of the other three medical marijuana establishment types. A person may not have a financial interest in an independent testing laboratory and the other establishment types. Further, an establishment must have all of its products tested by the independent testing laboratory and all labels of products sold must be standard and only disclose information based on the laboratory analysis. This is a different standard than that in many other states, and the decisions made in this regard were driven by the enabling legislation. No establishment may use its own scientific director to test its marijuana or marijuana products, and an establishment may not send marijuana or marijuana products to an out-of-state laboratory for

testing. A laboratory may become certified by the International Organization for Standardization, but that certification is not in lieu of the requirements of the regulations.

Issues surrounding testing are technical and complex and there are few, if any, models to follow that have a wide level of acceptance at the current time. As a result, the Division will create an Independent Laboratory Advisory Committee that will have public discussions about areas where there is not widespread agreement. The committee will make recommendations to the Division for testing that will be incorporated in a policy manual that must be followed as it relates to certain laboratory tests. As with other provisions, if it is determined that the testing provisions are not adding value, the Division is committed to revising the regulations as needed.

Notes and minutes of the proceedings referenced in the preceding text may be obtained by contacting Joseph Theile, Management Analyst II, at (775) 684-3487, or from the website of the Division at [http://health.nv.gov/MedicalMarijuana\\_Meetings.htm](http://health.nv.gov/MedicalMarijuana_Meetings.htm).

### **3. The number of persons who:**

#### **(a) Attended the hearing;**

- Carson City: 54 people signed in
- Las Vegas: 96 people signed in
- Elko: 2 people were visible on the video link (they did not sign in or testify)
- Telephone: At least two people were on the phone (one testified)
- Total: 154

#### **(b) Testified at each hearing; and**

- Carson City: 3 (Stacey Woodbury, Chelsea Capurro, Peter Krueger)
- Las Vegas: 4 (Bruce Gayle, Marc TerBeek, Dan Rush, Phil Gervasi)
- Telephone: 1 person on the phone (Johnathan Goldsmith)
- Total: 8

#### **(c) Submitted to the agency written statements.**

Written Statements Submitted: 1 person (Stacey Woodbury)

**(d) For each person identified above, the following information if provided to the Division of Public and Behavioral Health: Name, telephone number, business address, business telephone number, electronic mail address and name of entity or organization represented.**

The sign in sheets from the meeting are included with this statement as Attachment 1.

**4. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comment was solicited from affected businesses by first establishing a LISTSERV that was used to communicate meeting notices and other pertinent information as the Division proceeded through the regulations development and adoption process. Subsequently, the Division requested input from interested parties through the methods identified in the following paragraphs.

The Division prepared a questionnaire that asked for input regarding the potential impact to small businesses. On November 22, 2013, this questionnaire was sent with a copy of the proposed regulations to all members of the Division's Medical Marijuana LISTSERV, which contains 559 recipients; the Department of Taxation's list of 322 interested persons; 339 members of the Retail Association of Nevada; the 23 members of the Nevada League of Cities; and the 17 members of the Nevada Association of Counties. In addition, on November 25, 2013, the Division sent the questionnaire and proposed regulations with a request to distribute through their memberships to the Asian Chamber of Commerce, Boulder City, Chamber of Commerce (sent to 620 members), Carson Valley Chamber of Commerce, Economic Development Authority of Western Nevada (EDAWN), Las Vegas Chamber of Commerce, Las Vegas Global Economic Alliance, Las Vegas Metro Chamber of Commerce, Latin Chamber of Commerce, Laughlin Chamber of Commerce, Mesquite Chamber of Commerce, Mesquite Regional Business, Inc., Nevada Association of Minority Contractors, Nevada Minority Business Development Agency, Nevada Minority Supplier Development Council, Nevada SBDC Business Success Center, Nevada Small Business Development Center (SBDC), Pahrump Chamber of Commerce, Reno Live and Buy Local, Small Business Association in Reno and Las Vegas, University of Nevada – Business Start Up Center, Urban Chamber of Commerce, Ward 5 Chamber of Commerce, Women's Chamber of Commerce of Nevada, and Nevada Workforce Connections.

The questions on the questionnaire were:

- 1) How many employees are currently employed by your business?
- 2) Will a specific regulation have an adverse economic effect upon your business?
- 3) Will the regulation(s) have any beneficial effect upon your business?
- 4) Do you anticipate any indirect adverse effects upon your business?
- 5) Do you anticipate any indirect beneficial effects upon your business?



**Summary of Responses**

<b>Summary Of Comments Received</b> <b>(6 responses were received out of 1880 small business impact questionnaires distributed)</b>			
<b>Will a specific regulation have an adverse economic effect upon your business?</b>	<b>Will the regulation (s) have any beneficial effect upon your business?</b>	<b>Do you anticipate any indirect adverse effects upon your business?</b>	<b>Do you anticipate any indirect beneficial effects upon your business?</b>
<p>An annual “audited” set of financial reports could cost tens of thousands of dollars! A set of financial statements “reviewed” by an independent account should be sufficient. [Another section] requires all employees and volunteers be Nevada Residents. Periodically, especially during the initial startup, I anticipate contracting with an out of state organization with years of experience in the industry, to provide guidance. Based on the verbiage of this section they will not be allowed. We should allow a provision for out of state contractors to work in the facilities. Without having third party consultants to work with could cost hundreds of thousands of dollars in set up errors and/or lost revenue. [Another section] requires cross training of all staff for all elements of the business. In cultivation there are a variety of “Intellectual Property” (I.P.) elements at play. It is bad business to train multiple people in all aspects of this business and education them to all of the I.P... Our employee’s will be head hunted by the competition to steal this I.P. knowledge!!! Costs of millions a year!!! [Another section] could place a restriction on our compensation package for key employees. We anticipate offering a profit sharing program to incentives our staff which is very generous. This could be construed as “in excess of reasonable allowances.” 5 year historical storage is too long. 3 years is more reasonable. This could cost in the tens of thousands of dollars in storage fee. OR, ALLOW US TO SCAN AND ELECTRONICALLY STORE THE DATA. Don’t obligate us to maintain the original hard copies.</p>	<p>I am a firm believer in tight regulations will eliminate shady businesses! The key is avoiding regulations that put too much of a burden on the business. Or regulations that result in higher costs of quality products to the patients.</p>	<p>No</p>	<p>No</p>

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<p>In no particular order, here are my concerns and comments:</p> <ul style="list-style-type: none"> <li>• The hard-dollar cost is difficult to project, though likely might range up to two or three additional FTE employees. Based upon an exhaustive analysis of other Medical Marijuana (MMJ) States and the underlying MMJ businesses therein, from inception our go-to-market strategy hinged on full “Seed to Sale” operations; medible manufacturing, cultivation, dispensaries. This robust operational footprint is a proven approach to risk mitigation (CO), avoiding supply chain disruption (AZ), attaining earlier-stage financial solvency all while providing exemplary patient care. One pivotal aspect of operational efficiency and thus streamlined costs will be our Nevada-based employees. Section 41(2) states that “Each medical marijuana establishment agent registration card issued pursuant to NRS 453A.332 must indicate the category of the registration card. The person to whom the card is issued may ONLY provide services at the type of medical marijuana establishment for which he or she is registered to provide services.” From a business perspective, I am an advocate of specialization. However, at an early stage, organizations grow stronger through cross-training skills. That way, with illness, unplanned absence or termination, operations are not disrupted and patients still receive high-quality care. Also, within a full “Seed to Sale” operation, cross-training and diverse work exposure within multiple establishment-types empowers the employee, providing for both personal preference and career path advancement. As a business owner, I also benefit by being capable of matching specific job functions with personality type and business need. Please consider modifying or expanding this provision to enable registered agents to work in multiple establishment-types if the umbrella organization encompasses several different types of establishments.</li> <li>-- Requirement of an independent certified public accountant audit of the annual</li> </ul>	<p>While no specific regulations come to mind, overall this work by the Division and the regulations themselves ultimately enable the business model itself. Without your work, none of this would be possible considering the Federal Government’s stance on Medical Marijuana. Speaking only for myself, I see the regulatory framework as a necessity if our goal is to help patients, operate with transparency and increase tax revenue. Though onerous, this entire effort will create a Net-Good. While I may not agree with everything included within the regulations, rules need to be set so that we might play the game. Nevada is crafting a best-of-breed model that I am confident will be emulated by other states as they stand up medical marijuana.</p>	<p>Spending many years in Sales &amp; Marketing leadership for various technology companies, I believe I bring to the table some astute best practices in launching a business. I am excited to apply my learning to the MMJ Industry in Nevada. [The stipulation] that “a medical marijuana establishment shall not use 1. A name or logo unless the name or logo has been approved by the Administrator of the Division; or 2. Any sign or advertisement unless the sign or advertisement has been approved ....” Having helped launch several businesses, best practice is to begin building a social media strategy (Twitter, Website, Tumblr (Blogs), Google Plus, online forums, etc.) before the business opens day one. That enables us to provide value to patients looking for resources, branding our downstream product &amp; service</p>	<p>Redefinition of permissible enclosed cultivation facilities to include Greenhouses is of tremendous benefit, though admittedly forces a revamp of strategy to include this added capability. Not only is greenhouse growing a more sustainable and environmentally friendly model, it reduces some of the significant costs associated with indoor lighting models. On the downside, though not outweighing the positives, security costs rise with an outdoor model and new security protocols will need to be crafted and implemented. With this move outdoor and into the sun, please consider enabling agricultural zoning for cultivation facilities.</p>

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<p>financial statement. After working in Silicon Valley with numerous “Startup” companies, I understand the requirement for greater assurances around financial statements. At the risk of sounding promotional, that is why one of our Founders is a former Director of Internal Audit for the State of Nevada. We thoroughly understand the “business enabling” quality of regulatory compliance and financial transparency. My issue here is more prosaic, firmly rooted in high dollar cost; I estimate this cost alone to be upwards of \$50k+ considering our intended “seed to sale” footprint. For perspective, that is the equivalent of a fully-loaded employee. In year one, wherein we project a loss based upon the initial capital requirements, tough choices might ensue around head count. Statistically, the vast majority of first-year startups fail. Within the MMJ Industry, those numbers match up well, with only 25% of Dispensaries generating over \$1,000,000 in revenue. Add to this the sobering consequences of IRS tax code 280e which denies dispensaries the ability to claim such typical expenses as rent, payroll, utilities and various other legitimate business expenses. Perhaps consider a phased approach to this cost item, beginning after year two or based upon some overall revenue attainment.</p> <p>-- While no doubt application fees will generate a sizable sum, the real “win” for Nevada is higher taxes and lower unemployment. As we are applying for multiple establishment types, i.e. full “Seed to Sale”, our applications will contain much redundancy across leadership team, financials, etc. Ultimately, our team needs to be thoroughly vetted only once, not three of four times. All things considered, I do understand there will be fees associated with data management and validation with multiple applications, so I ask for you to consider some percentage discount on application / license fees based upon data redundancy and reduced cost. If the Status quo remains, our exposure to fees difficult to justify might be upwards of \$15k.</p>		<p>offerings and interact with the community beforehand. We are confused about what marketing and social tactics we can adopt at this time.</p> <p>Also, what is the process for logo or name approval?</p> <ul style="list-style-type: none"> <li>• Envisioning NV’s Medical Marijuana Industry 10 years from now, it becomes imperative that some mechanism / process is established that enables a smooth though diligent transfer of ownership interest. At that time, a similar due diligence process might occur, with associated transfer fees paid to the state. What small business owner does not envision a downstream exit? Without enabling a transfer, the alternative is shuttered doors</li> </ul>	

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<p>-- As stated previously, our proposed business footprint includes edible / infused medical marijuana product manufacturing, dispensaries and a supportive cultivation facility. In an attempt to increase security and while increasing public safety, we are engaged with a professional security firm to scope out best practices and refine our Standard Operating Procedures. After assessing regulations and listening to our "Seed to Sale" plan, he questions the rationale to physically separate a cultivation facility from its "Medible" Kitchen. From his perspective, this unnecessarily increases security and transport risk while increasing cost for in-transport security and another building facility. The entire process is more streamlined and safe if these established might cohabitate. From a business and safety perspective, I ask that you consider amending Section 72 to allow for these complimentary businesses to share a common entry, common amenities like a team break room, bathrooms. As for the financial impact of requiring different buildings altogether, those costs would include additional rent, utilities, security, etc. and would easily increase expense by over \$150,000 per year (Lease X 12 plus NNN, various expenses, transport and security).</p>			
<p>I am attempting to be responsive to the Small Business Impact Questionnaire; however it is difficult for me to answer your questions in the format you have provided. I am going to answer as if our company has already been formed, although this will not take place until later this month.</p> <p>1. Currently there is one employee working on this initiative who would be considered an employee of a small business and another few who are either owners or who are going to be subject to a letter of intent to become employees.</p> <p>2. Although I have not been able to calculate the dollar amounts in many sections, I will attempt to explain what might be the impact for each of the sections below of the draft regulations sent to us last week.</p>	<p>We feel most of these regulations will help all of the licensed businesses and recognize that this is an opportunity to get into a new business at the ground level. As with any other business model, being one of the first businesses to get licensed is a great benefit.</p>	No	No

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<p>-- We believe that only having 30 days notice of the point values assigned for the application will be too tight a timeframe in addition to all the other documentation and material for the application that needs to be prepared. In the last draft of the regulations we were provided a draft of the point values. I would encourage the Division to finalize these point values and make them public as soon as possible. In any event we feel that 30 days is too short a time period and would prefer to have 60 days.</p> <p>-- We feel the education requirements for employees will be costly and it is not clear if we need to hire outside consultants for training and education. Other than some basic training requirements, we feel that each business should be able to decide how much training and who will be conducting training for its employees. My understanding from speaking with consultants is that it could cost between \$20,000-\$30,000 to fully train staff if we are not able to use in-house trainers. If we have a Master Grower who has owned dispensaries and cultivation facilities and has provided training to employees of those facilities, he should be qualified to conduct in house training for us. With respect to health and safety issues for a production facility, an in house chef could train employees on food and safety issues.</p> <p>-- We feel it would be a burden, costly and time consuming to pay for a professionally prepared survey if a local government has not enacted zoning restrictions. If a survey needs to be conducted we feel that our employees are competent to conduct such survey.</p> <p>-- We feel that it is an undue burden to be required to audit according to 'generally accepted accounting principles' at least once every 30 days. The tax code requires a monthly audit, there is a daily inventory control/audit and annually our financials will need to be audited. We feel that if we need to audit according to GAP then this audit would need to be done by a CPA, not internally and that a monthly audit of this</p>			

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<p>kind could run us \$2,000 per month.</p> <p>-- We do not feel that child resistant packaging according with Poison Prevention Packaging should be the standard for medical cannabis. If we are able to use the Substitute labeling statement, "Package Not Child-Resistant" in 1700.5b then I suppose we could still use zip lock packaging. Pharmacy bottles are more expensive than zip lock packaging and are worse for the environment. In addition the square labels as currently suggested would completely cover the bottle. If we package everything at the Cultivation facility then our patients/customers will not be able to see the product through the bottle. If we have to package everything at the Dispensary instead of at cultivation then this would cause an impact on how we hire employees and who we hire to weigh each package for sale. Any product containing marijuana also includes edibles and I don't think it's feasible to put a brownie in a child resistant package.</p> <p>-- We feel the size of these labels would cause us to have to package our products in larger pouches than is necessary for the product. Larger packaging is more expensive. The best examples of packaging I saw in AZ were zip lock pouches varying in size by quantity/weight of the product being purchased. Pouches were clear on one side giving patients/customers the opportunity to see the exact product they were purchasing, not just a sample. This is the model we were intending to use.</p> <p>-- We feel that a system for monitoring environmental conditions is vague and that it is probably covered by (i)-(iii) within that same section. A vague requirement such as this is subject to a consultant charging whatever they want because we have no way of quantifying what this should cover.</p> <p>-- We feel this is a very subjective section and after spending a lot of money to get our cultivation and dispensary open we would not want the Division to arbitrarily come to us and say now we could only produce (or cultivate) a certain amount.</p>			

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<p>-- Given that many of the proposed application fees are intended to support the cost of background checks, application review, etc., IF A GROUP / ENTITY applies for multiple licenses, much of the background check and review will be duplicative between license applications. Specifically, my group intends to apply for a minimum of 2 dispensary licenses, a cultivation license, and an edible/infused products license. To pay the up-front fee of \$5000 per application, and then the associated license issuance fees IN FULL for each application, leads to significant fees (easily in excess of \$15K) that are not truly justified given that our team only needs to be vetted / qualified ONCE.</p> <p>-- Some entities may want to change their structure. For instance, from a business perspective, it may be desirable to start as an LLC, but switch to an S Corp. Note that in this particular example, there is a federally mandated March 15th deadline in a given year to elect S Corp Status, so the state needs to contemplate that changing organization types may need to take place OUTSIDE of the 10 day application period, depending on WHEN the 10 day application period is set each year. It would be appropriate for Section 36 to contemplate entities changing their organization type. Not facilitating organizations being able to change their organization type could easily cost a business \$10s or even \$100s of thousands of dollars due to different tax treatments at the federal level.</p> <p>Section 36.3: Requirement of a report of audit. In my experience, audits cost anywhere from \$15K to \$50K for small businesses. This is a significant and undue burden, especially for a startup organization. I would suggest eliminating any request for audit for the first 2 taxable years at a minimum. It might also make sense to establish revenue threshold(s) for the audit requirement and/or more infrequent (e.g., NOT ANNUAL) audits thereafter.</p> <p>-- It is difficult to put a hard dollar cost on this, but there does not appear to be any sort</p>	<p>No response provided</p>	<p>-- From this section it appears that if a group / entity wishes to apply for multiple licenses, as permitted by the legislation, that a separate application must be completed for EACH license. If the Division were open to it, it would be more efficient (and kill fewer trees!) to fill out one longer application covering each of the proposed licenses.</p> <p>-- As we (and I suspect most other) applicants will not have a fully binding lease, nor FULL access to the buildings that we wish to occupy until such time as we obtain licenses, it would be helpful if the Division could spell out some sort of process to, “work with the applicant and landlords to find mutually agreeable time(s) for inspection(s) as required to review the application.” Without some process that involves working with applicants and landlords, the application process</p>	<p>No response provided</p>

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<p>of allowance for owners or employees with particular skill sets to obtain an agent card that would allow them to provide services at MULTIPLE establishments of different types (I do read it as saying that a given agent could work at ANY dispensary if they have the ‘dispensary’ agent card). IF THIS IS TRULY THE INTENT, it could be devastating! Again, my group anticipates owning dispensaries, cultivation, and medibles facilities... as owners / operators we need to be able to enter all of them to provide services. And I can easily envision employees who may have relevant skills for 2 or more establishment types. So, hopefully there will be a process by which agents can obtain registration cards that enable them to provide services at 2 or more establishment types? Furthermore, from a business efficiency, public exposure, and safety/security perspective it is logical to co-locate a medibles / infused products manufacturing facility WITH the cultivation facility. Ideally employees would share a common entrance (better security!), common break rooms and bathrooms (more efficient!), etc. So again, this begets the issue of agent cards if they work as a cultivator and or medibles employee in a building that houses BOTH businesses. I can go on and on about why this makes sense and is in everyone’s best interest.</p> <p>-- If we cultivate our own product, and make edible or infused products in a co-located facility, it certainly adds cost and time to test the shake / leaves, etc. prior to utilizing to make, for instance, a concentrate. While this testing can certainly be done, it seems to add an artificial ‘step’ that costs time and money, and is generally unnecessary given that the final medibles and infused products must be tested in any case before being transferred to a dispensary.</p> <p>-- We plan to grow organically (not hydroponic without pesticides, but true organic, in soil) based on industry standards. However, Section 70 calls for certification, “in a manner consistent with the national organic standards established by the</p>		<p>will be biased toward only those applicants who already own their own building.</p> <p>-- As these businesses get stood up, it will become imperative in the future to create a mechanism to transfer ownership of the establishment and the accompanying registration certificate, obviously with approval by the Division of the new owner(s). This could work very much like the process by which casinos in the state of NV are sold, with sign-off by the overseeing body.</p> <p>-- When you state that you want to reporting to include the “origin” of the marijuana seeds or cuttings, can you please clarify? It seems that we are obligated to obtain seeds or cuttings from existing registry cardholders, do we need to identify the individual? It just seems that this is likely to be a sensitive topic, and</p>	



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<p>USDA.” The USDA cannot certify us because the USDA is a federal agency, and medical marijuana is illegal federally. Will the NV Dept. of Agriculture certify us? Even with a local certifying agency the cost of certification (based on web searches and conversations) typically ranges from \$2-5K/year. If we have to bring in a certifying organization from outside the state, the costs will only be higher. Obviously this cost (and any of the others touched on in this document) will end up being passed on to consumers. Is this really what NV wants? A high cost medical marijuana program? I do not think, in the early phases of this program, that organic certification should be required UNLESS a state agency (such as the Nevada Dept. of Agriculture) can do the certification, in which case I am 100% supportive.</p> <p>-- As noted above, if a group desires (as we do) to do both cultivation and edible / infused marijuana products, it makes tremendous business and security sense to co-locate those facilities. Section 72 should be amended to reflect that if 2 such businesses are owned and operated by the same group / entity, that officers, board members, and agents can utilize a common entry, share common spaces (break room, bathrooms), and to extent licensed to do so, work in either business establishment.</p> <p>-- I don’t believe you are trying to exclude establishments from using more neutral packaging such as glass, but there is no mention of such in this section. Please call out that glass, etc., are authorized (and hopefully encouraged!).</p> <p>-- This section specifies that expiration dates for medical marijuana products must be determined by appropriate lab-based stability testing. THIS COULD MAKE THIS BUSINESS IMPOSSIBLE! Given my background in the biotechnology world, I fully understand that lab based stability testing will run \$10s if not \$100s of thousands of dollars PER PRODUCT. Are the “independent testing labs” supposed to do this testing? Are we supposed to do it as</p>		<p>may lead to LOWER QUALITY options in terms of strains of medical marijuana, etc., if full reporting of individual names, etc., is required.</p> <p>NRS 453A.350: The way this is written, I believe it is perhaps intended to apply only to dispensaries? It does not make sense to require an edible marijuana / infused products manufacturing facility to be located in a SEPARATE building from the cultivation facility. There are tremendous business synergies, not to mention a less public presence and lower security risks, by co-locating these facilities if they are owned by the same group. ALSO, this provision specifies commercial or industrial zones only. What about agricultural zones for the cultivation (and possibly edibles) establishments?</p>	

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<p>cultivators / medibles manufacturers? Even using accelerated testing protocols, it typically takes months to stability test a given product. PRACTICAL SENSE needs to come into play here! I implore you! Medical marijuana (flower) is like tobacco in a fine cigar... properly stored it can last for years, and age well! Shelf life will depend in part on how it is initially packaged (e.g., air tight container? Air or nitrogen?), and stored (temperature? Light? Humidity? Packaging?). For edible products and infused products, the primary factor will be the 'normal' shelf life of the non-cannabis ingredients. For instance, if we make a cannabis infused olive oil, the suggested expiration date or "best by" date should be whatever accompanies the olive oil itself... which may be based on knowledge NOT laboratory based stability testing. So, please clarify (or omit!) this section. Requiring true laboratory based stability testing of very small volume products is impossible from an economic perspective. It simply costs too much.</p> <p>MULTIPLE Sections: If there is no licensed independent laboratory in Northern NV, it would be a significant cost burden to our Northern NV based businesses. What can be done to ensure that at least ONE independent laboratory gets stood up in EACH of Northern and Southern NV? What if the lab takes their sweet time (they have up to 12 months) to get the business running? Are we paralyzed in that instance, paying rent, etc., with no ability to sell our medicine through dispensaries? This would be devastating financially!! It makes sense to me that there be a backup plan in place. For instance, perhaps UNR could run the tests? Or perhaps we could sell product WITHOUT testing until such time as an independent lab is up and running in Northern NV? Or perhaps we could do our own testing until such time as an independent lab is up and running in Northern NV? I believe it is imperative for the Division to put some sort of contingency plan in place!!</p>			

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<p>Millions will be diverted, lost efforts, economic downfall, loss, and waste of time that is exhaustive but, being invested: The list of regulations as it is presented stifles the economy, stops progress of the NIH systems, continues to allow great research out of this Country, and if implemented could cause a line to be drawn in the sand by the DEA v. State. This method will encourage human danger? It will be discriminatory? It will not be a good answer that will safely continue the business of Medicine being defined. We all recognize Gonzales v. Raich concludes, “the State does have a right to purport the crimes,” AS WELL, the DEA has discretion to take out illegal businesses. Why not compromise by education to accept franchise-able businesses that allows all small business concerns, to become involved by proper license and access, i.e., TbT Group, Inc., which will show clinical trials and studies to support <a href="http://www.theiamb.com">www.theiamb.com</a>, and this will allow the big businesses to come on board to gain NIH Standards to medicine? This would be one idea to grow the economy and satisfy all?</p> <p>IMPACT: Therefore, the thought of TbT Group franchising to help Veterans, VA Directives, Investors, Manufacturers, Developers, DEA, Distributors, NIH, and the common business person who wants in or to become involved in this business is unattainable by these set of Regulatory Method, when, we all too well know that “the feds own the meds” and clinical trials grants all access, so we should as those with clinical business on our minds relate to the standards of collaboration. DEA Registration lists 111 businesses with a right to do business, by proper access to licenses.</p> <p>TbT Group had plans of education symposiums to help all learn how to transition their weed business, to a federal level of safety.</p> <p>The theory of TbT Group would be to open the franchising to the Veterans who cannot stand a chance against big industry dollars,</p>	<p>Checked Yes. NEGATIVE IMPACT, the right regulatory businesses that will increase fed activities, jobs, and add to the State levels are going to have to compete with shady businesses like, Dr. Reefer, those who care about the dollar and not about the patients or their care, or free medicine, or the businesses that that activity brings.</p>	<p>As advocates on behalf of the federal government, we seem foolish if we believe in other methods other than the sciences? Therefore, we believe and know that all activity does have a doorway that is open for green business, if we do this right? We can involve all, but, the pattern must be with a better access to control and in this greedy affair, this TbT will, be the only answer sent that will be inclusively a way for all who can afford to become involved and immediately open offices, and this will allow those with much funding to also do their businesses.</p>	<p>Checked Yes. NO BENEFITS, much disaster, for our project is like the gorilla in the room, everyone knows that it is here, but, no one wants to deal with it, logically?</p>

Summary Of Comments Received (6 responses were received out of 1880 small business impact questionnaires distributed)			
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grant accessibility by others, b (note: the comment ended at this point)			

Number of Respondents out 1880	Adverse economic effect?	Beneficial effect?	Indirect adverse effects?	Indirect beneficial effects?
6	5	3	3	2

Any persons interested in obtaining a copy of the summary may email, call, or mail in a request to Joseph Theile at the Division of Public and Behavioral Health, Medical Marijuana Program, 4150 Technology Way, 2nd Floor, Carson City, NV 89706, (775) 684-3487, [jtheile@health.nv.gov](mailto:jtheile@health.nv.gov). The Small Business Impact Summary has been posted on the Division's website at: <http://health.nv.gov/> and <http://health.nv.gov/medicalmarijuana.htm> where it may be viewed and downloaded.

**5. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change. The statement should also explain the reasons for making any changes to the regulation as proposed.**

Based on input received during the December 23, 2013, Public Workshop, more than 70 changes were made to the final draft of the regulations that were submitted to the LCB. After the regulations came back to the Division from the LCB, some technical changes were made as outlined in the errata and supplemental errata to R004-14P. The sections that were amended were Sections 26, 28, 35, 46, 72, and 120. In addition, one amendment to Section 136 was adopted as submitted by the Nevada State Medical Association.

The following points identify issues that were brought up during the hearing that were not adopted and the reasons why:

- Bruce Gale asked whether the Division intended to amend the provisions at Section 35 prohibiting the 10 percent or more of the stock from being transferred. The amendment will not be made at this time because NRS 453A.334 prohibits the transfer of a medical marijuana establishment certificate.
- Mark Terbeek suggested that a person who performs professional services for an establishment may be required to obtain an agent card, and he asked for reconsideration about the provisions related to agent cards. The Division believes that the language in the

definition at Section 16 of “medical marijuana establishment agent” excludes a consultant who performs professional services for a medical marijuana establishment.

- Phil Gervasi highlighted that Section 60 related to security of the establishment does not include a provision for onsite security. He is correct, however Section 26 requires an applicant “to ensure adequate security measures, including, without limitation, building security and product security.” Further, Section 41 specifies that agents must be trained in “The proper use of security measures and controls that have been adopted by the medical marijuana establishment for the prevention of diversion, theft or loss of marijuana.” Finally, Section 134 makes the security plans confidential and not releasable as public documents by the Division. Additionally, testimony during the regulations development process indicated there are multiple ways to assure security without requiring an onsite presence in the regulations.
- Peter Krueger, representing the Nevada Medical Marijuana Association, asked the Division to consider eliminating provisions in Section 72 that marijuana cannot be observed from outside an establishment. This amendment was not made at this time as it was determined not to be in the best interests of the State. The Division indicated it needs time to gain high-quality experience regulating this new activity. As it gains experience and as public acceptance of growing, producing, and selling marijuana in the State of Nevada expands, these provisions can be changed.
- Also in Section 72, there were comments during the workshop, but not during the hearing, to revise the provisions related to the limitation on odor exterior to an establishment. The Division is working on internal guidance that will establish a parts-per-million (ppm) standard that will be used if there are complaints in this regard. As a result, there was no need to amend this section because a ppm standard will be an objective standard.
- Prior to the hearing, the Division received a letter via email from Victor Morin, Ph.D., expressing concern about batches and strains of marijuana as it relates to the requirement in Section 120 to “...segregate all harvested marijuana into homogenized batches...” The concern is that the regulation will require an establishment to combine different strains into one testing batch, thereby losing the plant’s unique identity. The Division does not believe that is the requirement. The definition of “batch” in Section 2 is that it is a “...specific lot of marijuana grown from one or more seeds or cuttings that are planted and harvested at the same time.” The definition of “lot” in Section 12 is that it is “...flowers from one or more marijuana plants of the same strain, in a quantity that weighs 5 pounds or less; or ...leaves or other plant matter from one or more marijuana plants, other than full female flowers, in a quality that weighs 15 pounds or less.” The reference to “same strain” allows a cultivation establishment to batch unique strains for testing.

The following amendment was adopted:

- An amendment was accepted from the Nevada State Medical Association. The Association’s Executive Director, Stacy Woodbury, submitted an amendment to Section 136. This section establishes provisions related to the recommending practices of physicians. The amendment clarifies that the Division is not making a recommendation for disciplinary action to a

respective physician licensing board, but the Division is notifying the respective board for it to consider an investigation of the physician.

**6. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include:**

**a. Both adverse and beneficial effects; and**

- Adverse Effects: There were concerns expressed by stakeholders related to costs outlined Chapter 453A of the NRS, including the \$250,000 liquidity requirement contained in NRS 453A.322. The Division cannot change these provisions; however, the Legislature has created the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice. The Subcommittee is tasked with considering, evaluating, reviewing, and reporting on the medical use of marijuana, the dispensation of marijuana for medical use, and the laws providing for the dispensation of marijuana for medical use.
- Beneficial Effects: The regulations will provide the required structure and oversight of this new privileged industry. The regulations provide clear guidelines and include requirements for security and tracking of product from seed to sale. This will aid the industry in establishing integrity and aid the Division in preventing diversion of product.

**b. Both immediate and long term effects.**

- Immediate Effects: The regulations will allow for the application, approval, and creation of medical marijuana establishments to meet the needs of Nevada's medical marijuana cardholders. The regulations will provide for the creation of new businesses and jobs in the State.
- Long Term Effects: Provide integrity to the industry and provide public safety by ensuring Nevada's cardholders have a safe place to obtain their medication.

**Anticipated effects on the business which NAC 453A regulates:**

- Adverse Effects: There were concerns expressed by stakeholders related to costs outlined in Chapter 453A of the NRS, including the \$250,000 liquidity requirement contained in NRS 453A.322. The Division cannot change these provisions; however, the Legislature has created the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice. The Subcommittee is tasked with considering, evaluating, reviewing, and reporting on the medical use of marijuana, the dispensation of marijuana for medical use, and the laws providing for the dispensation of marijuana for medical use. Further, the Division established fees at the maximum amount allowed by NRS 453A.344 to ensure there is sufficient revenue to perform adequate oversight of the establishments.

- Beneficial Effects: The regulations will provide the required structure and oversight of this new privileged industry. The regulations provide clear guidelines and include requirements for security and tracking of product from seed to sale. This will aid the industry in establishing integrity and aid the Division in preventing diversion of product.
- Immediate Effects: The regulations will allow for the application, approval, and creation of medical marijuana establishments to meet the needs of Nevada's medical marijuana cardholders. The regulations will provide for the creation of new businesses and jobs in our State.
- Long Term Effects: Provide integrity to the industry and provide public safety by ensuring Nevada's cardholders have a safe place to obtain their medication.

**Anticipated effects on the public:**

- Adverse Effects: None anticipated.
- Beneficial Effects: Increased public safety by controlling the product form seed to sale. All products must be tested by independent medical marijuana testing laboratories that are certified by the Division. Patients will know what is in the product they are purchasing. If any excess revenue remains from fees after paying the actual costs incurred by the Division in processing the application, including, without limitation, conducting background checks, it must be paid over to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.
- Immediate Effects: Increased public safety.
- Long Term Effects: Provide integrity to the industry and provide public safety by ensuring Nevada's cardholders have a safe place to obtain their medication.

**7. The estimated cost to the agency for enforcement of the proposed regulation.**

The estimated cost to the Division of Public and Behavioral Health for inspections and audits required to enforce the regulations with onsite reviews is estimated to be \$3,449 per facility, annually. Administrative costs to support program operations and offsite regulation enforcement are anticipated to have an annual cost of \$2,701 per facility, using a baseline estimate of 150 approved facilities. Both components demonstrate an estimated total recurring annual cost of \$6,150 per facility. No general fund dollars will be used.

**8. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, name the regulatory federal agency.**

The Division is not aware of any similar regulations of other State or governmental agencies that the proposed regulations overlap or duplicate.

**9. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

Not applicable.

**10. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

Based on fees outlined in NRS 453A.344, each medical marijuana establishment will be charged an annual fee based on type of facility. Each agent of each establishment must also pay for registration.

Using a baseline estimate of 150 approved facilities, the agency anticipates recurring annual revenue for renewal registrations to be \$431,250. The funds will be used to support salary costs, operating expenses (such as phone line, email, rent, copy/printing, etc.), and travel costs associated with regulatory requirements and statewide assessments.

Initial registration revenue is anticipated to be \$2,249,250 in the first year. In addition to usage identified above, these funds will support initial one-time start-up costs to create, implement, and establish the program. These start-up costs include creating regulations; establishing procedures; research for existing precedence; supporting public outreach; conducting workshops; and equipment/furnishings for new positions required to implement regulations. Any remaining balance of fee revenue, after expenses, will be paid to the State Distributive School Account.