

CHAPTER.....

AN ACT relating to cannabis; authorizing a district attorney or city attorney to bring a civil action against a person for engaging in certain activities relating to cannabis without a license or registration card issued by the Cannabis Compliance Board; providing for the issuance by the Board of a cannabis establishment agent registration card for a cannabis receiver; setting forth certain requirements to obtain such a registration card; requiring the Board to adopt regulations relating to the activities of a holder of such a registration card with respect to a cannabis establishment that is subject to a receivership; authorizing the Board to adopt regulations governing the transfer of licenses which give a priority in processing such transfers to certain types of transfers; requiring advertising by a cannabis establishment to include the name and license number or other unique identifier of the cannabis establishment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law prohibits a person from possessing, delivering or producing marijuana or paraphernalia, or aiding and abetting another in doing so, but creates an exemption from state prosecution for such crimes in certain circumstances for persons who are at least 21 years of age or hold a registry identification card, letter of approval, cannabis establishment agent registration card, adult-use cannabis establishment license or medical cannabis establishment license. A person who engages in activities relating to cannabis for which a license or registration card is required without the appropriate license or registration card does not qualify for such an exemption and is therefore subject to prosecution for such crimes. (NRS 453.316, 453.321, 453.336, 453.337, 453.339, 453.3393, 678C.200, 678D.200) Existing law additionally prohibits a person from engaging in the business of a medical cannabis establishment or adult-use cannabis establishment without a license issued by the Cannabis Compliance Board. (NRS 678B.210, 678B.250) If a licensee has violated the provisions of law relating to the regulation of cannabis, the Board may impose certain penalties, including the revocation of the license of the licensee and the imposition of a civil penalty. (NRS 678A.600) **Section 1.5** of this bill provides that if a person engages in certain activities relating to cannabis without a license or registration card issued by the Board in violation of the provisions of existing law governing the regulation of cannabis, the district attorney or city attorney for the jurisdiction in which the violation occurred is authorized to bring an action against the person to recover a civil penalty of not more \$50,000 for each violation. **Section 1.5** also authorizes a district attorney or city attorney to bring an action to enjoin such violations.

Existing law prohibits a person from holding an ownership interest in a cannabis establishment of less than 5 percent, volunteering or working at, contracting to provide labor to or being employed by an independent contractor to provide labor to a cannabis establishment as a cannabis establishment agent unless the person has been issued a cannabis establishment agent registration card.



(NRS 678B.340) **Section 1.69** of this bill: (1) prohibits a person from acting as a receiver for a cannabis establishment subject to a receivership unless the person has been issued a cannabis establishment agent registration card for a cannabis receiver; and (2) sets forth certain requirements for a person to obtain such a card. **Section 1.7** of this bill requires the Board to adopt regulations prescribing procedures and requirements by which a person who has been appointed by a court as a receiver and who has been issued a cannabis establishment agent registration card for a cannabis receiver may take possession of, manage the operations of and take any other action authorized by the court with respect to a cannabis establishment subject to a receivership. **Section 1.7** requires such regulations to: (1) prescribe procedures and requirements for certain actions taken by a receiver; and (2) require a receiver to comply with all applicable laws.

Section 1.73 of this bill provides that a cannabis establishment agent registration card for a cannabis receiver is a revocable privilege. **Sections 1.76 and 1.79** of this bill prohibit the issuance of a medical cannabis establishment license or an adult-use cannabis establishment license, respectively, if any of the persons proposed to be owners, officers or board members of the establishment have previously had a cannabis establishment agent registration card for a cannabis receiver revoked. **Section 2.2** of this bill requires the Board to adopt certain regulations relating to the issuance of such a card. **Sections 2.4 and 2.8** of this bill provide an exemption from state prosecution for certain crimes relating to cannabis for a person who holds a valid cannabis establishment agent registration card for a cannabis receiver. **Section 2.6** of this bill provides that the fact that a person possesses such a card does not, alone: (1) constitute probable cause to search the person or the person's property; or (2) subject the person or the person's property to inspection.

Existing law requires the Board to adopt regulations prescribing procedures and requirements by which the holder of a license issued by the Board may transfer the license to another qualified person. (NRS 678B.380) **Section 1.9** of this bill authorizes such regulations to give priority in the processing of such a transfer to transfers in which the transferor is: (1) subject to a receivership; (2) involved in a recapitalization; or (3) a party to a court proceeding involving financial distress.

Under existing law, certain activities concerning advertising by a cannabis establishment are prohibited or required, such as prohibiting a cannabis establishment from engaging in advertising which contains a statement or illustration that is false or misleading and requiring advertising to contain a warning that cannabis is for use only by adults who are 21 years of age or older. (NRS 678B.520) **Section 2** of this bill requires that all advertising by a cannabis establishment contain: (1) the name of the cannabis establishment; and (2) the adult-use cannabis establishment license number or other unique identifier or the medical cannabis establishment license number or other unique identifier of the cannabis establishment. **Section 2** authorizes a cannabis establishment that holds multiple licenses to satisfy such requirements by including in any advertising conducted by the cannabis establishment any one of the adult-use cannabis establishment license numbers, medical cannabis establishment license numbers or unique identifiers of the cannabis establishment.



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

Section 1. (Deleted by amendment.)

Sec. 1.2. Chapter 678A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.5 of this act.

Sec. 1.3. *“Cannabis establishment agent registration card for a cannabis receiver” means a registration card issued by the Board pursuant to section 1.69 of this act.*

Sec. 1.5. *1. A person who does not hold a license and who, in violation of the provisions of this title:*

(a) Cultivates, delivers, transfers, supplies or sells cannabis;

(b) Manufacturers, delivers, transfers, supplies or sells cannabis products; or

(c) Advertises the sale of cannabis or cannabis products by the person,

↳ is liable for a civil penalty of not more than \$50,000 to be recovered in an action brought by the district attorney or city attorney for the jurisdiction in which the violation occurred. Any civil penalty collected by a district attorney or city attorney pursuant to this section must be deposited in the county or city treasury, as applicable.

2. The district attorney or city attorney of any county or city, respectively, in which a person engages in any of the conduct described in subsection 1 in violation of the provisions of this title may bring an action to enjoin the violation.

Sec. 1.6. NRS 678A.010 is hereby amended to read as follows:

678A.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 678A.020 to 678A.240, inclusive, *and section 1.3 of this act* have the meanings ascribed to them in those sections.

Sec. 1.63. NRS 678A.235 is hereby amended to read as follows:

678A.235 “Registration card” means:

1. A cannabis establishment agent registration card; ~~or~~

2. A cannabis establishment agent registration card for a cannabis executive ~~H~~; *or*

3. A cannabis establishment agent registration card for a cannabis receiver.



Sec. 1.66. Chapter 678B of NRS is hereby amended by adding thereto the provisions set forth as sections 1.69 and 1.7 of this act.

Sec. 1.69. 1. *In addition to the requirements set forth in NRS 678B.340, a person shall not act as a receiver for a cannabis establishment subject to a receivership unless the person first secures a cannabis establishment agent registration card for a cannabis receiver issued by the Board.*

2. A person who wishes to act as a receiver for a cannabis establishment subject to a receivership shall submit to the Board an application on a form prescribed by the Board. The application must be accompanied by:

(a) The name, address and date of birth of the applicant;

(b) A statement signed by the applicant asserting that he or she has not previously had a cannabis establishment agent registration card for a cannabis receiver revoked;

(c) A complete set of the fingerprints and written permission of the applicant authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(d) Any information required by the Board to complete an investigation into the background of the applicant;

(e) Proof satisfactory to the Board that the applicant has:

(1) Experience in or knowledge of the cannabis industry;

(2) Experience as a receiver appointed by a court;

(3) The knowledge and skills necessary to make reasonable financial decisions with respect to the finances of a cannabis establishment subject to a receivership; and

(4) Adequate financial capacity to fulfill the duties of a receiver;

(f) The application fee, as set forth in NRS 678B.390; and

(g) Such other information as the Board may require by regulation.

3. If the Board determines the applicant is qualified to receive a cannabis establishment agent registration card for a cannabis receiver pursuant to NRS 678B.200, the Board shall issue to the person a cannabis establishment agent registration card for a cannabis receiver.

4. A cannabis establishment agent registration card for a cannabis receiver expires 2 years after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and



(b) Payment of the renewal fee set forth in NRS 678B.390.

5. A person to whom a cannabis establishment agent registration card for a cannabis receiver is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.

Sec. 1.7. *The Board shall adopt regulations which prescribe procedures and requirements by which a receiver appointed by a court who has been issued a cannabis establishment agent registration card for a cannabis receiver may take possession of, manage the operations of and take any other action authorized by a court with respect to a cannabis establishment subject to a receivership. Such regulations must, without limitation:*

1. Prescribe procedures and requirements for the management, liquidation, sale or transfer of a cannabis establishment subject to a receivership by such a receiver, including, without limitation, procedures and requirements for the transfer of a license by a receiver in accordance with the regulations adopted pursuant to NRS 678B.380; and

2. Require such a receiver to comply with all applicable provisions of this title and the regulations adopted pursuant thereto.

Sec. 1.73. NRS 678B.010 is hereby amended to read as follows:

678B.010 The Legislature hereby finds and declares that:

1. The purpose for licensing cannabis establishments and registering cannabis establishment agents is to protect the public health and safety and the general welfare of the people of this State.

2. Any:

(a) Medical cannabis establishment license issued pursuant to NRS 678B.210;

(b) Adult-use cannabis establishment license issued pursuant to NRS 678B.250;

(c) Cannabis establishment agent registration card issued pursuant to NRS 678B.340; ~~and~~

(d) Cannabis establishment agent registration card for a cannabis executive issued pursuant to NRS 678B.350 ~~and~~; *and*

(e) Cannabis establishment agent registration card for a cannabis receiver issued pursuant to section 1.69 of this act,

↪ is a revocable privilege and the holder of such a license or card, as applicable, does not acquire thereby any vested right.



Sec. 1.76. NRS 678B.210 is hereby amended to read as follows:

678B.210 1. A person shall not engage in the business of a medical cannabis establishment unless the person holds a medical cannabis establishment license issued by the Board pursuant to this section.

2. A person who wishes to engage in the business of a medical cannabis establishment must submit to the Board an application on a form prescribed by the Board.

3. Except as otherwise provided in NRS 678B.220, 678B.230 and 678B.240, not later than 90 days after receiving an application to engage in the business of a medical cannabis establishment, the Board shall register the medical cannabis establishment and issue a medical cannabis establishment license and a random 20-digit alphanumeric identification number if:

(a) The person who wishes to operate the proposed medical cannabis establishment has submitted to the Board all of the following:

(1) The application fee, as set forth in NRS 678B.390;

(2) An application, which must include:

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

(II) The physical address where the proposed medical cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated medical cannabis establishments, the locations of which may not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board, within 300 feet of a community facility that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board or, if the proposed medical cannabis establishment will be located in a county whose population is 100,000 or more, within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board;

(III) Evidence that the applicant controls not less than \$250,000 in liquid assets to cover the initial expenses of opening the proposed medical cannabis establishment and complying with the provisions of this title;



(IV) Evidence that the applicant owns the property on which the proposed medical cannabis establishment will be located or has the written permission of the property owner to operate the proposed medical cannabis establishment on that property;

(V) For the applicant and each person who is proposed to be an owner, officer or board member of the proposed medical cannabis establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

(VI) The name, address and date of birth of each person who is proposed to be an owner, officer or board member of the proposed medical cannabis establishment;

(3) Operating procedures consistent with rules of the Board for oversight of the proposed medical cannabis establishment, including, without limitation:

(I) Procedures to ensure the use of adequate security measures; and

(II) The use of an electronic verification system and an inventory control system pursuant to NRS 678C.420 and 678C.430;

(4) If the proposed medical cannabis establishment will sell or deliver medical cannabis products, proposed operating procedures for handling such products which must be preapproved by the Board;

(5) If the city or county in which the proposed medical cannabis establishment will be located has enacted zoning restrictions, proof that the proposed location is in compliance with those restrictions and satisfies all applicable building requirements; and

(6) Such other information as the Board may require by regulation;

(b) None of the persons who are proposed to be owners, officers or board members of the proposed medical cannabis establishment have been convicted of an excluded felony offense;

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

(1) Served as an owner, officer or board member for a cannabis establishment that has had its medical cannabis establishment license or adult-use cannabis establishment license revoked;



(2) Previously had a cannabis establishment agent registration card revoked; ~~or~~

(3) Previously had a cannabis establishment agent registration card for a cannabis executive revoked; ~~and~~ *or*

(4) Previously had a cannabis establishment agent registration card for a cannabis receiver revoked; and

(d) None of the persons who are proposed to be owners, officers or board members of the proposed medical cannabis establishment are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed medical cannabis establishment, the Board shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. Except as otherwise provided in subsection 6, if an application for registration as a medical cannabis establishment satisfies the requirements of this section, is qualified in the determination of the Board pursuant to NRS 678B.200 and the establishment is not disqualified from being registered as a medical cannabis establishment pursuant to this section or other applicable law, the Board shall issue to the establishment a medical cannabis establishment license. A medical cannabis establishment license expires 1 year after the date of issuance and may be renewed upon:

(a) Submission of the information required by the Board by regulation; and

(b) Payment of the renewal fee set forth in NRS 678B.390.

6. In determining whether to issue a medical cannabis establishment license pursuant to this section, the Board shall consider the criteria of merit set forth in NRS 678B.240.

7. For the purposes of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3, the distance must be measured from the front door of the proposed medical cannabis establishment to the closest point of the property line of a school, community facility or gaming establishment.

8. As used in this section, “community facility” means:

(a) A facility that provides day care to children.

(b) A public park.

(c) A playground.

(d) A public swimming pool.



(e) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(f) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

Sec. 1.79. NRS 678B.250 is hereby amended to read as follows:

678B.250 1. A person shall not engage in the business of an adult-use cannabis establishment unless the person holds an adult-use cannabis establishment license issued pursuant to this section.

2. A person who wishes to engage in the business of an adult-use cannabis establishment must submit to the Board an application on a form prescribed by the Board.

3. Except as otherwise provided in NRS 678B.260, 678B.270 and 678B.280, the Board shall issue an adult-use cannabis establishment license to an applicant if:

(a) The person who wishes to operate the proposed adult-use cannabis establishment has submitted to the Board all of the following:

(1) The application fee, as set forth in NRS 678B.390;

(2) An application, which must include:

(I) The legal name of the proposed adult-use cannabis establishment;

(II) The physical address where the proposed adult-use cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated adult-use cannabis establishments, the locations of which may not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board, within 300 feet of a community facility that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board or, if the proposed adult-use cannabis establishment will be located in a county whose population is 100,000 or more, within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board;

(III) Evidence that the applicant controls liquid assets in an amount determined by the Board to be sufficient to cover the



initial expenses of opening the proposed adult-use cannabis establishment and complying with the provisions of this title;

(IV) Evidence that the applicant owns the property on which the proposed adult-use cannabis establishment will be located or has the written permission of the property owner to operate the proposed adult-use cannabis establishment on that property;

(V) For the applicant and each person who is proposed to be an owner, officer or board member of the proposed adult-use cannabis establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

(VI) The name, address and date of birth of each person who is proposed to be an owner, officer or board member of the proposed adult-use cannabis establishment;

(3) Operating procedures consistent with rules of the Board for oversight of the proposed adult-use cannabis establishment, including, without limitation:

(I) Procedures to ensure the use of adequate security measures; and

(II) The use of an inventory control system;

(4) If the proposed adult-use cannabis establishment will sell or deliver adult-use cannabis products, proposed operating procedures for handling such products which must be preapproved by the Board; and

(5) Such other information as the Board may require by regulation;

(b) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment have been convicted of an excluded felony offense;

(c) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment have:

(1) Served as an owner, officer or board member for a cannabis establishment that has had its adult-use cannabis establishment license or medical cannabis establishment license revoked;

(2) Previously had a cannabis establishment agent registration card revoked; ~~or~~

(3) Previously had a cannabis establishment agent registration card for a cannabis executive revoked; ~~and~~ *or*



(4) Previously had a cannabis establishment agent registration card for a cannabis receiver revoked; and

(d) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed adult-use cannabis establishment, the Board shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. Except as otherwise provided in subsection 6, if an applicant for licensure to operate an adult-use cannabis establishment satisfies the requirements of this section, is qualified in the determination of the Board pursuant to NRS 678B.200 and is not disqualified from being licensed pursuant to this section or other applicable law, the Board shall issue to the applicant an adult-use cannabis establishment license. An adult-use cannabis establishment license expires 1 year after the date of issuance and may be renewed upon:

(a) Submission of the information required by the Board by regulation; and

(b) Payment of the renewal fee set forth in NRS 678B.390.

6. In determining whether to issue an adult-use cannabis license pursuant to this section, the Board shall consider the criteria of merit set forth in NRS 678B.280.

7. For the purposes of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3, the distance must be measured from the front door of the proposed adult-use cannabis establishment to the closest point of the property line of a school, community facility or gaming establishment.

8. As used in this section, "community facility" means:

(a) A facility that provides day care to children.

(b) A public park.

(c) A playground.

(d) A public swimming pool.

(e) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(f) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.



Sec. 1.9. NRS 678B.380 is hereby amended to read as follows:
678B.380 1. Except as otherwise provided by regulations adopted by the Board pursuant to subsection 2, the following are nontransferable:

- (a) A cannabis establishment agent registration card.
- (b) A cannabis establishment agent registration card for a cannabis executive.
- (c) *A cannabis establishment agent registration card for a cannabis receiver.*
- (d) A medical cannabis establishment license.
- ~~(d)~~ (e) An adult-use cannabis establishment license.

2. The Board shall adopt regulations which prescribe procedures and requirements by which a holder of a license may transfer the license to another party who is qualified to hold such a license pursuant to the provisions of this chapter. *Such regulations may give priority in the processing of transfers of licenses to a transfer in which the transferor is:*

- (a) Subject to a receivership;*
- (b) Involved in a recapitalization; or*
- (c) A party to a court proceeding involving financial distress.*

Sec. 2. NRS 678B.520 is hereby amended to read as follows:

678B.520 1. Each cannabis establishment shall, in consultation with the Board, cooperate to ensure that all cannabis products offered for sale:

- (a) Are labeled clearly and unambiguously:
 - (1) As cannabis or medical cannabis with the words “THIS IS A MEDICAL CANNABIS PRODUCT” or “THIS IS A CANNABIS PRODUCT,” as applicable, in bold type; and
 - (2) As required by the provisions of this chapter and chapters 678C and 678D of NRS.
- (b) Are not presented in packaging that contains an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the cannabis production facility which produced the product.
- (c) Are regulated and sold on the basis of the concentration of THC in the products and not by weight.
- (d) Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.
- (e) Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children.
- (f) Are labeled in a manner which indicates the amount of THC in the product, measured in milligrams, and includes a statement



that the product contains cannabis and its potency was tested with an allowable variance of the amount determined by the Board by regulation.

(g) Are not labeled or marketed as candy.

2. A cannabis production facility shall not produce cannabis products in any form that:

(a) Is or appears to be a lollipop.

(b) Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon or artistic rendering.

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

(d) Is made by applying concentrated cannabis, as defined in NRS 453.042, to a commercially available candy or snack food item other than dried fruit, nuts or granola.

3. A cannabis production facility shall:

(a) Seal any cannabis product that consists of cookies or brownies in a bag or other container which is not transparent.

(b) Affix a label to each cannabis product which includes without limitation, in a manner which must not mislead consumers, the following information:

(1) The words "Keep out of reach of children";

(2) A list of all ingredients used in the cannabis product;

(3) A list of all allergens in the cannabis product; and

(4) The total content of THC measured in milligrams.

(c) Maintain a hand washing area with hot water, soap and disposable towels which is located away from any area in which cannabis products are cooked or otherwise prepared.

(d) Require each person who handles cannabis products to restrain his or her hair, wear clean clothing and keep his or her fingernails neatly trimmed.

(e) Package all cannabis products produced by the cannabis production facility on the premises of the cannabis production facility.

4. A cannabis establishment shall not engage in advertising that in any way makes cannabis or cannabis products appeal to children, including, without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy.

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

6. A cannabis sales facility shall:



(a) Include a written notification with each sale of cannabis or cannabis products which advises the purchaser:

(1) To keep cannabis and cannabis products out of the reach of children;

(2) That cannabis products can cause severe illness in children;

(3) That allowing children to ingest cannabis or cannabis products or storing cannabis or cannabis products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect;

(4) That the intoxicating effects of edible cannabis products may be delayed by 2 hours or more and users of edible cannabis products should initially ingest a small amount of the product, then wait at least 120 minutes before ingesting any additional amount of the product;

(5) That pregnant women should consult with a physician before ingesting cannabis or cannabis products;

(6) That ingesting cannabis or cannabis products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so;

(7) That cannabis or cannabis products can impair concentration, coordination and judgment and a person should not operate a motor vehicle while under the influence of cannabis or cannabis products; and

(8) That ingestion of any amount of cannabis or cannabis products before driving may result in criminal prosecution for driving under the influence.

(b) Enclose all cannabis and cannabis products in opaque, child-resistant packaging upon sale.

7. A cannabis sales facility shall allow any person who is at least 21 years of age to enter the premises of the cannabis sales facility.

8. If the health authority, as defined in NRS 446.050, where a cannabis production facility or cannabis sales facility which sells edible cannabis products is located requires persons who handle food at a food establishment to obtain certification, the cannabis production facility or cannabis sales facility shall ensure that at least one employee maintains such certification.

9. A cannabis production facility may sell a commodity or product made using hemp, as defined in NRS 557.160, or containing cannabidiol to a cannabis sales facility.



10. In addition to any other product authorized by the provisions of this title, a cannabis sales facility may sell:

(a) Any commodity or product made using hemp, as defined in NRS 557.160;

(b) Any commodity or product containing cannabidiol with a THC concentration of not more than 0.3 percent; and

(c) Any other product specified by regulation of the Board.

11. A cannabis establishment:

(a) Shall not engage in advertising which contains any statement or illustration that:

(1) Is false or misleading;

(2) Promotes overconsumption of cannabis or cannabis products;

(3) Depicts the actual consumption of cannabis or cannabis products; or

(4) Depicts a child or other person who is less than 21 years of age consuming cannabis or cannabis products or objects suggesting the presence of a child, including, without limitation, toys, characters or cartoons, or contains any other depiction which is designed in any manner to be appealing to or encourage consumption of cannabis or cannabis products by a person who is less than 21 years of age.

(b) Shall not advertise in any publication or on radio, television or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be persons who are less than 21 years of age.

(c) Shall not place an advertisement:

(1) Within 1,000 feet of a public or private school, playground, public park or library, but may maintain such an advertisement if it was initially placed before the school, playground, public park or library was located within 1,000 feet of the location of the advertisement;

(2) On or inside of a motor vehicle used for public transportation or any shelter for public transportation;

(3) At a sports event to which persons who are less than 21 years of age are allowed entry; or

(4) At an entertainment event if it is reasonably estimated that 30 percent or more of the persons who will attend that event are less than 21 years of age.

(d) Shall not advertise or offer any cannabis or cannabis product as “free” or “donated” without a purchase.



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

- (1) "Keep out of reach of children"; and
- (2) "For use only by adults 21 years of age and older."

(f) Shall ensure that all advertising by the cannabis establishment contains:

- (1) The name of the cannabis establishment; and*
- (2) Except as otherwise provided in subsection 12, the adult-use cannabis establishment license number or medical cannabis establishment license number of the cannabis establishment or any other unique identifier assigned to the cannabis establishment by the Board.*

12. A cannabis establishment that holds more than one license may satisfy the requirement set forth in subparagraph (2) of paragraph (f) of subsection 11 if the cannabis establishment includes in all advertising conducted by the cannabis establishment:

(a) Any one of the adult-use cannabis establishment license numbers or medical cannabis establishment license numbers of the cannabis establishment; or

(b) Any one unique identifier assigned to the cannabis establishment by the Board.

13. Nothing in subsection 11 shall be construed to prohibit a local government, pursuant to chapter 244, 268 or 278 of NRS, from adopting an ordinance for the regulation of advertising relating to cannabis which is more restrictive than the provisions of subsection 11 relating to:

(a) The number, location and size of signs, including, without limitation, any signs carried or displayed by a natural person;

(b) Handbills, pamphlets, cards or other types of advertisements that are distributed, excluding an advertisement placed in a newspaper of general circulation, trade publication or other form of print media;

(c) Any stationary or moving display that is located on or near the premises of a cannabis establishment; and

(d) The content of any advertisement used by a cannabis establishment if the ordinance sets forth specific prohibited content for such an advertisement.

~~13.~~ **14.** If a cannabis establishment engages in advertising for which it is required to determine the percentage of persons who are less than 21 years of age and who may reasonably be expected to view or hear the advertisement, the cannabis establishment shall



maintain documentation for not less than 5 years after the date on which the advertisement is first broadcasted, published or otherwise displayed that demonstrates the manner in which the cannabis establishment determined the reasonably expected age of the audience for that advertisement.

~~[14.]~~ **15.** In addition to any other penalties provided for by law, the Board may impose a civil penalty upon a cannabis establishment that violates the provisions of subsection 11 or ~~[13]~~ **14** as follows:

(a) For the first violation in the immediately preceding 2 years, a civil penalty not to exceed \$1,250.

(b) For the second violation in the immediately preceding 2 years, a civil penalty not to exceed \$2,500.

(c) For the third violation in the immediately preceding 2 years, a civil penalty not to exceed \$5,000.

(d) For the fourth violation in the immediately preceding 2 years, a civil penalty not to exceed \$10,000.

~~[15.]~~ **16.** As used in this section, “motor vehicle used for public transportation” does not include a taxicab, as defined in NRS 706.124.

Sec. 2.2. NRS 678B.650 is hereby amended to read as follows:

678B.650 The Board shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of this chapter. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of applications for licenses or registration cards issued pursuant to this chapter;

2. Establish procedures for the suspension or revocation of a license or registration card or other disciplinary action to be taken against a licensee or registrant;

3. Set forth rules pertaining to the safe and healthful operation of cannabis establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on cannabis establishments or compromising the confidentiality of consumers and holders of registry identification cards and letters of approval, as those terms are defined in NRS 678C.080 and 678C.070, respectively;

(b) Minimum requirements for the oversight of cannabis establishments;

(c) Minimum requirements for the keeping of records by cannabis establishments;



(d) Provisions for the security of cannabis establishments, including without limitation, requirements for the protection by a fully operational security alarm system of each cannabis establishment; and

(e) Procedures pursuant to which cannabis establishments must use the services of cannabis independent testing laboratories to ensure that any cannabis or cannabis product or commodity or product made from hemp, as defined in NRS 557.160, sold by a cannabis sales facility to an end user is tested for content, quality and potency in accordance with standards established by the Board;

4. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 678B.390 may be reduced over time to ensure that the fees imposed pursuant to NRS 678B.390 are, insofar as may be practicable, revenue neutral;

5. Establish different categories of cannabis establishment agent registration cards, including, without limitation, criteria for issuance of a cannabis establishment agent registration card for a cannabis executive *and a cannabis establishment agent registration card for a cannabis receiver* and criteria for training and certification, for each of the different types of cannabis establishments at which such an agent may be employed or volunteer or provide labor as a cannabis establishment agent;

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

7. Establish procedures and requirements to enable a dual licensee to operate a medical cannabis establishment and an adult-use cannabis establishment at the same location;

8. Determine whether any provision of this chapter or chapter 678C or 678D of NRS would make the operation of a cannabis establishment by a dual licensee unreasonably impracticable; and

9. Address such other matters as the Board deems necessary to carry out the provisions of this title.

Sec. 2.4. NRS 678C.200 is hereby amended to read as follows:

678C.200 1. Except as otherwise provided in this section and NRS 678C.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 678C.230 or 678C.270 is exempt from state prosecution for:

- (a) The possession, delivery or production of cannabis;
- (b) The possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of cannabis;



(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of cannabis in accordance with the provisions of this title.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 678C.230 and the designated primary caregiver, if any, of such a person:

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

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

(1) Two and one-half ounces of usable cannabis;

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

(3) A maximum allowable quantity of cannabis products as established by regulation of the Board.

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

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

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

(b) May establish an affirmative defense to charges of the possession, delivery or production of cannabis, or any combination of those acts, in the manner set forth in NRS 678C.310.

5. A person who holds a valid medical cannabis establishment license issued to the person pursuant to NRS 678B.210 , ~~for~~ a valid cannabis establishment agent registration card issued to the person pursuant to NRS 678B.340 , ~~for~~ a valid cannabis establishment



agent registration card for a cannabis executive issued pursuant to NRS 678B.350 *or a valid cannabis establishment agent registration card for a cannabis receiver issued pursuant to section 1.69 of this act* and who confines his or her activities to those authorized by this title, and the regulations adopted by the Board pursuant thereto, is exempt from state prosecution for:

- (a) The possession, delivery or production of cannabis;
- (b) The possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of cannabis;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical cannabis dispensary opens in the county of residence of a person who holds a registry identification card, including, without limitation, a designated primary caregiver, such a person is not authorized to cultivate, grow or produce cannabis. The provisions of this subsection do not apply if:

- (a) The person who holds the registry identification card was cultivating, growing or producing cannabis in accordance with state law on or before July 1, 2013;
- (b) All the medical cannabis dispensaries in the county of residence of the person who holds the registry identification card close or are unable to supply the quantity or strain of cannabis necessary for the medical use of the person to treat his or her specific medical condition;
- (c) Because of illness or lack of transportation, the person who holds the registry identification card is unable reasonably to travel to a medical cannabis dispensary; or
- (d) No medical cannabis dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, "cannabis" includes, without limitation, cannabis products.



Sec. 2.6. NRS 678C.600 is hereby amended to read as follows:
678C.600 1. The fact that a person possesses a registry identification card or letter of approval issued to the person by the Division or its designee pursuant to NRS 678C.230 or 678C.270, a medical cannabis establishment license issued to the person by the Board or its designee pursuant to NRS 678B.210, a cannabis establishment agent registration card issued to the person by the Board or its designee pursuant to NRS 678B.340 , ~~for~~ a cannabis establishment agent registration card for a cannabis executive issued to the person by the Board or its designee pursuant to NRS 678B.350 *or a cannabis establishment agent registration card for a cannabis receiver issued to the person by the Board pursuant to section 1.69 of this act* does not, alone:

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

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

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

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

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

(c) Upon:

(1) A decision not to prosecute;

(2) The dismissal of charges; or

(3) Acquittal,

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

Sec. 2.8. NRS 678D.200 is hereby amended to read as follows:

678D.200 1. Except as otherwise provided in NRS 678D.300, a person who is 21 years of age or older is exempt from state prosecution for:



- (a) The possession, delivery or production of cannabis;
- (b) The possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of cannabis;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the adult use of cannabis in accordance with the provisions of this title.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person:

- (a) Is 21 years of age or older;
- (b) Is not employed by any agency or political subdivision of this State in a position which requires the person to be certified by the Peace Officers' Standards and Training Commission;
- (c) Engages in the adult use of cannabis in accordance with the provisions of this title;
- (d) Does not, at any one time, possess, deliver or produce more than:

- (1) One ounce of usable cannabis;
- (2) One-eighth of an ounce of concentrated cannabis;
- (3) Six cannabis plants, irrespective of whether the cannabis plants are mature or immature; and
- (4) A maximum allowable quantity of adult-use cannabis products as established by regulation of the Board;
- (e) Cultivates, grows or produces not more than six cannabis plants:

(1) Within an enclosed area that is not exposed to public view that is equipped with locks or other security devices which allow access only by an authorized person; and

(2) At a residence or upon the grounds of a residence in which not more than 12 cannabis plants are cultivated, grown or produced;

(f) Delivers 1 ounce or less of usable cannabis or one-eighth of an ounce or less of concentrated cannabis without remuneration to a



person who is 21 years of age or older so long as such delivery is not advertised or promoted to the public; and

(g) Assists another person who is 21 years of age or older in carrying out any of the acts described in paragraphs (a) to (f), inclusive.

4. If a person possesses, uses or produces cannabis in an amount which exceeds the amount set forth in paragraph (d) of subsection 3 or in any manner other than that set forth in subsection 3, the person is not exempt from state prosecution for the possession, delivery or production of cannabis.

5. A person who holds an adult-use cannabis establishment license issued to the person pursuant to NRS 678B.250, a cannabis establishment agent registration card issued to the person pursuant to NRS 678B.340 , ~~for~~ a cannabis establishment agent registration card for a cannabis executive issued to the person pursuant to NRS 678B.350 ~~or~~ *or a cannabis establishment agent registration card for a cannabis receiver issued to the person pursuant to section 1.69 of this act*, and confines his or her activities to those authorized by this title, and the regulations adopted by the Board pursuant thereto, is exempt from state prosecution for:

- (a) The possession, delivery or production of cannabis;
- (b) The possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of cannabis;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of cannabis or the possession or delivery of paraphernalia is an element.

6. The commission of any act by a person for which the person is exempt from state prosecution pursuant to this section must not be used as the basis for the seizure or forfeiture of any property of the person or for the imposition of a civil penalty.

Sec. 3. This act becomes effective on July 1, 2021.

