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THIRD REPRINT

A.B. 326

ASSEMBLY BILL NO. 326—ASSEMBLYMAN ROBERTS

MARCH 17, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing cannabis.
(BDR 56-641)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

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:

1 Existing law prohibits a person from possessing, delivering or producing
2 marijuana or paraphernalia, or aiding and abetting another in doing so, but creates
3 an exemption from state prosecution for such crimes in certain circumstances for
4 persons who are at least 21 years of age or hold a registry identification card, letter
5 of approval, cannabis establishment agent registration card, adult-use cannabis
6 establishment license or medical cannabis establishment license. A person who
7 engages in activities relating to cannabis for which a license or registration card is
8 required without the appropriate license or registration card does not qualify for



9 such an exemption and is therefore subject to prosecution for such crimes. (NRS
10 453.316, 453.321, 453.336, 453.337, 453.339, 453.3393, 678C.200, 678D.200)
11 Existing law additionally prohibits a person from engaging in the business of a
12 medical cannabis establishment or adult-use cannabis establishment without a
13 license issued by the Cannabis Compliance Board. (NRS 678B.210, 678B.250) If
14 a licensee has violated the provisions of law relating to the regulation of cannabis,
15 the Board may impose certain penalties, including the revocation of the license of
16 the licensee and the imposition of a civil penalty. (NRS 678A.600) **Section 1.5**
17 of this bill provides that if a person engages in certain activities relating to cannabis
18 without a license or registration card issued by the Board in violation of the
19 provisions of existing law governing the regulation of cannabis, the district attorney
20 or city attorney for the jurisdiction in which the violation occurred is authorized to
21 bring an action against the person to recover a civil penalty of not more \$50,000 for
22 each violation. **Section 1.5** also authorizes a district attorney or city attorney to
23 bring an action to enjoin such violations.

24 Existing law prohibits a person from holding an ownership interest in a
25 cannabis establishment of less than 5 percent, volunteering or working at,
26 contracting to provide labor to or being employed by an independent contractor to
27 provide labor to a cannabis establishment as a cannabis establishment agent unless
28 the person has been issued a cannabis establishment agent registration card. (NRS
29 678B.340) **Section 1.69** of this bill: (1) prohibits a person from acting as a receiver
30 for a cannabis establishment subject to a receivership unless the person has been
31 issued a cannabis establishment agent registration card for a cannabis receiver; and
32 (2) sets forth certain requirements for a person to obtain such a card. **Section 1.7**
33 of this bill requires the Board to adopt regulations prescribing procedures and
34 requirements by which a person who has been appointed by a court as a receiver
35 and who has been issued a cannabis establishment agent registration card for a
36 cannabis receiver may take possession of, manage the operations of and take any
37 other action authorized by the court with respect to a cannabis establishment
38 subject to a receivership. **Section 1.7** requires such regulations to: (1) prescribe
39 procedures and requirements for certain actions taken by a receiver; and (2) require
40 a receiver to comply with all applicable laws.

41 **Section 1.73** of this bill provides that a cannabis establishment agent
42 registration card for a cannabis receiver is a revocable privilege. **Sections 1.76 and**
43 **1.79** of this bill prohibit the issuance of a medical cannabis establishment license or
44 an adult-use cannabis establishment license, respectively, if any of the persons
45 proposed to be owners, officers or board members of the establishment have
46 previously had a cannabis establishment agent registration card for a cannabis
47 receiver revoked. **Section 2.2** of this bill requires the Board to adopt certain
48 regulations relating to the issuance of such a card. **Sections 2.4 and 2.8** of this bill
49 provide an exemption from state prosecution for certain crimes relating to cannabis
50 for a person who holds a valid cannabis establishment agent registration card for a
51 cannabis receiver. **Section 2.6** of this bill provides that the fact that a person
52 possesses such a card does not, alone: (1) constitute probable cause to search the
53 person or the person's property; or (2) subject the person or the person's property to
54 inspection.

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

61 Under existing law, certain activities concerning advertising by a cannabis
62 establishment are prohibited or required, such as prohibiting a cannabis
63 establishment from engaging in advertising which contains a statement or



64 illustration that is false or misleading and requiring advertising to contain a warning
65 that cannabis is for use only by adults who are 21 years of age or older. (NRS
66 678B.520) **Section 2** of this bill requires that all advertising by a cannabis
67 establishment contain: (1) the name of the cannabis establishment; and (2) the
68 adult-use cannabis establishment license number or other unique identifier or the
69 medical cannabis establishment license number or other unique identifier of
70 the cannabis establishment. **Section 2** authorizes a cannabis establishment that
71 holds multiple licenses to satisfy such requirements by including in any advertising
72 conducted by the cannabis establishment any one of the adult-use cannabis
73 establishment license numbers, medical cannabis establishment license numbers or
74 unique identifiers of the cannabis establishment.

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

1 **Section 1.** (Deleted by amendment.)

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

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

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

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

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

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

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

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

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

26 678A.010 As used in this title, unless the context otherwise
27 requires, the words and terms defined in NRS 678A.020 to
28 678A.240, inclusive, *and section 1.3 of this act* have the meanings
29 ascribed to them in those sections.



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

3 678A.235 “Registration card” means:

- 4 1. A cannabis establishment agent registration card; ~~or~~
5 2. A cannabis establishment agent registration card for a
6 cannabis executive ~~or~~; *or*

7 *3. A cannabis establishment agent registration card for a*
8 *cannabis receiver.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 *person a cannabis establishment agent registration card for a*
2 *cannabis receiver.*

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

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

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

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

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

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

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

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

34 *678B.010 The Legislature hereby finds and declares that:*

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

38 *2. Any:*

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

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

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



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

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

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

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

9 678B.210 1. A person shall not engage in the business of a
10 medical cannabis establishment unless the person holds a medical
11 cannabis establishment license issued by the Board pursuant to this
12 section.

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

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

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

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

26 (2) An application, which must include:

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

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



1 (III) Evidence that the applicant controls not less than
2 \$250,000 in liquid assets to cover the initial expenses of opening the
3 proposed medical cannabis establishment and complying with the
4 provisions of this title;

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

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

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

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

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

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

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

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

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

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

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

43 (1) Served as an owner, officer or board member for a
44 cannabis establishment that has had its medical cannabis



1 establishment license or adult-use cannabis establishment license
2 revoked;

3 (2) Previously had a cannabis establishment agent
4 registration card revoked; ~~for~~

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

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

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

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

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

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

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

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

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

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

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

41 (b) A public park.

42 (c) A playground.

43 (d) A public swimming pool.



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

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

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

8 678B.250 1. A person shall not engage in the business of an
9 adult-use cannabis establishment unless the person holds an adult-
10 use cannabis establishment license issued pursuant to this section.

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

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

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

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

21 (2) An application, which must include:

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

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

41 (III) Evidence that the applicant controls liquid assets in
42 an amount determined by the Board to be sufficient to cover the
43 initial expenses of opening the proposed adult-use cannabis
44 establishment and complying with the provisions of this title;



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

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

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

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

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

20 (II) The use of an inventory control system;

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

29 (b) A public park.

30 (c) A playground.

31 (d) A public swimming pool.

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

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

37 **Sec. 1.9.** NRS 678B.380 is hereby amended to read as follows:

38 678B.380 1. Except as otherwise provided by regulations
39 adopted by the Board pursuant to subsection 2, the following are
40 nontransferable:

41 (a) A cannabis establishment agent registration card.

42 (b) A cannabis establishment agent registration card for a
43 cannabis executive.

44 (c) *A cannabis establishment agent registration card for a*
45 *cannabis receiver.*



1 (d) A medical cannabis establishment license.

2 ~~[(d)]~~ (e) An adult-use cannabis establishment license.

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

9 (a) *Subject to a receivership;*

10 (b) *Involved in a recapitalization; or*

11 (c) *A party to a court proceeding involving financial distress.*

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

13 678B.520 1. Each cannabis establishment shall, in
14 consultation with the Board, cooperate to ensure that all cannabis
15 products offered for sale:

16 (a) Are labeled clearly and unambiguously:

17 (1) As cannabis or medical cannabis with the words "THIS
18 IS A MEDICAL CANNABIS PRODUCT" or "THIS IS A
19 CANNABIS PRODUCT," as applicable, in bold type; and

20 (2) As required by the provisions of this chapter and chapters
21 678C and 678D of NRS.

22 (b) Are not presented in packaging that contains an image of a
23 cartoon character, mascot, action figure, balloon or toy, except that
24 such an item may appear in the logo of the cannabis production
25 facility which produced the product.

26 (c) Are regulated and sold on the basis of the concentration of
27 THC in the products and not by weight.

28 (d) Are packaged and labeled in such a manner as to allow
29 tracking by way of an inventory control system.

30 (e) Are not packaged and labeled in a manner which is modeled
31 after a brand of products primarily consumed by or marketed to
32 children.

33 (f) Are labeled in a manner which indicates the amount of THC
34 in the product, measured in milligrams, and includes a statement
35 that the product contains cannabis and its potency was tested with an
36 allowable variance of the amount determined by the Board by
37 regulation.

38 (g) Are not labeled or marketed as candy.

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

41 (a) Is or appears to be a lollipop.

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



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

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

6 3. A cannabis production facility shall:

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

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

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

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

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

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

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

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

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

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

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

33 6. A cannabis sales facility shall:

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

40 11. A cannabis establishment:

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

43 (1) Is false or misleading;

44 (2) Promotes overconsumption of cannabis or cannabis
45 products;



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

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

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

14 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

36 *(1) The name of the cannabis establishment; and*

37 *(2) Except as otherwise provided in subsection 12, the*
38 *adult-use cannabis establishment license number or medical*
39 *cannabis establishment license number of the cannabis*
40 *establishment or any other unique identifier assigned to the*
41 *cannabis establishment by the Board.*

42 *12. A cannabis establishment that holds more than one*
43 *license may satisfy the requirement set forth in subparagraph (2)*
44 *of paragraph (f) of subsection 11 if the cannabis establishment*



1 *includes in all advertising conducted by the cannabis*
2 *establishment:*

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

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

8 **13.** Nothing in subsection 11 shall be construed to prohibit a
9 local government, pursuant to chapter 244, 268 or 278 of NRS, from
10 adopting an ordinance for the regulation of advertising relating to
11 cannabis which is more restrictive than the provisions of subsection
12 11 relating to:

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

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

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

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

24 ~~13.~~ **14.** If a cannabis establishment engages in advertising for
25 which it is required to determine the percentage of persons who are
26 less than 21 years of age and who may reasonably be expected to
27 view or hear the advertisement, the cannabis establishment shall
28 maintain documentation for not less than 5 years after the date on
29 which the advertisement is first broadcasted, published or otherwise
30 displayed that demonstrates the manner in which the cannabis
31 establishment determined the reasonably expected age of the
32 audience for that advertisement.

33 ~~14.~~ **15.** In addition to any other penalties provided for by
34 law, the Board may impose a civil penalty upon a cannabis
35 establishment that violates the provisions of subsection 11 or ~~13.~~
36 **14** as follows:

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

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

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

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



1 ~~[15.]~~ 16. As used in this section, “motor vehicle used for
2 public transportation” does not include a taxicab, as defined in
3 NRS 706.124.

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

5 678B.650 The Board shall adopt such regulations as it
6 determines to be necessary or advisable to carry out the provisions
7 of this chapter. Such regulations are in addition to any requirements
8 set forth in statute and must, without limitation:

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

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

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

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

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

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

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

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

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

40 5. Establish different categories of cannabis establishment
41 agent registration cards, including, without limitation, criteria for
42 issuance of a cannabis establishment agent registration card for a
43 cannabis executive *and a cannabis establishment agent*
44 *registration card for a cannabis receiver* and criteria for training
45 and certification, for each of the different types of cannabis



1 establishments at which such an agent may be employed or
2 volunteer or provide labor as a cannabis establishment agent;

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

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

10 8. Determine whether any provision of this chapter or chapter
11 678C or 678D of NRS would make the operation of a cannabis
12 establishment by a dual licensee unreasonably impracticable; and

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

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

16 678C.200 1. Except as otherwise provided in this section and
17 NRS 678C.300, a person who holds a valid registry identification
18 card issued to the person pursuant to NRS 678C.230 or 678C.270 is
19 exempt from state prosecution for:

- 20 (a) The possession, delivery or production of cannabis;
- 21 (b) The possession or delivery of paraphernalia;
- 22 (c) Aiding and abetting another in the possession, delivery or
23 production of cannabis;
- 24 (d) Aiding and abetting another in the possession or delivery of
25 paraphernalia;
- 26 (e) Any combination of the acts described in paragraphs (a) to
27 (d), inclusive; and
- 28 (f) Any other criminal offense in which the possession, delivery
29 or production of cannabis or the possession or delivery of
30 paraphernalia is an element.

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

36 3. The exemption from state prosecution set forth in subsection
37 1 applies only to the extent that a person who holds a registry
38 identification card issued to the person pursuant to paragraph (a) of
39 subsection 1 of NRS 678C.230 and the designated primary
40 caregiver, if any, of such a person:

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



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

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

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

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

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

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

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

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

19 5. A person who holds a valid medical cannabis establishment
20 license issued to the person pursuant to NRS 678B.210 , ~~for~~ a valid
21 cannabis establishment agent registration card issued to the person
22 pursuant to NRS 678B.340 , ~~for~~ a valid cannabis establishment
23 agent registration card for a cannabis executive issued pursuant to
24 NRS 678B.350 *or a valid cannabis establishment agent*
25 *registration card for a cannabis receiver issued pursuant to*
26 *section 1.69 of this act* and who confines his or her activities to
27 those authorized by this title, and the regulations adopted by the
28 Board pursuant thereto, is exempt from state prosecution for:

29 (a) The possession, delivery or production of cannabis;

30 (b) The possession or delivery of paraphernalia;

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

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

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

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

40 6. Notwithstanding any other provision of law and except as
41 otherwise provided in this subsection, after a medical cannabis
42 dispensary opens in the county of residence of a person who holds a
43 registry identification card, including, without limitation, a
44 designated primary caregiver, such a person is not authorized to



1 cultivate, grow or produce cannabis. The provisions of this
2 subsection do not apply if:

3 (a) The person who holds the registry identification card was
4 cultivating, growing or producing cannabis in accordance with state
5 law on or before July 1, 2013;

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

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

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

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

20 **Sec. 2.6.** NRS 678C.600 is hereby amended to read as follows:

21 678C.600 1. The fact that a person possesses a registry
22 identification card or letter of approval issued to the person by the
23 Division or its designee pursuant to NRS 678C.230 or 678C.270, a
24 medical cannabis establishment license issued to the person by the
25 Board or its designee pursuant to NRS 678B.210, a cannabis
26 establishment agent registration card issued to the person by the
27 Board or its designee pursuant to NRS 678B.340 , ~~or~~ a cannabis
28 establishment agent registration card for a cannabis executive issued
29 to the person by the Board or its designee pursuant to NRS
30 678B.350 *or a cannabis establishment agent registration card for*
31 *a cannabis receiver issued to the person by the Board pursuant to*
32 *section 1.69 of this act* does not, alone:

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

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

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

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

44 (b) Any property interest of the person from whom the cannabis,
45 paraphernalia or other related property was seized must not be



1 forfeited pursuant to any provision of law providing for the
2 forfeiture of property, except as part of a sentence imposed after
3 conviction of a criminal offense.

4 (c) Upon:

- 5 (1) A decision not to prosecute;
- 6 (2) The dismissal of charges; or
- 7 (3) Acquittal,

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

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

15 678D.200 1. Except as otherwise provided in NRS
16 678D.300, a person who is 21 years of age or older is exempt from
17 state prosecution for:

- 18 (a) The possession, delivery or production of cannabis;
- 19 (b) The possession or delivery of paraphernalia;
- 20 (c) Aiding and abetting another in the possession, delivery or
21 production of cannabis;
- 22 (d) Aiding and abetting another in the possession or delivery of
23 paraphernalia;
- 24 (e) Any combination of the acts described in paragraphs (a) to
25 (d), inclusive; and
- 26 (f) Any other criminal offense in which the possession, delivery
27 or production of cannabis or the possession or delivery of
28 paraphernalia is an element.

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

34 3. The exemption from state prosecution set forth in subsection
35 1 applies only to the extent that a person:

- 36 (a) Is 21 years of age or older;
- 37 (b) Is not employed by any agency or political subdivision of
38 this State in a position which requires the person to be certified by
39 the Peace Officers' Standards and Training Commission;
- 40 (c) Engages in the adult use of cannabis in accordance with the
41 provisions of this title;
- 42 (d) Does not, at any one time, possess, deliver or produce more
43 than:
 - 44 (1) One ounce of usable cannabis;
 - 45 (2) One-eighth of an ounce of concentrated cannabis;



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

3 (4) A maximum allowable quantity of adult-use cannabis
4 products as established by regulation of the Board;

5 (e) Cultivates, grows or produces not more than six cannabis
6 plants:

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

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

13 (f) Delivers 1 ounce or less of usable cannabis or one-eighth of
14 an ounce or less of concentrated cannabis without remuneration to a
15 person who is 21 years of age or older so long as such delivery is
16 not advertised or promoted to the public; and

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

20 4. If a person possesses, uses or produces cannabis in an
21 amount which exceeds the amount set forth in paragraph (d) of
22 subsection 3 or in any manner other than that set forth in subsection
23 3, the person is not exempt from state prosecution for the
24 possession, delivery or production of cannabis.

25 5. A person who holds an adult-use cannabis establishment
26 license issued to the person pursuant to NRS 678B.250, a cannabis
27 establishment agent registration card issued to the person pursuant
28 to NRS 678B.340 , ~~for~~ a cannabis establishment agent registration
29 card for a cannabis executive issued to the person pursuant to NRS
30 678B.350 ~~for~~ *or a cannabis establishment agent registration card*
31 *for a cannabis receiver issued to the person pursuant to section*
32 *1.69 of this act*, and confines his or her activities to those authorized
33 by this title, and the regulations adopted by the Board pursuant
34 thereto, is exempt from state prosecution for:

35 (a) The possession, delivery or production of cannabis;

36 (b) The possession or delivery of paraphernalia;

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

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

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

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



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

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

