

Amendment No. 195

Assembly Amendment to Assembly Bill No. 326	(BDR 56-641)
Proposed by: Assembly Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



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 ~~the Cannabis Compliance Board~~ a district attorney or city attorney to ~~impose~~ bring ~~certain penalties~~ a civil action against a person for engaging in ~~the business of a~~ certain activities relating to cannabis ~~establishment~~ without a license ~~or registration card issued by the Cannabis Compliance Board~~; 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 ~~the business of a~~ activities relating to cannabis ~~establishment~~ for which a license or registration card is required without ~~an~~ 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 4 1.5 of this bill additionally authorizes the Board to impose certain penalties, in addition to any criminal prosecution, for engaging in the business of a medical cannabis establishment or adult-use cannabis establishment~~ provides that if a person engages in certain activities relating to cannabis without a license ~~if a person violates such provisions, the Board may require the person to pay: (1) court costs; (2) reasonable costs of the investigation of the violation by the Board; (3) damages caused as a result of the violation up to the amount of the pecuniary gain of the person from the violation; or (4) any combination of these penalties.~~ 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.

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.

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

Section 1. ~~NRS 678A.600 is hereby amended to read as follows:~~

~~678A.600 1. If the Board finds that a licensee or registrant has violated a provision of this title or any regulation adopted pursuant thereto, the Board may take any or all of the following actions:~~

~~[1.] (a) Limit, condition, suspend or revoke the license or registration card of the licensee or registrant.~~

~~[2.] (b) Impose a civil penalty in an amount established by regulation for each violation.~~

~~2. If the Board finds that a person has violated the provisions of subsection 1 of NRS 678B.210 or subsection 1 of NRS 678B.250, in addition to any criminal penalty imposed on the person, the Board may require the person to pay:~~

~~(a) Court costs;~~

~~(b) Reasonable costs incurred by the Board during the course of the investigation of the violation;~~

~~(c) Damages the person caused as a result of the violation up to the amount of the pecuniary gain of the person from the violation; or~~

~~(d) Any combination of paragraphs (a), (b) and (c).] (Deleted by amendment.)~~

Sec. 1.5. Chapter 678A of NRS is hereby amended by adding thereto a new section to read as follows:

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; or

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

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. 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 (1) As cannabis or medical cannabis with the words “THIS IS A
2 MEDICAL CANNABIS PRODUCT” or “THIS IS A CANNABIS PRODUCT,” as
3 applicable, in bold type; and

4 (2) As required by the provisions of this chapter and chapters 678C and
5 678D of NRS.

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

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

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

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

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

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

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

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

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

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

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

31 3. A cannabis production facility shall:

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

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

36 (1) The words “Keep out of reach of children”;

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

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

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

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

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

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

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

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

1 6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 11. A cannabis establishment:

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

45 (1) Is false or misleading;

46 (2) Promotes overconsumption of cannabis or cannabis products;

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

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

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

4 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

22 ***(f) Shall ensure that all advertising by the cannabis establishment contain:***

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

24 ***(2) The adult-use cannabis establishment license number or medical***
25 ***cannabis establishment license number of the cannabis establishment or any***
26 ***other unique identifier assigned to the cannabis establishment by the Board.***

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

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

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

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

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

40 13. If a cannabis establishment engages in advertising for which it is required
41 to determine the percentage of persons who are less than 21 years of age and who
42 may reasonably be expected to view or hear the advertisement, the cannabis
43 establishment shall maintain documentation for not less than 5 years after the date
44 on which the advertisement is first broadcasted, published or otherwise displayed
45 that demonstrates the manner in which the cannabis establishment determined the
46 reasonably expected age of the audience for that advertisement.

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

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

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

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

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

5 15. As used in this section, “motor vehicle used for public transportation”
6 does not include a taxicab, as defined in NRS 706.124.

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