

Amendment No. 586

Senate Amendment to Assembly Bill No. 326 Second Reprint (BDR 56-641)
<b>Proposed by:</b> Senate Committee on Health and Human Services
<b>Amends:</b> 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 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

18 attorney for the jurisdiction in which the violation occurred is authorized to bring an action  
19 against the person to recover a civil penalty of not more \$50,000 for each violation. **Section**  
20 **1.5** also authorizes a district attorney or city attorney to bring an action to enjoin such  
21 violations.

22 Existing law prohibits a person from holding an ownership interest in a cannabis  
23 establishment of less than 5 percent, volunteering or working at, contracting to provide  
24 labor to or being employed by an independent contractor to provide labor to a cannabis  
25 establishment as a cannabis establishment agent unless the person has been issued a  
26 cannabis establishment agent registration card. (NRS 678B.340) Section 1.69 of this bill:  
27 (1) prohibits a person from acting as a receiver for a cannabis establishment subject to a  
28 receivership unless the person has been issued a cannabis establishment agent  
29 registration card for a cannabis receiver; and (2) sets forth certain requirements for a  
30 person to obtain such a card. Section 1.7 of this bill requires the Board to adopt regulations  
31 prescribing procedures and requirements by which a person who has been appointed by a  
32 court as a receiver and who has been issued a cannabis establishment agent registration  
33 card for a cannabis receiver may take possession of, manage the operations of and take any  
34 other action authorized by the court with respect to a cannabis establishment subject to a  
35 receivership. Section 1.7 requires such regulations to: (1) [set forth the qualifications for such  
36 a receiver; (2)] prescribe procedures and requirements for certain actions taken by a receiver;  
37 and [(3)] (2) require a receiver to [obtain a cannabis establishment agent registration card and]  
38 comply with all [other] applicable laws.

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

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

58 Under existing law, certain activities concerning advertising by a cannabis establishment  
59 are prohibited or required, such as prohibiting a cannabis establishment from engaging in  
60 advertising which contains a statement or illustration that is false or misleading and requiring  
61 advertising to contain a warning that cannabis is for use only by adults who are 21 years of  
62 age or older. (NRS 678B.520) **Section 2** of this bill requires that all advertising by a cannabis  
63 establishment contain: (1) the name of the cannabis establishment; and (2) the adult-use  
64 cannabis establishment license number or other unique identifier or the medical cannabis  
65 establishment license number or other unique identifier of the cannabis establishment. **Section**  
66 **2** authorizes a cannabis establishment that holds multiple licenses to satisfy such  
67 requirements by including in any advertising conducted by the cannabis establishment  
68 any one of the adult-use cannabis establishment license numbers, medical cannabis  
69 establishment license numbers or unique identifiers of the cannabis establishment.

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

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

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

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

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

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

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

11        (b) Manufacturers, delivers, transfers, supplies or sells cannabis products ~~for~~

12 ; or

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

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

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

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

23        678A.010 As used in this title, unless the context otherwise requires, the  
24 words and terms defined in NRS 678A.020 to 678A.240, inclusive, and section 1.3  
25 of this act have the meanings ascribed to them in those sections.

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

27        678A.235 "Registration card" means:

28        1. A cannabis establishment agent registration card; ~~for~~

29        2. A cannabis establishment agent registration card for a cannabis executive

30 for; or

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

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

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

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

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

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

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

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

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

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

53        (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. [Chapter 678B of NRS is hereby amended by adding thereto a new section to read as follows:]~~

~~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. [Set forth the required qualifications for such a receiver, which must include, without limitation, requiring that the receiver have:~~

~~— (a) Experience in or knowledge of the cannabis industry;~~

~~— (b) Experience as a receiver appointed by a court;~~

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

~~— (d) Adequate financial capacity to fulfill the duties of a receiver;~~

~~2. 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~~

~~3. Require such a receiver to~~

~~— (a) Obtain a cannabis establishment agent registration card; and~~

~~— (b) 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;

1 (b) Adult-use cannabis establishment license issued pursuant to NRS  
2 678B.250;

3 (c) Cannabis establishment agent registration card issued pursuant to NRS  
4 678B.340; ~~and~~

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

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

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

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

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

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

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

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

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

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

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

49 (V) For the applicant and each person who is proposed to be an owner,  
50 officer or board member of the proposed medical cannabis establishment, a  
51 complete set of the person's fingerprints and written permission of the person  
52 authorizing the Board to forward the fingerprints to the Central Repository for

1 Nevada Records of Criminal History for submission to the Federal Bureau of  
2 Investigation for its report; and

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

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

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

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

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

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

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

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

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

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

27 (2) Previously had a cannabis establishment agent registration card  
28 revoked; ~~and~~

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

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

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

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

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

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

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

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

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

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

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

7           (b) A public park.

8           (c) A playground.

9           (d) A public swimming pool.

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

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

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

15           678B.250 1. A person shall not engage in the business of an adult-use  
16 cannabis establishment unless the person holds an adult-use cannabis establishment  
17 license issued pursuant to this section.

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

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

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

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

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

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

50           (V) For the applicant and each person who is proposed to be an owner,  
51 officer or board member of the proposed adult-use cannabis establishment, a  
52 complete set of the person's fingerprints and written permission of the person  
53 authorizing the Board to forward the fingerprints to the Central Repository for

1 Nevada Records of Criminal History for submission to the Federal Bureau of  
2 Investigation for its report; and

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

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

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

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

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

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

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

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

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

22 (2) Previously had a cannabis establishment agent registration card  
23 revoked; ~~for~~

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

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

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

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

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

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

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

46 6. In determining whether to issue an adult-use cannabis license pursuant to  
47 this section, the Board shall consider the criteria of merit set forth in NRS  
48 678B.280.

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

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

- 1 (a) A facility that provides day care to children.
- 2 (b) A public park.
- 3 (c) A playground.
- 4 (d) A public swimming pool.
- 5 (e) A center or facility, the primary purpose of which is to provide recreational
- 6 opportunities or services to children or adolescents.
- 7 (f) A church, synagogue or other building, structure or place used for religious
- 8 worship or other religious purpose.

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

10 678B.380 1. Except as otherwise provided by regulations adopted by the

11 Board pursuant to subsection 2, the following are nontransferable:

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

17 2. The Board shall adopt regulations which prescribe procedures and

18 requirements by which a holder of a license may transfer the license to another

19 party who is qualified to hold such a license pursuant to the provisions of this

20 chapter. *Such regulations may give priority in the processing of transfers of*

21 *licenses to a transfer in which the transferor is:*

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

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

26 678B.520 1. Each cannabis establishment shall, in consultation with the

27 Board, cooperate to ensure that all cannabis products offered for sale:

- 28 (a) Are labeled clearly and unambiguously:
  - 29 (1) As cannabis or medical cannabis with the words "THIS IS A
  - 30 MEDICAL CANNABIS PRODUCT" or "THIS IS A CANNABIS PRODUCT," as
  - 31 applicable, in bold type; and
  - 32 (2) As required by the provisions of this chapter and chapters 678C and
  - 33 678D of NRS.
- 34 (b) Are not presented in packaging that contains an image of a cartoon
- 35 character, mascot, action figure, balloon or toy, except that such an item may
- 36 appear in the logo of the cannabis production facility which produced the product.
- 37 (c) Are regulated and sold on the basis of the concentration of THC in the
- 38 products and not by weight.
- 39 (d) Are packaged and labeled in such a manner as to allow tracking by way of
- 40 an inventory control system.
- 41 (e) Are not packaged and labeled in a manner which is modeled after a brand
- 42 of products primarily consumed by or marketed to children.
- 43 (f) Are labeled in a manner which indicates the amount of THC in the product,
- 44 measured in milligrams, and includes a statement that the product contains cannabis
- 45 and its potency was tested with an allowable variance of the amount determined by
- 46 the Board by regulation.
- 47 (g) Are not labeled or marketed as candy.

48 2. A cannabis production facility shall not produce cannabis products in any

49 form that:

- 50 (a) Is or appears to be a lollipop.
- 51 (b) Bears the likeness or contains characteristics of a real or fictional person,
- 52 animal or fruit, including, without limitation, a caricature, cartoon or artistic
- 53 rendering.

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

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

6 3. A cannabis production facility shall:

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

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

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

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

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

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

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

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

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

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

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

29 6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 11. A cannabis establishment:

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

20 (1) Is false or misleading;

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

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

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

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

32 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

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

52 (2) *~~The~~ Except as otherwise provided in subsection 12, the adult-use*  
53 *cannabis establishment license number or medical cannabis establishment*

1 *license number of the cannabis establishment or any other unique identifier*  
2 *assigned to the cannabis establishment by the Board.*

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

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

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

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

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

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

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

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

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

32 ~~14.~~ 15. In addition to any other penalties provided for by law, the Board  
33 may impose a civil penalty upon a cannabis establishment that violates the  
34 provisions of subsection 11 or ~~13.~~ 14 as follows:

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

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

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

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

43 ~~15.~~ 16. As used in this section, “motor vehicle used for public  
44 transportation” does not include a taxicab, as defined in NRS 706.124.

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

46 678B.650 The Board shall adopt such regulations as it determines to be  
47 necessary or advisable to carry out the provisions of this chapter. Such regulations  
48 are in addition to any requirements set forth in statute and must, without limitation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 678C.200 1. Except as otherwise provided in this section and NRS  
42 678C.300, a person who holds a valid registry identification card issued to the  
43 person pursuant to NRS 678C.230 or 678C.270 is exempt from state prosecution  
44 for:

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

46 (b) The possession or delivery of paraphernalia;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30           5. A person who holds a valid medical cannabis establishment license issued  
31 to the person pursuant to NRS 678B.210, ~~or~~ a valid cannabis establishment agent  
32 registration card issued to the person pursuant to NRS 678B.340, ~~or~~ a valid  
33 cannabis establishment agent registration card for a cannabis executive issued  
34 pursuant to NRS 678B.350 or a valid cannabis establishment agent registration  
35 card for a cannabis receiver issued pursuant to section 1.69 of this act and who  
36 confines his or her activities to those authorized by this title, and the regulations  
37 adopted by the Board pursuant thereto, is exempt from state prosecution for:

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

39                   (b) The possession or delivery of paraphernalia;

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

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

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

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

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

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

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

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

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

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

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

17 678C.600 1. The fact that a person possesses a registry identification card or  
18 letter of approval issued to the person by the Division or its designee pursuant to  
19 NRS 678C.230 or 678C.270, a medical cannabis establishment license issued to the  
20 person by the Board or its designee pursuant to NRS 678B.210, a cannabis  
21 establishment agent registration card issued to the person by the Board or its  
22 designee pursuant to NRS 678B.340, ~~for~~ a cannabis establishment agent  
23 registration card for a cannabis executive issued to the person by the Board or its  
24 designee pursuant to NRS 678B.350 **or a cannabis establishment agent**  
25 **registration card for a cannabis receiver issued to the person by the Board**  
26 **pursuant to section 1.69 of this act** does not, alone:

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

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

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

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

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

41 (c) Upon:

42 (1) A decision not to prosecute;

43 (2) The dismissal of charges; or

44 (3) Acquittal,

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

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

50 678D.200 1. Except as otherwise provided in NRS 678D.300, a person who  
51 is 21 years of age or older is exempt from state prosecution for:

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

53 (b) The possession or delivery of paraphernalia;

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

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

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

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

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

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

14 (a) Is 21 years of age or older;

15 (b) Is not employed by any agency or political subdivision of this State in a  
16 position which requires the person to be certified by the Peace Officers' Standards  
17 and Training Commission;

18 (c) Engages in the adult use of cannabis in accordance with the provisions of  
19 this title;

20 (d) Does not, at any one time, possess, deliver or produce more than:

21 (1) One ounce of usable cannabis;

22 (2) One-eighth of an ounce of concentrated cannabis;

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

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

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

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

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

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

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

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

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

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

52 (b) The possession or delivery of paraphernalia;

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

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

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

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

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

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