

Amendment No. 535

Assembly Amendment to Senate Bill No. 49 First Reprint	(BDR 56-268)
<b>Proposed by:</b> Assembly Committee on Judiciary	
<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.





SENATE BILL NO. 49—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE CANNABIS COMPLIANCE BOARD)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to cannabis. (BDR 56-268)

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; prohibiting synthetic cannabinoids from being produced, sold or offered for sale in this State; authorizing the Cannabis Compliance Board to employ the services of persons the Board considers necessary for the purposes of hearing disciplinary proceedings; authorizing the Executive Director of the Board to serve a complaint on a respondent who is subject to a disciplinary proceeding; authorizing the Chair of the Board to grant one or more extensions to certain deadlines for holding a hearing; removing authorization for the Board to take testimony by deposition in hearings before the Board; revising provisions governing a regulatory waiver to the registration requirement for holders of an ownership interest of less than 5 percent in a cannabis establishment; changing the labeling requirement for cannabis products; revising provisions relating to cannabis; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Section 1 of this bill defines “synthetic cannabinoid” as a cannabinoid that is produced artificially and is not derived from a plant of the genus *Cannabis*. Sections 1.8, 3.1 and 3.6 of this bill prohibit the production, distribution, sale or offering for sale of a synthetic cannabinoid.

Existing law grants the Cannabis Compliance Board certain powers. (NRS 678A.440) ~~Section 1.2~~ of this bill authorizes the Board to employ the services of such persons it considers necessary for the purposes of hearing disciplinary proceedings. Existing law requires the Board to serve the complaint upon a respondent that is subject to a disciplinary proceeding. (NRS 678A.520) **Section 1.3** of this bill authorizes the Executive Director of the Board to serve the respondent with such a complaint. Existing law requires a disciplinary hearing to be held within 45 days after receiving the respondent’s answer to a complaint unless an expedited hearing is determined to be appropriate by the Board. (NRS 678A.520) **Section 1.3** authorizes the Chair of the Board to grant one or more extensions to the 45-day requirement pursuant to a request of a party or an agreement by both parties.

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Existing law allows for testimony provided by witnesses appearing at a hearing before the Board to be taken by deposition in the manner provided by the Nevada Rules of Civil Procedure. (NRS 678A.530) **Section 1.7** of this bill removes the authorization for the Board to take the testimony of a witness by deposition in hearings before the Board.

Existing law requires a person who owns an ownership interest in a cannabis establishment of less than 5 percent to register with the Board. (NRS 678B.340) Existing law authorizes the Board to waive the registration requirement for such persons pursuant to policies and procedures adopted by regulation. (NRS 678A.450) Existing regulations of the Board establish the policies and procedures for waiving this requirement. (Nevada Cannabis Compliance Regulation 5.125) **Section 2** of this bill clarifies existing law to reflect the authority of the Board to adopt policies and procedures that waive the registration requirement. (NRS 678A.450)

Existing law requires each cannabis establishment to ensure that all cannabis products offered for sale are labeled with the words “THIS IS A MEDICAL CANNABIS PRODUCT” or “THIS IS A CANNABIS PRODUCT.” (NRS 678B.520) **Section 3** of this bill changes the labeling requirement to ensure that all cannabis products offered for sale are labeled with the words “THIS PRODUCT CONTAINS CANNABIS.”

Existing law prohibits the THC concentration in hemp from exceeding the maximum THC concentration established by federal law for hemp. (NRS 557.160) Sections 3.7 and 3.9 of this bill instead require the State Department of Agriculture to establish the maximum THC concentration for hemp.

Existing law defines marijuana as: (1) all parts of any plant of the genus *Cannabis*, whether growing or not; (2) the seeds thereof; (3) the resin extracted from any part of the plant, including concentrated cannabis; and (4) every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. (NRS 453.096) Section 3.3 of this bill adds to the definition of marijuana: (1) any commodity or product made using hemp which exceeds the maximum THC concentration established by the State Department of Agriculture; and (2) a product or commodity made from hemp and manufactured or sold by a cannabis establishment which exceeds the maximum THC concentration established by the Cannabis Compliance Board.

Existing law defines THC as: (1) delta-9-tetrahydrocannabinol; (2) delta-8-tetrahydrocannabinol; and (3) the optical isomers of such substances. (NRS 453.139) Section 3.5 of this bill revises the definition of THC as: (1) delta-9-tetrahydrocannabinol and any structural, optical or geometric isomer thereof; (2) delta-8-tetrahydrocannabinol; (3) delta-7-tetrahydrocannabinol; and (4) delta-10-tetrahydrocannabinol.

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

**Section 1. Chapter 678A of NRS is hereby amended by adding thereto a new section to read as follows:**

**“Synthetic cannabinoid” means a cannabinoid that is:**

**1. Produced artificially, whether from chemicals or from recombinant biological agents, including, without limitation, yeast and algae; and**

**2. Is not derived from a plant of the genus *Cannabis*, including, without limitation, biosynthetic cannabinoids.**

**Sec. 1.1. NRS 678A.010 is hereby amended to read as follows:**

678A.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 678A.020 to 678A.240, inclusive, **and section 1 of this act** have the meanings ascribed to them in those sections.

~~[Section 1.]~~ **Sec. 1.2. NRS 678A.440 is hereby amended to read as follows:**

678A.440 In addition to any other powers granted by this title, the Board has the power to:

1           1. Enter into interlocal agreements pursuant to NRS 277.080 to 277.180,  
2 inclusive.

3           2. Establish and amend a plan of organization for the Board, including,  
4 without limitation, organizations of divisions or sections with leaders for such  
5 divisions or sections.

6           3. Appear on its own behalf before governmental agencies of the State or any  
7 of its political subdivisions.

8           4. Apply for and accept any gift, donation, bequest, grant or other source of  
9 money to carry out the provisions of this title.

10          5. Execute all instruments necessary or convenient for carrying out the  
11 provisions of this title.

12          6. Prepare, publish and distribute such studies, reports, bulletins and other  
13 materials as the Board deems appropriate.

14          7. Refer cases to the Attorney General for criminal prosecution.

15          8. Maintain an official Internet website for the Board.

16          9. Monitor federal activity regarding cannabis and report its findings to the  
17 Legislature.

18          ***10. Employ the services of such persons the Board considers necessary for***  
19 ***the purposes of hearing disciplinary proceedings.***

20          **Sec. 1.3.** NRS 678A.520 is hereby amended to read as follows:

21          678A.520 1. If the Board proceeds with disciplinary action pursuant to NRS  
22 678A.510, the Board ***or the Executive Director*** shall serve a complaint upon the  
23 respondent either personally, or by registered or certified mail at the address of the  
24 respondent that is on file with the Board. Such complaint must be a written  
25 statement of charges and must set forth in ordinary and concise language the acts or  
26 omissions with which the respondent is charged. The complaint must specify the  
27 statutes and regulations which the respondent is alleged to have violated, but must  
28 not consist merely of charges raised in the language of the statutes or regulations.  
29 The complaint must provide notice of the right of the respondent to request a  
30 hearing. The Chair of the Board may grant an extension to respond to the complaint  
31 for good cause.

32          2. Unless granted an extension, the respondent must answer within 20 days  
33 after the service of the complaint. In the answer the respondent:

34           (a) Must state in short and plain terms the defenses to each claim asserted.

35           (b) Must admit or deny the facts alleged in the complaint.

36           (c) Must state which allegations the respondent is without knowledge or  
37 information to form a belief as to their truth. Such allegations shall be deemed  
38 denied.

39           (d) Must affirmatively set forth any matter which constitutes an avoidance or  
40 affirmative defense.

41           (e) May demand a hearing. Failure to demand a hearing constitutes a waiver of  
42 the right to a hearing and to judicial review of any decision or order of the Board,  
43 but the Board may order a hearing even if the respondent so waives his or her right.

44          3. Failure to answer or to appear at the hearing constitutes an admission by  
45 the respondent of all facts alleged in the complaint. The Board may take action  
46 based on such an admission and on other evidence without further notice to the  
47 respondent. If the Board takes action based on such an admission, the Board shall  
48 include in the record which evidence was the basis for the action.

49          4. The Board shall determine the time and place of the hearing as soon as is  
50 reasonably practical after receiving the respondent's answer. The Board shall  
51 deliver or send by registered or certified mail a notice of hearing to all parties at  
52 least 10 days before the hearing. The hearing must be held within 45 days after  
53 receiving the respondent's answer unless an expedited hearing is determined to be

1 appropriate by the Board, in which event the hearing must be held as soon as  
2 practicable. *The Chair of the Board may grant one or more extensions to the 45-*  
3 *day requirement pursuant to a request of a party or an agreement by both parties.*

4 **Sec. 1.7.** NRS 678A.530 is hereby amended to read as follows:

5 678A.530 ~~[(1)]~~ Before a hearing before the Board, and during a hearing upon  
6 reasonable cause shown, the Board shall issue subpoenas and subpoenas duces  
7 tecum at the request of a party. All witnesses appearing pursuant to subpoena, other  
8 than parties, officers or employees of the State of Nevada or any political  
9 subdivision thereof, are entitled to receive fees and mileage in the same amounts  
10 and under the same circumstances as provided by law for witnesses in civil actions  
11 in the district courts. Witnesses entitled to fees or mileage who attend hearings at  
12 points so far removed from their residences as to prohibit return thereto from day to  
13 day are entitled, in addition to witness fees and in lieu of mileage, to the per diem  
14 compensation for subsistence and transportation authorized for state officers and  
15 employees for each day of actual attendance and for each day necessarily occupied  
16 in traveling to and from the hearings. Fees, subsistence and transportation expenses  
17 must be paid by the party at whose request the witness is subpoenaed. The Board  
18 may award as costs the amount of all such expenses to the prevailing party.

19 ~~[(2) The testimony of any material witness residing within or without the State~~  
20 ~~of Nevada may be taken by deposition in the manner provided by the Nevada Rules~~  
21 ~~of Civil Procedure.]~~

22 **Sec. 1.8.** Chapter 678B of NRS is hereby amended by adding thereto a  
23 new section to read as follows:

24 *The holder of a license or registration card issued pursuant to this chapter*  
25 *shall not produce, distribute, sell or offer to sell in this State any synthetic*  
26 *cannabinoid.*

27 **Sec. 2.** NRS 678B.340 is hereby amended to read as follows:

28 678B.340 1. Except as otherwise provided in ~~[this section.]~~ *any policies*  
29 *and procedures adopted by the Board pursuant to paragraph (e) of subsection 1*  
30 *of NRS 678A.450,* a person shall not hold an ownership interest in a cannabis  
31 establishment of less than 5 percent, volunteer or work at, contract to provide labor to  
32 or be employed by an independent contractor to provide labor to a cannabis  
33 establishment as a cannabis establishment agent unless the person is registered with  
34 the Board pursuant to this section.

35 2. A person who wishes to volunteer or work at a cannabis establishment shall  
36 submit to the Board an application on a form prescribed by the Board. The  
37 application must be accompanied by:

38 (a) The name, address and date of birth of the prospective cannabis  
39 establishment agent;

40 (b) A statement signed by the prospective cannabis establishment agent  
41 pledging not to dispense or otherwise divert cannabis to any person who is not  
42 authorized to possess cannabis in accordance with the provisions of this title;

43 (c) A statement signed by the prospective cannabis establishment agent  
44 asserting that he or she has not previously had a cannabis establishment agent  
45 registration card revoked;

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

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

48 3. A person who wishes to contract to provide labor to or be employed by an  
49 independent contractor to provide labor to a cannabis establishment shall submit to  
50 the Board an application on a form prescribed by the Board for the registration of  
51 the independent contractor and each employee of the independent contractor who  
52 will provide labor as a cannabis establishment agent. The application must be  
53 accompanied by:

1 (a) The name, address and, if the prospective cannabis establishment agent has  
2 a state business license, the business identification number assigned by the  
3 Secretary of State upon compliance with the provisions of chapter 76 of NRS;

4 (b) The name, address and date of birth of each employee of the prospective  
5 cannabis establishment agent who will provide labor as a cannabis establishment  
6 agent;

7 (c) A statement signed by the prospective cannabis establishment agent  
8 pledging not to dispense or otherwise divert cannabis to, or allow any of its  
9 employees to dispense or otherwise divert cannabis to, any person who is not  
10 authorized to possess cannabis in accordance with the provisions of this title;

11 (d) A statement signed by the prospective cannabis establishment agent  
12 asserting that it has not previously had a cannabis establishment agent registration  
13 card revoked and that none of its employees who will provide labor as a cannabis  
14 establishment agent have previously had a cannabis establishment agent registration  
15 card revoked;

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

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

18 4. ~~4.~~ ***Except as otherwise provided in any policies and procedures adopted***  
19 ***by the Board pursuant to paragraph (e) of subsection 1 of NRS 678A.450, a***  
20 ***person who wishes to hold an ownership interest in a cannabis establishment of less***  
21 ***than 5 percent shall submit to the Board an application on a form prescribed by the***  
22 ***Board. The application must be accompanied by:***

23 (a) The name, address and date of birth of the prospective cannabis  
24 establishment agent;

25 (b) A statement signed by the prospective cannabis establishment agent  
26 pledging not to dispense or otherwise divert cannabis to any person who is not  
27 authorized to possess cannabis in accordance with the provisions of this title;

28 (c) A statement signed by the prospective cannabis establishment agent  
29 asserting that he or she has not previously had a cannabis establishment agent  
30 registration card revoked;

31 (d) Any information required by the Board to complete an investigation into  
32 the background of the prospective cannabis establishment agent, including, without  
33 limitation, financial records and other information relating to the business affairs of  
34 the prospective cannabis establishment agent;

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

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

37 5. The Board may conduct any investigation of a prospective cannabis  
38 establishment agent and, for an independent contractor, each employee of the  
39 prospective cannabis establishment agent who will provide labor as a cannabis  
40 establishment agent, that the Board deems appropriate. In connection with such an  
41 investigation, the Board may:

42 (a) Conduct or accept any background check the Board determines to be  
43 reliable and expedient to determine the criminal history of the prospective cannabis  
44 establishment agent or the employee;

45 (b) Require a prospective cannabis establishment agent, if a natural person, and  
46 each employee of a prospective cannabis establishment agent who will provide  
47 labor as a cannabis establishment agent to submit to the Board a complete set of  
48 fingerprints and written permission authorizing the Board to forward the  
49 fingerprints to the Central Repository for Nevada Records of Criminal History for  
50 submission to the Federal Bureau of Investigation for its report; and

51 (c) If the Board imposes the requirement described in paragraph (b), submit the  
52 fingerprints of the prospective cannabis establishment agent and each employee of  
53 the prospective cannabis establishment agent who will provide labor as a cannabis

1 establishment agent to the Central Repository for Nevada Records of Criminal  
2 History for submission to the Federal Bureau of Investigation for its report.

3 6. A cannabis establishment shall notify the Board within 10 business days  
4 after a cannabis establishment agent ceases to hold an ownership interest in the  
5 cannabis establishment of less than 5 percent, be employed by, volunteer at or  
6 provide labor as a cannabis establishment agent to the cannabis establishment.

7 7. A person who:

8 (a) Has been convicted of an excluded felony offense;

9 (b) Is less than 21 years of age; or

10 (c) Is not qualified, in the determination of the Board pursuant to NRS  
11 678B.200,

12 ➤ shall not serve as a cannabis establishment agent.

13 8. The provisions of this section do not require a person who is an owner,  
14 officer or board member of a cannabis establishment to resubmit information  
15 already furnished to the Board at the time the establishment was licensed with the  
16 Board.

17 9. If an applicant for registration as a cannabis establishment agent satisfies  
18 the requirements of this section, is found to be qualified by the Board pursuant to  
19 NRS 678B.200 and is not disqualified from serving as such an agent pursuant to  
20 this section or any other applicable law, the Board shall issue to the person and, for  
21 an independent contractor, to each person identified in the independent contractor's  
22 application for registration as an employee who will provide labor as a cannabis  
23 establishment agent, a cannabis establishment agent registration card. If the Board  
24 does not act upon an application for a cannabis establishment agent registration  
25 card within 45 days after the date on which the application is received, the  
26 application shall be deemed conditionally approved until such time as the Board  
27 acts upon the application. A cannabis establishment agent registration card expires  
28 2 years after the date of issuance and may be renewed upon:

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

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

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

37 11. A cannabis establishment agent registration card issued pursuant to this  
38 section to an independent contractor or an employee of an independent contractor  
39 authorizes the independent contractor or employee to provide labor to any cannabis  
40 establishment in this State.

41 12. A cannabis establishment agent registration card issued pursuant to this  
42 section to a person who wishes to volunteer or work at a medical cannabis  
43 establishment authorizes the person to volunteer or work at any cannabis  
44 establishment in this State for which the category of the cannabis establishment  
45 agent registration card authorizes the person to volunteer or work.

46 13. Except as otherwise prescribed by regulation of the Board, an applicant  
47 for registration or renewal of registration as a cannabis establishment agent is  
48 deemed temporarily registered as a cannabis establishment agent on the date on  
49 which a complete application for registration or renewal of registration is submitted  
50 to the Board. A temporary registration as a cannabis establishment agent expires 45  
51 days after the date upon which the application is received.



1       **Sec. 3.** NRS 678B.520 is hereby amended to read as follows:

2       678B.520 1. Each cannabis establishment shall, in consultation with the  
3 Board, cooperate to ensure that all cannabis products offered for sale:

4       (a) Are labeled clearly and unambiguously:

5       (1) As cannabis ~~[or medical cannabis]~~ with the words ~~["THIS IS A~~  
6 ~~MEDICAL CANNABIS PRODUCT"]~~ or ~~["THIS IS A CANNABIS PRODUCT,"~~ as  
7 ~~applicable.]~~ **"THIS PRODUCT CONTAINS CANNABIS"** in bold type; and

8       (2) As required by the provisions of this chapter and chapters 678C and  
9 678D of NRS.

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

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

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

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

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

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

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

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

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

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

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

35       3. A cannabis production facility shall:

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

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

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

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

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

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

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

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

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

51       4. A cannabis establishment shall not engage in advertising that in any way  
52 makes cannabis or cannabis products appeal to children, including, without

1 limitation, advertising which uses an image of a cartoon character, mascot, action  
2 figure, balloon, fruit or toy.

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

6 6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 11. A cannabis establishment:

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

50 (1) Is false or misleading;

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

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

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

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

10 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 **Sec. 3.1. Chapter 453 of NRS is hereby amended by adding thereto a  
10 new section to read as follows:**

11 **1. A person shall not produce, distribute, sell or offer to sell in this State  
12 any synthetic cannabinoid.**

13 **2. As used in this section, “synthetic cannabinoid” has the meaning  
14 ascribed to it in section 1 of this act.**

15 **Sec. 3.3. NRS 453.096 is hereby amended to read as follows:**

16 453.096 1. “Marijuana” means:

17 (a) All parts of any plant of the genus Cannabis, whether growing or not;

18 (b) The seeds thereof;

19 (c) The resin extracted from any part of the plant, including concentrated  
20 cannabis; ~~and~~

21 (d) Every compound, manufacture, salt, derivative, mixture or preparation of  
22 the plant, its seeds or resin. ~~;~~

23 **(e) Any commodity or product made using hemp which exceeds the  
24 maximum THC concentration established by the State Department of Agriculture  
25 for hemp; and**

26 **(f) Any product or commodity made from hemp which is manufactured or  
27 sold by a cannabis establishment which violates any regulation adopted by the  
28 Cannabis Compliance Board pursuant to paragraph (g) of subsection 1 of NRS  
29 678A.450 relating to THC concentration.**

30 2. “Marijuana” does not include:

31 (a) Hemp, as defined in NRS 557.160, which is grown or cultivated pursuant to  
32 the provisions of chapter 557 of NRS; ~~for any commodity or product made using  
33 such hemp; or~~

34 (b) The mature ~~stems~~ stalks of the plant, fiber produced from the ~~stems~~  
35 stalks, oil or cake made from the seeds of the plant, any other compound,  
36 manufacture, salt, derivative, mixture or preparation of the mature ~~stems~~ stalks  
37 (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the  
38 plant which is incapable of germination ~~;~~ or

39 **(c) Any commodity or product made using hemp, as defined in NRS 557.160,  
40 which does not exceed the maximum THC concentration established by the State  
41 Department of Agriculture for hemp.**

42 **Sec. 3.5. NRS 453.139 is hereby amended to read as follows:**

43 453.139 “THC” means ~~;~~

44 ~~1. Delta-9-tetrahydrocannabinol; delta-9-tetrahydrocannabinol and any  
45 structural, optical or geometric isomer thereof, including, without limitation:~~

46 ~~(2) 1. Delta-8-tetrahydrocannabinol; and~~

47 ~~3. The optical isomers of such substances.~~

48 **2. Delta-7-tetrahydrocannabinol; and**

49 **3. Delta-10-tetrahydrocannabinol.**

50 **Sec. 3.6. Chapter 557 of NRS is hereby amended by adding thereto a  
51 new section to read as follows:**

52 **1. A grower or producer shall not produce, distribute, sell in or offer to sell  
53 in this State any synthetic cannabinoid.**

1 2. As used in this section, “synthetic cannabinoid” has the meaning  
2 ascribed to it in section 1 of this act.

3 **Sec. 3.7. NRS 557.160 is hereby amended to read as follows:**

4 557.160 1. “Hemp” means any plant of the genus *Cannabis sativa* L. and  
5 any part of such a plant, including, without limitation, the seeds thereof and all  
6 derivatives, extracts, cannabinoids, isomers, acids, salts and salts of isomers,  
7 whether growing or not, with a THC concentration that does not exceed the  
8 maximum THC concentration established by ~~[federal law]~~ the State Department of  
9 Agriculture for hemp.

10 2. “Hemp” does not include any commodity or product made using hemp.

11 **Sec. 3.9. NRS 557.260 is hereby amended to read as follows:**

12 557.260 1. The Department may adopt regulations necessary to:

13 (a) Establish quality standards and requirements for the packaging and labeling  
14 of agricultural hemp seed;

15 (b) Provide for the certification and registration of sites used for growing,  
16 producing or handling hemp; and

17 (c) Comply with any requirement imposed by the United States Department of  
18 Agriculture, including, without limitation, any requirement related to reporting  
19 information regarding growers, handlers and producers.

20 2. The Department shall adopt regulations establishing the maximum THC  
21 concentration for hemp.

22 3. A producer shall comply with:

23 (a) Any regulation adopted by the Department pursuant to subsection 1 ~~(1)~~ or  
24 2; and

25 (b) The provisions of NRS 587.015 to 587.123, inclusive, and any regulations  
26 adopted pursuant thereto.

27 3. Any agricultural hemp seed which is obtained by a grower and was  
28 produced:

29 (a) In this State must be produced by a producer; and

30 (b) In another state must be produced by a person who is registered and  
31 approved to produce and sell agricultural hemp seed pursuant to the laws of that  
32 state.

33 4. The Department shall provide adequate information to growers to identify  
34 producers from which a grower may purchase agricultural hemp seed.

35 5. A handler may only obtain hemp from a grower and agricultural hemp seed  
36 for cleaning and future propagation from a producer.

37 **Sec. 4.** This act becomes effective upon passage and approval.