

Amendment No. 698

Assembly Amendment to Senate Bill No. 328 First Reprint (BDR 56-519)

Proposed by: Assembly Committee on Legislative Operations and Elections

Amends: Summary: Yes 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. 328—SENATORS TITUS AND NGUYEN

MARCH 20, 2023

Referred to Committee on Commerce and Labor

SUMMARY—~~[Eliminating the exemption of]~~ **Makes various changes relating to the Cannabis Compliance Board.** ~~[from the provisions of the Nevada Administrative Procedure Act.]~~ (BDR 56-519)

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

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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; **revising provisions relating to the appointment of members of the Cannabis Compliance Board; revising the qualifications and terms of office of members of the Board; authorizing the Governor to appoint and remove the Executive Director of the Board; revising the powers of the Board; authorizing the Board to adopt certain regulations; requiring the Board to adopt regulations providing for the investigation of unlicensed cannabis activities and the imposition of penalties against persons who engage in such activities;** eliminating the exemption of the ~~[Cannabis Compliance]~~ Board from the provisions of the Nevada Administrative Procedure Act; revising procedures governing disciplinary proceedings conducted by the Board; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 **Existing law sets forth certain legislative findings and declarations concerning the**
- 2 **public policy of this State with respect to the cannabis industry. (NRS 678A.005) Section**
- 3 **1 of this bill revises those findings and declarations and adds certain findings and**
- 4 **declarations relating to illegal and unregulated activities involving cannabis.**
- 5 **Existing law sets forth the general powers of the Cannabis Compliance Board. (NRS**
- 6 **678A.440) Section 1.6 of this bill authorizes the Board to: (1) seize and destroy cannabis**
- 7 **and cannabis products involved in unlicensed cannabis activities in accordance with the**
- 8 **procedures applicable to other property subject to forfeiture; and (2) commit resources**
- 9 **and take certain actions relating to unlicensed cannabis activities.**
- 10 **Existing law sets forth the composition of the Board. (NRS 678A.360) Existing law**
- 11 **requires the Governor to appoint the members of the Board and designate one member**
- 12 **to serve as Chair. (NRS 678A.370) Section 1.3 of this bill revises certain requirements**
- 13 **and qualifications of the members of the Board. Sections 1.3, 4.3 and 4.6 of this bill**
- 14 **exempt one member of the Board who is required to be selected based on his or her**
- 15 **knowledge, skill and experience in the cannabis industry from certain restrictions**
- 16 **imposed on former public officers or employees. Section 1.4 of this bill revises provisions**
- 17 **concerning the appointment of members of the Board. Section 1.4 requires the Governor**

18 to designate one member of the Board to serve as Vice Chair and requires each member,
 19 before entering upon the duties of office, to receive training that is the same or
 20 substantially similar to that which is required of a cannabis establishment agent.

21 Section 5.4 of this bill provides for staggered terms of the five members of the Board
 22 by: (1) providing that the terms of office of three members of the Board serving on June
 23 30, 2024, expire on that date and requiring new members be appointed for a term of 4
 24 years commencing July 1, 2024; and (2) providing that the terms of office of the
 25 remaining two members of the Board serving as of June 30, 2025, expire on that date
 26 and requiring new members be appointed for a term of 4 years commencing July 1,
 27 2025.

28 Existing law requires the Board to appoint, and authorizes the Board to remove, the
 29 Executive Director of the Board. (NRS 678A.420) Section 1.5 of this bill transfers that
 30 authority to the Governor and requires the Governor to consider the skill and
 31 experience of a potential Executive Director in regulated industries when making the
 32 appointment.

33 Existing law authorizes the Board to adopt regulations necessary and convenient to
 34 carry out certain provisions of law relating to the regulation of cannabis. (NRS
 35 678A.450) Section 1.7 of this bill provides that if the Board adopts regulations
 36 establishing certain mechanisms to ensure compliance with those provisions of law, the
 37 mechanisms must: (1) include certain education and training for employees of the Board
 38 and certain information to aid licensees and registrants in compliance; and (2) establish
 39 certain grounds for disciplinary action against a licensee or registrant. Section 1.7 also
 40 authorizes the Board to adopt certain regulations governing cannabis establishments
 41 which are publicly traded companies. Finally, section 1.7 requires the Board to adopt
 42 regulations providing for the investigation of unlicensed cannabis activities and the
 43 imposition of penalties against persons who engage in such activities. Section 5.3 of this
 44 bill makes a conforming change to account for the placement of new language in section
 45 1.7.

46 Existing law sets forth the Nevada Administrative Procedure Act, which establishes the
 47 procedures for state agencies to adopt, amend or repeal administrative regulations and
 48 adjudicate contested cases. (Chapter 233B of NRS) Existing law exempts the ~~Cannabis~~
 49 ~~Compliance~~ Board from the provisions of the Act. (NRS 233B.039) Existing law instead sets
 50 forth specific procedures for the Board to: (1) adopt, amend or repeal regulations; and (2) take
 51 disciplinary action against a person who holds a license or registration card issued by the
 52 Board. (NRS 678A.460, 678A.500-678A.640) Section 5 of this bill eliminates the exemption
 53 of the Board from the provisions of the Act, thereby requiring the Board to adopt, amend and
 54 repeal regulations and adjudicate contested cases in the same manner as other state agencies
 55 subject to the provisions of the Act. Section 6 of this bill repeals the specific procedures for
 56 the Board to adopt, amend or repeal regulations set forth under existing law. Sections ~~4-3~~
 57 ~~1.9-3~~ of this bill revise the procedures for the Board to take disciplinary action to conform
 58 with the procedures for the adjudication of contested cases set forth in the Act.

59 Existing law sets forth procedures by which a person aggrieved by a final decision of the
 60 Board in a disciplinary proceeding may obtain judicial review of the decision. (NRS
 61 678A.610-678A.640) Section 6 eliminates those procedures. Section 4 of this bill instead
 62 authorizes a person aggrieved by a final decision of the Board in a disciplinary proceeding to
 63 obtain judicial review of the decision in the manner provided in the Act.

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

1 Section 1. NRS 678A.005 is hereby amended to read as follows:

2 678A.005 The Legislature hereby finds, and declares to be the public policy
 3 of this State, that:

4 1. The cannabis industry is ~~beneficial~~ significant to the economy of the
 5 State ~~[and the general welfare of its residents.]~~ of Nevada.

1 2. A regulated cannabis industry provides access to legal cannabis and
 2 cannabis products in a safe manner. Cannabis and cannabis products obtained
 3 from illegal sources are not tested, may be associated with violent crime and are
 4 often targeted at minors.

5 3. The continued growth and success of the cannabis industry is dependent
 6 upon public confidence and trust and an understanding that:

7 (a) Residents who suffer from chronic or debilitating medical conditions will
 8 be able to obtain medical cannabis safely and conveniently;

9 (b) Residents who choose to engage in the adult use of cannabis may also
 10 obtain adult-use cannabis in a safe and efficient manner;

11 (c) Cannabis establishments do not unduly impact the quality of life enjoyed by
 12 residents of the surrounding neighborhoods;

13 (d) Cannabis licenses and registration cards are issued in a fair and equitable
 14 manner ~~+~~ with a commitment to the consideration of social equity;

15 (e) The holders of cannabis licenses and registration cards are representative of
 16 their communities; ~~and~~

17 (f) ~~That~~ Nevada seeks to emulate other privileged industries that are
 18 licensed and strictly regulated insofar as those industries are similar to or the
 19 approaches used in those industries are compatible with the cannabis industry in
 20 this State; and

21 (g) A well regulated cannabis industry ~~is free from~~ provides significant tax
 22 revenues to the State and runs contrary to the criminal and corruptive elements ~~+~~
 23 that exist in an unregulated and illegal market.

24 ~~3.~~ 4. Public confidence and trust can only be maintained by strict but fair
 25 and equitable regulation of all persons, locations, practices, associations and
 26 activities related to the operation of cannabis establishments.

27 ~~4.~~ 5. All cannabis establishments and cannabis establishment agents must
 28 ~~therefore~~ be licensed, controlled and assisted to protect the public health, safety,
 29 morals, good order and general welfare of the inhabitants of the State, to foster the
 30 stability and success of the cannabis industry and to preserve the competitive
 31 economy and policies of free competition of the State of Nevada.

32 Sec. 1.3. NRS 678A.360 is hereby amended to read as follows:

33 678A.360 1. Each member of the Board must be a resident of the State of
 34 Nevada.

35 2. No member of the Legislature, no person holding any elective office in the
 36 State Government, nor any officer or official of any political party is eligible for
 37 appointment to the Board.

38 3. Not more than three of the five members of the Board may be of the same
 39 political party.

40 4. It is the intention of the Legislature that the Board be composed of the most
 41 qualified persons available.

42 5. One member of the Board must ~~+~~

43 ~~— (a) Be a certified public accountant certified or licensed by this State or another~~
 44 ~~state of the United States or a public accountant qualified to practice public~~
 45 ~~accounting under the provisions of chapter 628 of NRS, have 5 years of~~
 46 ~~progressively responsible experience in general accounting and have a~~
 47 ~~comprehensive knowledge of the principles and practices of corporate finance; or~~

48 ~~— (b) Possess~~ possess the qualifications of an expert in the fields of corporate
 49 finance and auditing, inventory, general finance or economics ~~+~~ and be selected
 50 with special reference to his or her knowledge, skill and experience in
 51 representing businesses engaging in manufacturing, distribution, retail or
 52 agriculture.

1 6. One member of the Board must be selected with special reference to his or
2 her training and experience in the fields of investigation or law enforcement ~~and~~,
3 including, without limitation, in the area of illegal or unlicensed cannabis
4 activities.

5 7. One member of the Board must be an attorney licensed to practice in this
6 State and selected with special reference to his or her knowledge, skill and
7 experience in representing businesses in licensing matters or regulatory
8 compliance.

9 8. One member of the Board must be selected with special reference to his or
10 her knowledge, skill and experience in the cannabis industry. The person selected
11 pursuant to this subsection is not subject to paragraph (b) of subsection 1 of NRS
12 281A.410 or subsection 3 of NRS 281A.550.

13 9. One member of the Board must be a physician licensed pursuant to chapter
14 630 or 633 of NRS and have knowledge, skill and experience in the area of public
15 health or be a psychologist, clinical professional counselor, alcohol and drug
16 counselor, ~~or~~ social worker or a person with expertise in laboratory sciences
17 and must be selected with special reference to his or her knowledge, skill and
18 experience in the area of ~~education and prevention of abuse relating to~~ cannabis.

19 10. In addition to any other requirements imposed by this section, the member
20 who is designated as Chair of the Board must have at least 5 years of leadership
21 experience in his or her field.

22 **Sec. 1.4. NRS 678A.370 is hereby amended to read as follows:**

23 678A.370 1. ~~The term of office of each member of the Board is 4 years,~~
24 ~~commencing on the last Monday in January.~~

25 ~~2.~~ The Governor shall appoint the members of the Board and designate one
26 member to serve as Chair, who shall preside over all official activities of the Board
27 ~~and~~, and one member as Vice Chair, who shall perform duties established by the
28 Board.

29 2. The term of the Chair is 2 years. Upon expiration of the term of the
30 Chair, if the Governor has not designated the member to serve as Chair for
31 another term or designated another member to serve as Chair, the Vice Chair
32 becomes the Chair.

33 3. In appointing members to the Board, the Governor shall consider
34 whether the members appointed to the Board reflect the ethnic and geographical
35 diversity of this State.

36 4. Each member of the Board serves a term of 4 years.

37 ~~3.~~ 5. The Governor may remove any member for neglect of duty,
38 misfeasance, malfeasance or nonfeasance in office. Removal may be made after:

39 (a) The member has been served with a copy of the charges against the
40 member; and

41 (b) A public hearing before the Governor is held upon the charges, if requested
42 by the member charged.

43 The request for a public hearing must be made within 10 days after service upon
44 such member of the charges. If a hearing is not requested, a member is removed
45 effective 10 days after service of charges upon the member. A record of the
46 proceedings at the public hearing must be filed with the Secretary of State.

47 6. Before entering upon the duties of office, each person appointed to the
48 Board must receive training that is the same or substantially similar to any
49 training that is required by the Board by regulation to be completed by a cannabis
50 establishment agent before he or she may be employed by, volunteer at or provide
51 labor to a cannabis establishment.

52 **Sec. 1.5. NRS 678A.420 is hereby amended to read as follows:**

1 678A.420 1. The position of Executive Director of the Cannabis
2 Compliance Board is hereby created.

3 2. The Executive Director:

4 (a) Is appointed by the ~~Board~~ Governor, with consideration given to the skill
5 or experience of the appointee in regulated industries. and may be removed by the
6 ~~Board~~ Governor;

7 (b) Is responsible for the conduct of the administrative matters of the Board;
8 and

9 (c) Shall, except as otherwise provided in NRS 284.143, devote his or her
10 entire time and attention to the business of the office of Executive Director and
11 shall not pursue any other business or occupation or hold any other office for profit.

12 3. The Executive Director is entitled to an annual salary in the amount
13 specified by the Board within the limits of legislative appropriations or
14 authorizations.

15 **Sec. 1.6. NRS 678A.440 is hereby amended to read as follows:**

16 678A.440 In addition to any other powers granted by this title, the Board has
17 the power to:

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

20 2. Establish and amend a plan of organization for the Board, including,
21 without limitation, organizations of divisions or sections with leaders for such
22 divisions or sections.

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

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

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

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

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

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

33 9. Monitor federal activity regarding cannabis and report its findings to the
34 Legislature.

35 10. Employ the services of such persons the Board considers necessary for the
36 purposes of hearing disciplinary proceedings.

37 **11. In accordance with NRS 179.1156 to 179.121, inclusive, seize and**
38 **destroy cannabis and cannabis products involved in unlicensed cannabis**
39 **activities.**

40 **12. Commit resources and take action to address unlicensed cannabis**
41 **activities, including, without limitation:**

42 **(a) Investigating and referring matters involving unlicensed cannabis**
43 **activities to the appropriate state or local law enforcement agency, including,**
44 **without limitation, the Investigation Division of the Department of Public Safety**
45 **and the Attorney General, for further investigation and possible criminal**
46 **prosecution;**

47 **(b) Educating the public through various types of media and communication**
48 **and other forms of public outreach on the dangers and illegality of unlicensed**
49 **cannabis activities and the importance of having cannabis establishments which**
50 **are licensed and regulated;**

51 **(c) Creating a system through which the public, licensees and registrants**
52 **may file confidential reports of unlicensed cannabis activities; and**

1 (d) Imposing penalties against persons who engage in unlicensed cannabis
2 activities in accordance with the regulations adopted by the Board pursuant to
3 NRS 678A.450.

4 **Sec. 1.7. NRS 678A.450 is hereby amended to read as follows:**

5 678A.450 1. The Board may adopt regulations necessary or convenient to
6 carry out the provisions of this title. Such regulations may include, without
7 limitation:

8 (a) Financial requirements for licensees.

9 (b) Establishing such education, outreach, investigative and enforcement
10 mechanisms as the Board deems necessary to ensure the compliance of a licensee
11 or registrant with the provisions of this title. Such mechanisms must include,
12 without limitation:

13 (I) A system to educate, train and certify employees of the Board which:

14 (I) Each member must complete before he or she may engage in
15 inspections, investigations or audits; and

16 (II) At a minimum, includes training that is the same or substantially
17 similar to any training that is required by the Board by regulation to be completed
18 by a cannabis establishment agent before he or she may be employed by,
19 volunteer at or provide labor to a cannabis establishment;

20 (2) A system to educate and advise licensees and registrants on
21 compliance with the provisions of this title which may serve as an alternative to
22 disciplinary action; and

23 (3) Establishing specific grounds for disciplinary action against a
24 licensee or registrant who knowingly violates the law or engages in grossly
25 negligent, unlawful or criminal conduct or an act or omission that poses an
26 imminent threat to the health or safety of the public.

27 (c) Requirements for licensees or registrants relating to the cultivation,
28 processing, manufacture, transport, distribution, testing, study, advertising and sale
29 of cannabis and cannabis products.

30 (d) Policies and procedures to ensure that the cannabis industry in this State is
31 economically competitive, inclusive of racial minorities, women and persons and
32 communities that have been adversely affected by cannabis prohibition and
33 accessible to persons of low-income seeking to start a business.

34 (e) Policies and procedures governing the circumstances under which the
35 Board may waive the requirement to obtain a registration card pursuant to this title
36 for any person who holds an ownership interest of less than 5 percent in any one
37 cannabis establishment or an ownership interest in more than one cannabis
38 establishment of the same type that, when added together, is less than 5 percent.

39 (f) Policies and procedures relating to the disclosure of the identities of the
40 shareholders and the annual report of a cannabis establishment that is a publicly
41 traded company.

42 (g) Reasonable restrictions on the signage, marketing, display and advertising
43 of cannabis establishments. Such a restriction must not require a cannabis
44 establishment to obtain the approval of the Board before using a logo, sign or
45 advertisement.

46 ~~(e)~~ (h) Provisions governing the sales of products and commodities made
47 from hemp, as defined in NRS 557.160, or containing cannabidiol by cannabis
48 establishments.

49 ~~(h)~~ (i) Requirements relating to the packaging and labeling of cannabis and
50 cannabis products.

51 2. The Board shall adopt regulations providing for the gathering and
52 maintenance of comprehensive demographic information, including, without
53 limitation, information regarding race, ethnicity, age and gender, concerning each:

1 (a) Owner and manager of a cannabis establishment.

2 (b) Holder of a cannabis establishment agent registration card.

3 3. The Board shall adopt regulations providing for the investigation of
4 unlicensed cannabis activities and the imposition of penalties against persons
5 who engage in such activities. Such regulations must, without limitation:

6 (a) Establish penalties to be imposed for unlicensed cannabis activities,
7 which may include, without limitation, the issuance of a cease and desist order or
8 citation, the imposition of an administrative fine or civil penalty and other similar
9 penalties.

10 (b) Set forth the procedures by which the Board may impose a penalty
11 against a person for engaging in unlicensed cannabis activities.

12 (c) Set forth the circumstances under which the Board is required to refer
13 matters concerning unlicensed cannabis activities to an appropriate state or local
14 law enforcement agency.

15 4. The Board shall transmit the information gathered and maintained pursuant
16 to subsection 2 to the Director of the Legislative Counsel Bureau for transmission
17 to the Legislature on or before January 1 of each odd-numbered year.

18 ~~4.4~~ 5. The Board shall, by regulation, establish a pilot program for
19 identifying opportunities for an emerging small cannabis business to participate in
20 the cannabis industry. As used in this subsection, “emerging small cannabis
21 business” means a cannabis-related business that:

22 (a) Is in existence, operational and operated for a profit;

23 (b) Maintains its principal place of business in this State; and

24 (c) Satisfies requirements for the number of employees and annual gross
25 revenue established by the Board by regulation.

26 ~~[Section 1.]~~ **Sec. 1.9.** NRS 678A.510 is hereby amended to read as
27 follows:

28 678A.510 1. If the Executive Director transmits the details of a suspected
29 violation to the Attorney General pursuant to NRS 678A.500, the Attorney General
30 shall conduct an investigation of the suspected violation to determine whether it
31 warrants proceedings for disciplinary action of the licensee or registrant. If the
32 Attorney General determines that further proceedings are warranted, he or she shall
33 report the results of the investigation together with a recommendation to the
34 Executive Director in a manner which does not violate the right of the person
35 charged in the complaint to due process in any later hearing on the complaint. The
36 Executive Director shall transmit the recommendation and other information
37 received from the Attorney General to the Board.

38 2. The Board shall promptly make a determination with respect to each
39 complaint resulting in an investigation by the Attorney General. The Board shall:

40 (a) Dismiss the complaint; or

41 (b) Proceed with appropriate disciplinary action in accordance with NRS
42 678A.520 to 678A.600, inclusive, *chapter 233B of NRS* and the regulations
43 adopted by the Board.

44 **Sec. 2.** NRS 678A.540 is hereby amended to read as follows:

45 678A.540 1. At all hearings before the Board:

46 (a) Oral evidence may be taken only upon oath or affirmation administered by
47 the Board.

48 (b) Every party has the right to:

49 (1) Call and examine witnesses;

50 (2) Introduce exhibits relevant to the issues of the case;

51 (3) Cross-examine opposing witnesses on any matters relevant to the issues
52 of the case, even though the matter was not covered in a direct examination;

1 (4) Impeach any witness regardless of which party first called the witness
2 to testify; and

3 (5) Offer rebuttal evidence.

4 (c) If the respondent does not testify in his or her own behalf, the respondent
5 may be called and examined as if under cross-examination.

6 (d) The hearing need not be conducted according to technical rules relating to
7 evidence and witnesses **H**, *except that those prescribed in NRS 233B.123 apply.*
8 Any relevant evidence *that is not immaterial or unduly repetitious* may be
9 admitted and is sufficient in itself to support a finding if it is the sort of evidence on
10 which responsible persons are accustomed to rely in the conduct of serious affairs,
11 regardless of the existence of any common law or statutory rule which might make
12 improper the admission of such evidence over objection in a civil action.

13 (e) The parties or their counsel may by written stipulation agree that certain
14 specified evidence may be admitted even though such evidence might otherwise be
15 subject to objection.

16 2. The Board may take official notice of any generally accepted information
17 or technical or scientific matter within the field of cannabis, and of any other fact
18 which may be judicially noticed by the courts of this State. The parties must be
19 informed of any information, matters or facts so noticed, and must be given a
20 reasonable opportunity, on request, to refute such information, matters or facts by
21 evidence or by written or oral presentation of authorities, the manner of such
22 refutation to be determined by the Board.

23 3. Affidavits may be received in evidence at any hearing of the Board in
24 accordance with the following:

25 (a) The party wishing to use an affidavit must, not less than 10 days before the
26 day set for hearing, serve upon the opposing party or counsel, either personally or
27 by registered or certified mail, a copy of the affidavit which the party proposes to
28 introduce in evidence together with a notice as provided in paragraph (c).

29 (b) Unless the opposing party, within 7 days after such service, mails or
30 delivers to the proponent a request to cross-examine the affiant, the opposing
31 party's right to cross-examine the affiant is waived and the affidavit, if introduced
32 in evidence, must be given the same effect as if the affiant had testified orally. If an
33 opportunity to cross-examine an affiant is not afforded after request therefor is
34 made in accordance with this paragraph, the affidavit may be introduced in
35 evidence, but must be given only the same effect as other hearsay evidence.

36 (c) The notice referred to in paragraph (a) must be substantially in the
37 following form:

38
39 The accompanying affidavit of (here insert name of affiant) will be
40 introduced as evidence at the hearing set for the day of the month of
41 of the year (Here insert name of affiant) will not be called to
42 testify orally and you will not be entitled to question (here insert name of
43 affiant) unless you notify the undersigned that you wish to cross-examine
44 (here insert name of affiant). To be effective your request must be mailed or
45 delivered to the undersigned on or before 7 days from the date this notice
46 and the enclosed affidavit are served upon you.
47

48
49 (Party or Counsel)
50

51 (Address)

1 **Sec. 3.** NRS 678A.590 is hereby amended to read as follows:

2 678A.590 1. Within 60 days after the hearing of a contested matter, the
3 Board shall render a written decision on the merits . ~~[which]~~ ***Except as otherwise***
4 ***provided in subsection 5 of NRS 233B.121, the written decision*** must contain
5 findings of fact ~~and~~ ***and conclusions of law which are separately stated,*** a
6 determination of the issues presented and the penalty to be imposed, if any. The
7 Board shall thereafter make and enter its written order in conformity to its decision.
8 No member of the Board who did not hear the evidence may vote on the decision.
9 The affirmative votes of a majority of the whole Board are required to impose any
10 penalty. Copies of the decision and order must be served on the parties personally
11 or sent to them by registered or certified mail. The decision is effective upon such
12 service, unless the Board orders otherwise.

13 2. The Board may, upon motion made within ~~[10]~~ **15** days after service of a
14 decision and order, order a rehearing before the Board upon such terms and
15 conditions as it may deem just and proper if a petition for judicial review of the
16 decision and order has not been filed. The motion must not be granted except upon
17 a showing that there is additional evidence which is material and necessary and
18 reasonably calculated to change the decision of the Board, and that sufficient reason
19 existed for failure to present the evidence at the hearing of the Board. The motion
20 must be supported by an affidavit of the moving party or his or her counsel showing
21 with particularity the materiality and necessity of the additional evidence and the
22 reason why it was not introduced at the hearing. Upon rehearing, rebuttal evidence
23 to the additional evidence must be permitted. After rehearing, the Board may
24 modify its decision and order as the additional evidence may warrant.

25 **Sec. 4.** NRS 678A.610 is hereby amended to read as follows:

26 678A.610 ~~[[1]]~~ Any person aggrieved by a final decision or order of the
27 Board made after hearing or rehearing by the Board pursuant to NRS 678A.520 to
28 678A.600, inclusive, and whether or not a motion for rehearing was filed, ~~[may~~
29 ~~obtain a]~~ ***is entitled to*** judicial review ~~[thereof in the district court of the county in~~
30 ~~which the petitioner resides or has his, her or its principal place of business.~~

31 ~~— 2. — The judicial review must be instituted by filing a petition within 20 days~~
32 ~~after the effective date of the final decision or order. A petition may not be filed~~
33 ~~while a motion for rehearing or a rehearing is pending before the Board. The~~
34 ~~petition must set forth the order or decision appealed from and the grounds or~~
35 ~~reasons why petitioner contends a reversal or modification should be ordered.~~

36 ~~— 3. — Copies of the petition must be served upon the Board and all other parties~~
37 ~~of record, or their counsel of record, either personally or by certified mail.~~

38 ~~— 4. — The court, upon a proper showing, may permit other interested persons to~~
39 ~~intervene as parties to the appeal or as friends of the court.~~

40 ~~— 5. — The filing of the petition does not stay enforcement of the decision or order~~
41 ~~of the Board, but the Board itself may grant a stay upon such terms and conditions~~
42 ~~as it deems proper.] of the decision or order in the manner provided by chapter~~
43 ***233B of NRS.***

44 **Sec. 4.3.** **NRS 281A.410 is hereby amended to read as follows:**

45 281A.410 In addition to the requirements of the code of ethical standards and
46 the other provisions of this chapter:

47 1. ~~[[1]]~~ **Except as otherwise provided in NRS 678A.360,** a public officer or
48 employee serves in a state agency of the Executive Department or an agency of any
49 county, city or other political subdivision, the public officer or employee:

50 (a) Shall not accept compensation from any private person to represent or
51 counsel the private person on any issue pending before the agency in which that
52 public officer or employee serves, if the agency makes decisions; and

1 (b) If the public officer or employee leaves the service of the agency, shall not,
2 for 1 year after leaving the service of the agency, represent or counsel for
3 compensation a private person upon any issue which was under consideration by
4 the agency during the public officer's or employee's service. As used in this
5 paragraph, "issue" includes a case, proceeding, application, contract or
6 determination, but does not include the proposal or consideration of legislative
7 measures or administrative regulations.

8 2. Except as otherwise provided in subsection 3, a State Legislator or a
9 member of a local legislative body, or a public officer or employee whose public
10 service requires less than half of his or her time, may represent or counsel a private
11 person before an agency in which he or she does not serve.

12 3. A member of a local legislative body shall not represent or counsel a
13 private person for compensation before another local agency if the territorial
14 jurisdiction of the other local agency includes any part of the county in which the
15 member serves. The Commission may relieve the member from the strict
16 application of the provisions of this subsection if:

17 (a) The member files a request for an advisory opinion from the Commission
18 pursuant to NRS 281A.675; and

19 (b) The Commission determines that such relief is not contrary to:

20 (1) The best interests of the public;

21 (2) The continued ethical integrity of each local agency affected by the
22 matter; and

23 (3) The provisions of this chapter.

24 4. For the purposes of subsection 3, the request for an advisory opinion, the
25 advisory opinion and all meetings, hearings and proceedings of the Commission in
26 such a matter are governed by the provisions of NRS 281A.670 to 281A.690,
27 inclusive.

28 5. Unless permitted by this section, a public officer or employee shall not
29 represent or counsel a private person for compensation before any state agency of
30 the Executive or Legislative Department.

31 **Sec. 4.6. NRS 281A.550 is hereby amended to read as follows:**

32 281A.550 1. A former member of the Public Utilities Commission of
33 Nevada shall not:

34 (a) Be employed by a public utility or parent organization or subsidiary of a
35 public utility; or

36 (b) Appear before the Public Utilities Commission of Nevada to testify on
37 behalf of a public utility or parent organization or subsidiary of a public utility,
38 ↪ for 1 year after the termination of the member's service on the Public Utilities
39 Commission of Nevada.

40 2. A former member of the Nevada Gaming Control Board or the Nevada
41 Gaming Commission shall not:

42 (a) Appear before the Nevada Gaming Control Board or the Nevada Gaming
43 Commission on behalf of a person who holds a license issued pursuant to chapter
44 463 or 464 of NRS or who is required to register with the Nevada Gaming
45 Commission pursuant to chapter 463 of NRS; or

46 (b) Be employed by such a person,
47 ↪ for 1 year after the termination of the member's service on the Nevada Gaming
48 Control Board or the Nevada Gaming Commission.

49 3. In addition to the prohibitions set forth in subsections 1 and 2, and except
50 as otherwise provided in subsections 4 and 6, ~~and NRS 678A.360,~~ a former
51 public officer or employee of a board, commission, department, division or other
52 agency of the Executive Department of State Government, except a clerical
53 employee, shall not solicit or accept employment from a business or industry whose

1 activities are governed by regulations adopted by the board, commission,
2 department, division or other agency for 1 year after the termination of the former
3 public officer's or employee's service or period of employment if:

4 (a) The former public officer's or employee's principal duties included the
5 formulation of policy contained in the regulations governing the business or
6 industry;

7 (b) During the immediately preceding year, the former public officer or
8 employee directly performed activities, or controlled or influenced an audit,
9 decision, investigation or other action, which significantly affected the business or
10 industry which might, but for this section, employ the former public officer or
11 employee; or

12 (c) As a result of the former public officer's or employee's governmental
13 service or employment, the former public officer or employee possesses knowledge
14 of the trade secrets of a direct business competitor.

15 4. The provisions of subsection 3 do not apply to a former public officer who
16 was a member of a board, commission or similar body of the State if:

17 (a) The former public officer is engaged in the profession, occupation or
18 business regulated by the board, commission or similar body;

19 (b) The former public officer holds a license issued by the board, commission
20 or similar body; and

21 (c) Holding a license issued by the board, commission or similar body is a
22 requirement for membership on the board, commission or similar body.

23 5. Except as otherwise provided in subsection 6, a former public officer or
24 employee of the State or a political subdivision, except a clerical employee, shall
25 not solicit or accept employment from a person to whom a contract for supplies,
26 materials, equipment or services was awarded by the State or political subdivision,
27 as applicable, for 1 year after the termination of the officer's or employee's service
28 or period of employment, if:

29 (a) The amount of the contract exceeded \$25,000;

30 (b) The contract was awarded within the 12-month period immediately
31 preceding the termination of the officer's or employee's service or period of
32 employment; and

33 (c) The position held by the former public officer or employee at the time the
34 contract was awarded allowed the former public officer or employee to affect or
35 influence the awarding of the contract.

36 6. A current or former public officer or employee may file a request for an
37 advisory opinion pursuant to NRS 281A.675 concerning the application of the
38 relevant facts in that person's case to the provisions of subsection 3 or 5, as
39 applicable, and determine whether relief from the strict application of those
40 provisions is proper. If the Commission determines that relief from the strict
41 application of the provisions of subsection 3 or 5, as applicable, is not contrary to:

42 (a) The best interests of the public;

43 (b) The continued ethical integrity of the State Government or political
44 subdivision, as applicable; and

45 (c) The provisions of this chapter,

46 ↪ it may issue an advisory opinion to that effect and grant such relief.

47 7. For the purposes of subsection 6, the request for an advisory opinion, the
48 advisory opinion and all meetings, hearings and proceedings of the Commission in
49 such a matter are governed by the provisions of NRS 281A.670 to 281A.690,
50 inclusive.

51 8. The advisory opinion does not relieve the current or former public officer
52 or employee from the strict application of any provision of NRS 281A.410.

53 9. For the purposes of this section:

1 (a) A former member of the Public Utilities Commission of Nevada, the
2 Nevada Gaming Control Board or the Nevada Gaming Commission; or

3 (b) Any other former public officer or employee governed by this section,
4 ➤ is employed by or is soliciting or accepting employment from a business,
5 industry or other person described in this section if any oral or written agreement is
6 sought, negotiated or exists during the restricted period pursuant to which the
7 personal services of the public officer or employee are provided or will be provided
8 to the business, industry or other person, even if such an agreement does not or will
9 not become effective until after the restricted period.

10 10. As used in this section, "regulation" has the meaning ascribed to it in NRS
11 233B.038 and also includes regulations adopted by a board, commission,
12 department, division or other agency of the Executive Department of State
13 Government that is exempted from the requirements of chapter 233B of NRS.

14 **Sec. 5.** NRS 233B.039 is hereby amended to read as follows:

15 233B.039 1. The following agencies are entirely exempted from the
16 requirements of this chapter:

17 (a) The Governor.

18 (b) Except as otherwise provided in NRS 209.221 and 209.2473, the
19 Department of Corrections.

20 (c) The Nevada System of Higher Education.

21 (d) The Office of the Military.

22 (e) The Nevada Gaming Control Board.

23 (f) Except as otherwise provided in NRS 368A.140 and 463.765, the Nevada
24 Gaming Commission.

25 (g) Except as otherwise provided in NRS 425.620, the Division of Welfare and
26 Supportive Services of the Department of Health and Human Services.

27 (h) Except as otherwise provided in NRS 422.390, the Division of Health Care
28 Financing and Policy of the Department of Health and Human Services.

29 (i) Except as otherwise provided in NRS 533.365, the Office of the State
30 Engineer.

31 (j) The Division of Industrial Relations of the Department of Business and
32 Industry acting to enforce the provisions of NRS 618.375.

33 (k) The Administrator of the Division of Industrial Relations of the Department
34 of Business and Industry in establishing and adjusting the schedule of fees and
35 charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

36 (l) The Board to Review Claims in adopting resolutions to carry out its duties
37 pursuant to NRS 445C.310.

38 (m) The Silver State Health Insurance Exchange.

39 ~~{(n) The Cannabis Compliance Board.}~~

40 2. Except as otherwise provided in subsection 5 and NRS 391.323, the
41 Department of Education, the Board of the Public Employees' Benefits Program
42 and the Commission on Professional Standards in Education are subject to the
43 provisions of this chapter for the purpose of adopting regulations but not with
44 respect to any contested case.

45 3. The special provisions of:

46 (a) Chapter 612 of NRS for the adoption of an emergency regulation or the
47 distribution of regulations by and the judicial review of decisions of the
48 Employment Security Division of the Department of Employment, Training and
49 Rehabilitation;

50 (b) Chapters 616A to 617, inclusive, of NRS for the determination of contested
51 claims;

52 (c) Chapter 91 of NRS for the judicial review of decisions of the Administrator
53 of the Securities Division of the Office of the Secretary of State; and

1 (d) NRS 90.800 for the use of summary orders in contested cases,
2 ➤ prevail over the general provisions of this chapter.

3 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do
4 not apply to the Department of Health and Human Services in the adjudication of
5 contested cases involving the issuance of letters of approval for health facilities and
6 agencies.

7 5. The provisions of this chapter do not apply to:

8 (a) Any order for immediate action, including, but not limited to, quarantine
9 and the treatment or cleansing of infected or infested animals, objects or premises,
10 made under the authority of the State Board of Agriculture, the State Board of
11 Health, or any other agency of this State in the discharge of a responsibility for the
12 preservation of human or animal health or for insect or pest control;

13 (b) An extraordinary regulation of the State Board of Pharmacy adopted
14 pursuant to NRS 453.2184;

15 (c) A regulation adopted by the State Board of Education pursuant to NRS
16 388.255 or 394.1694;

17 (d) The judicial review of decisions of the Public Utilities Commission of
18 Nevada;

19 (e) The adoption, amendment or repeal of policies by the Rehabilitation
20 Division of the Department of Employment, Training and Rehabilitation pursuant
21 to NRS 426.561 or 615.178;

22 (f) The adoption or amendment of a rule or regulation to be included in the
23 State Plan for Services for Victims of Crime by the Department of Health and
24 Human Services pursuant to NRS 217.130;

25 (g) The adoption, amendment or repeal of rules governing the conduct of
26 contests and exhibitions of unarmed combat by the Nevada Athletic Commission
27 pursuant to NRS 467.075;

28 (h) The adoption, amendment or repeal of regulations by the Director of the
29 Department of Health and Human Services pursuant to NRS 447.335 to 447.350,
30 inclusive;

31 (i) The adoption, amendment or repeal of standards of content and performance
32 for courses of study in public schools by the Council to Establish Academic
33 Standards for Public Schools and the State Board of Education pursuant to NRS
34 389.520;

35 (j) The adoption, amendment or repeal of the statewide plan to allocate money
36 from the Fund for a Resilient Nevada created by NRS 433.732 established by the
37 Department of Health and Human Services pursuant to paragraph (b) of subsection
38 1 of NRS 433.734; or

39 (k) The adoption or amendment of a data request by the Commissioner of
40 Insurance pursuant to NRS 687B.404.

41 6. The State Board of Parole Commissioners is subject to the provisions of
42 this chapter for the purpose of adopting regulations but not with respect to any
43 contested case.

44 **Sec. 5.3. NRS 453.096 is hereby amended to read as follows:**

45 453.096 1. "Marijuana" means:

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

47 (b) The seeds thereof;

48 (c) The resin extracted from any part of the plant, including concentrated
49 cannabis;

50 (d) Every compound, manufacture, salt, derivative, mixture or preparation of
51 the plant, its seeds or resin;

1 (e) Any commodity or product made using hemp which exceeds the maximum
2 THC concentration established by the State Department of Agriculture for hemp;
3 and

4 (f) Any product or commodity made from hemp which is manufactured or sold
5 by a cannabis establishment which violates any regulation adopted by the Cannabis
6 Compliance Board pursuant to paragraph ~~(e)~~ (h) of subsection 1 of NRS
7 678A.450 relating to THC concentration.

8 2. "Marijuana" does not include:

9 (a) Hemp, as defined in NRS 557.160, which is grown or cultivated pursuant to
10 the provisions of chapter 557 of NRS;

11 (b) The mature stalks of the plant, fiber produced from the stalks, oil or cake
12 made from the seeds of the plant, any other compound, manufacture, salt,
13 derivative, mixture or preparation of the mature stalks (except the resin extracted
14 therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable
15 of germination; or

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

19 **Sec. 5.4. 1. The terms of the members of the Board described in**
20 **subsections 5, 6 and 7 of NRS 678A.360, as amended by section 1.3 of this act,**
21 **who are incumbent on June 30, 2024, expire on that date. On or before July 1,**
22 **2024, the Governor shall appoint to the Board the members described in**
23 **subsections 5, 6 and 7 of NRS 678A.360, as amended by section 1.3 of this act,**
24 **to terms that commence on July 1, 2024, and expire on June 30, 2028.**

25 **2. The terms of the members of the Board described in subsections 8 and**
26 **9 of NRS 678A.360, as amended by section 1.3 of this act, who are incumbent**
27 **on June 30, 2025, expire on that date. On or before July 1, 2025, the Governor**
28 **shall appoint to the Board the members described in subsections 8 and 9 of**
29 **NRS 678A.360, as amended by section 1.3 of this act, to terms that commence**
30 **on July 1, 2025, and expire on June 30, 2029.**

31 **3. Notwithstanding the amendatory provisions of section 1.3 of this act,**
32 **any appointment of a member to the Board that is made:**

33 **(a) For a member described in subsection 5, 6 or 7 of NRS 678A.360, as**
34 **amended by section 1.3 of this act, before the appointment of the members**
35 **required to be appointed pursuant to subsection 1 must be made in accordance**
36 **with NRS 678A.360 and 678A.370, as those sections existed before the effective**
37 **date of this act.**

38 **(b) For a member described in subsection 8 or 9 of NRS 678A.360, as**
39 **amended by section 1.3 of this act, before the appointment of the members**
40 **required to be appointed pursuant to subsection 2 must be made in accordance**
41 **with NRS 678A.360 and 678A.370, as those sections existed before the effective**
42 **date of this act.**

43 **Sec. 5.5. The amendatory provisions of sections 2, 3, 4 and 6 of this act**
44 **apply to any judicial or administrative proceedings commenced on or after the**
45 **effective date of this act.**

46 **Sec. 5.7. The amendatory provisions of sections 5 and 6 of this act apply**
47 **to regulations which are proposed by the Cannabis Compliance Board on or**
48 **after the effective date of this act.**

49 **Sec. 6.** NRS 678A.460, 678A.560, 678A.620, 678A.630 and 678A.640 are
50 hereby repealed.

51 **Sec. 7.** This act becomes effective upon passage and approval.

LEADLINES OF REPEALED SECTIONS

678A.460 Regulations: Procedure for adoption, amendment and repeal.

678A.560 Hearings: Limitations on communications.

678A.620 Judicial review: Record on review.

678A.630 Judicial review: Additional evidence taken by Board; review confined to record; court may affirm, remand or reverse.

678A.640 Judicial review: Appeal to appellate court; exclusive method of review for disciplinary hearings; certain actions not subject to judicial review.