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SENATE BILL NO. 195—SENATORS NGUYEN, SPEARMAN, D. HARRIS,  
STONE, BUCK; DONATE, DONDERO LOOP AND SCHEIBLE

FEBRUARY 23, 2023

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JOINT SPONSORS: ASSEMBLYMEN YEAGER, WATTS; BILBRAY-  
AXELROD, CARTER, DURAN, GONZÁLEZ, HAFEN, KOENIG  
AND PETERS

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Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions related to cannabis.  
(BDR 56-452)

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.

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AN ACT relating to cannabis; revising provisions relating to disciplinary action taken by the Cannabis Compliance Board against the holder of a license or registration card issued by the Board; requiring the Board to adopt regulations governing the transfer of an ownership interest in a cannabis establishment; revising provisions governing the fees the Board is authorized to charge; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law sets forth the procedures by which the Cannabis Compliance  
2 Board may take disciplinary action against a licensee or registrant who violates a  
3 provision of existing law governing the cannabis industry in this State or any  
4 regulation adopted by the Board. (NRS 678A.500-678A.600) **Sections 2 and 4** of  
5 this bill authorize the Board to resolve any matter concerning a licensee or  
6 registrant who has allegedly committed such a violation by entering into a consent  
7 or settlement agreement with the licensee or registrant so long as the Board  
8 discusses and approves the terms of the agreement, and any modification of those  
9 terms, at a meeting of the Board. **Section 3** of this bill sets forth certain mitigating  
10 circumstances concerning a violation. **Section 2** requires the Board to consider  
11 whether any of those mitigating circumstances exist in determining whether to  
12 approve or modify the terms of a consent or settlement agreement.



13 If the Board elects to proceed with disciplinary action against a licensee or  
14 registrant, existing law requires the Board or the Executive Director of the Board to  
15 serve upon the licensee or registrant a complaint setting forth the acts or omissions  
16 for which the licensee or registrant is charged and certain other information. (NRS  
17 678A.520) **Section 5** of this bill requires the complaint to charge multiple alleged  
18 violations as a single alleged violation under certain circumstances. **Section 5** also  
19 requires the complaint to include the penalties being sought against the licensee or  
20 registrant.

21 If the Board determines that a licensee or registrant has violated a provision of  
22 existing law governing the cannabis industry in this State or any regulation adopted  
23 by the Board, existing law authorizes the Board to: (1) limit, condition, suspend or  
24 revoke the license or registration card of the licensee or registrant; (2) impose a  
25 civil penalty in an amount established by the Board by regulation; or (3) take both  
26 of those actions. (NRS 678A.600) **Section 7** of this bill: (1) requires the Board, in  
27 determining the appropriate action to be taken against such a licensee or registrant,  
28 to consider whether any of the mitigating circumstances set forth in **section 3** exist;  
29 (2) limits the amount of a civil penalty the Board is authorized to impose for a  
30 single violation to \$20,000; and (3) authorizes the Board to take certain additional  
31 actions. **Section 6** of this bill requires that certain information concerning the  
32 mitigating factors considered by the Board pursuant to **section 7** be included in the  
33 written decision of the Board following a disciplinary hearing in certain  
34 circumstances.

35 **Sections 8 and 9** of this bill make conforming changes to indicate the proper  
36 placement of **section 3** in the Nevada Revised Statutes.

37 Existing law requires an applicant for a license to pay to the Board the actual  
38 costs incurred by the Board in processing the application, including, without  
39 limitation, conducting background checks. (NRS 678B.390) **Section 11** of this bill  
40 eliminates the requirement that an applicant for a license pay such costs. **Section 11**  
41 instead requires an applicant to pay the actual costs paid by the Board to a law  
42 enforcement agency or other person who is not an employee of the Board to  
43 conduct any background checks in connection with the application.

44 Existing regulations of the Board require the Board to charge each cannabis  
45 establishment, at an hourly rate established by the Board, an assessment for the  
46 costs of various ongoing activities of the Board relating to the oversight of the  
47 cannabis establishment, including, without limitation routine inspections and audits,  
48 the investigation of certain complaints and investigations based on any type of  
49 requested transfer of interest. (Nev. Cannabis Compliance Bd. Regs. § 6.025)  
50 **Section 11** prohibits the Board from charging a licensee, registrant or applicant for  
51 a license or registration card any fee, cost, fine or other charge that is not expressly  
52 authorized by the provisions of existing law governing the cannabis industry in this  
53 State, including, with certain exceptions, any charge for the costs of ongoing  
54 activities of the Board relating to the oversight of a cannabis establishment.

55 Existing regulations of the Board set forth various requirements for the transfer  
56 of an ownership interest in a cannabis establishment. (Nev. Cannabis Compliance  
57 Bd. Regs. § 5.110) **Section 10** of this bill specifically requires the Board to adopt  
58 regulations by which the holder of an ownership interest in a cannabis  
59 establishment may transfer all or any portion of the ownership interest to another  
60 qualified person. **Section 11** authorizes the Board to charge a cannabis  
61 establishment for the actual costs paid by the Board to a law enforcement agency or  
62 other person who is not an employee of the Board to conduct any background  
63 checks in connection with a transfer of ownership interest in the cannabis  
64 establishment. **Section 12** of this bill makes a conforming change to refer to  
65 provisions that have been renumbered in **section 11**.



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

1 **Section 1.** Chapter 678A of NRS is hereby amended by  
2 adding thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2. 1.** *The Board may, at any time, resolve a matter*  
4 *involving a licensee or registrant who has allegedly violated a*  
5 *provision of this title or any regulation adopted pursuant thereto*  
6 *by entering into a consent or settlement agreement with the*  
7 *licensee or registrant so long as the terms of the agreement, and*  
8 *any modification of those terms, are discussed and approved at a*  
9 *meeting of the Board.*

10 **2.** *In determining whether to approve or modify the terms of a*  
11 *consent or settlement agreement pursuant to subsection 1, the*  
12 *Board shall consider whether any of the mitigating circumstances*  
13 *set forth in section 3 of this act exist.*

14 **3.** *The Board shall state on the record in any meeting in*  
15 *which the terms of a consent or settlement agreement are*  
16 *approved or modified pursuant to subsection 1:*

17 **(a)** *The determination of the Board as to whether any of the*  
18 *mitigating circumstances set forth in section 3 of this act exist;*  
19 *and*

20 **(b)** *If the Board determines that any of the mitigating*  
21 *circumstances exist, the weight given by the Board to each*  
22 *mitigating circumstance in determining whether to approve or*  
23 *modify the terms of the agreement.*

24 **4.** *If the terms of a consent or settlement agreement impose a*  
25 *civil penalty, the statement required by paragraph (b) of*  
26 *subsection 3 must specify the weight given by the Board to each*  
27 *mitigating circumstance in determining whether to approve or*  
28 *modify the amount of the civil penalty.*

29 **Sec. 3. 1.** *A violation of any provision of this title or any*  
30 *regulation adopted pursuant thereto may be mitigated by any of*  
31 *the following circumstances:*

32 **(a)** *The licensee or registrant self-reported the violation to the*  
33 *Board or an agent of the Board.*

34 **(b)** *For a violation committed by a licensee, the licensee has:*

35 **(1)** *Submitted to the Board a plan to correct the violation*  
36 *which has been approved by the Board; and*

37 **(2)** *Taken action to correct the violation.*

38 **(c)** *The licensee or registrant has made a good faith effort to*  
39 *prevent violations from occurring, including, without limitation,*  
40 *by:*

41 **(1)** *Providing regular training to the employees of the*  
42 *licensee or registrant which has been documented and which was*



1 *provided before the commencement of an investigation by the*  
2 *Board concerning the violation; or*

3 (2) *Establishing, before the commencement of an*  
4 *investigation by the Board concerning the violation, standard*  
5 *operating procedures that include procedures which directly*  
6 *address the conduct constituting the violation.*

7 (d) *The licensee or registrant has cooperated in the*  
8 *investigation of the violation in such a manner as to demonstrate*  
9 *that the licensee or registrant accepts responsibility for the*  
10 *violation.*

11 (e) *Any other mitigating circumstance established by the*  
12 *Board by regulation exists.*

13 2. *For the purposes of subparagraph (1) of paragraph (b) of*  
14 *subsection 1, if a licensee has submitted a plan to correct a*  
15 *violation and the Board does not take action to approve or reject*  
16 *the plan within 30 days after the date on which the plan was*  
17 *submitted, the plan shall be deemed to be approved by the Board.*

18 **Sec. 4.** NRS 678A.510 is hereby amended to read as follows:

19 678A.510 1. If the Executive Director transmits the details of  
20 a suspected violation to the Attorney General pursuant to NRS  
21 678A.500, the Attorney General shall conduct an investigation of  
22 the suspected violation to determine whether it warrants proceedings  
23 for disciplinary action of the licensee or registrant. If the Attorney  
24 General determines that further proceedings are warranted, he or she  
25 shall report the results of the investigation together with a  
26 recommendation to the Executive Director in a manner which does  
27 not violate the right of the person charged in the complaint to due  
28 process in any later hearing on the complaint. The Executive  
29 Director shall transmit the recommendation and other information  
30 received from the Attorney General to the Board.

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

34 (a) Dismiss the complaint; ~~for~~

35 (b) *Enter into a consent or settlement agreement with the*  
36 *licensee or registrant pursuant to section 2 of this act; or*

37 (c) Proceed with appropriate disciplinary action in accordance  
38 with NRS 678A.520 to 678A.600, inclusive, *and section 3 of this*  
39 *act* and the regulations adopted by the Board.

40 **Sec. 5.** NRS 678A.520 is hereby amended to read as follows:

41 678A.520 1. If the Board proceeds with disciplinary action  
42 pursuant to NRS 678A.510, the Board or the Executive Director  
43 shall serve a complaint upon the respondent either personally, or by  
44 registered or certified mail at the address of the respondent that is on  
45 file with the Board. Such complaint must ~~be~~:



- 1 (a) *Be* a written statement of charges ~~[and must set]~~ ;
- 2 (b) *Set* forth in ordinary and concise language the acts or
- 3 omissions with which the respondent is charged ~~[-The complaint~~
- 4 ~~must specify]~~ ;
- 5 (c) *Specify* the statutes and regulations which the respondent is
- 6 alleged to have violated ~~[-but must not]~~ ;
- 7 (d) *Not* consist merely of charges raised in the language of the
- 8 statutes or regulations ~~[-The complaint must provide]~~ *which the*
- 9 *respondent is alleged to have violated;*
- 10 (e) *If the respondent is alleged to have committed multiple*
- 11 *violations consisting of the same or a similar act, omission or*
- 12 *course of conduct, charge those violations as a single alleged*
- 13 *violation if the violations:*
- 14 (1) *Are closely related in time, place and circumstance; and*
- 15 (2) *Were all discovered in the course of a single audit,*
- 16 *inspection or investigation;*
- 17 (f) *Specify the penalty being sought against the respondent;*
- 18 *and*
- 19 (g) *Provide* notice of the right of the respondent to request a
- 20 hearing. ~~[The Chair of the Board may grant an extension to respond~~
- 21 ~~to the complaint for good cause.]~~
- 22 2. *The Chair of the Board may grant an extension to respond*
- 23 *to the complaint for good cause.* Unless granted *such* an extension,
- 24 the respondent must answer within 20 days after the service of the
- 25 complaint. In the answer the respondent:
- 26 (a) Must state in short and plain terms the defenses to each claim
- 27 asserted.
- 28 (b) Must admit or deny the facts alleged in the complaint.
- 29 (c) Must state which allegations the respondent is without
- 30 knowledge or information to form a belief as to their truth. Such
- 31 allegations shall be deemed denied.
- 32 (d) Must affirmatively set forth any matter which constitutes an
- 33 avoidance or affirmative defense.
- 34 (e) May demand a hearing. Failure to demand a hearing
- 35 constitutes a waiver of the right to a hearing and to judicial review
- 36 of any decision or order of the Board, but the Board may order a
- 37 hearing even if the respondent so waives his or her right.
- 38 3. Failure to answer or to appear at the hearing constitutes an
- 39 admission by the respondent of all facts alleged in the complaint.
- 40 The Board may take action based on such an admission and on other
- 41 evidence without further notice to the respondent. If the Board takes
- 42 action based on such an admission, the Board shall include in the
- 43 record which evidence was the basis for the action.
- 44 4. The Board shall determine the time and place of the hearing
- 45 as soon as is reasonably practical after receiving the respondent's



1 answer. The Board shall deliver or send by registered or certified  
2 mail a notice of hearing to all parties at least 10 days before the  
3 hearing. The hearing must be held within 45 days after receiving the  
4 respondent's answer unless an expedited hearing is determined to be  
5 appropriate by the Board, in which event the hearing must be held as  
6 soon as practicable. The Chair of the Board may grant one or more  
7 extensions to the 45-day requirement pursuant to a request of a party  
8 or an agreement by both parties.

9 **Sec. 6.** NRS 678A.590 is hereby amended to read as follows:

10 678A.590 1. Within 60 days after the hearing of a contested  
11 matter, the Board shall render a written decision on the merits which  
12 must contain findings of fact, a determination of the issues presented  
13 and the penalty to be imposed, if any. *If the Board determines that*  
14 *the licensee or registrant has violated any provision of this title or*  
15 *any regulation adopted pursuant thereto, the written decision must*  
16 *set forth the determination of the Board as to whether any of the*  
17 *mitigating circumstances required to be considered by the Board*  
18 *pursuant to NRS 678A.600 exist and, if so, the weight given to*  
19 *each mitigating circumstance in determining the appropriate*  
20 *action to be taken pursuant to that section.* The Board shall  
21 thereafter make and enter its written order in conformity to its  
22 decision. No member of the Board who did not hear the evidence  
23 may vote on the decision. The affirmative votes of a majority of the  
24 whole Board are required to impose any penalty. Copies of the  
25 decision and order must be served on the parties personally or sent  
26 to them by registered or certified mail. The decision is effective  
27 upon such service, unless the Board orders otherwise.

28 2. The Board may, upon motion made within 10 days after  
29 service of a decision and order, order a rehearing before the Board  
30 upon such terms and conditions as it may deem just and proper if a  
31 petition for judicial review of the decision and order has not been  
32 filed. The motion must not be granted except upon a showing that  
33 there is additional evidence which is material and necessary and  
34 reasonably calculated to change the decision of the Board, and that  
35 sufficient reason existed for failure to present the evidence at the  
36 hearing of the Board. The motion must be supported by an affidavit  
37 of the moving party or his or her counsel showing with particularity  
38 the materiality and necessity of the additional evidence and the  
39 reason why it was not introduced at the hearing. Upon rehearing,  
40 rebuttal evidence to the additional evidence must be permitted. After  
41 rehearing, the Board may modify its decision and order as the  
42 additional evidence may warrant.

43 **Sec. 7.** NRS 678A.600 is hereby amended to read as follows:

44 678A.600 1. If the Board finds that a licensee or registrant  
45 has violated a provision of this title or any regulation adopted



1 pursuant thereto, the Board may ~~take any or all of the following~~  
2 ~~actions:~~

3 ~~—1.;~~

4 (a) Limit, condition, suspend or revoke the license or  
5 registration card of the licensee or registrant ~~;~~

6 ~~—2.;~~

7 (b) Impose a civil penalty in an amount established by  
8 regulation, *not to exceed \$20,000* for ~~each~~ *a single* violation ~~;~~;

9 (c) *Take any combination of the actions authorized by*  
10 *paragraphs (a) and (b);*

11 (d) *Issue a warning to the licensee or registrant; or*

12 (e) *Take no action against the licensee or registrant.*

13 2. *In determining the appropriate action to be taken against a*  
14 *licensee or registrant pursuant to this section, including, without*  
15 *limitation, the amount of any civil penalty imposed, the Board*  
16 *shall consider whether any of the mitigating circumstances set*  
17 *forth in section 3 of this act exist.*

18 **Sec. 8.** NRS 678A.610 is hereby amended to read as follows:

19 678A.610 1. Any person aggrieved by a final decision or  
20 order of the Board made after hearing or rehearing by the Board  
21 pursuant to NRS 678A.520 to 678A.600, inclusive, *and sections 2*  
22 *and 3 of this act* and whether or not a motion for rehearing was  
23 filed, may obtain a judicial review thereof in the district court of the  
24 county in which the petitioner resides or has his, her or its principal  
25 place of business.

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

32 3. Copies of the petition must be served upon the Board and all  
33 other parties of record, or their counsel of record, either personally  
34 or by certified mail.

35 4. The court, upon a proper showing, may permit other  
36 interested persons to intervene as parties to the appeal or as friends  
37 of the court.

38 5. The filing of the petition does not stay enforcement of the  
39 decision or order of the Board, but the Board itself may grant a stay  
40 upon such terms and conditions as it deems proper.

41 **Sec. 9.** NRS 678A.640 is hereby amended to read as follows:

42 678A.640 1. Any party aggrieved by the final decision in the  
43 district court after a review of the decision and order of the Board  
44 may appeal to the appellate court of competent jurisdiction pursuant  
45 to the rules fixed by the Supreme Court pursuant to Section 4 of



1 Article 6 of the Nevada Constitution in the manner and within the  
2 time provided by law for appeals in civil cases. The appellate court  
3 of competent jurisdiction shall follow the same procedure thereafter  
4 as in appeals in civil actions, and may affirm, reverse or modify the  
5 decision as the record and law warrant.

6 2. The judicial review by the district court and the appellate  
7 court of competent jurisdiction afforded in this chapter is the  
8 exclusive method of review of the Board's actions, decisions and  
9 orders in disciplinary hearings against a licensee held pursuant to  
10 NRS 678A.520 to 678A.600, inclusive ~~[1]~~, *and sections 2 and 3 of*  
11 *this act*. Judicial review is not available for actions, decisions and  
12 orders of the Board relating to the denial of a license or registration  
13 card. Extraordinary common-law writs or equitable proceedings are  
14 available except where statutory judicial review is made exclusive  
15 or is precluded, or the use of those writs or proceedings is precluded  
16 by specific statute.

17 **Sec. 10.** NRS 678B.380 is hereby amended to read as follows:

18 678B.380 1. Except as otherwise provided by regulations  
19 adopted by the Board pursuant to subsection 2, the following are  
20 nontransferable:

21 (a) A cannabis establishment agent registration card.

22 (b) A cannabis establishment agent registration card for a  
23 cannabis executive.

24 (c) A cannabis establishment agent registration card for a  
25 cannabis receiver.

26 (d) A medical cannabis establishment license.

27 (e) An adult-use cannabis establishment license.

28 2. The Board shall adopt regulations which prescribe  
29 procedures and requirements by which a holder of ~~[a]~~:

30 (a) A license may transfer the license to another party who is  
31 qualified to hold such a license pursuant to the provisions of this  
32 chapter. ~~[Such]~~

33 (b) *An ownership interest in a cannabis establishment may*  
34 *transfer all or any portion of the ownership interest to another*  
35 *party who is qualified to hold an ownership interest in a cannabis*  
36 *establishment pursuant to the provisions of this chapter.*

37 3. *The regulations adopted pursuant to subsection 2* may give  
38 priority in the processing of transfers of licenses to a transfer in  
39 which the transferor is:

40 (a) Subject to a receivership;

41 (b) Involved in a recapitalization; or

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

43 ~~[3.]~~ 4. The regulations adopted pursuant to subsection 2 must:

44 (a) Prohibit the holder of an adult-use cannabis establishment  
45 license for an independent cannabis consumption lounge from





1 transferring the license until at least 2 years from the date on which  
2 the independent cannabis consumption lounge for which the license  
3 was issued became operational;

4 (b) Require the holder of an adult-use cannabis establishment  
5 license for an independent cannabis consumption lounge who  
6 wishes to cease operations before the independent cannabis  
7 consumption lounge for which the license was issued has been  
8 operational for at least 2 years to surrender the license to the Board;  
9 and

10 (c) Require the Board to hold a license surrendered pursuant to  
11 paragraph (b) in reserve for issuance to an applicant for such a  
12 license in the future.

13 **Sec. 11.** NRS 678B.390 is hereby amended to read as follows:

14 678B.390 1. Except as otherwise provided in subsection 3,  
15 the Board shall collect not more than the following maximum fees:  
16

17	For the initial issuance of a medical cannabis	
18	establishment license for a medical cannabis	
19	dispensary.....	\$30,000
20	For the renewal of a medical cannabis	
21	establishment license for a medical cannabis	
22	dispensary.....	5,000
23	For the initial issuance of a medical cannabis	
24	establishment license for a medical cannabis	
25	cultivation facility .....	3,000
26	For the renewal of a medical cannabis	
27	establishment license for a medical cannabis	
28	cultivation facility .....	1,000
29	For the initial issuance of a medical cannabis	
30	establishment license for a medical cannabis	
31	production facility .....	3,000
32	For the renewal of a medical cannabis	
33	establishment license for a medical cannabis	
34	production facility .....	1,000
35	For the initial issuance of a medical cannabis	
36	establishment license for a medical cannabis	
37	independent testing laboratory .....	5,000
38	For the renewal of a medical cannabis	
39	establishment license for a medical cannabis	
40	independent testing laboratory .....	3,000
41	For the initial issuance of an adult-use cannabis	
42	establishment license for an adult-use	
43	cannabis retail store.....	20,000



1	For the renewal of an adult-use cannabis	
2	establishment license for an adult-use	
3	cannabis retail store.....	\$6,600
4	For the initial issuance of an adult-use cannabis	
5	establishment license for an adult-use	
6	cannabis cultivation facility .....	30,000
7	For the renewal of an adult-use cannabis	
8	establishment license for an adult-use	
9	cannabis cultivation facility .....	10,000
10	For the initial issuance of an adult-use cannabis	
11	establishment license for an adult-use	
12	cannabis production facility .....	10,000
13	For the renewal of an adult-use cannabis	
14	establishment license for an adult-use	
15	cannabis production facility .....	3,300
16	For the initial issuance of an adult-use cannabis	
17	establishment license for an adult-use	
18	cannabis independent testing laboratory .....	15,000
19	For the renewal of an adult-use cannabis	
20	establishment license for an adult-use	
21	cannabis independent testing laboratory .....	5,000
22	For the initial issuance of an adult-use cannabis	
23	establishment license for a retail cannabis	
24	consumption lounge .....	10,000
25	For the renewal of an adult-use cannabis	
26	establishment license for a retail cannabis	
27	consumption lounge .....	10,000
28	For the initial issuance of an adult-use cannabis	
29	establishment license for an independent	
30	cannabis consumption lounge .....	10,000
31	For the renewal of an adult-use cannabis	
32	establishment license for an independent	
33	cannabis consumption lounge .....	10,000
34	For the initial issuance of an adult-use cannabis	
35	establishment license for an adult-use	
36	cannabis distributor .....	15,000
37	For the renewal of an adult-use cannabis	
38	establishment license for an adult-use	
39	cannabis distributor .....	5,000
40	For each person identified in an application for	
41	the initial issuance of a cannabis	
42	establishment agent registration card .....	150
43	For each person identified in an application for	
44	the renewal of a cannabis establishment agent	
45	registration card.....	150



1 2. The Board may by regulation establish reduced fees for:  
2 (a) The initial issuance and renewal of an adult-use cannabis  
3 establishment license for an independent cannabis consumption  
4 lounge; and

5 (b) The application fee set forth in subsection 3,  
6 ↪ for a social equity applicant. Such a reduction must not reduce  
7 the fee paid by a social equity applicant by more than 75 percent of  
8 the fee paid by an applicant who is not a social equity applicant.

9 3. Except as otherwise provided in subsection 2, in addition to  
10 the fees described in subsection 1, each applicant for a medical  
11 cannabis establishment license or adult-use cannabis establishment  
12 license must pay to the Board:

13 (a) For an application for a license other than an adult-use  
14 cannabis establishment license for a retail cannabis consumption  
15 lounge or independent cannabis consumption lounge, a one-time,  
16 nonrefundable application fee of \$5,000;

17 (b) For an application for an adult-use cannabis establishment  
18 license for a retail cannabis consumption lounge, a one-time,  
19 nonrefundable application fee of \$100,000;

20 (c) For an application for an adult-use cannabis establishment  
21 license for an independent cannabis consumption lounge, a one-  
22 time, nonrefundable application fee of \$10,000; and

23 (d) The actual costs ~~incurred~~ **paid** by the Board ~~in processing~~  
24 ~~the application, including, without limitation, conducting~~ **to a law**  
25 **enforcement agency or other person who is not an employee of the**  
26 **Board to conduct any** background checks ~~in connection with the~~  
27 **application.**

28 4. ***The Board may charge a cannabis establishment for the***  
29 ***actual costs paid by the Board to a law enforcement agency or***  
30 ***other person who is not an employee of the Board to conduct any***  
31 ***background checks in connection with a transfer of ownership***  
32 ***interest in the cannabis establishment pursuant to the regulations***  
33 ***adopted by the Board pursuant to NRS 678B.380.***

34 5. Any revenue generated from the fees imposed pursuant to  
35 this section:

36 (a) Must be expended first to pay the costs of the Board in  
37 carrying out the provisions of this title; and

38 (b) If any excess revenue remains after paying the costs  
39 described in paragraph (a), such excess revenue must be paid over to  
40 the State Treasurer to be deposited to the credit of the State  
41 Education Fund.

42 6. ***The Board shall not charge a licensee, registrant or***  
43 ***applicant for a license or registration card any fee, cost, fine or***  
44 ***other charge that is not expressly authorized by the provisions of***  
45 ***this title. Such prohibited charges include, without limitation, any***



1 *charge for the costs of ongoing activities of the Board relating to*  
2 *the oversight of a cannabis establishment, including, without*  
3 *limitation, any charge for costs relating to:*

4 (a) *Travel or lodging for an agent of the Board;*

5 (b) *Any routine inspection or audit;*

6 (c) *The preparation for and attendance at a hearing by an*  
7 *agent of the Board;*

8 (d) *An investigation of a complaint submitted to the Board by a*  
9 *person who is not associated with the Board;*

10 (e) *Except as otherwise provided in subsection 4, an*  
11 *investigation conducted in connection with a transfer of an*  
12 *ownership interest;*

13 (f) *An investigation conducted in connection with any type of*  
14 *waiver that is requested pursuant to the provisions of this title or*  
15 *the regulations adopted pursuant thereto;*

16 (g) *Except as otherwise provided in subsection 3, an*  
17 *investigation conducted in connection with the initial issuance of*  
18 *a license; or*

19 (h) *Any other type of inspection, audit or investigation.*

20 **Sec. 12.** NRS 387.1212 is hereby amended to read as follows:

21 387.1212 1. The State Education Fund is hereby created as a  
22 special revenue fund to be administered by the Superintendent of  
23 Public Instruction for the purpose of supporting the operation of the  
24 public schools in this State. The interest and income earned on the  
25 money in the Fund, excluding the direct legislative appropriation  
26 from the State General Fund required by subsection 3, must, after  
27 deducting any applicable charges, be credited to the Fund.

28 2. Money which must be deposited for credit to the State  
29 Education Fund includes, without limitation:

30 (a) All money derived from interest on the State Permanent  
31 School Fund, as provided in NRS 387.030;

32 (b) The proceeds of the tax imposed pursuant to NRS 244.33561  
33 and any applicable penalty or interest, less any amount retained by  
34 the county treasurer for the actual cost of collecting and  
35 administering the tax;

36 (c) The proceeds of the tax imposed pursuant to subsection 1 of  
37 NRS 387.195;

38 (d) The money identified in subsection 8 of NRS 120A.610;

39 (e) The portion of the money in each special account created  
40 pursuant to subsection 1 of NRS 179.1187 which is identified in  
41 paragraph (d) of subsection 2 of NRS 179.1187;

42 (f) The money identified in paragraph (d) of subsection 6 of  
43 NRS 278C.250;

44 (g) The money identified in subsection 1 of NRS 328.450;

45 (h) The money identified in subsection 1 of NRS 328.460;



1 (i) The money identified in paragraph (a) of subsection 2 of  
2 NRS 360.850;

3 (j) The money identified in paragraph (a) of subsection 2 of  
4 NRS 360.855;

5 (k) The money required to be transferred to the State Education  
6 Fund pursuant to NRS 362.100;

7 (l) The money required to be paid over to the State Treasurer for  
8 deposit to the credit of the State Education Fund pursuant to  
9 subsection 4 of NRS 362.170;

10 (m) The portion of the proceeds of the tax imposed pursuant to  
11 subsection 1 of NRS 372A.290 identified in paragraph (b) of  
12 subsection 4 of NRS 372A.290;

13 (n) The proceeds of the tax imposed pursuant to subsection 3 of  
14 NRS 372A.290;

15 (o) The proceeds of the fees, taxes, interest and penalties  
16 imposed pursuant to chapter 374 of NRS, as transferred pursuant to  
17 subsection 3 of NRS 374.785;

18 (p) The money identified in subsection 5 of NRS 445B.640;

19 (q) The money identified in paragraph (b) of subsection ~~4~~ 5 of  
20 NRS 678B.390;

21 (r) The portion of the proceeds of the excise tax imposed  
22 pursuant to subsection 1 of NRS 463.385 identified in paragraph (c)  
23 of subsection 5 of NRS 463.385;

24 (s) The money required to be distributed to the State Education  
25 Fund pursuant to subsection 3 of NRS 482.181;

26 (t) The portion of the proceeds of the fee imposed pursuant to  
27 NRS 488.075 identified in subsection 2 of NRS 488.075;

28 (u) The portion of the net profits of the grantee of a franchise,  
29 right or privilege identified in NRS 709.110;

30 (v) The portion of the net profits of the grantee of a franchise  
31 identified in NRS 709.230;

32 (w) The portion of the net profits of the grantee of a franchise  
33 identified in NRS 709.270;

34 (x) The money required to be distributed to the State Education  
35 Fund pursuant to NRS 363D.290; and

36 (y) The direct legislative appropriation from the State General  
37 Fund required by subsection 3.

38 3. In addition to money from any other source provided by law,  
39 support for the State Education Fund must be provided by direct  
40 legislative appropriation from the State General Fund in an amount  
41 determined by the Legislature to be sufficient to fund the operation  
42 of the public schools in this State for kindergarten through grade 12  
43 for the next ensuing biennium for the population reasonably  
44 estimated for that biennium. Money in the State Education Fund  
45 does not revert to the State General Fund at the end of a fiscal year,



1 and the balance in the State Education Fund must be carried forward  
2 to the next fiscal year.

3 4. Money in the Fund must be paid out on claims as other  
4 claims against the State are paid.

5 **Sec. 13.** This act becomes effective on July 1, 2023.

