

Senate Bill No. 328—Senators Titus and Nguyen

CHAPTER.....

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 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:**

Existing law sets forth certain legislative findings and declarations concerning the public policy of this State with respect to the cannabis industry. (NRS 678A.005) **Section 1** of this bill revises those findings and declarations and adds certain findings and declarations relating to illegal and unregulated activities involving cannabis.

Existing law sets forth the general powers of the Cannabis Compliance Board. (NRS 678A.440) **Section 1.6** of this bill authorizes the Board to: (1) seize and destroy cannabis and cannabis products involved in unlicensed cannabis activities in accordance with the procedures applicable to other property subject to forfeiture; and (2) commit resources and take certain actions relating to unlicensed cannabis activities.

Existing law sets forth the composition of the Board. (NRS 678A.360) Existing law requires the Governor to appoint the members of the Board and designate one member to serve as Chair. (NRS 678A.370) **Section 1.3** of this bill revises certain requirements and qualifications of the members of the Board. **Sections 1.3, 4.3 and 4.6** of this bill exempt one member of the Board who is required to be selected based on his or her knowledge, skill and experience in the cannabis industry from certain restrictions imposed on former public officers or employees. **Section 1.4** of this bill revises provisions concerning the appointment of members of the Board. **Section 1.4** requires the Governor to designate one member of the Board to serve as Vice Chair and requires each member, before entering upon the duties of office, to receive training that is the same or substantially similar to that which is required of a cannabis establishment agent.

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



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

Existing law authorizes the Board to adopt regulations necessary and convenient to carry out certain provisions of law relating to the regulation of cannabis. (NRS 678A.450) **Section 1.7** of this bill provides that if the Board adopts regulations establishing certain mechanisms to ensure compliance with those provisions of law, the mechanisms must: (1) include certain education and training for employees of the Board and certain information to aid licensees and registrants in compliance; and (2) establish certain grounds for disciplinary action against a licensee or registrant. **Section 1.7** also authorizes the Board to adopt certain regulations governing cannabis establishments which are publicly traded companies. Finally, **section 1.7** requires 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. **Section 5.3** of this bill makes a conforming change to account for the placement of new language in **section 1.7**.

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

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

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



skill and experience in the area of ~~[education and prevention of abuse relating to]~~ cannabis.

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

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

678A.370 1. ~~[The term of office of each member of the Board is 4 years, commencing on the last Monday in January.—2.]~~

*2.] The Governor shall appoint the members of the Board and designate one member to serve as Chair, who shall preside over all official activities of the Board [1], and one member as Vice Chair, who shall perform duties established by the Board.*

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

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

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

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

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

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

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

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

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

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



2. The Executive Director:

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

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

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

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

**Sec. 1.6.** 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. Enter into interlocal agreements pursuant to NRS 277.080 to 277.180, inclusive.

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

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

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

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

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

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

8. Maintain an official Internet website for the Board.

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

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

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

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

*(a) Investigating and referring matters involving unlicensed cannabis activities to the appropriate state or local law*



*enforcement agency, including, without limitation, the Investigation Division of the Department of Public Safety and the Attorney General, for further investigation and possible criminal prosecution;*

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

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

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

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

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

(a) Financial requirements for licensees.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

(a) Owner and manager of a cannabis establishment.

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

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

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

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





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

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

~~4.~~ 5. The Board shall, by regulation, establish a pilot program for identifying opportunities for an emerging small cannabis business to participate in the cannabis industry. As used in this subsection, “emerging small cannabis business” means a cannabis-related business that:

- (a) Is in existence, operational and operated for a profit;
- (b) Maintains its principal place of business in this State; and
- (c) Satisfies requirements for the number of employees and annual gross revenue established by the Board by regulation.

**Sec. 1.9.** NRS 678A.510 is hereby amended to read as follows:

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

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

- (a) Dismiss the complaint; or
- (b) Proceed with appropriate disciplinary action in accordance with NRS 678A.520 to 678A.600, inclusive, *chapter 233B of NRS* and the regulations adopted by the Board.

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

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

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

- (b) Every party has the right to:
  - (1) Call and examine witnesses;



- (2) Introduce exhibits relevant to the issues of the case;
- (3) Cross-examine opposing witnesses on any matters relevant to the issues of the case, even though the matter was not covered in a direct examination;
- (4) Impeach any witness regardless of which party first called the witness to testify; and
- (5) Offer rebuttal evidence.

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

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

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

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

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

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

(b) Unless the opposing party, within 7 days after such service, mails or delivers to the proponent a request to cross-examine the affiant, the opposing party's right to cross-examine the affiant is waived and the affidavit, if introduced in evidence, must be given the same effect as if the affiant had testified orally. If an opportunity



to cross-examine an affiant is not afforded after request therefor is made in accordance with this paragraph, the affidavit may be introduced in evidence, but must be given only the same effect as other hearsay evidence.

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

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

.....  
(Party or Counsel)

.....  
(Address)

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

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

2. The Board may, upon motion made within ~~[40]~~ *15* days after service of a decision and order, order a rehearing before the Board upon such terms and conditions as it may deem just and proper if a petition for judicial review of the decision and order has not been filed. The motion must not be granted except upon a showing that there is additional evidence which is material and necessary and



reasonably calculated to change the decision of the Board, and that sufficient reason existed for failure to present the evidence at the hearing of the Board. The motion must be supported by an affidavit of the moving party or his or her counsel showing with particularity the materiality and necessity of the additional evidence and the reason why it was not introduced at the hearing. Upon rehearing, rebuttal evidence to the additional evidence must be permitted. After rehearing, the Board may modify its decision and order as the additional evidence may warrant.

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

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

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

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

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

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

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

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

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

(a) Shall not accept compensation from any private person to represent or counsel the private person on any issue pending before



the agency in which that public officer or employee serves, if the agency makes decisions; and

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

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

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

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

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

(1) The best interests of the public;

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

(3) The provisions of this chapter.

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

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

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

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

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



(b) Appear before the Public Utilities Commission of Nevada to testify on behalf of a public utility or parent organization or subsidiary of a public utility,

↳ for 1 year after the termination of the member's service on the Public Utilities Commission of Nevada.

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

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

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

3. In addition to the prohibitions set forth in subsections 1 and 2, and except as otherwise provided in subsections 4 and 6 ~~and~~ ***NRS 678A.360***, a former public officer or employee of a board, commission, department, division or other agency of the Executive Department of State Government, except a clerical employee, shall not solicit or accept employment from a business or industry whose activities are governed by regulations adopted by the board, commission, department, division or other agency for 1 year after the termination of the former public officer's or employee's service or period of employment if:

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

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

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

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

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



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

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

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

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

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

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

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

(a) The best interests of the public;

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

(c) The provisions of this chapter,

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

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

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

9. For the purposes of this section:



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

(b) Any other former public officer or employee governed by this section,

↳ is employed by or is soliciting or accepting employment from a business, industry or other person described in this section if any oral or written agreement is sought, negotiated or exists during the restricted period pursuant to which the personal services of the public officer or employee are provided or will be provided to the business, industry or other person, even if such an agreement does not or will not become effective until after the restricted period.

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

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

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

(a) The Governor.

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

(c) The Nevada System of Higher Education.

(d) The Office of the Military.

(e) The Nevada Gaming Control Board.

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

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

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

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

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

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





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

(m) The Silver State Health Insurance Exchange.

~~[(n) The Cannabis Compliance Board.]~~

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

3. The special provisions of:

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

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

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

(d) NRS 90.800 for the use of summary orders in contested cases,

↳ prevail over the general provisions of this chapter.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

453.096 1. "Marijuana" means:

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

(b) The seeds thereof;

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

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

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

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

2. "Marijuana" does not include:



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

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

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

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

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

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

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

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

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



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

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

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

