

SENATE BILL NO. 328—SENATORS TITUS AND NGUYEN

MARCH 20, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to the Cannabis Compliance Board. (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 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
- 2 the public policy of this State with respect to the cannabis industry. (NRS
- 3 678A.005) **Section 1** of this bill revises those findings and declarations and adds
- 4 certain findings and declarations relating to illegal and unregulated activities
- 5 involving cannabis.
- 6 Existing law sets forth the general powers of the Cannabis Compliance Board.
- 7 (NRS 678A.440) **Section 1.6** of this bill authorizes the Board to: (1) seize and
- 8 destroy cannabis and cannabis products involved in unlicensed cannabis activities
- 9 in accordance with the procedures applicable to other property subject to forfeiture;
- 10 and (2) commit resources and take certain actions relating to unlicensed cannabis
- 11 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



\* S B 3 2 8 R 2 \*

67 decision. (NRS 678A.610-678A.640) **Section 6** eliminates those procedures.  
68 **Section 4** of this bill instead authorizes a person aggrieved by a final decision of the  
69 Board in a disciplinary proceeding to obtain judicial review of the decision in the  
70 manner provided in the Act.

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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  
2 follows:

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

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

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

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

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

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

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

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

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

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

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

36 ~~is~~ 4. Public confidence and trust can only be maintained by  
37 strict *but fair and equitable* regulation of all persons, locations,



1 practices, associations and activities related to the operation of  
2 cannabis establishments.

3 ~~[4.]~~ 5. All cannabis establishments and cannabis establishment  
4 agents must ~~[therefore]~~ be licensed, controlled and assisted to  
5 protect the public health, safety, morals, good order and general  
6 welfare of the inhabitants of the State, to foster the stability and  
7 success of the cannabis industry and to preserve the competitive  
8 economy and policies of free competition of the State of Nevada.

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

11 678A.360 1. Each member of the Board must be a resident of  
12 the State of Nevada.

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

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

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

20 5. One member of the Board must ~~[~~  
21 ~~—(a) Be a certified public accountant certified or licensed by this~~  
22 ~~State or another state of the United States or a public accountant~~  
23 ~~qualified to practice public accounting under the provisions of~~  
24 ~~chapter 628 of NRS, have 5 years of progressively responsible~~  
25 ~~experience in general accounting and have a comprehensive~~  
26 ~~knowledge of the principles and practices of corporate finance; or~~  
27 ~~—(b) Possess] possess~~ the qualifications of an expert in the fields  
28 of corporate finance and auditing, *inventory*, general finance or  
29 economics ~~[~~ *and be selected with special reference to his or her*  
30 *knowledge, skill and experience in representing businesses*  
31 *engaging in manufacturing, distribution, retail or agriculture.*

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

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

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



1 9. One member of the Board must be a physician licensed  
2 pursuant to chapter 630 or 633 of NRS and have knowledge, skill  
3 and experience in the area of public health or be a psychologist,  
4 clinical professional counselor, alcohol and drug counselor, ~~for~~  
5 social worker *or a person with expertise in laboratory sciences and*  
6 *must be selected with special reference to his or her* knowledge,  
7 skill and experience in the area of ~~education and prevention of~~  
8 ~~abuse relating to~~ cannabis.

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

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

14 678A.370 1. ~~The term of office of each member of the~~  
15 ~~Board is 4 years, commencing on the last Monday in January.~~

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

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

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

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

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

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

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

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

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



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

3     678A.420 1. The position of Executive Director of the  
4 Cannabis Compliance Board is hereby created.

5     2. The Executive Director:

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

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

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

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

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

20     678A.440 In addition to any other powers granted by this title,  
21 the Board has the power to:

22     1. Enter into interlocal agreements pursuant to NRS 277.080 to  
23 277.180, inclusive.

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

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

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

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

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

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

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

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

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

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

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



1 (a) *Investigating and referring matters involving unlicensed*  
2 *cannabis activities to the appropriate state or local law*  
3 *enforcement agency, including, without limitation, the*  
4 *Investigation Division of the Department of Public Safety and the*  
5 *Attorney General, for further investigation and possible criminal*  
6 *prosecution;*

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

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

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

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

20 678A.450 1. The Board may adopt regulations necessary or  
21 convenient to carry out the provisions of this title. Such regulations  
22 may include, without limitation:

23 (a) Financial requirements for licensees.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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





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

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

8 ~~4.~~ 5. The Board shall, by regulation, establish a pilot  
9 program for identifying opportunities for an emerging small  
10 cannabis business to participate in the cannabis industry. As used in  
11 this subsection, “emerging small cannabis business” means a  
12 cannabis-related business that:

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

17 **Sec. 1.9.** NRS 678A.510 is hereby amended to read as  
18 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; or
- 35 (b) Proceed with appropriate disciplinary action in accordance  
36 with NRS 678A.520 to 678A.600, inclusive, *chapter 233B of NRS*  
37 *and the regulations adopted by the Board.*

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

39 678A.540 1. At all hearings before the Board:

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

42 (b) Every party has the right to:

- 43 (1) Call and examine witnesses;
- 44 (2) Introduce exhibits relevant to the issues of the case;



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

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

6 (5) Offer rebuttal evidence.

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

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

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

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

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

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

38 (b) Unless the opposing party, within 7 days after such service,  
39 mails or delivers to the proponent a request to cross-examine the  
40 affiant, the opposing party's right to cross-examine the affiant is  
41 waived and the affidavit, if introduced in evidence, must be given  
42 the same effect as if the affiant had testified orally. If an opportunity  
43 to cross-examine an affiant is not afforded after request therefor is  
44 made in accordance with this paragraph, the affidavit may be



1 introduced in evidence, but must be given only the same effect as  
2 other hearsay evidence.

3 (c) The notice referred to in paragraph (a) must be substantially  
4 in the following form:  
5

6 The accompanying affidavit of (here insert name of  
7 affiant) will be introduced as evidence at the hearing set for  
8 the ..... day of the month of ..... of the year ..... (Here  
9 insert name of affiant) will not be called to testify orally and  
10 you will not be entitled to question (here insert name of  
11 affiant) unless you notify the undersigned that you wish to  
12 cross-examine (here insert name of affiant). To be effective  
13 your request must be mailed or delivered to the undersigned  
14 on or before 7 days from the date this notice and the enclosed  
15 affidavit are served upon you.  
16

17 .....  
18 (Party or Counsel)

19 .....  
20 (Address)

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

22 678A.590 1. Within 60 days after the hearing of a contested  
23 matter, the Board shall render a written decision on the merits .  
24 *[which] Except as otherwise provided in subsection 5 of NRS*  
25 *233B.121, the written decision* must contain findings of fact *[;]* *and*  
26 *conclusions of law which are separately stated,* a determination of  
27 the issues presented and the penalty to be imposed, if any. The  
28 Board shall thereafter make and enter its written order in conformity  
29 to its decision. No member of the Board who did not hear the  
30 evidence may vote on the decision. The affirmative votes of a  
31 majority of the whole Board are required to impose any penalty.  
32 Copies of the decision and order must be served on the parties  
33 personally or sent to them by registered or certified mail. The  
34 decision is effective upon such service, unless the Board orders  
35 otherwise.

36 2. The Board may, upon motion made within ~~[40]~~ **15** days after  
37 service of a decision and order, order a rehearing before the Board  
38 upon such terms and conditions as it may deem just and proper if a  
39 petition for judicial review of the decision and order has not been  
40 filed. The motion must not be granted except upon a showing that  
41 there is additional evidence which is material and necessary and  
42 reasonably calculated to change the decision of the Board, and that  
43 sufficient reason existed for failure to present the evidence at the  
44 hearing of the Board. The motion must be supported by an affidavit  
45 of the moving party or his or her counsel showing with particularity



1 the materiality and necessity of the additional evidence and the  
2 reason why it was not introduced at the hearing. Upon rehearing,  
3 rebuttal evidence to the additional evidence must be permitted. After  
4 rehearing, the Board may modify its decision and order as the  
5 additional evidence may warrant.

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

7 678A.610 ~~HH~~ Any person aggrieved by a final decision or  
8 order of the Board made after hearing or rehearing by the Board  
9 pursuant to NRS 678A.520 to 678A.600, inclusive, and whether or  
10 not a motion for rehearing was filed, ~~[may obtain a]~~ *is entitled to*  
11 judicial review ~~[thereof in the district court of the county in which~~  
12 ~~the petitioner resides or has his, her or its principal place of~~  
13 ~~business.~~

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

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

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

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

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

32 281A.410 In addition to the requirements of the code of ethical  
33 standards and the other provisions of this chapter:

34 1. ~~HH~~ *Except as otherwise provided in NRS 678A.360,* a  
35 public officer or employee serves in a state agency of the Executive  
36 Department or an agency of any county, city or other political  
37 subdivision, the public officer or employee:

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

42 (b) If the public officer or employee leaves the service of the  
43 agency, shall not, for 1 year after leaving the service of the agency,  
44 represent or counsel for compensation a private person upon any  
45 issue which was under consideration by the agency during the



1 public officer's or employee's service. As used in this paragraph,  
2 "issue" includes a case, proceeding, application, contract or  
3 determination, but does not include the proposal or consideration of  
4 legislative measures or administrative regulations.

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

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

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

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

20 (1) The best interests of the public;

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

23 (3) The provisions of this chapter.

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

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

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

34 281A.550 1. A former member of the Public Utilities  
35 Commission of Nevada shall not:

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

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

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

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



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

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

9 3. In addition to the prohibitions set forth in subsections 1 and  
10 2, and except as otherwise provided in subsections 4 and 6 ~~§~~ **and**  
11 **NRS 678A.360**, a former public officer or employee of a board,  
12 commission, department, division or other agency of the Executive  
13 Department of State Government, except a clerical employee, shall  
14 not solicit or accept employment from a business or industry whose  
15 activities are governed by regulations adopted by the board,  
16 commission, department, division or other agency for 1 year after  
17 the termination of the former public officer's or employee's service  
18 or period of employment if:

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

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

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

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

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

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

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

42 5. Except as otherwise provided in subsection 6, a former  
43 public officer or employee of the State or a political subdivision,  
44 except a clerical employee, shall not solicit or accept employment  
45 from a person to whom a contract for supplies, materials, equipment



1 or services was awarded by the State or political subdivision, as  
2 applicable, for 1 year after the termination of the officer's or  
3 employee's service or period of employment, if:

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

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

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

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

19 (a) The best interests of the public;

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

22 (c) The provisions of this chapter,

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

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

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

32 9. For the purposes of this section:

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

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

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



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

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

7 233B.039 1. The following agencies are entirely exempted  
8 from the requirements of this chapter:

9 (a) The Governor.

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

12 (c) The Nevada System of Higher Education.

13 (d) The Office of the Military.

14 (e) The Nevada Gaming Control Board.

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

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

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

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

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

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

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

34 (m) The Silver State Health Insurance Exchange.

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

36 2. Except as otherwise provided in subsection 5 and NRS  
37 391.323, the Department of Education, the Board of the Public  
38 Employees' Benefits Program and the Commission on Professional  
39 Standards in Education are subject to the provisions of this chapter  
40 for the purpose of adopting regulations but not with respect to any  
41 contested case.

42 3. The special provisions of:

43 (a) Chapter 612 of NRS for the adoption of an emergency  
44 regulation or the distribution of regulations by and the judicial





1 review of decisions of the Employment Security Division of the  
2 Department of Employment, Training and Rehabilitation;

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

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

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

10 ↪ prevail over the general provisions of this chapter.

11 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and  
12 233B.126 do not apply to the Department of Health and Human  
13 Services in the adjudication of contested cases involving the  
14 issuance of letters of approval for health facilities and agencies.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

12 453.096 1. "Marijuana" means:

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

15 (b) The seeds thereof;

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

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

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

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

28 2. "Marijuana" does not include:

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

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

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

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



1 7 of NRS 678A.360, as amended by section 1.3 of this act, to terms  
2 that commence on July 1, 2024, and expire on June 30, 2028.

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

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

12 (a) For a member described in subsection 5, 6 or 7 of NRS  
13 678A.360, as amended by section 1.3 of this act, before the  
14 appointment of the members required to be appointed pursuant to  
15 subsection 1 must be made in accordance with NRS 678A.360 and  
16 678A.370, as those sections existed before the effective date of this  
17 act.

18 (b) For a member described in subsection 8 or 9 of NRS  
19 678A.360, as amended by section 1.3 of this act, before the  
20 appointment of the members required to be appointed pursuant to  
21 subsection 2 must be made in accordance with NRS 678A.360 and  
22 678A.370, as those sections existed before the effective date of this  
23 act.

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

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

30 **Sec. 6.** NRS 678A.460, 678A.560, 678A.620, 678A.630 and  
31 678A.640 are hereby repealed.

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

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## LEADLINES OF REPEALED SECTIONS

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**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.**

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