

Amendment No. 322

Assembly Amendment to Assembly Bill No. 341	(BDR 56-583)
Proposed by: Assembly Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 341 (§§ 17, 27, 34).
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ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date					
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SJQ/AAK



Date: 4/19/2021

A.B. No. 341—Provides for the licensure and regulation of cannabis consumption lounges. (BDR 56-583)



ASSEMBLY BILL NO. 341—ASSEMBLYMAN YEAGER

MARCH 19, 2021

Referred to Committee on Judiciary

SUMMARY—Provides for the licensure and regulation of cannabis consumption lounges. (BDR 56-583)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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; providing for the licensure and regulation by the Cannabis Compliance Board of cannabis consumption lounges; setting forth certain requirements for the licensure of cannabis consumption lounges; setting forth certain requirements for the operation of retail cannabis consumption lounges and independent cannabis consumption lounges; requiring the Board to adopt regulations establishing certain fees; revising provisions relating to certain cannabis products; revising provisions relating to the consumption of cannabis in a public place; establishing provisions relating to the civil liability of a person who serves, sells or furnishes cannabis or cannabis products to another person; revising provisions relating to the excise tax on retail sales of cannabis and cannabis products; exempting a cannabis consumption lounge from certain provisions prohibiting a person from maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides for the licensure and regulation of persons and establishments in
2 the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS)
3 Under existing law, a cannabis establishment is prohibited from allowing a person to consume
4 cannabis on the property or premises of the establishment. (NRS 678B.510) Existing law also
5 makes it a misdemeanor to consume cannabis or a cannabis product in a public place, in an
6 adult-use cannabis retail store or in a vehicle. (NRS 678D.310) This bill provides for the
7 licensure and regulation by the Board of certain businesses at which the consumption of
8 certain cannabis and cannabis products is allowed. **Section 2** of this bill designates such
9 businesses generally as “cannabis consumption lounges.”
10 **Sections 3 and 5** of this bill designate two types of cannabis consumption lounges.
11 **Section 5** of this bill defines “retail cannabis consumption lounge” to mean a business at
12 which the consumption of single-use or ready-to-consume cannabis ~~for cannabis~~ products is
13 allowed and which is attached or immediately adjacent to an adult-use cannabis retail store.
14 **Section 3** of this bill defines “independent cannabis consumption lounge” to mean a business
15 at which the consumption of single-use or ready-to-consume cannabis ~~for cannabis~~ products

16 is allowed and which is not attached or immediately adjacent to an adult-use cannabis retail
17 store.

18 Section 5.5 of this bill defines “single-use cannabis product” to generally mean a
19 type of cannabis or adult-use cannabis product that the Board has determined to be
20 appropriate for consumption in a cannabis consumption lounge. Section 4 of this bill
21 defines “ready-to-consume cannabis product” to mean an adult-use edible cannabis
22 product that is presented as a foodstuff or beverage and is intended for immediate
23 consumption. Section 28 of this bill requires the Board to adopt regulations designating
24 types of cannabis and cannabis products as single-use cannabis products and
25 establishing requirements for the preparation and sale of ready-to-consume cannabis
26 products. Sections 19 and 30 of this bill provide that certain requirements for cannabis
27 products established under existing law do not apply to ready-to-consume cannabis
28 products to the extent that such requirements are inconsistent with the regulations
29 adopted by the Board.

30 Existing law prohibits a person from engaging in the business of an adult-use cannabis
31 establishment unless the person has been issued an adult-use cannabis establishment license
32 by the Board. Existing law sets forth certain requirements to obtain such a license. (NRS
33 678B.250) **Section 7** of this bill includes a retail cannabis consumption lounge and an
34 independent cannabis consumption lounge within the definition of “adult-use cannabis
35 establishment” provided under existing law, thereby requiring persons who wish to operate
36 such establishments to obtain an adult-use cannabis establishment license in the manner
37 provided in existing law. (NRS 678A.035)

38 Sections 13.5 and 14 of this bill prohibit a cannabis establishment, including a
39 cannabis consumption lounge, from being located on the property of an airport.

40 **Section 10** of this bill prohibits the Board from issuing an adult-use cannabis
41 establishment license for a retail cannabis consumption lounge unless: (1) the applicant holds
42 an adult-use cannabis establishment license for an adult-use cannabis retail store; and (2) the
43 location of the proposed retail cannabis consumption lounge is attached or immediately
44 adjacent to the adult-use cannabis retail store. **Sections 10 and 14** of this bill exempt a
45 proposed retail cannabis consumption lounge from certain restrictions relating to the location
46 of an adult-use cannabis establishment. ~~[under certain circumstances.]~~

47 **Section 11** of this bill requires the Board to adopt regulations establishing criteria to
48 determine whether an applicant for the issuance or renewal of an adult-use cannabis
49 establishment license for ~~[a retail cannabis consumption lounge or]~~ an independent cannabis
50 consumption lounge qualifies as a social equity applicant, which is defined by **section 9** of
51 this bill generally as an applicant that has been adversely affected by previous laws that
52 criminalized activity relating to cannabis. **Section 12** of this bill requires the Board to adopt
53 regulations establishing criteria of merit and scoring guidelines to be used in evaluating
54 applications for ~~[such licenses and requires the Board to give an additional positive weight to~~
55 ~~social equity applicants.]~~ an adult-use cannabis establishment license for a retail cannabis
56 consumption lounge or an independent cannabis consumption lounge. Section 17 of this
57 bill ~~[requires the Board to establish]~~ establishes fees for the issuance and renewal of such
58 licenses. ~~[and]~~ **Section 17** authorizes the Board to ~~[establish reduced]~~ reduce certain fees
59 ~~[for]~~ associated with an adult-use cannabis establishment license for an independent
60 cannabis consumption lounge for social equity applicants. **Section 16** of this bill makes a
61 conforming change to reflect the addition of the requirements of **section 12**.

62 Section 12.5 of this bill sets forth certain requirements for the issuance of adult-use
63 cannabis establishment licenses for retail cannabis consumption lounges and
64 independent cannabis consumption lounges in a local governmental jurisdiction that
65 limits the number of business licenses issued to cannabis consumption lounges, which
66 include, among other requirements, that a certain number of adult-use cannabis
67 establishment licenses for independent cannabis consumption lounges be issued to social
68 equity applicants.

69 Existing law prohibits the Board from issuing more than a certain number of adult-use
70 cannabis establishment licenses to any one person, group or entity in certain counties. (NRS
71 678B.270) **Section 15** of this bill provides that this prohibition does not apply to adult-use
72 cannabis establishment licenses for retail cannabis consumption lounges or independent
73 cannabis consumption lounges. Instead, section 12.7 of this bill generally prohibits the
74 Board from issuing more than one such license to any person, group of persons or entity

75 in any county. Section 12.7 provides an exception to this prohibition for certain transfers
76 of such licenses.

77 Existing law requires the Board to adopt regulations regarding the transfer of
78 licenses issued by the Board. (NRS 678B.380) Section 16.5 of this bill requires those
79 regulations to impose certain requirements and restrictions on the transfer an adult-use
80 cannabis establishment license for an independent cannabis consumption lounge for a
81 holder who is a social equity applicant.

82 Sections 22 and 24 of this bill set forth certain requirements and restrictions relating to
83 the operation of a cannabis consumption lounge. Section 24 prohibits, among other things,
84 the consumption of any cannabis or cannabis product at a cannabis consumption lounge
85 that is not a single-use cannabis product or ready-to-consume cannabis product. Section
86 23 of this bill authorizes a cannabis consumption lounge to engage in certain activities.
87 Section 20 of this bill requires the Board to adopt certain regulations concerning cannabis
88 consumption lounges.

89 Section 25 of this bill authorizes a retail cannabis consumption lounge to obtain single-
90 use cannabis ~~for cannabis~~ products from the adult-use cannabis retail store to which the
91 lounge is attached or adjacent and sell such products to customers of the lounge. Section 25
92 also authorizes a retail cannabis consumption lounge to prepare and sell ready-to-consume
93 cannabis products.

94 ~~Section 4 of this bill defines "ready-to-consume cannabis product" to mean an adult-use~~
95 ~~edible cannabis product that is presented as a foodstuff or beverage and is intended for~~
96 ~~immediate consumption. Section 28 of this bill requires the Board to adopt regulations~~
97 ~~establishing requirements for the preparation and sale of such products. Sections 19 and 30 of~~
98 ~~this bill provide that certain requirements for cannabis products established under existing law~~
99 ~~do not apply to ready-to-consume cannabis products to the extent that such requirements are~~
100 ~~inconsistent with the regulations adopted by the Board.]~~

101 Section 26 of this bill requires an independent cannabis consumption lounge to allow
102 single-use cannabis ~~for cannabis~~ products to be delivered to a customer in the lounge.
103 Section 26 also prohibits, with certain exceptions, an independent cannabis consumption
104 lounge from acquiring or selling cannabis or cannabis products. Section 27 of this bill
105 authorizes an independent cannabis consumption lounge to submit a request to the Board for
106 an endorsement to sell single-use and ready-to-consume cannabis ~~for cannabis~~ products to
107 customers of the lounge. If the Board approves such a request, section 27 authorizes the
108 independent cannabis consumption lounge to: (1) enter into a contract with one or more adult-
109 use cannabis retail stores to obtain single-use cannabis products for resale and cannabis or
110 cannabis products for ~~resale;~~ for use in the preparation of ready-to-consume cannabis
111 products; (2) sell single-use cannabis ~~for cannabis~~ products to customers of the lounge; and
112 (3) prepare and sell ready-to-consume cannabis products to customers of the lounge.

113 Section 30.5 of this bill establishes provisions relating to the civil liability of a person
114 who serves, sells or furnishes cannabis or a cannabis product to another person for
115 damages caused as a result of the consumption of the cannabis or cannabis product,
116 which are based on similar provisions of existing law concerning alcoholic beverages.
117 (NRS 41.1305)

118 Existing law imposes an excise tax on each retail sale of cannabis or cannabis products by
119 an adult-use cannabis retail store. (NRS 372A.290) Section 34 of this bill applies this excise
120 tax to retail sales of cannabis and cannabis products by a cannabis consumption lounge.
121 Sections 31 and 33 of this bill make conforming changes to reflect the imposition of the
122 excise tax on such sales.

123 Sections 18 and 29 of this bill revise provisions of existing law prohibiting the
124 consumption of cannabis and cannabis products in a public place or in a cannabis
125 establishment for the purpose of authorizing a person to engage in such activities in a cannabis
126 consumption lounge. (NRS 678B.510, 678D.310)

127 Existing law prohibits a person from opening or maintaining a place for the purpose of
128 unlawfully selling, giving away or using any controlled substance. (NRS 453.316) Section 36
129 of this bill exempts a cannabis consumption lounge whose activities are confined to those
130 authorized under the provisions of this bill from the application of this provision.

131 Section 36.5 of this bill requires the Board, on or before January 1, 2023, to submit
132 to the Legislature a report containing certain information regarding the effect of certain

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violations of the Nevada Unfair Trade Practice Act on independent cannabis consumption lounges.

Sections ~~2-5.1~~ 2-5.5 and 9 of this bill define words and terms applicable to the provisions of this bill. Sections 6 and 32 of this bill make conforming changes to properly place new language in the Nevada Revised Statutes. Section 35 of this bill makes a conforming change to reflect the addition of the provisions of section 17.

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

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Section 1. Chapter 678A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to ~~5.5~~ 5.5, inclusive, of this act.

Sec. 2. *“Cannabis consumption lounge” means:*

1. *A retail cannabis consumption lounge; or*
2. *An independent cannabis consumption lounge.*

Sec. 3. *“Independent cannabis consumption lounge” means a business that:*

1. *Is licensed by the Board pursuant to NRS 678B.250;*
2. *Is not attached or immediately adjacent to an adult-use cannabis retail store; and*
3. *Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.*

Sec. 4. *“Ready-to-consume cannabis product” means an adult-use edible cannabis product that is:*

1. *Prepared on the premises of a cannabis consumption lounge;*
2. *Presented in the form of a foodstuff or beverage;*
3. *Sold in a heated or unheated state; and*
4. *Intended for immediate consumption.*

Sec. 5. *“Retail cannabis consumption lounge” means a business that:*

1. *Is licensed by the Board pursuant to NRS 678B.250;*
2. *Is attached or immediately adjacent to an adult-use cannabis retail store; and*
3. *Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.*

Sec. 5.5. *“Single-use cannabis product” means a type of cannabis or adult-use cannabis product, other than a ready-to-consume cannabis product, that the Board has determined to be appropriate for consumption in a cannabis consumption lounge pursuant to section 28 of this act.*

Sec. 6. NRS 678A.010 is hereby amended to read as follows:
678A.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 678A.020 to 678A.240, inclusive, *and sections 2 to ~~5.5~~ 5.5, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 7. NRS 678A.035 is hereby amended to read as follows:
678A.035 “Adult-use cannabis establishment” means:

1. An adult-use cannabis independent testing laboratory;
2. An adult-use cannabis cultivation facility;
3. An adult-use cannabis production facility;
4. An adult-use cannabis retail store; ~~and~~
5. An adult-use cannabis distributor ~~and~~;

1 6. A retail cannabis consumption lounge; or

2 7. An independent cannabis consumption lounge.

3 Sec. 8. Chapter 678B of NRS is hereby amended by adding thereto the
4 provisions set forth as sections 9 to 12, inclusive, of this act.

5 Sec. 9. "Social equity applicant" means an applicant for the issuance or
6 renewal of an adult-use cannabis establishment license for ~~for a retail cannabis~~
7 ~~consumption lounge or~~ an independent cannabis consumption lounge who has
8 been adversely affected by provisions of previous laws which criminalized activity
9 relating to cannabis, ~~including,~~ as determined by the Board in accordance with
10 the regulations adopted pursuant to section 11 of this act. Such adverse effects
11 may include, without limitation, adverse effects on an owner ~~or~~ or officer ~~for~~
12 ~~board member~~ of the applicant, ~~for or on the geographic area in which the~~
13 ~~applicant will operate.~~

14 Sec. 10. 1. The Board shall not issue an adult-use cannabis establishment
15 license for a retail cannabis consumption lounge pursuant to NRS 678B.250
16 unless:

17 (a) The applicant holds an adult-use cannabis establishment license for an
18 adult-use cannabis retail store; and

19 (b) The location of the proposed retail cannabis consumption lounge is
20 attached or immediately adjacent to the adult-use cannabis retail store for which
21 the applicant holds an adult-use cannabis establishment license.

22 2. The location of a proposed retail cannabis consumption lounge is not
23 subject to the restrictions set forth in sub-subparagraph (II) of subparagraph (2)
24 of paragraph (a) of subsection 3 of NRS 678B.250 ~~so long as the adult use~~
25 ~~cannabis retail store to which the proposed retail cannabis consumption lounge is~~
26 ~~to be attached or immediately adjacent was in compliance with such requirements~~
27 ~~at the time it was issued an adult use cannabis establishment license,~~ and must
28 not be on the property of an airport.

29 Sec. 11. 1. The Board shall adopt regulations establishing criteria to be
30 used by the Board for determining whether an applicant for the issuance or
31 renewal of an adult-use cannabis establishment license for ~~for a retail cannabis~~
32 ~~consumption lounge or~~ an independent cannabis consumption lounge qualifies
33 as a social equity applicant for the purposes of ~~NRS 678B.390 and sections 12~~
34 ~~this chapter and section 27 of this act.~~

35 2. The regulations adopted pursuant to subsection 1 must establish the
36 minimum percentage of ownership in a proposed independent cannabis
37 consumption lounge which will be held by a person or group of persons who have
38 been adversely affected by provisions of previous laws which criminalized activity
39 relating to cannabis for the applicant to qualify as a social equity applicant.

40 Sec. 12. 1. The Board shall adopt regulations establishing criteria of
41 merit and scoring guidelines to be used by the Board in evaluating applications
42 for the issuance of an adult-use cannabis establishment license for a retail
43 cannabis consumption lounge or an independent cannabis consumption lounge
44 pursuant to NRS 678B.250.

45 2. In determining whether to issue an adult-use cannabis establishment
46 license for a retail cannabis consumption lounge or an independent cannabis
47 consumption lounge pursuant to NRS 678B.250, the Board shall, in addition to
48 the factors set forth in that section, consider the criteria of merit and scoring
49 guidelines established pursuant to subsection 1.

50 3. The ~~criteria of merit and~~ scoring guidelines established pursuant to
51 subsection 1 must ~~without limitation~~

~~(a) Establish~~ establish a minimum required score for the issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge. ~~and~~

~~(b) Provide an additional positive weight to~~

4. The criteria of merit established pursuant to subsection 1 must include, without limitation:

(a) The diversity on the basis of race, ethnicity or gender of the applicant or the persons who are proposed to be owners or officers of the proposed retail cannabis consumption lounge or independent cannabis consumption lounge;

(b) Whether the applicant qualifies as a social equity ~~applicant~~ applicant, if applicable; and

(c) Any other criteria of merit that the Board determines to be relevant.

Sec. 12.3. The Board shall give priority to a social equity applicant when processing applications for an adult-use cannabis establishment license for an independent cannabis consumption lounge and in the issuance of such a license.

Sec. 12.5. 1. The board shall, for each local governmental jurisdiction that limits the number of business licenses which may be issued to cannabis consumption lounges, determine the number of licenses allocated to the jurisdiction for retail cannabis consumption lounges and independent cannabis consumption lounges.

2. Not more than 50 percent of the licenses allocated by the Board pursuant to subsection 1 may be issued to retail cannabis consumption lounges.

3. Except as otherwise provided in this subsection, at least 50 percent of the licenses allocated to a local governmental jurisdiction pursuant to subsection 1 must be issued to social equity applicants. If there are an insufficient number of social equity applicants to distribute licenses in that manner, the local governmental jurisdiction shall issue business licenses to all qualified social equity applicants and hold the remaining business licenses in reserve for future issuance to social equity applicants.

4. If the number of qualified applicants in a local governmental jurisdiction exceeds the number of licenses allocated to that jurisdiction pursuant to subsection 1, the Board shall issue adult-use cannabis establishment licenses for retail cannabis consumption lounges and independent cannabis consumption lounges in the local governmental jurisdiction to qualified applicants who are not social equity applicants using a separate lottery system for each type of license.

5. As used in this section, "local governmental jurisdiction" means a city or unincorporated area within a county.

Sec. 12.7. 1. Except as otherwise provided in subsection 2, the Board shall not issue:

(a) More than one adult-use cannabis establishment license for an independent cannabis consumption lounge to a person, group or entity;

(b) More than one adult-use cannabis establishment license for a retail cannabis consumption lounge to a person, group or entity; or

(c) Both an adult-use cannabis establishment license for a retail cannabis consumption lounge and an adult-use cannabis establishment license for an independent cannabis consumption lounge to a person, group or entity.

2. The Board may approve a transfer of an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge to a person, group of persons or entity that acquires a 100 percent ownership interest in a cannabis consumption lounge in a county in which the person, group or entity holds another such license, if the transfer:

1 (a) Complies with all requirements for the transfer of a license established by
2 the Board pursuant to NRS 678B.380; and

3 (b) Will not result in the person, group or entity holding:

4 (1) Two or more adult-use cannabis establishment licenses for a retail
5 cannabis consumption lounge;

6 (2) Two or more adult-use cannabis establishment licenses for an
7 independent cannabis lounge; or

8 (3) Both:

9 (I) An adult-use cannabis establishment license for a retail cannabis
10 consumption lounge and an adult-use cannabis establishment license for an
11 independent cannabis consumption lounge; and

12 (II) Any additional adult-use cannabis establishment license for a
13 retail cannabis consumption lounge or an independent cannabis consumption
14 lounge.

15 3. A person, group of persons or entity that sells a 100 percent ownership
16 interest in a cannabis consumption lounge may not subsequently apply for an
17 adult-use cannabis establishment license for a retail cannabis consumption
18 lounge or an independent cannabis consumption lounge for the county in which
19 the ownership interest was sold.

20 **Sec. 13.** NRS 678B.020 is hereby amended to read as follows:

21 678B.020 As used in this chapter, unless the context otherwise requires, the
22 words and terms defined in NRS 678B.030 to 678B.070, inclusive, **and section 9 of**
23 **this act** have the meanings ascribed to them in those sections.

24 **Sec. 13.5. NRS 678B.210 is hereby amended to read as follows:**

25 678B.210 1. A person shall not engage in the business of a medical
26 cannabis establishment unless the person holds a medical cannabis establishment
27 license issued by the Board pursuant to this section.

28 2. A person who wishes to engage in the business of a medical cannabis
29 establishment must submit to the Board an application on a form prescribed by the
30 Board.

31 3. Except as otherwise provided in NRS 678B.220, 678B.230 and 678B.240,
32 not later than 90 days after receiving an application to engage in the business of a
33 medical cannabis establishment, the Board shall register the medical cannabis
34 establishment and issue a medical cannabis establishment license and a random 20-
35 digit alphanumeric identification number if:

36 (a) The person who wishes to operate the proposed medical cannabis
37 establishment has submitted to the Board all of the following:

38 (1) The application fee, as set forth in NRS 678B.390;

39 (2) An application, which must include:

40 (I) The legal name of the proposed medical cannabis establishment;

41 (II) The physical address where the proposed medical cannabis
42 establishment will be located and the physical address of any co-owned additional
43 or otherwise associated medical cannabis establishments, the locations of which
44 may not be on the property of an airport, within 1,000 feet of a public or private
45 school that provides formal education traditionally associated with preschool or
46 kindergarten through grade 12 and that existed on the date on which the application
47 for the proposed medical cannabis establishment was submitted to the Board,
48 within 300 feet of a community facility that existed on the date on which the
49 application for the proposed medical cannabis establishment was submitted to the
50 Board or, if the proposed medical cannabis establishment will be located in a
51 county whose population is 100,000 or more, within 1,500 feet of an establishment
52 that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS

1 463.0177 and that existed on the date on which the application for the proposed
2 medical cannabis establishment was submitted to the Board;

3 (III) Evidence that the applicant controls not less than \$250,000 in
4 liquid assets to cover the initial expenses of opening the proposed medical cannabis
5 establishment and complying with the provisions of this title;

6 (IV) Evidence that the applicant owns the property on which the
7 proposed medical cannabis establishment will be located or has the written
8 permission of the property owner to operate the proposed medical cannabis
9 establishment on that property;

10 (V) For the applicant and each person who is proposed to be an owner,
11 officer or board member of the proposed medical cannabis establishment, a
12 complete set of the person's fingerprints and written permission of the person
13 authorizing the Board to forward the fingerprints to the Central Repository for
14 Nevada Records of Criminal History for submission to the Federal Bureau of
15 Investigation for its report; and

16 (VI) The name, address and date of birth of each person who is
17 proposed to be an owner, officer or board member of the proposed medical
18 cannabis establishment;

19 (3) Operating procedures consistent with rules of the Board for oversight
20 of the proposed medical cannabis establishment, including, without limitation:

21 (I) Procedures to ensure the use of adequate security measures; and

22 (II) The use of an electronic verification system and an inventory
23 control system pursuant to NRS 678C.420 and 678C.430;

24 (4) If the proposed medical cannabis establishment will sell or deliver
25 medical cannabis products, proposed operating procedures for handling such
26 products which must be preapproved by the Board;

27 (5) If the city or county in which the proposed medical cannabis
28 establishment will be located has enacted zoning restrictions, proof that the
29 proposed location is in compliance with those restrictions and satisfies all
30 applicable building requirements; and

31 (6) Such other information as the Board may require by regulation;

32 (b) None of the persons who are proposed to be owners, officers or board
33 members of the proposed medical cannabis establishment have been convicted of
34 an excluded felony offense;

35 (c) None of the persons who are proposed to be owners, officers or board
36 members of the proposed medical cannabis establishment have:

37 (1) Served as an owner, officer or board member for a cannabis
38 establishment that has had its medical cannabis establishment license or adult-use
39 cannabis establishment license revoked;

40 (2) Previously had a cannabis establishment agent registration card
41 revoked; or

42 (3) Previously had a cannabis establishment agent registration card for a
43 cannabis executive revoked; and

44 (d) None of the persons who are proposed to be owners, officers or board
45 members of the proposed medical cannabis establishment are under 21 years of age.

46 4. For each person who submits an application pursuant to this section, and
47 each person who is proposed to be an owner, officer or board member of a
48 proposed medical cannabis establishment, the Board shall submit the fingerprints of
49 the person to the Central Repository for Nevada Records of Criminal History for
50 submission to the Federal Bureau of Investigation to determine the criminal history
51 of that person.

52 5. Except as otherwise provided in subsection 6, if an application for
53 registration as a medical cannabis establishment satisfies the requirements of this

1 section, is qualified in the determination of the Board pursuant to NRS 678B.200
2 and the establishment is not disqualified from being registered as a medical
3 cannabis establishment pursuant to this section or other applicable law, the Board
4 shall issue to the establishment a medical cannabis establishment license. A medical
5 cannabis establishment license expires 1 year after the date of issuance and may be
6 renewed upon:

7 (a) Submission of the information required by the Board by regulation; and

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

9 (6) In determining whether to issue a medical cannabis establishment license
10 pursuant to this section, the Board shall consider the criteria of merit set forth in
11 NRS 678B.240.

12 7. For the purposes of sub-subparagraph (II) of subparagraph (2) of paragraph
13 (a) of subsection 3, the distance must be measured from the front door of the
14 proposed medical cannabis establishment to the closest point of the property line of
15 a school, community facility or gaming establishment.

16 8. As used in this section, "community facility" means:

17 (a) A facility that provides day care to children.

18 (b) A public park.

19 (c) A playground.

20 (d) A public swimming pool.

21 (e) A center or facility, the primary purpose of which is to provide recreational
22 opportunities or services to children or adolescents.

23 (f) A church, synagogue or other building, structure or place used for religious
24 worship or other religious purpose.

25 **Sec. 14.** NRS 678B.250 is hereby amended to read as follows:

26 678B.250 1. A person shall not engage in the business of an adult-use
27 cannabis establishment unless the person holds an adult-use cannabis establishment
28 license issued pursuant to this section.

29 2. A person who wishes to engage in the business of an adult-use cannabis
30 establishment must submit to the Board an application on a form prescribed by the
31 Board.

32 3. Except as otherwise provided in NRS 678B.260, 678B.270 and 678B.280,
33 *and sections 10, ~~and~~ 12, 12.5 and 12.7 of this act,* the Board shall issue an
34 adult-use cannabis establishment license to an applicant if:

35 (a) The person who wishes to operate the proposed adult-use cannabis
36 establishment has submitted to the Board all of the following:

37 (1) The application fee, as set forth in NRS 678B.390;

38 (2) An application, which must include:

39 (I) The legal name of the proposed adult-use cannabis establishment;

40 (II) The physical address where the proposed adult-use cannabis
41 establishment will be located and the physical address of any co-owned additional
42 or otherwise associated adult-use cannabis establishments, the locations of which
43 may not, ~~except as otherwise provided in section 10 of this act,~~ be on the
44 property of an airport, within 1,000 feet of a public or private school that provides
45 formal education traditionally associated with preschool or kindergarten through
46 grade 12 and that existed on the date on which the application for the proposed
47 adult-use cannabis establishment was submitted to the Board, within 300 feet of a
48 community facility that existed on the date on which the application for the
49 proposed adult-use cannabis establishment was submitted to the Board or, if the
50 proposed adult-use cannabis establishment will be located in a county whose
51 population is 100,000 or more, within 1,500 feet of an establishment that holds a
52 nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and

1 that existed on the date on which the application for the proposed adult-use
2 cannabis establishment was submitted to the Board;

3 (III) Evidence that the applicant controls liquid assets in an amount
4 determined by the Board to be sufficient to cover the initial expenses of opening the
5 proposed adult-use cannabis establishment and complying with the provisions of
6 this title;

7 (IV) Evidence that the applicant owns the property on which the
8 proposed adult-use cannabis establishment will be located or has the written
9 permission of the property owner to operate the proposed adult-use cannabis
10 establishment on that property;

11 (V) For the applicant and each person who is proposed to be an owner,
12 officer or board member of the proposed adult-use cannabis establishment, a
13 complete set of the person's fingerprints and written permission of the person
14 authorizing the Board to forward the fingerprints to the Central Repository for
15 Nevada Records of Criminal History for submission to the Federal Bureau of
16 Investigation for its report; and

17 (VI) The name, address and date of birth of each person who is
18 proposed to be an owner, officer or board member of the proposed adult-use
19 cannabis establishment;

20 (3) Operating procedures consistent with rules of the Board for oversight
21 of the proposed adult-use cannabis establishment, including, without limitation:

22 (I) Procedures to ensure the use of adequate security measures; and

23 (II) The use of an inventory control system;

24 (4) If the proposed adult-use cannabis establishment will sell or deliver
25 adult-use cannabis products, proposed operating procedures for handling such
26 products which must be preapproved by the Board; and

27 (5) Such other information as the Board may require by regulation;

28 (b) None of the persons who are proposed to be owners, officers or board
29 members of the proposed adult-use cannabis establishment have been convicted of
30 an excluded felony offense;

31 (c) None of the persons who are proposed to be owners, officers or board
32 members of the proposed adult-use cannabis establishment have:

33 (1) Served as an owner, officer or board member for a cannabis
34 establishment that has had its adult-use cannabis establishment license or medical
35 cannabis establishment license revoked;

36 (2) Previously had a cannabis establishment agent registration card
37 revoked; or

38 (3) Previously had a cannabis establishment agent registration card for a
39 cannabis executive revoked; and

40 (d) None of the persons who are proposed to be owners, officers or board
41 members of the proposed adult-use cannabis establishment are under 21 years of
42 age.

43 4. For each person who submits an application pursuant to this section, and
44 each person who is proposed to be an owner, officer or board member of a
45 proposed adult-use cannabis establishment, the Board shall submit the fingerprints
46 of the person to the Central Repository for Nevada Records of Criminal History for
47 submission to the Federal Bureau of Investigation to determine the criminal history
48 of that person.

49 5. Except as otherwise provided in subsection 6, if an applicant for licensure
50 to operate an adult-use cannabis establishment satisfies the requirements of this
51 section, is qualified in the determination of the Board pursuant to NRS 678B.200
52 and is not disqualified from being licensed pursuant to this section or other
53 applicable law, the Board shall issue to the applicant an adult-use cannabis

1 establishment license. An adult-use cannabis establishment license expires 1 year
2 after the date of issuance and may be renewed upon:

- 3 (a) Submission of the information required by the Board by regulation; and
- 4 (b) Payment of the renewal fee set forth in NRS 678B.390.

5 6. In determining whether to issue an adult-use cannabis license pursuant to
6 this section, the Board shall consider the criteria of merit *and scoring guidelines* set
7 forth in NRS 678B.280 ~~¶~~ *or section 12 of this act, as applicable.*

8 7. For the purposes of sub-subparagraph (II) of subparagraph (2) of paragraph
9 (a) of subsection 3, the distance must be measured from the front door of the
10 proposed adult-use cannabis establishment to the closest point of the property line
11 of a school, community facility or gaming establishment.

12 8. As used in this section, “community facility” means:

- 13 (a) A facility that provides day care to children.
- 14 (b) A public park.
- 15 (c) A playground.
- 16 (d) A public swimming pool.
- 17 (e) A center or facility, the primary purpose of which is to provide recreational
18 opportunities or services to children or adolescents.
- 19 (f) A church, synagogue or other building, structure or place used for religious
20 worship or other religious purpose.

21 **Sec. 15.** NRS 678B.270 is hereby amended to read as follows:

22 678B.270 ~~1.~~ Except as otherwise provided in ~~paragraph (b) and~~
23 ~~subsection 2,~~ *this section,* to prevent monopolistic practices, the Board shall
24 ensure, in a county whose population is 100,000 or more, that it does not issue, to
25 any one person, group of persons or entity, the greater of:

- 26 ~~¶~~ (a) One adult-use cannabis establishment license; or
- 27 ~~¶~~ (b) More than 10 percent of the adult-use cannabis establishment licenses
28 otherwise allocable in the county.

29 *2. The provisions of this section do not apply to an adult-use cannabis*
30 *establishment license for a retail cannabis consumption lounge or an*
31 *independent cannabis consumption lounge.*

32 **Sec. 16.** NRS 678B.280 is hereby amended to read as follows:

33 678B.280 1. In determining whether to issue an adult-use cannabis
34 establishment license pursuant to NRS 678B.250, *other than an adult-use*
35 *cannabis establishment license for a retail cannabis consumption lounge or an*
36 *independent cannabis consumption lounge,* the Board shall, in addition to the
37 factors set forth in that section, consider criteria of merit established by regulation
38 of the Board. Such criteria must include, without limitation:

39 (a) Whether the applicant controls liquid assets in an amount determined by the
40 Board to be sufficient to cover the initial expenses of opening the proposed adult-
41 use cannabis establishment and complying with the provisions of this title;

42 (b) Whether the owners, officers or board members of the proposed adult-use
43 cannabis establishment have direct experience with the operation of a cannabis
44 establishment in this State and have demonstrated a record of operating such an
45 establishment in compliance with the laws and regulations of this State for an
46 adequate period of time to demonstrate success;

47 (c) The educational and life experience of the persons who are proposed to be
48 owners, officers or board members of the proposed adult-use cannabis
49 establishment;

50 (d) Whether the applicant has an integrated plan for the care, quality and
51 safekeeping of cannabis from seed to sale;

1 (e) The experience of key personnel that the applicant intends to employ in
2 operating the type of adult-use cannabis establishment for which the applicant seeks
3 a license;

4 (f) The diversity on the basis of race, ethnicity or gender of the applicant or the
5 persons who are proposed to be owners, officers or board members of the proposed
6 adult-use cannabis establishment, including, without limitation, the inclusion of
7 persons of backgrounds which are disproportionately underrepresented as owners,
8 officers or board members of adult-use cannabis establishments; and

9 (g) Any other criteria of merit that the Board determines to be relevant.

10 2. The Board shall adopt regulations for determining the relative weight of
11 each criteria of merit established by the Board pursuant to subsection 1.

12 **Sec. 16.5. NRS 678B.380 is hereby amended to read as follows:**

13 678B.380 1. Except as otherwise provided by regulations adopted by the
14 Board pursuant to subsection 2, the following are nontransferable:

- 15 (a) A cannabis establishment agent registration card.
- 16 (b) A cannabis establishment agent registration card for a cannabis executive.
- 17 (c) A medical cannabis establishment license.
- 18 (d) An adult-use cannabis establishment license.

19 2. The Board shall adopt regulations which prescribe procedures and
20 requirements by which a holder of a license including, without limitation, the
21 holder of an adult-use cannabis establishment license for an independent
22 cannabis consumption lounge who is a social equity applicant, may transfer the
23 license to another party who is qualified to hold such a license pursuant to the
24 provisions of this chapter.

25 **3. The regulations adopted pursuant to subsection 2 must:**

26 **(a) Prohibit the holder of an adult-use cannabis establishment license for an**
27 **independent cannabis consumption lounge who is a social equity applicant from**
28 **transferring the license until at least 3 years from the date on which the license**
29 **was issued;**

30 **(b) Require the holder of an adult-use cannabis establishment license for an**
31 **independent cannabis consumption lounge who is a social equity applicant and**
32 **who wishes to cease operations before the holder has held the license for at least**
33 **3 years to surrender the license to the Board; and**

34 **(c) Require the Board to hold a license surrendered pursuant to paragraph**
35 **(b) in reserve for a future issuance to a social equity applicant.**

36 **Sec. 17. NRS 678B.390 is hereby amended to read as follows:**

37 678B.390 1. Except as otherwise provided in subsection ~~2, 4, 7~~ 3, the Board
38 shall collect not more than the following maximum fees:

39		
40	For the initial issuance of a medical cannabis establishment	
41	license for a medical cannabis dispensary	\$30,000
42	For the renewal of a medical cannabis establishment license	
43	for a medical cannabis dispensary	5,000
44	For the initial issuance of a medical cannabis establishment	
45	license for a medical cannabis cultivation facility	3,000
46	For the renewal of a medical cannabis establishment license	
47	for a medical cannabis cultivation facility	1,000
48	For the initial issuance of a medical cannabis establishment	
49	license for a medical cannabis production facility	3,000
50	For the renewal of a medical cannabis establishment license	
51	for a medical cannabis production facility	1,000

1	For the initial issuance of a medical cannabis establishment	
2	license for a medical cannabis independent testing	
3	laboratory.....	5,000
4	For the renewal of a medical cannabis establishment license	
5	for a medical cannabis independent testing laboratory	3,000
6	For the initial issuance of an adult-use cannabis	
7	establishment license for an adult-use cannabis retail	
8	store	20,000
9	For the renewal of an adult-use cannabis establishment	
10	license for an adult-use cannabis retail store	6,600
11	For the initial issuance of an adult-use cannabis	
12	establishment license for an adult-use cannabis	
13	cultivation facility.....	30,000
14	For the renewal of an adult-use cannabis establishment	
15	license for an adult-use cannabis cultivation facility	10,000
16	For the initial issuance of an adult-use cannabis	
17	establishment license for an adult-use cannabis	
18	production facility	10,000
19	For the renewal of an adult-use cannabis establishment	
20	license for an adult-use cannabis production facility	3,300
21	For the initial issuance of an adult-use cannabis	
22	establishment license for an adult-use cannabis	
23	independent testing laboratory.....	15,000
24	For the renewal of an adult-use cannabis establishment	
25	license for an adult-use cannabis independent testing	
26	laboratory.....	5,000
27	<u><i>For the initial issuance of an adult-use cannabis</i></u>	
28	<u><i>establishment license for a retail cannabis</i></u>	
29	<u><i>consumption lounge.....</i></u>	<u><i>20,000</i></u>
30	<u><i>For the renewal of an adult-use cannabis establishment</i></u>	
31	<u><i>license for a retail cannabis consumption lounge</i></u>	<u><i>10,000</i></u>
32	<u><i>For the initial issuance of an adult-use cannabis</i></u>	
33	<u><i>establishment license for an independent cannabis</i></u>	
34	<u><i>consumption lounge.....</i></u>	<u><i>3,500</i></u>
35	<u><i>For an endorsement to an adult-use cannabis</i></u>	
36	<u><i>establishment license for an independent cannabis</i></u>	
37	<u><i>consumption lounge to engage in the sale of single-use</i></u>	
38	<u><i>cannabis products and ready-to-consume cannabis</i></u>	
39	<u><i>products.....</i></u>	<u><i>6,500</i></u>
40	<u><i>For the renewal of an adult-use cannabis establishment</i></u>	
41	<u><i>license for an independent cannabis consumption</i></u>	
42	<u><i>lounge without an endorsement to engage in the sale of</i></u>	
43	<u><i>single-use cannabis products and ready-to-consume</i></u>	
44	<u><i>cannabis products</i></u>	<u><i>3,000</i></u>
45	<u><i>For the renewal of an adult-use cannabis establishment</i></u>	
46	<u><i>license for an independent cannabis consumption</i></u>	
47	<u><i>lounge with an endorsement to engage in the sale of</i></u>	
48	<u><i>single-use cannabis products and ready-to-consume</i></u>	
49	<u><i>cannabis products</i></u>	<u><i>10,000</i></u>
50	For the initial issuance of an adult-use cannabis	
51	establishment license for an adult-use cannabis	
52	distributor	15,000

1 For the renewal of an adult-use cannabis establishment
 2 license for an adult-use cannabis distributor..... 5,000
 3 For each person identified in an application for the initial
 4 issuance of a cannabis establishment agent registration
 5 card..... 150
 6 For each person identified in an application for the renewal
 7 of a cannabis establishment agent registration card..... 150

8
 9 2. ~~The Board shall~~ may by regulation establish reduced fees for ~~the~~ ;

10 (a) The initial issuance and renewal of ~~fees~~
 11 ~~for~~ an adult-use cannabis establishment license for ~~a retail~~ an
 12 independent cannabis consumption lounge; and

13 (b) An endorsement to an adult-use cannabis establishment license for an
 14 independent cannabis consumption lounge ~~to engage in the sale of single-use~~
 15 cannabis products and ready-to-consume cannabis products; and

16 ~~3. The Board may by regulation establish reduced fees for an applicant for~~
 17 ~~the initial issuance or renewal of a license specified~~

18 (c) The application fee set forth in subsection ~~2 that is~~ 3.

19 for a social equity applicant. Such a reduction must not reduce the fee paid by
 20 a social equity applicant by more than 75 percent of the fee paid by an applicant
 21 who is not a social equity applicant.

22 ~~4. In~~

23 3. Except at otherwise provided in subsection 2, in addition to the fees
 24 described in subsection 1, each applicant for a medical cannabis establishment
 25 license or adult-use cannabis establishment license must pay to the Board:

- 26 (a) A one-time, nonrefundable application fee of \$5,000; and
- 27 (b) The actual costs incurred by the Board in processing the application,
 28 including, without limitation, conducting background checks.

29 ~~3. 5. 4.~~ 4. Any revenue generated from the fees imposed pursuant to this
 30 section:

- 31 (a) Must be expended first to pay the costs of the Board in carrying out the
 32 provisions of this title; and
- 33 (b) If any excess revenue remains after paying the costs described in paragraph
 34 (a), such excess revenue must be paid over to the State Treasurer to be deposited to
 35 the credit of the State Education Fund.

36 **Sec. 18.** NRS 678B.510 is hereby amended to read as follows:

37 678B.510 1. The operating documents of a cannabis establishment must
 38 include procedures:

- 39 (a) For the oversight of the cannabis establishment; and
- 40 (b) To ensure accurate recordkeeping.

41 2. Except as otherwise provided in this subsection, a cannabis establishment:

42 (a) That is a cannabis sales facility must have a single entrance for patrons,
 43 which must be secure, and shall implement strict security measures to deter and
 44 prevent the theft of cannabis and unauthorized entrance into areas containing
 45 cannabis.

46 (b) That is not a cannabis sales facility must have a single secure entrance and
 47 shall implement strict security measures to deter and prevent the theft of cannabis
 48 and unauthorized entrance into areas containing cannabis.

49 The provisions of this subsection do not supersede any state or local
 50 requirements relating to minimum numbers of points of entry or exit, or any state or
 51 local requirements relating to fire safety.

52 3. Except as otherwise provided in NRS 678D.400, all cultivation or
 53 production of cannabis that a cannabis cultivation facility carries out or causes to be

1 carried out must take place in an enclosed, locked facility at the physical address
2 provided to the Board during the licensing process for the cannabis cultivation
3 facility. Such an enclosed, locked facility must be accessible only by cannabis
4 establishment agents who are lawfully associated with the cannabis cultivation
5 facility, except that limited access by persons necessary to perform construction or
6 repairs or provide other labor is permissible if such persons are supervised by a
7 cannabis establishment agent.

8 4. A cannabis establishment *that is not a cannabis consumption lounge* shall
9 not allow any person to consume cannabis on the property or premises of the
10 establishment.

11 5. Cannabis establishments are subject to reasonable inspection by the Board
12 at any time, and a person who holds a license must make himself or herself, or a
13 designee thereof, available and present for any inspection by the Board of the
14 cannabis establishment.

15 6. Each cannabis establishment shall install a video monitoring system which
16 must, at a minimum:

17 (a) Allow for the transmission and storage, by digital or analog means, of a
18 video feed which displays the interior and exterior of the cannabis establishment;
19 and

20 (b) Be capable of being accessed remotely by a law enforcement agency in
21 real-time upon request.

22 7. A cannabis establishment shall not dispense or otherwise sell cannabis or
23 cannabis products from a vending machine or allow such a vending machine to be
24 installed at the interior or exterior of the premises of the cannabis establishment. As
25 used in this subsection, “vending machine” has the meaning ascribed to it in NRS
26 209.229.

27 **Sec. 19.** NRS 678B.520 is hereby amended to read as follows:

28 678B.520 1. Each cannabis establishment shall, in consultation with the
29 Board, cooperate to ensure that all cannabis products offered for sale:

30 (a) Are labeled clearly and unambiguously:

31 (1) As cannabis or medical cannabis with the words “THIS IS A
32 MEDICAL CANNABIS PRODUCT” or “THIS IS A CANNABIS PRODUCT,” as
33 applicable, in bold type; and

34 (2) As required by the provisions of this chapter and chapters 678C and
35 678D of NRS.

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

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

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

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

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

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

50 2. A cannabis production facility shall not produce cannabis products in any
51 form that:

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

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

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

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

9 3. A cannabis production facility shall:

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

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

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

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

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

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

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

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

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

25 4. A cannabis establishment shall not engage in advertising that in any way
26 makes cannabis or cannabis products appeal to children, including, without
27 limitation, advertising which uses an image of a cartoon character, mascot, action
28 figure, balloon, fruit or toy.

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

32 6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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

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

7 8. If the health authority, as defined in NRS 446.050, where a cannabis
8 production facility, ~~for~~ cannabis sales facility *or cannabis consumption lounge*
9 which sells edible cannabis products is located requires persons who handle food at
10 a food establishment to obtain certification, the cannabis production facility, ~~for~~
11 cannabis sales facility *or cannabis consumption lounge* shall ensure that at least
12 one employee maintains such certification.

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

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

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

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

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

22 11. A cannabis establishment:

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

25 (1) Is false or misleading;

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

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

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

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

37 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 14. *To the extent that they are inconsistent or otherwise conflict with the*
23 *regulations adopted by the Board pursuant to section 28 of this act, the*
24 *requirements of this section pertaining to cannabis products do not apply to*
25 *ready-to-consume cannabis products prepared and sold by a cannabis*
26 *consumption lounge.*

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

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

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

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

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

38 ~~H5-1~~ 16. As used in this section, “motor vehicle used for public
39 transportation” does not include a taxicab, as defined in NRS 706.124.

40 **Sec. 20.** NRS 678B.650 is hereby amended to read as follows:

41 678B.650 The Board shall adopt such regulations as it determines to be
42 necessary or advisable to carry out the provisions of this chapter. Such regulations
43 are in addition to any requirements set forth in statute and must, without limitation:

44 1. Prescribe the form and any additional required content of applications for
45 licenses or registration cards issued pursuant to this chapter;

46 2. Establish procedures for the suspension or revocation of a license or
47 registration card or other disciplinary action to be taken against a licensee or
48 registrant;

49 3. Set forth rules pertaining to the safe and healthful operation of cannabis
50 establishments, including, without limitation:

51 (a) The manner of protecting against diversion and theft without imposing an
52 undue burden on cannabis establishments or compromising the confidentiality of

1 consumers and holders of registry identification cards and letters of approval, as
2 those terms are defined in NRS 678C.080 and 678C.070, respectively;

3 (b) Minimum requirements for the oversight of cannabis establishments;

4 (c) Minimum requirements for the keeping of records by cannabis
5 establishments;

6 (d) Provisions for the security of cannabis establishments, including without
7 limitation, requirements for the protection by a fully operational security alarm
8 system of each cannabis establishment; and

9 (e) Procedures pursuant to which cannabis establishments must use the services
10 of cannabis independent testing laboratories to ensure that any cannabis or cannabis
11 product or commodity or product made from hemp, as defined in NRS 557.160,
12 sold by a cannabis sales facility to an end user is tested for content, quality and
13 potency in accordance with standards established by the Board;

14 4. Establish circumstances and procedures pursuant to which the maximum
15 fees set forth in NRS 678B.390 may be reduced over time to ensure that the fees
16 imposed pursuant to NRS 678B.390 are, insofar as may be practicable, revenue
17 neutral;

18 5. Establish different categories of cannabis establishment agent registration
19 cards, including, without limitation, criteria for issuance of a cannabis
20 establishment agent registration card for a cannabis executive and criteria for
21 training and certification, for each of the different types of cannabis establishments
22 at which such an agent may be employed or volunteer or provide labor as a
23 cannabis establishment agent;

24 6. As far as possible while maintaining accountability, protect the identity and
25 personal identifying information of each person who receives, facilitates or delivers
26 services in accordance with this chapter;

27 7. Establish procedures and requirements to enable a dual licensee to operate
28 a medical cannabis establishment and an adult-use cannabis establishment at the
29 same location;

30 8. Determine whether any provision of this chapter or chapter 678C or 678D
31 of NRS would make the operation of a cannabis establishment by a dual licensee
32 unreasonably impracticable; ~~and~~

33 9. *Set forth rules pertaining to the safe and healthful operation of cannabis
34 consumption lounges, including, without limitation:*

35 (a) *Standards for the air quality in a cannabis consumption lounge;*

36 (b) *Procedures and requirements for the delivery of a single-use cannabis ~~for~~
37 ~~a cannabis~~ product to a customer in an independent cannabis consumption
38 lounge; ~~and~~*

39 (c) *Procedures and requirements for the collection and disposal of cannabis
40 and cannabis products which are left at a cannabis consumption lounge; and*

41 (d) *Requirements for the training of employees of a cannabis consumption
42 lounge in the sale and safe consumption of single-use cannabis products and
43 ready-to-consume cannabis products; and*

44 10. Address such other matters as the Board deems necessary to carry out the
45 provisions of this title.

46 **Sec. 21.** Chapter 678D of NRS is hereby amended by adding thereto the
47 provisions set forth as sections 22 to 28, inclusive, of this act.

48 **Sec. 22. 1. A cannabis consumption lounge shall:**

49 (a) *Require any single-use cannabis ~~for cannabis~~ product brought into the
50 cannabis consumption lounge by a customer to be contained in the sealed,
51 opaque packaging in which the single-use cannabis ~~for cannabis~~ product was
52 originally sold;*

1 (b) Require a person who wishes to bring single-use cannabis ~~for cannabis~~
2 products into the cannabis consumption lounge to, before entry, submit ~~the~~
3 each single-use cannabis ~~and each cannabis~~ product to an employee for
4 inspection to ensure that:

5 (1) The single-use cannabis ~~for cannabis~~ product satisfies the
6 requirements of this subsection; and

7 (2) The person is in compliance with the legal limits on the possession of
8 cannabis for adult-use purposes as set forth in NRS 678D.200;

9 (c) Install a ventilation and exhaust system which is capable of sufficiently
10 expelling odors generated in the cannabis consumption lounge, reducing volatile
11 organic compounds and maintaining the standards for air quality in the cannabis
12 consumption lounge as set forth by regulation of the Board;

13 (d) Train each employee of the cannabis consumption lounge concerning
14 paraphernalia, single-use cannabis products and ready-to-consume cannabis
15 products, including, without limitation, the proper use of paraphernalia, the
16 potency, absorption time and effects of single-use cannabis and products and
17 ready-to-consume cannabis products, the recognition of impairment from and
18 overconsumption of cannabis and the safe handling of a customer who is
19 impaired;

20 (e) Submit a security plan to the Board which, without limitation, provides
21 for adequate security and lighting at the cannabis consumption lounge and for
22 each entrance and exit of the cannabis consumption lounge to be adequately
23 secured, and submit to the Board such updates to the plan as the Board may
24 require;

25 (f) Submit a plan to the Board setting forth protocols and procedures to deter
26 customers from driving under the influence of cannabis, and submit to the Board
27 such updates to the plan as the Board may require;

28 (g) Submit a plan to the Board setting forth protocols and procedures to
29 ensure that cannabis and cannabis products are not sold or otherwise distributed
30 in the cannabis consumption lounge other than as authorized in this chapter, and
31 submit to the Board such updates to the plan as the Board may require;

32 (h) Dispose of cannabis or cannabis products which are left at the cannabis
33 consumption lounge in accordance with the procedures for disposal set forth by
34 the regulations of the Board;

35 (i) Comply with all local ordinances and rules pertaining to zoning, land use
36 and signage; and

37 (j) Comply with any requirements set forth by regulation of the Board.

38 2. As used in this section, "volatile organic compound" has the meaning
39 ascribed to it in 40 C.F.R. § 51.100(s).

40 **Sec. 23.** A cannabis consumption lounge may:

41 1. Sell food and beverages to customers of the cannabis consumption
42 lounge;

43 2. Sell any other item which does not contain cannabis or cannabis
44 products and is not intended for use with cannabis or cannabis products to
45 customers of the cannabis consumption lounge; and

46 3. Provide live entertainment at the cannabis consumption lounge.

47 **Sec. 24.** A cannabis consumption lounge shall not allow:

48 1. The consumption of cannabis or cannabis products at any place which is
49 within view of a public place; ~~for~~

50 2. The entry of any person who is less than 21 years of age to the cannabis
51 consumption lounge ~~for~~;

1 3. The consumption of any cannabis or cannabis product in the cannabis
2 consumption lounge that is not a single-use cannabis product or ready-to-
3 consume cannabis product; or

4 4. A single-use cannabis product or ready-to-consume cannabis product
5 that was purchased at the cannabis consumption lounge to be removed from the
6 premises of the cannabis consumption lounge.

7 Sec. 25. 1. A retail cannabis consumption lounge may:

8 (a) Obtain ~~for cannabis or cannabis products~~ from the adult-use cannabis
9 retail store to which the retail cannabis consumption lounge is attached or
10 immediately adjacent ~~to~~;

11 (1) Single-use cannabis products for the purposes of resale; and

12 (2) Cannabis or cannabis products for the purposes of producing ready-
13 to-consume cannabis products;

14 (b) Sell single-use cannabis ~~for cannabis~~ products obtained pursuant to
15 paragraph (a) to customers of the retail cannabis consumption lounge; and

16 (c) Prepare ready-to-consume cannabis products using cannabis obtained
17 pursuant to paragraph (a) and sell such products to customers of the cannabis
18 consumption lounge.

19 2. A retail cannabis consumption lounge shall ensure that only single-use
20 cannabis ~~for~~ products or ready-to-consume cannabis products that were
21 purchased from the retail cannabis consumption lounge ~~for the adult-use~~
22 ~~cannabis retail store to which the lounge is attached or immediately adjacent~~ are
23 consumed in the lounge.

24 Sec. 26. 1. An independent cannabis consumption lounge shall allow
25 single-use cannabis ~~for cannabis~~ products sold by ~~at~~ an adult-use cannabis
26 ~~sales facility~~ retail store to be delivered to a customer in the independent
27 cannabis consumption lounge. Such a delivery must comply with the applicable
28 requirements for the delivery of cannabis or cannabis products to a consumer set
29 forth in this title and any other requirements the Board may establish by
30 regulation.

31 2. Except as otherwise provided in section 27 of this act, an independent
32 cannabis consumption lounge shall not obtain from any source or sell cannabis
33 or cannabis products.

34 Sec. 27. 1. If an independent cannabis consumption lounge wishes to sell
35 single-use cannabis ~~for cannabis~~ products or ready-to-consume cannabis
36 products to customers of the lounge, the independent cannabis consumption
37 lounge must submit ~~a request~~ to the Board ~~to~~ a request for an endorsement to
38 the license of the independent cannabis consumption lounge to engage in such
39 activities. Such a request must be accompanied by the fee set forth in NRS
40 678B.390 and include any information the Board may by regulation require.

41 2. If the Board approves a request submitted pursuant to subsection 1, the
42 independent cannabis consumption lounge may:

43 (a) Enter into a contract with one or more adult-use cannabis retail stores to
44 sell to the independent cannabis consumption lounge ;

45 (1) Single-use cannabis products for the purpose of resale ~~all cannabis~~
46 ~~and cannabis products obtained by the independent cannabis consumption~~
47 ~~lounge;~~ and

48 (2) Cannabis and products for the purpose of preparing ready-to-
49 consume cannabis products;

50 (b) Sell single-use cannabis ~~and cannabis~~ products obtained pursuant to
51 paragraph (a) to customers of the independent cannabis consumption lounge;
52 and

1 (c) Prepare ready-to-consume cannabis products using cannabis *and*
 2 *cannabis products* obtained pursuant to paragraph (a) and sell such products to
 3 customers of the independent cannabis consumption lounge.

4 3. *The Board shall adopt regulations governing the manner in which the*
 5 *Board will accept and evaluate requests submitted pursuant to subsection 1. The*
 6 *regulations must prescribe, without limitation:*

- 7 (a) *The required contents of such a request;*
- 8 (b) *Procedures for the submission and evaluation of such a request; and*
- 9 (c) *The criteria by which the Board will evaluate such a request, which may*
 10 *include, without limitation:*

- 11 (1) *Whether the requestor holds an additional adult-use cannabis*
 12 *establishment license for another type of cannabis establishment;*
- 13 (2) *Whether the requestor is a social equity applicant; and*
- 14 (3) *Whether the requestor has previously been subject to disciplinary*
 15 *action by the Board.*

16 **Sec. 28.** *The Board shall adopt regulations governing the ~~preparation and~~*
 17 *sale and consumption of single-use cannabis products and ready-to-consume*
 18 *cannabis products ~~by~~ at a cannabis consumption lounge. Such regulations*
 19 *must, without limitation:*

20 1. *Prescribe a list of a single-use cannabis products comprising each type of*
 21 *cannabis and adult-use cannabis product that the Board has determined to be*
 22 *appropriate for consumption at a cannabis consumption lounge;*

23 2. *Establish standards for the content, quality and potency of ready-to-*
 24 *consume cannabis products, including, without limitation, the maximum THC*
 25 *concentration for such products;*

26 ~~2.~~ 3. *Prescribe procedures and protocols for the preparation and safe*
 27 *handling of ready-to-consume cannabis products to ensure that each such*
 28 *prepared product meets the standards established pursuant to subsection 1;*

29 ~~3.~~ 4. *Establish requirements relating to the sale of ready-to-consume*
 30 *cannabis products, including, without limitation, requirements relating to*
 31 *notifications that must be provided to a purchaser of such a product at the time of*
 32 *sale; and*

33 ~~4.~~ 5. *Set forth any other requirements concerning the preparation of*
 34 *ready-to-consume cannabis products and sale of single-use cannabis products*
 35 *and ready-to-consume cannabis products that the Board determines are*
 36 *necessary.*

37 **Sec. 29.** NRS 678D.310 is hereby amended to read as follows:

38 678D.310 1. Except as otherwise provided in chapter 678C of NRS, any
 39 person shall not:

40 (a) Cultivate cannabis within 25 miles of an adult-use cannabis retail store
 41 licensed pursuant to chapter 678B of NRS, unless the person is an adult-use
 42 cannabis cultivation facility or is a cannabis establishment agent volunteering at,
 43 employed by or providing labor to an adult-use cannabis cultivation facility;

44 (b) Cultivate cannabis plants where they are visible from a public place by
 45 normal unaided vision; or

46 (c) Cultivate cannabis on property not in the cultivator's lawful possession or
 47 without the consent of the person in lawful physical possession of the property.

48 2. A person who violates the provisions of subsection 1 is guilty of:

49 (a) For a first violation, a misdemeanor punished by a fine of not more than
 50 \$600.

51 (b) For a second violation, a misdemeanor punished by a fine of not more than
 52 \$1,000.

53 (c) For a third violation, a gross misdemeanor.

1 (d) For a fourth or subsequent violation, a category E felony.

2 3. ~~FA~~ *Except as otherwise provided in subsection 9, a* person who smokes or
3 otherwise consumes cannabis or a cannabis product in a public place, in an adult-
4 use cannabis retail store or in a vehicle is guilty of a misdemeanor punished by a
5 fine of not more than \$600.

6 4. A person under 21 years of age who falsely represents himself or herself to
7 be 21 years of age or older to obtain cannabis is guilty of a misdemeanor.

8 5. A person under 21 years of age who knowingly enters, loiters or remains
9 on the premises of an adult-use cannabis establishment shall be punished by a fine
10 of not more than \$500 unless the person is authorized to possess cannabis pursuant
11 to chapter 678C of NRS and the adult-use cannabis establishment is a dual licensee.

12 6. A person who manufactures cannabis by chemical extraction or chemical
13 synthesis, unless done pursuant to an adult-use cannabis establishment license for
14 an adult-use cannabis production facility issued by the Board or authorized by this
15 title, is guilty of a category E felony.

16 7. A person who knowingly gives cannabis or a cannabis product to any
17 person under 21 years of age or who knowingly leaves or deposits any cannabis or
18 cannabis product in any place with the intent that it will be procured by any person
19 under 21 years of age is guilty of a misdemeanor.

20 8. A person who knowingly gives cannabis to any person under 18 years of
21 age or who knowingly leaves or deposits any cannabis in any place with the intent
22 that it will be procured by any person under 18 years of age is guilty of a gross
23 misdemeanor.

24 *9. A person may smoke or otherwise consume cannabis or a cannabis*
25 *product in a cannabis consumption lounge.*

26 **Sec. 30.** NRS 678D.420 is hereby amended to read as follows:

27 678D.420 1. An adult-use edible cannabis product or an adult-use cannabis-
28 infused product must be labeled in a manner which indicates the number of
29 servings of THC in the product, measured in servings of a maximum of 10
30 milligrams per serving.

31 2. An adult-use cannabis product must be sold in a single package. A single
32 package must not contain:

33 (a) More than 1 ounce of usable cannabis or one-eighth of an ounce of
34 concentrated cannabis.

35 (b) For an adult-use cannabis product sold as a capsule, more than 100
36 milligrams of THC per capsule or more than 800 milligrams of THC per package.

37 (c) For an adult-use cannabis product sold as a tincture, more than 800
38 milligrams of THC.

39 (d) For an adult-use edible cannabis product, more than 100 milligrams of
40 THC.

41 (e) For an adult-use cannabis product sold as a topical product, a concentration
42 of more than 6 percent THC or more than 800 milligrams of THC per package.

43 (f) For an adult-use cannabis product sold as a suppository or transdermal
44 patch, more than 100 milligrams of THC per suppository or transdermal patch or
45 more than 800 milligrams of THC per package.

46 (g) For any other adult-use cannabis product, more than 800 milligrams of
47 THC.

48 *3. To the extent that they are inconsistent or otherwise conflict with the*
49 *regulations adopted by the Board pursuant to section 28 of this act, the*
50 *requirements of this section do not apply to a ready-to-consume cannabis product*
51 *prepared and sold by a cannabis consumption lounge.*

52 **Sec. 30.5.** Chapter 41 of NRS is hereby amended by adding thereto a
53 new section to read as follows:

1 1. A person who serves, sells or otherwise furnishes cannabis or a cannabis
 2 product to another person who is 21 years of age or older is not liable in a civil
 3 action for any damages caused by the person to whom the cannabis or cannabis
 4 product was served, sold or furnished as a result of the consumption of the
 5 cannabis or cannabis product.

6 2. Except as otherwise provided in this section, a person who:

7 (a) Knowingly serves, sells or otherwise furnishes cannabis or a cannabis
 8 product to an underage person; or

9 (b) Knowingly allows an underage person to consume cannabis or a
 10 cannabis product on premises or in a conveyance belonging to the person or over
 11 which the person has control.

12 ↳ is liable in a civil action for any damages caused by the underage person as a
 13 result of the consumption of the cannabis or cannabis product.

14 3. The liability created pursuant to subsection 2 does not apply to a person
 15 who is licensed to serve, sell or furnish cannabis or cannabis products or to a
 16 person who is an employee or agent of such a person for any act or failure to act
 17 that occurs during the course of business or employment and any such act or
 18 failure to act may not be used to establish proximate cause in a civil action and
 19 does not constitute negligence per se.

20 4. A person who prevails in an action brought pursuant to subsection 2 may
 21 recover the person's actual damages, attorney's fees and costs and any punitive
 22 damages that the facts may warrant.

23 5. As used in this section:

24 (a) "Cannabis" has the meaning ascribed to it in NRS 678A.085.

25 (b) "Cannabis product" has the meaning ascribed to it in NRS 678A.120.

26 (c) "Underage person" means a person who is less than 21 years of age.

27 **Sec. 31.** Chapter 372A of NRS is hereby amended by adding thereto a new
 28 section to read as follows:

29 *"Cannabis consumption lounge" has the meaning ascribed to it in section 2*
 30 *of this act.*

31 **Sec. 32.** NRS 372A.200 is hereby amended to read as follows:

32 372A.200 As used in NRS 372A.200 to 372A.380, inclusive, *and section 31*
 33 *of this act*, unless the context otherwise requires, the words and terms defined in
 34 NRS 372A.205 to 372A.250, inclusive, *and section 31 of this act* have the
 35 meanings ascribed to them in those sections.

36 **Sec. 33.** NRS 372A.250 is hereby amended to read as follows:

37 372A.250 "Taxpayer" means a:

38 1. Cannabis cultivation facility; ~~[-]~~

39 2. Adult-use cannabis retail store ~~[-]~~; *or*

40 3. *Cannabis consumption lounge.*

41 **Sec. 34.** NRS 372A.290 is hereby amended to read as follows:

42 372A.290 1. An excise tax is hereby imposed on each wholesale sale in this
 43 State of cannabis by a medical cannabis cultivation facility to another cannabis
 44 establishment at the rate of 15 percent of the fair market value at wholesale of the
 45 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the
 46 medical cannabis cultivation facility.

47 2. An excise tax is hereby imposed on each wholesale sale in this State of
 48 cannabis by an adult-use cannabis cultivation facility to another cannabis
 49 establishment at the rate of 15 percent of the fair market value at wholesale of the
 50 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the
 51 adult-use cannabis cultivation facility.

52 3. An excise tax is hereby imposed on each retail sale in this State of cannabis
 53 or cannabis products by an adult-use cannabis retail store *or cannabis consumption*

1 *lounge* at the rate of 10 percent of the sales price of the cannabis or cannabis
2 products. The excise tax imposed pursuant to this subsection:

3 (a) Is the obligation of the ~~{adult use cannabis retail store.}~~ *seller of the*
4 *cannabis or cannabis product;*

5 (b) Is separate from and in addition to any general state and local sales and use
6 taxes that apply to retail sales of tangible personal property.

7 4. The revenues collected from the excise tax imposed pursuant to subsection
8 1 must be distributed:

9 (a) To the Cannabis Compliance Board and to local governments in an amount
10 determined to be necessary by the Board to pay the costs of the Board and local
11 governments in carrying out the provisions of chapter 678C of NRS; and

12 (b) If any money remains after the revenues are distributed pursuant to
13 paragraph (a), to the State Treasurer to be deposited to the credit of the State
14 Education Fund.

15 5. The revenues collected from the excise tax imposed pursuant to subsection
16 2 must be distributed:

17 (a) To the Cannabis Compliance Board and to local governments in an amount
18 determined to be necessary by the Board to pay the costs of the Board and local
19 governments in carrying out the provisions of chapter 678D of NRS; and

20 (b) If any money remains after the revenues are distributed pursuant to
21 paragraph (a), to the State Treasurer to be deposited to the credit of the State
22 Education Fund.

23 6. For the purpose of subsections 4 and 5, a total amount of \$5,000,000 of the
24 revenues collected from the excise tax imposed pursuant to subsection 1 and the
25 excise tax imposed pursuant to subsection 2 in each fiscal year shall be deemed
26 sufficient to pay the costs of all local governments to carry out the provisions of
27 chapters 678C and 678D of NRS. The Board shall, by regulation, determine the
28 manner in which local governments may be reimbursed for the costs of carrying out
29 the provisions of chapters 678C and 678D of NRS.

30 7. The revenues collected from the excise tax imposed pursuant to subsection
31 3 must be paid over as collected to the State Treasurer to be deposited to the credit
32 of the State Education Fund.

33 8. As used in this section:

34 (a) “Adult-use cannabis cultivation facility” has the meaning ascribed to it in
35 NRS 678A.025.

36 (b) ~~“Adult use cannabis retail store” has the meaning ascribed to it in NRS~~
37 ~~678A.065.~~

38 ~~—(c)~~ “Cannabis product” has the meaning ascribed to it in NRS 678A.120.

39 ~~[(d)]~~ (c) “Local government” has the meaning ascribed to it in NRS 360.640.

40 ~~[(e)]~~ (d) “Medical cannabis cultivation facility” has the meaning ascribed to it
41 in NRS 678A.170.

42 ~~[(f)]~~ (e) “Medical cannabis establishment” has the meaning ascribed to it in
43 NRS 678A.180.

44 **Sec. 35.** NRS 387.1212 is hereby amended to read as follows:

45 387.1212 1. The State Education Fund is hereby created as a special
46 revenue fund to be administered by the Superintendent of Public Instruction for the
47 purpose of supporting the operation of the public schools in this State. The interest
48 and income earned on the money in the Fund, after deducting any applicable
49 charges, must be credited to the Fund.

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

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

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

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

5 (d) The portion of the money in each special account created pursuant to
6 subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2
7 of NRS 179.1187;

8 (e) The money identified in subsection 1 of NRS 328.450;

9 (f) The money identified in subsection 1 of NRS 328.460;

10 (g) The money identified in paragraph (a) of subsection 2 of NRS 360.850;

11 (h) The money identified in paragraph (a) of subsection 2 of NRS 360.855;

12 (i) The money required to be paid over to the State Treasurer for deposit to the
13 credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;

14 (j) The portion of the proceeds of the tax imposed pursuant to subsection 1 of
15 NRS 372A.290 identified in paragraph (b) of subsection 4 of NRS 372A.290;

16 (k) The proceeds of the tax imposed pursuant to subsection 3 of NRS
17 372A.290;

18 (l) The proceeds of the fees, taxes, interest and penalties imposed pursuant to
19 chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

20 (m) The money identified in paragraph (b) of subsection ~~3-5~~ 4 of NRS
21 678B.390;

22 (n) The portion of the proceeds of the excise tax imposed pursuant to
23 subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS
24 463.385;

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

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

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

31 (r) The portion of the net profits of the grantee of a franchise identified in NRS
32 709.270; and

33 (s) The direct legislative appropriation from the State General Fund required
34 by subsection 3.

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

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

45 5. The Superintendent of Public Instruction may create one or more accounts
46 in the State Education Fund for the purpose of administering any money received
47 from the Federal Government for the support of education and any State money
48 required to be administered separately to satisfy any requirement imposed by the
49 Federal Government. The money in any such account must not be considered when
50 calculating the statewide base per pupil funding amount or appropriating money
51 from the State Education Fund pursuant to NRS 387.1214. The interest and income
52 earned on the money in any such account, after deducting any applicable charges,
53 must be credited to the account.

1 **Sec. 36.** NRS 453.316 is hereby amended to read as follows:

2 453.316 1. A person who opens or maintains any place for the purpose of
3 unlawfully selling, giving away or using any controlled substance is guilty of a
4 category C felony and shall be punished as provided in NRS 193.130.

5 2. If a person convicted of violating this section has previously been
6 convicted of violating this section, or if, in the case of a first conviction of violating
7 this section, the person has been convicted of an offense under the laws of the
8 United States or any state, territory or district which, if committed in this State,
9 would amount to a felony under this section, the person is guilty of a category B
10 felony and shall be punished by imprisonment in the state prison for a minimum
11 term of not less than 1 year and a maximum term of not more than 6 years, and may
12 be further punished by a fine of not more than \$10,000.

13 3. This section does not apply to ~~any~~:

14 (a) Any rehabilitation clinic established or licensed by the Division of Public
15 and Behavioral Health of the Department.

16 (b) *Any cannabis consumption lounge, as defined in section 2 of this act,*
17 *whose activities are confined to those authorized in title 56 of NRS.*

18 **Sec. 36.5. 1. On or before January 1, 2023, the Cannabis Compliance**
19 **Board shall prepare and submit to the Director of the Legislative Counsel**
20 **Bureau for transmission to the Legislature, a report regarding the effect of**
21 **violations of NRS 598A.060 on independent cannabis consumption lounges.**
22 **The report must include any recommendations for legislation that the**
23 **Cannabis Compliance Board determines is necessary to ensure that such**
24 **violations do not inhibit the growth of independent cannabis consumption**
25 **lounges in this State.**

26 **2. As used in this section, “independent cannabis consumption lounge”**
27 **has the meaning ascribed to it in section 3 of this act.**