

Amendment No. 863

Senate Amendment to Assembly Bill No. 341 Third Reprint (BDR 56-583)
Proposed by: Senator Brooks
Amends: Summary: No Title: No 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 R3 (§§ 17, 34).

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 newly added language; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~fuchsia double strikethrough~~ is new language in the bill proposed to be deleted in this amendment; (6) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment.

SHORT FORM AMENDMENT

Section 12.9 of this act is the only section affected by this amendment.

SJQ/AAK



Date: 5/31/2021

A.B. No. 341—Revises provisions relating to cannabis. (BDR 56-583)



If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of persons and establishments in the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS) Under existing law, a cannabis establishment is prohibited from allowing a person to consume cannabis on the property or premises of the establishment. (NRS 678B.510) Existing law also makes it a misdemeanor to consume cannabis or a cannabis product in a public place, in an adult-use cannabis retail store or in a vehicle. (NRS 678D.310) This bill provides for the licensure and regulation by the Board of certain businesses at which the consumption of certain cannabis and cannabis products is allowed. **Section 2** of this bill designates such businesses generally as "cannabis consumption lounges."

Sections 3 and 5 of this bill designate two types of cannabis consumption lounges. **Section 5** of this bill defines "retail cannabis consumption lounge" to mean a business at which the consumption of single-use or ready-to-consume cannabis products is allowed and which is attached or immediately adjacent to an adult-use cannabis retail store. **Section 3** of this bill defines "independent cannabis consumption lounge" to mean a business at which the consumption of single-use or ready-to-consume cannabis products is allowed and which is not attached or immediately adjacent to an adult-use cannabis retail store.

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

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

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

Section 10 of this bill prohibits the Board from issuing an adult-use cannabis establishment license for a retail cannabis consumption lounge unless: (1) the applicant holds an adult-use cannabis establishment license for an adult-use cannabis retail store which is operational; and (2) the location of the proposed retail cannabis consumption lounge is attached or immediately adjacent to the adult-use cannabis retail store. **Sections 10 and 14** of this bill exempt a proposed retail cannabis consumption lounge from certain restrictions relating to the location of an adult-use cannabis establishment.

Section 11 of this bill requires the Board to adopt regulations establishing criteria to determine whether an applicant for the issuance or renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge qualifies as a social equity applicant, which is defined by **section 9** of this bill generally as an applicant that has

49 been adversely affected by previous laws that criminalized activity relating to cannabis.
50 **Section 12** of this bill requires the Board to adopt regulations establishing criteria of merit and
51 scoring guidelines to be used in evaluating applications for an adult-use cannabis
52 establishment license for a retail cannabis consumption lounge or an independent cannabis
53 consumption lounge. **Section 17** of this bill establishes fees for the issuance and renewal of
54 such licenses. **Section 17** authorizes the Board to reduce certain fees associated with an adult-
55 use cannabis establishment license for an independent cannabis consumption lounge for social
56 equity applicants. **Section 16** of this bill makes a conforming change to reflect the addition of
57 the requirements of **section 12**.

58 **Section 12.4** of this bill prohibits the Board, with certain exceptions, from issuing more
59 than 20 adult-use cannabis establishment licenses for an independent cannabis consumption
60 lounge. However, if on or before June 30, 2022, the Board issues 20 such licenses, **section**
61 **12.4** authorizes the Board to issue additional licenses, so long as the total number of adult-use
62 cannabis establishment licenses for an independent cannabis consumption lounge does not, at
63 any time, exceed the number of adult-use cannabis establishment licenses for a retail cannabis
64 consumption lounge issued by the Board. **Section 12.4** also requires that at least 10 of the first
65 20 adult-use cannabis establishment licenses for an independent cannabis consumption lounge
66 issued by the Board be issued to social equity applicants. **Section 12.5** of this bill sets forth
67 certain requirements for the issuance of adult-use cannabis establishment licenses for retail
68 cannabis consumption lounges and independent cannabis consumption lounges in a local
69 governmental jurisdiction that limits the number of business licenses issued to cannabis
70 consumption lounges, which include, among other requirements, that a certain number of
71 adult-use cannabis establishment licenses for independent cannabis consumption lounges be
72 issued to social equity applicants.

73 Existing law prohibits the Board from issuing more than a certain number of adult-use
74 cannabis establishment licenses to any one person, group of persons or entity in certain
75 counties. (NRS 678B.270) **Section 15** of this bill provides that this prohibition does not apply
76 to adult-use cannabis establishment licenses for retail cannabis consumption lounges or
77 independent cannabis consumption lounges. Instead, **section 12.7** of this bill generally
78 prohibits the Board from issuing more than one such license to any one person. **Section 12.7**
79 provides an exception to this prohibition for certain transfers of such licenses. **Section 12.3**
80 of this bill prohibits the Board from issuing to any one person both an adult-use cannabis
81 establishment license for an adult-use cannabis retail store and an adult-use cannabis
82 establishment license for an independent cannabis consumption lounge. **Section 20** of this bill
83 requires the Board to adopt regulations prescribing the manner in which it will determine
84 whether a person who holds an adult-use cannabis establishment license is ineligible to hold
85 additional licenses pursuant to **sections 12.3 and 12.7**.

86 Existing law requires the Board to adopt regulations regarding the transfer of licenses
87 issued by the Board. (NRS 678B.380) **Section 16.5** of this bill requires those regulations to
88 impose certain requirements and restrictions on the transfer an adult-use cannabis
89 establishment license for an independent cannabis consumption lounge.

90 **Sections 22 and 24** of this bill set forth certain requirements and restrictions relating to
91 the operation of a cannabis consumption lounge. **Section 24** prohibits, among other things, the
92 consumption of any cannabis or cannabis product at a cannabis consumption lounge that is not
93 a single-use cannabis product or ready-to-consume cannabis product. **Section 23** of this bill
94 authorizes a cannabis consumption lounge to engage in certain activities. **Section 20** requires
95 the Board to adopt certain regulations concerning the operation of cannabis consumption
96 lounges.

97 **Section 25** of this bill authorizes a retail cannabis consumption lounge to obtain single-
98 use cannabis products from the adult-use cannabis retail store to which the lounge is attached
99 or adjacent and sell such products to customers of the lounge. **Section 25** also authorizes a
100 retail cannabis consumption lounge to prepare and sell ready-to-consume cannabis products.

101 **Section 27** of this bill requires an independent cannabis consumption lounge to enter into
102 a contract with one or more adult-use cannabis retail stores to obtain single-use cannabis
103 products for resale and cannabis or cannabis products for use in the preparation of ready-to-
104 consume cannabis products. **Section 27** authorizes an independent cannabis consumption
105 lounge that has entered into such a contract to: (1) sell single-use cannabis products to
106 customers of the lounge; and (2) prepare and sell ready-to-consume cannabis products to
107 customers of the lounge.

108 Existing law prohibits a board of county commissioners, the governing body of an
109 incorporated city or a town board from licensing or otherwise allowing a person to operate a
110 business that allows cannabis or cannabis products to be consumed on the premises of the
111 business. (NRS 244.335, 268.095, 269.170) Existing law eliminates this prohibition effective
112 July 1, 2021. (Section 246 of chapter 595, Statutes of Nevada 2019, at page 3896) **Sections**
113 **36.7 and 36.9** of this bill remove the prospective elimination of this prohibition. Instead,
114 **sections 30.6-30.9** of this bill prohibit, with certain exceptions, such a local government from
115 licensing or otherwise allowing the operation of a business that allows cannabis or cannabis
116 products to be consumed on the premises of the business, other than a cannabis consumption
117 lounge, in accordance with the provisions of this bill.

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

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

127 **Section 18** of this bill revises provisions of existing law prohibiting the consumption of
128 cannabis and cannabis products in a cannabis establishment for the purpose of authorizing a
129 person to engage in such activities in a cannabis consumption lounge. (NRS 678B.510)

130 Existing law prohibits, in general, the consumption of cannabis or cannabis products in a
131 public place. (NRS 678C.300, 678D.300, 678D.310) **Section 12.9** of this bill authorizes the
132 Board to adopt regulations setting forth circumstances under which a person is authorized to
133 consume cannabis or cannabis products in a public place. **Sections 20.5, 28.5 and 29** of this
134 bill revise provisions of existing law prohibiting a person from consuming cannabis or
135 cannabis products in a public place for the purpose of authorizing a person to engage in such
136 activities in a public place in accordance with the regulations adopted by the Board pursuant
137 to **section 12.9**. **However, section 12.9 also provides that the provisions of section 12.9 do**
138 **not prohibit a local government from adopting and enforcing an ordinance or rule**
139 **governing the consumption of cannabis or cannabis products in a public place which is**
140 **more restrictive than the regulations adopted by the Board.**

141 Existing law prohibits a person from opening or maintaining a place for the purpose of
142 unlawfully selling, giving away or using any controlled substance. (NRS 453.316) **Section 36**
143 of this bill exempts from the application of this provision: (1) a cannabis consumption lounge
144 whose activities are confined to those authorized under the provisions of this bill; and (2) any
145 person who opens or maintains a public place at which a person is authorized to consume
146 cannabis or cannabis products pursuant to regulations adopted by the Board pursuant to
147 **section 12.9** and whose activities are confined to those authorized by such regulations.

148 **Section 36.3** of this bill requires the Board to provide each person who, on July 1, 2021,
149 holds an adult-use cannabis establishment license for an adult-use cannabis retail store a
150 written notification informing the person that the person may be eligible to hold an adult-use
151 cannabis establishment license for a retail cannabis consumption lounge.

152 **Section 36.5** of this bill requires the Board, on or before January 1, 2023, to submit to the
153 Legislature a report containing certain information regarding the effect of certain violations of
154 the Nevada Unfair Trade Practice Act on independent cannabis consumption lounges.

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

NEW section 12.9 of Assembly Bill No. 341 Third Reprint is hereby added as follows:

- 1 *Sec. 12.9. 1. The Board may adopt regulations setting forth*
2 *circumstances under which a person is authorized to consume cannabis or*
3 *cannabis products in a public place.*
- 4 *2. Nothing in this section shall be construed as prohibiting a local*
5 *government from adopting and enforcing an ordinance or rule governing the*
6 *consumption of cannabis or cannabis products in a public place in the*
7 *jurisdiction of the local government which is more restrictive than the regulations*
8 *adopted by the Board pursuant to subsection 1.*