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FIRST REPRINT

A.B. 341

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
- 2 establishments in the cannabis industry in this State by the Cannabis Compliance
- 3 Board. (Title 56 of NRS) Under existing law, a cannabis establishment is prohibited
- 4 from allowing a person to consume cannabis on the property or premises of the
- 5 establishment. (NRS 678B.510) Existing law also makes it a misdemeanor to
- 6 consume cannabis or a cannabis product in a public place, in an adult-use cannabis



7 retail store or in a vehicle. (NRS 678D.310) This bill provides for the licensure and
8 regulation by the Board of certain businesses at which the consumption of certain
9 cannabis and cannabis products is allowed. **Section 2** of this bill designates such
10 businesses generally as “cannabis consumption lounges.”

11 **Sections 3 and 5** of this bill designate two types of cannabis consumption
12 lounges. **Section 5** of this bill defines “retail cannabis consumption lounge” to
13 mean a business at which the consumption of single-use or ready-to-consume
14 cannabis products is allowed and which is attached or immediately adjacent to an
15 adult-use cannabis retail store. **Section 3** of this bill defines “independent cannabis
16 consumption lounge” to mean a business at which the consumption of single-use or
17 ready-to-consume cannabis products is allowed and which is not attached or
18 immediately adjacent to an adult-use cannabis retail store.

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

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

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

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

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



62 lounge for social equity applicants. **Section 16** of this bill makes a conforming
63 change to reflect the addition of the requirements of **section 12**.

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

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

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

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

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

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

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

115 Existing law imposes an excise tax on each retail sale of cannabis or cannabis
116 products by an adult-use cannabis retail store. (NRS 372A.290) **Section 34** of this



117 bill applies this excise tax to retail sales of cannabis and cannabis products by a
118 cannabis consumption lounge. **Sections 31 and 33** of this bill make conforming
119 changes to reflect the imposition of the excise tax on such sales.

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

124 Existing law prohibits a person from opening or maintaining a place for the
125 purpose of unlawfully selling, giving away or using any controlled substance. (NRS
126 453.316) **Section 36** of this bill exempts a cannabis consumption lounge whose
127 activities are confined to those authorized under the provisions of this bill from the
128 application of this provision.

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

133 **Sections 2-5.5 and 9** of this bill define words and terms applicable to the
134 provisions of this bill. **Sections 6 and 32** of this bill make conforming changes to
135 properly place new language in the Nevada Revised Statutes. **Section 35** of this bill
136 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:

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

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

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

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

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

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

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

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

- 24 *1. Is licensed by the Board pursuant to NRS 678B.250;*



1 *2. Is attached or immediately adjacent to an adult-use*
2 *cannabis retail store; and*

3 *3. Allows single-use cannabis products or ready-to-consume*
4 *cannabis products to be consumed on the premises of the business*
5 *by persons 21 years of age or older.*

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

11 **Sec. 6.** NRS 678A.010 is hereby amended to read as follows:
12 678A.010 As used in this title, unless the context otherwise
13 requires, the words and terms defined in NRS 678A.020 to
14 678A.240, inclusive, *and sections 2 to 5.5, inclusive, of this act*
15 have the meanings ascribed to them in those sections.

16 **Sec. 7.** NRS 678A.035 is hereby amended to read as follows:
17 678A.035 “Adult-use cannabis establishment” means:

- 18 1. An adult-use cannabis independent testing laboratory;
- 19 2. An adult-use cannabis cultivation facility;
- 20 3. An adult-use cannabis production facility;
- 21 4. An adult-use cannabis retail store; ~~for~~
- 22 5. An adult-use cannabis distributor ~~for~~;
- 23 *6. A retail cannabis consumption lounge; or*
- 24 *7. An independent cannabis consumption lounge.*

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

28 **Sec. 9.** *“Social equity applicant” means an applicant for the*
29 *issuance or renewal of an adult-use cannabis establishment*
30 *license for an independent cannabis consumption lounge who has*
31 *been adversely affected by provisions of previous laws which*
32 *criminalized activity relating to cannabis, as determined by the*
33 *Board in accordance with the regulations adopted pursuant to*
34 *section 11 of this act. Such adverse effects may include, without*
35 *limitation, adverse effects on an owner or officer of the applicant.*

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

39 *(a) The applicant holds an adult-use cannabis establishment*
40 *license for an adult-use cannabis retail store; and*

41 *(b) The location of the proposed retail cannabis consumption*
42 *lounge is attached or immediately adjacent to the adult-use*
43 *cannabis retail store for which the applicant holds an adult-use*
44 *cannabis establishment license.*



1 2. *The location of a proposed retail cannabis consumption*
2 *lounge is not subject to the restrictions set forth in sub-*
3 *subparagraph (II) of subparagraph (2) of paragraph (a) of*
4 *subsection 3 of NRS 678B.250 and must not be on the property of*
5 *an airport.*

6 **Sec. 11.** 1. *The Board shall adopt regulations establishing*
7 *criteria to be used by the Board for determining whether an*
8 *applicant for the issuance or renewal of an adult-use cannabis*
9 *establishment license for an independent cannabis consumption*
10 *lounge qualifies as a social equity applicant for the purposes of*
11 *this chapter and section 27 of this act.*

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

18 **Sec. 12.** 1. *The Board shall adopt regulations establishing*
19 *criteria of merit and scoring guidelines to be used by the Board in*
20 *evaluating applications for the issuance of an adult-use cannabis*
21 *establishment license for a retail cannabis consumption lounge or*
22 *an independent cannabis consumption lounge pursuant to*
23 *NRS 678B.250.*

24 2. *In determining whether to issue an adult-use cannabis*
25 *establishment license for a retail cannabis consumption lounge or*
26 *an independent cannabis consumption lounge pursuant to NRS*
27 *678B.250, the Board shall, in addition to the factors set forth in*
28 *that section, consider the criteria of merit and scoring guidelines*
29 *established pursuant to subsection 1.*

30 3. *The scoring guidelines established pursuant to subsection*
31 *1 must establish a minimum required score for the issuance of an*
32 *adult-use cannabis establishment license for a retail cannabis*
33 *consumption lounge or an independent cannabis consumption*
34 *lounge.*

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

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

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

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



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

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

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

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

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

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

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

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

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

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

44 *2. The Board may approve a transfer of an adult-use*
45 *cannabis establishment license for a retail cannabis consumption*



1 *lounge or an independent cannabis consumption lounge to a*
2 *person, group of persons or entity that acquires a 100 percent*
3 *ownership interest in a cannabis consumption lounge in a county*
4 *in which the person, group or entity holds another such license, if*
5 *the transfer:*

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

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

9 (1) *Two or more adult-use cannabis establishment licenses*
10 *for a retail cannabis consumption lounge;*

11 (2) *Two or more adult-use cannabis establishment licenses*
12 *for an independent cannabis lounge; or*

13 (3) *Both:*

14 (I) *An adult-use cannabis establishment license for a*
15 *retail cannabis consumption lounge and an adult-use cannabis*
16 *establishment license for an independent cannabis consumption*
17 *lounge; and*

18 (II) *Any additional adult-use cannabis establishment*
19 *license for a retail cannabis consumption lounge or an*
20 *independent cannabis consumption lounge.*

21 3. *A person, group of persons or entity that sells a 100*
22 *percent ownership interest in a cannabis consumption lounge may*
23 *not subsequently apply for an adult-use cannabis establishment*
24 *license for a retail cannabis consumption lounge or an*
25 *independent cannabis consumption lounge for the county in*
26 *which the ownership interest was sold.*

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

28 678B.020 As used in this chapter, unless the context otherwise
29 requires, the words and terms defined in NRS 678B.030 to
30 678B.070, inclusive, *and section 9 of this act* have the meanings
31 ascribed to them in those sections.

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

34 678B.210 1. A person shall not engage in the business of a
35 medical cannabis establishment unless the person holds a medical
36 cannabis establishment license issued by the Board pursuant to this
37 section.

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

41 3. Except as otherwise provided in NRS 678B.220, 678B.230
42 and 678B.240, not later than 90 days after receiving an application
43 to engage in the business of a medical cannabis establishment, the
44 Board shall register the medical cannabis establishment and issue a



1 medical cannabis establishment license and a random 20-digit
2 alphanumeric identification number if:

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

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

7 (2) An application, which must include:

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

10 (II) The physical address where the proposed medical
11 cannabis establishment will be located and the physical address of
12 any co-owned additional or otherwise associated medical cannabis
13 establishments, the locations of which may not be *on the property*
14 *of an airport*, within 1,000 feet of a public or private school that
15 provides formal education traditionally associated with preschool or
16 kindergarten through grade 12 and that existed on the date on which
17 the application for the proposed medical cannabis establishment was
18 submitted to the Board, within 300 feet of a community facility that
19 existed on the date on which the application for the proposed
20 medical cannabis establishment was submitted to the Board or, if the
21 proposed medical cannabis establishment will be located in a county
22 whose population is 100,000 or more, within 1,500 feet of an
23 establishment that holds a nonrestricted gaming license described in
24 subsection 1 or 2 of NRS 463.0177 and that existed on the date on
25 which the application for the proposed medical cannabis
26 establishment was submitted to the Board;

27 (III) Evidence that the applicant controls not less than
28 \$250,000 in liquid assets to cover the initial expenses of opening the
29 proposed medical cannabis establishment and complying with the
30 provisions of this title;

31 (IV) Evidence that the applicant owns the property on
32 which the proposed medical cannabis establishment will be located
33 or has the written permission of the property owner to operate the
34 proposed medical cannabis establishment on that property;

35 (V) For the applicant and each person who is proposed to
36 be an owner, officer or board member of the proposed medical
37 cannabis establishment, a complete set of the person's fingerprints
38 and written permission of the person authorizing the Board to
39 forward the fingerprints to the Central Repository for Nevada
40 Records of Criminal History for submission to the Federal Bureau
41 of Investigation for its report; and

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



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

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

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

8 (4) If the proposed medical cannabis establishment will sell
9 or deliver medical cannabis products, proposed operating
10 procedures for handling such products which must be preapproved
11 by the Board;

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

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

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

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

25 (1) Served as an owner, officer or board member for a
26 cannabis establishment that has had its medical cannabis
27 establishment license or adult-use cannabis establishment license
28 revoked;

29 (2) Previously had a cannabis establishment agent
30 registration card revoked; or

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

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

36 4. For each person who submits an application pursuant to this
37 section, and each person who is proposed to be an owner, officer or
38 board member of a proposed medical cannabis establishment, the
39 Board shall submit the fingerprints of the person to the Central
40 Repository for Nevada Records of Criminal History for submission
41 to the Federal Bureau of Investigation to determine the criminal
42 history of that person.

43 5. Except as otherwise provided in subsection 6, if an
44 application for registration as a medical cannabis establishment
45 satisfies the requirements of this section, is qualified in the



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

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

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

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

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

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

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

20 (b) A public park.

21 (c) A playground.

22 (d) A public swimming pool.

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

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

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

29 678B.250 1. A person shall not engage in the business of an
30 adult-use cannabis establishment unless the person holds an adult-
31 use cannabis establishment license issued pursuant to this section.

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

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

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

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

43 (2) An application, which must include:

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



1 (II) The physical address where the proposed adult-use
2 cannabis establishment will be located and the physical address of
3 any co-owned additional or otherwise associated adult-use cannabis
4 establishments, the locations of which may not be *on the property*
5 *of an airport*, within 1,000 feet of a public or private school that
6 provides formal education traditionally associated with preschool or
7 kindergarten through grade 12 and that existed on the date on which
8 the application for the proposed adult-use cannabis establishment
9 was submitted to the Board, within 300 feet of a community facility
10 that existed on the date on which the application for the proposed
11 adult-use cannabis establishment was submitted to the Board or, if
12 the proposed adult-use cannabis establishment will be located in a
13 county whose population is 100,000 or more, within 1,500 feet of an
14 establishment that holds a nonrestricted gaming license described in
15 subsection 1 or 2 of NRS 463.0177 and that existed on the date on
16 which the application for the proposed adult-use cannabis
17 establishment was submitted to the Board;

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

22 (IV) Evidence that the applicant owns the property on
23 which the proposed adult-use cannabis establishment will be located
24 or has the written permission of the property owner to operate the
25 proposed adult-use cannabis establishment on that property;

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

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

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

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

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

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



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

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

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

9 (1) Served as an owner, officer or board member for a
10 cannabis establishment that has had its adult-use cannabis
11 establishment license or medical cannabis establishment license
12 revoked;

13 (2) Previously had a cannabis establishment agent
14 registration card revoked; or

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

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

20 4. For each person who submits an application pursuant to this
21 section, and each person who is proposed to be an owner, officer or
22 board member of a proposed adult-use cannabis establishment, the
23 Board shall submit the fingerprints of the person to the Central
24 Repository for Nevada Records of Criminal History for submission
25 to the Federal Bureau of Investigation to determine the criminal
26 history of that person.

27 5. Except as otherwise provided in subsection 6, if an applicant
28 for licensure to operate an adult-use cannabis establishment satisfies
29 the requirements of this section, is qualified in the determination of
30 the Board pursuant to NRS 678B.200 and is not disqualified from
31 being licensed pursuant to this section or other applicable law, the
32 Board shall issue to the applicant an adult-use cannabis
33 establishment license. An adult-use cannabis establishment license
34 expires 1 year after the date of issuance and may be renewed upon:

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

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

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

42 7. For the purposes of sub-subparagraph (II) of subparagraph
43 (2) of paragraph (a) of subsection 3, the distance must be measured
44 from the front door of the proposed adult-use cannabis



1 establishment to the closest point of the property line of a school,
2 community facility or gaming establishment.

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

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

5 (b) A public park.

6 (c) A playground.

7 (d) A public swimming pool.

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

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

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

14 678B.270 ~~1.~~ Except as otherwise provided in ~~[subsection 2,]~~
15 *this section*, to prevent monopolistic practices, the Board shall
16 ensure, in a county whose population is 100,000 or more, that it
17 does not issue, to any one person, group of persons or entity, the
18 greater of:

19 ~~[1.]~~ (a) One adult-use cannabis establishment license; or

20 ~~[2.]~~ (b) More than 10 percent of the adult-use cannabis
21 establishment licenses otherwise allocable in the county.

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

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

26 678B.280 1. In determining whether to issue an adult-use
27 cannabis establishment license pursuant to NRS 678B.250, *other*
28 *than an adult-use cannabis establishment license for a retail*
29 *cannabis consumption lounge or an independent cannabis*
30 *consumption lounge*, the Board shall, in addition to the factors set
31 forth in that section, consider criteria of merit established by
32 regulation of the Board. Such criteria must include, without
33 limitation:

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

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



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

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

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

9 (f) The diversity on the basis of race, ethnicity or gender of the
10 applicant or the persons who are proposed to be owners, officers or
11 board members of the proposed adult-use cannabis establishment,
12 including, without limitation, the inclusion of persons of
13 backgrounds which are disproportionately underrepresented as
14 owners, officers or board members of adult-use cannabis
15 establishments; and

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

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

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

23 678B.380 1. Except as otherwise provided by regulations
24 adopted by the Board pursuant to subsection 2, the following are
25 nontransferable:

26 (a) A cannabis establishment agent registration card.

27 (b) A cannabis establishment agent registration card for a
28 cannabis executive.

29 (c) A medical cannabis establishment license.

30 (d) An adult-use cannabis establishment license.

31 2. The Board shall adopt regulations which prescribe
32 procedures and requirements by which a holder of a license ,
33 *including, without limitation, the holder of an adult-use cannabis*
34 *establishment license for an independent cannabis consumption*
35 *lounge who is a social equity applicant*, may transfer the license to
36 another party who is qualified to hold such a license pursuant to the
37 provisions of this chapter.

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

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

43 (b) *Require the holder of an adult-use cannabis establishment*
44 *license for an independent cannabis consumption lounge who is a*
45 *social equity applicant and who wishes to cease operations before*



1 *the holder has held the license for at least 3 years to surrender the*
2 *license to the Board; and*

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

6 **Sec. 17.** NRS 678B.390 is hereby amended to read as follows:
7 678B.390 1. Except as otherwise provided in subsection ~~[2.]~~
8 **3,** the Board shall collect not more than the following maximum
9 fees:

10		
11	For the initial issuance of a medical cannabis	
12	establishment license for a medical cannabis	
13	dispensary.....	\$30,000
14	For the renewal of a medical cannabis	
15	establishment license for a medical cannabis	
16	dispensary.....	5,000
17	For the initial issuance of a medical cannabis	
18	establishment license for a medical cannabis	
19	cultivation facility	3,000
20	For the renewal of a medical cannabis	
21	establishment license for a medical cannabis	
22	cultivation facility	1,000
23	For the initial issuance of a medical cannabis	
24	establishment license for a medical cannabis	
25	production facility	3,000
26	For the renewal of a medical cannabis	
27	establishment license for a medical cannabis	
28	production facility	1,000
29	For the initial issuance of a medical cannabis	
30	establishment license for a medical cannabis	
31	independent testing laboratory	5,000
32	For the renewal of a medical cannabis	
33	establishment license for a medical cannabis	
34	independent testing laboratory	3,000
35	For the initial issuance of an adult-use cannabis	
36	establishment license for an adult-use	
37	cannabis retail store.....	20,000
38	For the renewal of an adult-use cannabis	
39	establishment license for an adult-use	
40	cannabis retail store.....	6,600
41	For the initial issuance of an adult-use cannabis	
42	establishment license for an adult-use	
43	cannabis cultivation facility	30,000



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



1 For the renewal of an adult-use cannabis
 2 establishment license for an adult-use
 3 cannabis distributor \$5,000
 4 For each person identified in an application for
 5 the initial issuance of a cannabis
 6 establishment agent registration card 150
 7 For each person identified in an application for
 8 the renewal of a cannabis establishment agent
 9 registration card..... 150
 10

11 2. ~~HB~~ *The Board may by regulation establish reduced fees*
 12 *for:*

13 (a) *The initial issuance and renewal of an adult-use cannabis*
 14 *establishment license for an independent cannabis consumption*
 15 *lounge;*

16 (b) *An endorsement to an adult-use cannabis establishment*
 17 *license for an independent cannabis consumption lounge to*
 18 *engage in the sale of single-use cannabis products and ready-to-*
 19 *consume cannabis products; and*

20 (c) *The application fee set forth in subsection 3,*
 21 *↪ for a social equity applicant. Such a reduction must not reduce*
 22 *the fee paid by a social equity applicant by more than 75 percent*
 23 *of the fee paid by an applicant who is not a social equity applicant.*

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

28 (a) A one-time, nonrefundable application fee of \$5,000; and

29 (b) The actual costs incurred by the Board in processing the
 30 application, including, without limitation, conducting background
 31 checks.

32 ~~3-~~ 4. Any revenue generated from the fees imposed pursuant
 33 to this section:

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

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

40 **Sec. 18.** NRS 678B.510 is hereby amended to read as follows:
 41 678B.510 1. The operating documents of a cannabis
 42 establishment must include procedures:

43 (a) For the oversight of the cannabis establishment; and

44 (b) To ensure accurate recordkeeping.



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

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

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

11 ➤ The provisions of this subsection do not supersede any state or
12 local requirements relating to minimum numbers of points of entry
13 or exit, or any state or local requirements relating to fire safety.

14 3. Except as otherwise provided in NRS 678D.400, all
15 cultivation or production of cannabis that a cannabis cultivation
16 facility carries out or causes to be carried out must take place in an
17 enclosed, locked facility at the physical address provided to the
18 Board during the licensing process for the cannabis cultivation
19 facility. Such an enclosed, locked facility must be accessible only by
20 cannabis establishment agents who are lawfully associated with the
21 cannabis cultivation facility, except that limited access by persons
22 necessary to perform construction or repairs or provide other labor
23 is permissible if such persons are supervised by a cannabis
24 establishment agent.

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

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

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

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

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

39 7. A cannabis establishment shall not dispense or otherwise sell
40 cannabis or cannabis products from a vending machine or allow
41 such a vending machine to be installed at the interior or exterior of
42 the premises of the cannabis establishment. As used in this
43 subsection, "vending machine" has the meaning ascribed to it in
44 NRS 209.229.



1 **Sec. 19.** NRS 678B.520 is hereby amended to read as follows:
2 678B.520 1. Each cannabis establishment shall, in
3 consultation with the Board, cooperate to ensure that all cannabis
4 products offered for sale:

5 (a) Are labeled clearly and unambiguously:

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

9 (2) As required by the provisions of this chapter and chapters
10 678C and 678D of NRS.

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

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

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

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

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

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

28 2. A cannabis production facility shall not produce cannabis
29 products in any form that:

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

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

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

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

39 3. A cannabis production facility shall:

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

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

45 (1) The words “Keep out of reach of children”;



- 1 (2) A list of all ingredients used in the cannabis product;
- 2 (3) A list of all allergens in the cannabis product; and
- 3 (4) The total content of THC measured in milligrams.

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

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

10 (e) Package all cannabis products produced by the cannabis
11 production facility on the premises of the cannabis production
12 facility.

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

17 5. Each cannabis sales facility shall offer for sale containers for
18 the storage of cannabis and cannabis products which lock and are
19 designed to prohibit children from unlocking and opening the
20 container.

21 6. A cannabis sales facility shall:

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

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

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

28 (3) That allowing children to ingest cannabis or cannabis
29 products or storing cannabis or cannabis products in a location
30 which is accessible to children may result in an investigation by an
31 agency which provides child welfare services or criminal
32 prosecution for child abuse or neglect;

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

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

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

44 (7) That cannabis or cannabis products can impair
45 concentration, coordination and judgment and a person should not



1 operate a motor vehicle while under the influence of cannabis or
2 cannabis products; and

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

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

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

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

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

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

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

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

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

28 11. A cannabis establishment:

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

31 (1) Is false or misleading;

32 (2) Promotes overconsumption of cannabis or cannabis
33 products;

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

36 (4) Depicts a child or other person who is less than 21 years
37 of age consuming cannabis or cannabis products or objects
38 suggesting the presence of a child, including, without limitation,
39 toys, characters or cartoons, or contains any other depiction which is
40 designed in any manner to be appealing to or encourage
41 consumption of cannabis or cannabis products by a person who is
42 less than 21 years of age.

43 (b) Shall not advertise in any publication or on radio, television
44 or any other medium if 30 percent or more of the audience of that



1 medium is reasonably expected to be persons who are less than 21
2 years of age.

3 (c) Shall not place an advertisement:

4 (1) Within 1,000 feet of a public or private school,
5 playground, public park or library, but may maintain such an
6 advertisement if it was initially placed before the school,
7 playground, public park or library was located within 1,000 feet of
8 the location of the advertisement;

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

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

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

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

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

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

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

23 12. Nothing in subsection 11 shall be construed to prohibit a
24 local government, pursuant to chapter 244, 268 or 278 of NRS, from
25 adopting an ordinance for the regulation of advertising relating to
26 cannabis which is more restrictive than the provisions of subsection
27 11 relating to:

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

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

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

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

39 13. If a cannabis establishment engages in advertising for
40 which it is required to determine the percentage of persons who are
41 less than 21 years of age and who may reasonably be expected to
42 view or hear the advertisement, the cannabis establishment shall
43 maintain documentation for not less than 5 years after the date on
44 which the advertisement is first broadcasted, published or otherwise
45 displayed that demonstrates the manner in which the cannabis



1 establishment determined the reasonably expected age of the
2 audience for that advertisement.

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

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

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

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

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

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

19 ~~15.1~~ 16. As used in this section, "motor vehicle used for
20 public transportation" does not include a taxicab, as defined in
21 NRS 706.124.

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

23 678B.650 The Board shall adopt such regulations as it
24 determines to be necessary or advisable to carry out the provisions
25 of this chapter. Such regulations are in addition to any requirements
26 set forth in statute and must, without limitation:

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

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

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

35 (a) The manner of protecting against diversion and theft without
36 imposing an undue burden on cannabis establishments or
37 compromising the confidentiality of consumers and holders of
38 registry identification cards and letters of approval, as those terms
39 are defined in NRS 678C.080 and 678C.070, respectively;

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

42 (c) Minimum requirements for the keeping of records by
43 cannabis establishments;

44 (d) Provisions for the security of cannabis establishments,
45 including without limitation, requirements for the protection by a



1 fully operational security alarm system of each cannabis
2 establishment; and

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

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

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

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

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

27 8. Determine whether any provision of this chapter or chapter
28 678C or 678D of NRS would make the operation of a cannabis
29 establishment by a dual licensee unreasonably impracticable; ~~and~~

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

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

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

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

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



1 **10.** Address such other matters as the Board deems necessary
2 to carry out the provisions of this title.

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

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

7 (a) *Require any single-use cannabis product brought into the*
8 *cannabis consumption lounge by a customer to be contained in the*
9 *sealed, opaque packaging in which the single-use cannabis*
10 *product was originally sold;*

11 (b) *Require a person who wishes to bring single-use cannabis*
12 *products into the cannabis consumption lounge to, before entry,*
13 *submit each single-use cannabis product to an employee for*
14 *inspection to ensure that:*

15 (1) *The single-use cannabis product satisfies the*
16 *requirements of this subsection; and*

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

20 (c) *Install a ventilation and exhaust system which is capable of*
21 *sufficiently expelling odors generated in the cannabis*
22 *consumption lounge, reducing volatile organic compounds and*
23 *maintaining the standards for air quality in the cannabis*
24 *consumption lounge as set forth by regulation of the Board;*

25 (d) *Train each employee of the cannabis consumption lounge*
26 *concerning paraphernalia, single-use cannabis products and*
27 *ready-to-consume cannabis products, including, without*
28 *limitation, the proper use of paraphernalia, the potency,*
29 *absorption time and effects of single-use cannabis and products*
30 *and ready-to-consume cannabis products, the recognition of*
31 *impairment from and overconsumption of cannabis and the safe*
32 *handling of a customer who is impaired;*

33 (e) *Submit a security plan to the Board which, without*
34 *limitation, provides for adequate security and lighting at the*
35 *cannabis consumption lounge and for each entrance and exit of*
36 *the cannabis consumption lounge to be adequately secured, and*
37 *submit to the Board such updates to the plan as the Board may*
38 *require;*

39 (f) *Submit a plan to the Board setting forth protocols and*
40 *procedures to deter customers from driving under the influence of*
41 *cannabis, and submit to the Board such updates to the plan as the*
42 *Board may require;*

43 (g) *Submit a plan to the Board setting forth protocols and*
44 *procedures to ensure that cannabis and cannabis products are not*
45 *sold or otherwise distributed in the cannabis consumption lounge*



1 *other than as authorized in this chapter, and submit to the Board*
2 *such updates to the plan as the Board may require;*

3 *(h) Dispose of cannabis or cannabis products which are left at*
4 *the cannabis consumption lounge in accordance with the*
5 *procedures for disposal set forth by the regulations of the Board;*

6 *(i) Comply with all local ordinances and rules pertaining to*
7 *zoning, land use and signage; and*

8 *(j) Comply with any requirements set forth by regulation of the*
9 *Board.*

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

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

13 *1. Sell food and beverages to customers of the cannabis*
14 *consumption lounge;*

15 *2. Sell any other item which does not contain cannabis or*
16 *cannabis products and is not intended for use with cannabis or*
17 *cannabis products to customers of the cannabis consumption*
18 *lounge; and*

19 *3. Provide live entertainment at the cannabis consumption*
20 *lounge.*

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

22 *1. The consumption of cannabis or cannabis products at any*
23 *place which is within view of a public place;*

24 *2. The entry of any person who is less than 21 years of age to*
25 *the cannabis consumption lounge;*

26 *3. The consumption of any cannabis or cannabis product in*
27 *the cannabis consumption lounge that is not a single-use cannabis*
28 *product or ready-to-consume cannabis product; or*

29 *4. A single-use cannabis product or ready-to-consume*
30 *cannabis product that was purchased at the cannabis consumption*
31 *lounge to be removed from the premises of the cannabis*
32 *consumption lounge.*

33 **Sec. 25.** *1. A retail cannabis consumption lounge may:*

34 *(a) Obtain from the adult-use cannabis retail store to which*
35 *the retail cannabis consumption lounge is attached or immediately*
36 *adjacent:*

37 *(1) Single-use cannabis products for the purposes of resale;*
38 *and*

39 *(2) Cannabis or cannabis products for the purposes of*
40 *producing ready-to-consume cannabis products;*

41 *(b) Sell single-use cannabis products obtained pursuant to*
42 *paragraph (a) to customers of the retail cannabis consumption*
43 *lounge; and*



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

4 2. A retail cannabis consumption lounge shall ensure that
5 only single-use cannabis products or ready-to-consume cannabis
6 products that were purchased from the retail cannabis
7 consumption lounge are consumed in the lounge.

8 **Sec. 26. 1.** An independent cannabis consumption lounge
9 shall allow single-use cannabis products sold by an adult-use
10 cannabis retail store to be delivered to a customer in the
11 independent cannabis consumption lounge. Such a delivery must
12 comply with the applicable requirements for the delivery of
13 cannabis or cannabis products to a consumer set forth in this title
14 and any other requirements the Board may establish by
15 regulation.

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

19 **Sec. 27. 1.** If an independent cannabis consumption lounge
20 wishes to sell single-use cannabis products or ready-to-consume
21 cannabis products to customers of the lounge, the independent
22 cannabis consumption lounge must submit to the Board a request
23 for an endorsement to the license of the independent cannabis
24 consumption lounge to engage in such activities. Such a request
25 must be accompanied by the fee set forth in NRS 678B.390 and
26 include any information the Board may by regulation require.

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

29 (a) Enter into a contract with one or more adult-use cannabis
30 retail stores to sell to the independent cannabis consumption
31 lounge:

32 (1) Single-use cannabis products for the purpose of resale;
33 and

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

36 (b) Sell single-use cannabis products obtained pursuant to
37 paragraph (a) to customers of the independent cannabis
38 consumption lounge; and

39 (c) Prepare ready-to-consume cannabis products using
40 cannabis and cannabis products obtained pursuant to paragraph
41 (a) and sell such products to customers of the independent
42 cannabis consumption lounge.

43 3. The Board shall adopt regulations governing the manner
44 in which the Board will accept and evaluate requests submitted



1 *pursuant to subsection 1. The regulations must prescribe, without*
2 *limitation:*

3 (a) *The required contents of such a request;*

4 (b) *Procedures for the submission and evaluation of such a*
5 *request; and*

6 (c) *The criteria by which the Board will evaluate such a*
7 *request, which may include, without limitation:*

8 (1) *Whether the requestor holds an additional adult-use*
9 *cannabis establishment license for another type of cannabis*
10 *establishment;*

11 (2) *Whether the requestor is a social equity applicant; and*

12 (3) *Whether the requestor has previously been subject to*
13 *disciplinary action by the Board.*

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

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

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

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

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

33 5. *Set forth any other requirements concerning the*
34 *preparation of ready-to-consume cannabis products and sale of*
35 *single-use cannabis products and ready-to-consume cannabis*
36 *products that the Board determines are 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
39 of NRS, any person shall not:

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



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

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

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

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

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

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

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

14 3. ~~1A~~ *Except as otherwise provided in subsection 9, a* person
15 who smokes or otherwise consumes cannabis or a cannabis product
16 in a public place, in an adult-use cannabis retail store or in a vehicle
17 is guilty of a misdemeanor punished by a fine of not more than
18 \$600.

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

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

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

33 7. A person who knowingly gives cannabis or a cannabis
34 product to any person under 21 years of age or who knowingly
35 leaves or deposits any cannabis or cannabis product in any place
36 with the intent that it will be procured by any person under 21 years
37 of age is guilty of a misdemeanor.

38 8. A person who knowingly gives cannabis to any person under
39 18 years of age or who knowingly leaves or deposits any cannabis in
40 any place with the intent that it will be procured by any person
41 under 18 years of age is guilty of a gross misdemeanor.

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



1 **Sec. 30.** NRS 678D.420 is hereby amended to read as follows:
2 678D.420 1. An adult-use edible cannabis product or an

3 adult-use cannabis-infused product must be labeled in a manner
4 which indicates the number of servings of THC in the product,
5 measured in servings of a maximum of 10 milligrams per serving.

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

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

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

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

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

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

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

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

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

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

33 **1. *A person who serves, sells or otherwise furnishes cannabis***
34 ***or a cannabis product to another person who is 21 years of age or***
35 ***older is not liable in a civil action for any damages caused by the***
36 ***person to whom the cannabis or cannabis product was served, sold***
37 ***or furnished as a result of the consumption of the cannabis or***
38 ***cannabis product.***

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

40 **(a) *Knowingly serves, sells or otherwise furnishes cannabis or***
41 ***a cannabis product to an underage person; or***

42 **(b) *Knowingly allows an underage person to consume***
43 ***cannabis or a cannabis product on premises or in a conveyance***
44 ***belonging to the person or over which the person has control,***



1 *↪ is liable in a civil action for any damages caused by the*
2 *underage person as a result of the consumption of the cannabis or*
3 *cannabis product.*

4 3. *The liability created pursuant to subsection 2 does not*
5 *apply to a person who is licensed to serve, sell or furnish cannabis*
6 *or cannabis products or to a person who is an employee or agent*
7 *of such a person for any act or failure to act that occurs during*
8 *the course of business or employment and any such act or failure*
9 *to act may not be used to establish proximate cause in a civil*
10 *action and does not constitute negligence per se.*

11 4. *A person who prevails in an action brought pursuant to*
12 *subsection 2 may recover the person's actual damages, attorney's*
13 *fees and costs and any punitive damages that the facts may*
14 *warrant.*

15 5. *As used in this section:*

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

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

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

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

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

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

27 372A.200 As used in NRS 372A.200 to 372A.380, inclusive,
28 *and section 31 of this act*, unless the context otherwise requires, the
29 words and terms defined in NRS 372A.205 to 372A.250, inclusive,
30 *and section 31 of this act* have the meanings ascribed to them in
31 those sections.

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

33 372A.250 "Taxpayer" means a:

- 34 1. Cannabis cultivation facility; ~~☒~~
- 35 2. Adult-use cannabis retail store ~~☒~~; *or*
- 36 3. *Cannabis consumption lounge.*

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

38 372A.290 1. An excise tax is hereby imposed on each
39 wholesale sale in this State of cannabis by a medical cannabis
40 cultivation facility to another cannabis establishment at the rate of
41 15 percent of the fair market value at wholesale of the cannabis. The
42 excise tax imposed pursuant to this subsection is the obligation of
43 the medical cannabis cultivation facility.

44 2. An excise tax is hereby imposed on each wholesale sale in
45 this State of cannabis by an adult-use cannabis cultivation facility to



1 another cannabis establishment at the rate of 15 percent of the fair
2 market value at wholesale of the cannabis. The excise tax imposed
3 pursuant to this subsection is the obligation of the adult-use
4 cannabis cultivation facility.

5 3. An excise tax is hereby imposed on each retail sale in this
6 State of cannabis or cannabis products by an adult-use cannabis
7 retail store *or cannabis consumption lounge* at the rate of 10
8 percent of the sales price of the cannabis or cannabis products. The
9 excise tax imposed pursuant to this subsection:

10 (a) Is the obligation of the ~~[adult-use cannabis retail store.]~~ *seller*
11 *of the cannabis or cannabis product;*

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

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

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

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

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

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

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

33 6. For the purpose of subsections 4 and 5, a total amount of
34 \$5,000,000 of the revenues collected from the excise tax imposed
35 pursuant to subsection 1 and the excise tax imposed pursuant to
36 subsection 2 in each fiscal year shall be deemed sufficient to pay the
37 costs of all local governments to carry out the provisions of chapters
38 678C and 678D of NRS. The Board shall, by regulation, determine
39 the manner in which local governments may be reimbursed for the
40 costs of carrying out the provisions of chapters 678C and 678D of
41 NRS.

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

45 8. As used in this section:



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

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

5 ~~(c)~~ “Cannabis product” has the meaning ascribed to it in
6 NRS 678A120.

7 ~~(d)~~ (c) “Local government” has the meaning ascribed to it in
8 NRS 360.640.

9 ~~(e)~~ (d) “Medical cannabis cultivation facility” has the meaning
10 ascribed to it in NRS 678A.170.

11 ~~(f)~~ (e) “Medical cannabis establishment” has the meaning
12 ascribed to it in NRS 678A.180.

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

14 387.1212 1. The State Education Fund is hereby created as a
15 special revenue fund to be administered by the Superintendent of
16 Public Instruction for the purpose of supporting the operation of the
17 public schools in this State. The interest and income earned on the
18 money in the Fund, after deducting any applicable charges, must be
19 credited to the Fund.

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

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

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

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

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

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

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

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

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

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

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



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

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

6 (m) The money identified in paragraph (b) of subsection ~~3~~ 4 of
7 NRS 678B.390;

8 (n) The portion of the proceeds of the excise tax imposed
9 pursuant to subsection 1 of NRS 463.385 identified in paragraph (c)
10 of subsection 5 of NRS 463.385;

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

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

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

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

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

21 3. In addition to money from any other source provided by law,
22 support for the State Education Fund must be provided by direct
23 legislative appropriation from the State General Fund in an amount
24 determined by the Legislature to be sufficient to fund the operation
25 of the public schools in this State for kindergarten through grade 12
26 for the next ensuing biennium for the population reasonably
27 estimated for that biennium. Money in the State Education Fund
28 does not revert to the State General Fund at the end of a fiscal year,
29 and the balance in the State Education Fund must be carried forward
30 to the next fiscal year.

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

33 5. The Superintendent of Public Instruction may create one or
34 more accounts in the State Education Fund for the purpose of
35 administering any money received from the Federal Government for
36 the support of education and any State money required to be
37 administered separately to satisfy any requirement imposed by the
38 Federal Government. The money in any such account must not be
39 considered when calculating the statewide base per pupil funding
40 amount or appropriating money from the State Education Fund
41 pursuant to NRS 387.1214. The interest and income earned on the
42 money in any such account, after deducting any applicable charges,
43 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
3 the purpose of unlawfully selling, giving away or using any
4 controlled substance is guilty of a category C felony and shall be
5 punished as provided in NRS 193.130.

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

16 3. This section does not apply to **[any]** :

17 **(a)** Any rehabilitation clinic established or licensed by the
18 Division of Public and Behavioral Health of the Department.

19 **(b)** *Any cannabis consumption lounge, as defined in section 2*
20 *of this act, whose activities are confined to those authorized in title*
21 *56 of NRS.*

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

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

