

Amendment No. 834

Senate Amendment to Assembly Bill No. 341 Second Reprint (BDR 56-583)
<b>Proposed by:</b> Senate Committee on Finance
<b>Amends:</b> Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 341 R2 (§§ 17, 34).
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ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

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

SJQ/AAK



Date: 5/30/2021

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





ASSEMBLY BILL NO. 341—ASSEMBLYMAN YEAGER

MARCH 19, 2021

Referred to Committee on Judiciary

SUMMARY—~~[Provides for the licensure and regulation of]~~ **Revises provisions relating to** 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]~~ **certain persons** from certain provisions prohibiting a person from maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

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

15 consumption of single-use or ready-to-consume cannabis products is allowed and which is not  
16 attached or immediately adjacent to an adult-use cannabis retail store.

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

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

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

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

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

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

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

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

~~[Section 17.5 of this bill prohibits a local government from adopting or enforcing any ordinance or rule pertaining to zoning or land use which imposes restrictions on retail cannabis consumption lounges, unless such restrictions also apply to adult-use cannabis retail stores. Section 30.3 of this bill makes a conforming change to reflect the addition of the provisions of section 17.5.]~~

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

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

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

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

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

Existing law imposes an excise tax on each retail sale of cannabis or cannabis products by an adult-use cannabis retail store. (NRS 372A.290) **Section 34** of this bill applies this excise tax to retail sales of cannabis and cannabis products by a cannabis consumption lounge.

131 **Sections 31 and 33** of this bill make conforming changes to reflect the imposition of the  
 132 excise tax on such sales.

133 ~~{Sections}~~ **Section 18** ~~{and 29}~~ of this bill ~~{revise}~~ **revises** provisions of existing law  
 134 prohibiting the consumption of cannabis and cannabis products ~~{in a public place or}~~ in a  
 135 cannabis establishment for the purpose of authorizing a person to engage in such activities in a  
 136 cannabis consumption lounge. (NRS ~~{678B.510, 678D.310}~~) **678B.510**

137 **Existing law prohibits, in general, the consumption of cannabis or cannabis**  
 138 **products in a public place. (NRS 678C.300, 678D.300, 678D.310) Section 12.9 of this bill**  
 139 **authorizes the Board to adopt regulations setting forth circumstances under which a**  
 140 **person is authorized to consume cannabis or cannabis products in a public place.**  
 141 **Sections 20.5, 28.5 and 29 of this bill revise provisions of existing law prohibiting a**  
 142 **person from consuming cannabis or cannabis products in a public place for the purpose**  
 143 **of authorizing a person to engage in such activities in a public place in accordance with**  
 144 **the regulations adopted by the Board pursuant to section 12.9.**

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

153 **Section 36.3** of this bill ~~{authorizes a}~~ **requires the Board to provide each** person who,  
 154 on ~~{October}~~ **July 1, 2021**, holds an adult-use cannabis establishment license for an adult-use  
 155 cannabis retail store ~~{to submit to the Board an application for the issuance of}~~ **a written**  
 156 **notification informing the person that the person may be eligible to hold** an adult-use  
 157 cannabis establishment license for a retail cannabis consumption lounge. ~~{Section 36.3~~  
 158 ~~prohibits the Board from issuing such a license to such an applicant, unless the applicant has~~  
 159 ~~satisfied all applicable requirements for the issuance of the license.}~~

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

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

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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 adding thereto the  
 2 provisions set forth as sections 2 to 5.5, inclusive, of this act.

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

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

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

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

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

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

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

- 6 *1. Is licensed by the Board pursuant to NRS 678B.250;*
- 7 *2. Is attached or immediately adjacent to an adult-use cannabis retail store;*

8 *and*

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

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

16 **Sec. 6.** NRS 678A.010 is hereby amended to read as follows:

17 678A.010 As used in this title, unless the context otherwise requires, the  
18 words and terms defined in NRS 678A.020 to 678A.240, inclusive, *and sections 2*  
19 *to 5.5, inclusive, of this act* have the meanings ascribed to them in those sections.

20 **Sec. 7.** NRS 678A.035 is hereby amended to read as follows:

21 678A.035 “Adult-use cannabis establishment” means:

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

29 **Sec. 8.** Chapter 678B of NRS is hereby amended by adding thereto the  
30 provisions set forth as sections 9 to ~~12.7, 12.9~~, inclusive, of this act.

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

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

41 *(a) The applicant holds an adult-use cannabis establishment license for an*  
42 *adult-use cannabis retail store; ~~and~~*

43 *(b) The adult-use cannabis retail store for which the applicant holds an*  
44 *adult-use cannabis establishment license is operational; and*

45 *(c) The location of the proposed retail cannabis consumption lounge is*  
46 *attached or immediately adjacent to the adult-use cannabis retail store for which*  
47 *the applicant holds an adult-use cannabis establishment license.*

48 2. *The location of a proposed retail cannabis consumption lounge:*

49 *(a) Except as otherwise provided in paragraph (b), is not subject to the*  
50 *restrictions set forth in sub-subparagraph (II) of subparagraph (2) of paragraph*  
51 *(a) of subsection 3 of NRS 678B.250 so long as the adult-use cannabis retail store*  
52 *to which the proposed retail cannabis consumption lounge is to be attached or*

1 immediately adjacent was in compliance with such requirements at the time it  
2 was issued an adult-use cannabis establishment license; and

3 (b) Must not be on the property of an airport.

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

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

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

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

24 3. The scoring guidelines established pursuant to subsection 1 must  
25 establish a minimum required score for the issuance of an adult-use cannabis  
26 establishment license for a retail cannabis consumption lounge or an  
27 independent cannabis consumption lounge.

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

30 (a) For a proposed independent cannabis consumption lounge:

31 (1) The diversity on the basis of race, ethnicity or gender of the applicant  
32 or the persons who are proposed to be owners or officers of the proposed  
33 independent cannabis consumption lounge; and

34 (2) Whether the applicant qualifies as a social equity applicant; and

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

36 **Sec. 12.3.** The Board shall not issue to any one person ~~or group of persons~~  
37 ~~or entity~~ both an adult-use cannabis establishment license for an adult-use  
38 cannabis retail store and an adult-use cannabis establishment license for an  
39 independent cannabis consumption lounge.

40 **Sec. 12.4. 1.** Except as otherwise provided in subsection 2, the Board  
41 shall not issue more than 20 adult-use cannabis establishment licenses for an  
42 independent cannabis consumption lounge.

43 2. If, on or before June 30, 2022, the Board issues 20 adult-use cannabis  
44 establishment licenses for an independent cannabis consumption lounge, the  
45 Board may thereafter issue adult-use cannabis establishment licenses for  
46 independent cannabis consumption lounges in amounts that exceed the limit set  
47 forth in subsection 1, so long as the total number of such licenses issued by the  
48 Board does not, at any time, exceed the total number of adult-use cannabis  
49 establishment licenses for a retail cannabis consumption lounge issued by the  
50 Board.

51 3. At least 10 of the first 20 adult-use cannabis establishment licenses for  
52 an independent cannabis consumption lounge issued by the Board must be issued  
53 to social equity applicants.



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

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

8       3. *Except as otherwise provided in this subsection, at least 50 percent of the*  
9 *licenses allocated to a local governmental jurisdiction pursuant to subsection 1*  
10 *must be issued to independent cannabis consumption lounges. At least 50 percent*  
11 *of the licenses issued to independent cannabis consumption lounges must be*  
12 *issued to social equity applicants. If there are an insufficient number of social*  
13 *equity applicants to distribute licenses in that manner, the local governmental*  
14 *jurisdiction shall issue business licenses to all qualified social equity applicants*  
15 *and hold the remaining business licenses in reserve for future issuance to social*  
16 *equity applicants.*

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

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

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

27       (a) *More than one adult-use cannabis establishment license for an*  
28 *independent cannabis consumption lounge to any one person ; ~~}; group of~~*  
29 *persons or entity;}*

30       (b) *More than one adult-use cannabis establishment license for a retail*  
31 *cannabis consumption lounge to any one person ; ~~}; group of persons or entity;}~~*  
32 *or*

33       (c) *Both an adult-use cannabis establishment license for a retail cannabis*  
34 *consumption lounge and an adult-use cannabis establishment license for an*  
35 *independent cannabis consumption lounge to any one person . ~~}; group of~~*  
36 *persons or entity.}*

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

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

45       (b) *Will not result in the person ~~}; group of persons or entity}~~ holding more*  
46 *than two adult-use cannabis establishment licenses for a retail cannabis*  
47 *consumption lounge, adult-use cannabis establishment licenses for an*  
48 *independent cannabis lounge or any combination of the two.*

49       **Sec. 12.9.** *The Board may adopt regulations setting forth circumstances*  
50 *under which a person is authorized to consume cannabis or cannabis products in*  
51 *a public place.*

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

2       678B.020 As used in this chapter, unless the context otherwise requires, the  
3 words and terms defined in NRS 678B.030 to 678B.070, inclusive, *and section 9 of*  
4 *this act* have the meanings ascribed to them in those sections.

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

6       678B.210 1. A person shall not engage in the business of a medical  
7 cannabis establishment unless the person holds a medical cannabis establishment  
8 license issued by the Board pursuant to this section.

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

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

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

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

20           (2) An application, which must include:

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

22               (II) The physical address where the proposed medical cannabis  
23 establishment will be located and the physical address of any co-owned additional  
24 or otherwise associated medical cannabis establishments, the locations of which  
25 may not be *on the property of an airport*, within 1,000 feet of a public or private  
26 school that provides formal education traditionally associated with preschool or  
27 kindergarten through grade 12 and that existed on the date on which the application  
28 for the proposed medical cannabis establishment was submitted to the Board,  
29 within 300 feet of a community facility that existed on the date on which the  
30 application for the proposed medical cannabis establishment was submitted to the  
31 Board or, if the proposed medical cannabis establishment will be located in a  
32 county whose population is 100,000 or more, within 1,500 feet of an establishment  
33 that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS  
34 463.0177 and that existed on the date on which the application for the proposed  
35 medical cannabis establishment was submitted to the Board;

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

39               (IV) Evidence that the applicant owns the property on which the  
40 proposed medical cannabis establishment will be located or has the written  
41 permission of the property owner to operate the proposed medical cannabis  
42 establishment on that property;

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

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

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

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

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

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

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

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

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

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

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

20 (2) Previously had a cannabis establishment agent registration card  
21 revoked; or

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

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

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

32 5. Except as otherwise provided in subsection 6, if an application for  
33 registration as a medical cannabis establishment satisfies the requirements of this  
34 section, is qualified in the determination of the Board pursuant to NRS 678B.200  
35 and the establishment is not disqualified from being registered as a medical  
36 cannabis establishment pursuant to this section or other applicable law, the Board  
37 shall issue to the establishment a medical cannabis establishment license. A medical  
38 cannabis establishment license expires 1 year after the date of issuance and may be  
39 renewed upon:

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

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

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

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

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

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

51 (b) A public park.

52 (c) A playground.

53 (d) A public swimming pool.

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

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

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

6 678B.250 1. A person shall not engage in the business of an adult-use  
7 cannabis establishment unless the person holds an adult-use cannabis establishment  
8 license issued pursuant to this section.

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

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

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

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

18 (2) An application, which must include:

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

20 (II) The physical address where the proposed adult-use cannabis  
21 establishment will be located and the physical address of any co-owned additional  
22 or otherwise associated adult-use cannabis establishments, the locations of which  
23 may not be *on the property of an airport*, within 1,000 feet of a public or private  
24 school that provides formal education traditionally associated with preschool or  
25 kindergarten through grade 12 and that existed on the date on which the application  
26 for the proposed adult-use cannabis establishment was submitted to the Board,  
27 within 300 feet of a community facility that existed on the date on which the  
28 application for the proposed adult-use cannabis establishment was submitted to the  
29 Board or, if the proposed adult-use cannabis establishment will be located in a  
30 county whose population is 100,000 or more, within 1,500 feet of an establishment  
31 that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS  
32 463.0177 and that existed on the date on which the application for the proposed  
33 adult-use cannabis establishment was submitted to the Board;

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

38 (IV) Evidence that the applicant owns the property on which the  
39 proposed adult-use cannabis establishment will be located or has the written  
40 permission of the property owner to operate the proposed adult-use cannabis  
41 establishment on that property;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 (b) A public park.

46 (c) A playground.

47 (d) A public swimming pool.

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

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

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

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

6       ~~1.~~ (a) One adult-use cannabis establishment license; or

7       ~~2.~~ (b) More than 10 percent of the adult-use cannabis establishment licenses  
8 otherwise allocable in the county.

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

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

13       678B.280 *1.* In determining whether to issue an adult-use cannabis  
14 establishment license pursuant to NRS 678B.250, *other than an adult-use  
15 cannabis establishment license for a retail cannabis consumption lounge or an  
16 independent cannabis consumption lounge*, the Board shall, in addition to the  
17 factors set forth in that section, consider criteria of merit established by regulation  
18 of the Board. Such criteria must include, without limitation:

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

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

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

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

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

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

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

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

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

44       678B.380 *1.* Except as otherwise provided by regulations adopted by the  
45 Board pursuant to subsection 2, the following are nontransferable:

46       (a) A cannabis establishment agent registration card.

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

48       (c) A medical cannabis establishment license.

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

50       2. The Board shall adopt regulations which prescribe procedures and  
51 requirements by which a holder of a license may transfer the license to another  
52 party who is qualified to hold such a license pursuant to the provisions of this  
53 chapter.

3. The regulations adopted pursuant to subsection 2 must:

(a) Prohibit the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge from transferring the license until at least 2 years from the date on which the independent cannabis consumption lounge for which the license was issued became operational;

(b) Require the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge and who wishes to cease operations before the independent cannabis consumption lounge for which the license was issued has been operational for at least 2 years to surrender the license to the Board; and

(c) Require the Board to hold a license surrendered pursuant to paragraph (b) in reserve for issuance to an applicant for such a license in the future.

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

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

For the initial issuance of a medical cannabis establishment license for a medical cannabis dispensary .....	\$30,000
For the renewal of a medical cannabis establishment license for a medical cannabis dispensary .....	5,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis cultivation facility .....	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis cultivation facility .....	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis production facility .....	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis production facility .....	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis independent testing laboratory .....	5,000
For the renewal of a medical cannabis establishment license for a medical cannabis independent testing laboratory .....	3,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store .....	20,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store .....	6,600
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility .....	30,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility .....	10,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility .....	10,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis production facility .....	3,300
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory .....	15,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory .....	5,000

1            *For the initial issuance of an adult-use cannabis*  
2            *establishment license for a retail cannabis*  
3            *consumption lounge..... 10,000*  
4            *For the renewal of an adult-use cannabis establishment*  
5            *license for a retail cannabis consumption lounge ..... 10,000*  
6            *For the initial issuance of an adult-use cannabis*  
7            *establishment license for an independent cannabis*  
8            *consumption lounge..... 10,000*  
9            *For the renewal of an adult-use cannabis establishment*  
10           *license for an independent cannabis consumption*  
11           *lounge..... 10,000*  
12           For the initial issuance of an adult-use cannabis  
13           establishment license for an adult-use cannabis  
14           distributor ..... 15,000  
15           For the renewal of an adult-use cannabis establishment  
16           license for an adult-use cannabis distributor..... 5,000  
17           For each person identified in an application for the initial  
18           issuance of a cannabis establishment agent registration  
19           card ..... 150  
20           For each person identified in an application for the renewal  
21           of a cannabis establishment agent registration card ..... 150

22  
23           2. ~~[[3]]~~ *The Board may by regulation establish reduced fees for:*

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

26           (b) *The application fee set forth in subsection 3,*

27           *↪ for a social equity applicant. Such a reduction must not reduce the fee paid by*  
28           *a social equity applicant by more than 75 percent of the fee paid by an applicant*  
29           *who is not a social equity applicant.*

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

33           (a) ~~[[A]]~~ *For an application for a license other than an adult-use cannabis*  
34           *establishment license for a retail cannabis consumption lounge or independent*  
35           *cannabis consumption lounge, a one-time, nonrefundable application fee of*  
36           *\$5,000; ~~[[and]]~~*

37           (b) *For an application for an adult-use cannabis establishment license for a*  
38           *retail cannabis consumption lounge, a one-time, nonrefundable application fee*  
39           *of \$100,000;*

40           (c) *For an application for an adult-use cannabis establishment license for an*  
41           *independent cannabis consumption lounge, a one-time, nonrefundable*  
42           *application fee of \$10,000; and*

43           (d) *The actual costs incurred by the Board in processing the application,*  
44           *including, without limitation, conducting background checks.*

45           ~~[[3]]~~ 4. *Any revenue generated from the fees imposed pursuant to this section:*

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

48           (b) *If any excess revenue remains after paying the costs described in paragraph*  
49           *(a), such excess revenue must be paid over to the State Treasurer to be deposited to*  
50           *the credit of the State Education Fund.*

51           **Sec. 17.5.** ~~[[NRS 678B.500 is hereby amended to read as follows:~~

52           ~~678B.500 1. Each cannabis establishment must comply with all local~~  
53           ~~ordinances and rules pertaining to zoning, land use and signage.~~



~~2. A cannabis establishment may move to a new location under the jurisdiction of the same local government as its original location and regardless of the distance from its original location if the operation of the cannabis establishment at the new location has been approved by the local government. A local government may approve a new location pursuant to this subsection only in a public hearing for which written notice is given at least 7 working days before the hearing.~~

~~3. A local government shall not adopt or enforce any ordinance or rule pertaining to zoning or land use which imposes restrictions on retail cannabis consumption lounges, unless such restrictions also apply to adult use cannabis retail stores.~~ **(Deleted by amendment.)**

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

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

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

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

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

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

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

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

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

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

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

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

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

7. A cannabis establishment shall not dispense or otherwise sell cannabis or cannabis products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the cannabis establishment. As

1 used in this subsection, “vending machine” has the meaning ascribed to it in NRS  
2 209.229.

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

4 678B.520 1. Each cannabis establishment shall, in consultation with the  
5 Board, cooperate to ensure that all cannabis products offered for sale:

6 (a) Are labeled clearly and unambiguously:

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

10 (2) As required by the provisions of this chapter and chapters 678C and  
11 678D of NRS.

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

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

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

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

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

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

26 2. A cannabis production facility shall not produce cannabis products in any  
27 form that:

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

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

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

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

37 3. A cannabis production facility shall:

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

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

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

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

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

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

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

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

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

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

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

8 6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 11. A cannabis establishment:

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

53 (1) Is false or misleading;

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

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

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

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

12 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 14. *To the extent that they are inconsistent or otherwise conflict with the*  
51 *regulations adopted by the Board pursuant to section 28 of this act, the*  
52 *requirements of this section pertaining to cannabis products do not apply to*

1 *ready-to-consume cannabis products prepared and sold by a cannabis*  
2 *consumption lounge.*

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

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

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

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

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

14 ~~15.~~ **16.** As used in this section, “motor vehicle used for public  
15 transportation” does not include a taxicab, as defined in NRS 706.124.

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

17 678B.650 The Board shall adopt such regulations as it determines to be  
18 necessary or advisable to carry out the provisions of this chapter. Such regulations  
19 are in addition to any requirements set forth in statute and must, without limitation:

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

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

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

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

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

32 (c) Minimum requirements for the keeping of records by cannabis  
33 establishments;

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

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

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

46 5. Establish different categories of cannabis establishment agent registration  
47 cards, including, without limitation, criteria for issuance of a cannabis  
48 establishment agent registration card for a cannabis executive and criteria for  
49 training and certification, for each of the different types of cannabis establishments  
50 at which such an agent may be employed or volunteer or provide labor as a  
51 cannabis establishment agent;

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

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

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

10 9. Prescribe the manner in which the Board will determine whether a  
11 person who holds an adult-use cannabis establishment license is ineligible to  
12 hold additional licenses pursuant to sections 12.3 and 12.7 of this act;

13 10. Set forth rules pertaining to the safe and healthful operation of  
14 cannabis consumption lounges, including, without limitation:

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

16 (b) Procedures and requirements for the collection and disposal of cannabis  
17 and cannabis products which are left at a cannabis consumption lounge; and

18 (c) Requirements for the training of employees of a cannabis consumption  
19 lounge in the sale and safe consumption of single-use cannabis products and  
20 ready-to-consume cannabis products; and

21 ~~10.~~ 11. Address such other matters as the Board deems necessary to carry  
22 out the provisions of this title.

23 **Sec. 20.5. NRS 678C.300 is hereby amended to read as follows:**

24 678C.300 1. A person who holds a registry identification card or letter of  
25 approval issued to him or her pursuant to NRS 678C.230 or 678C.270 is not exempt  
26 from state prosecution for, nor may the person establish an affirmative defense to  
27 charges arising from, any of the following acts:

28 (a) Driving, operating or being in actual physical control of a vehicle or a  
29 vessel under power or sail while under the influence of cannabis.

30 (b) Engaging in any other conduct prohibited by NRS 484C.110, 484C.120,  
31 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS 488.410, 488.420,  
32 488.425 or 493.130.

33 (c) Possessing a firearm in violation of paragraph (b) of subsection 1 of NRS  
34 202.257.

35 (d) Possessing cannabis in violation of NRS 453.336 or possessing  
36 paraphernalia in violation of NRS 453.560 or 453.566:

37 (1) If the possession of the cannabis or paraphernalia is discovered because  
38 the person engaged or assisted in the medical use of cannabis in:

39 (I) ~~Any~~ Except as otherwise provided by regulations adopted by the  
40 Board pursuant to section 12.9 of this act, any public place or in any place open to  
41 the public or exposed to public view; or

42 (II) Any local detention facility, county jail, state prison, reformatory  
43 or other correctional facility, including, without limitation, any facility for the  
44 detention of juvenile offenders; or

45 (2) If the possession of the cannabis or paraphernalia occurs on school  
46 property.

47 (e) Delivering cannabis to another person who he or she knows does not  
48 lawfully hold a registry identification card or letter of approval issued by the  
49 Division or its designee pursuant to NRS 678C.230 or 678C.270.

50 (f) Delivering cannabis for consideration to any person, regardless of whether  
51 the recipient lawfully holds a registry identification card or letter of approval issued  
52 by the Division or its designee pursuant to NRS 678C.230 or 678C.270.

1           2. Except as otherwise provided in NRS 678C.240 and in addition to any  
2 other penalty provided by law, if the Division determines that a person has willfully  
3 violated a provision of this chapter or any regulation adopted by the Division to  
4 carry out the provisions of this chapter, the Division may, at its own discretion,  
5 prohibit the person from obtaining or using a registry identification card or letter of  
6 approval for a period of up to 6 months.

7           3. Nothing in the provisions of this chapter shall be construed as in any  
8 manner affecting the provisions of chapter 678D of NRS relating to the adult use of  
9 cannabis.

10          4. As used in this section, "school property" means the grounds of any public  
11 school described in NRS 388.020 and any private school as defined in NRS  
12 394.103.

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

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

16           (a) *Install a ventilation and exhaust system which is capable of sufficiently*  
17 *expelling odors generated in the cannabis consumption lounge, reducing volatile*  
18 *organic compounds and maintaining the standards for air quality in the cannabis*  
19 *consumption lounge as set forth by regulation of the Board;*

20           (b) *Train each employee of the cannabis consumption lounge concerning*  
21 *paraphernalia, single-use cannabis products and ready-to-consume cannabis*  
22 *products, including, without limitation, the proper use of paraphernalia, the*  
23 *potency, absorption time and effects of single-use cannabis and products and*  
24 *ready-to-consume cannabis products, the recognition of impairment from and*  
25 *overconsumption of cannabis and the safe handling of a customer who is*  
26 *impaired;*

27           (c) *Submit a security plan to the Board which, without limitation, provides*  
28 *for adequate security and lighting at the cannabis consumption lounge and for*  
29 *each entrance and exit of the cannabis consumption lounge to be adequately*  
30 *secured, and submit to the Board such updates to the plan as the Board may*  
31 *require;*

32           (d) *Submit a plan to the Board setting forth protocols and procedures to deter*  
33 *customers from driving under the influence of cannabis, and submit to the Board*  
34 *such updates to the plan as the Board may require;*

35           (e) *Submit a plan to the Board setting forth protocols and procedures to*  
36 *ensure that cannabis and cannabis products are not sold or otherwise distributed*  
37 *in the cannabis consumption lounge other than as authorized in this chapter, and*  
38 *submit to the Board such updates to the plan as the Board may require;*

39           (f) *Dispose of cannabis or cannabis products which are left at the cannabis*  
40 *consumption lounge in accordance with the procedures for disposal set forth by*  
41 *the regulations of the Board;*

42           (g) *Comply with all local ordinances and rules; and*

43           (h) *Comply with any requirements set forth by regulation of the Board.*

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

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

47           1. *Sell food and beverages to customers of the cannabis consumption*  
48 *lounge;*

49           2. *Sell any other item which does not contain cannabis or cannabis*  
50 *products and is not intended for use with cannabis or cannabis products to*  
51 *customers of the cannabis consumption lounge; and*

52           3. *Provide live entertainment at the cannabis consumption lounge.*

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

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

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

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

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

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

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

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

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

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

19                   (c) *Prepare ready-to-consume cannabis products using cannabis obtained*  
20 *pursuant to paragraph (a) and sell such products to customers of the cannabis*  
21 *consumption lounge.*

22           2. *A retail cannabis consumption lounge shall ensure that only single-use*  
23 *cannabis products or ready-to-consume cannabis products that were purchased*  
24 *from the retail cannabis consumption lounge are consumed in the lounge.*

25       **Sec. 26.** (Deleted by amendment.)

26       **Sec. 27.** *1. An independent cannabis consumption lounge shall enter into*  
27 *a contract with one or more adult-use cannabis retail stores to sell to the*  
28 *independent cannabis consumption lounge:*

29                   (a) *Single-use cannabis products for the purpose of resale; and*

30                   (b) *Cannabis and products for the purpose of preparing ready-to-consume*  
31 *cannabis products.*

32           2. *An independent cannabis consumption lounge which has entered into a*  
33 *contract pursuant to subsection 1 may:*

34                   (a) *Sell single-use cannabis products obtained pursuant to subsection 1 to*  
35 *customers of the independent cannabis consumption lounge; and*

36                   (b) *Prepare ready-to-consume cannabis products using cannabis and*  
37 *cannabis products obtained pursuant to subsection 1 and sell such products to*  
38 *customers of the independent cannabis consumption lounge.*

39           3. *An independent cannabis consumption lounge shall ensure that only*  
40 *single-use cannabis products or ready-to-consume cannabis products that were*  
41 *purchased from the independent cannabis consumption lounge are consumed in*  
42 *the lounge.*

43           4. *The Board may require an independent cannabis consumption lounge to*  
44 *submit a contract entered into pursuant to subsection 1 to the Board for review.*

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

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



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

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

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

10          5. *Set forth any other requirements concerning the preparation of ready-to-*  
11 *consume cannabis products and sale of single-use cannabis products and ready-*  
12 *to-consume cannabis products that the Board determines are necessary.*

13          **Sec. 28.5. NRS 678D.300 is hereby amended to read as follows:**

14          678D.300 1. A person is not exempt from state prosecution for any of the  
15 following acts:

16           (a) Driving, operating or being in actual physical control of a vehicle or a  
17 vessel under power or sail while under the influence of cannabis.

18           (b) Engaging in any other conduct prohibited by NRS 484C.110, 484C.120,  
19 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS 488.410, 488.420,  
20 488.425 or 493.130.

21           (c) Possessing a firearm in violation of paragraph (b) of subsection 1 of NRS  
22 202.257.

23           (d) Possessing cannabis in violation of NRS 453.336 or possessing  
24 paraphernalia in violation of NRS 453.560 or 453.566:

25           (1) If the possession of the cannabis or paraphernalia is discovered because  
26 the person engaged in the adult use of cannabis in:

27           (I) ~~Any~~ Except as otherwise provided by regulations adopted by the  
28 Board pursuant to section 12.9 of this act, any public place or in any place open to  
29 the public or exposed to public view; or

30           (II) Any local detention facility, county jail, state prison, reformatory  
31 or other correctional facility, including, without limitation, any facility for the  
32 detention of juvenile offenders; or

33           (2) If the possession of the cannabis or paraphernalia occurs on school  
34 property.

35           (e) Knowingly delivering cannabis to another person who is not 21 years of  
36 age or older unless:

37           (1) The recipient holds a valid registry identification card or letter of  
38 approval issued to the person by the Division of Public and Behavioral Health of  
39 the Department of Health and Human Services or its designee pursuant to NRS  
40 678C.230 or 678C.270.

41           (2) The person demanded and was shown bona fide documentary evidence  
42 of the age and identity of the recipient issued by a federal, state, county or  
43 municipal government, or subdivision or agency thereof.

44          2. As used in this section, "school property" means the grounds of any public  
45 school described in NRS 388.020 and any private school as defined in NRS  
46 394.103.

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

48          678D.310 1. Except as otherwise provided in chapter 678C of NRS, any  
49 person shall not:

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

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

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

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

6 (a) For a first violation, a misdemeanor punished by a fine of not more than  
7 \$600.

8 (b) For a second violation, a misdemeanor punished by a fine of not more than  
9 \$1,000.

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

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

12 3. ~~1A~~ *Except as otherwise provided in subsection 9 ~~H~~ or by regulations*  
13 *adopted by the Board pursuant to section 12.9 of this act,* a person who smokes or  
14 otherwise consumes cannabis or a cannabis product in a public place, in an adult-  
15 use cannabis retail store or in a vehicle is guilty of a misdemeanor punished by a  
16 fine of not more than \$600.

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

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

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

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

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

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

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

38 678D.420 1. An adult-use edible cannabis product or an adult-use cannabis-  
39 infused product must be labeled in a manner which indicates the number of  
40 servings of THC in the product, measured in servings of a maximum of 10  
41 milligrams per serving.

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

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

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

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

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

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

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

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

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

10 **Sec. 30.3.** NRS 678D.510 is hereby amended to read as follows:

11 678D.510 1. The provisions of this chapter do not prohibit:

12 (a) A public or private employer from maintaining, enacting and enforcing a  
13 workplace policy prohibiting or restricting actions or conduct otherwise permitted  
14 under this chapter;

15 (b) A state or local governmental agency that occupies, owns or controls a  
16 building from prohibiting or otherwise restricting the consumption, cultivation,  
17 processing, manufacture, sale, delivery or transfer of cannabis in that building;

18 (c) A person who occupies, owns or controls a privately owned property from  
19 prohibiting or otherwise restricting the smoking, cultivation, processing,  
20 manufacture, sale, delivery or transfer of cannabis on that property; or

21 (d) ~~▲ [Except as otherwise provided in section 17.5 of this act, a]~~ local  
22 government from adopting and enforcing local cannabis control measures  
23 pertaining to zoning and land use for adult-use cannabis establishments ~~[-]~~  
24 **including, without limitation, a measure which prohibits the operation of adult-**  
25 **use cannabis establishments.**

26 2. Nothing in the provisions of this chapter shall be construed as in any  
27 manner affecting the provisions of chapter 678C of NRS relating to the medical use  
28 of cannabis.

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

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

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

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

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

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

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

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

53 **5. As used in this section:**

- 1 *(a) "Cannabis" has the meaning ascribed to it in NRS 678A.085.*
- 2 *(b) "Cannabis product" has the meaning ascribed to it in NRS 678A.120.*
- 3 *(c) "Underage person" means a person who is less than 21 years of age.*

4 **Sec. 30.6.** NRS 244.335 is hereby amended to read as follows:

5 244.335 1. Except as otherwise provided in subsections 2, 3, 4 and 9, and  
6 NRS 244.33501, 244.35253 and 244.3535, a board of county commissioners may:

7 (a) Except as otherwise provided in NRS 244.331 to 244.3345, inclusive,  
8 598D.150 and 640C.100, regulate all character of lawful trades, callings, industries,  
9 occupations, professions and business conducted in its county outside of the limits  
10 of incorporated cities and towns.

11 (b) Except as otherwise provided in NRS 244.3359 and 576.128, fix, impose  
12 and collect a license tax for revenue or for regulation, or for both revenue and  
13 regulation, on such trades, callings, industries, occupations, professions and  
14 business.

15 2. The county license boards have the exclusive power in their respective  
16 counties to regulate entertainers employed by an entertainment by referral service  
17 and the business of conducting a dancing hall, escort service, entertainment by  
18 referral service or gambling game or device permitted by law, outside of an  
19 incorporated city. The county license boards may fix, impose and collect license  
20 taxes for revenue or for regulation, or for both revenue and regulation, on such  
21 employment and businesses.

22 3. A board of county commissioners shall not require that a person who is  
23 licensed as a contractor pursuant to chapter 624 of NRS obtain more than one  
24 license to engage in the business of contracting or pay more than one license tax  
25 related to engaging in the business of contracting, regardless of the number of  
26 classifications or subclassifications of licensing for which the person is licensed  
27 pursuant to chapter 624 of NRS.

28 4. The board of county commissioners or county license board shall not  
29 require a person to obtain a license or pay a license tax on the sole basis that  
30 the person is a professional. As used in this subsection, "professional" means a person  
31 who:

32 (a) Holds a license, certificate, registration, permit or similar type of  
33 authorization issued by a regulatory body as defined in NRS 622.060 or who is  
34 regulated pursuant to the Nevada Supreme Court Rules; and

35 (b) Practices his or her profession for any type of compensation as an  
36 employee.

37 5. The county license board shall provide upon request an application for a  
38 state business license pursuant to chapter 76 of NRS. No license to engage in any  
39 type of business may be granted unless the applicant for the license:

40 (a) Signs an affidavit affirming that the business has complied with the  
41 provisions of chapter 76 of NRS; or

42 (b) Provides to the county license board the business identification number of  
43 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the  
44 county may use to validate that the applicant is currently in good standing with the  
45 State and has complied with the provisions of chapter 76 of NRS.

46 6. No license to engage in business as a seller of tangible personal property  
47 may be granted unless the applicant for the license:

48 (a) Presents written evidence that:

49 (1) The Department of Taxation has issued or will issue a permit for this  
50 activity, and this evidence clearly identifies the business by name; or

51 (2) Another regulatory agency of the State has issued or will issue a license  
52 required for this activity; or

1 (b) Provides to the county license board the business identification number of  
2 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the  
3 county may use to validate that the applicant is currently in good standing with the  
4 State and has complied with the provisions of paragraph (a).

5 7. Any license tax levied for the purposes of NRS 244.3358 or 244A.597 to  
6 244A.655, inclusive, constitutes a lien upon the real and personal property of the  
7 business upon which the tax was levied until the tax is paid. The lien has the same  
8 priority as a lien for general taxes. The lien must be enforced:

9 (a) By recording in the office of the county recorder, within 6 months after the  
10 date on which the tax became delinquent or was otherwise determined to be due  
11 and owing, a notice of the tax lien containing the following:

12 (1) The amount of tax due and the appropriate year;

13 (2) The name of the record owner of the property;

14 (3) A description of the property sufficient for identification; and

15 (4) A verification by the oath of any member of the board of county  
16 commissioners or the county fair and recreation board; and

17 (b) By an action for foreclosure against the property in the same manner as an  
18 action for foreclosure of any other lien, commenced within 2 years after the date of  
19 recording of the notice of the tax lien, and accompanied by appropriate notice to  
20 other lienholders.

21 8. The board of county commissioners may delegate the authority to enforce  
22 liens from taxes levied for the purposes of NRS 244A.597 to 244A.655, inclusive,  
23 to the county fair and recreation board. If the authority is so delegated, the board of  
24 county commissioners shall revoke or suspend the license of a business upon  
25 certification by the county fair and recreation board that the license tax has become  
26 delinquent, and shall not reinstate the license until the tax is paid. Except as  
27 otherwise provided in NRS 239.0115 and 244.3357, all information concerning  
28 license taxes levied by an ordinance authorized by this section or other information  
29 concerning the business affairs or operation of any licensee obtained as a result of  
30 the payment of such license taxes or as the result of any audit or examination of the  
31 books by any authorized employee of a county fair and recreation board of the  
32 county for any license tax levied for the purpose of NRS 244A.597 to 244A.655,  
33 inclusive, is confidential and must not be disclosed by any member, officer or  
34 employee of the county fair and recreation board or the county imposing the license  
35 tax unless the disclosure is authorized by the affirmative action of a majority of the  
36 members of the appropriate county fair and recreation board. Continuing disclosure  
37 may be so authorized under an agreement with the Department of Taxation or  
38 Secretary of State for the exchange of information concerning taxpayers.

39 9. ~~Except as otherwise provided by regulations adopted by the Cannabis~~  
40 ~~Compliance Board pursuant to section 12.9 of this act, a~~ board of county  
41 commissioners shall not license or otherwise allow a person to operate a business  
42 that allows cannabis, as defined in NRS 678A.085, or cannabis products, as defined  
43 in NRS 678A.120, to be consumed on the premises of the business ~~it~~, *other than a*  
44 *cannabis consumption lounge, as defined in section 2 of this act, in accordance*  
45 *with the provisions of chapter 678B of NRS.*

46 **Sec. 30.7.** NRS 268.095 is hereby amended to read as follows:

47 268.095 1. Except as otherwise provided in subsections 4 and 9 and NRS  
48 268.0951, 268.0977 and 268.0979, the city council or other governing body of each  
49 incorporated city in this State, whether organized under general law or special  
50 charter, may:

51 (a) Except as otherwise provided in subsection 2 and NRS 268.0968 and  
52 576.128, fix, impose and collect for revenues or for regulation, or both, a license

1 tax on all character of lawful trades, callings, industries, occupations, professions  
2 and businesses conducted within its corporate limits.

3 (b) Assign the proceeds of any one or more of such license taxes to the county  
4 within which the city is situated for the purpose or purposes of making the proceeds  
5 available to the county:

6 (1) As a pledge as additional security for the payment of any general  
7 obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

8 (2) For redeeming any general obligation bonds issued pursuant to NRS  
9 244A.597 to 244A.655, inclusive;

10 (3) For defraying the costs of collecting or otherwise administering any  
11 such license tax so assigned, of the county fair and recreation board and of officers,  
12 agents and employees hired thereby, and of incidentals incurred thereby;

13 (4) For operating and maintaining recreational facilities under the  
14 jurisdiction of the county fair and recreation board;

15 (5) For improving, extending and bettering recreational facilities  
16 authorized by NRS 244A.597 to 244A.655, inclusive; and

17 (6) For constructing, purchasing or otherwise acquiring such recreational  
18 facilities.

19 (c) Pledge the proceeds of any tax imposed on the revenues from the rental of  
20 transient lodging pursuant to this section for the payment of any general or special  
21 obligations issued by the city for a purpose authorized by the laws of this State.

22 (d) Use the proceeds of any tax imposed pursuant to this section on the  
23 revenues from the rental of transient lodging:

24 (1) To pay the principal, interest or any other indebtedness on any general  
25 or special obligations issued by the city pursuant to the laws of this State;

26 (2) For the expense of operating or maintaining, or both, any facilities of  
27 the city; and

28 (3) For any other purpose for which other money of the city may be used.

29 2. The city council or other governing body of an incorporated city shall not  
30 require that a person who is licensed as a contractor pursuant to chapter 624 of NRS  
31 obtain more than one license to engage in the business of contracting or pay more  
32 than one license tax related to engaging in the business of contracting, regardless of  
33 the number of classifications or subclassifications of licensing for which the person  
34 is licensed pursuant to chapter 624 of NRS.

35 3. The proceeds of any tax imposed pursuant to this section that are pledged  
36 for the repayment of general obligations may be treated as "pledged revenues" for  
37 the purposes of NRS 350.020.

38 4. The city council or other governing body of an incorporated city shall not  
39 require a person to obtain a license or pay a license tax on the sole basis that the  
40 person is a professional. As used in this subsection, "professional" means a person  
41 who:

42 (a) Holds a license, certificate, registration, permit or similar type of  
43 authorization issued by a regulatory body as defined in NRS 622.060 or who is  
44 regulated pursuant to the Nevada Supreme Court Rules; and

45 (b) Practices his or her profession for any type of compensation as an  
46 employee.

47 5. The city licensing agency shall provide upon request an application for a  
48 state business license pursuant to chapter 76 of NRS. No license to engage in any  
49 type of business may be granted unless the applicant for the license:

50 (a) Signs an affidavit affirming that the business has complied with the  
51 provisions of chapter 76 of NRS; or

52 (b) Provides to the city licensing agency the business identification number of  
53 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the

1 city may use to validate that the applicant is currently in good standing with the  
2 State and has complied with the provisions of chapter 76 of NRS.

3 6. No license to engage in business as a seller of tangible personal property  
4 may be granted unless the applicant for the license:

5 (a) Presents written evidence that:

6 (1) The Department of Taxation has issued or will issue a permit for this  
7 activity, and this evidence clearly identifies the business by name; or

8 (2) Another regulatory agency of the State has issued or will issue a license  
9 required for this activity; or

10 (b) Provides to the city licensing agency the business identification number of  
11 the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the  
12 city may use to validate that the applicant is currently in good standing with the  
13 State and has complied with the provisions of paragraph (a).

14 7. Any license tax levied under the provisions of this section constitutes a lien  
15 upon the real and personal property of the business upon which the tax was levied  
16 until the tax is paid. The lien has the same priority as a lien for general taxes. The  
17 lien must be enforced:

18 (a) By recording in the office of the county recorder, within 6 months  
19 following the date on which the tax became delinquent or was otherwise  
20 determined to be due and owing, a notice of the tax lien containing the following:

21 (1) The amount of tax due and the appropriate year;

22 (2) The name of the record owner of the property;

23 (3) A description of the property sufficient for identification; and

24 (4) A verification by the oath of any member of the board of county  
25 commissioners or the county fair and recreation board; and

26 (b) By an action for foreclosure against such property in the same manner as an  
27 action for foreclosure of any other lien, commenced within 2 years after the date of  
28 recording of the notice of the tax lien, and accompanied by appropriate notice to  
29 other lienholders.

30 8. The city council or other governing body of each incorporated city may  
31 delegate the power and authority to enforce such liens to the county fair and  
32 recreation board. If the authority is so delegated, the governing body shall revoke or  
33 suspend the license of a business upon certification by the board that the license tax  
34 has become delinquent, and shall not reinstate the license until the tax is paid.  
35 Except as otherwise provided in NRS 239.0115 and 268.0966, all information  
36 concerning license taxes levied by an ordinance authorized by this section or other  
37 information concerning the business affairs or operation of any licensee obtained as  
38 a result of the payment of those license taxes or as the result of any audit or  
39 examination of the books of the city by any authorized employee of a county fair  
40 and recreation board for any license tax levied for the purpose of NRS 244A.597 to  
41 244A.655, inclusive, is confidential and must not be disclosed by any member,  
42 official or employee of the county fair and recreation board or the city imposing the  
43 license tax unless the disclosure is authorized by the affirmative action of a  
44 majority of the members of the appropriate county fair and recreation board.  
45 Continuing disclosure may be so authorized under an agreement with the  
46 Department of Taxation or the Secretary of State for the exchange of information  
47 concerning taxpayers.

48 9. ~~The~~ Except as otherwise provided by regulations adopted by the  
49 Cannabis Compliance Board pursuant to section 12.9 of this act, the city council  
50 or other governing body of an incorporated city shall not license or otherwise allow  
51 a person to operate a business that allows cannabis, as defined in NRS 678A.085, or  
52 cannabis products, as defined in NRS 678A.120, to be consumed on the premises of

1 the business **H**, *other than a cannabis consumption lounge, as defined in section*  
2 *2 of this act, in accordance with the provisions of chapter 678B of NRS.*

3 10. The powers conferred by this section are in addition and supplemental to,  
4 and not in substitution for, and the limitations imposed by this section do not affect  
5 the powers conferred by, any other law. No part of this section repeals or affects  
6 any other law or any part thereof, it being intended that this section provide a  
7 separate method of accomplishing its objectives, and not an exclusive one.

8 **Sec. 30.9.** NRS 269.170 is hereby amended to read as follows:

9 269.170 1. Except as otherwise provided in subsections 5, 6 and 7 and NRS  
10 576.128, 598D.150 and 640C.100, the town board or board of county  
11 commissioners may, in any unincorporated town:

12 (a) Fix and collect a license tax on, and regulate, having due regard to the  
13 amount of business done by each person so licensed, and all places of business and  
14 amusement so licensed, as follows:

15 (1) Artisans, artists, assayers, auctioneers, bakers, banks and bankers,  
16 barbers, boilermakers, cellars and places where soft drinks are kept or sold, clothes  
17 cleaners, foundries, laundries, lumberyards, manufacturers of soap, soda, borax or  
18 glue, markets, newspaper publishers, pawnbrokers, funeral directors and wood and  
19 coal dealers.

20 (2) Bootmakers, cobblers, dressmakers, milliners, shoemakers and tailors.

21 (3) Boardinghouses, hotels, lodging houses, restaurants and refreshment  
22 saloons.

23 (4) Barrooms, gaming, manufacturers of liquors and other beverages, and  
24 saloons.

25 (5) Billiard tables, bowling alleys, caravans, circuses, concerts and other  
26 exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks  
27 and theaters.

28 (6) Corrals, hay yards, livery and sale stables and wagon yards.

29 (7) Electric light companies, illuminating gas companies, power  
30 companies, telegraph companies, telephone companies and water companies.

31 (8) Carts, drays, express companies, freight companies, job wagons,  
32 omnibuses and stages.

33 (9) Brokers, commission merchants, factors, general agents, mercantile  
34 agents, merchants, traders and stockbrokers.

35 (10) Drummers, hawkers, peddlers and solicitors.

36 (11) Insurance analysts, adjusters and managing general agents and  
37 producers of insurance within the limitations and under the conditions prescribed in  
38 NRS 680B.020.

39 (b) Fix and collect a license tax upon all professions, trades or business within  
40 the town not specified in paragraph (a).

41 2. No license to engage in business as a seller of tangible personal property  
42 may be granted unless the applicant for the license presents written evidence that:

43 (a) The Department of Taxation has issued or will issue a permit for this  
44 activity, and this evidence clearly identifies the business by name; or

45 (b) Another regulatory agency of the State has issued or will issue a license  
46 required for this activity.

47 3. Any license tax levied for the purposes of NRS 244A.597 to 244A.655,  
48 inclusive, constitutes a lien upon the real and personal property of the business  
49 upon which the tax was levied until the tax is paid. The lien must be enforced in  
50 the same manner as liens for ad valorem taxes on real and personal property. The town  
51 board or other governing body of the unincorporated town may delegate the power  
52 to enforce such liens to the county fair and recreation board.



1 4. The governing body or the county fair and recreation board may agree with  
2 the Department of Taxation for the continuing exchange of information concerning  
3 taxpayers.

4 5. The town board or board of county commissioners shall not require a  
5 person to obtain a license or pay a license tax on the sole basis that the person is a  
6 professional. As used in this subsection, "professional" means a person who:

7 (a) Holds a license, certificate, registration, permit or similar type of  
8 authorization issued by a regulatory body as defined in NRS 622.060, or who is  
9 regulated pursuant to the Nevada Supreme Court Rules; and

10 (b) Practices his or her profession for any type of compensation as an  
11 employee.

12 6. The town board or board of county commissioners shall not require a  
13 person to obtain a license or pay a license tax pursuant to this section for a cannabis  
14 establishment, as defined in NRS 678A.095.

15 7. ~~The~~ Except as otherwise provided by regulations adopted by the  
16 Cannabis Compliance Board pursuant to section 12.9 of this act, the town board  
17 or board of county commissioners shall not license or otherwise allow a person to  
18 operate a business that allows cannabis, as defined in NRS 678A.085, or cannabis  
19 products, as defined in NRS 678A.120, to be consumed on the premises of the  
20 business ~~H~~, other than a cannabis consumption lounge, as defined in section 2  
21 of this act, in accordance with the provisions of chapter 678B of NRS.

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

24 "Cannabis consumption lounge" has the meaning ascribed to it in section 2  
25 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, and section 31  
28 of this act, unless the context otherwise requires, the words and terms defined in  
29 372A.205 to 372A.250, inclusive, and section 31 of this act have the  
30 meanings ascribed to them in those sections.

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

32 372A.250 "Taxpayer" means a:

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

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

37 372A.290 1. An excise tax is hereby imposed on each wholesale sale in this  
38 State of cannabis by a medical cannabis cultivation facility to another cannabis  
39 establishment at the rate of 15 percent of the fair market value at wholesale of the  
40 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the  
41 medical cannabis cultivation facility.

42 2. An excise tax is hereby imposed on each wholesale sale in this State of  
43 cannabis by an adult-use cannabis cultivation facility to another cannabis  
44 establishment at the rate of 15 percent of the fair market value at wholesale of the  
45 cannabis. The excise tax imposed pursuant to this subsection is the obligation of the  
46 adult-use cannabis cultivation facility.

47 3. An excise tax is hereby imposed on each retail sale in this State of cannabis  
48 or cannabis products by an adult-use cannabis retail store or cannabis consumption  
49 lounge at the rate of 10 percent of the sales price of the cannabis or cannabis  
50 products. The excise tax imposed pursuant to this subsection:

51 (a) Is the obligation of the ~~adult use cannabis retail store.~~ seller of the  
52 cannabis or cannabis product;

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

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

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

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

11 5. The revenues collected from the excise tax imposed pursuant to subsection  
12 2 must be distributed:

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

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

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

26 7. The revenues collected from the excise tax imposed pursuant to subsection  
27 3 must be paid over as collected to the State Treasurer to be deposited to the credit  
28 of the State Education Fund.

29 8. As used in this section:

30 (a) "Adult-use cannabis cultivation facility" has the meaning ascribed to it in  
31 NRS 678A.025.

32 (b) ~~"Adult use cannabis retail store" has the meaning ascribed to it in NRS~~  
33 ~~678A.065.~~

34 ~~(c)~~ "Cannabis product" has the meaning ascribed to it in NRS 678A.120.

35 ~~(d)~~ (c) "Local government" has the meaning ascribed to it in NRS 360.640.

36 ~~(e)~~ (d) "Medical cannabis cultivation facility" has the meaning ascribed to it  
37 in NRS 678A.170.

38 ~~(f)~~ (e) "Medical cannabis establishment" has the meaning ascribed to it in  
39 NRS 678A.180.

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

41 387.1212 1. The State Education Fund is hereby created as a special  
42 revenue fund to be administered by the Superintendent of Public Instruction for the  
43 purpose of supporting the operation of the public schools in this State. The interest  
44 and income earned on the money in the Fund, after deducting any applicable  
45 charges, must be credited to the Fund.

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

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

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

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

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

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

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

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

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

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

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

12 (k) The proceeds of the tax imposed pursuant to subsection 3 of NRS  
13 372A.290;

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

16 (m) The money identified in paragraph (b) of subsection ~~4~~ 4 of NRS  
17 678B.390;

18 (n) The portion of the proceeds of the excise tax imposed pursuant to  
19 subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS  
20 463.385;

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

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

25 (q) The portion of the net profits of the grantee of a franchise identified in NRS  
26 709.230;

27 (r) The portion of the net profits of the grantee of a franchise identified in NRS  
28 709.270; and

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

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

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

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

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

51 453.316 1. A person who opens or maintains any place for the purpose of  
52 unlawfully selling, giving away or using any controlled substance is guilty of a  
53 category C felony and shall be punished as provided in NRS 193.130.

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

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

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

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

(c) Any person who opens or maintains any public place in which a person is authorized to consume cannabis, as defined in NRS 678A.085, or cannabis products, as defined in NRS 678A.120, pursuant to regulations adopted by the Cannabis Compliance Board pursuant to section 12.9 of this act, and whose activities are confined to those authorized by such regulations.

Sec. 36.1. Section 246 of chapter 595, Statutes of Nevada 2019, at page 3896, is hereby amended to read as follows:

Sec. 246. 1. This section and sections 199.3, 216.3 and 239.5 of this act become effective upon passage and approval.

2. Sections 197.5 and 198.5 of this act become effective upon passage and approval. ~~[and expire by limitation on June 30, 2021.]~~

3. Section 216.7 of this act becomes effective on November 23, 2019.

4. Sections 1 to 197, inclusive, 198, 199, 199.5, 201 to 216, inclusive, 217 to 239, inclusive, and 240 to 245, inclusive, of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2020, for all other purposes.

5. ~~[Section 199.7 of this act becomes effective on July 1, 2021.~~

~~—6.]~~ Sections 108 and 109 of this act expire by limitation on the date 2 years after the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

are repealed by the Congress of the United States.

Sec. 36.3. 1. ~~[Any]~~ The Cannabis Compliance Board shall provide to each person who, on ~~[October]~~ July 1, 2021, holds an adult-use cannabis establishment license for an adult-use cannabis retail store ~~[may, on or after October 1, 2021, submit to the Cannabis Compliance Board an application for the issuance of]~~ a written notification informing the person that the person may be eligible to hold an adult-use cannabis establishment license for a retail cannabis consumption lounge, ~~[in accordance with NRS 678B.250, as amended by section 14 of this act.]~~

1 2. The ~~["Cannabis Compliance Board shall not issue an"]~~ **notification required**  
2 **to be provided pursuant to subsection 1 must include, without limitation:**

3 **(a) A statement indicating that the person may be limited to holding one**  
4 **adult-use cannabis establishment license for a retail cannabis consumption lounge**  
5 **[to a person who submits an application pursuant to subsection 1, unless the Board**  
6 **has determined that the person has satisfied all applicable]** **pursuant to section**  
7 **12.7 of this act; and**

8 **(b) A description of the procedures and** requirements for the issuance of  
9 **[such a] an adult-use cannabis establishment license [i] for a retail cannabis**  
10 **consumption lounge,** as set forth in chapter 678B of NRS, as amended by this act,  
11 and the regulations adopted pursuant thereto.

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

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

21 **Sec. 36.7.** Section 199.7 of chapter 595, Statutes of Nevada 2019, at page  
22 3863 is hereby repealed.

23 **Sec. 36.9.** 1. This section and sections 36.1, **36.3** and 36.7 of this act  
24 become effective upon passage and approval.

25 2. Sections 1 to 36, inclusive, ~~36.3~~ and 36.5 of this act become effective on  
26 October 1, 2021.

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### TEXT OF REPEALED SECTION

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#### **Section 199.7 of chapter 595, Statutes of Nevada 2019:**

Sec. 199.7. NRS 269.170 is hereby amended to read as follows:

269.170 1. Except as otherwise provided in subsections 5 ~~and 6~~  
~~and 7~~ and NRS 269.183, 576.128, 598D.150 and 640C.100, the town  
board or board of county commissioners may, in any unincorporated town:

(a) Fix and collect a license tax on, and regulate, having due regard to  
the amount of business done by each person so licensed, and all places of  
business and amusement so licensed, as follows:

(1) Artisans, artists, assayers, auctioneers, bakers, banks and  
bankers, barbers, boilermakers, cellars and places where soft drinks are kept  
or sold, clothes cleaners, foundries, laundries, lumberyards, manufacturers  
of soap, soda, borax or glue, markets, newspaper publishers, pawnbrokers,  
funeral directors and wood and coal dealers.

(2) Bootmakers, cobblers, dressmakers, milliners, shoemakers and  
tailors.

(3) Boardinghouses, hotels, lodging houses, restaurants and  
refreshment saloons.

(4) Barrooms, gaming, manufacturers of liquors and other  
beverages, and saloons.

(5) Billiard tables, bowling alleys, caravans, circuses, concerts and other exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks and theaters.

(6) Corrals, hay yards, livery and sale stables and wagon yards.

(7) Electric light companies, illuminating gas companies, power companies, telegraph companies, telephone companies and water companies.

(8) Carts, drays, express companies, freight companies, job wagons, omnibuses and stages.

(9) Brokers, commission merchants, factors, general agents, mercantile agents, merchants, traders and stockbrokers.

(10) Drummers, hawkers, peddlers and solicitors.

(11) Insurance analysts, adjusters and managing general agents and producers of insurance within the limitations and under the conditions prescribed in NRS 680B.020.

(b) Fix and collect a license tax upon all professions, trades or business within the town not specified in paragraph (a).

2. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license presents written evidence that:

(a) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(b) Another regulatory agency of the State has issued or will issue a license required for this activity.

3. Any license tax levied for the purposes of NRS 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien must be enforced in the same manner as liens for ad valorem taxes on real and personal property. The town board or other governing body of the unincorporated town may delegate the power to enforce such liens to the county fair and recreation board.

4. The governing body or the county fair and recreation board may agree with the Department of Taxation for the continuing exchange of information concerning taxpayers.

5. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060, or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

6. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax pursuant to this section for a cannabis establishment, as defined in section 22 of this act.

~~[7. The town board or board of county commissioners shall not license or otherwise allow a person to operate a business that allows cannabis, as defined in section 18 of this act, or cannabis products, as defined in section 27 of this act, to be consumed on the premises of the business.]~~