

**City of Carson City
Agenda Report**

Date Submitted: January 7, 2014

Agenda Date Requested: January 16, 2014

Time Requested: 15 minutes

To: Mayor and Board of Supervisors

From: Community Development - Planning Division

Subject Title: For Possible Action: To introduce, on first reading, Bill No. __, an ordinance declaring a moratorium, for a period of up to 180 days with the ability to extend it by resolution for up to an additional 60 days, on the acceptance and processing of planning or other applications for construction or operation of medical marijuana establishments as contemplated by Senate Bill 374 of the 2013 Legislative Session. (Lee Plemel)

Summary: Senate Bill (SB) 374, commonly referred to as the “Medical Marijuana Act,” was adopted by the Nevada Legislature during its 77th regular session in 2013 and was approved by the Governor of the State of Nevada on June 12, 2013. The deadline for preparation of final regulations by the Nevada Division of Public and Behavioral Health (“Division”) is April 1, 2014. Until the final promulgation of such regulations, the Planning Commission and Board of Supervisors will not have a complete picture to facilitate a decision regarding zoning regulations for Medical Marijuana Establishments. Applications pertinent to Medical Marijuana Establishments would be prohibited during the moratorium, allowing City staff, the Planning Commission, and the Board of Supervisors time to evaluate the implications of the Division’s regulations and consider other impacts related to the regulation or prohibition of Medical Marijuana Establishments.

Type of Action Requested:

Resolution

Formal Action/Motion

Ordinance-First Reading

Other (Specify)

Does This Action Require A Business Impact Statement: () Yes (X) No

Planning Commission Action: Recommended approval on December 18, 2013, by a vote of 6 ayes, 0 nays, and 1 absent.

Recommended Board Action: I move to introduce, on first reading, Bill No. __, an ordinance declaring a moratorium, for a period of up to 180 days with the ability to extend it by resolution for up to an additional 60 days, on the acceptance and processing of planning or other applications for construction or operation of medical marijuana establishments as contemplated by Senate Bill 374 of the 2013 Legislative Session, based on the findings contained in the staff report.

Explanation for Recommended Board Action: See the attached staff memo for the Planning Commission meeting of December 18, 2013, for more information and explanation regarding the proposed moratorium.

Applicable Statute, Code, Policy, Rule or Regulation: 18.02.120 (Moratorium)

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: Do not implement the moratorium and provide further direction to staff regarding Medical Marijuana Establishment zoning regulations.

Supporting Material:

- 1) Ordinance
- 2) Staff memo for the December 18, 2013, Planning Commission meeting
- 3) Partnership Carson City letters supporting ban on MMEs
- 4) CCMC 18.02.120 text
- 5) SB 374 text

Prepared By: Lee Plemel, Community Development Director

Reviewed By:		Date: <u>1-7-14</u>
	(Community Development Director)	
		Date: <u>1-7-14</u>
	(City Manager)	
		Date: <u>1-7-14</u>
	(Deputy City Manager)	
		Date: <u>1/7/14</u>
	(District Attorney's Office)	
		Date: <u>1/7/14</u>
	(Finance Director)	

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

Ordinance No. ____

Bill No. ____

AN ORDINANCE DECLARING A MORATORIUM, FOR A PERIOD OF UP TO 180 DAYS WITH THE ABILITY TO EXTEND IT BY RESOLUTION FOR UP TO AN ADDITIONAL 60 DAYS, ON THE ACCEPTANCE AND PROCESSING OF PLANNING OR OTHER APPLICATIONS FOR CONSTRUCTION OR OPERATION OF MEDICAL MARIJUANA ESTABLISHMENTS AS CONTEMPLATED BY SENATE BILL 374 OF THE 2013 LEGISLATIVE SESSION.

The Carson City Board of Supervisors do ordain:

SECTION 1: A moratorium is hereby declared on all medical marijuana establishments contemplated by Senate Bill 374 of the 2013 Nevada Legislative Session (SB 374), prohibiting Carson City acceptance and consideration of any and all land use applications, business license applications, building permit applications and any other application or request to operate or otherwise license or permit any of the medical marijuana establishments as contemplated by SB 374.

SECTION 2: This moratorium shall commence upon the adoption of this ordinance by the Carson City Board of Supervisors, and shall terminate at the close of business 180 calendar days from the date of the effective date of this ordinance and commencement of the moratorium, unless: 1) earlier terminated by the Carson City Board of Supervisors; or 2) an extension of this moratorium is approved by the Carson City Board of Supervisors at a public meeting. One extension, of a period of no greater than 60 days, is contemplated hereby and such an extension may be accomplished by a resolution with a simple majority vote of the Carson City Board of Supervisors, without the need for adopting a new ordinance.

SECTION 3: The Carson City Board of Supervisors declares this moratorium for the following reasons:

A. SB 374, commonly referred to as the “Medical Marijuana Act,” was adopted by the Nevada Legislature during its 77th regular session in 2013 and was approved by the Governor of the State of Nevada on June 12, 2013; and

B. Provisions of SB 374 requires the Nevada Division of Public and Behavioral Health (“DPBH”), formerly the Health Division of Nevada’s Department of Health and Human Services and hereafter referred to as “Division,” to promulgate regulations for the consideration of applications and the issuance for certificates to allow the operations of “Medical Marijuana Establishments”¹ (“MMRs” or “MME”) in the State of Nevada, and specifically in Carson City; and

¹ Section 8.2 of SB 374 defines MMEs as: “1. An independent testing laboratory; 2. A cultivation facility; 3. A facility for the production of edible marijuana products or marijuana-infused products; 4. A medical marijuana

C. SB 374 mandates that the Division finalize these regulations on or prior to April 1, 2014; and

D. SB 374 requires an applicant for a MME certificate to provide “proof of licensure with the applicable local governmental authority or a letter from the applicable local governmental authority certifying that the proposed medical marijuana establishment is in compliance with those restrictions and satisfies all applicable building requirements ...” (SB 374, Section 10[3][a][5]); and

E. SB 374 requires an applicant for a MME certificate to “[c]omply with all local ordinances and rules pertaining to zoning, land use and signage” (SB 374, Section 10.5[2]); and

F. SB 374 requires an applicant for a MME certificate to obtain a local business license and be compliant with all local governmental ordinances or rules (*See* SB 374, Section 11.5[3]); and

G. The Carson City Municipal Code (“CCMC”), including portions pertinent to zoning, currently does not allow for MMEs as contemplated by SB 374, nor does the CCMC, as it pertains to business licensing, allow for the issuance of any business license for any MME as contemplated by SB 374, and because these uses and business are not permitted to operate in Carson City, no building permits can be issued specifically for the construction of structures to house any MME contemplated by SB 374; and

H. As some potential applicants for state MME certificates might attempt to assert to Carson City that such MME is a use contemplated by the CCMC, The Carson City Board of Supervisors desires to make clear that the current version of the CCMC does not permit any of the MMEs as contemplated by SB 374, and the Carson City Board of Supervisors desires that representatives of Carson City not accept any land use applications, business license applications, building permit applications or any other application or request to operate or otherwise license or permit any MME as contemplated by SB 374; and

I. The Carson City Board of Supervisors understands that there are numerous arguments for and against the use of marijuana for the treatment of certain debilitating diseases and ailments; and

J. Because Carson City’s Board of Supervisors must either decide to regulate MMEs and/or prohibit some or all MMEs within its jurisdiction, and this challenge presents very complicated and difficult issues from both a policy and legal perspective; and

K. Because the Division currently does not have a final draft of proposed regulations concerning the certification and operation of MMEs and the products to be produced and sold by these MMEs, nor will the Division have final regulations concerning the certification

dispensary; or 5. A business that has registered with the Division and paid the requisite fees to act as more than one of the types of businesses listed in subsections 2, 3 and 4.”

and operation of MMEs and the products to be produced and sold by these MMEs until at least December of 2013 and possibly not until the statutory deadline of April 1, 2014; and

L. Because the Carson City Board of Supervisors desires to take a responsible amount of time to thoughtfully consider the policy and legal implications of permitting MMEs to exist within the boundaries of Carson City; and

M. The Carson City Board of Supervisors desires to declare this moratorium as provided in Sections 1 and 2 above, to prohibit staff acceptance and consideration of any and all land use applications, business license applications, building permit applications and any other application or request to operate or otherwise license or permit any of the MMEs as contemplated by SB 374, for a period of 180 days, in order to permit the Division to draft and submit final regulations for MMEs by their internal December 14, 2013 deadline, and to permit the Carson City Board of Supervisors to responsibly consider the policy and legal implications of SB 374 and the Division regulations and to provide amendments to the CCMC to address the policy and legal implications of MMEs in Carson City.

SECTION 4: If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this ordinance, or any part hereof, is for any reason determined to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance. The Carson City Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

SECTION 5: No other provisions of the CCMC are affected hereby, except that all ordinances or parts of ordinances or sections, subsections, phrases, sentences, clauses or paragraphs contained in the CCMC in conflict herewith are hereby repealed.

PROPOSED on _____, 2013

PROPOSED by Supervisor _____

PASSED on _____, 2013

VOTES: AYES: Supervisors _____

VOTES: NAYS: Supervisors _____

ABSENT: Supervisors _____

Robert L. Crowell, Mayor

ATTEST:

ALAN GLOVER, Clerk-Recorder

This ordinance shall be in force and effect from and after the __ day of _____, 2014.



Carson City Planning Division

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180 – Hearing Impaired: 711
planning@carson.org
www.carson.org/planning

MEMORANDUM

Planning Commission meeting of December 18, 2013

TO: Planning Commission

FROM: Lee Plemel, AICP, Community Development Director

DATE: December 6, 2013

SUBJECT: MISC-13-147 – Moratorium on Medical Marijuana Establishments

RECOMMENDED MOTION: “I move to recommend to the Board of Supervisors approval of an ordinance to declare a moratorium, for a period of up to 180 days with the ability to extend it by resolution for up to an additional 60 days, on the acceptance and processing of planning or other applications for construction or operation of medical marijuana establishments as contemplated by Senate Bill 374 of the 2013 Legislative Session, based on the findings contained in the staff report.”

DISCUSSION:

The Nevada State Legislature adopted Senate Bill (SB) 374, commonly referred to as the “Medical Marijuana Act,” during the 2013 Legislative Session. The Bill requires the Nevada Division of Public and Behavioral Health (the “Division”) to prepare regulations by April 1, 2014, to establish the requirements to apply for and operate Medical Marijuana Establishments (“MMEs”). MMEs include medical marijuana dispensaries, cultivation facilities, facilities for the production of edible marijuana products or marijuana-infused products, and independent testing laboratories. The Bill would allow up to two medical marijuana dispensaries in Carson City, based on the City's population, but includes no limitations on the number of other types of MMEs. The Bill also states that MMEs must “comply with all local ordinances and rules pertaining to zoning, land use and signage.”

Current Carson City zoning regulations do not address any type of medical marijuana establishment, since such establishments previously have been prohibited in Nevada. With the adoption of SB 374, MMEs will need to be addressed in Title 18, the Zoning code. This could include permitting such facilities as a conditional use, establishing additional business license requirements, or banning such facilities outright in the entire City. City staff, including the District Attorney's Office, needs time to evaluate the implication of SB 374 and evaluate alternatives to bring back to the Planning Commission and Board of Supervisors after the State adopts its regulations for MMEs.

A moratorium is a temporary ban or suspension on the acceptance and processing of planning applications or permits for a specific type of application or a specific geographic area, authorized by the Carson City Municipal Code (CCMC) 18.02.120 (Moratorium). Moratoriums are typically used to allow time for a city or county to address a specific zoning issue without having to process the particular type of application for development or applications for a

particular geographic area while regulations are being developed. Refer to the attached draft ordinance for more information on the purpose of this particular moratorium.

The Carson City Municipal Code requires the Board of Supervisors to initiate the moratorium process by adoption of a Resolution. The Board adopted the attached Resolution 2013-R-43 on November 7, 2013. The Planning Commission is required to make a recommendation to the Board of Supervisors to either approve the moratorium, modify the extent and area of the moratorium, or that the moratorium not be imposed. A recommendation to approve a moratorium requires a two-thirds vote of the total membership of the Planning Commission, which requires an affirmative vote of at least five members of the seven-member Commission.

REQUIRED FINDINGS:

CCMC 18.02.120(5) requires the Planning Commission to make specific findings of fact when making a recommendation for approval of a moratorium. Staff recommends that the Planning Commission recommend approval of the moratorium based on the following findings:

- A. *The moratorium is necessary to promote the health, safety and welfare of the area described in the moratorium declaration.*

Staff response: The moratorium is necessary to promote the health, safety, and welfare of Carson City by allowing City staff, the Planning Commission, and the Board of Supervisors time to responsibly consider the policy and legal implications of SB 374 and the Division regulations and to provide amendments to the CCMC to address the policy and legal implications of MMEs in Carson City. Until the State's regulations for MMEs are established and potential regulations for MMEs in Carson City can be evaluated, the affects of such regulations on the health, safety, and welfare of Carson City residents cannot be completely known and, therefore, the moratorium is necessary.

- B. *The moratorium is necessary to permit the staff, commission, board and public to focus on the efficient and effective preparation of an amendment to the master plan.*

Staff response: Ordinances establishing zoning requirements are adopted pursuant to the Master Plan in accordance with the CCMC and NRS. The moratorium is necessary to allow City staff, the Planning Commission, and the Board of Supervisors time to responsibly consider the policy and legal implications of SB 374 and the Division regulations and to provide amendments to the CCMC to address the policy and legal implications of MMEs in Carson City. No amendment to the Master Plan is expected to be required as a result of any regulations that may be imposed regarding MMEs.

- C. *The moratorium is necessary because continued development during the proposed moratorium period possibly would result in development that may conflict with the plan amendment.*

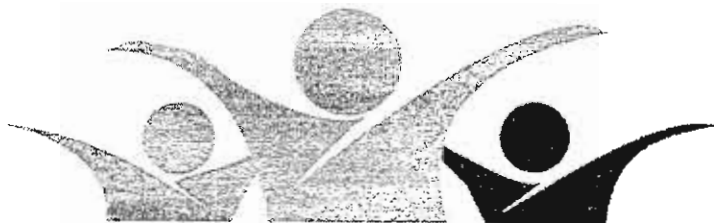
Staff response: The Carson City Municipal Code, including portions pertinent to zoning, currently does not allow for the development of MMEs as contemplated by SB 374, and because these uses and business are not permitted to operate in Carson City, no building permits can be issued specifically for the construction of structures to house any MME contemplated by SB 374. As some potential applicants for State MME certificates might attempt to assert to Carson City that such MME is a use contemplated by the CCMC, The Carson City Board of Supervisors desires to make clear that the current version of the CCMC does not permit any of the MMEs as contemplated by SB 374, and the Carson City Board of Supervisors

desires that representatives of Carson City not accept any land use applications, business license applications, building permit applications or any other application or request to operate or otherwise license or permit any MME as contemplated by SB 374. To allow any applications for MMEs at this time or any time during the moratorium could result in such facilities being in conflict with any regulations that will be developed.

If you have questions regarding this item, contact Lee Plemel at lplemel@carson.org or 283-7075.

Attachments:

1. Draft ordinance to declare moratorium
2. Board of Supervisors Resolution initiating the moratorium
3. Partnership Carson City letters supporting ban on MME's
4. CCMC 18.02.120
5. SB 374 Text



PARTNERSHIP CARSON CITY
1711 NORTH ROOP STREET
CARSON CITY, NEVADA 89703
(775) 841-4730
WWW.PARTNERSHIPCARSONCITY.ORG
501(c)3 non-profit organization

Dr. Jack Araza, President
Executive Board of Directors

Kathlyn Bartosz, Executive Director

Mayor Bob Crowell, Chairman
Steering Committee

October 22, 2013

Honorable Mayor Crowell and
Carson City Board of Supervisors
City Hall
201 North Carson Street
Carson City, Nevada 89701

Dear Honorable Mayor Crowell and Board of Supervisors:

After a lengthy discussion regarding AB 374, the Steering Committee of Partnership Carson City (PCC) encourages a prohibition on the zoning of medical marijuana dispensaries until the medicinal properties of marijuana can be researched, studied, and approved by the United States Food and Drug Administration (FDA). This position is consistent with the American Medical Association, who does not support bills such as AB 374 because of their patchwork nature¹.

PCC opposes medical marijuana dispensaries in Carson City for the following reasons:

- Medical marijuana should be researched, studied, and approved by the FDA the same as any other medication;
- After FDA approval, medical marijuana should be dispensed through pharmacies as any other medication;
- A dispensary cannot regulate the dosage of “medicine” in the marijuana it sells to be ingested or digested by its “patients”;
- In the history of the United States, no “medicine” has ever been permitted to be sold to consumers through “dispensaries” by a vote of the people;
- The sale of marijuana is in violation of federal law, and the decision of Attorney General Holder not to enforce these provisions of the law does not make dispensaries any more lawful;

¹ AMA Policy: Medical Marijuana

- The use of marijuana under the current proposed dispensary scheme permits almost no physician controls, which will result in higher societal costs – addiction, increased danger on roadways, and an increase in the crime rate. Not to mention, health complications far greater than alcohol and even tobacco – short and long term psychiatric problems, suicidal and schizophrenic tendencies, learning disabilities, memory loss, lung infections, and cancer (marijuana smoke is 50% more carcinogenic than tobacco and contains 3 times the level of tar)². These disastrous results to human life outweigh any revenue that may be accumulated by Carson City or the State through taxing medical marijuana;
- Systematic behavioral health reviews indicate children who use marijuana have a 40% increased risk of psychosis and a 50% to 200% increased risk of psychosis was found in heavy users³;
- Evidence indicates that where marijuana has been decriminalized by states or local governments, there has been an increase in the surrounding areas' black markets⁴. AB 374 could exacerbate this issue because it allows for an unlimited number of cultivators. Logic dictates that excess marijuana that is not dispensed will increase availability on the black market;
- Dispensaries will not decrease the black market as medical marijuana advocates suggest. In fact, recent studies indicate that the high cost to legally dispense medical marijuana, due to taxes, will do nothing to reduce the black market⁵;
- Analogous to heavily taxing medical marijuana, New York City heavily taxes tobacco. As a result, a black market for tobacco exists in the city, and since black market transactions are not taxed, the state and city lost approximately \$420 million dollars in tax revenues in 2006⁶; and
- Similar to the abuser's logic of prescription drugs, permitting local dispensaries will reinforce in our youth that marijuana is medicinal and not harmful⁷.

Therefore, PCC encourages the Board to prohibit dispensaries until medical marijuana can be researched, approved, and dispensed in the same manner as any other medicine. If the Board is not committed to prohibiting dispensaries, PCC supports the Board passing a moratorium until state regulations for dispensaries become effective.

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² Buddy T and Medical Review Board, "The Health Effects of Marijuana: Negative Health Effects are Numerous," About.com, 04 September 2013.

³ Jebaraj S, Knight J, Harris SK. Medical marijuana is bad for youth. *The Forum. Massachusetts Chapter of the American Academy of Pediatrics*. Fall 2011, Vol. 12, No. 4.

⁴ Ingold, John and Gorski, Eric, "More Colorado Pot is flowing to neighboring states, official says," *Denver Post* 03 September 2013.

⁵ Sullum, Jacob, "Will Colorado's Pot Taxes Preserve The Black Market," *Forbes*, 10 October 2013.

⁶ See Buiso, Gary "City blames Big Tobacco for cigarette black market," *New York Post*, 12 June 2011.

⁷ Every Day in the United States, an average of 2,000 teens abuse prescription drugs believing they are better for them than illicit drugs. National Institute of Drug Abuse, <http://teens.drugabuse.gov/drug-facts/prescription-drugs>.

If you would like to discuss this further, please do not hesitate to contact Kathy Bartosz, Executive Director of Partnership Carson City at (775) 841-4730.

Sincere regards,


Neil A. Rombardo
Steering Committee Member

Partnership Carson City Steering Committee Members:

Mayor Robert Crowell, Chair
Judge John Tatro, Carson City Municipal Court
Ken Furlong, Sheriff
Neil A. Rombardo, District Attorney
Richard Stokes, Superintendent, Carson City School District
Barry Smith, Executive Director, Nevada Press Association
Ronni Hannaman, Executive Director, Chamber of Commerce
Ed Epperson, CEO, Carson Tahoe Regional Health Center
Rob Hooper, Executive Director, No. NV. Development Authority
Chief Tad Fletcher, Alternative Sentencing
Chief Ben Bianchi, Juvenile Probation Department
Mary Bryan, Executive Director, Community Counseling Center



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*Mayor Bob Crowell, Chairman
Steering Committee*

*Signatures from
Youth Team, MOMs Group
CAAN Coalition
(PEC's 3 groups)*

October 22, 2013

Honorable Mayor Crowell and
Carson City Board of Supervisors
City Hall
201 North Carson Street
Carson City, Nevada 89701

Dear Honorable Mayor Crowell and Board of Supervisors:

After a lengthy discussion regarding AB 374, the Steering Committee of Partnership Carson City (PCC) encourages a prohibition on the zoning of medical marijuana dispensaries until the medicinal properties of marijuana can be researched, studied, and approved by the United States Food and Drug Administration (FDA). This position is consistent with the American Medical Association, who does not support bills such as AB 374 because of their patchwork nature¹.

PCC opposes medical marijuana dispensaries in Carson City for the following reasons:

- Medical marijuana should be researched, studied, and approved by the FDA the same as any other medication;
- After FDA approval, medical marijuana should be dispensed through pharmacies as any other medication;
- A dispensary cannot regulate the dosage of "medicine" in the marijuana it sells to be ingested or digested by its "patients";
- In the history of the United States, no "medicine" has ever been permitted to be sold to consumers through "dispensaries" by a vote of the people;
- The sale of marijuana is in violation of federal law, and the decision of Attorney General Holder not to enforce these provisions of the law does not make dispensaries any more lawful;

¹ AMA Policy: Medical Marijuana

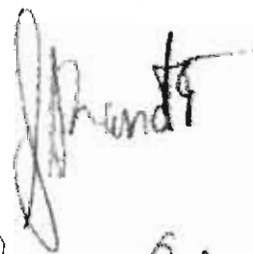
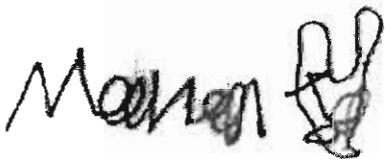
I have read the letter from the Steering Committee of Partnership Carson City to the Carson City Board of Supervisors encouraging "a prohibition on the zoning of medical marijuana dispensaries until the medicinal properties of marijuana can be researched, studied, and approved by the United States Food and Drug Administration (FDA). This position is consistent with the American Medical Association, who does not support bills such as AB 374 because of their patchwork nature."

After reading the content of the letter, I support this position taken by the PCC Steering Committee in the interest of the health and safety of our community, especially our young people. If the Board of Supervisors believes they need more time to study this matter, I would support passing a moratorium until state regulations for dispensaries are in place, and demonstrate they are responsibly controlled.

Signature

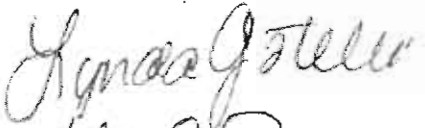

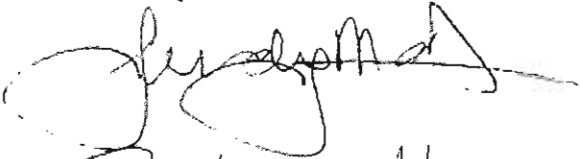
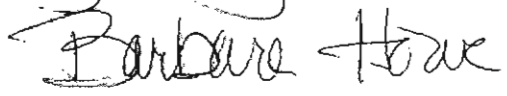
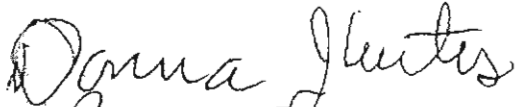

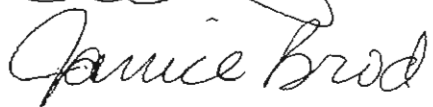
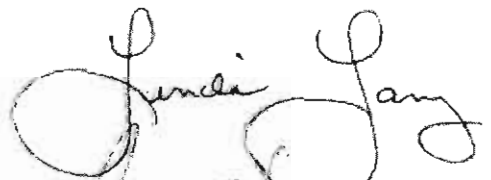
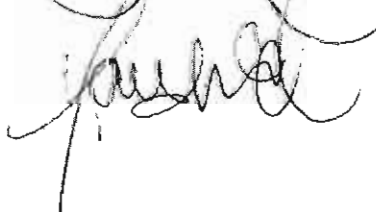
Print Name

Date

	8 th	Steven Romero	10.23.13
Luis Cabrera	7 th	Luis Cabrera	10-23-13
	8 th	Madison Jacobs	10-23-13
Jessica Camelon	8 th	Jessica Camelon	10/23/13
Maria Vazquez	6 th	Maria Vazquez	

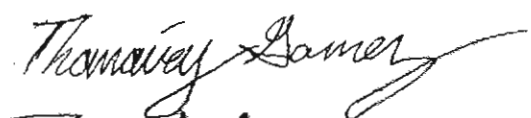

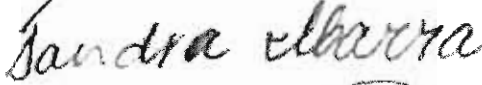
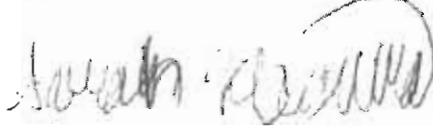
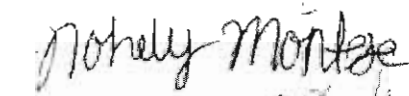

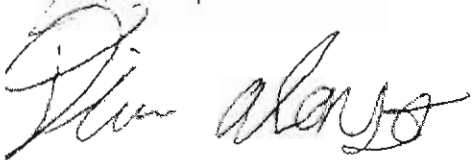
I have read the letter from the Steering Committee of Partnership Carson City to the Carson City Board of Supervisors encouraging "a prohibition on the zoning of medical marijuana dispensaries until the medicinal properties of marijuana can be researched, studied, and approved by the United States Food and Drug Administration (FDA). This position is consistent with the American Medical Association, who does not support bills such as AB 374 because of their patchwork nature."

After reading the content of the letter, I support this position taken by the PCC Steering Committee in the interest of the health and safety of our community, especially our young people. If the Board of Supervisors believes they need more time to study this matter, I would support passing a moratorium until state regulations for dispensaries are in place, and demonstrate they are responsibly controlled.

Signature	Print Name	Date
	LYNDA GOTELLI	10/18/13
	Menta Turner	10/18/13
	Lindy McDonald	10/18/13
	Barbara Howe	10/18/13
	Donna J Curtis	10/18/13
	Peggy Sweetland	10/18/13
	Janice Brod	10/18/13
(Youth Team (separate page))		
	Linda Lang	10/23/13
	Hannah McDonald	10/23/13

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After reading the content of the letter, I support this position taken by the PCC Steering Committee in the interest of the health and safety of our community, especially our young people. If the Board of Supervisors believes they need more time to study this matter, I would support passing a moratorium until state regulations for dispensaries are in place, and demonstrate they are responsibly controlled.

Signature	Print Name	Date
	Thanaury Gomez	10/24/13
	MICHAEL ALVAREZ	10/24/13
	sandra Ilarra	10/24/13
	Sarah Higgins	10/24/13
	Nohely Montes	10/24/13
	Vanessa Mancera	10/24/13
	Diana Alonso	10/24/13

I have read the letter from the Steering Committee of Partnership Carson City to the Carson City Board of Supervisors encouraging "a prohibition on the zoning of medical marijuana dispensaries until the medicinal properties of marijuana can be researched, studied, and approved by the United States Food and Drug Administration (FDA). This position is consistent with the American Medical Association, who does not support bills such as AB 374 because of their patchwork nature."

After reading the content of the letter, I support this position taken by the PCC Steering Committee in the interest of the health and safety of our community, especially our young people. If the Board of Supervisors believes they need more time to study this matter, I would support passing a moratorium until state regulations for dispensaries are in place, and demonstrate they are responsibly controlled.

Signature

Print Name

Date

Elizabeth A. McCreedy-White

10/18/13

Elizabeth A. McCreedy-White

Juana Landa (775) 4950200
Trinidad de Dios (775) 461-9059
maria Lopez (775) 203-54-38
Brenda Ramirez (775) 297-13-72

Maria Jimenez (775) 461 0540

Nallely Noriega (775)

Emma Cuevas

Rose Monguia

Amparo Hernandez

Claudia Montes

Olivia Garcia

Diana Cruz

Claudia Mejia

Seydi Graciano (790-5807)

Georgina Fregoso

671-61-26

Ana Torres 841-6561

Maria Antonia 2467970

Rodolfo Ramirez 883-0621

Rita R Madrigal

Alfonso

Thaiana Gomes
Thaiana Gomes



Mayor Bob Crowell and Board of Supervisors
City Hall, 201 North Carson St., Suite 2
Carson City, Nevada 89701

October 17, 2013

Dear Mayor Crowell and City Supervisors,

As a member of the Steering Committee of Partnership Carson City and Superintendent of Schools in Carson City, I am privileged to work with many civic leaders who, like you, want the very best for our community. I'm writing to join other interested citizens and elected officials in voicing opposition to the placement and opening of medical marijuana dispensaries in Carson City.

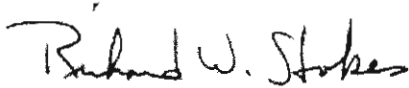
While the state has provided law for medical marijuana dispensaries to open, I am not in favor of any condition that might contribute negatively to our youth and our community. I understand that some of our citizens will provide testimony to the medical benefits of marijuana; however, I fear that by taking steps to build and open these facilities, our youth will "hear" an attitude of acceptance about marijuana from the adults in our community. As our youth are exposed to these new and more accepting attitudes there will also be greater interest in, and likely access to, this drug by our youth.

The National Institute on Drug Abuse cites many studies which indicate the negative aspects of marijuana use. It should come as no surprise that studies show that adolescent use of marijuana negatively affects a child's attention, memory, and the ability to learn. Students who smoke marijuana tend to get lower grades and drop out of school at a greater rate than students who do not. This is not a good trend for a state in need of improving graduation rates.

Adults are also negatively impacted by marijuana use. In another study by the National Institute on Drug Abuse, long-term, heavy users of marijuana reported weakened cognitive abilities, reduced career achievements, unfulfilled social lives, and physical and mental health issues. This same group linked the use of marijuana smoking with negative work-related conditions like increased absences, tardiness, accidents, worker's compensation claims, and job turnover. Our community needs people who can learn and apply complex concepts and ideas in all aspects of their lives.

In our respective civic duties, we have all witnessed the damage caused by grievous addictions and impaired living. These conditions ruin lives, tear families apart, and deteriorate the very foundation from which we derive our quality of life. Having worked with all of you in one form or another, I am honored to be your colleague. Thank you for your consideration to prohibit the placement and operation of medical marijuana dispensaries in Carson City. I endorse Partnership Carson City's stance to not take any action that permits the establishment of medical marijuana dispensaries until the medicinal marijuana can be researched and regulated in the same manner as any other substance that is used for medical treatments.

Sincerely,

A handwritten signature in black ink that reads "Richard W. Stokes". The signature is written in a cursive style with a prominent initial "R".

Richard W. Stokes
Superintendent

18.02.120 - Moratorium.

The board may declare a moratorium on the acceptance and processing of planning applications, or permits for a specific type of application or a specific geographical area and for a specified length of time for the purposes of preparing city applications.

1. Initiation. Only the board through resolution may initiate the process for declaring a moratorium for this purpose. The commission may recommend a resolution to initiate the process for declaring a moratorium to the board.
2. Commission Hearing. Should the board initiate the process to declare a moratorium, prior to taking final action they shall first refer the matter to the Commission for a recommendation. The commission shall then conduct a public hearing within forty-five (45) days from the date of referral by the board.
3. Notice of Commission Hearing. Notice of the date, time and place of the public hearing shall be published in a newspaper of general circulation in Carson City not less than ten (10) days prior to the date of the public hearing to be conducted by the commission. Such notice shall describe why the moratorium is being proposed, what the proposed moratorium shall affect, the area that is affected by the moratorium, the anticipated length of time of the moratorium, and other pertinent information in such a manner that the moratorium and its effects can be clearly identified.
4. Commission Recommendation. After completion of the public hearing by the commission, it may recommend that the board approve a moratorium, modify the extent and area of moratorium, or that the moratorium not be imposed. A recommendation to declare a moratorium shall require a two-thirds (2/3) vote of the total membership of the commission.
5. Findings. When making its recommendation for approval or modification, the commission, shall, at a minimum, make the following findings of fact:
 - a. The moratorium is necessary to promote the health, safety and welfare of the area described in the moratorium declaration;
 - b. The moratorium is necessary to permit the staff, commission, board and public to focus on the efficient and effective preparation of an amendment to the master plan; and
 - c. The moratorium is necessary because continued development during the proposed moratorium period possibly would result in development that may conflict with the plan amendment.
6. Commission Report. Within forty-five (45) days of the action by the commission, a report describing the proposed moratorium, discussion at the public hearing, and the action and vote by the commission shall be transmitted to the board. Failure to report within the time limit provided in this subsection or failure to schedule a hearing within forty-five (45) days of the date of referral of the matter by the board to the commission shall constitute a recommendation not to declare a moratorium.
7. Board Hearing. The director shall schedule a public hearing before the board within thirty (30) days of receipt of the report describing the commission's action.
8. Notice of Board Hearing. Notice of the date, time and place of the public hearing shall be published in a newspaper of general circulation in Carson City not less than ten (10) days prior to the public hearing date. Such notice shall describe why the moratorium is being proposed, what the proposed moratorium shall affect, the area that is affected by

the moratorium, the anticipated length of time of the moratorium, and other pertinent information in such a manner that the moratorium and its effects can be clearly identified.

9. **Required Vote.** After completion of the public hearing by the board, it may declare a moratorium by a simple majority vote of the board members in attendance.
10. **Affirmation of Findings.** In declaring a moratorium, the board shall, at a minimum, affirm the findings of fact contained in the commission's recommendation or, if the commission did not make these findings, shall, at a minimum, make the findings of fact in subsection 5 of this section.
11. **Period in Effect.** A moratorium declared by the board shall be in effect for a period of no less than ninety (90) days and no more than one hundred eighty (180) days from the date of effectuation. The board may only extend the moratorium for an additional sixty (60) day period before holding another public hearing pursuant to the provisions of this section.

(Ord. 2001-23 § 2 (part), 2001)

Senate Bill No. 374--Senators Segerblom,
Hutchison; and Manendo

Joint Sponsors: Assemblymen Aizley; Hogan and Swank

CHAPTER.....

AN ACT relating to medical marijuana; making it a crime to counterfeit or forge, or attempt to counterfeit or forge, a registry identification card for the medical use of marijuana; making it a crime for a person to grow, harvest or process more than 12 marijuana plants; providing for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture edible marijuana products or marijuana-infused products for sale to persons authorized to engage in the medical use of marijuana; providing for the registration of agents who are employed by or volunteer at medical marijuana establishments; setting forth the manner in which such establishments must register and operate; creating the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice; requiring the Health Division of the Department of Health and Human Services to adopt regulations; imposing an excise tax on each sale of marijuana, edible marijuana products and marijuana-infused products; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the State of Nevada provides immunity from state and local prosecution for possessing, delivering and producing marijuana in certain limited amounts for patients with qualifying medical conditions, and their designated primary caregivers, who apply to and receive from the Health Division of the Department of Health and Human Services a registry identification card. Existing law does not specify the manner in which qualifying patients and their designated primary caregivers are to obtain marijuana. (Chapter 453A of NRS)

Section 1 of this bill makes it a crime, punishable as a category E felony, for a person to counterfeit or forge or attempt to counterfeit or forge a registry identification card, which is the instrument that indicates a bearer is entitled to engage in the medical use of marijuana. Section 1.7 of this bill makes it a crime, punishable as a category E felony, for a person to grow, harvest or process more than 12 marijuana plants, and also makes such a person liable for costs of cleanup and disposal.

Sections 3.5, 7.3, 7.5, 8 and 8.3 of this bill define what is meant by a "medical marijuana establishment," which includes: (1) cultivation facilities; (2) facilities for the production of edible marijuana products or marijuana-infused products; (3) independent testing laboratories; and (4) medical marijuana dispensaries.

Section 1.4 of this bill creates the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice. The Subcommittee is tasked with considering, evaluating, reviewing and reporting on the medical use of marijuana, the dispensation of marijuana for medical use and laws providing for the dispensation of marijuana for medical use.

Sections 10-11.7 of this bill set forth the manner in which a person may apply to obtain a registration certificate to operate a medical marijuana establishment. Section 10 mandates background checks for persons proposed to be owners, officers or board members of medical marijuana establishments, and requires such establishments to be sited at least 1,000 feet from existing schools and at least 300 feet from certain existing community facilities. Section 10.5 requires that medical marijuana establishments be located in accordance with local governmental ordinances on zoning and land use, and be professional in appearance. Section 11 limits, by the size of the population of each county, the number of medical marijuana establishments that may be certified in each county, and also limits the Division to accepting applications for the certification of the establishments to not more than 10 business days in any one calendar year. Section 11.5 imposes limits to prevent the overconcentration of medical marijuana establishments in one part of a county and to prevent situations of ownership that are geographically monopolistic. Section 11.7 sets forth the merit-based criteria to be used by the Health Division of the Department of Health and Human Services in determining whether to issue a registration certificate for the operation of a medical marijuana establishment, including such criteria as financial solvency, experience in running businesses, knowledge of medical marijuana and financial contributions by way of the payment of taxes or otherwise to the State of Nevada and its political subdivisions.

Section 13 of this bill sets forth the procedure to apply for a medical marijuana establishment agent registration card, including background checks, and specifies that the application shall be deemed conditionally approved if the Division does not act upon the application within 30 days, but the conditional approval is limited to the period until such time as the Division acts upon the application.

Section 12 of this bill provides the maximum fees to be charged by the Division for the initial issuance and renewal of medical marijuana establishment registration certificates and medical marijuana establishment agent registration cards. Section 12 also imposes, in the case of applications to operate a medical marijuana establishment, a nonrefundable application fee of \$5,000. Section 13.5 states that the registration certificates and registration cards are nontransferable.

Sections 14 and 15 of this bill, in accordance with federal law, outline the procedure for the suspension of medical marijuana establishment registration certificates and medical marijuana establishment agent registration cards in the event that the holder fails to comply with certain requirements pertaining to the payment of child support. Sections 16 and 17 of this bill set forth the acts that are immediate grounds for the Division to revoke a registration certificate or registration card. Section 18 of this bill provides that it is a privilege to hold a registration certificate or registration card and holding such an instrument conveys no vested rights.

Section 19 of this bill sets forth requirements for the secure and lawful operation of medical marijuana establishments. Sections 19.1 and 19.2 of this bill, respectively, require medical marijuana establishments to maintain an electronic verification system and an inventory control system. Both systems are intended to work together to ensure that marijuana cultivated for medical use is dispensed only in accordance with chapter 453A of NRS and only to persons authorized to engage in the medical use of marijuana.

Sections 19.3 and 20 of this bill require medical marijuana dispensaries to use an independent testing laboratory to ensure that the products sold to end users are tested for content, quality and potency. Section 19.4 of this bill sets forth that medical marijuana establishments are to use certain security protocols.

Sections 19.5 and 24.9 of this bill provide for the dispensation of marijuana and related products to persons who are not residents of this State. From April 1, 2014, through March 31, 2016, a nonresident purchaser must sign an affidavit attesting to the fact that he or she is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residency. On and after April 1, 2016, the requirement for such



an affidavit is replaced by computer cross-checking between the State of Nevada and other jurisdictions.

Sections 19.6, 22.35, 22.4 and 22.45 of this bill allow a registry identification cardholder and his or her designated primary caregiver, if any, to choose a particular medical marijuana dispensary to be his or her designated medical marijuana dispensary. The designation of a medical marijuana dispensary may be changed not more than once every 30 days.

Section 19.7 of this bill requires that marijuana, edible marijuana products and marijuana-infused products be labeled and packaged in a safe manner.

Section 19.8 of this bill allows the seizure of certain property possessed by a medical marijuana establishment under certain strictly prescribed circumstances.

Section 19.9 of this bill requires the Division to prescribe standards for the operation of independent testing laboratories.

Section 20 of this bill authorizes the Division to adopt any regulations the Division determines to be necessary or advisable to carry out the program of dispensing marijuana and related products to persons authorized by law to engage in the medical use of marijuana.

Sections 22 and 22.3 of this bill increase the amounts of marijuana, edible marijuana products and marijuana-infused products that may be possessed collectively by a registry identification cardholder and his or her designated primary caregiver, if any. The increased amounts are derived, in substantial part, from the limits established by the State of Arizona. Sections 22 and 22.3 also provide a 2-year period, beginning on April 1, 2014, and ending on March 31, 2016, during which persons who are authorized to engage in the medical use of marijuana and who were cultivating, growing or producing marijuana on or before July 1, 2013, are "grandfathered" to continue such activity until March 31, 2016. On and after April 1, 2016, self-cultivation, self-growing and self-production is prohibited unless the person engaging in such activity qualifies for one of the compassionate exceptions from the prohibition, including illness that precludes travel to a medical marijuana dispensary, and the lack of a medical marijuana dispensary within 25 miles of the person's residence.

Section 22.4 of this bill stipulates that a registry identification card must indicate whether or not the holder is authorized to engage in the self-cultivation, self-growing or self-production of marijuana for medical purposes.

Section 24 of this bill reduces by 50 percent the fees currently charged by the Division to provide an applicant with an application for a registry identification card, and to process the application and issue the card.

Section 24.4 of this bill: (1) imposes an excise tax of 2 percent on each wholesale sale of marijuana, edible marijuana products and marijuana-infused products between medical marijuana establishments; (2) imposes an excise tax of 2 percent on the retail sale of marijuana and such products from a medical marijuana dispensary to an end user; and (3) makes clear that the 2 percent excise tax on retail sales is in addition to the state and local sales and use taxes that are otherwise imposed on the sale of tangible personal property.

EXPLANATION - Matter in *bolded italics* is new; matter between brackets ~~inserted~~ is material to be omitted.

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

Section 1. Chapter 207 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *It is unlawful for any person to counterfeit or forge or attempt to counterfeit or forge a registry identification card.*

2. *Any person who violates the provisions of subsection 1 is guilty of a category E felony and shall be punished as provided in NRS 193.130.*

3. *As used in this section, "registry identification card" has the meaning ascribed to it in NRS 453A.140.*

Sec. 1.3. NRS 207.360 is hereby amended to read as follows:

207.360 "Crime related to racketeering" means the commission of, attempt to commit or conspiracy to commit any of the following crimes:

1. Murder;
2. Manslaughter, except vehicular manslaughter as described in NRS 484B.657;
3. Mayhem;
4. Battery which is punished as a felony;
5. Kidnapping;
6. Sexual assault;
7. Arson;
8. Robbery;
9. Taking property from another under circumstances not amounting to robbery;
10. Extortion;
11. Statutory sexual seduction;
12. Extortionate collection of debt in violation of NRS 205.322;
13. Forgery;
14. Any violation of NRS 199.280 which is punished as a felony;
15. Burglary;
16. Grand larceny;
17. Bribery or asking for or receiving a bribe in violation of chapter 197 or 199 of NRS which is punished as a felony;
18. Battery with intent to commit a crime in violation of NRS 200.400;
19. Assault with a deadly weapon;



20. Any violation of NRS 453.232, 453.316 to 453.3395, inclusive, *except a violation of section 1.7 of this act*, or NRS 453.375 to 453.401, inclusive;

21. Receiving or transferring a stolen vehicle;

22. Any violation of NRS 202.260, 202.275 or 202.350 which is punished as a felony;

23. Any violation of subsection 2 or 3 of NRS 463.360 or chapter 465 of NRS;

24. Receiving, possessing or withholding stolen goods valued at \$650 or more;

25. Embezzlement of money or property valued at \$650 or more;

26. Obtaining possession of money or property valued at \$650 or more, or obtaining a signature by means of false pretenses;

27. Perjury or subornation of perjury;

28. Offering false evidence;

29. Any violation of NRS 201.300 or 201.360;

30. Any violation of NRS 90.570, 91.230 or 686A.290, or insurance fraud pursuant to NRS 686A.291;

31. Any violation of NRS 205.506, 205.920 or 205.930;

32. Any violation of NRS 202.445 or 202.446; or

33. Any violation of NRS 205.377.

Sec. 1.4. Chapter 176 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *There is hereby created the Subcommittee on the Medical Use of Marijuana of the Commission.*

2. *The Chair of the Commission shall appoint the members of the Subcommittee. The Subcommittee must consist of legislative and nonlegislative members, including, without limitation:*

(a) *At least four Legislators, who may or may not be members of the Commission.*

(b) *A representative of the Health Division of the Department of Health and Human Services.*

(c) *A patient who holds a valid registry identification card to engage in the medical use of marijuana pursuant to chapter 453A of NRS.*

(d) *An owner or operator of a cultivation facility that is certified to operate pursuant to chapter 453A of NRS.*

(e) *An owner or operator of a facility for the production of edible marijuana products or marijuana-infused products that is certified to operate pursuant to chapter 453A of NRS.*

(f) *An owner or operator of a medical marijuana dispensary that is certified to operate pursuant to chapter 453A of NRS.*

(g) *A representative of the Attorney General.*



(h) *A representative of a civil liberties organization.*

(i) *A representative of an organization which advocates for persons who use marijuana for medicinal purposes.*

(j) *A representative of a law enforcement agency located within the jurisdiction of Clark County.*

(k) *A representative of a law enforcement agency located within the jurisdiction of Washoe County.*

(l) *A representative of local government.*

3. *The Chair of the Commission shall designate one of the legislative members of the Commission as Chair of the Subcommittee.*

4. *The Subcommittee shall meet at the times and places specified by a call of the Chair. A majority of the members of the Subcommittee constitutes a quorum, and a quorum may exercise any power or authority conferred on the Subcommittee.*

5. *The Subcommittee shall:*

(a) *Consider issues concerning the medical use of marijuana, the dispensation of marijuana for medical use and the implementation of provisions of law providing for the dispensation of marijuana for medical use; and*

(b) *Evaluate, review and submit a report to the Commission with recommendations concerning such issues.*

6. *Any Legislators who are members of the Subcommittee are entitled to receive the salary provided for a majority of the members of the Legislature during the first 60 days of the preceding session for each day's attendance at a meeting of the Subcommittee.*

7. *While engaged in the business of the Subcommittee, to the extent of legislative appropriation, each member of the Subcommittee is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.*

Sec. 1.45. NRS 176.0121 is hereby amended to read as follows:

176.0121 As used in NRS 176.0121 to 176.0129, inclusive, and section 1.4 of this act, "Commission" means the Advisory Commission on the Administration of Justice.

Sec. 1.5. NRS 391.311 is hereby amended to read as follows:

391.311 As used in NRS 391.311 to 391.3197, inclusive, unless the context otherwise requires:

1. "Administrator" means any employee who holds a license as an administrator and who is employed in that capacity by a school district.



2. "Board" means the board of trustees of the school district in which a licensed employee affected by NRS 391.311 to 391.3197, inclusive, is employed.

3. "Demotion" means demotion of an administrator to a position of lesser rank, responsibility or pay and does not include transfer or reassignment for purposes of an administrative reorganization.

4. "Immorality" means:

(a) An act forbidden by NRS 200.366, 200.368, 200.400, 200.508, 201.180, 201.190, 201.210, 201.220, 201.230, 201.265, 201.540, 201.560, 207.260, 453.316 to 453.336, inclusive, *except an act forbidden by section 1.7 of this act, NRS 453.337, 453.338, 453.3385 to 453.3405, inclusive, 453.560 or 453.562; or*

(b) An act forbidden by NRS 201.540 or any other sexual conduct or attempted sexual conduct with a pupil enrolled in an elementary or secondary school. As used in this paragraph, "sexual conduct" has the meaning ascribed to it in NRS 201.520.

5. "Postprobationary employee" means an administrator or a teacher who has completed the probationary period as provided in NRS 391.3197 and has been given notice of reemployment. The term does not include a person who is deemed to be a probationary employee pursuant to NRS 391.3129.

6. "Probationary employee" means:

(a) An administrator or a teacher who is employed for the period set forth in NRS 391.3197; and

(b) A person who is deemed to be a probationary employee pursuant to NRS 391.3129.

7. "Superintendent" means the superintendent of a school district or a person designated by the board or superintendent to act as superintendent during the absence of the superintendent.

8. "Teacher" means a licensed employee the majority of whose working time is devoted to the rendering of direct educational service to pupils of a school district.

Sec. 1.7. Chapter 453 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A person shall not knowingly or intentionally manufacture, grow, plant, cultivate, harvest, dry, propagate or process marijuana, except as specifically authorized by the provisions of this chapter or chapter 453A of NRS.*

2. *Unless a greater penalty is provided in NRS 453.339, a person who violates subsection 1, if the quantity involved is more than 12 marijuana plants, irrespective of whether the marijuana plants are mature or immature, is guilty of a category E felony and shall be punished as provided in NRS 193.130.*



3. *In addition to any punishment imposed pursuant to subsection 2, the court shall order a person convicted of a violation of subsection 1 to pay all costs associated with any necessary cleanup and disposal related to the manufacturing, growing, planting, cultivation, harvesting, drying, propagation or processing of the marijuana.*

Sec. 2. Chapter 453A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 20, inclusive, of this act.

Sec. 3. "Crime of violence" means any felony:

1. *Involving the use or threatened use of force or violence against the person or property of another; or*

2. *For which there is a substantial risk that force or violence may be used against the person or property of another in the commission of the felony.*

Sec. 3.5. "Cultivation facility" means a business that:

1. *Is registered with the Division pursuant to section 10 of this act; and*

2. *Acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells marijuana and related supplies to:*

(a) *Medical marijuana dispensaries;*

(b) *Facilities for the production of edible marijuana products or marijuana-infused products; or*

(c) *Other cultivation facilities.*

Secs. 4 and 5. (Deleted by amendment.)

Sec. 5.3. "Edible marijuana products" means products that:

1. *Contain marijuana or an extract thereof;*

2. *Are intended for human consumption by oral ingestion; and*

3. *Are presented in the form of foodstuffs, extracts, oils, tinctures and other similar products.*

Sec. 5.5. "Electronic verification system" means an electronic database that:

1. *Keeps track of data in real time; and*

2. *Is accessible by the Division and by registered medical marijuana establishments.*

Sec. 6. "Enclosed, locked facility" means a closet, display case, room, greenhouse or other enclosed area that meets the requirements of section 19.4 of this act and is equipped with locks or other security devices which allow access only by a medical marijuana establishment agent and the holder of a valid registry identification card.

Sec. 7. 1. "Excluded felony offense" means:

(a) *A crime of violence; or*



(b) A violation of a state or federal law pertaining to controlled substances, if the law was punishable as a felony in the jurisdiction where the person was convicted.

2. The term does not include:

(a) A criminal offense for which the sentence, including any term of probation, incarceration or supervised release, was completed more than 10 years before; or

(b) An offense involving conduct that would be immune from arrest, prosecution or penalty pursuant to sections 10 to 20, inclusive, of this act, except that the conduct occurred before April 1, 2014, or was prosecuted by an authority other than the State of Nevada.

Sec. 7.3. "Facility for the production of edible marijuana products or marijuana-infused products" means a business that:

1. Is registered with the Division pursuant to section 10 of this act; and

2. Acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible marijuana products or marijuana-infused products to medical marijuana dispensaries.

Sec. 7.5. "Independent testing laboratory" means a facility described in section 19.9 of this act.

Sec. 7.7. "Inventory control system" means a process, device or other contrivance that may be used to monitor the chain of custody of marijuana used for medical purposes from the point of cultivation to the end consumer.

Sec. 7.9. 1. "Marijuana-infused products" means products that:

(a) Are infused with marijuana or an extract thereof; and

(b) Are intended for use or consumption by humans through means other than inhalation or oral ingestion.

2. The term includes, without limitation, topical products, ointments, oils and tinctures.

Sec. 8. "Medical marijuana dispensary" means a business that:

1. Is registered with the Division pursuant to section 10 of this act; and

2. Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card.

Sec. 8.3. "Medical marijuana establishment" means:

1. An independent testing laboratory;

2. A cultivation facility;



3. A facility for the production of edible marijuana products or marijuana-infused products;

4. A medical marijuana dispensary; or

5. A business that has registered with the Division and paid the requisite fees to act as more than one of the types of businesses listed in subsections 2, 3 and 4.

Sec. 8.5. "Medical marijuana establishment agent" means an owner, officer, board member, employee or volunteer of a medical marijuana establishment.

Sec. 8.6. "Medical marijuana establishment agent registration card" means a registration card that is issued by the Division pursuant to section 13 of this act to authorize a person to volunteer or work at a medical marijuana establishment.

Sec. 8.7. "Medical marijuana establishment registration certificate" means a registration certificate that is issued by the Division pursuant to section 10 of this act to authorize the operation of a medical marijuana establishment.

Sec. 8.8. "THC" means delta-9-tetrahydrocannabinol, which is the primary active ingredient in marijuana.

Sec. 9. (Deleted by amendment.)

Sec. 10. 1. Each medical marijuana establishment must register with the Division.

2. A person who wishes to operate a medical marijuana establishment must submit to the Division an application on a form prescribed by the Division.

3. Except as otherwise provided in sections 11, 11.5, 11.7 and 16 of this act, not later than 90 days after receiving an application to operate a medical marijuana establishment, the Division shall register the medical marijuana establishment and issue a medical marijuana establishment registration certificate and a random 20-digit alphanumeric identification number if:

(a) The person who wishes to operate the proposed medical marijuana establishment has submitted to the Division all of the following:

(1) The application fee, as set forth in section 12 of this act;

(2) An application, which must include:

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

(II) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned additional or otherwise associated medical marijuana establishments, the locations of which may not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten



through grade 12 and that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the Division, or within 300 feet of a community facility that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the Division;

(III) Evidence that the applicant controls not less than \$250,000 in liquid assets to cover the initial expenses of opening the proposed medical marijuana establishment and complying with the provisions of sections 10 to 20, inclusive, of this act;

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

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

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

(VII) The name, address and date of birth of each person who is proposed to be employed by or otherwise provide labor at the proposed medical marijuana establishment as a medical marijuana establishment agent;

(3) Operating procedures consistent with rules of the Division for oversight of the proposed medical marijuana establishment, including, without limitation:

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

(II) The use of an electronic verification system and an inventory control system, pursuant to sections 19.1 and 19.2 of this act;

(4) If the proposed medical marijuana establishment will sell or deliver edible marijuana products or marijuana-infused products, proposed operating procedures for handling such products which must be preapproved by the Division;

(5) If the city, town or county in which the proposed medical marijuana establishment will be located has enacted zoning restrictions, proof of licensure with the applicable local



governmental authority or a letter from the applicable local governmental authority certifying that the proposed medical marijuana establishment is in compliance with those restrictions and satisfies all applicable building requirements; and

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

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

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

(1) Served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked; or

(2) Previously had a medical marijuana establishment agent registration card revoked; and

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

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

5. Except as otherwise provided in subsection 6, if an application for registration as a medical marijuana establishment satisfies the requirements of this section and the establishment is not disqualified from being registered as a medical marijuana establishment pursuant to this section or other applicable law, the Division shall issue to the establishment a medical marijuana establishment registration certificate. A medical marijuana establishment registration certificate expires 1 year after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and

(b) Payment of the renewal fee set forth in section 12 of this act.

6. In determining whether to issue a medical marijuana establishment registration certificate pursuant to this section, the Division shall consider the criteria of merit set forth in section 11.7 of this act.



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

- (a) A facility that provides day care to children.
- (b) A public park.
- (c) A playground.
- (d) A public swimming pool.

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

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

Sec. 10.5. Each medical marijuana establishment must:

1. Be located in a separate building or facility that is located in a commercial or industrial zone or overlay;

2. Comply with all local ordinances and rules pertaining to zoning, land use and signage;

3. Have an appearance, both as to the interior and exterior, that is professional, orderly, dignified and consistent with the traditional style of pharmacies and medical offices;

4. Have discreet and professional signage that is consistent with the traditional style of signage for pharmacies and medical offices.

Sec. 11. 1. Except as otherwise provided in this section and section 11.5 of this act, the Division shall issue medical marijuana establishment registration certificates for medical marijuana dispensaries in the following quantities for applicants who qualify pursuant to section 10 of this act:

(a) In a county whose population is 700,000 or more, 40 certificates;

(b) In a county whose population is 100,000 or more but less than 700,000, 10 certificates;

(c) In a county whose population is 55,000 or more but less than 100,000, 2 certificates; and

(d) In each other county, 1 certificate.

2. Notwithstanding the provisions of subsection 1, the Division shall not issue medical marijuana establishment registration certificates for medical marijuana dispensaries in such a quantity as to cause the existence within the applicable county of more than one medical marijuana dispensary for every 10 pharmacies that have been licensed in the county pursuant to chapter 639 of NRS. The Division may issue medical marijuana establishment registration certificates for medical marijuana dispensaries in excess of the ratio otherwise allowed pursuant to this subsection if to do so is necessary to ensure that the Division issues at least one medical marijuana establishment registration



certificate in each county of this State in which the Division has approved an application for such an establishment to operate.

3. With respect to medical marijuana establishments that are not medical marijuana dispensaries, the Division shall determine the appropriate number of such establishments as are necessary to serve and supply the medical marijuana dispensaries to which the Division has granted medical marijuana establishment registration certificates.

4. The Division shall not, for more than a total of 10 business days in any 1 calendar year, accept applications to operate medical marijuana establishments.

Sec. 11.5. 1. Except as otherwise provided in this subsection, in a county whose population is 100,000 or more, the Division shall ensure that not more than 25 percent of the total number of medical marijuana dispensaries that may be certified in the county, as set forth in section 11 of this act, are located in any one local governmental jurisdiction within the county. The board of county commissioners of the county may increase the percentage described in this subsection if it determines that to do so is necessary to ensure that the more populous areas of the county have access to sufficient distribution of marijuana for medical use.

2. To prevent monopolistic practices, the Division shall ensure, in a county whose population is 100,000 or more, that it does not issue, to any one person, group of persons or entity, the greater of:

(a) One medical marijuana establishment registration certificate; or

(b) More than 10 percent of the medical marijuana establishment registration certificates otherwise allocable in the county.

3. In a local governmental jurisdiction that issues business licenses, the issuance by the Division of a medical marijuana establishment registration certificate shall be deemed to be provisional until such time as:

(a) The establishment is in compliance with all applicable local governmental ordinances or rules; and

(b) The local government has issued a business license for the operation of the establishment.

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

Sec. 11.7. In determining whether to issue a medical marijuana establishment registration certificate pursuant to



section 10 of this act, the Division shall, in addition to the factors set forth in that section, consider the following criteria of merit:

1. The total financial resources of the applicant, both liquid and illiquid;
2. The previous experience of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment at operating other businesses or nonprofit organizations;
3. The educational achievements of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment;
4. Any demonstrated knowledge or expertise on the part of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment with respect to the compassionate use of marijuana to treat medical conditions;
5. Whether the proposed location of the proposed medical marijuana establishment would be convenient to serve the needs of persons who are authorized to engage in the medical use of marijuana;
6. The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located;
7. The adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana;
8. Whether the applicant has an integrated plan for the care, quality and safekeeping of medical marijuana from seed to sale;
9. The amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment; and
10. Any other criteria of merit that the Division determines to be relevant.

Sec. 12. 1. Except as otherwise provided in subsection 2, the Division shall collect not more than the following maximum fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....	\$30,000
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For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....	\$5,000
For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility.....	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility.....	1,000
For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....	3,000
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....	1,000
For the initial issuance of a medical marijuana establishment agent registration card.....	75
For the renewal of a medical marijuana establishment agent registration card.....	75
For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory.....	5,000
For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory.....	3,000

2. In addition to the fees described in subsection 1, each applicant for a medical marijuana establishment registration certificate must pay to the Division:

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

3. Any revenue generated from the fees imposed pursuant to this section:

- (a) Must be expended first to pay the costs of the Division in carrying out the provisions of sections 10 to 20, inclusive of this act; and
- (b) If any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.



Sec. 13. 1. Except as otherwise provided in this section, a person shall not volunteer or work at a medical marijuana establishment as a medical marijuana establishment agent unless the person is registered with the Division pursuant to this section.

2. A medical marijuana establishment that wishes to retain as a volunteer or employ a medical marijuana establishment agent shall submit to the Division an application on a form prescribed by the Division. The application must be accompanied by:

(a) The name, address and date of birth of the prospective medical marijuana establishment agent;

(b) A statement signed by the prospective medical marijuana establishment agent pledging not to dispense or otherwise divert marijuana to any person who is not authorized to possess marijuana in accordance with the provisions of this chapter;

(c) A statement signed by the prospective medical marijuana establishment agent asserting that he or she has not previously had a medical marijuana establishment agent registration card revoked;

(d) A complete set of the fingerprints and written permission of the prospective medical marijuana establishment agent authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(e) The application fee, as set forth in section 12 of this act; and

(f) Such other information as the Division may require by regulation.

3. A medical marijuana establishment shall notify the Division within 10 days after a medical marijuana establishment agent ceases to be employed by or volunteer at the medical marijuana establishment.

4. A person who:

(a) Has been convicted of an excluded felony offense; or

(b) Is less than 21 years of age,

shall not serve as a medical marijuana establishment agent.

5. The Division shall submit the fingerprints of an applicant for registration as a medical marijuana establishment agent to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of the applicant.

6. The provisions of this section do not require a person who is an owner, officer or board member of a medical marijuana establishment to resubmit information already furnished to the



Division at the time the establishment was registered with the Division.

7. If an applicant for registration as a medical marijuana establishment agent satisfies the requirements of this section and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the Division shall issue to the person a medical marijuana establishment agent registration card. If the Division does not act upon an application for a medical marijuana establishment agent registration card within 30 days after the date on which the application is received, the application shall be deemed conditionally approved until such time as the Division acts upon the application. A medical marijuana establishment agent registration card expires 1 year after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and

(b) Payment of the renewal fee set forth in section 12 of this act.

Sec. 13.5. The following are nontransferable:

1. A medical marijuana establishment agent registration card.

2. A medical marijuana establishment registration certificate.

Sec. 14. 1. In addition to any other requirements set forth in this chapter, an applicant for the issuance or renewal of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate shall:

(a) Include the social security number of the applicant in the application submitted to the Division.

(b) Submit to the Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the medical marijuana establishment agent registration card or medical marijuana establishment registration certificate; or

(b) A separate form prescribed by the Division.

3. A medical marijuana establishment agent registration card or medical marijuana establishment registration certificate may not be issued or renewed by the Division if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or



(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 15. 1. If the Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate, the Division shall deem the card or certificate issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Division receives a letter issued to the holder of the card or certificate by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the card or certificate has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The Division shall reinstate a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate that has been suspended by a district court pursuant to NRS 425.540 if the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose card or certificate was suspended stating that the person whose card or certificate was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 16. The following acts constitute grounds for immediate revocation of a medical marijuana establishment registration certificate:

1. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a

valid registry identification card or the designated primary caregiver of such a patient.

2. Acquiring usable marijuana or mature marijuana plants from any person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient.

3. Violating a regulation of the Division, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment registration certificate.

Sec. 17. The following acts constitute grounds for the immediate revocation of the medical marijuana establishment agent registration card of a medical marijuana establishment agent:

1. Having committed or committing any excluded felony offense.

2. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient.

3. Violating a regulation of the Division, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment agent registration card.

Sec. 18. The purpose for registering medical marijuana establishments and medical marijuana establishment agents is to protect the public health and safety and the general welfare of the people of this State. Any medical marijuana establishment registration certificate issued pursuant to section 10 of this act and any medical marijuana establishment agent registration card issued pursuant to section 13 of this act is a revocable privilege and the holder of such a certificate or card, as applicable, does not acquire thereby any vested right.

Sec. 19. 1. The operating documents of a medical marijuana establishment must include procedures:

(a) For the oversight of the medical marijuana establishment; and

(b) To ensure accurate recordkeeping, including, without limitation, the provisions of sections 19.1 and 19.2 of this act.

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

(a) That is a medical marijuana dispensary must have a single entrance for patrons, which must be secure, and shall implement



strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

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

↳ 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. A medical marijuana establishment is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to:

(a) Directly or indirectly assist patients who possess valid registry identification cards; and

(b) Assist patients who possess valid registry identification cards by way of those patients' designated primary caregivers.

↳ For the purposes of this subsection, a person shall be deemed to be a patient who possesses a valid registry identification card if he or she qualifies for nonresident reciprocity pursuant to section 19.5 of this act.

4. All cultivation or production of marijuana that a 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 Division during the registration process for the cultivation facility. Such an enclosed, locked facility must be accessible only by medical marijuana establishment agents who are lawfully associated with the 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 medical marijuana establishment agent.

5. A medical marijuana dispensary and a cultivation facility may acquire usable marijuana or marijuana plants from a patient who holds a valid registry identification card, or the designated primary caregiver of such a patient. Except as otherwise provided in this subsection, the patient or caregiver, as applicable, must receive no compensation for the marijuana. A patient who holds a valid registry identification card, and the designated primary caregiver of such a patient, may sell usable marijuana to a medical marijuana dispensary one time and may sell marijuana plants to a cultivation facility one time.



6. A medical marijuana establishment shall not allow any person to consume marijuana on the property or premises of the establishment.

7. Medical marijuana establishments are subject to reasonable inspection by the Division at any time, and a person who holds a medical marijuana establishment registration certificate must make himself or herself, or a designee thereof, available and present for any inspection by the Division of the establishment.

Sec. 19.1. 1. Each medical marijuana establishment, in consultation with the Division, shall maintain an electronic verification system.

2. The electronic verification system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) In the case of a medical marijuana dispensary, for each person who holds a valid registry identification card and who purchased marijuana from the dispensary in the immediately preceding 60-day period:

- (1) The number of the card;
- (2) The date on which the card was issued; and
- (3) The date on which the card will expire.

(b) For each medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment, the number of the person's medical marijuana establishment agent registration card.

(c) In the case of a medical marijuana dispensary, such information as may be required by the Division by regulation regarding persons who are not residents of this State and who have purchased marijuana from the dispensary.

(d) Verification of the identity of a person to whom marijuana, edible marijuana products or marijuana-infused products are sold or otherwise distributed.

(e) Such other information as the Division may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an electronic verification system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

4. A medical marijuana establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an electronic verification system is encrypted, protected and not divulged for any purpose not specifically authorized by law.



Sec. 19.2. 1. Each medical marijuana establishment, in consultation with the Division, shall maintain an inventory control system.

2. The inventory control system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) Insofar as is practicable, the chain of custody and current whereabouts, in real time, of medical marijuana from the point that it is harvested at a cultivation facility until it is sold at a medical marijuana dispensary and, if applicable, if it is processed at a facility for the production of edible marijuana products or marijuana-infused products;

(b) The name of each person or other medical marijuana establishment, or both, to which the establishment sold marijuana;

(c) In the case of a medical marijuana dispensary, the date on which it sold marijuana to a person who holds a registry identification card and, if any, the quantity of edible marijuana products or marijuana-infused products sold, measured both by weight and potency; and

(d) Such other information as the Division may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an inventory control system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

4. A medical marijuana establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an inventory control system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

Sec. 19.3. Each medical marijuana dispensary shall ensure all of the following:

1. The weight, concentration and content of THC in all marijuana, edible marijuana products and marijuana-infused products that the dispensary sells is clearly and accurately stated on the product sold.

2. That the dispensary does not sell to a person, in any one 14-day period, an amount of marijuana for medical purposes that exceeds the limits set forth in NRS 453A.200.

3. That, posted clearly and conspicuously within the dispensary, are the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200.

4. That, posted clearly and conspicuously within the dispensary, is a sign stating unambiguously the legal limits on the



possession of marijuana for medical purposes, as set forth in NRS 453A.200.

Sec. 19.4. 1. At each medical marijuana establishment, medical marijuana must be stored only in an enclosed, locked facility.

2. Except as otherwise provided in subsection 3, at each medical marijuana dispensary, medical marijuana must be stored in a secure, locked device, display case, cabinet or room within the enclosed, locked facility. The secure, locked device, display case, cabinet or room must be protected by a lock or locking mechanism that meets at least the security rating established by Underwriters Laboratories for key locks.

3. At a medical marijuana dispensary, medical marijuana may be removed from the secure setting described in subsection 2:

(a) Only for the purpose of dispensing the marijuana;

(b) Only immediately before the marijuana is dispensed; and

(c) Only by a medical marijuana establishment agent who is employed by or volunteers at the dispensary.

Sec. 19.5. 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and

(e) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. For the purposes of the reciprocity described in this section:



(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, "nonresident card" means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card, as determined by the Division.

Sec. 19.6. 1. A patient who holds a valid registry identification card and his or her designated primary caregiver, if any, may select one medical marijuana dispensary to serve as his or her designated medical marijuana dispensary at any one time.

2. A patient who designates a medical marijuana dispensary as described in subsection 1:

(a) Shall communicate the designation to the Division within the time specified by the Division.

(b) May change his or her designation not more than once in a 30-day period.

Sec. 19.7. Each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products shall, in consultation with the Division, cooperate to ensure that all edible marijuana products and marijuana-infused products offered for sale:

1. Are labeled clearly and unambiguously as medical marijuana.

2. Are not presented in packaging that is appealing to children.

3. Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

4. Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

Sec. 19.8. 1. If a law enforcement agency legally and justly seizes evidence from a medical marijuana establishment on a basis that, in consideration of due process and viewed in the manner most favorable to the establishment, would lead a reasonable person to believe that a crime has been committed, the relevant provisions of NRS 179.1156 to 179.121, inclusive, apply insofar as they do not conflict with the provisions of this chapter.

2. As used in this section, "law enforcement agency" has the meaning ascribed to it in NRS 239C.065.



Sec. 19.9. 1. The Division shall establish standards for and certify one or more private and independent testing laboratories to test marijuana, edible marijuana products and marijuana-infused products that are to be sold in this State.

2. Such an independent testing laboratory must be able to determine accurately, with respect to marijuana, edible marijuana products and marijuana-infused products that are sold or will be sold at medical marijuana dispensaries in this State:

(a) The concentration therein of THC and cannabidiol.

(b) Whether the tested material is organic or non-organic.

(c) The presence and identification of molds and fungus.

(d) The presence and concentration of fertilizers and other nutrients.

3. To obtain certification by the Division on behalf of an independent testing laboratory, an applicant must:

(a) Apply successfully as required pursuant to section 10 of this act.

(b) Pay the fees required pursuant to section 12 of this act.

Sec. 20. The Division shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of sections 10 to 20, inclusive, of this act. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to sections 10 and 13 of this act.

2. Set forth rules pertaining to the safe and healthful operation of medical marijuana establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on medical marijuana establishments or compromising the confidentiality of the holders of registry identification cards.

(b) Minimum requirements for the oversight of medical marijuana establishments.

(c) Minimum requirements for the keeping of records by medical marijuana establishments.

(d) Provisions for the security of medical marijuana establishments, including, without limitation, requirements for the protection by a fully operational security alarm system of each medical marijuana establishment.

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana, edible marijuana



products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the Division.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the Division if a patient who holds a valid registry identification card has chosen the dispensary as his or her designated medical marijuana dispensary, as described in section 19.6 of this act.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in section 12 of this act may be reduced over time:

(a) To ensure that the fees imposed pursuant to section 12 of this act are, insofar as may be practicable, revenue neutral; and

(b) To reflect gifts and grants received by the Division pursuant to NRS 453A.720.

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, or the designated primary caregiver of such a person, in any one 14-day period. Such an amount must not exceed the limits set forth in NRS 453A.200.

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

6. In cooperation with the Board of Medical Examiners and the State Board of Osteopathic Medicine, establish a system to:

(a) Register and track attending physicians who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;

(b) Insofar as is possible, track and quantify the number of times an attending physician described in paragraph (a) makes such an advisement; and

(c) Provide for the progressive discipline of attending physicians who advise the medical use of marijuana at a rate at which the Division and Board determine and agree to be unreasonably high.

7. Establish different categories of medical marijuana establishment agent registration cards, including, without limitation, criteria for training and certification, for each of the different types of medical marijuana establishments at which such an agent may be employed or volunteer.

8. Provide for the maintenance of a log by the Division of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.220. The



Division shall ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.

9. Address such other matters as may assist in implementing the program of dispensation contemplated by sections 10 to 20, inclusive, of this act.

Sec. 21. NRS 453A.010 is hereby amended to read as follows:

453A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 453A.020 to 453A.170, inclusive, and sections 3 to 9, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 21.5. NRS 453A.100 is hereby amended to read as follows:

453A.100 ~~“Drug paraphernalia” has the meaning ascribed to it in NRS 453.554.~~ **“Paraphernalia” means accessories, devices and other equipment that is necessary or useful for a person to engage in the medical use of marijuana.**

Sec. 22. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of ~~drug~~ paraphernalia;

(c) Aiding and abetting another in the possession, delivery or production of marijuana;

(d) Aiding and abetting another in the possession or delivery of ~~drug~~ paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of ~~drug~~ paraphernalia is an element.

2. In addition to the provisions of ~~subsection~~ **subsections 1** ~~and 5~~, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

(a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as



justified to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess, deliver or produce more than:

(1) ~~{One ounce}~~ *Two and one-half ounces* of usable marijuana ~~{in any one 14-day period};~~

(2) ~~{Three mature}~~ *Twelve* marijuana plants ~~{and~~

~~{(3) Four immature marijuana plants.}~~ , *irrespective of whether the marijuana plants are mature or immature; and*

(3) *A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.*

↪ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. *A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to section 10 of this act or a valid medical marijuana establishment agent registration card issued to the person pursuant to section 13 of this act, and who confines his or her activities to those authorized by sections 10 to 20, inclusive, of this act and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:*

(a) *Possession, delivery or production of marijuana;*

(b) *Possession or delivery of paraphernalia;*

(c) *Aiding and abetting another in the possession, delivery or production of marijuana;*

(d) *Aiding and abetting another in the possession or delivery of paraphernalia;*

(e) *Any combination of the acts described in paragraphs (a) to (d), inclusive; and*

(f) *Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.*

6. *Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana*



dispensary opens in the county of residence of a person who holds a registry identification card or his or her designated primary caregiver, if any, such persons are not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) *The person who holds the registry identification card or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;*

(b) *All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;*

(c) *Because of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or*

(d) *No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.*

7. *As used in this section, "marijuana" includes, without limitation, edible marijuana products and marijuana-infused products.*

Sec. 22.3. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of paraphernalia;

(c) Aiding and abetting another in the possession, delivery or production of marijuana;

(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.



2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

(a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess, deliver or produce more than:

(1) Two and one-half ounces of usable marijuana in any one 14-day period;

(2) Twelve marijuana plants, irrespective of whether the marijuana plants are mature or immature; and

(3) A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.

↳ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to section 10 of this act or a valid medical marijuana establishment agent registration card issued to the person pursuant to section 13 of this act, and who confines his or her activities to those authorized by sections 10 to 20, inclusive, of this act and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of paraphernalia;



(c) Aiding and abetting another in the possession, delivery or production of marijuana;

(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card or his or her designated primary caregiver, if any, such persons are not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) ~~The person who holds the registry identification card or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013.~~

~~(b)~~ All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

~~(c)~~ (b) Because of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or

~~(d)~~ (c) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, "marijuana" includes, without limitation, edible marijuana products and marijuana-infused products.

Sec. 22.35. NRS 453A.210 is hereby amended to read as follows:

453A.210 1. The Division shall establish and maintain a program for the issuance of registry identification cards to persons who meet the requirements of this section.

2. Except as otherwise provided in subsections 3 and 5 and NRS 453A.225, the Division or its designee shall issue a registry



identification card to a person who is a resident of this State and who submits an application on a form prescribed by the Division accompanied by the following:

(a) Valid, written documentation from the person's attending physician stating that:

(1) The person has been diagnosed with a chronic or debilitating medical condition;

(2) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(3) The attending physician has explained the possible risks and benefits of the medical use of marijuana;

(b) The name, address, telephone number, social security number and date of birth of the person;

(c) Proof satisfactory to the Division that the person is a resident of this State;

(d) The name, address and telephone number of the person's attending physician; ~~and~~

(e) If the person elects to designate a primary caregiver at the time of application:

(1) The name, address, telephone number and social security number of the designated primary caregiver; and

(2) A written, signed statement from the person's attending physician in which the attending physician approves of the designation of the primary caregiver ~~+~~; *and*

(f) If the person elects to designate a medical marijuana dispensary at the time of application, the name of the medical marijuana dispensary.

3. The Division or its designee shall issue a registry identification card to a person who is under 18 years of age if:

(a) The person submits the materials required pursuant to subsection 2; and

(b) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age signs a written statement setting forth that:

(1) The attending physician of the person under 18 years of age has explained to that person and to the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age the possible risks and benefits of the medical use of marijuana;

(2) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age consents to the use of marijuana by the person under 18 years of age for medical purposes;



(3) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to serve as the designated primary caregiver for the person under 18 years of age; and

(4) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to control the acquisition of marijuana and the dosage and frequency of use by the person under 18 years of age.

4. The form prescribed by the Division to be used by a person applying for a registry identification card pursuant to this section must be a form that is in quintuplicate. Upon receipt of an application that is completed and submitted pursuant to this section, the Division shall:

(a) Record on the application the date on which it was received;

(b) Retain one copy of the application for the records of the Division; and

(c) Distribute the other four copies of the application in the following manner:

(1) One copy to the person who submitted the application;

(2) One copy to the applicant's designated primary caregiver, if any;

(3) One copy to the Central Repository for Nevada Records of Criminal History; and

(4) One copy to:

(I) If the attending physician of the applicant is licensed to practice medicine pursuant to the provisions of chapter 630 of NRS, the Board of Medical Examiners; or

(II) If the attending physician of the applicant is licensed to practice osteopathic medicine pursuant to the provisions of chapter 633 of NRS, the State Board of Osteopathic Medicine.

↪ The Central Repository for Nevada Records of Criminal History shall report to the Division its findings as to the criminal history, if any, of an applicant within 15 days after receiving a copy of an application pursuant to subparagraph (3) of paragraph (c). The Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable, shall report to the Division its findings as to the licensure and standing of the applicant's attending physician within 15 days after receiving a copy of an application pursuant to subparagraph (4) of paragraph (c).

5. The Division shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within 30 days after receiving the application. The Division may contact an applicant, the applicant's attending physician and designated primary caregiver, if any, by telephone to



determine that the information provided on or accompanying the application is accurate. The Division may deny an application only on the following grounds:

(a) The applicant failed to provide the information required pursuant to subsections 2 and 3 to:

(1) Establish the applicant's chronic or debilitating medical condition; or

(2) Document the applicant's consultation with an attending physician regarding the medical use of marijuana in connection with that condition;

(b) The applicant failed to comply with regulations adopted by the Division, including, without limitation, the regulations adopted by the Administrator pursuant to NRS 453A.740;

(c) The Division determines that the information provided by the applicant was falsified;

(d) The Division determines that the attending physician of the applicant is not licensed to practice medicine or osteopathic medicine in this State or is not in good standing, as reported by the Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable;

(e) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has been convicted of knowingly or intentionally selling a controlled substance;

(f) The Division has prohibited the applicant from obtaining or using a registry identification card pursuant to subsection 2 of NRS 453A.300;

(g) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has had a registry identification card revoked pursuant to NRS 453A.225; or

(h) In the case of a person under 18 years of age, the custodial parent or legal guardian with responsibility for health care decisions for the person has not signed the written statement required pursuant to paragraph (b) of subsection 3.

6. The decision of the Division to deny an application for a registry identification card is a final decision for the purposes of judicial review. Only the person whose application has been denied or, in the case of a person under 18 years of age whose application has been denied, the person's parent or legal guardian, has standing to contest the determination of the Division. A judicial review authorized pursuant to this subsection must be limited to a determination of whether the denial was arbitrary, capricious or otherwise characterized by an abuse of discretion and must be conducted in accordance with the procedures set forth in chapter 233B of NRS for reviewing a final decision of an agency.



7. A person whose application has been denied may not reapply for 6 months after the date of the denial, unless the Division or a court of competent jurisdiction authorizes reapplication in a shorter time.

8. Except as otherwise provided in this subsection, if a person has applied for a registry identification card pursuant to this section and the Division has not yet approved or denied the application, the person, and the person's designated primary caregiver, if any, shall be deemed to hold a registry identification card upon the presentation to a law enforcement officer of the copy of the application provided to him or her pursuant to subsection 4. ~~{A person may not be deemed to hold a registry identification card for a period of more than 30 days after the date on which the Division received the application.}~~

9. As used in this section, "resident" has the meaning ascribed to it in NRS 483.141.

Sec. 22.4. NRS 453A.220 is hereby amended to read as follows:

453A.220 1. If the Division approves an application pursuant to subsection 5 of NRS 453A.210, the Division or its designee shall, as soon as practicable after the Division approves the application:

(a) Issue a serially numbered registry identification card to the applicant; and

(b) If the applicant has designated a primary caregiver, issue a serially numbered registry identification card to the designated primary caregiver.

2. A registry identification card issued pursuant to paragraph (a) of subsection 1 must set forth:

(a) The name, address, photograph and date of birth of the applicant;

(b) The date of issuance and date of expiration of the registry identification card;

(c) The name and address of the applicant's designated primary caregiver, if any; ~~{and}~~

(d) *The name of the applicant's designated medical marijuana dispensary, if any;*

(e) *Whether the applicant is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and*

(f) Any other information prescribed by regulation of the Division.

3. A registry identification card issued pursuant to paragraph (b) of subsection 1 must set forth:



(a) The name, address and photograph of the designated primary caregiver;

(b) The date of issuance and date of expiration of the registry identification card;

(c) The name and address of the applicant for whom the person is the designated primary caregiver; ~~and~~

(d) *The name of the designated primary caregiver's designated medical marijuana dispensary, if any;*

(e) *Whether the designated primary caregiver is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and*

(f) Any other information prescribed by regulation of the Division.

4. Except as otherwise provided in NRS 453A.225, subsection 3 of NRS 453A.230 and subsection 2 of NRS 453A.300, a registry identification card issued pursuant to this section is valid for a period of 1 year and may be renewed in accordance with regulations adopted by the Division.

Sec. 22.45. NRS 453A.230 is hereby amended to read as follows:

453A.230 1. A person to whom the Division or its designee has issued a registry identification card pursuant to paragraph (a) of subsection 1 of NRS 453A.220 shall, in accordance with regulations adopted by the Division:

(a) Notify the Division of any change in the person's name, address, telephone number, *designated medical marijuana dispensary*, attending physician or designated primary caregiver, if any; and

(b) Submit annually to the Division:

(1) Updated written documentation from the person's attending physician in which the attending physician sets forth that:

(I) The person continues to suffer from a chronic or debilitating medical condition;

(II) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(III) The attending physician has explained to the person the possible risks and benefits of the medical use of marijuana; and

(2) If the person elects to designate a primary caregiver for the subsequent year and the primary caregiver so designated was not the person's designated primary caregiver during the previous year:

(I) The name, address, telephone number and social security number of the designated primary caregiver; and

(II) A written, signed statement from the person's attending physician in which the attending physician approves of the designation of the primary caregiver.

2. A person to whom the Division or its designee has issued a registry identification card pursuant to paragraph (b) of subsection 1 of NRS 453A.220 or pursuant to NRS 453A.250 shall, in accordance with regulations adopted by the Division, notify the Division of any change in the person's name, address, telephone number, *designated medical marijuana dispensary* or the identity of the person for whom he or she acts as designated primary caregiver.

3. If a person fails to comply with the provisions of subsection 1 or 2, the registry identification card issued to the person shall be deemed expired. If the registry identification card of a person to whom the Division or its designee issued the card pursuant to paragraph (a) of subsection 1 of NRS 453A.220 is deemed expired pursuant to this subsection, a registry identification card issued to the person's designated primary caregiver, if any, shall also be deemed expired. Upon the deemed expiration of a registry identification card pursuant to this subsection:

(a) The Division shall send, by certified mail, return receipt requested, notice to the person whose registry identification card has been deemed expired, advising the person of the requirements of paragraph (b); and

(b) The person shall return his or her registry identification card to the Division within 7 days after receiving the notice sent pursuant to paragraph (a).

Sec. 22.5. NRS 453A.300 is hereby amended to read as follows:

453A.300 1. A person who holds a registry identification card issued to him or her pursuant to NRS 453A.220 or 453A.250 is not exempt from state prosecution for, nor may the person establish an affirmative defense to charges arising from, any of the following acts:

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

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

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

(d) Possessing marijuana in violation of NRS 453.336 or possessing ~~drug~~ paraphernalia in violation of NRS 453.560 or



453.566, if the possession of the marijuana or ~~drug~~ paraphernalia is discovered because the person engaged or assisted in the medical use of marijuana in:

(1) Any public place or in any place open to the public or exposed to public view; or

(2) Any local detention facility, county jail, state prison, reformatory or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders.

(e) Delivering marijuana to another person who he or she knows does not lawfully hold a registry identification card issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

(f) Delivering marijuana for consideration to any person, regardless of whether the recipient lawfully holds a registry identification card issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

2. Except as otherwise provided in NRS 453A.225 and in addition to any other penalty provided by law, if the Division determines that a person has willfully violated a provision of this chapter or any regulation adopted by the Division to carry out the provisions of this chapter, the Division may, at its own discretion, prohibit the person from obtaining or using a registry identification card for a period of up to 6 months.

Sec. 23. NRS 453A.400 is hereby amended to read as follows:

453A.400 1. The fact that a person possesses a registry identification card issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250, *a medical marijuana establishment registration certificate issued to the person by the Division or its designee pursuant to section 10 of this act or a medical marijuana establishment agent registration card issued to the person by the Division or its designee pursuant to section 13 of this act* does not, alone:

(a) Constitute probable cause to search the person or the person's property; or

(b) Subject the person or the person's property to inspection by any governmental agency.

2. Except as otherwise provided in this subsection, if officers of a state or local law enforcement agency seize marijuana, ~~drug~~ paraphernalia or other related property from a person engaged *in, facilitating* or assisting in the medical use of marijuana:

(a) The law enforcement agency shall ensure that the marijuana, ~~drug~~ paraphernalia or other related property is not destroyed while in the possession of the law enforcement agency.

(b) Any property interest of the person from whom the marijuana, ~~drug~~ paraphernalia or other related property was seized



must not be forfeited pursuant to any provision of law providing for the forfeiture of property, except as part of a sentence imposed after conviction of a criminal offense.

(c) Upon a determination by the district attorney of the county in which the marijuana, ~~drug~~ paraphernalia or other related property was seized, or the district attorney's designee, that the person from whom the marijuana, ~~drug~~ paraphernalia or other related property was seized is engaging in or assisting in the medical use of marijuana in accordance with the provisions of this chapter, the law enforcement agency shall immediately return to that person any usable marijuana, marijuana plants, ~~drug~~ paraphernalia or other related property that was seized.

➤ The provisions of this subsection do not require a law enforcement agency to care for live marijuana plants.

3. For the purposes of paragraph (c) of subsection 2, the determination of a district attorney or the district attorney's designee that a person is engaging in or assisting in the medical use of marijuana in accordance with the provisions of this chapter shall be deemed to be evidenced by:

(a) A decision not to prosecute;

(b) The dismissal of charges; or

(c) Acquittal.

Sec. 24. NRS 453A.740 is hereby amended to read as follows:

453A.740 The Administrator of the Division shall adopt such regulations as the Administrator determines are necessary to carry out the provisions of this chapter. The regulations must set forth, without limitation:

1. Procedures pursuant to which the Division will, in cooperation with the Department of Motor Vehicles, cause a registry identification card to be prepared and issued to a qualified person as a type of identification card described in NRS 483.810 to 483.890, inclusive. The procedures described in this subsection must provide that the Division will:

(a) Issue a registry identification card to a qualified person after the card has been prepared by the Department of Motor Vehicles; or

(b) Designate the Department of Motor Vehicles to issue a registry identification card to a person if:

(1) The person presents to the Department of Motor Vehicles valid documentation issued by the Division indicating that the Division has approved the issuance of a registry identification card to the person; and

(2) The Department of Motor Vehicles, before issuing the registry identification card, confirms by telephone or other reliable



means that the Division has approved the issuance of a registry identification card to the person.

2. ~~Criteria for determining whether a marijuana plant is a mature marijuana plant or an immature marijuana plant.~~

~~3.~~ Fees for:

(a) Providing to an applicant an application for a registry identification card, which fee must not exceed ~~+\$50.~~ \$25; and

(b) Processing and issuing a registry identification card, which fee must not exceed ~~+\$150.~~ \$75.

Sec. 24.3. NRS 453A.800 is hereby amended to read as follows:

453A.800 The provisions of this chapter do not:

1. Require an insurer, organization for managed care or any person or entity who provides coverage for a medical or health care service to pay for or reimburse a person for costs associated with the medical use of marijuana.

2. Require any employer to ~~accommodate~~ allow the medical use of marijuana in the workplace.

3. *Require an employer to modify the job or working conditions of a person who engages in the medical use of marijuana that are based upon the reasonable business purposes of the employer but the employer must attempt to make reasonable accommodations for the medical needs of an employee who engages in the medical use of marijuana if the employee holds a valid registry identification card, provided that such reasonable accommodation would not:*

(a) Pose a threat of harm or danger to persons or property or impose an undue hardship on the employer; or

(b) Prohibit the employee from fulfilling any and all of his or her job responsibilities.

Sec. 24.4. Chapter 372A of NRS is hereby amended by adding thereto a new section to read as follows:

1. *An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of 2 percent of the sales price of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.*

2. *An excise tax is hereby imposed on each wholesale sale in this State of edible marijuana products or marijuana-infused products by a facility for the production of edible marijuana products or marijuana-infused products to another medical marijuana establishment at the rate of 2 percent of the sales price of those products. The excise tax imposed pursuant to this subsection is the obligation of the facility for the production of*



edible marijuana products or marijuana-infused products which sells the edible marijuana products or marijuana-infused products to the other medical marijuana establishment.

3. *An excise tax is hereby imposed on each retail sale in this State of marijuana, edible marijuana products or marijuana-infused products by a medical marijuana dispensary at the rate of 2 percent of the sales price of the marijuana, edible marijuana products or marijuana-infused products. The excise tax imposed pursuant to this subsection:*

(a) *Is the obligation of the medical marijuana dispensary.*

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

(c) *Must be considered part of the total retail price to which general state and local sales and use taxes apply.*

4. *The revenues collected from the excise taxes imposed pursuant to subsections 1, 2 and 3 must be distributed as follows:*

(a) *Seventy-five percent must be paid over as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.*

(b) *Twenty-five percent must be expended to pay the costs of the Health Division of the Department of Health and Human Services in carrying out the provisions of sections 10 to 20, inclusive, of this act.*

5. *The Department shall review regularly the rates of the excise taxes imposed pursuant to subsections 1, 2 and 3 and make recommendations to the Legislature, as appropriate, regarding adjustments that the Department determines would benefit the residents of this State.*

6. *As used in this section:*

(a) *“Cultivation facility” has the meaning ascribed to it in section 3.5 of this act.*

(b) *“Edible marijuana products” has the meaning ascribed to it in section 5.3 of this act.*

(c) *“Facility for the production of edible marijuana products or marijuana-infused products” has the meaning ascribed to it in section 7.3 of this act.*

(d) *“Marijuana-infused products” has the meaning ascribed to it in section 7.9 of this act.*

(e) *“Medical marijuana dispensary” has the meaning ascribed to it in section 8 of this act.*

(f) *“Medical marijuana establishment” has the meaning ascribed to it in section 8.3 of this act.*



Sec. 24.5. NRS 372A.060 is hereby amended to read as follows:

372A.060 1. This chapter does not apply to ~~any~~ :

(a) Any person who is registered or exempt from registration pursuant to NRS 453.226 or any other person who is lawfully in possession of a controlled substance ~~+~~; or

(b) Except as otherwise provided in section 24.4 of this act, any person who acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana for the medical use of marijuana as authorized pursuant to chapter 453A of NRS.

2. Compliance with this chapter does not immunize a person from criminal prosecution for the violation of any other provision of law.

Sec. 24.7. NRS 372A.070 is hereby amended to read as follows:

372A.070 1. A person shall not sell, offer to sell or possess with the intent to sell a controlled substance unless he or she first:

(a) Registers with the Department as a dealer in controlled substances and pays an annual fee of \$250; and

(b) Pays a tax on:

~~(1) Each gram of marijuana, or portion thereof, of \$100;~~

~~(2) Each gram of any other a controlled substance, or portion thereof, of \$1,000; and~~

~~(3) (2) Each 50 dosage units of a controlled substance that is not sold by weight, or portion thereof, of \$2,000.~~

2. For the purpose of calculating the tax imposed by ~~subparagraphs~~ *subparagraph* (1) ~~and (2)~~ of paragraph (b) of subsection 1, the controlled substance must be measured by the weight of the substance in the dealer's possession, including the weight of any material, compound, mixture or preparation that is added to the controlled substance.

3. The Department shall not require a registered dealer to give his or her name, address, social security number or other identifying information on any return submitted with the tax.

4. Any person who violates subsection 1 is subject to a civil penalty of 100 percent of the tax in addition to the tax imposed by subsection 1. Any civil penalty imposed pursuant to this subsection must be collected as part of the tax.

5. The district attorney of any county in which a dealer resides may institute and conduct the prosecution of any action for violation of subsection 1.



6. Property forfeited or subject to forfeiture pursuant to NRS 453.301 must not be used to satisfy a fee, tax or penalty imposed by this section.

7. As used in this section:

(a) "Controlled substance" does not include marijuana, edible marijuana products or marijuana-infused products.

(b) "Edible marijuana products" has the meaning ascribed to it in section 5.3 of this act.

(c) "Marijuana-infused products" has the meaning ascribed to it in section 7.9 of this act.

Sec. 24.9. Section 19.5 of this act is hereby amended to read as follows:

Sec. 19.5 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

~~(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and~~

~~(e) state or jurisdiction from which the holder or bearer obtained the nonresident card maintains a database which preserves such information as may be necessary to verify the authenticity or validity of the nonresident card;~~

(e) The state or jurisdiction from which the holder or bearer obtained the nonresident card allows the Division and medical marijuana dispensaries in this State to access the database described in paragraph (d);

(f) The Division determines that the database described in paragraph (d) is able to provide to medical marijuana dispensaries in this State information that is sufficiently



accurate, current and specific as to allow those dispensaries to verify that a person who holds or bears a nonresident card is entitled lawfully to do so; and

(g) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. For the purposes of the reciprocity described in this section:

(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, "nonresident card" means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card, as determined by the Division.

Sec. 25. On or before April 1, 2014, the Health Division of the Department of Health and Human Services shall adopt the regulations required pursuant to section 20 of this act.

Sec. 25.5. 1. If the Director of the Department of Health and Human Services determines that the revenues from the fees collected pursuant to section 12 of this act are not sufficient in Fiscal Year 2013-2014 or Fiscal Year 2014-2015 to pay authorized expenditures necessary to carry out sections 10 to 20, inclusive of this act, the Director of the Department of Health and Human Services may request from the Director of the Department of Administration a temporary advance from the State General Fund for the payment of authorized expenditures to carry out sections 10 to 20, inclusive of this act.

2. The Director of the Department of Administration shall provide written notification to the State Controller and to the Senate and Assembly Fiscal Analysts of the Fiscal Analysis Division of the Legislative Counsel Bureau if the Director of the Department of Administration approves a request made pursuant to subsection 1. The State Controller shall draw a warrant upon receipt of the approval by the Director of the Department of Administration.

3. Any money which is temporarily advanced from the State General Fund to the Director of the Department of Health and



Human Services pursuant to this section must be repaid on or before the last business day in August immediately following the end of Fiscal Year 2013-2014 and Fiscal Year 2014-2015, respectively.

Sec. 26. 1. This section and section 25.5 of this act become effective upon passage and approval.

2. Sections 1 to 22, inclusive, 22.35 to 24.7, inclusive, and 25 of this act become effective upon passage and approval for the purpose of adopting regulations and carrying out other preparatory administrative acts, and on April 1, 2014, for all other purposes.

3. Sections 22.3 and 24.9 of this act become effective on April 1, 2016.

4. Sections 14 and 15 of this act expire by limitation on 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.

