



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** April 4, 2019

Staff Contact: Nancy Paulson, City Manager (npaulson@carson.org)

Agenda Title: For Possible Action: Discussion and possible action on Assembly Bill (AB) 409 of the 80th (2019) Session of the Nevada Legislature, a bill establishing requirements for the issuance of a license to operate a marijuana consumption lounge. (Nancy Paulson, npaulson@carson.org)

Staff Summary: During this session of the Nevada Legislature, City staff will bring to meetings of the Board of Supervisors legislative bills as requested by the Board for review or those that staff believes will impact Carson City. AB 409 establishes requirements for the issuance of a license to operate a marijuana consumption lounge by a county or city; authorizes a marijuana consumption lounge to purchase marijuana or marijuana products from a retail marijuana store for resale to the customers of the marijuana consumption lounge; and imposes an excise tax on marijuana or marijuana products sold by a marijuana consumption lounge.

Agenda Action: Formal Action / Motion **Time Requested:** 10 Minutes

Proposed Motion

I move to (support, oppose, remain neutral on) AB 409.

Board's Strategic Goal

Quality of Life

Previous Action

N/A

Background/Issues & Analysis

Legislative Counsel's Digest:

Existing law: (1) exempts a person who holds a valid registry identification card or letter of approval from state prosecution for possession, delivery and production of marijuana; and (2) generally decriminalizes the purchase, possession and use of marijuana and marijuana paraphernalia for persons who are 21 years of age or older. (NRS 453A.200, 453A.250, 453D.110, 453D.130) Existing law also generally authorizes the regulation, taxation and licensing of businesses by local governments. (NRS 244.335-244.3525, 268.090-268.0975)

Section 1 of this bill prohibits the board of county commissioners of each county from regulating or imposing a license tax upon a marijuana consumption lounge in any manner other than that authorized in section 1. Section 1 authorizes the board of county commissioners of each county to adopt an ordinance which requires a person who wishes to operate a marijuana consumption lounge in an unincorporated area of the county to obtain a license before operating the lounge. Section 1 establishes certain requirements that each marijuana consumption lounge must satisfy for a board of county commissioners to issue such a license. Section 1 allows the board of county commissioners to establish and collect a fee for such a license that does not exceed the fee charged for similar businesses. Section 3 of this bill establishes similar provisions for the governing

body of an incorporated city for similar businesses located in the incorporated city. Sections 2 and 4 of this bill make conforming changes. Existing law prohibits a person from opening or maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance. (NRS 453.316) Section 9 of this bill exempts a licensed marijuana consumption lounge that does not sell or give away a controlled substance from the application of this provision. Existing law generally prohibits a person from selling marijuana or marijuana products for the purpose of adult use to a customer, or acquiring marijuana or marijuana products for such a sale, unless the person is licensed as a retail marijuana store. (NRS 453D.120) Section 12 of this bill authorizes a retail marijuana store to sell, and a marijuana distributor to transport, marijuana and marijuana products to a marijuana consumption lounge for the purpose of resale. Section 12 authorizes a marijuana consumption lounge to purchase marijuana or marijuana products for resale and sell marijuana and marijuana products to consumers. Section 13 of this bill authorizes a person to smoke or otherwise consume marijuana in a portion of a retail marijuana store that is licensed as a marijuana consumption lounge. Sections 14 and 15 of this bill authorize a marijuana consumption lounge to obtain marijuana and marijuana products solely through a contract with one or more retail marijuana stores and to sell such marijuana and marijuana products to its customers. Section 10 of this bill exempts a licensed marijuana consumption lounge from the application of the provision of existing law that prohibits a person from opening or maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance if the lounge does not give away any controlled substance or sell any controlled substance other than marijuana or marijuana products that the lounge is authorized to obtain pursuant to existing law. Section 11 of this bill makes a conforming change. Existing law imposes an excise tax on each retail sale in this State of marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. (NRS 372A.290) Section 8 of this bill imposes this excise tax on each sale of marijuana or marijuana products by a retail marijuana store to a marijuana consumption lounge and on each retail sale of marijuana or marijuana products by a marijuana consumption lounge. Sections 5-7 of this bill make conforming changes.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.146; Carson City Charter, Art. 2, Sec. 2.090; various provisions of NRS.

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted?

Explanation of Fiscal Impact:

Alternatives

Take a position to support, oppose or remain neutral; not take a position; Mayor remand back to staff with instructions based on discussion on the record.

Attachments:

[AB409.pdf](#)

Board Action Taken:

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

(Vote Recorded By)

ASSEMBLY BILL NO. 409—ASSEMBLYMAN MCCURDY

MARCH 21, 2019

Referred to Committee on Judiciary

SUMMARY—Establishes requirements for the issuance of a license to operate a marijuana consumption lounge. (BDR 20-1254)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to marijuana; establishing requirements for the issuance of a license to operate a marijuana consumption lounge by a county or city; authorizing a marijuana consumption lounge to purchase marijuana or marijuana products from a retail marijuana store for resale to the customers of the marijuana consumption lounge; imposing an excise tax on marijuana or marijuana products sold by a marijuana consumption lounge; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law: (1) exempts a person who holds a valid registry identification
2 card or letter of approval from state prosecution for possession, delivery and
3 production of marijuana; and (2) generally decriminalizes the purchase, possession
4 and use of marijuana and marijuana paraphernalia for persons who are 21 years of
5 age or older. (NRS 453A.200, 453A.250, 453D.110, 453D.130) Existing law also
6 generally authorizes the regulation, taxation and licensing of businesses by local
7 governments. (NRS 244.335-244.3525, 268.090-268.0975) **Section 1** of this bill
8 prohibits the board of county commissioners of each county from regulating or
9 imposing a license tax upon a marijuana consumption lounge in any manner other
10 than that authorized in **section 1**. **Section 1** authorizes the board of county
11 commissioners of each county to adopt an ordinance which requires a person who
12 wishes to operate a marijuana consumption lounge in an unincorporated area of the
13 county to obtain a license before operating the lounge. **Section 1** establishes certain
14 requirements that each marijuana consumption lounge must satisfy for a board of
15 county commissioners to issue such a license. **Section 1** allows the board of county
16 commissioners to establish and collect a fee for such a license that does not exceed
17 the fee charged for similar businesses. **Section 3** of this bill establishes similar
18 provisions for the governing body of an incorporated city for similar businesses



19 located in the incorporated city. **Sections 2 and 4** of this bill make conforming
20 changes.

21 Existing law prohibits a person from opening or maintaining a place for the
22 purpose of unlawfully selling, giving away or using any controlled substance. (NRS
23 453.316) **Section 9** of this bill exempts a licensed marijuana consumption lounge
24 that does not sell or give away a controlled substance from the application of this
25 provision.

26 Existing law generally prohibits a person from selling marijuana or marijuana
27 products for the purpose of adult use to a customer, or acquiring marijuana or
28 marijuana products for such a sale, unless the person is licensed as a retail
29 marijuana store. (NRS 453D.120) **Section 12** of this bill authorizes a
30 retail marijuana store to sell, and a marijuana distributor to transport, marijuana and
31 marijuana products to a marijuana consumption lounge for the purpose of resale.
32 **Section 12** authorizes a marijuana consumption lounge to purchase marijuana or
33 marijuana products for resale and sell marijuana and marijuana products to
34 consumers. **Section 13** of this bill authorizes a person to smoke or otherwise
35 consume marijuana in a portion of a retail marijuana store that is licensed as a
36 marijuana consumption lounge. **Sections 14 and 15** of this bill authorize a
37 marijuana consumption lounge to obtain marijuana and marijuana products solely
38 through a contract with one or more retail marijuana stores and to sell such
39 marijuana and marijuana products to its customers. **Section 10** of this bill exempts
40 a licensed marijuana consumption lounge from the application of the provision of
41 existing law that prohibits a person from opening or maintaining a place for the
42 purpose of unlawfully selling, giving away or using any controlled substance if the
43 lounge does not give away any controlled substance or sell any controlled
44 substance other than marijuana or marijuana products that the lounge is authorized
45 to obtain pursuant to existing law. **Section 11** of this bill makes a conforming
46 change.

47 Existing law imposes an excise tax on each retail sale in this State of marijuana
48 or marijuana products by a retail marijuana store at the rate of 10 percent of the
49 sales price of the marijuana or marijuana products. (NRS 372A.290) **Section 8** of
50 this bill imposes this excise tax on each sale of marijuana or marijuana products by
51 a retail marijuana store to a marijuana consumption lounge and on each retail sale
52 of marijuana or marijuana products by a marijuana consumption lounge. **Sections**
53 **5-7** of this bill make conforming changes.

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

1 **Section 1.** Chapter 244 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Except as otherwise provided in this section, a board of*
4 *county commissioners shall not regulate the business of or fix,*
5 *impose or collect a license tax or any other fee for revenue or for*
6 *regulation, or for both revenue and regulation, on a marijuana*
7 *consumption lounge located in the county.*

8 *2. A board of county commissioners may, by ordinance,*
9 *require each person who wishes to operate a marijuana*
10 *consumption lounge in an unincorporated area of the county to*
11 *obtain a license issued by the board before the person operates the*
12 *marijuana consumption lounge.*



1 3. An ordinance adopted pursuant to subsection 2 must
2 require each applicant for such a license to submit an application
3 for the license to the board of county commissioners in a form
4 prescribed by the board.

5 4. A board of county commissioners shall not issue a license
6 pursuant to this section unless the proposed marijuana
7 consumption lounge:

8 (a) Is located 1,000 feet or more from all public or private
9 schools and 300 feet or more from all community facilities;

10 (b) Is not located on the property of a public airport;

11 (c) Does not allow the consumption of marijuana, edible
12 marijuana products, marijuana-infused products or marijuana
13 products at any place which is reasonably viewable from a public
14 place;

15 (d) Prohibits the entry of any person who is less than 21 years
16 of age to the marijuana consumption lounge;

17 (e) Requires any marijuana, edible marijuana product,
18 marijuana-infused product or marijuana product brought into a
19 marijuana consumption lounge by a customer to be contained in
20 sealed packaging which clearly identifies the medical marijuana
21 dispensary or retail marijuana store that sold the marijuana or
22 product;

23 (f) Requires any customer of the marijuana consumption
24 lounge who exits the premises of the lounge with marijuana,
25 edible marijuana products, marijuana-infused products or
26 marijuana products to seal the marijuana or product in opaque
27 packaging;

28 (g) Submits a security plan to the county which, without
29 limitation, provides for adequate security and lighting at the
30 marijuana consumption lounge and for each entrance and exit of
31 the marijuana consumption lounge to be adequately secured;

32 (h) Before allowing a person to work for or volunteer at the
33 marijuana consumption lounge, performs a criminal background
34 check on the person;

35 (i) Is prohibited from employing or allowing to volunteer at the
36 marijuana consumption lounge any person who has been
37 convicted of an excluded felony offense, as defined in
38 NRS 453D.030;

39 (j) Is prohibited from selling alcohol or allowing the
40 consumption of alcohol on the premises of the marijuana
41 consumption lounge;

42 (k) Is prohibited from offering gaming, as defined in NRS
43 463.0153, or allowing such gaming to occur on the premises of the
44 marijuana consumption lounge;



1 (l) *Installs a ventilation and exhaust system which is capable*
2 *of absorbing odors sufficiently that any odor generated inside the*
3 *marijuana consumption lounge cannot be easily detected from*
4 *outside the lounge;*

5 (m) *Installs a ventilation system in each area inside the*
6 *marijuana consumption lounge in which marijuana, edible*
7 *marijuana products, marijuana-infused products or marijuana*
8 *products are consumed that substantially removes smoke from the*
9 *area and segregates each such area from all other areas of the*
10 *marijuana consumption lounge by enclosing the area on all sides*
11 *by any combination of solid walls, windows or doors that extend*
12 *from the floor to the ceiling;*

13 (n) *Provides information on public transportation, taxis and*
14 *transportation network companies to all customers of the*
15 *marijuana consumption lounge;*

16 (o) *Trains each employee or volunteer of the marijuana*
17 *consumption lounge concerning paraphernalia, marijuana, edible*
18 *marijuana products, marijuana-infused products and marijuana*
19 *products, including, without limitation, the proper use of*
20 *paraphernalia, the potency, absorption time and effects of*
21 *marijuana, edible marijuana products, marijuana-infused*
22 *products and marijuana products, the recognition of impairment*
23 *from and overconsumption of marijuana, and the safe handling of*
24 *a customer who is impaired;*

25 (p) *Makes one or more employees or volunteers available to*
26 *customers at all times that the marijuana consumption lounge is*
27 *open to educate the customers of the lounge on the safe use of*
28 *marijuana, edible marijuana products, marijuana-infused*
29 *products and marijuana products and the proper use of*
30 *paraphernalia;*

31 (q) *Prohibits loitering outside of the marijuana consumption*
32 *lounge at any time;*

33 (r) *Collaborates with the appropriate local law enforcement*
34 *agency to properly collect and promptly dispose of any marijuana,*
35 *edible marijuana products, marijuana-infused products or*
36 *marijuana products which are left at the marijuana consumption*
37 *lounge; and*

38 (s) *Is prohibited from acquiring from any source or selling*
39 *marijuana, edible marijuana products, marijuana-infused*
40 *products or marijuana products.*

41 5. *A board of county commissioners may:*

42 (a) *Establish and collect a fee for the issuance or renewal of a*
43 *license issued pursuant to this section which does not exceed the*
44 *fee charged for a business license for similar businesses,*
45 *including, without limitation, bars, lounges and social clubs;*



1 (b) Grant or deny applications for a license and impose
2 conditions, limitations or restrictions upon the license that are not
3 unreasonably impracticable; and

4 (c) Establish any other requirements necessary to carry out the
5 provisions of this section.

6 6. A board of county commissioners shall not arbitrarily or
7 unreasonably limit the number of licenses issued pursuant to this
8 section.

9 7. A marijuana consumption lounge may:

10 (a) Rent paraphernalia to the customers of the marijuana
11 consumption lounge;

12 (b) Sell food and nonalcoholic beverages to the customers of
13 the marijuana consumption lounge;

14 (c) Sell opaque packaging suitable for marijuana, edible
15 marijuana products, marijuana-infused products or marijuana
16 products to customers of the marijuana consumption lounge; and

17 (d) Sell any other item which does not contain marijuana,
18 edible marijuana products, marijuana-infused products or
19 marijuana products and is not intended for use with marijuana or
20 such products, including, without limitation, clothing, pins,
21 stickers or other memorabilia.

22 8. As used in this section:

23 (a) "Community facility" means:

24 (1) A licensed facility that provides day care services for
25 children.

26 (2) A public park.

27 (3) A public playground.

28 (4) A public swimming pool.

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

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

34 (7) A center or facility, the primary purpose of which is the
35 treatment or rehabilitation for the abuse of alcohol or drugs.

36 (b) "Edible marijuana products" has the meaning ascribed to
37 it in NRS 453A.101.

38 (c) "Marijuana" has the meaning ascribed to it in
39 NRS 453.096.

40 (d) "Marijuana consumption lounge" means a business which
41 allows marijuana, edible marijuana products, marijuana-infused
42 products or marijuana products to be consumed on the premises of
43 the business and which is licensed pursuant to this section.

44 (e) "Marijuana-infused products" has the meaning ascribed to
45 it in NRS 453A.112.



1 (f) *“Marijuana products” has the meaning ascribed to it in*
2 *NRS 453D.030.*

3 (g) *“Medical marijuana dispensary” has the meaning ascribed*
4 *to it in NRS 453A.115.*

5 (h) *“Paraphernalia” means accessories, devices and other*
6 *equipment that is necessary or useful for a person to engage in the*
7 *use of marijuana.*

8 (i) *“Retail marijuana store” has the meaning ascribed to it in*
9 *NRS 453D.030.*

10 (j) *“Unreasonably impracticable” means that the measures*
11 *necessary to comply with the conditions, limitations or restrictions*
12 *require such a high investment of risk, money, time or any other*
13 *resource or asset that the operation of a marijuana consumption*
14 *lounge is not worthy of being carried out in practice by a*
15 *reasonably prudent businessperson.*

16 **Sec. 2.** NRS 244.335 is hereby amended to read as follows:

17 244.335 1. Except as otherwise provided in subsections 2, 3
18 and 4, and NRS 244.33501, 244.35253 and 244.3535, *and section 1*
19 *of this act*, a board of county commissioners may:

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

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

29 2. The county license boards have the exclusive power in their
30 respective counties to regulate entertainers employed by an
31 entertainment by referral service and the business of conducting a
32 dancing hall, escort service, entertainment by referral service or
33 gambling game or device permitted by law, outside of an
34 incorporated city. The county license boards may fix, impose and
35 collect license taxes for revenue or for regulation, or for both
36 revenue and regulation, on such employment and businesses.

37 3. A board of county commissioners shall not require that a
38 person who is licensed as a contractor pursuant to chapter 624 of
39 NRS obtain more than one license to engage in the business of
40 contracting or pay more than one license tax related to engaging in
41 the business of contracting, regardless of the number of
42 classifications or subclassifications of licensing for which the person
43 is licensed pursuant to chapter 624 of NRS.

44 4. The board of county commissioners or county license board
45 shall not require a person to obtain a license or pay a license tax on



1 the sole basis that the person is a professional. As used in this
2 subsection, "professional" means a person who:

3 (a) Holds a license, certificate, registration, permit or similar
4 type of authorization issued by a regulatory body as defined in NRS
5 622.060 or who is regulated pursuant to the Nevada Supreme Court
6 Rules; and

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

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

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

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

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

23 (a) Presents written evidence that:

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

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

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

34 7. Any license tax levied for the purposes of NRS 244.3358 or
35 244A.597 to 244A.655, inclusive, constitutes a lien upon the real
36 and personal property of the business upon which the tax was levied
37 until the tax is paid. The lien has the same priority as a lien for
38 general taxes. The lien must be enforced:

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

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

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



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

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

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

9 8. The board of county commissioners may delegate the
10 authority to enforce liens from taxes levied for the purposes of NRS
11 244A.597 to 244A.655, inclusive, to the county fair and recreation
12 board. If the authority is so delegated, the board of county
13 commissioners shall revoke or suspend the license of a business
14 upon certification by the county fair and recreation board that the
15 license tax has become delinquent, and shall not reinstate the license
16 until the tax is paid. Except as otherwise provided in NRS 239.0115
17 and 244.3357, all information concerning license taxes levied by an
18 ordinance authorized by this section or other information concerning
19 the business affairs or operation of any licensee obtained as a result
20 of the payment of such license taxes or as the result of any audit or
21 examination of the books by any authorized employee of a county
22 fair and recreation board of the county for any license tax levied for
23 the purpose of NRS 244A.597 to 244A.655, inclusive, is
24 confidential and must not be disclosed by any member, officer or
25 employee of the county fair and recreation board or the county
26 imposing the license tax unless the disclosure is authorized by the
27 affirmative action of a majority of the members of the appropriate
28 county fair and recreation board. Continuing disclosure may be so
29 authorized under an agreement with the Department of Taxation or
30 Secretary of State for the exchange of information concerning
31 taxpayers.

32 **Sec. 3.** Chapter 268 of NRS is hereby amended by adding
33 thereto a new section to read as follows:

34 *1. Except as otherwise provided in this section, the governing*
35 *body of an incorporated city, whether organized under general law*
36 *or special charter, shall not regulate the business of or fix, impose*
37 *or collect for revenues or for regulation, or both, a license tax or*
38 *any other fee on a marijuana consumption lounge located within*
39 *its corporate limits.*

40 *2. The governing body of an incorporated city, whether*
41 *organized under general law or special charter, may, by*
42 *ordinance, require each person who wishes to operate a marijuana*
43 *consumption lounge in the city to obtain a license issued by the*
44 *governing body before the person operates the marijuana*
45 *consumption lounge.*



1 3. An ordinance adopted pursuant to subsection 2 must
2 require each applicant for such a license to submit an application
3 for the license to the governing body of the incorporated city in a
4 form prescribed by the governing body.

5 4. The governing body of an incorporated city shall not issue
6 a license pursuant to this section unless the proposed marijuana
7 consumption lounge:

8 (a) Is located 1,000 feet or more from all public or private
9 schools and 300 feet or more from all community facilities;

10 (b) Is not located on the property of a public airport;

11 (c) Does not allow the consumption of marijuana, edible
12 marijuana products, marijuana-infused products or marijuana
13 products at any place which is reasonably viewable from a public
14 place;

15 (d) Prohibits the entry of any person who is less than 21 years
16 of age to the marijuana consumption lounge;

17 (e) Requires any marijuana, edible marijuana product,
18 marijuana-infused product or marijuana product brought into a
19 marijuana consumption lounge by a customer to be contained in
20 sealed packaging which clearly identifies the medical marijuana
21 dispensary or retail marijuana store that sold the marijuana or
22 product;

23 (f) Requires any customer of the marijuana consumption
24 lounge who exits the premises of the lounge with marijuana,
25 edible marijuana products, marijuana-infused products or
26 marijuana products to seal the marijuana or product in opaque
27 packaging;

28 (g) Submits a security plan to the incorporated city which,
29 without limitation, provides for adequate security and lighting at
30 the marijuana consumption lounge and for each entrance and exit
31 of the marijuana consumption lounge to be adequately secured;

32 (h) Before allowing a person to work for or volunteer at the
33 marijuana consumption lounge, performs a criminal background
34 check on the person;

35 (i) Is prohibited from employing or allowing to volunteer at the
36 marijuana consumption lounge any person who has been
37 convicted of an excluded felony offense, as defined in
38 NRS 453D.030;

39 (j) Is prohibited from selling alcohol or allowing the
40 consumption of alcohol on the premises of the marijuana
41 consumption lounge;

42 (k) Is prohibited from offering gaming, as defined in NRS
43 463.0153, or allowing such gaming to occur on the premises of the
44 marijuana consumption lounge;



1 (l) *Installs a ventilation and exhaust system which is capable*
2 *of absorbing odors sufficiently that any odor generated inside the*
3 *marijuana consumption lounge cannot be easily detected from*
4 *outside the lounge;*

5 (m) *Installs a ventilation system in each area inside the*
6 *marijuana consumption lounge in which marijuana, edible*
7 *marijuana products, marijuana-infused products or marijuana*
8 *products are consumed that substantially removes smoke from the*
9 *area and segregates each such area from all other areas of the*
10 *marijuana consumption lounge by enclosing the area on all sides*
11 *by any combination of solid walls, windows or doors that extend*
12 *from the floor to the ceiling;*

13 (n) *Provides information on public transportation, taxis and*
14 *transportation network companies to all customers of the*
15 *marijuana consumption lounge;*

16 (o) *Trains each employee or volunteer of the marijuana*
17 *consumption lounge concerning paraphernalia, marijuana, edible*
18 *marijuana products, marijuana-infused products and marijuana*
19 *products, including, without limitation, the proper use of*
20 *paraphernalia, the potency, absorption time and effects of*
21 *marijuana, edible marijuana products, marijuana-infused*
22 *products and marijuana products, the recognition of impairment*
23 *from and overconsumption of marijuana, and the safe handling of*
24 *a customer who is impaired;*

25 (p) *Makes one or more employees or volunteers available at all*
26 *times that the marijuana consumption lounge is open to customers*
27 *to educate the customers of the lounge on the safe use of*
28 *marijuana, edible marijuana products, marijuana-infused*
29 *products and marijuana products and the proper use of*
30 *paraphernalia;*

31 (q) *Prohibits loitering outside of the marijuana consumption*
32 *lounge at any time;*

33 (r) *Collaborates with the appropriate local law enforcement*
34 *agency to properly collect and promptly dispose of any marijuana,*
35 *edible marijuana products, marijuana-infused products or*
36 *marijuana products which are left at the marijuana consumption*
37 *lounge; and*

38 (s) *Is prohibited from acquiring from any source or selling*
39 *marijuana, edible marijuana products, marijuana-infused*
40 *products or marijuana products.*

41 5. *The governing body of an incorporated city may:*

42 (a) *Establish and collect a fee for the issuance or renewal of a*
43 *license issued pursuant to this section which does not exceed the*
44 *fee charged for a business license for similar businesses,*
45 *including, without limitation, bars, lounges and social clubs;*



1 (b) Grant or deny applications for a license and impose
2 conditions, limitations or restrictions upon the license that are not
3 unreasonably impracticable; and

4 (c) Establish any other requirements necessary to carry out the
5 provisions of this section.

6 6. The governing body of an incorporated city shall not
7 arbitrarily or unreasonably limit the number of licenses issued
8 pursuant to this section.

9 7. A marijuana consumption lounge may:

10 (a) Rent paraphernalia to the customers of the marijuana
11 consumption lounge;

12 (b) Sell food and nonalcoholic beverages to the customers of
13 the marijuana consumption lounge;

14 (c) Sell opaque packaging suitable for marijuana or marijuana
15 products to customers of the marijuana consumption lounge; and

16 (d) Sell any other item which does not contain marijuana,
17 edible marijuana products, marijuana-infused products or
18 marijuana products and is not intended for use with marijuana or
19 such products, including, without limitation, clothing, pins,
20 stickers or other memorabilia.

21 8. As used in this section:

22 (a) "Community facility" means:

23 (1) A licensed facility that provides day care services for
24 children.

25 (2) A public park.

26 (3) A public playground.

27 (4) A public swimming pool.

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

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

33 (7) A center or facility, the primary purpose of which is the
34 treatment or rehabilitation for the abuse of alcohol or drugs.

35 (b) "Edible marijuana products" has the meaning ascribed to
36 it in NRS 453A.101.

37 (c) "Marijuana" has the meaning ascribed to it in
38 NRS 453.096.

39 (d) "Marijuana consumption lounge" means a business which
40 allows marijuana, edible marijuana products, marijuana-infused
41 products or marijuana products to be consumed on the premises of
42 the business and which is licensed pursuant to this section.

43 (e) "Marijuana-infused products" has the meaning ascribed to
44 it in NRS 453A.112.



1 (f) *“Marijuana products” has the meaning ascribed to it in*
2 *NRS 453D.030.*

3 (g) *“Medical marijuana dispensary” has the meaning ascribed*
4 *to it in NRS 453A.115.*

5 (h) *“Paraphernalia” means accessories, devices and other*
6 *equipment that is necessary or useful for a person to engage in the*
7 *use of marijuana.*

8 (i) *“Retail marijuana store” has the meaning ascribed to it in*
9 *NRS 453D.030.*

10 (j) *“Unreasonably impracticable” means that the measures*
11 *necessary to comply with the conditions, limitations or restrictions*
12 *require such a high investment of risk, money, time or any other*
13 *resource or asset that the operation of a marijuana consumption*
14 *lounge is not worthy of being carried out in practice by a*
15 *reasonably prudent businessperson.*

16 **Sec. 4.** NRS 268.095 is hereby amended to read as follows:

17 268.095 1. Except as otherwise provided in subsection 4 and
18 NRS 268.0951, 268.0977 and 268.0979, *and section 3 of this act*,
19 the city council or other governing body of each incorporated city in
20 this State, whether organized under general law or special charter,
21 may:

22 (a) Except as otherwise provided in subsection 2 and NRS
23 268.0968 and 576.128, fix, impose and collect for revenues or for
24 regulation, or both, a license tax on all character of lawful trades,
25 callings, industries, occupations, professions and businesses
26 conducted within its corporate limits.

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

30 (1) As a pledge as additional security for the payment of any
31 general obligation bonds issued pursuant to NRS 244A.597 to
32 244A.655, inclusive;

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

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

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

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

43 (6) For constructing, purchasing or otherwise acquiring such
44 recreational facilities.



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

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

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

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

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

14 2. The city council or other governing body of an incorporated
15 city shall not require that a person who is licensed as a contractor
16 pursuant to chapter 624 of NRS obtain more than one license to
17 engage in the business of contracting or pay more than one license
18 tax related to engaging in the business of contracting, regardless of
19 the number of classifications or subclassifications of licensing for
20 which the person is licensed pursuant to chapter 624 of NRS.

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

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

28 (a) Holds a license, certificate, registration, permit or similar
29 type of authorization issued by a regulatory body as defined in NRS
30 622.060 or who is regulated pursuant to the Nevada Supreme Court
31 Rules; and

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

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

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

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



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

4 (a) Presents written evidence that:

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

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

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

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

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

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

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

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

26 and

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

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

34 8. The city council or other governing body of each
35 incorporated city may delegate the power and authority to enforce
36 such liens to the county fair and recreation board. If the authority is
37 so delegated, the governing body shall revoke or suspend the license
38 of a business upon certification by the board that the license tax has
39 become delinquent, and shall not reinstate the license until the tax is
40 paid. Except as otherwise provided in NRS 239.0115 and 268.0966,
41 all information concerning license taxes levied by an ordinance
42 authorized by this section or other information concerning the
43 business affairs or operation of any licensee obtained as a result of
44 the payment of those license taxes or as the result of any audit or
45 examination of the books of the city by any authorized employee of



1 a county fair and recreation board for any license tax levied for the
2 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential
3 and must not be disclosed by any member, official or employee of
4 the county fair and recreation board or the city imposing the license
5 tax unless the disclosure is authorized by the affirmative action of a
6 majority of the members of the appropriate county fair and
7 recreation board. Continuing disclosure may be so authorized under
8 an agreement with the Department of Taxation or the Secretary of
9 State for the exchange of information concerning taxpayers.

10 9. The powers conferred by this section are in addition and
11 supplemental to, and not in substitution for, and the limitations
12 imposed by this section do not affect the powers conferred by, any
13 other law. No part of this section repeals or affects any other law or
14 any part thereof, it being intended that this section provide a
15 separate method of accomplishing its objectives, and not an
16 exclusive one.

17 **Sec. 5.** Chapter 372A of NRS is hereby amended by adding
18 thereto a new section to read as follows:

19 *“Marijuana consumption lounge” means a business which*
20 *allows marijuana, edible marijuana products, as defined in NRS*
21 *453A.101, marijuana-infused products, as defined in NRS*
22 *453A.112, or marijuana products, as defined in NRS 453D.030, to*
23 *be consumed on the premises of the business and which is licensed*
24 *pursuant to section 1 or 3 of this act.*

25 **Sec. 6.** NRS 372A.200 is hereby amended to read as follows:

26 372A.200 As used in NRS 372A.200 to 372A.380, inclusive,
27 *and section 5 of this act*, unless the context otherwise requires, the
28 words and terms defined in NRS 372A.210 to 372A.250, inclusive,
29 *and section 5 of this act* have the meanings ascribed to them in
30 those sections.

31 **Sec. 7.** NRS 372A.250 is hereby amended to read as follows:

32 372A.250 “Taxpayer” means a:

- 33 1. Cultivation facility; ~~for~~
- 34 2. *Marijuana consumption lounge; or*
- 35 3. Retail marijuana store.

36 **Sec. 8.** NRS 372A.290 is hereby amended to read as follows:

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

43 2. An excise tax is hereby imposed on each *sale of marijuana*
44 *or marijuana products by a retail marijuana store to a marijuana*
45 *consumption lounge and each* retail sale in this State of marijuana



1 or marijuana products by a retail marijuana store *or marijuana*
2 *consumption lounge* at the rate of 10 percent of the sales price of
3 the marijuana or marijuana products. The excise tax imposed
4 pursuant to this subsection:

5 (a) Is the obligation of the ~~[retail marijuana store.]~~ *seller of the*
6 *marijuana or marijuana product.*

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

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

12 (a) To the Department and to local governments in an amount
13 determined to be necessary by the Department to pay the costs of
14 the Department and local governments in carrying out the provisions
15 of chapter 453A of NRS; and

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

20 4. For the purpose of subsection 3 and NRS 453D.510, a total
21 amount of \$5,000,000 of the revenues collected from the excise tax
22 imposed pursuant to subsection 1 and the excise tax imposed
23 pursuant to NRS 453D.500 in each fiscal year shall be deemed
24 sufficient to pay the costs of all local governments to carry out the
25 provisions of chapters 453A and 453D of NRS. The Department
26 shall, by regulation, determine the manner in which local
27 governments may be reimbursed for the costs of carrying out the
28 provisions of chapters 453A and 453D of NRS.

29 5. The revenues collected from the excise tax imposed pursuant
30 to subsection 2 must be paid over as collected to the State Treasurer
31 to be deposited to the credit of the Account to Stabilize the
32 Operation of the State Government created in the State General
33 Fund pursuant to NRS 353.288.

34 6. As used in this section:

35 (a) "Local government" has the meaning ascribed to it in
36 NRS 360.640.

37 (b) "Marijuana products" has the meaning ascribed to it in
38 NRS 453D.030.

39 (c) "Medical marijuana establishment" has the meaning ascribed
40 to it in NRS 453A.116.

41 **Sec. 9.** NRS 453.316 is hereby amended to read as follows:

42 453.316 1. A person who opens or maintains any place for
43 the purpose of unlawfully selling, giving away or using any
44 controlled substance is guilty of a category B felony and shall be
45 punished by imprisonment in the state prison for a minimum term of



1 not less than 1 year and a maximum term of not more than 6 years,
2 and may be further punished by a fine of not more than \$10,000,
3 except as otherwise provided in subsection 2.

4 2. If a person convicted of violating this section has previously
5 been convicted of violating this section, or if, in the case of a first
6 conviction of violating this section, the person has been convicted of
7 an offense under the laws of the United States or any state, territory
8 or district which, if committed in this State, would amount to a
9 felony under this section, the person is guilty of a category B felony
10 and shall be punished by imprisonment in the state prison for a
11 minimum term of not less than 2 years and a maximum term of not
12 more than 10 years, and may be further punished by a fine of not
13 more than \$20,000. The court shall not grant probation to or suspend
14 the sentence of a person convicted of violating this section if the
15 person has been previously convicted under this section or of any
16 other offense described in this subsection.

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

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

20 (b) *A marijuana consumption lounge, as defined in section 1*
21 *or 3 of this act, that does not sell or give away any controlled*
22 *substance. This paragraph must not be construed to prohibit a*
23 *marijuana consumption lounge from turning over to a law*
24 *enforcement agency any controlled substance which is left on its*
25 *premises.*

26 **Sec. 10.** NRS 453.316 is hereby amended to read as follows:

27 453.316 1. A person who opens or maintains any place for
28 the purpose of unlawfully selling, giving away or using any
29 controlled substance is guilty of a category B felony and shall be
30 punished by imprisonment in the state prison for a minimum term of
31 not less than 1 year and a maximum term of not more than 6 years,
32 and may be further punished by a fine of not more than \$10,000,
33 except as otherwise provided in subsection 2.

34 2. If a person convicted of violating this section has previously
35 been convicted of violating this section, or if, in the case of a first
36 conviction of violating this section, the person has been convicted of
37 an offense under the laws of the United States or any state, territory
38 or district which, if committed in this State, would amount to a
39 felony under this section, the person is guilty of a category B felony
40 and shall be punished by imprisonment in the state prison for a
41 minimum term of not less than 2 years and a maximum term of not
42 more than 10 years, and may be further punished by a fine of not
43 more than \$20,000. The court shall not grant probation to or suspend
44 the sentence of a person convicted of violating this section if the



1 person has been previously convicted under this section or of any
2 other offense described in this subsection.

3 3. This section does not apply to:

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

6 (b) A marijuana consumption lounge, as defined in section 1 or
7 3 of this act, that does not ~~[sell or]~~ give away any controlled
8 substance ~~[]~~ *or sell any controlled substance other than marijuana*
9 *obtained pursuant to section 1 or 3 of this act.* This paragraph must
10 not be construed to prohibit a marijuana consumption lounge from
11 turning over to a law enforcement agency any controlled substance
12 which is left on its premises.

13 **Sec. 11.** NRS 453D.030 is hereby amended to read as follows:

14 453D.030 As used in this chapter, unless the context otherwise
15 requires:

16 1. "Community facility" means a facility licensed to provide
17 day care to children, a public park, a public playground, a public
18 swimming pool, a center or facility the primary purpose of which is
19 to provide recreational opportunities or services to children or
20 adolescents, or a church, synagogue, or other building, structure, or
21 place used for religious worship or other religious purpose.

22 2. "Concentrated marijuana" means the separated resin,
23 whether crude or purified, obtained from marijuana.

24 3. "Consumer" means a person who is 21 years of age or older
25 who purchases marijuana or marijuana products for use by persons
26 21 years of age or older, but not for resale to others.

27 4. "Department" means the Department of Taxation.

28 5. "Dual licensee" means a person or group of persons who
29 possess a current, valid registration certificate to operate a medical
30 marijuana establishment pursuant to chapter 453A of NRS and a
31 license to operate a marijuana establishment under this chapter.

32 6. "Excluded felony offense" means a conviction of an offense
33 that would constitute a category A felony if committed in Nevada or
34 convictions for two or more offenses that would constitute felonies
35 if committed in Nevada. "Excluded felony offense" does not
36 include:

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

40 (b) An offense involving conduct that would be immune from
41 arrest, prosecution, or penalty pursuant to chapter 453A of NRS,
42 except that the conduct occurred before the effective date of chapter
43 453A of NRS (October 1, 2001), or was prosecuted by an authority
44 other than the State of Nevada.



1 7. "Locality" means a city or town, or, in reference to a
2 location outside the boundaries of a city or town, a county.

3 8. "Marijuana" means all parts of any plant of the genus
4 Cannabis, whether growing or not, the seeds thereof, the resin
5 extracted from any part of the plant, and every compound,
6 manufacture, salt, derivative, mixture, or preparation of the plant, its
7 seeds, or resin. "Marijuana" does not include:

8 (a) The mature stems of the plant, fiber produced from the
9 stems, oil, or cake made from the seeds of the plant, any other
10 compound, manufacture, salt, derivative, mixture, or preparation of
11 the mature stems (except the resin extracted therefrom), fiber, oil, or
12 cake, the sterilized seed of the plant which is incapable of
13 germination; or

14 (b) The weight of any other ingredient combined with marijuana
15 to prepare topical or oral administrations, food, drink, or other
16 products.

17 9. *"Marijuana consumption lounge" means a business which*
18 *allows marijuana, edible marijuana products, as defined in NRS*
19 *453A.101, marijuana-infused products, as defined in NRS*
20 *453A.112, or marijuana products to be consumed on the premises*
21 *of the business and which is licensed pursuant to section 1 or 3 of*
22 *this act.*

23 10. "Marijuana cultivation facility" means an entity licensed to
24 cultivate, process, and package marijuana, to have marijuana tested
25 by a marijuana testing facility, and to sell marijuana to retail
26 marijuana stores, to marijuana product manufacturing facilities, and
27 to other marijuana cultivation facilities, but not to consumers.

28 ~~11.~~ 11. "Marijuana distributor" means an entity licensed to
29 transport marijuana from a marijuana establishment to another
30 marijuana establishment.

31 ~~12.~~ 12. "Marijuana establishment" means a marijuana
32 cultivation facility, a marijuana testing facility, a marijuana product
33 manufacturing facility, a marijuana distributor, or a retail marijuana
34 store.

35 ~~13.~~ 13. "Marijuana product manufacturing facility" means an
36 entity licensed to purchase marijuana, manufacture, process, and
37 package marijuana and marijuana products, and sell marijuana and
38 marijuana products to other marijuana product manufacturing
39 facilities and to retail marijuana stores, but not to consumers.

40 ~~14.~~ 14. "Marijuana products" means products comprised of
41 marijuana or concentrated marijuana and other ingredients that are
42 intended for use or consumption, such as, but not limited to, edible
43 products, ointments, and tinctures.

44 ~~15.~~ 15. "Marijuana paraphernalia" means any equipment,
45 products, and materials of any kind which are used, intended for



1 use, or designed for use in planting, propagating, cultivating,
2 growing, harvesting, manufacturing, compounding, converting,
3 producing, preparing, testing, analyzing, packaging, repacking,
4 storing, or containing marijuana, or for ingesting, inhaling, or
5 otherwise introducing marijuana into the human body.

6 ~~{15.}~~ 16. “Marijuana testing facility” means an entity licensed
7 to test marijuana and marijuana products, including for potency and
8 contaminants.

9 ~~{16.}~~ 17. “Process” means to harvest, dry, cure, trim, and
10 separate parts of the marijuana plant by manual or mechanical
11 means, such as sieving or ice water separation, but not by chemical
12 extraction or chemical synthesis.

13 ~~{17.}~~ 18. “Public place” means an area to which the public is
14 invited or in which the public is permitted regardless of age. “Public
15 place” does not include a retail marijuana store.

16 ~~{18.}~~ 19. “Retail marijuana store” means an entity licensed to
17 purchase marijuana from marijuana cultivation facilities, to
18 purchase marijuana and marijuana products from marijuana product
19 manufacturing facilities and retail marijuana stores, and to sell
20 marijuana and marijuana products to consumers ~~{~~

21 ~~—19.}~~ *and marijuana consumption lounges.*

22 20. “Unreasonably impracticable” means that the measures
23 necessary to comply with the regulations require such a high
24 investment of risk, money, time, or any other resource or asset that
25 the operation of a marijuana establishment is not worthy of being
26 carried out in practice by a reasonably prudent businessperson.

27 **Sec. 12.** NRS 453D.120 is hereby amended to read as follows:
28 453D.120 Notwithstanding any other provision of Nevada law
29 and the law of any political subdivision of Nevada, except as
30 otherwise provided in this chapter or the regulations adopted
31 pursuant to NRS 453D.200, it is lawful and must not, in this State,
32 be used as the basis for prosecution or penalty by this State or a
33 political subdivision of this State, and must not, in this State, be a
34 basis for seizure or forfeiture of assets for persons 21 years of age or
35 older to:


36 1. Possess marijuana and marijuana products, purchase
37 marijuana from a marijuana cultivation facility, purchase marijuana
38 and marijuana products from a marijuana product manufacturing
39 facility, return marijuana or marijuana products to a facility from
40 which they were purchased, transport marijuana and marijuana
41 products to or from a marijuana testing facility, use the services of a
42 marijuana distributor to transport marijuana or marijuana products
43 to or from marijuana establishments ~~{~~ *or marijuana consumption*
44 *lounges*, sell marijuana and marijuana products to consumers ~~{~~ *or*
45 *sell marijuana and marijuana products to marijuana consumption*



1 *lounges for resale* if the person conducting the activities described
2 in this subsection has a current, valid license to operate a retail
3 marijuana store or is acting in the person's capacity as an agent of a
4 retail marijuana store.

5 2. Cultivate, harvest, process, package, or possess marijuana,
6 sell marijuana to a marijuana cultivation facility, a marijuana
7 product manufacturing facility, or a retail marijuana store, transport
8 marijuana to or from a marijuana cultivation facility, a marijuana
9 product manufacturing facility, or a marijuana testing facility, use
10 the services of a marijuana distributor to transport marijuana to or
11 from marijuana establishments, or purchase marijuana from a
12 marijuana cultivation facility, if the person conducting the activities
13 described in this subsection has a current, valid license to operate a
14 marijuana cultivation facility or is acting in his or her capacity as an
15 agent of a marijuana cultivation facility.

16 3. Package, process, manufacture, or possess marijuana and
17 marijuana products, transport marijuana and marijuana products to
18 or from a marijuana testing facility, a marijuana cultivation facility,
19 or a marijuana product manufacturing facility, use the services of a
20 marijuana distributor to transport marijuana or marijuana products
21 to or from marijuana establishments, sell marijuana and marijuana
22 products to a retail marijuana store or a marijuana product
23 manufacturing facility, purchase marijuana from a marijuana
24 cultivation facility, or purchase marijuana and marijuana products
25 from a marijuana product manufacturing facility, if the person
26 conducting the activities described in this subsection has a current,
27 valid license to operate a marijuana product manufacturing facility
28 or is acting in his or her capacity as an agent of a marijuana product
29 manufacturing facility.

30 4. Possess marijuana and marijuana products and transfer and
31 transport marijuana and marijuana products between marijuana
32 establishments  *or between a retail marijuana store and a*
33 *marijuana consumption lounge*, if the person transporting the
34 marijuana and marijuana products has a current, valid license to
35 operate as a marijuana distributor or is acting in his or her capacity
36 as an agent of a marijuana distributor.

37 5. Possess, process, repackage, transport, or test marijuana and
38 marijuana products if the person has a current, valid license to
39 operate a marijuana testing facility or is acting in his or her capacity
40 as an agent of a marijuana testing facility.

41 6. *Purchase marijuana or marijuana products for resale from*
42 *a retail marijuana store or sell marijuana and marijuana products*
43 *to consumers if the person conducting the activities described in*
44 *this subsection has a current, valid license to operate a marijuana*
45 *consumption lounge issued pursuant to section 1 or 3 of this act or*



1 *is acting in his or her capacity as an agent of a marijuana*
2 *consumption lounge. A marijuana consumption lounge may only*
3 *purchase marijuana or marijuana products for resale pursuant to*
4 *this subsection by entering into a contract with one or more retail*
5 *marijuana stores to supply all marijuana and marijuana products*
6 *for sale to customers by the marijuana consumption lounge.*

7 7. Lease or otherwise allow property owned, occupied, or
8 controlled by any person, corporation, or other entity to be used for
9 any of the activities conducted lawfully in accordance with this
10 section.

11 **Sec. 13.** NRS 453D.400 is hereby amended to read as follows:

12 453D.400 1. ~~Restrictions on personal cultivation.~~

13 ~~(a)~~ Except as otherwise provided in chapter 453A of NRS,
14 ~~any~~ a person ~~who:~~ shall not:

15 ~~(1) Cultivates~~

16 (a) *Cultivate* marijuana within 25 miles of a retail marijuana
17 store licensed pursuant to this chapter, unless the person is a
18 marijuana cultivation facility or a person acting in his or her
19 capacity as an agent of a marijuana cultivation facility;

20 ~~(2) Cultivates~~

21 (b) *Cultivate* marijuana plants where they are visible from a
22 public place by normal unaided vision; or

23 ~~(3) Cultivates~~

24 (c) *Cultivate* marijuana on property not in the cultivator's lawful
25 possession or without the consent of the person in lawful physical
26 possession of the property. ~~;~~

27 ~~(b) Is~~

28 2. *A person who violates the provisions of subsection 1 is*
29 *guilty of:*

30 ~~(1)~~ (a) For a first violation, a misdemeanor punished by a
31 fine of not more than \$600.

32 ~~(2)~~ (b) For a second violation, a misdemeanor punished by
33 a fine of not more than \$1,000.

34 ~~(3)~~ (c) For a third violation, a gross misdemeanor.

35 ~~(4)~~ (d) For a fourth or subsequent violation, a category E
36 felony.

37 ~~[2.—A]~~

38 3. *Except as otherwise provided in subsection 9, a person who*
39 *smokes or otherwise consumes marijuana or a marijuana product*
40 *in a public place, in a retail marijuana store, or in a moving vehicle*
41 *is guilty of a misdemeanor punished by a fine of not more than*
42 *\$600.*

43 ~~[3.]~~ 4. A person under 21 years of age who falsely represents
44 himself or herself to be 21 years of age or older to obtain marijuana
45 *or a marijuana product* is guilty of a misdemeanor.



1 ~~[4.]~~ 5. A person under 21 years of age who knowingly enters,
2 loiters, or remains on the premises of a marijuana establishment
3 shall be punished by a fine of not more than \$500 unless the person
4 is authorized to possess marijuana pursuant to chapter 453A of NRS
5 and the marijuana establishment is a dual licensee.

6 ~~[5.]~~ 6. A person who manufactures marijuana by chemical
7 extraction or chemical synthesis, unless done pursuant to a
8 marijuana product manufacturing license issued by the Department
9 or authorized by chapter 453A of NRS, is guilty of a category E
10 felony.

11 ~~[6.]~~ 7. A person who knowingly gives marijuana *or a*
12 *marijuana product* to any person under 21 years of age, or who
13 knowingly leaves or deposits any marijuana *or marijuana product*
14 in any place with the intent that it will be procured by any person
15 under 21 years of age is guilty of a misdemeanor.

16 ~~[7.]~~ 8. A person who knowingly gives marijuana *or a*
17 *marijuana product* to any person under 18 years of age, or who
18 knowingly leaves or deposits any marijuana *or marijuana product*
19 in any place with the intent that it will be procured by any person
20 under 18 years of age is guilty of a gross misdemeanor.

21 ~~[8. Notwithstanding the provisions of this chapter, after~~
22 ~~January 1, 2017, the Legislature may amend provisions of this act to~~
23 ~~provide for the conditions in which a locality may permit~~
24 ~~consumption of]~~

25 9. *A person may smoke or otherwise consume* marijuana *or a*
26 *marijuana product* in a *portion of a* retail marijuana store ~~[.]~~ *that is*
27 *licensed as a marijuana consumption lounge pursuant to section 1*
28 *or 3 of this act.*

29 **Sec. 14.** Section 1 of this act is hereby amended to read as
30 follows:

31 Section 1. 1. Except as otherwise provided in this
32 section, a board of county commissioners shall not regulate
33 the business of or fix, impose or collect a license tax or any
34 other fee for revenue or for regulation, or for both revenue
35 and regulation, on a marijuana consumption lounge located in
36 the county.

37 2. A board of county commissioners may, by ordinance,
38 require each person who wishes to operate a marijuana
39 consumption lounge in an unincorporated area of the county
40 to obtain a license issued by the board before the person
41 operates the marijuana consumption lounge.

42 3. An ordinance adopted pursuant to subsection 2 must
43 require each applicant for such a license to submit an
44 application for the license to the board of county
45 commissioners in a form prescribed by the board.



1 4. A board of county commissioners shall not issue a
2 license pursuant to this section unless the proposed marijuana
3 consumption lounge:

4 (a) Is located 1,000 feet or more from all public or private
5 schools and 300 feet or more from all community facilities;

6 (b) Is not located on the property of a public airport;

7 (c) Does not allow the consumption of marijuana, edible
8 marijuana products, marijuana-infused products or marijuana
9 products at any place which is reasonably viewable from a
10 public place;

11 (d) Prohibits the entry of any person who is less than 21
12 years of age to the marijuana consumption lounge;

13 (e) Requires any marijuana, edible marijuana product,
14 marijuana-infused product or marijuana product brought into
15 a marijuana consumption lounge by a customer to be
16 contained in sealed packaging which clearly identifies the
17 medical marijuana dispensary or retail marijuana store that
18 sold the marijuana or product;

19 (f) Requires any customer of the marijuana consumption
20 lounge who exits the premises of the lounge with marijuana,
21 edible marijuana products, marijuana-infused products or
22 marijuana products to seal the marijuana or product in opaque
23 packaging;

24 (g) Submits a security plan to the county which, without
25 limitation, provides for adequate security and lighting at the
26 marijuana consumption lounge and for each entrance and exit
27 of the marijuana consumption lounge to be adequately
28 secured;

29 (h) Before allowing a person to work for or volunteer at
30 the marijuana consumption lounge, performs a criminal
31 background check on the person;

32 (i) Is prohibited from employing or allowing to volunteer
33 at the marijuana consumption lounge any person who has
34 been convicted of an excluded felony offense, as defined in
35 NRS 453D.030;

36 (j) Is prohibited from selling alcohol or allowing the
37 consumption of alcohol on the premises of the marijuana
38 consumption lounge;

39 (k) Is prohibited from offering gaming, as defined in NRS
40 463.0153, or allowing such gaming to occur on the premises
41 of the marijuana consumption lounge;

42 (l) Installs a ventilation and exhaust system which is
43 capable of absorbing odors sufficiently that any odor
44 generated inside the marijuana consumption lounge cannot be
45 easily detected from outside the lounge;



1 (m) Installs a ventilation system in each area inside the
2 marijuana consumption lounge in which marijuana, edible
3 marijuana products, marijuana-infused products or marijuana
4 products are consumed that substantially removes smoke
5 from the area and segregates each such area from all other
6 areas of the marijuana consumption lounge by enclosing the
7 area on all sides by any combination of solid walls, windows
8 or doors that extend from the floor to the ceiling;

9 (n) Provides information on public transportation, taxis
10 and transportation network companies to all customers of the
11 marijuana consumption lounge;

12 (o) Trains each employee or volunteer of the marijuana
13 consumption lounge concerning paraphernalia, marijuana,
14 edible marijuana products, marijuana-infused products and
15 marijuana products, including, without limitation, the proper
16 use of paraphernalia, the potency, absorption time and effects
17 of marijuana, edible marijuana products, marijuana-infused
18 products and marijuana products, the recognition of
19 impairment from and overconsumption of marijuana, and the
20 safe handling of a customer who is impaired;

21 (p) Makes one or more employees or volunteers available
22 to customers at all times that the marijuana consumption
23 lounge is open to educate the customers of the lounge on the
24 safe use of marijuana, edible marijuana products, marijuana-
25 infused products and marijuana products and the proper use
26 of paraphernalia;

27 (q) Prohibits loitering outside of the marijuana
28 consumption lounge at any time;

29 (r) Collaborates with the appropriate local law
30 enforcement agency to properly collect and promptly dispose
31 of any marijuana, edible marijuana products, marijuana-
32 infused products or marijuana products which are left at the
33 marijuana consumption lounge; and

34 (s) ~~Is~~ *Except as otherwise provided in subsection 7, is*
35 prohibited from acquiring from any source or selling
36 marijuana, edible marijuana products, marijuana-infused
37 products or marijuana products.

38 5. A board of county commissioners may:

39 (a) Establish and collect a fee for the issuance or renewal
40 of a license issued pursuant to this section which does not
41 exceed the fee charged for a business license for similar
42 businesses, including, without limitation, bars, lounges and
43 social clubs;



1 (b) Grant or deny applications for a license and impose
2 conditions, limitations or restrictions upon the license that are
3 not unreasonably impracticable; and

4 (c) Establish any other requirements necessary to carry
5 out the provisions of this section.

6 6. A board of county commissioners shall not arbitrarily
7 or unreasonably limit the number of licenses issued pursuant
8 to this section.

9 7. A marijuana consumption lounge may:

10 (a) Rent paraphernalia to the customers of the marijuana
11 consumption lounge;

12 (b) Sell food and nonalcoholic beverages to the customers
13 of the marijuana consumption lounge;

14 (c) Sell opaque packaging suitable for marijuana, edible
15 marijuana products, marijuana-infused products or marijuana
16 products to customers of the marijuana consumption lounge;
17 and

18 (d) Sell any other item which does not contain marijuana,
19 edible marijuana products, marijuana-infused products or
20 marijuana products and is not intended for use with marijuana
21 or such products, including, without limitation, clothing, pins,
22 stickers or other memorabilia.

23 *(e) Enter into a contract with one or more retail*
24 *marijuana stores to sell to the marijuana consumption*
25 *lounge for the purpose of resale all marijuana and*
26 *marijuana products obtained by the marijuana consumption*
27 *lounge; and*

28 *(f) Sell marijuana and marijuana products obtained*
29 *pursuant to paragraph (e) to the customers of the marijuana*
30 *consumption lounge.*

31 8. As used in this section:

32 (a) "Community facility" means:

33 (1) A licensed facility that provides day care services
34 for children.

35 (2) A public park.

36 (3) A public playground.

37 (4) A public swimming pool.

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

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

43 (7) A center or facility, the primary purpose of which
44 is the treatment or rehabilitation for the abuse of alcohol or
45 drugs.



1 (b) "Edible marijuana products" has the meaning ascribed
2 to it in NRS 453A.101.

3 (c) "Marijuana" has the meaning ascribed to it in
4 NRS 453.096.

5 (d) "Marijuana consumption lounge" means a business
6 which allows marijuana, edible marijuana products,
7 marijuana-infused products or marijuana products to be
8 consumed on the premises of the business and which is
9 licensed pursuant to this section.

10 (e) "Marijuana-infused products" has the meaning
11 ascribed to it in NRS 453A.112.

12 (f) "Marijuana products" has the meaning ascribed to it in
13 NRS 453D.030.

14 (g) "Medical marijuana dispensary" has the meaning
15 ascribed to it in NRS 453A.115.

16 (h) "Paraphernalia" means accessories, devices and other
17 equipment that is necessary or useful for a person to engage
18 in the use of marijuana.

19 (i) "Retail marijuana store" has the meaning ascribed to it
20 in NRS 453D.030.

21 (j) "Unreasonably impracticable" means that the measures
22 necessary to comply with the conditions, limitations or
23 restrictions require such a high investment of risk, money,
24 time or any other resource or asset that the operation of a
25 marijuana consumption lounge is not worthy of being carried
26 out in practice by a reasonably prudent businessperson.

27 **Sec. 15.** Section 3 of this act is hereby amended to read as
28 follows:

29 Sec. 3. 1. Except as otherwise provided in this section,
30 the governing body of an incorporated city, whether
31 organized under general law or special charter, shall not
32 regulate the business of or fix, impose or collect for revenues
33 or for regulation, or both, a license tax or any other fee on a
34 marijuana consumption lounge located within its corporate
35 limits.

36 2. The governing body of an incorporated city, whether
37 organized under general law or special charter, may, by
38 ordinance, require each person who wishes to operate a
39 marijuana consumption lounge in the city to obtain a license
40 issued by the governing body before the person operates the
41 marijuana consumption lounge.

42 3. An ordinance adopted pursuant to subsection 2 must
43 require each applicant for such a license to submit an
44 application for the license to the governing body of the
45 incorporated city in a form prescribed by the governing body.



1 4. The governing body of an incorporated city shall not
2 issue a license pursuant to this section unless the proposed
3 marijuana consumption lounge:

4 (a) Is located 1,000 feet or more from all public or private
5 schools and 300 feet or more from all community facilities;

6 (b) Is not located on the property of a public airport;

7 (c) Does not allow the consumption of marijuana, edible
8 marijuana products, marijuana-infused products or marijuana
9 products at any place which is reasonably viewable from a
10 public place;

11 (d) Prohibits the entry of any person who is less than 21
12 years of age to the marijuana consumption lounge;

13 (e) Requires any marijuana, edible marijuana product,
14 marijuana-infused product or marijuana product brought into
15 a marijuana consumption lounge by a customer to be
16 contained in sealed packaging which clearly identifies the
17 medical marijuana dispensary or retail marijuana store that
18 sold the marijuana or product;

19 (f) Requires any customer of the marijuana consumption
20 lounge who exits the premises of the lounge with marijuana,
21 edible marijuana products, marijuana-infused products or
22 marijuana products to seal the marijuana or product in opaque
23 packaging;

24 (g) Submits a security plan to the incorporated city which,
25 without limitation, provides for adequate security and lighting
26 at the marijuana consumption lounge and for each entrance
27 and exit of the marijuana consumption lounge to be
28 adequately secured;

29 (h) Before allowing a person to work for or volunteer at
30 the marijuana consumption lounge, performs a criminal
31 background check on the person;

32 (i) Is prohibited from employing or allowing to volunteer
33 at the marijuana consumption lounge any person who has
34 been convicted of an excluded felony offense, as defined in
35 NRS 453D.030;

36 (j) Is prohibited from selling alcohol or allowing the
37 consumption of alcohol on the premises of the marijuana
38 consumption lounge;

39 (k) Is prohibited from offering gaming, as defined in NRS
40 463.0153, or allowing such gaming to occur on the premises
41 of the marijuana consumption lounge;

42 (l) Installs a ventilation and exhaust system which is
43 capable of absorbing odors sufficiently that any odor
44 generated inside the marijuana consumption lounge cannot be
45 easily detected from outside the lounge;



1 (m) Installs a ventilation system in each area inside the
2 marijuana consumption lounge in which marijuana, edible
3 marijuana products, marijuana-infused products or marijuana
4 products are consumed that substantially removes smoke
5 from the area and segregates each such area from all other
6 areas of the marijuana consumption lounge by enclosing the
7 area on all sides by any combination of solid walls, windows
8 or doors that extend from the floor to the ceiling;

9 (n) Provides information on public transportation, taxis
10 and transportation network companies to all customers of the
11 marijuana consumption lounge;

12 (o) Trains each employee or volunteer of the marijuana
13 consumption lounge concerning paraphernalia, marijuana,
14 edible marijuana products, marijuana-infused products and
15 marijuana products, including, without limitation, the proper
16 use of paraphernalia, the potency, absorption time and effects
17 of marijuana, edible marijuana products, marijuana-infused
18 products and marijuana products, the recognition of
19 impairment from and overconsumption of marijuana, and the
20 safe handling of a customer who is impaired;

21 (p) Makes one or more employees or volunteers available
22 at all times that the marijuana consumption lounge is open to
23 customers to educate the customers of the lounge on the safe
24 use of marijuana, edible marijuana products, marijuana-
25 infused products and marijuana products and the proper use
26 of paraphernalia;

27 (q) Prohibits loitering outside of the marijuana
28 consumption lounge at any time;

29 (r) Collaborates with the appropriate local law
30 enforcement agency to properly collect and promptly dispose
31 of any marijuana, edible marijuana products, marijuana-
32 infused products or marijuana products which are left at the
33 marijuana consumption lounge; and

34 (s) ~~Is~~ *Except as otherwise provided in subsection 7, is*
35 prohibited from acquiring from any source or selling
36 marijuana, edible marijuana products, marijuana-infused
37 products or marijuana products.

38 5. The governing body of an incorporated city may:

39 (a) Establish and collect a fee for the issuance or renewal
40 of a license issued pursuant to this section which does not
41 exceed the fee charged for a business license for similar
42 businesses, including, without limitation, bars, lounges and
43 social clubs;



1 (b) Grant or deny applications for a license and impose
2 conditions, limitations or restrictions upon the license that are
3 not unreasonably impracticable; and

4 (c) Establish any other requirements necessary to carry
5 out the provisions of this section.

6 6. The governing body of an incorporated city shall not
7 arbitrarily or unreasonably limit the number of licenses issued
8 pursuant to this section.

9 7. A marijuana consumption lounge may:

10 (a) Rent paraphernalia to the customers of the marijuana
11 consumption lounge;

12 (b) Sell food and nonalcoholic beverages to the customers
13 of the marijuana consumption lounge;

14 (c) Sell opaque packaging suitable for marijuana or
15 marijuana products to customers of the marijuana
16 consumption lounge; and

17 (d) Sell any other item which does not contain marijuana,
18 edible marijuana products, marijuana-infused products or
19 marijuana products and is not intended for use with marijuana
20 or such products, including, without limitation, clothing, pins,
21 stickers or other memorabilia.

22 *(e) Enter into a contract with one or more retail*
23 *marijuana stores to sell to the marijuana consumption*
24 *lounge for the purpose of resale all marijuana and*
25 *marijuana products obtained by the marijuana consumption*
26 *lounge; and*

27 *(f) Sell marijuana and marijuana products obtained*
28 *pursuant to paragraph (e) to the customers of the marijuana*
29 *consumption lounge.*

30 8. As used in this section:

31 (a) "Community facility" means:

32 (1) A licensed facility that provides day care services
33 for children.

34 (2) A public park.

35 (3) A public playground.

36 (4) A public swimming pool.

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

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

42 (7) A center or facility, the primary purpose of which
43 is the treatment or rehabilitation for the abuse of alcohol or
44 drugs.



1 (b) "Edible marijuana products" has the meaning ascribed
2 to it in NRS 453A.101.

3 (c) "Marijuana" has the meaning ascribed to it in
4 NRS 453.096.

5 (d) "Marijuana consumption lounge" means a business
6 which allows marijuana, edible marijuana products,
7 marijuana-infused products or marijuana products to be
8 consumed on the premises of the business and which is
9 licensed pursuant to this section.

10 (e) "Marijuana-infused products" has the meaning
11 ascribed to it in NRS 453A.112.

12 (f) "Marijuana products" has the meaning ascribed to it in
13 NRS 453D.030.

14 (g) "Medical marijuana dispensary" has the meaning
15 ascribed to it in NRS 453A.115.

16 (h) "Paraphernalia" means accessories, devices and other
17 equipment that is necessary or useful for a person to engage
18 in the use of marijuana.

19 (i) "Retail marijuana store" has the meaning ascribed to it
20 in NRS 453D.030.

21 (j) "Unreasonably impracticable" means that the measures
22 necessary to comply with the conditions, limitations or
23 restrictions require such a high investment of risk, money,
24 time or any other resource or asset that the operation of a
25 marijuana consumption lounge is not worthy of being carried
26 out in practice by a reasonably prudent businessperson.

27 **Sec. 16.** 1. This section and sections 1 to 4, inclusive, and 9
28 of this act become effective on July 1, 2019.

29 2. Sections 5 to 8, inclusive, and 10 to 15, inclusive, of this act
30 become effective on January 2, 2020.

