



## STAFF REPORT

**Report To:** Board of Supervisors **Meeting Date:** July 15, 2021

**Staff Contact:** Nancy Paulson, City Manager

**Agenda Title:** For Possible Action: Discussion and possible action: (1) regarding a business impact statement concerning a proposed ordinance prohibiting the licensing of a cannabis consumption lounge as a business and prohibiting the consumption of cannabis and cannabis products in a public place; and (2) to introduce, on first reading, a proposed ordinance prohibiting the licensing of a cannabis consumption lounge as a business and prohibiting the consumption of cannabis and cannabis products in a public place. (Nancy Paulson, npaulson@carson.org)

Staff Summary: This item is for the first reading of a proposed ordinance which, if enacted, will prohibit the licensing of a cannabis consumption lounge as a business in Carson City and also prohibit the consumption of cannabis and cannabis products in a public place. NRS 237.080 requires a business impact statement to be prepared whenever an ordinance by the adoption of which the governing body of a local government exercises legislative powers. The business impact statement finds that the proposed ordinance will not impose a direct and significant economic burden upon any existing business but will directly restrict the formation, operation or expansion of a business.

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

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### **Proposed Motion**

I move to approve the business impact statement as presented and introduce, on first reading, Bill No. \_\_\_\_\_.

### **Board's Strategic Goal**

Efficient Government

### **Previous Action**

N/A

### **Background/Issues & Analysis**

Assembly Bill (AB) 341 was enacted by the Nevada Legislature during the 81st (2021) Session and signed into law by the Governor on June 4, 2021. AB 341 generally relates to cannabis and establishes, among other things, various provisions governing the licensure of cannabis consumption lounges. Section 30.3 of AB 341, which amends NRS 678D.510, authorizes local governments such as Carson City to adopt and enforce local cannabis control measures pertaining to zoning and land use for adult-use cannabis establishments, including, without limitation, a measure which prohibits the operation of adult-use cannabis establishments. Section 12.9 of AB 341 establishes a new statutory provision that authorizes the Cannabis Compliance Board to adopt regulations setting forth circumstances under which a person is authorized to consume cannabis or cannabis products in a public place, but also expressly reserves for local governments the authority to adopt and enforce

an ordinance or rule governing the consumption of cannabis or cannabis products in a public place which is more restrictive than regulations, if any, adopted by the Cannabis Compliance Board.

This proposed ordinance, if approved by the Board of Supervisors, would: (1) prohibit the Business License Division of the Carson City Department of Community Development from issuing to any person a license to operate a cannabis consumption lounge in Carson City; and (2) make it unlawful for any person to consume cannabis or any cannabis product in a public place in Carson City. Because the proposed ordinance would codify the public consumption provision within CCMC Chapter 8.04 - which governs prohibited conduct and also establishes a penalty as set forth in CCMC 8.04.130 - a conviction for a violation of this ordinance provision, if enacted, could result in punishment by a fine not exceeding \$1,000 or by imprisonment in the City jail for a term not exceeding 6 months, or by both such fine and imprisonment.

As an exercise of legislative powers, the introduction and adoption of an ordinance by the governing body of a local government such as the Board of Supervisors requires the preparation of a business impact statement in accordance with NRS Chapter 237. A completed business impact statement has been prepared and is attached to this agenda item in compliance with the statutory procedural requirement.

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS Chapter 237; art. 2 of the Carson City Charter; Assembly Bill 341 (2021); CCMC Chapter 8.04

**Financial Information**

**Is there a fiscal impact?** No

**If yes, account name/number:**

**Is it currently budgeted?**

**Explanation of Fiscal Impact:**

**Alternatives**

- 1. Do not accept the business impact statement or modify the business impact statement.
- 2. Do not introduce the ordinance on first reading or modify the ordinance.

**Attachments:**

[BIS.pdf](#)

[AB341\\_EN.pdf](#)

[Ord\\_2021\\_Cannabis\\_Consumption\\_Lounge\\_and\\_Public\\_Consumption\\_SHORT\\_VERSION.docx](#)

**Board Action Taken:**

Motion: \_\_\_\_\_ 1) \_\_\_\_\_ Aye/Nay  
2) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)



## BUSINESS IMPACT STATEMENT

This Business Impact Statement was prepared in accordance with the provisions of NRS (Nevada Revised Statutes) 237.030 to 237.150, inclusive, as a statutory prerequisite to the adoption of any rule\*\*\*, as that term is defined in NRS 237.060, by the Carson City Board of Supervisors.

\*\*\* A "rule" may include an ordinance, or an action taken by the Board, that imposes, increases or changes the basis for the calculation of a fee which is paid in whole or in substantial part by businesses. A "rule" **does not** include actions that impose, increase or change the basis for the calculation of: (1) special assessments imposed pursuant to NRS chapter 271; (2) impact fees imposed pursuant to NRS chapter 278B; (3) fees for remediation imposed pursuant to NRS chapter 540A; (4) taxes ad valorem; (5) sales and use taxes; or (6) a fee that has been negotiated pursuant to a contract between a business and Carson City. A "rule" also **does not** include: an action taken by the Board that approves, amends or augments the annual budget of Carson City; an ordinance adopted by the Board pursuant to a provision of NRS chapter 271, 271A, 278, 278A, 278B or 350; an ordinance adopted or action taken by the Board that authorizes or relates to the issuance of bonds or other evidence of debt of Carson City; or any rule for which Carson City does not have the authority to consider less stringent alternatives, including, for example, a rule that Carson City is required to adopt pursuant to a federal or state statute or regulation or to a contract into which Carson City has entered.

### ORDINANCE OR ACTION PROPOSED FOR ADOPTION

The following ordinances and polices are proposed for adoption:

**1. An ordinance prohibiting the licensing of a cannabis consumption lounge as a business and prohibiting the consumption of cannabis and cannabis products in a public place**

1. *The manner in which notice was provided to the applicable trade associations and officers of businesses likely to be affected by the proposed ordinance or action, and a summary of any data, arguments or comments received from those recipients:*

a. Notice

On June 4, 2021, direct mailings were sent to the Carson City Area Chamber of Commerce and the eight business owners who have business licenses for marijuana cultivations, production, or a marijuana dispensary. The mailing provided a copy of the proposed ordinance and advised that notice of the proposed ordinance was provided in an effort to determine whether the proposed ordinance will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business. The letter asked that comments, data, or arguments be provided in writing by June 25, 2021.

**A copy of this Business Impact Statement, along with the appeal petition form, is available at the Carson City Community Development Department, 108 East Proctor Street, Carson City, Nevada, 89701. A copy of the appeal petition form can also be obtained at the Carson City Clerk/Recorder's office.**

***b. Summary of comments***

**In response to the June 4, 2021 mailed notice to the Chamber of Commerce and the local marijuana business owners, no comments were received.**

**2. *The estimated economic effect of the proposed ordinance or rule on businesses, including both adverse and beneficial effects, and both direct and indirect effects:***

***a. Adverse effects:***

**The City's proposed ordinance prohibiting the licensing of a cannabis consumption lounge as a business and prohibiting the consumption of cannabis and cannabis products in a public place will not create an adverse impact. The proposed ordinance is in response to a recent change in State law. There are no cannabis consumption lounges in Carson City, and the consumption of cannabis and cannabis products in public place has been prohibited.**

***b. Beneficial effects:***

**The City's proposed ordinance will result in the continuation of existing cannabis consumption practices in the City where consumption occurs at private homes. This minimizes driving while impaired, thus promoting safety in the community. The ordinance will prohibit cannabis consumption lounges in Carson City.**

***c. Direct effects:***

**If approved, the consumption of cannabis in Carson City will continue to be in private homes. Cannabis consumption lounges will be prohibited.**

***d. Indirect effects:***

**If approved, cannabis will not be consumed in public places at cannabis lounges, and consumers of cannabis will not be driving to return home after consuming, thus running the risk of driving while impaired.**

**3. *The methods considered by the Carson City Board of Supervisors to reduce the impact of the proposed ordinance or action on businesses and whether any of those methods were used:***

**The proposed Ordinance will not impact any existing business as cannabis consumption lounges have not been allowed in the State or the City. This ordinance will prohibit the formation of a business for a cannabis lounge. The Board of Supervisors has not considered alternatives other than to permit cannabis lounges or prohibit cannabis lounges. No alternatives are present in state law, and no alternatives has been brought to the Board of Supervisors attention by the business community.**

4. *Estimate of the annual cost to Carson City for enforcement of the proposed ordinance or action:*

**The City does not anticipate a change in the cost for enforcement as the enforcement will be identical to the enforcement the City has been administering. The proposed ordinance will result in existing regulations remaining in place.**

5. *The total annual amount of money expected to be collected as a result of the new fee or increase in fee proposed by the ordinance or action, and the manner in which the money will be used:*

**The proposed ordinance will not generate funds for Carson City.**

6. *The proposed ordinance or action [ X ] DOES [ ] DOES NOT include any provisions which duplicate or are more stringent than Federal, State or local standards regulating the same activity.*

7. *The reasons for the conclusions regarding the impact of the proposed ordinance or action:*

**The proposed Ordinance will result in a continuation of Carson City's regulations as related to cannabis consumption lounges and the consumption of cannabis in public places. No existing local business will be adversely impacted.**

**In addition, the City has not received any feedback that the proposed ordinance will constitute a significant economic burden upon any existing Carson City businesses. This ordinance will restrict the formation of a business operating a cannabis lounge.**

8. *Based on the information considered, it has been determined that this proposed ordinance or rule:*

**[ ] DOES [ X ] DOES NOT impose a direct and significant economic burden upon a business.**

DOES  DOES NOT directly restrict the formation, operation or expansion of a business.

**Pursuant to NRS 237.090(3), this Business Impact Statement was prepared and made available for public inspection by Carson City Community Development at the time the agenda notice on which the proposed ordinance or rule described in this statement is included was posted.**

**Pursuant to NRS 237.090(2), I, Nancy Paulson, the City Manager of Carson City, hereby certify that to the best of my knowledge and belief the information contained herein was properly prepared and is accurate.**

Nancy Paulson  
Signature

7/11/21  
Date

Nancy Paulson  
Printed Name

CHAPTER.....

AN ACT relating to cannabis; providing for the licensure and regulation by the Cannabis Compliance Board of cannabis consumption lounges; setting forth certain requirements for the licensure of cannabis consumption lounges; setting forth certain requirements for the operation of retail cannabis consumption lounges and independent cannabis consumption lounges; requiring the Board to adopt regulations establishing certain fees; revising provisions relating to certain cannabis products; revising provisions relating to the consumption of cannabis in a public place; establishing provisions relating to the civil liability of a person who serves, sells or furnishes cannabis or cannabis products to another person; revising provisions relating to the excise tax on retail sales of cannabis and cannabis products; exempting certain persons from certain provisions prohibiting a person from maintaining a place for the purpose of unlawfully selling, giving away or using any controlled substance; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

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

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

**Section 5.5** of this bill defines “single-use cannabis product” to generally mean a type of cannabis or adult-use cannabis product that the Board has determined to be appropriate for consumption in a cannabis consumption lounge. **Section 4** of this bill defines “ready-to-consume cannabis product” to mean an adult-use edible cannabis product that is presented as a foodstuff or beverage and is intended for immediate consumption. **Section 28** of this bill requires the Board to adopt regulations designating types of cannabis and cannabis products as single-use cannabis products and establishing requirements for the preparation and sale of



ready-to-consume cannabis products. **Sections 19 and 30** of this bill provide that certain requirements for cannabis products established under existing law do not apply to ready-to-consume cannabis products to the extent that such requirements are inconsistent with the regulations adopted by the Board.

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

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

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

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

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





number of adult-use cannabis establishment licenses for independent cannabis consumption lounges be issued to social equity applicants.

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

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

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

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

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

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



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

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

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

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

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 36** of this bill exempts from the application of this provision: (1) a cannabis consumption lounge whose activities are confined to those authorized under the provisions of this bill; and (2) any person who opens or maintains a public place at which a person is authorized to consume cannabis or cannabis products pursuant to regulations adopted by the Board pursuant to **section 12.9** and whose activities are confined to those authorized by such regulations.

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

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

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



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

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

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

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

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

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

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

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

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

- 1. Is licensed by the Board pursuant to NRS 678B.250;*
- 2. Is attached or immediately adjacent to an adult-use cannabis retail store; and*
- 3. Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.*

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

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

678A.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 678A.020



to 678A.240, inclusive, *and sections 2 to 5.5, inclusive, of this act* have the meanings ascribed to them in those sections.

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

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

1. An adult-use cannabis independent testing laboratory;
2. An adult-use cannabis cultivation facility;
3. An adult-use cannabis production facility;
4. An adult-use cannabis retail store; ~~or~~
5. An adult-use cannabis distributor ~~or~~;
6. *A retail cannabis consumption lounge; or*
7. *An independent cannabis consumption lounge.*

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

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

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

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

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

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

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

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



requirements at the time it was issued an adult-use cannabis establishment license; and

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

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

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

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

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

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

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

(a) For a proposed independent cannabis consumption lounge:

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

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



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

**Sec. 12.3.** *The Board shall not issue to any one person both an adult-use cannabis establishment license for an adult-use cannabis retail store and an adult-use cannabis establishment license for an independent cannabis consumption lounge.*

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

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

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

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

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

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



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

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

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

*(a) More than one adult-use cannabis establishment license for an independent cannabis consumption lounge to any one person;*

*(b) More than one adult-use cannabis establishment license for a retail cannabis consumption lounge to any one person; or*

*(c) Both an adult-use cannabis establishment license for a retail cannabis consumption lounge and an adult-use cannabis establishment license for an independent cannabis consumption lounge to any one person.*

2. *The Board may approve a transfer of an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge to a person that acquires a 100 percent ownership interest in a cannabis consumption lounge in a county in which the person holds another such license, if the transfer:*

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

*(b) Will not result in the person holding more than two adult-use cannabis establishment licenses for a retail cannabis consumption lounge, adult-use cannabis establishment licenses for an independent cannabis lounge or any combination of the two.*

**Sec. 12.9.** *1. The Board may adopt regulations setting forth circumstances under which a person is authorized to consume cannabis or cannabis products in a public place.*

2. *Nothing in this section shall be construed as prohibiting a local government from adopting and enforcing an ordinance or rule governing the consumption of cannabis or cannabis products in a public place in the jurisdiction of the local government which is more restrictive than the regulations adopted by the Board pursuant to subsection 1.*



**Sec. 13.** NRS 678B.020 is hereby amended to read as follows:  
678B.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 678B.030 to 678B.070, inclusive, *and section 9 of this act* have the meanings ascribed to them in those sections.

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

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

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

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

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

- (1) The application fee, as set forth in NRS 678B.390;
- (2) An application, which must include:

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

(II) The physical address where the proposed medical cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated medical cannabis establishments, the locations of which may not be *on the property of an airport*, 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 cannabis establishment was submitted to the Board, within 300 feet of a community facility that existed on the date on which the application for the proposed medical cannabis establishment was submitted to the Board or, if the proposed medical cannabis establishment will be located in a county whose population is 100,000 or more, within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on





which the application for the proposed medical cannabis establishment was submitted to the Board;

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

(IV) Evidence that the applicant owns the property on which the proposed medical cannabis establishment will be located or has the written permission of the property owner to operate the proposed medical cannabis 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 cannabis establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Board 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; and

(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 cannabis establishment;

(3) Operating procedures consistent with rules of the Board for oversight of the proposed medical cannabis 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 NRS 678C.420 and 678C.430;

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

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

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

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

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

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

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

(d) None of the persons who are proposed to be owners, officers or board members of the proposed medical cannabis 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 cannabis establishment, the Board 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 cannabis establishment satisfies the requirements of this section, is qualified in the determination of the Board pursuant to NRS 678B.200 and the establishment is not disqualified from being registered as a medical cannabis establishment pursuant to this section or other applicable law, the Board shall issue to the establishment a medical cannabis establishment license. A medical cannabis establishment license expires 1 year after the date of issuance and may be renewed upon:

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

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

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

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

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

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

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

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

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

- (1) The application fee, as set forth in NRS 678B.390;
- (2) An application, which must include:

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

(II) The physical address where the proposed adult-use cannabis establishment will be located and the physical address of any co-owned additional or otherwise associated adult-use cannabis establishments, the locations of which may not be *on the property of an airport*, 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 adult-use cannabis establishment was submitted to the Board, within 300 feet of a community facility that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board or, if the proposed adult-use cannabis establishment will be located in a county whose population is 100,000 or more, within 1,500 feet of an establishment that holds a nonrestricted gaming license described in subsection 1 or 2 of NRS 463.0177 and that existed on the date on which the application for the proposed adult-use cannabis establishment was submitted to the Board;



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

(IV) Evidence that the applicant owns the property on which the proposed adult-use cannabis establishment will be located or has the written permission of the property owner to operate the proposed adult-use cannabis 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 adult-use cannabis establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Board 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; and

(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 adult-use cannabis establishment;

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

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

(II) The use of an inventory control system;

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

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

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

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

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



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

(d) None of the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis 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 adult-use cannabis establishment, the Board 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 applicant for licensure to operate an adult-use cannabis establishment satisfies the requirements of this section, is qualified in the determination of the Board pursuant to NRS 678B.200 and is not disqualified from being licensed pursuant to this section or other applicable law, the Board shall issue to the applicant an adult-use cannabis establishment license. An adult-use cannabis establishment license expires 1 year after the date of issuance and may be renewed upon:

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

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

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

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

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

678B.270 ~~1.~~ Except as otherwise provided in ~~[subsection 2,]~~ *this section*, to prevent monopolistic practices, the Board 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:

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

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

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

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

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

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

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

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

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

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

(f) The diversity on the basis of race, ethnicity or gender of the applicant or the persons who are proposed to be owners, officers or board members of the proposed adult-use cannabis establishment, including, without limitation, the inclusion of persons of



backgrounds which are disproportionately underrepresented as owners, officers or board members of adult-use cannabis establishments; and

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

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

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

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

(a) A cannabis establishment agent registration card.

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

(c) A medical cannabis establishment license.

(d) An adult-use cannabis establishment license.

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

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

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

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

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

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

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



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





For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory .....	\$15,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory .....	5,000
<i>For the initial issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge .....</i>	<i>10,000</i>
<i>For the renewal of an adult-use cannabis establishment license for a retail cannabis consumption lounge .....</i>	<i>10,000</i>
<i>For the initial issuance of an adult-use cannabis establishment license for an independent cannabis consumption lounge .....</i>	<i>10,000</i>
<i>For the renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge .....</i>	<i>10,000</i>
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis distributor .....	15,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis distributor .....	5,000
For each person identified in an application for the initial issuance of a cannabis establishment agent registration card .....	150
For each person identified in an application for the renewal of a cannabis establishment agent registration card.....	150

2. ~~Ha~~ *The Board may by regulation establish reduced fees for:*

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

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

3. *Except as otherwise provided in subsection 2, in addition to the fees described in subsection 1, each applicant for a medical*



cannabis establishment license or adult-use cannabis establishment license must pay to the Board:

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

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

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

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

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

(a) Must be expended first to pay the costs of the Board in carrying out the provisions of this title; 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 Education Fund.

**Sec. 17.5.** (Deleted by amendment.)

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

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

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

(b) To ensure accurate recordkeeping.

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

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

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

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



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

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

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

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

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

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

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

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

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

(a) Are labeled clearly and unambiguously:

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

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

(b) Are not presented in packaging that contains an image of a cartoon character, mascot, action figure, balloon or toy, except that



such an item may appear in the logo of the cannabis production facility which produced the product.

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

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

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

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

(g) Are not labeled or marketed as candy.

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

(a) Is or appears to be a lollipop.

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

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

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

3. A cannabis production facility shall:

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

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

(1) The words "Keep out of reach of children";

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

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

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

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

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



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

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

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

6. A cannabis sales facility shall:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

11. A cannabis establishment:

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

(1) Is false or misleading;

(2) Promotes overconsumption of cannabis or cannabis products;

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

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

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

(c) Shall not place an advertisement:

(1) Within 1,000 feet of a public or private school, playground, public park or library, but may maintain such an advertisement if it was initially placed before the school,



playground, public park or library was located within 1,000 feet of the location of the advertisement;

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

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

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

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

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

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

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

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

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

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

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

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

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

14. *To the extent that they are inconsistent or otherwise conflict with the regulations adopted by the Board pursuant to*



*section 28 of this act, the requirements of this section pertaining to cannabis products do not apply to ready-to-consume cannabis products prepared and sold by a cannabis consumption lounge.*

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

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

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

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

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

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

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

678B.650 The Board shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of this chapter. 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 applications for licenses or registration cards issued pursuant to this chapter;

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

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

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

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

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

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





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

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

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

6. 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;

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

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

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

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

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

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

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



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

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

678C.300 1. A person who holds a registry identification card or letter of approval issued to him or her pursuant to NRS 678C.230 or 678C.270 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 cannabis.

(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 cannabis in violation of NRS 453.336 or possessing paraphernalia in violation of NRS 453.560 or 453.566:

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

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

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

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

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

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

2. Except as otherwise provided in NRS 678C.240 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 or letter of approval for a period of up to 6 months.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

Sec. 26. (Deleted by amendment.)

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

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

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

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

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

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

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

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

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

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

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

3. Prescribe procedures and protocols for the preparation and safe handling of ready-to-consume cannabis products to ensure



*that each such prepared product meets the standards established pursuant to subsection 1;*

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

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

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

678D.300 1. A person is not exempt from state prosecution for 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 cannabis.

(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 cannabis in violation of NRS 453.336 or possessing paraphernalia in violation of NRS 453.560 or 453.566:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

*3. To the extent that they are inconsistent or otherwise conflict with the regulations adopted by the Board pursuant to*





*section 28 of this act, the requirements of this section do not apply to a ready-to-consume cannabis product prepared and sold by a cannabis consumption lounge.*

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

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

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

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

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

(d) A local government from adopting and enforcing local cannabis control measures pertaining to zoning and land use for adult-use cannabis establishments ~~and~~ *including, without limitation, a measure which prohibits the operation of adult-use cannabis establishments.*

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

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

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

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

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

*(b) Knowingly allows an underage person to consume cannabis or a cannabis product on premises or in a conveyance belonging to the person or over which the person has control, is liable in a civil action for any damages caused by the underage person as a result of the consumption of the cannabis or cannabis product.*



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

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

5. *As used in this section:*

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

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

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

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

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

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

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

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

3. A board of county commissioners shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in



the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.

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

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

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

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

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

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

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

(a) Presents written evidence that:

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

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

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

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



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

- (1) The amount of tax due and the appropriate year;
- (2) The name of the record owner of the property;
- (3) A description of the property sufficient for identification;

and

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

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

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

9. ~~[A]~~ *Except as otherwise provided by regulations adopted by the Cannabis Compliance Board pursuant to section 12.9 of this act, a* board of county commissioners shall not license or otherwise allow a person to operate a business that allows cannabis, as defined in NRS 678A.085, or cannabis products, as defined in NRS 678A.120, to be consumed on the premises of the business ~~[I]~~ ,



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

(a) Presents written evidence that:

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

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



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

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

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

- (1) The amount of tax due and the appropriate year;
- (2) The name of the record owner of the property;
- (3) A description of the property sufficient for identification;

and

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

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

8. The city council or other governing body of each incorporated city may delegate the power and authority to enforce such liens to the county fair and recreation board. If the authority is so delegated, the governing body shall revoke or suspend the license of a business upon certification by the board that the license tax has become delinquent, and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 239.0115 and 268.0966, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of those license taxes or as the result of any audit or examination of the books of the city by any authorized employee of a county fair and recreation board for any license tax levied for the purpose of NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, official or employee of the county fair and recreation board or the city imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under



an agreement with the Department of Taxation or the Secretary of State for the exchange of information concerning taxpayers.

9. ~~[The]~~ *Except as otherwise provided by regulations adopted by the Cannabis Compliance Board pursuant to section 12.9 of this act, the* city council or other governing body of an incorporated city shall not license or otherwise allow a person to operate a business that allows cannabis, as defined in NRS 678A.085, or cannabis products, as defined in NRS 678A.120, to be consumed on the premises of the business ~~[ ]~~, *other than a cannabis consumption lounge, as defined in section 2 of this act, in accordance with the provisions of chapter 678B of NRS.*

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

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

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

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

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

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

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

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

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

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





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

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

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

(10) Drummers, hawkers, peddlers and solicitors.

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

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

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

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

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

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

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

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

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

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

6. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax pursuant to



this section for a cannabis establishment, as defined in NRS 678A.095.

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

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

*“Cannabis consumption lounge” has the meaning ascribed to it in section 2 of this act.*

**Sec. 32.** NRS 372A.200 is hereby amended to read as follows: 372A.200 As used in NRS 372A.200 to 372A.380, inclusive, *and section 31 of this act*, unless the context otherwise requires, the words and terms defined in NRS 372A.205 to 372A.250, inclusive, *and section 31 of this act* have the meanings ascribed to them in those sections.

**Sec. 33.** NRS 372A.250 is hereby amended to read as follows: 372A.250 “Taxpayer” means a:

1. Cannabis cultivation facility; ~~or~~
2. Adult-use cannabis retail store ~~it~~; *or*
3. *Cannabis consumption lounge.*

**Sec. 34.** NRS 372A.290 is hereby amended to read as follows: 372A.290 1. An excise tax is hereby imposed on each wholesale sale in this State of cannabis by a medical cannabis cultivation facility to another cannabis establishment at the rate of 15 percent of the fair market value at wholesale of the cannabis. The excise tax imposed pursuant to this subsection is the obligation of the medical cannabis cultivation facility.

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

3. An excise tax is hereby imposed on each retail sale in this State of cannabis or cannabis products by an adult-use cannabis retail store *or cannabis consumption lounge* at the rate of 10



percent of the sales price of the cannabis or cannabis products. The excise tax imposed pursuant to this subsection:

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

(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.

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

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

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

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

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

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

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

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

8. As used in this section:

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

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



~~(e)~~ “Cannabis product” has the meaning ascribed to it in NRS 678A.120.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory



tasks that are necessary to carry out the provisions of this act; and

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

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

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

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

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

are repealed by the Congress of the United States.

**Sec. 36.3.** 1. The Cannabis Compliance Board shall provide to each person who, on July 1, 2021, holds an adult-use cannabis establishment license for an adult-use cannabis retail store a written notification informing the person that the person may be eligible to hold an adult-use cannabis establishment license for a retail cannabis consumption lounge.

2. The notification required to be provided pursuant to subsection 1 must include, without limitation:

(a) A statement indicating that the person may be limited to holding one adult-use cannabis establishment license for a retail cannabis consumption lounge pursuant to section 12.7 of this act; and

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

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



inhibit the growth of independent cannabis consumption lounges in this State.

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

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

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

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

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Summary: Establishes various provisions relating to cannabis and cannabis products.

BILL NO. \_\_\_\_

ORDINANCE No. 2021 - \_\_\_\_\_

AN ORDINANCE RELATING TO CANNABIS; PROHIBITING THE LICENSING OF A CANNABIS CONSUMPTION LOUNGE AS A BUSINESS; PROHIBITING THE CONSUMPTION OF CANNABIS AND CANNABIS PRODUCTS IN A PUBLIC PLACE; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses) is hereby amended by adding thereto a new Section 4.04.0103 (Licensing of cannabis consumption lounges prohibited) (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

**4.04.0103 – Licensing of cannabis consumption lounges prohibited.**

**1. Notwithstanding any other provision of CCMC and pursuant to the authority established by NRS 678D.510, as amended by Section 30.3 of Assembly Bill 341 of the 81st (2021) Session of the Nevada Legislature, the Business License Division shall not issue to any person a license to operate a cannabis consumption lounge.**

**2. As used in this section, “cannabis consumption lounge” has the meaning ascribed to it in Section 2 of Assembly Bill 341 of the 81st (2021) Session of the Nevada Legislature.**

SECTION II:

That Title 8 (Public Peace, Safety and Morals), Chapter 8.04 (Prohibited Conduct) is hereby amended by adding thereto a new Section 8.04.123 (Consumption of cannabis or cannabis in a public place prohibited) (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

**8.04.123 – Consumption of cannabis or cannabis products in a public place prohibited.**

**1. Pursuant to the authority established by Section 12.9 of Assembly Bill 341 of the 81st (2021) Session of the Nevada Legislature, it is unlawful for any person to consume cannabis or any cannabis product in a public place. For the purpose of this subsection, a person consumes cannabis or a cannabis product if such a substance is ingested or inhaled.**

**2. As used in this section, “cannabis product” has the meaning ascribed to it in NRS 678A.120.**

**SECTION III:**

That no other provisions of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on \_\_\_\_\_, 2021.

PROPOSED by \_\_\_\_\_.

PASSED on \_\_\_\_\_, 2021.

VOTE:        AYES:        SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

NAYS:        SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Lori Bagwell  
Mayor

ATTEST:

\_\_\_\_\_  
Aubrey Rowlatt  
Clerk-Recorder

This ordinance shall be in force and effect from the \_\_\_\_\_ day of the month of \_\_\_\_\_ of the year 2021.