

ASSEMBLY BILL NO. 341—ASSEMBLYMAN YEAGER

MARCH 19, 2021

Referred to Committee on Judiciary

SUMMARY—Provides for the licensure and regulation of cannabis consumption lounges. (BDR 56-583)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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

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

Legislative Counsel's Digest:

1 Existing law provides for the licensure and regulation of persons and
2 establishments in the cannabis industry in this State by the Cannabis Compliance
3 Board. (Title 56 of NRS) Under existing law, a cannabis establishment is prohibited
4 from allowing a person to consume cannabis on the property or premises of the
5 establishment. (NRS 678B.510) Existing law also makes it a misdemeanor to
6 consume cannabis or a cannabis product in a public place, in an adult-use cannabis
7 retail store or in a vehicle. (NRS 678D.310) This bill provides for the licensure and
8 regulation by the Board of certain businesses at which the consumption of cannabis



9 and cannabis products is allowed. **Section 2** of this bill designates such businesses
10 generally as “cannabis consumption lounges.”

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

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

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

36 **Section 11** of this bill requires the Board to adopt regulations establishing
37 criteria to determine whether an applicant for the issuance or renewal of an adult-
38 use cannabis establishment license for a retail cannabis consumption lounge or an
39 independent cannabis consumption lounge qualifies as a social equity applicant,
40 which is defined by **section 9** of this bill generally as an applicant that has been
41 adversely affected by previous laws that criminalized activity relating to cannabis.
42 **Section 12** of this bill requires the Board to adopt regulations establishing criteria
43 of merit and scoring guidelines to be used in evaluating applications for such
44 licenses and requires the Board to give an additional positive weight to social
45 equity applicants. **Section 17** of this bill requires the Board to establish fees for the
46 issuance and renewal of such licenses and authorizes the Board to establish reduced
47 fees for social equity applicants. **Section 16** of this bill makes a conforming change
48 to reflect the addition of the requirements of **section 12**.

49 Existing law prohibits the Board from issuing more than a certain number of
50 adult-use cannabis establishment licenses to any one person, group or entity in
51 certain counties. (NRS 678B.270) **Section 15** of this bill provides that this
52 prohibition does not apply to adult-use cannabis establishment licenses for retail
53 cannabis consumption lounges or independent cannabis consumption lounges.

54 **Sections 22 and 24** of this bill set forth certain requirements and restrictions
55 relating to the operation of a cannabis consumption lounge. **Section 23** of this bill
56 authorizes a cannabis consumption lounge to engage in certain activities. **Section**
57 **20** of this bill requires the Board to adopt certain regulations concerning cannabis
58 consumption lounges.

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



64 **Section 4** of this bill defines “ready-to-consume cannabis product” to mean an
65 adult-use edible cannabis product that is presented as a foodstuff or beverage and is
66 intended for immediate consumption. **Section 28** of this bill requires the Board to
67 adopt regulations establishing requirements for the preparation and sale of such
68 products. **Sections 19 and 30** of this bill provide that certain requirements for
69 cannabis products established under existing law do not apply to ready-to-consume
70 cannabis products to the extent that such requirements are inconsistent with the
71 regulations adopted by the Board.

72 **Section 26** of this bill requires an independent cannabis consumption lounge to
73 allow cannabis or cannabis products to be delivered to a customer in the lounge.
74 **Section 26** also prohibits, with certain exceptions, an independent cannabis
75 consumption lounge from acquiring or selling cannabis or cannabis products.
76 **Section 27** of this bill authorizes an independent cannabis consumption lounge to
77 submit a request to the Board to sell cannabis or cannabis products to customers of
78 the lounge. If the Board approves such a request, **section 27** authorizes the
79 independent cannabis consumption lounge to: (1) enter into a contract with one or
80 more adult-use cannabis retail stores to obtain cannabis or cannabis products for
81 resale; (2) sell cannabis or cannabis products to customers of the lounge; and (3)
82 prepare and sell ready-to-consume cannabis products to customers of the lounge.

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

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

92 Existing law prohibits a person from opening or maintaining a place for the
93 purpose of unlawfully selling, giving away or using any controlled substance. (NRS
94 453.316) **Section 36** of this bill exempts a cannabis consumption lounge whose
95 activities are confined to those authorized under the provisions of this bill from the
96 application of this provision.

97 **Sections 2-5 and 9** of this bill define words and terms applicable to the
98 provisions of this bill. **Sections 6 and 32** of this bill make conforming changes to
99 properly place new language in the Nevada Revised Statutes. **Section 35** of this bill
100 makes a conforming change to reflect the addition of the provisions of **section 17**.

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

1 **Section 1.** Chapter 678A of NRS is hereby amended by
2 adding thereto the provisions set forth as sections 2 to 5, inclusive,
3 of this act.

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

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

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

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



1 2. *Is not attached or immediately adjacent to an adult-use*
2 *cannabis retail store; and*

3 3. *Allows cannabis or cannabis products to be consumed on*
4 *the premises of the business by persons 21 years of age or older.*

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

7 1. *Prepared on the premises of a cannabis consumption*
8 *lounge;*

9 2. *Presented in the form of a foodstuff or beverage;*

10 3. *Sold in a heated or unheated state; and*

11 4. *Intended for immediate consumption.*

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

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

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

17 3. *Allows cannabis or cannabis products to be consumed on*
18 *the premises of the business by persons 21 years of age or older.*

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

20 678A.010 As used in this title, unless the context otherwise
21 requires, the words and terms defined in NRS 678A.020 to
22 678A.240, inclusive, *and sections 2 to 5, inclusive, of this act* have
23 the meanings ascribed to them in those sections.

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

25 678A.035 “Adult-use cannabis establishment” means:

26 1. An adult-use cannabis independent testing laboratory;

27 2. An adult-use cannabis cultivation facility;

28 3. An adult-use cannabis production facility;

29 4. An adult-use cannabis retail store; ~~[or]~~

30 5. An adult-use cannabis distributor ~~[or]~~;

31 6. *A retail cannabis consumption lounge; or*

32 7. *An independent cannabis consumption lounge.*

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

36 **Sec. 9.** *“Social equity applicant” means an applicant for the*
37 *issuance or renewal of an adult-use cannabis establishment*
38 *license for a retail cannabis consumption lounge or an*
39 *independent cannabis consumption lounge who has been*
40 *adversely affected by provisions of previous laws which*
41 *criminalized activity relating to cannabis, including, without*
42 *limitation, adverse effects on an owner, officer or board member*
43 *of the applicant or on the geographic area in which the applicant*
44 *will operate.*



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

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

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

10 **2.** *The location of a proposed retail cannabis consumption*
11 *lounge is not subject to the restrictions set forth in sub-*
12 *subparagraph (II) of subparagraph (2) of paragraph (a) of*
13 *subsection 3 of NRS 678B.250 so long as the adult-use cannabis*
14 *retail store to which the proposed retail cannabis consumption*
15 *lounge is to be attached or immediately adjacent was in*
16 *compliance with such requirements at the time it was issued an*
17 *adult-use cannabis establishment license.*

18 **Sec. 11.** *The Board shall adopt regulations establishing*
19 *criteria to be used by the Board for determining whether an*
20 *applicant for the issuance or renewal of an adult-use cannabis*
21 *establishment license for a retail cannabis consumption lounge or*
22 *an independent cannabis consumption lounge qualifies as a social*
23 *equity applicant for the purposes of NRS 678B.390 and sections*
24 *12 and 27 of this act.*

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

31 **2.** *In determining whether to issue an adult-use cannabis*
32 *establishment license for a retail cannabis consumption lounge or*
33 *an independent cannabis consumption lounge pursuant to NRS*
34 *678B.250, the Board shall, in addition to the factors set forth in*
35 *that section, consider the criteria of merit and scoring guidelines*
36 *established pursuant to subsection 1.*

37 **3.** *The criteria of merit and scoring guidelines established*
38 *pursuant to subsection 1 must, without limitation:*

39 *(a) Establish a minimum required score for the issuance of an*
40 *adult-use cannabis establishment license for a retail cannabis*
41 *consumption lounge or an independent cannabis consumption*
42 *lounge; and*

43 *(b) Provide an additional positive weight to social equity*
44 *applicants.*



1 **Sec. 13.** NRS 678B.020 is hereby amended to read as follows:
2 678B.020 As used in this chapter, unless the context otherwise
3 requires, the words and terms defined in NRS 678B.030 to
4 678B.070, inclusive, *and section 9 of this act* have the meanings
5 ascribed to them in those sections.

6 **Sec. 14.** NRS 678B.250 is hereby amended to read as follows:
7 678B.250 1. A person shall not engage in the business of an
8 adult-use cannabis establishment unless the person holds an adult-
9 use cannabis establishment license issued pursuant to this section.

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

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

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

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

20 (2) An application, which must include:

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

23 (II) The physical address where the proposed adult-use
24 cannabis establishment will be located and the physical address of
25 any co-owned additional or otherwise associated adult-use cannabis
26 establishments, the locations of which may not, *except as otherwise*
27 *provided in section 10 of this act*, be within 1,000 feet of a public or
28 private school that provides formal education traditionally
29 associated with preschool or kindergarten through grade 12 and that
30 existed on the date on which the application for the proposed adult-
31 use cannabis establishment was submitted to the Board, within 300
32 feet of a community facility that existed on the date on which the
33 application for the proposed adult-use cannabis establishment was
34 submitted to the Board or, if the proposed adult-use cannabis
35 establishment will be located in a county whose population is
36 100,000 or more, within 1,500 feet of an establishment that holds a
37 nonrestricted gaming license described in subsection 1 or 2 of NRS
38 463.0177 and that existed on the date on which the application for
39 the proposed adult-use cannabis establishment was submitted to the
40 Board;

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



1 (IV) Evidence that the applicant owns the property on
2 which the proposed adult-use cannabis establishment will be located
3 or has the written permission of the property owner to operate the
4 proposed adult-use cannabis establishment on that property;

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

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

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

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

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

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

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

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

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

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

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

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

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

44 4. For each person who submits an application pursuant to this
45 section, and each person who is proposed to be an owner, officer or



1 board member of a proposed adult-use cannabis establishment, the
2 Board shall submit the fingerprints of the person to the Central
3 Repository for Nevada Records of Criminal History for submission
4 to the Federal Bureau of Investigation to determine the criminal
5 history of that person.

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

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

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

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

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

26 8. As used in this section, “community facility” means:

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

28 (b) A public park.

29 (c) A playground.

30 (d) A public swimming pool.

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

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

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

37 678B.270 **1.** Except as otherwise provided in *paragraph (b)*
38 *and* subsection 2, to prevent monopolistic practices, the Board shall
39 ensure, in a county whose population is 100,000 or more, that it
40 does not issue, to any one person, group of persons or entity, the
41 greater of:

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

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



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

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

5 678B.280 1. In determining whether to issue an adult-use
6 cannabis establishment license pursuant to NRS 678B.250, **other**
7 **than an adult-use cannabis establishment license for a retail**
8 **cannabis consumption lounge or an independent cannabis**
9 **consumption lounge**, the Board shall, in addition to the factors set
10 forth in that section, consider criteria of merit established by
11 regulation of the Board. Such criteria must include, without
12 limitation:

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

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

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

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

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

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

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

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



1 **Sec. 17.** NRS 678B.390 is hereby amended to read as follows:
2 678B.390 1. Except as otherwise provided in subsection ~~2.~~
3 4, the Board shall collect not more than the following maximum
4 fees:

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



1 For the renewal of an adult-use cannabis
2 establishment license for an adult-use
3 cannabis production facility \$3,300
4 For the initial issuance of an adult-use cannabis
5 establishment license for an adult-use
6 cannabis independent testing laboratory 15,000
7 For the renewal of an adult-use cannabis
8 establishment license for an adult-use
9 cannabis independent testing laboratory 5,000
10 For the initial issuance of an adult-use cannabis
11 establishment license for an adult-use
12 cannabis distributor 15,000
13 For the renewal of an adult-use cannabis
14 establishment license for an adult-use
15 cannabis distributor 5,000
16 For each person identified in an application for
17 the initial issuance of a cannabis
18 establishment agent registration card 150
19 For each person identified in an application for
20 the renewal of a cannabis establishment agent
21 registration card..... 150
22

23 **2. The Board shall by regulation establish fees for the initial**
24 **issuance and renewal of:**

25 **(a) An adult-use cannabis establishment license for a retail**
26 **cannabis consumption lounge; and**

27 **(b) An adult-use cannabis establishment license for an**
28 **independent cannabis consumption lounge.**

29 **3. The Board may by regulation establish reduced fees for an**
30 **applicant for the initial issuance or renewal of a license specified**
31 **in subsection 2 that is a social equity applicant.**

32 **4.** In addition to the fees described in subsection 1, each
33 applicant for a medical cannabis establishment license or adult-use
34 cannabis establishment license must pay to the Board:

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

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

39 ~~3.1~~ **5.** Any revenue generated from the fees imposed pursuant
40 to this section:

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

43 (b) If any excess revenue remains after paying the costs
44 described in paragraph (a), such excess revenue must be paid over to



1 the State Treasurer to be deposited to the credit of the State
2 Education Fund.

3 **Sec. 18.** NRS 678B.510 is hereby amended to read as follows:
4 678B.510 1. The operating documents of a cannabis
5 establishment must include procedures:

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

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

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

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

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

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

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

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

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

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

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



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

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

8 678B.520 1. Each cannabis establishment shall, in
9 consultation with the Board, cooperate to ensure that all cannabis
10 products offered for sale:

11 (a) Are labeled clearly and unambiguously:

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

15 (2) As required by the provisions of this chapter and chapters
16 678C and 678D of NRS.

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

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

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

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

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

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

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

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

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

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

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

45 3. A cannabis production facility shall:



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

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

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

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

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

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

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

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

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

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

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

27 6. A cannabis sales facility shall:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

34 11. A cannabis establishment:

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

37 (1) Is false or misleading;

38 (2) Promotes overconsumption of cannabis or cannabis
39 products;

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

42 (4) Depicts a child or other person who is less than 21 years
43 of age consuming cannabis or cannabis products or objects
44 suggesting the presence of a child, including, without limitation,
45 toys, characters or cartoons, or contains any other depiction which is



1 designed in any manner to be appealing to or encourage
2 consumption of cannabis or cannabis products by a person who is
3 less than 21 years of age.

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

8 (c) Shall not place an advertisement:

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

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

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

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

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

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

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

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

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

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

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

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

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

44 13. If a cannabis establishment engages in advertising for
45 which it is required to determine the percentage of persons who are



1 less than 21 years of age and who may reasonably be expected to
2 view or hear the advertisement, the cannabis establishment shall
3 maintain documentation for not less than 5 years after the date on
4 which the advertisement is first broadcasted, published or otherwise
5 displayed that demonstrates the manner in which the cannabis
6 establishment determined the reasonably expected age of the
7 audience for that advertisement.

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

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

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

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

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

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

24 ~~15.~~ 16. As used in this section, “motor vehicle used for
25 public transportation” does not include a taxicab, as defined in
26 NRS 706.124.

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

28 678B.650 The Board shall adopt such regulations as it
29 determines to be necessary or advisable to carry out the provisions
30 of this chapter. Such regulations are in addition to any requirements
31 set forth in statute and must, without limitation:

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

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

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

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



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

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

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

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

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

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

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

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

33 8. Determine whether any provision of this chapter or chapter
34 678C or 678D of NRS would make the operation of a cannabis
35 establishment by a dual licensee unreasonably impracticable; ~~and~~

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

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

41 (b) *Procedures and requirements for the delivery of cannabis*
42 *or a cannabis product to a customer in an independent cannabis*
43 *consumption lounge; and*



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

4 10. Address such other matters as the Board deems necessary
5 to carry out the provisions of this title.

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

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

10 (a) *Require any cannabis or cannabis product brought into the*
11 *cannabis consumption lounge by a customer to be contained in the*
12 *sealed, opaque packaging in which the cannabis or cannabis*
13 *product was originally sold;*

14 (b) *Require a person who wishes to bring cannabis or*
15 *cannabis products into the cannabis consumption lounge to,*
16 *before entry, submit the cannabis and each cannabis product to an*
17 *employee for inspection to ensure that:*

18 (1) *The cannabis or cannabis product satisfies the*
19 *requirements of this subsection; and*

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

30 (a) *Obtain cannabis or cannabis products from the adult-use*
31 *cannabis retail store to which the retail cannabis consumption*
32 *lounge is attached or immediately adjacent;*

33 (b) *Sell cannabis or cannabis products obtained pursuant to*
34 *paragraph (a) to customers of the retail cannabis consumption*
35 *lounge; and*

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

39 2. *A retail cannabis consumption lounge shall ensure that*
40 *only cannabis or cannabis products that were purchased from the*
41 *retail cannabis consumption lounge or the adult-use cannabis*
42 *retail store to which the lounge is attached or immediately*
43 *adjacent are consumed in the lounge.*

44 **Sec. 26.** 1. *An independent cannabis consumption lounge*
45 *shall allow cannabis or cannabis products sold by a cannabis sales*



1 *facility to be delivered to a customer in the independent cannabis*
2 *consumption lounge. Such a delivery must comply with the*
3 *applicable requirements for the delivery of cannabis or cannabis*
4 *products to a consumer set forth in this title and any other*
5 *requirements the Board may establish by regulation.*

6 2. *Except as otherwise provided in section 27 of this act, an*
7 *independent cannabis consumption lounge shall not obtain from*
8 *any source or sell cannabis or cannabis products.*

9 **Sec. 27.** 1. *If an independent cannabis consumption lounge*
10 *wishes to sell cannabis or cannabis products to customers of the*
11 *lounge, the independent cannabis consumption lounge must*
12 *submit a request to the Board. Such a request must include any*
13 *information the Board may by regulation require.*

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

16 (a) *Enter into a contract with one or more adult-use cannabis*
17 *retail stores to sell to the independent cannabis consumption*
18 *lounge for the purpose of resale all cannabis and cannabis*
19 *products obtained by the independent cannabis consumption*
20 *lounge;*

21 (b) *Sell cannabis and cannabis products obtained pursuant to*
22 *paragraph (a) to customers of the independent cannabis*
23 *consumption lounge; and*

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

28 3. *The Board shall adopt regulations governing the manner*
29 *in which the Board will accept and evaluate requests submitted*
30 *pursuant to subsection 1. The regulations must prescribe, without*
31 *limitation:*

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

33 (b) *Procedures for the submission and evaluation of such a*
34 *request; and*

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

37 (1) *Whether the requestor holds an additional adult-use*
38 *cannabis establishment license for another type of cannabis*
39 *establishment;*

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

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

43 **Sec. 28.** *The Board shall adopt regulations governing the*
44 *preparation and sale of ready-to-consume cannabis products by a*



1 *cannabis consumption lounge. Such regulations must, without*
2 *limitation:*

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

6 2. *Prescribe procedures and protocols for the preparation of*
7 *ready-to-consume cannabis products to ensure that each such*
8 *prepared product meets the standards established pursuant to*
9 *subsection 1;*

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

14 4. *Set forth any other requirements concerning the*
15 *preparation and sale of ready-to-consume cannabis products that*
16 *the Board determines are necessary.*

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

18 678D.310 1. Except as otherwise provided in chapter 678C
19 of NRS, any person shall not:

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

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

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

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

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

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

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

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

38 3. ~~[(A)]~~ *Except as otherwise provided in subsection 9, a person*
39 *who smokes or otherwise consumes cannabis or a cannabis product*
40 *in a public place, in an adult-use cannabis retail store or in a vehicle*
41 *is guilty of a misdemeanor punished by a fine of not more than*
42 *\$600.*

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



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

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

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

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

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

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

24 678D.420 1. An adult-use edible cannabis product or an
25 adult-use cannabis-infused product must be labeled in a manner
26 which indicates the number of servings of THC in the product,
27 measured in servings of a maximum of 10 milligrams per serving.

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

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

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

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

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

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

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



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

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

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

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

12 **Sec. 32.** NRS 372A.200 is hereby amended to read as follows:
13 372A.200 As used in NRS 372A.200 to 372A.380, inclusive,
14 *and section 31 of this act*, unless the context otherwise requires, the
15 words and terms defined in NRS 372A.205 to 372A.250, inclusive,
16 *and section 31 of this act* have the meanings ascribed to them in
17 those sections.

18 **Sec. 33.** NRS 372A.250 is hereby amended to read as follows:
19 372A.250 “Taxpayer” means a:

- 20 1. Cannabis cultivation facility; ~~for~~
21 2. Adult-use cannabis retail store ~~for~~; *or*
22 *3. Cannabis consumption lounge.*

23 **Sec. 34.** NRS 372A.290 is hereby amended to read as follows:
24 372A.290 1. An excise tax is hereby imposed on each
25 wholesale sale in this State of cannabis by a medical cannabis
26 cultivation facility to another cannabis establishment at the rate of
27 15 percent of the fair market value at wholesale of the cannabis. The
28 excise tax imposed pursuant to this subsection is the obligation of
29 the medical cannabis cultivation facility.

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

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

41 (a) Is the obligation of the ~~adult-use cannabis retail store.~~ *seller*
42 *of the cannabis or cannabis product;*

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



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

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

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

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

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

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

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

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

31 8. As used in this section:

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

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

36 ~~(c)~~ "Cannabis product" has the meaning ascribed to it in
37 NRS 678A120.

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

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

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



1 **Sec. 35.** NRS 387.1212 is hereby amended to read as follows:
2 387.1212 1. The State Education Fund is hereby created as a
3 special revenue fund to be administered by the Superintendent of
4 Public Instruction for the purpose of supporting the operation of the
5 public schools in this State. The interest and income earned on the
6 money in the Fund, after deducting any applicable charges, must be
7 credited to the Fund.
8 2. Money which must be deposited for credit to the State
9 Education Fund includes, without limitation:
10 (a) All money derived from interest on the State Permanent
11 School Fund, as provided in NRS 387.030;
12 (b) The proceeds of the tax imposed pursuant to NRS 244.33561
13 and any applicable penalty or interest, less any amount retained by
14 the county treasurer for the actual cost of collecting and
15 administering the tax;
16 (c) The proceeds of the tax imposed pursuant to subsection 1 of
17 NRS 387.195;
18 (d) The portion of the money in each special account created
19 pursuant to subsection 1 of NRS 179.1187 which is identified in
20 paragraph (d) of subsection 2 of NRS 179.1187;
21 (e) The money identified in subsection 1 of NRS 328.450;
22 (f) The money identified in subsection 1 of NRS 328.460;
23 (g) The money identified in paragraph (a) of subsection 2 of
24 NRS 360.850;
25 (h) The money identified in paragraph (a) of subsection 2 of
26 NRS 360.855;
27 (i) The money required to be paid over to the State Treasurer for
28 deposit to the credit of the State Education Fund pursuant to
29 subsection 4 of NRS 362.170;
30 (j) The portion of the proceeds of the tax imposed pursuant to
31 subsection 1 of NRS 372A.290 identified in paragraph (b) of
32 subsection 4 of NRS 372A.290;
33 (k) The proceeds of the tax imposed pursuant to subsection 3 of
34 NRS 372A.290;
35 (l) The proceeds of the fees, taxes, interest and penalties
36 imposed pursuant to chapter 374 of NRS, as transferred pursuant to
37 subsection 3 of NRS 374.785;
38 (m) The money identified in paragraph (b) of subsection ~~3~~ 5 of
39 NRS 678B.390;
40 (n) The portion of the proceeds of the excise tax imposed
41 pursuant to subsection 1 of NRS 463.385 identified in paragraph (c)
42 of subsection 5 of NRS 463.385;
43 (o) The money required to be distributed to the State Education
44 Fund pursuant to subsection 3 of NRS 482.181;



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

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

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

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

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

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

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

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

33 453.316 1. A person who opens or maintains any place for
34 the purpose of unlawfully selling, giving away or using any
35 controlled substance is guilty of a category C felony and shall be
36 punished as provided in NRS 193.130.

37 2. If a person convicted of violating this section has previously
38 been convicted of violating this section, or if, in the case of a first
39 conviction of violating this section, the person has been convicted of
40 an offense under the laws of the United States or any state, territory
41 or district which, if committed in this State, would amount to a
42 felony under this section, the person is guilty of a category B felony
43 and shall be punished by imprisonment in the state prison for a
44 minimum term of not less than 1 year and a maximum term of not



1 more than 6 years, and may be further punished by a fine of not
2 more than \$10,000.

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

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

6 (b) Any cannabis consumption lounge, as defined in section 2
7 of this act, whose activities are confined to those authorized in title
8 56 of NRS.

