

CHAPTER 453D – ADULT USE OF MARIJUANA

Requirements Concerning Operation of Marijuana Establishments

Sec. () Posting of license and other authorization to conduct business. NRS 453D.()

A marijuana establishment shall post its marijuana establishment license , business license and any other authorization to conduct business in a conspicuous place within the marijuana establishment.

Sec. () Quality assurance testing required before sale of usable marijuana and related products. (NRS 453D.())

A marijuana establishment shall not sell or transfer a lot of usable marijuana, concentrated marijuana, and marijuana products until all required quality assurance testing has been completed.

Sec. () Persons authorized to be on premises of establishment; visitor identification badge required for other persons; maintenance of visitor log; regular, seasonal or temporary employees and volunteers. (NRS 453D.())

- 1. Except as otherwise provided in this section, the only persons who may be on the premises of a marijuana establishment are:
 - (a) A person who is at least 21 years of age;*
 - (b) A marijuana establishment agent;*
 - (c) A patient who holds a valid registry identification card;*
 - (d) The designated primary caregiver of a patient who holds a valid registry identification card or letter of approval;**

(e) *A non-resident patient who holds an authorizing document valid for his or her state; or*

(d) *A person inspecting the marijuana establishment pursuant to NAC 453D or NAC 453D.()-*

Comment [a1]: Will this section that is to be added include any local authorities who would be doing inspections, such as health, building, law enforcement, etc?

2. *Any person other than those authorized to be on the premises of a marijuana establishment pursuant to subsection 1 must obtain a visitor identification badge from a marijuana establishment agent before entering the premises of the marijuana establishment.*
3. *A person who obtains a visitor identification badge pursuant to subsection 2, including, without limitation, an outside vendor or contractor:*
 - (a) *Must be escorted and monitored by a marijuana establishment agent at all times he or she is on the premises of the marijuana establishment;*
 - (b) *Must visibly display his or her visitor identification badge at all times he or she is on the premises of the marijuana establishment;*
 - (c) *Must not handle any marijuana or cash whatsoever; and*
 - (d) *Must return the visitor identification badge to a marijuana establishment agent upon leaving the premises of the marijuana establishment.*
4. *Each marijuana establishment shall maintain a visitor log which includes the name of the visitor and the date, time and purpose of each visit by a person other than those authorized to be on the premises of the marijuana establishment pursuant to subsection*
 - (a) *The marijuana establishment shall make its visitor log available to the Department upon request.*

5. *Each regular, seasonal or temporary employee of or volunteer at or person who provides labor as a marijuana establishment agent at a marijuana establishment must obtain a marijuana establishment agent registration card pursuant to the provisions of this chapter and may not be authorized to be on the premises of the marijuana establishment by obtaining a visitor identification badge pursuant to the provisions of this section.*

Sec. () Policies and procedures. (NRS 453D.())

A marijuana establishment shall:

1. Develop, document and implement policies and procedures regarding:

(a) Job descriptions and employment contracts, including, without limitation:

- (1) The duties, authority, responsibilities and qualifications of personnel;*
- (2) Supervision of personnel;*
- (3) Training in and adherence to confidentiality requirements;*
- (4) Periodic performance evaluations; and*
- (5) Disciplinary actions.*

(b) Business records, such as manual or computerized records of assets and liabilities, monetary transactions, journals, ledgers and supporting documents, including, without limitation, agreements, checks, invoices and vouchers.

(c) Inventory control, including, without limitation:

- (1) Tracking;*
- (2) Packaging;*
- (3) Accepting marijuana from persons who hold valid registry identification cards, including, without limitation, designated primary caregivers;*
- (4) Acquiring marijuana from other marijuana establishments; and*

- (5) *Disposing of unusable marijuana.*
- (6) *Return for a refund marijuana, marijuana products to the marijuana establishment from which the marijuana, marijuana products were acquired.*
- (d) *Consumer education and support, including, without limitation:*
 - (1) *The availability of different strains of marijuana and the purported effects of the different strains;*
 - (2) *Information about the purported effectiveness of various methods, forms and routes of administering marijuana;*
 - (3) *The prohibition on the smoking of marijuana in public places, places open to the public, places exposed to public view and on federal lands;*
 - (4) *Education on how marijuana impairs a person's ability to operate a moving vehicle and that driving, operating, or being in actual physical control of a vehicle while under the influence of marijuana or while impaired by marijuana is unlawful;*
 - (5) *Marijuana possession over a certain quantity is still a felony crime with various legal consequences; and*
- 2. *Maintain copies of the policies and procedures developed pursuant to subsection 1 at the marijuana establishment and provide copies to the Department for review upon request.*

Sec. () Duties of establishment relating to employees and volunteers; certain notice required. (NRS 453D.())

A marijuana establishment shall:

1. *Ensure that each marijuana establishment agent has his or her valid marijuana establishment agent registration card in his or her immediate possession when the marijuana establishment agent:*
 - (a) *Is employed by, volunteering at or providing labor as a marijuana establishment agent at the marijuana establishment; or*
 - (b) *Is transporting marijuana and marijuana products for the marijuana establishment.*
2. *Not allow a person who does not possess a marijuana establishment agent registration card issued under the marijuana establishment license to:*
 - (a) *Serve as an officer or board member for the marijuana establishment or as an owner with ownership of 5% or more;*
 - (b) *Be employed by or have a contract to provide services for the marijuana establishment;*
 - (c) *Volunteer at or on behalf of the marijuana establishment; or*
 - (d) *Contract to provide labor at or be employed by an independent contractor to provide labor at a marijuana establishment.*
3. *Provide written notice to the Department, including the date of the event, within 10 working days after the date on which a marijuana establishment agent no longer:*
 - (a) *Serves as an officer or board member for the marijuana establishment;*
 - (b) *Is employed by or has a contract to provide services for the marijuana establishment;*
 - (c) *Volunteers at or on behalf of the marijuana establishment; or*
 - (d) *Contracts to provide labor at or be employed by an independent contractor to provide labor at a marijuana establishment.*

4. *Provide written notice to the Department, including the date of the event, within 10 business days after the date on which an owner, officer or board member ceases to serve in that capacity at the marijuana establishment.*

5. *Provide the information regarding current card holders to law enforcement.*

Comment [a2]: To align with page 57 2.b regarding law enforcement being able to confirm that they are licensed individuals who should be delivering or working in any marijuana establishment.

Sec. () Inventory control system; where establishment may acquire marijuana and related products; perpetual inventory system of manufacturing process; duties of establishment if loss is incurred. (NRS 453D.())

1. *Each marijuana establishment shall designate in writing a marijuana establishment agent who has oversight of the inventory control system of the marijuana establishment.*
2. *Except as otherwise provided in subsection 3, a marijuana establishment shall only acquire marijuana or marijuana products from:*
 - (a) *Another marijuana establishment, including, without limitation, a marijuana cultivation facility, a marijuana product manufacturing facility, or a marijuana retail store;*
 - (b) *A marijuana establishment may acquire product from a medical marijuana establishment that is licensed under NRS 453A;*
 - (c) *A marijuana cultivation facility may acquire seeds for the cultivation of marijuana that are legally purchased pursuant to NRS 453D;*
3. *A marijuana establishment shall not acquire concentrated marijuana or products containing concentrated marijuana from another marijuana establishment, except that a retail marijuana store or a marijuana product manufacturing facility may acquire concentrated marijuana or products containing concentrated marijuana from a*

marijuana product manufacturing facility. A marijuana cultivation facility may sell crude collected resins from one single batch that are unprocessed and not combined.

4. *Each marijuana cultivation facility, retail marijuana store, marijuana distributor and marijuana product manufacturing facility shall establish and implement an inventory control system that documents:*

(a) *Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana and ending inventory, including, without limitation, the:*

- (1) Number of plants and cuttings;*
- (2) Weight of flowers, measured in grams;*
- (3) Weight of trim, measured in grams;*
- (4) Quantity of THC, measured in milligrams; and*
- (5) Weight of seeds, measured in grams.*

(b) *When acquiring marijuana from another marijuana establishment:*

- (1) A description of the marijuana acquired, including the amount, strain and batch number, lot number and production run number, or any combination thereof;*
- (2) The name and identification number of the marijuana establishment license of the marijuana establishment providing the marijuana;*
- (3) The name and marijuana establishment agent registration card number of the marijuana establishment agent providing the marijuana;*
- (4) The name and marijuana establishment agent registration card number of the marijuana establishment agent receiving the marijuana on behalf of the marijuana establishment; and*

- (5) *The date of acquisition.*
- (c) *When acquiring marijuana from a medical marijuana establishment licensed pursuant to NRS 453A:*
- (1) *A description of the marijuana acquired, including the amount, strain and batch number;*
 - (2) *The name and identification number of the medical marijuana establishment registration certificate of the medical marijuana establishment providing the medical marijuana;*
 - (3) *The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the medical marijuana;*
 - (4) *The name and marijuana establishment agent registration card number of the marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana establishment; and*
 - (5) *The date of acquisition.*
- (d) *For each batch of marijuana cultivated:*
- (1) *The batch number, lot number and production run number, as applicable;*
 - (2) *Whether the batch originated from marijuana seeds or marijuana cuttings;*
 - (3) *The strain of the marijuana seeds or marijuana cuttings planted;*
 - (4) *The number of marijuana seeds or marijuana cuttings planted;*
 - (5) *The date on which the marijuana seeds or cuttings were planted;*
 - (6) *A list of all chemical additives used in the cultivation, including, without limitation, nonorganic pesticides, herbicides and fertilizers;*
 - (7) *The number of marijuana plants grown to maturity;*

- (8) *Harvest information, including, without limitation:*
- (i) *The date of harvest;*
 - (ii) *The final yield weight of processed usable marijuana, in grams; and*
 - (iii) *The name and marijuana establishment agent registration card number of the marijuana establishment agent responsible for the harvest.*
- (9) *The disposal of marijuana that is not usable marijuana, including:*
- (i) *A description of and reason for the marijuana being disposed of, including, if applicable, the number of failed or other unusable marijuana plants;*
 - (ii) *The date of disposal;*
 - (iii) *Confirmation that the marijuana was rendered unusable before disposal;*
 - (iv) *The method of disposal; and*
 - (v) *The name and marijuana establishment agent registration card number of the marijuana establishment agent responsible for the disposal.*
- (d) *When providing marijuana to another marijuana establishment:*
- (1) *The amount, strain, batch number, lot number and production run number, as applicable, of marijuana provided to the marijuana establishment;*
 - (2) *The name and marijuana establishment license number of the other marijuana establishment;*
 - (3) *The name and marijuana establishment agent registration card number of the marijuana establishment agent who received the marijuana on behalf of the other marijuana establishment; and*
 - (4) *The date on which the marijuana was provided to the marijuana establishment.*
- (e) *When receiving edible marijuana products from another marijuana establishment:*

- (1) *A description of the edible marijuana products received from the marijuana establishment, including the total weight of each edible marijuana product and the amount of THC, measured in milligrams, and the production run number of the marijuana in each edible marijuana product.*
- (2) *The total amount and production run number of marijuana in the edible marijuana products.*
- (3) *The name and:*
 - (i) *Marijuana establishment license number of the marijuana establishment providing the edible marijuana products to the receiving marijuana establishment;*
 - (ii) *Marijuana establishment agent registration card number of the marijuana establishment agent providing the edible marijuana products to the receiving marijuana establishment; and*
 - (iii) *Marijuana establishment agent registration card number of the marijuana establishment agent receiving the edible marijuana products on behalf of the receiving marijuana establishment.*
- (4) *The date on which the edible marijuana products were provided to the marijuana establishment.*

(f) *When receiving marijuana products from another marijuana establishment:*

- (1) *A description of the marijuana products received from the marijuana establishment, including the total weight of each marijuana product and the amount of THC, measured in milligrams, and the production run number of the marijuana in each marijuana product.*

(2) *The total amount and production run number of marijuana in the marijuana products.*

(3) *The name and:*

(i) *Marijuana establishment license number of the marijuana establishment providing the marijuana products to the receiving marijuana establishment;*

(ii) *Marijuana establishment agent registration card number of the marijuana establishment agent providing the marijuana products to the receiving marijuana establishment; and*

(iii) *Marijuana establishment agent registration card number of the marijuana establishment agent receiving the marijuana products on behalf of the receiving marijuana establishment.*

(4) *The date on which the marijuana products were provided to the marijuana establishment.*

(g) *When receiving concentrated marijuana or products containing concentrated marijuana from a marijuana product manufacturing facility:*

(1) *A description of the concentrated marijuana or products containing concentrated marijuana received from the marijuana product manufacturing facility, including the total weight of each product, the amount of THC, measured in milligrams, and the production run number for each product;*

(2) *The name and:*

- (i) *Marijuana establishment license number of the ~~marijuana~~ establishment providing the concentrated marijuana or products containing concentrated marijuana to the receiving marijuana establishment;*
 - (ii) *Marijuana establishment agent registration card number of the marijuana establishment agent providing the concentrated marijuana or products containing concentrated marijuana to the receiving marijuana establishment; and*
 - (iii) *Marijuana establishment agent registration card number of the marijuana establishment agent receiving the concentrated marijuana or products containing concentrated marijuana on behalf of the receiving marijuana establishment; and*
- (3) *The date on which the concentrated marijuana or products containing concentrated marijuana were provided to the marijuana establishment.*

5. *Each marijuana establishment shall:*

- (a) *Establish and maintain a perpetual inventory system which adequately documents the flow of materials through the manufacturing process;*
- (b) *Establish procedures which reconcile the raw material used to the finished product on the basis of each job. Significant variances must be documented, investigated by management personnel and immediately reported to the Department and to the marijuana establishment that ordered the concentrated marijuana, edible marijuana product or marijuana product; and*
- (c) *Provide for quarterly physical inventory counts to be performed by persons independent of the manufacturing process which are reconciled to the perpetual*

inventory records. Significant variances must be documented, investigated by management personnel and immediately reported to the Department.

6. *If a marijuana establishment identifies a reduction in the amount of marijuana in the inventory of the marijuana establishment not due to documented causes, the marijuana establishment shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of marijuana in the inventory of the marijuana establishment is due to suspected criminal activity by a marijuana establishment agent, the marijuana establishment shall report the marijuana establishment agent to the Department and to the appropriate law enforcement agencies within 24 hours.*

7. *A marijuana establishment shall:*

- (a) *Maintain the documentation required in subsections 4, 5 and 6 at the marijuana establishment for at least 5 years after the date on the document; and*
- (b) *Provide the documentation required in subsections 4, 5 and 6 to the Department for review upon request.*

Sec. () Seed to Sale System (NRS 453D.())

A marijuana establishment shall:

- 1. *Use the State Seed-to-Sale Tracking system managed by the independent contractor selected by the Department;*
- 2. *Connect to the State Seed-to-Sale Tracking System using the independent contractor's application programming interface; and*

3. *Pay any fees assessed by the independent contractor for using the State Seed-to-Sale Tracking System, including, without limitation, user fees or application programming interface fees.*

Sec. () Reporting of loss or theft of marijuana; maintenance of documentation. (NRS 453D.())

A marijuana establishment shall:

1. *Document and report any loss or theft of marijuana from the marijuana establishment to the appropriate law enforcement agency and to the Department within 24 hours; and*
2. *Maintain copies of any documentation required pursuant to this chapter and chapter 453D of NRS for at least 5 years after the date on the documentation and provide copies of the documentation to the Department for review upon request.*

Sec. () Security. (NRS 453D.())

To prevent unauthorized access to—marijuana at a marijuana establishment, the marijuana establishment must have:

1. *Security equipment to deter and prevent unauthorized entrance into limited access areas that includes, without limitation:*
 - (a) *Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic device. For outdoor cultivation, this must include the entire cultivation area, perimeter and exterior area.*
 - (b) *Exterior lighting to facilitate surveillance, to cover the grow area, perimeter wall, fence and the exterior area around the grow area for outdoor cultivation. During*

times where such lighting may interfere with a crop's grow cycle, the lighting may be restricted to the perimeter wall, fence and exterior area around the grow area.

(c) Electronic monitoring, including, without limitation:

- (1) At least one call-up monitor that is 19 inches or more;*
- (2) A video printer capable of immediately producing a clear still photo from any video camera image;*
- (3) Video cameras with a recording resolution of at least 704 x 480 or the equivalent which provide coverage of all entrances to and exits from limited access areas and all entrances to and exits from the establishment, are capable of identifying any activity occurring in or adjacent to the establishment 24 hours a day, and which are capable of being accessed remotely by a law enforcement agency in real-time upon request. For outdoor cultivation, the video cameras must provide coverage of the entire cultivation area, perimeter and exterior area around the cultivation area;*
- (4) A video camera must include date and time generators which possess the capability to display the date and time of recorded events on video tape recordings. The displayed date and time must not significantly obstruct the recorded view;*
- (5) Video cameras required must be installed in a manner that will prevent it from being readily obstructed, tampered with or disabled by patrons or employees;*
- (6) A video camera at each point-of-sale location which allows for the identification of any individual purchasing marijuana;*

- (7) *A video camera which is capable of identifying any activity occurring within the grow areas in low light conditions; 24 hours a day; and*
- (8) *A method for storing video recordings from the video cameras for at least 30 calendar days;*
- (9) *A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;*
- (10) *Sufficient battery backup for video cameras and recording equipment to support at least 5 minutes of recording in the event of a power outage; and*
- (11) *Immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the establishment in the interior of the establishment;*
- (d) *Reasonable effort must be made to repair each malfunction of surveillance system equipment within seventy-two (72) hours after the malfunction is discovered. The licensee must notify the Department and local law enforcement within 24 hours of the detected malfunction and plan of correction. If a malfunction is not repaired within 72 hours after it is discovered, the establishment may be subject to civil penalties for non-compliance with security standards.*
- (e) *In the event of a dedicated camera malfunction, the licensee must immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity. If other security measures are taken, the licensee must immediately contact the Department who will determine whether the other security measures are adequate.*

Comment [a3]: We would like our law enforcement to be notified as well, since they would be the ones who would be responding if there was an emergency.

- (f) *The video recording of a recorded event must be provided to the Department upon request. At the request and expense of the marijuana establishment, a copy of the event will be provided to the Department.*
- (g) *The marijuana establishment must have the capability to produce a still copy or photograph of the images depicted on a video recording, which must be provided to the Department upon request. This may be accomplished using a video printer, still camera or other available means.*
- (h) *Each marijuana establishment must maintain a log that documents each malfunction and repair of the surveillance system (as defined). The log must state the time, date and nature of each malfunction, the efforts expended to repair the malfunction and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired and where applicable, any alternative security measures that were taken. The log should also reference, by date and time, any communications with the Department concerning any malfunction or corrective action. The log must be retained for a minimum of 1 year after the date of the last entry in it.*
- (i) *If permitted by the locality, additional security requirements for outdoor marijuana cultivation facilities include:*
- (1) *The facility should be located within a 15-minute response time of local law enforcement or as otherwise determined by local law enforcement to be an acceptable response time;*
 - (2) *Have an alarm system and cameras monitored 24 hours a day;*

- (3) *Have a solid 8-foot block wall and then the 8-foot fence inside that wall, installed with 10 to 20 feet separation between them or a chain link fence as the exterior barrier, and then the 8-foot fence inside that wall, installed with 10 to 20 feet separation between them as determined by local law enforcement; and*
- (4) *A secure block building suitable to dry and store marijuana and marijuana products as approved by the Department. The building must meet the security and sanitation requirements of indoor cultivation establishments.*

2. *Policies and procedures:*

- (a) *That restrict access to the areas of the establishment that contain marijuana to persons authorized to be in those areas only;*
- (b) *That provide for the identification of persons authorized to be in the areas of the establishment that contain marijuana;*
- (c) *That prevent loitering;*
- (d) *For conducting electronic monitoring; and*
- (e) *For the use of the automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the marijuana establishment.*

Sec. () Hygiene requirements for agents; prohibition on direct contact with marijuana, equipment or materials for agents with certain health conditions. NRS 453D.()

Each marijuana establishment must ensure that each marijuana establishment agent who is employed by, volunteers at or provides labor as a marijuana establishment agent to the marijuana establishment:

- (a) *Cleans his or her hands and exposed portions of his or her arms in a hand-washing sink:*

- (1) *Before preparing concentrated marijuana, edible marijuana products or marijuana products, including, without limitation, working with ingredients, equipment or utensils;*
 - (2) *During preparation, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;*
 - (3) *After handling soiled equipment or utensils;*
 - (4) *After touching bare human body parts other than his or her clean hands and exposed portions of arms; and*
 - (5) *After using the toilet facilities.*
- (b) *If working directly in the preparation of concentrated marijuana, edible marijuana products or marijuana products:*
 - (1) *Keeps his or her fingernails trimmed, filed and maintained so that the edges and surfaces are cleanable;*
 - (2) *Unless wearing intact gloves in good repair, does not have fingernail polish or artificial fingernails on his or her fingernails;*
 - (3) *Wears a hair net.*
- (c) *Wears clean clothing appropriate to the tasks assigned to him or her.*
2. *If the person designated by a marijuana establishment to address health conditions at the marijuana establishment determines that a marijuana establishment agent who is employed by, volunteers at or provides labor as a marijuana establishment agent to the marijuana establishment has a health condition that may adversely affect the safety or quality of the concentrated marijuana, marijuana products at the marijuana establishment, that marijuana establishment agent is prohibited from having direct*

contact with any marijuana or equipment or materials for processing concentrated marijuana, marijuana products until the designated person determines that the health condition of the marijuana establishment agent will not adversely affect the concentrated marijuana, edible marijuana products or marijuana products.

Sec. () Building requirements; commercial weighing and measuring equipment. (NRS 453D.())

1. A building used as a marijuana establishment must have:

(a) At least one toilet facility which must contain:

(1) A flushable toilet;

(2) Mounted toilet tissue;

(3) A hand sink with running water which is capable of delivering hot water at a minimum temperature of 100°F (39.4°C);

(4) Soap contained in a dispenser; and

(5) Disposable, single-use paper towels in a mounted dispenser.

(b) Except for marijuana distributors, at least one hand-washing sink not located in a toilet facility and located away from any area in which edible marijuana products are cooked or otherwise prepared to prevent splash contamination;

(c) Designated storage areas for concentrated marijuana, marijuana products or materials used in direct contact with such items separate from storage areas for toxic or flammable materials.

(d) If preparation or packaging of concentrated marijuana, marijuana products is done in the building, a designated area for the preparation or packaging that:

(1) Includes work space that can be sanitized; and

(2) *Is only used for the preparation or packaging of concentrated marijuana, edible marijuana products or marijuana products.*

2. *For any commercial weighing and measuring equipment used at a marijuana establishment, the marijuana establishment must:*

- (a) *Ensure that the commercial device is licensed pursuant to chapter 581 of NRS;*
- (b) *Maintain documentation of the license of the commercial device; and*
- (c) *Provide a copy of the license of the commercial device to the Department for review upon request.*

Sec. () Requirements for establishments that prepares or sells edible marijuana products. (NRS 453D.())

1. *A marijuana establishment that prepares or sells edible marijuana products must:*

- (a) *Before preparing or selling an edible marijuana product, obtain written authorization from the Department to prepare or sell edible marijuana products;*
- (b) *If the marijuana establishment prepares edible marijuana products, ensure that the edible marijuana products are prepared according to the applicable requirements set forth in NRS 453D.() and the operating procedures included in its application pursuant to subsection () of NRS 453D.()*
- (c) *If the edible marijuana products are not prepared at the marijuana establishment, obtain and maintain at the marijuana establishment a copy of the current written authorization to prepare edible marijuana products from the marijuana establishment that prepares the edible marijuana products;*
- (d) *Package all edible marijuana products produced by the marijuana product manufacturing facility on the premises of the facility;*

(e) *If the marijuana establishment sells or dispenses edible marijuana products, ensure that the edible marijuana products are sold or dispensed according to the applicable requirements set forth in NRS 453D.().*

2. *A marijuana establishment is responsible for the content and quality of any edible marijuana product sold or dispensed by the marijuana establishment.*
3. *A facility for the production of edible marijuana products is not subject to the provisions of chapter 446 of NRS or chapter 446 of NAC.*

Sec. () Establishment responsible for costs incurred in cleaning up, mitigating or remedying environmental damage. (NRS 453D.())

A marijuana establishment is responsible to the State or a locality for all costs incurred by the State or locality in cleaning up, mitigating or remedying any environmental damage caused by the marijuana establishment.

Sec. () Prohibition on use of chemicals or other compounds to alter color, appearance, weight or smell of usable marijuana. (NRS 453D.()) *A marijuana establishment may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight or smell of the usable marijuana.*

Sec. () Modification and Expansion of Facilities (NRS 453D.()) *Marijuana establishment must operate according to the plans and specifications included within that marijuana establishment's certification application as submitted to the Department. Changes to the plans and specifications are permissible, provided the marijuana establishment provides the Department with notification of their intent to make such a change, and provided such changes*

do not take the marijuana establishment out of compliance with State, jurisdictional, or Department regulations and requirements.

1. Submittal of change plans and documentation to the Department will include:

(a) A marijuana establishment registrant who has chosen to modify their marijuana establishment facility will submit a written notification to the Department.

(b) The written notification will include:

(1) Establishment name, current physical address of the establishment and establishment registration number; and

(2) A narrative describing the proposed change

(c) Facilities modification notifications will be appended to the establishment's application file at the Department.

2. Inspections and Audits

(a) A marijuana establishment who has implemented a change to their facility will submit documentation of the change prior to their next scheduled inspection

(b) Modifications to a marijuana establishment facility will be inspected and/or audited as appropriate at the marijuana establishment facility's next regular inspection, follow-up inspection, complaint inspection, or any other time as the Department deems necessary after the marijuana establishment's projected implementation date for the change or after the marijuana establishment has notified the Department that the modification is completed.

(c) Material changes to a facility or operating capability will require a Department inspection or audit prior to commencing operation as deemed necessary, including but not limited to:

- (1) *Material modifications to the facility infrastructure including modifications requiring demolition or new construction of walls, plumbing, electrical infrastructure, heating, ventilation or air conditioning*
- (2) *Material modifications to the operating capability of the marijuana establishment, including implementation of a new extraction device or removal of an existing extraction device, changes to the growing method from that previously described and inspected, change to lighting technology hydroponic system, pod or other contained growing systems.*
- (3) *Additions of new pods identical to one which has already been inspected are not modifications, and do not require a facilities change request or inspection prior to being implemented and becoming operational.*

Sec. () Change of Location (NRS 453D.()) *The Department will accept, process and approve/deny requests to relocate marijuana establishments pursuant to NRS 453D.().*

1. *A marijuana establishment may move to a new location under the jurisdiction of the same locality as its original location and regardless of the distance from its original location if the operation of the marijuana establishment at the new location has been approved by the locality*
2. *A locality may approve a new location pursuant to this subsection only in a public hearing for which written notice is given at least 7 working days before the hearing.*
3. *The method by which marijuana establishment registrants may request a change in the location. either conditional or final, is to submit a written relocation request to the Department.*
 - (a) *The written request shall include the following:*

(1) *Establishment name, application ID number, current physical address of the establishment and the proposed new address of the establishment.*

(2) *Documentation of the public meeting wherein the local jurisdiction considered the relocation request.*

(3) *Documentation of local jurisdiction land use approval.*

(4) *A professional survey demonstrating the proposed location meets the 1000'/300' distance requirements set forth in NRS 453D.210..*

(5) *A signed, written attestation the certified marijuana establishment at the new address will meet or exceed the merits of the location specified in their scored marijuana establishment application for sections (), (), (), and ().*

4. *Program inspectors will review all documentation and forward to the Department officials for decision. Upon approval, the Department will issue the marijuana establishment a new conditional license, amended to reflect the new address.*

Sec. () Grounds for disciplinary action. NRS 453D.()

1. *A violation of any of the provisions of NAC 453D.() to NAC 453D.(), inclusive, is grounds for disciplinary action by the Department up to and including immediate revocation of a marijuana establishment license pursuant to NRS 453D.().*

2. *A violation of any of the provisions of NAC 453D.() to NAC 453D.(), inclusive, is grounds for disciplinary action by the Department up to and including immediate revocation of a marijuana establishment agent registration card pursuant to 453D.().*

Sec. () Civil penalties.

1. *The Department may:*

(a) *Impose a civil penalty of up to \$35,000 on any person who:*

(1) Operates a marijuana establishment without a license

(b) Impose a civil penalty of up to \$10,000 on any person who:

(1) Omits, neglects or refuses to:

(i) Comply with any duty imposed upon him or her pursuant to the provisions of this chapter and NRS 453D;

(ii) Do or cause to be done any of the things required pursuant to those provisions; or

(iii) Does anything prohibited by the provisions of this chapter and NRS 453D

(c) Revoke an establishment license

(d) Suspend an establishment license for a minimum of 3 days to a maximum of 30 days

2. In determining the amount of any civil penalty assessed under this Chapter, the Department shall take into account the gravity of the violation, the economic benefit or savings (if any) resulting from the violation, the size of the violator's business, the violator's history of compliance with this Chapter and Chapter 453A, action taken to remedy the violation, the effect of the penalty on the violator's ability to continue in business, and such other matters as justice may require

3. The Department uses the following violation categories:

(a) Category I -- Violations that make licensee ineligible for a license;

(b) Category II -- Violations that create a present threat to public health or safety;

(c) Category II (b) – Violations for sales to a minor;

(d) Category III -- Violations that create a potential threat to public health or safety;

(e) *Category IV -- Violations that create a climate conducive to abuses associated with the sale or manufacture of marijuana items;*

(f) *Category V -- Violations inconsistent with the orderly regulation of the sale or manufacture of marijuana items.*

Category	1 Violation in a 2-year period	2 Violations in a 2-year period	3 Violations in a 2-year period	4 Violations in a 2-year period	5 Violations in a 2-year period	6 Violations in a 2-year period
I	<i>Revoke</i>					
II	<i>30 Days</i>	<i>Revoke</i>				
II(b)	<i>20 days or \$10,000</i>	<i>30 days</i>	<i>Revoke</i>			
III	<i>10 days or \$5,000</i>	<i>20 days or \$10,000</i>	<i>30 days</i>	<i>Revoke</i>		
IV	<i>7 days or \$2,500</i>	<i>10 days or \$5,000</i>	<i>20 days or \$10,000</i>	<i>30 days</i>	<i>Revoke</i>	
V	<i>3 days or \$1,250</i>	<i>7 days or \$2,500</i>	<i>10 days or \$5,000</i>	<i>20 days or \$10,000</i>	<i>30 days</i>	<i>Revoke</i>

Category	Violation
I	<i>Conviction of an excluded felony offense (owner, officer or board member)</i>
	<i>Operating without all required permits and certificates</i>
	<i>Making an intentional false statement to the Department</i>
	<i>Intentionally destroying or concealing evidence</i>
	<i>Intentionally failing to pay taxes to Department of Taxation</i>
	<i>Allowing noisy, disorderly or unlawful activity that results in death or serious physical injury, or that involves unlawful use or attempted use of a deadly weapon against another person, or that results in a sexual offense which is a Class A felony, such as first degree rape, sodomy, or unlawful sexual penetration</i>
	<i>Failing to notify the Department of a change of ownership</i>
	<i>Operating a licensed business while suspended</i>
	<i>Transporting marijuana outside of Nevada state boundaries, except where authorized by agreement between the Governor of Nevada and participating sovereign tribes.</i>
Category	Violation
	<i>Making a false statement or representation of fact to the Department (other than</i>

II	<i>intentional)</i>
	<i>Staff or management under the influence of intoxicants while on duty</i>
	<i>Failing to verify the age of a minor. Selling or otherwise providing marijuana and/or paraphernalia to a person under twenty-one years of age.</i>
	<i>Failing to promptly admit regulatory personnel or law enforcement into licensed premises</i>
	<i>Destroying or concealing evidence (other than intentionally)</i>
	<i>Denying access by law enforcement or regulatory personnel to the licensed premises during regular business hours</i>
	<i>Allowing noisy, disorderly or unlawful activity that involves use of a dangerous weapon against another person with intent to cause death or serious physical injury</i>
	<i>Allowing a person under the age of 21 to work at the establishment</i>
	<i>Refusing to allow an inspection and/or obstructing a law enforcement officer from performing his/her official duties</i>
	<i>Failing to cease operation and notify Department during an imminent health hazard</i>
	<i>Purchasing marijuana from unapproved source</i>
	<i>Purchasing or selling marijuana without passing required laboratory analysis or receiving written approval from the Department</i>
	<i>Operating an unapproved extraction unit</i>
	<i>Selling an amount of marijuana in excess of transaction limits</i>
<i>Failing to maintain required security alarm and surveillance systems</i>	
Category	Violation
III	<i>Allowing a minor to enter or remain in a marijuana establishment or transport vehicle (except that a medical marijuana patient under the age of 21 may enter a dispensary)</i>
	<i>Permitted sales by an employee without a marijuana agent card unless that employee is deemed to be temporarily registered pursuant to NRS 453A.332</i>
	<i>Allowing consumption (by employees, customers or the public) of alcohol, marijuana or other intoxicants on the licensed premises or in areas adjacent to the licensed premises under licensee's control (such as parking lots)</i>
	<i>Failing to keep required records, including seed-to-sale tracking requirements</i>
	<i>Failing to follow an approved security plan</i>
	<i>Allowing disorderly activity</i>
	<i>Allowing unlawful (under state law) activity</i>
	<i>Failing to pay taxes to the Department of Taxation (not intentionally)</i>
	<i>Selling unauthorized products</i>
	<i>Failing to notify department of facility modification or expansion or a change in equipment or menu</i>
	<i>Violating packaging and/or labeling requirements</i>
<i>Storing or delivering an unapproved product</i>	
<i>Failing to meet marijuana waste disposal requirements</i>	

	<i>Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids</i>
	<i>Exceeding maximum serving requirements for marijuana products</i>
	<i>Exceeding reasonable delivery time frame without approval from the Department</i>
	<i>Transporting or storing marijuana from an unlicensed source and/or diversion of product</i>
	<i>Picking up, unloading, or delivering marijuana at an unauthorized location</i>
	<i>Handwashing and employee hygiene violations, including bare hand contact on products</i>
	<i>Failing to maintain proper temperature of potentially hazardous food or marijuana items</i>
	<i>Failing to comply with water temperature requirements</i>
	<i>Failing to prevent backflow (plumbing)</i>
	<i>Marijuana and food items not spoiled or contaminated</i>
Category	Violation
IV	<i>Failing to display or have in immediate possession an agent card or proof of temporary registration</i>
	<i>Removing, altering or covering license suspension or other required notice sign</i>
	<i>Violating advertising requirements</i>
	<i>Retailer displaying products in a manner visible to the general public from a public right of way.</i>
	<i>Failing to respond to administrative violation notice and/or failing to pay fines</i>
	<i>Violating sampling restrictions</i>
	<i>Failing to maintain standardized scale requirements</i>
	<i>Transporting marijuana in an unauthorized vehicle</i>
	<i>Improper storing foods or marijuana</i>
	<i>Failing to properly wash, rinse and sanitize product contact surfaces as required</i>
	<i>Handwashing facilities not stocked, accessible, and limited to handwashing only</i>
	<i>Minor pest infestation (pests are not multigenerational or on contact surfaces)</i>
	<i>Failing to properly use sanitizer as required</i>
<i>Violating transportation requirements not otherwise mentioned</i>	
Category	Violation
V	<i>Failing to submit monthly tax/sales reports and/or payments.</i>
	<i>Failing to notify the Department of a temporary closure of the licensed business</i>
	<i>Failing to post required signs</i>
	<i>Fail to notify Department of change in business name</i>
	<i>Making payment with NSF (insufficient funds) check</i>
<i>Failing to comply with any other requirements not otherwise mentioned</i>	

Sec. () Reporting (NRS 453D.()) *Each marijuana establishment shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report.*

1. Each marijuana cultivation facility shall submit:

- (a) The current production of the marijuana cultivation facility;*
- (b) Sales by product type;*
- (c) Prices by product type; and*
- (d) Such other information as the Department may require.*

2. Each marijuana product manufacturing facility shall submit:

- (a) The amount of marijuana purchased;*
- (b) The amount of edible marijuana products and marijuana products produced;*
- (c) Sales by product type;*
- (d) Prices by product type; and*
- (e) Such other information as the Department may require.*

3. Each retail marijuana store shall submit:

- (a) The amount of marijuana purchased by the retail marijuana store from other retail marijuana stores, marijuana cultivation facilities, and marijuana product manufacturing facilities;*
- (b) Sales to consumers by product type;*
- (c) Prices by product type; and*
- (d) Such other information as the Department may require.*

4. Each marijuana establishment shall submit to the Department quarterly, on or before the 15th day of April, July, October and January, the report on the form prescribed by the

Department for the three months preceding the report month. A report must be filed whether or not a sale or purchase has occurred.

Sec. () Investigations and Initiation of Complaint by the Department. (NRS 453D.())

1. *The Department shall make appropriate investigations:*
 - (a) *To determine whether there has been any violation of NRS Chapter 453D or any regulations adopted thereunder.*
 - (b) *To determine any facts, conditions, practices or matters which it may deem necessary or proper to aid in the enforcement of any such law or regulation.*
 - (c) *To aid in adopting regulations.*
 - (d) *To secure information as a basis for recommending legislation relating to NRS Chapter 453D.*
 - (e) *As directed by the Commission.*
2. *If, after any investigation the Department is satisfied that:*
 - (a) *A license granted under NRS Chapter 453D should be suspended or revoked; or*
 - (b) *A person or entity which is licensed under NRS Chapter 453D should be fined, the Department shall initiate a hearing before a hearing officer by filing a Complaint with the hearing officer pursuant to subsection 3 of NRS 453D.200 and Section xx and transmit therewith a summary of evidence in its possession bearing on the matter.*

Sec. () Administrative Violations (NRS 453D.())

1. *The Department may impose civil penalties for violations of NRS Chapter 453D and NAC 453D as described in Section xx.*
2. *The Department may rescind any civil penalty that has been inappropriately issued.*
3. *Each notice of civil penalty shall contain the following information:*

- (a) The date(s) of the violation(s) or, if the date of the violation(s) is/are unknown, then the date the violation(s) is/are identified;*
- (b) The address or description of the location where the violation(s) occurred;*
- (c) The section(s) of NRS 453D or NAC 453D that has been violated and the description of the violation(s);*
- (d) The amount of the fine or action taken for the violation(s);*
- (e) A description of the payment process, including a description of the time within which and the place to which the fine shall be paid;*
- (f) An order prohibiting the continuation or repeated occurrence of the violation(s) described in the notice of civil penalty;*
- (g) A description of the appeals process, including the time within which the civil penalty may be contested and the place to which the request must be made;*
- (h) The name and signature of the citing enforcement officer.*

Sec. () Requesting a Hearing (NRS 453D.())

- 1. A respondent that has been served with a notice of civil penalty pursuant to section xx may request a hearing within 30 days of the date of the notice of civil penalty.*
- 2. A respondent that has been served with a Complaint shall be entitled to a hearing regarding the matters addressed therein.*

Sec. () Hearing Notice (NRS 453D.())

- 1. The hearing officer shall send a notice to set a hearing to the respondent in writing to the last mailing address of record.*
- 2. The hearing officer shall conduct an administrative hearing pursuant to section xx:*

- (a) *Within 15 days after receiving the Complaint from the Department. The hearing officer may continue such a hearing for good cause shown.*
- (b) *As soon as practicable for all other matters.*
3. *Notice of an administrative hearing conducted pursuant to this section must be served by mail at least 10 days before the date of the hearing to any person or entity whose license is subject to be suspended or revoked.*
4. *Notice of a hearing served pursuant to subsection 2 must specify:*
- (a) *The purpose of the hearing; and*
- (b) *The date, time and location of the hearing.*
5. *Hearings will be held at the offices of the Department in Carson City, Nevada, or at such other place in the State as may be designated in the notice of hearing.*
6. *In all hearings ordered to be held by the hearing officer, the hearing date may be set with less than 10 days' notice if the petitioner, or the petitioner's counsel, and staff agree in writing.*
7. *After a hearing held pursuant to this section, the hearing officer shall prepare written findings of fact, conclusions of law and his or her decision on the issues presented at the hearing. The hearing officer shall serve a copy of his or her findings of fact, conclusions of law and decision upon the licensee, within 20 days after the date of the hearing.*
8. *In the written decision on the Complaint, the hearing officer may:*
- (a) *Suspend or revoke the license of any licensed marijuana establishment. If the hearing officer orders suspension of the license, the order shall prescribe the time period of suspension. If the hearing officer orders revocation of the license, the order shall*

prescribe a period which the person or entity may not apply for reinstatement of the license. The period must not be less than 1 year and not more than 10 years;

(b) Fine each person or entity, or both, which is licensed pursuant to NRS Chapter 453D not more than \$250,000 for each separate violation of any regulation adopted pursuant to [NRS 453D](#) which is the subject of an initial or subsequent complaint;

(c) All fines must be paid to the State Treasurer for deposit in the State General Fund.

Sec. () Appearance; representation by attorney; standards of conduct; withdrawal from representation; sanctions; costs of defense. (NRS 453D.())

1. In any contested case against a licensee pursuant to this chapter, the licensee may appear on his or her own behalf or the licensee may be represented by:

(a) An attorney licensed to practice law in this State; or

(b) An attorney licensed to practice law in another state who is properly associated with an attorney licensed to practice law in this State and who provides a certificate of good standing from the licensing authority of the other state.

2. An attorney representing a licensee shall:

(a) Ensure that his or her conduct complies with the Nevada Rules of Professional Conduct; and

(b) Conform to all standards of ethical and courteous behavior required in the courts of this State.

3. An attorney may withdraw from representing a licensee upon notice to the licensee and the Department and hearing officer. The notice must include the reason for the requested withdrawal. The hearing officer may deny the request if there may be an unreasonable delay in the case or the substantial rights of the licensee may be prejudiced.

4. *If the hearing officer finds that an attorney has violated any provision of NAC 453D, the hearing officer may bar the attorney from participating in the case or may impose such other sanctions as the hearing officer deems appropriate.*
5. *A licensee is responsible for all costs related to the presentation of his or her defense.*

Sec. () Answer; amendment of Complaint; continuance; inclusion of pleadings in record.

(NRS 453D.())

1. *After being served with the Complaint, the licensee may, but is not required to, file an answer to the order. The licensee may file such an answer not later than 10 days after the date of service of the order.*
2. *The Department may amend the Complaint at any time before the hearing. If the Department amends the Complaint before the hearing, the Department shall:*
 - (a) *File the amended Complaint with the hearing officer; and*
 - (b) *Serve the licensee with the amended Complaint.*
3. *After being served with an amended Complaint, the licensee may do any or all of the following:*
 - (a) *File an answer to the amended Complaint. The licensee may file such an answer not later than 10 days after the date of service of the amended Complaint or not later than the date of the hearing, whichever date is sooner.*
 - (b) *Move for a continuance of the hearing. The hearing officer shall grant the continuance if the licensee demonstrates that:*
 - (1) *The amendment materially alters the allegations in the Complaint; and*
 - (2) *The licensee does not have a reasonable opportunity to prepare a defense against the amended Complaint before the date of the hearing.*

4. *The Department may amend the Complaint at the time of the hearing if the amendment is not considered material and the substantial rights of the licensee would not be prejudiced by the amendment.*
5. *The Complaint, any amended Complaint and any answer filed by the licensee must be made part of the record at the hearing.*

Sec. () Discovery; limitations on interrogatories and depositions. (NRS 453D.())

1. *At any time after being served with the Complaint, the licensee may file with the hearing officer a written discovery request for a copy of all documents and other evidence intended to be presented by the Department in support of the case and a list of proposed witnesses.*
2. *The investigative file for the case is not discoverable unless the Department intends to present materials from the investigative file as evidence in support of the case. The investigative file for the case includes all communications, records, affidavits or reports acquired or created as part of the investigation of the case, whether or not acquired through a subpoena related to the investigation of the licensee.*
3. *A party may not serve any interrogatories on another party or take any depositions relating to the case.*

Sec. () Ex Parte Communications (NRS 453D.()) *A party shall not communicate either directly or indirectly with the hearing officer about any issue of fact or law related to the case unless the communication:*

1. *Is part of a pleading, motion or other document that is properly filed and served on all parties; or*

2. *Occurs while all parties are present or occurs during a meeting or hearing for which all parties have been given proper notice, whether or not all parties are present at that meeting or hearing.*

Sec. () Prehearing conferences. (NRS 453D.())

1. *The hearing officer may, upon his or her own motion or the motion of a party, hold a prehearing conference for the purpose of formulating or simplifying the issues, obtaining admissions of fact or documents which will avoid unnecessary proof, arranging for the exchange of proposed exhibits or prepared expert testimony, limiting the number of witnesses, any procedure for the hearing and any other matters which may expedite orderly conduct and the disposition of the proceedings or settlements thereof.*
2. *The action taken at a prehearing conference and the agreements, admissions or stipulations made by the parties concerned must be made a part of the record and must be approved by the parties. When approved, the action will control the course of subsequent proceedings, unless otherwise stipulated to by all the parties of record with the consent of the hearing officer.*
3. *In any proceeding the hearing officer may, in his or her discretion, call all of the parties together for a conference before the taking of testimony. The hearing officer shall state on the record the results of the conference.*

Sec. () Continuances; recesses. (NRS 453D.()) *The hearing officer may, in his or her discretion, either before or during a hearing, grant continuances or recesses.*

Sec. () Failure of party to appear. (NRS 453D.()) *At the time and place set for the hearing, if a party fails to appear, the hearing officer may, in his or her discretion, dismiss the*

proceeding with or without prejudice or may recess the hearing for a period of time to be set by the hearing officer to enable the party to attend.

Sec. () Burden of proof; presentation of evidence. (NRS 453D.())

1. *With a filing of a Complaint, the Department has the burden of proof in any evidentiary hearing ordered or noticed for that purpose. The standard of proof in such a hearing is a preponderance of the evidence as defined in NRS 233B.0375.*
2. *Evidence may be received in any manner ordered by the hearing officer, but will ordinarily be received from the parties in the following order:*
 - (a) *Brief orientation by the staff;*
 - (b) *The petitioner;*
 - (c) *The staff;*
 - (d) *Interveners; and*
 - (e) *Rebuttal by the petitioner.*
3. *If requested by any party, the hearing or any portion of the hearing must be transcribed. The party making the request shall pay all costs for the transcription.*

Sec. () Subpoenas (NRS 453D.())

1. *With the exception that the Department shall not issue a subpoena to compel the production of books and papers that contain individually identifiable health information, the Department may issue a subpoena requiring the attendance of a witness from any place in the State to any designated place of a hearing for the purpose of taking testimony may be issued by the hearing officer.*
2. *A party desiring to subpoena a witness must submit an application in writing to the hearing officer stating the reasons why a subpoena is requested.*

3. *The hearing officer may require that a subpoena requested by a party for the production of books, waybills, papers, accounts or other documents be issued only after the submission of an application in writing, which specifies as clearly as may be, the books, waybills, papers, accounts or other documents desired.*
4. *The hearing officer, upon receipt of an application for a subpoena, shall:*
 - (a) *Grant the application and issue the subpoena;*
 - (b) *Deny the application; or*
 - (c) *Schedule a hearing to decide whether to grant or deny the application.*
5. *All costs incident to the subpoenas issued at the request of the petitioner must be paid by the petitioner, and the hearing officer may demand payment of the costs before the issuance of a subpoena.*

Sec. () Admission of evidence; depositions; affidavits (NRS 453D.())

1. *The hearing will not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted, except where precluded by law, if it is of a type commonly relied upon by reasonable and prudent persons in the conduct of their affairs, even though the evidence might be subject to objection in civil actions.*
2. *Hearsay evidence, as that term is used in civil actions, may be admitted for the purpose of supplementing or explaining other evidence, but it is not sufficient to support findings of fact unless it would be admissible over objection in civil actions.*
3. *The rules of privilege will be applied as they are applied in civil actions.*
4. *Irrelevant, cumulative and unduly repetitious evidence is not admissible, nor is incompetent evidence, as that term is used in civil trials, with the exception of hearsay evidence as above provided.*

5. *The parties or their counsel may, by written stipulation, agree that certain specified evidence may be admitted, even though the evidence would otherwise be subject to objection.*
6. *The hearing officer or any party to any proceeding may cause the depositions of witnesses to be taken in the manner prescribed by law and the rules of the court for depositions in civil actions.*
7. *The affidavit of any person may be admitted in evidence if all the parties stipulate and consent to its admission.*

Sec. () Official notice. (NRS 435D.()) *The hearing officer may take official notice of the following matters:*

1. *Rules, regulations, official reports, decisions and orders of the Commission and any regulatory agency of the State.*
2. *Contents of decisions, orders, certificates and permits issued by the Commission.*
3. *Matters of common knowledge and technical or scientific facts of established character.*
4. *Official documents, if pertinent, when properly introduced into the record of formal proceedings by reference if proper and definite reference to the document is made by the party offering it and it is published and generally circulated so that all of the parties of interest at the hearing have an opportunity to examine it and present rebuttal evidence.*
5. *Matters which may be judicially noticed by the courts of the State.*

Sec. () Briefs. (NRS 453D.())

1. *In any hearing, the hearing officer may order briefs filed within such time as he or she allows.*

2. *Briefs must be filed with the hearing officer and be accompanied by an acknowledgment of or an affidavit showing service on all other parties of record.*

Sec. () Order of hearing for a Complaint. (NRS 453D.())

1. *Except as otherwise provided in this section, in any hearing for a Complaint, the hearing must proceed as follows:*
 - (a) *The hearing officer shall call the hearing to order.*
 - (b) *The parties and their representatives and the hearing officer must be introduced.*
 - (c) *The hearing officer shall consider any preliminary motions, stipulations or orders and shall address any administrative details regarding the hearing.*
 - (d) *The hearing officer:*
 - (1) *Shall ask the parties if they want any witness excluded from the hearing;*
 - (2) *Shall instruct any witness who is excluded from the hearing not to discuss the case during the course of the hearing;*
 - (3) *Shall allow the licensee to remain in the hearing;*
 - (4) *Shall allow any person who acts as both a representative of the Department and a witness in the hearing to remain in the hearing; and*
 - (5) *May, on its own motion, exclude any witness from the hearing.*
 - (e) *The Department may make an opening statement. After the Department has had the opportunity to make an opening statement, the licensee may make an opening statement. The hearing officer may limit equally the time of the opening statement of each party.*
 - (f) *The Department may present his or her case by presenting evidence and calling witnesses in the following manner:*

- (1) The witness must be sworn in.*
 - (2) The Department may directly examine the witness.*
 - (3) The licensee may cross-examine the witness.*
 - (4) If requested, the Department may question the witness on redirect examination.*
 - (5) If requested, the licensee may question the witness on recross-examination.*
- (g) After the Department has had the opportunity to present his or her case, the licensee may present his or her case by presenting evidence and calling witnesses in the following manner:*
- (1) The witness must be sworn in.*
 - (2) The licensee may directly examine the witness.*
 - (3) The Department may cross-examine the witness.*
 - (4) If requested, the licensee may question the witness on redirect examination.*
 - (5) If requested, the Department may question the witness on recross-examination.*
- (h) The hearing officer may question a witness at any time during the hearing. If a witness is questioned by the hearing officer, the party who called the witness may request permission to ask further questions, limited to the area addressed by the hearing officer. When that party has asked those questions, the other party may request permission to ask further questions, limited to the area addressed by the hearing officer.*
- (i) After the Department and licensee have presented their cases, the hearing officer may allow the Department and licensee to call rebuttal witnesses. If the Department or licensee, or both, call one or more rebuttal witnesses, each rebuttal witness must be*

sworn in and questioned in the same manner as provided in paragraph (f) or (g), as appropriate.

(j) The Department may make a closing argument. After the Department has had the opportunity to make a closing argument, the licensee may make a closing argument. The hearing officer may limit equally the time of the closing argument of each party. If the licensee makes a closing argument, the Department may make a final closing argument. The hearing officer may limit the time of the final closing argument.

(k) If allowed by the hearing officer, either party may recommend specific disciplinary action to the hearing officer at the appropriate time.

(l) After the close of the hearing, the hearing officer shall deliberate and reach a decision. Not later than 60 days after the close of the hearing:

(1) If the hearing was conducted by the hearing officer, the hearing officer shall prepare written findings and recommendations and serve the findings and recommendations on the parties and the Department for its review.

2. The hearing officer may deviate from the order of the hearing set forth in subsection 1 if the hearing officer:

(a) Upon a showing of good cause, deems it appropriate; or

(b) Deems it necessary to expedite or ensure the fairness of the hearing.

Sec. () Duties of hearing officer after hearing. (NRS 453D.())

1. After the hearing of a contested case, the hearing officer shall prepare findings of fact, conclusions of law and his or her final decision on the issues presented in the hearing.

2. *The hearing officer shall serve a copy of his or her findings of fact, conclusions of law and decision upon all the parties of record and members of the Commission within 60 days after the date of the hearing.*

Sec. () Post hearing motions; rehearing and reconsideration; vacation and modification of final decision. (NRS 453D.())

1. *After the close of the hearing, a party may file only the following motions:*
 - (a) *A motion requesting a rehearing.*
 - (b) *A motion requesting reconsideration of the findings and recommendations of the hearing officer.*
 - (c) *With leave of the hearing officer, any other motion requesting appropriate action or relief after the close of the hearing.*
2. *A motion requesting a rehearing or reconsideration must be filed with the hearing officer not later than 15 days after the date of service of the findings and recommendations of the hearing officer.*
3. *A party who opposes the motion may file a response to the motion not later than 7 days after the date of service of the motion.*
4. *A motion requesting a rehearing or reconsideration may be based only on one of the following grounds:*
 - (a) *Newly discovered or available evidence.*
 - (b) *Error in the hearing or in the findings and recommendations or the decision that would be grounds for reversal of the findings and recommendations or the decision.*
 - (c) *The need in the public interest for further consideration of the issues or evidence, or both.*

5. *The hearing officer shall enter an order ruling on the motion requesting a rehearing or reconsideration not later than 25 days after the date on which the motion is filed. A copy of the order must be served on each party. The hearing officer may:*
 - (a) *Deny the motion;*
 - (b) *Order a rehearing or partial rehearing;*
 - (c) *Order reconsideration of the findings and recommendations or the decision; or*
 - (d) *Direct other proceedings as the regulatory body or hearing panel or officer deems appropriate.*
6. *If the hearing officer orders a rehearing, the rehearing must be confined to the issues upon which the rehearing was ordered.*

Sec. () Appeal of Decision of Hearing Officer (NRS 453D.())

1. *The staff, petitioner or a designated representative may, within 30 days after service of the copy of the findings of fact, conclusions of law and decision of the hearing officer, file a notice of appeal with the Commission.*
2. *Within 30 days after filing a notice of appeal, the appellant shall file with the Commission a:*
 - (a) *Brief setting forth the points relied upon in his or her appeal and authorities in support thereof; and*
 - (b) *Designation of the parts of the record before the hearing officer that he or she deems relevant to his or her appeal.*
3. *An appeal from the decision of the hearing officer to the Commission must be based upon one or more of the grounds set forth in subsection 3 of NRS 233B.135.*

4. *The filing of a notice of appeal does not excuse compliance with the decision of the hearing officer nor suspend the effectiveness of a decision unless otherwise ordered by the hearing officer.*
5. *After receipt of a notice of appeal, filed in compliance with subsection 1, and the documentation required by subsection 2, the Department will schedule a time for oral argument before the Commission at its next meeting. The oral argument will be limited to a period of time not to exceed 20 minutes unless extended by the Commission. The Commission will not review evidence which was not submitted to the hearing officer unless it determines that good cause exists for a failure to submit the evidence to the hearing officer.*
6. *The Commission will modify, reverse or affirm the decision of the hearing officer or remand the case to the hearing officer. The Director shall issue a final written decision on behalf of the Commission.*
7. *Any decision of revocation, suspension or fine affirmed by the Commission is effective until reversed upon judicial review, except that the Commission may stay its order pending a rehearing or judicial review upon such terms and conditions as it deems proper.*
8. *Judicial review of any such order or decision of the Commission may be had in accordance with section xx.*

Sec. () Judicial review. (NRS 453D.())

1. *Except as otherwise provided in the Constitution of this State, a party may not seek any type of judicial intervention or review of a contested case until after the contested case results in a final decision of the Commission.*

2. *Except as otherwise provided in this section, a party may seek judicial review of a final decision of the Commission in accordance with the provisions of chapter 233B of NRS that apply to a contested case.*
3. *Notwithstanding the provisions of subsection 1 of NRS 233B.131 regarding transmittal of the record of the proceeding under judicial review:*
 - (a) *The party filing the petition for judicial review shall provide an original or certified copy of the transcript of the hearing to the reviewing court; and*
 - (b) *The Department shall provide an original or certified copy of the remainder of the record of the proceeding under review to the reviewing court.*

Sec. () Reinstatement of a license (NRS 453D.())

1. *If a person applies for reinstatement of a license that has been revoked in a contested case pursuant to section xx, the person shall:*
 - (a) *Submit an application on a form supplied by the Department.*
 - (b) *Satisfy all the current requirements for the issuance of an initial license.*
 - (c) *Attest that, in this State or any other jurisdiction:*
 - (1) *The person has not, during the period of revocation, violated any state or federal law governing marijuana, and no criminal or civil action involving such a violation is pending against the person; and*
 - (2) *No other regulatory body has, during the period of revocation, taken disciplinary action against the person, and no such disciplinary action is pending against the person.*
 - (d) *Satisfy any additional requirements for reinstatement of the license prescribed by the Department.*

2. *The Department shall consider each application for reinstatement of a license submitted pursuant to this section. In determining whether to reinstate the license, the Department shall consider the following criteria:*
 - (a) *The severity of the act resulting in the revocation of the license.*
 - (b) *The conduct of the person after the revocation of the license.*
 - (c) *The amount of time elapsed since the revocation of the license.*
 - (d) *The veracity of the attestations made by the person pursuant to subsection 2.*
 - (e) *The degree of compliance by the person with any additional requirements for reinstatement of the license prescribed by the Department.*
 - (f) *The degree of rehabilitation demonstrated by the person.*
4. *If the Department reinstates the license, the Department may place any conditions, limitations or restrictions on the license as it deems necessary.*
5. *The Department may deny reinstatement of the license if the person fails to comply with any provisions of NRS 453D and NAC 453D.*
6. *The Department's denial of reinstatement of the license is not a contested case for the purposes of judicial review.*

Sec. () Emergency order of the Department. (NRS 453D.()) *The Department may issue an emergency order for suspension in the following manner:*

1. *An emergency order may be issued only when the Department believes that:*
 - (a) *There has been a violation of subsection 1 (b) of NRS 453D.100;*
 - (b) *There has been a violation of subsection 4 of NRS 453D.200;*
 - (c) *Such action is necessary to prevent a violation of subsection (c) of NRS 453D.210;*
 - (d) *There has been a violation of subsection 1 of NRS 453D.300, subsections 2 – 4; or*

- (e) *Such action is necessary for the immediate preservation of the public peace, health, safety, morals, good order or general welfare.*
2. *The emergency order must set forth the grounds upon which it is issued, including a statement of facts constituting the alleged emergency necessitating such action.*
 3. *The emergency order is effective immediately upon issuance and service upon the licensee or registered agent of the licensee. The emergency order remains effective until further order of the Department or final disposition of the case.*
 4. *Within 5 days after issuance of an emergency order, the Department shall cause a complaint to be filed and served upon the person or entity involved in accordance with section xx.*
 5. *Thereafter, the person or entity against whom the emergency order has been issued and served is entitled to a hearing before a hearing officer in accordance with section xx and to judicial review of the decision and order of the Commission thereon in accordance with section xx.*

Reporting and Transmittal of Marijuana Taxes

Sec. () Applicability of NRS 360. (NRS 453D.())

1. *The provisions of NRS 360 relating to the payment, collection, administration and enforcement of taxes, including, without limitation, any provisions relating to the imposition of penalties and interest, shall be deemed to apply to the payment, collection, administration and enforcement of the excise and sales tax on marijuana.*

Sec. () Sales and Use Tax Returns Required. Payment of tax; monthly return. (NRS 453D.())

1. *Marijuana sold pursuant to NRS 453D is subject to sales tax when it is sold at a retail store. Returns and payments must be submitted as provided in NRS 372.354 through NRS 372.395.*

Sec. (). Excise Tax Returns Required. Payment of tax: monthly return. (NRS 453D.())

1. *An excise tax must be collected by the State on the wholesale sales of marijuana at a rate of 15 percent of the fair market value at wholesale of the marijuana.*
2. *An excise tax must be collected by the State on marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. This tax is the obligation of the retail marijuana store and 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.*
3. *Each marijuana cultivator or retail marijuana store shall, on or before the last day of the month immediately following each month for which the marijuana is sold, file with the Department a return on a form prescribed by the Department and remit to the Department any tax due for the month covered by the return. A return must be filed whether or not a sale or purchase has occurred.*
4. *The marijuana cultivation facility shall pay the excise tax to the Department upon the first sale of marijuana to a retail marijuana store, a marijuana product manufacturing facility, or another marijuana cultivation facility. The retail marijuana store shall pay the excise tax to the department upon the first sale of marijuana to a consumer.*
 - (a) *If a marijuana cultivation facility sells to another marijuana cultivation facility and pays the wholesale excise tax to the Department on the sale as required by NRS*

453D.500, the wholesale excise tax will not be due on any subsequent wholesale sales of that product.

- (b) A marijuana cultivation facility or retail marijuana store must keep all supporting documentation for verification that the excise tax was paid on the first sale of the product.
- (c) The Department may require a marijuana establishment to submit a financial statement as determined to be necessary by the Department to ensure the collection of taxes which may be owed by the marijuana establishment.

5. Calculation and Payment of Tax for Marijuana Cultivation Facilities.

(a) Calculation of Fair Market Value at Wholesale.

- (1) The Department will calculate the Fair Market Value at Wholesale using reported sales or transfer of each category.
- (2) The Department will determine the best methodology to arrive at the Fair Market Value at Wholesale. The Department may, from time to time, change its method of calculating the Fair Market Value at Wholesale if, in the judgment of the Department, such change is necessary to arrive at the most accurate Fair Market Value at Wholesale given the market conditions.

(b) The tax shall be calculated based on the category of the Marijuana Product being sold to set the initial Fair Market Value at Wholesale. The Department will use data related to the Fair Market Value at Wholesale in making the calculation.

- (1) The excise tax for Bud is computed on the total weight of all Bud that is sold. Notwithstanding this rule, the inadvertent inclusion of inconsequential amounts of Bud in a sale that is otherwise Trim shall not be treated as the sale of Bud.

- (2) *The excise tax for Trim is calculated on the total weight of all Trim that is sold. Notwithstanding this rule, the inadvertent inclusion of inconsequential amounts of Bud in a sale that is otherwise Trim shall be treated as the sale of Trim.*
- (3) *The excise tax for Immature Plants is calculated on the total number of Immature Plants being sold.*
- (4) *The excise tax for Wet Whole Plants is calculated on the total weight of the entire Marijuana Wet Whole Plant. The weight of the entire plant is subject to tax because the Fair Market Value at Wholesale for Wet Whole Plant already reflects an allowance for water weight and waste.*
- (i) *The Wet Whole Plant may not undergo any further processing (i.e., drying the plant and subsequently selling separately the Bud and Trim) prior to being weighed when using the Wet Whole Plant basis.*
- (ii) *The Marijuana Wet Whole Plant must be weighed within 2 hours of the batch being harvested and without any further processing, including any artificial drying such as increasing the ambient temperature of the room or any other form of drying, curing, or trimming. Tax must be calculated and paid on the total Wet Whole Plant weight. If the Wet Whole Plant is not weighed within 2 hours of the batch being harvested or is subjected to further processing before being weighed, the excise tax on such plant cannot be calculated and paid on the Wet Whole Plant basis and must instead be calculated and paid at the Bud and Trim rates. The Marijuana Cultivation Facility must maintain records of the time each batch was harvested and weighed and the weight of each plant.*

The records must be in writing and created contemporaneously with the harvesting and weighing.

(5) The excise tax for seeds is calculated on the total number of seeds being sold.

(6) The excise tax for any other category of marijuana product category will be determined by the Department.

Sec. (). Maintenance and availability of records of taxpayer. (NRS 453D.())

1. Each person responsible for maintaining the records of a taxpayer shall:

(a) Keep such records as may be necessary to determine the amount of the liability of the taxpayer pursuant to the provisions of NRS 453D.500.

(b) Preserve those records for 4 years or until any litigation or prosecution pursuant to NRS 453D.500, inclusive, is finally determined, whichever is longer; and

(c) Make the records available for inspection by the Department upon demand at reasonable times during regular business hours.

Sec. (). Examination of records by Department. (NRS 453D.())

1. To verify the accuracy of any return filed by a taxpayer or, if no return is filed, to determine the amount required to be paid, the Department, or any person authorized in writing by the Department, may examine the books, papers and records of any person who may be liable for the excise tax on marijuana.

2. Any person who may be liable for the excise tax on marijuana and who keeps outside of this State any books, papers and records relating thereto shall pay to the Department an amount equal to the allowance provided for state officers and employees generally while traveling outside of the State for each day or fraction thereof during which an employee of the Department is engaged in examining those documents, plus any other actual

expenses incurred by the employee while he or she is absent from his or her regular place of employment to examine those documents.

Sec. () Manner for reimbursement to Localities (NRS 453D.()) *Revenue collected from the excise tax imposed pursuant to 453D of the NRS must be distributed to the Department and to each locality in an amount determined to be necessary by the Department to pay the costs of the Department and each locality in carrying out the provisions of Chapter 453D of the NRS.*

(iv) For the purposes of NRS 453D.510, a total amount of \$5,000,000 of the revenues collected from the excise tax imposed in each fiscal year shall be deemed sufficient to pay the costs of all localities to carry out the provision of chapters 453A and 453D of NRS.

(v) The manner in which each locality may be reimbursed for the costs of carrying out the provisions of chapters 453D of NRS is as follows:

Placeholder

Comment [a4]: Support NACO submission

Sec. (). Miscellaneous tax provisions (NRS 453D.())

1. The provisions of NRS 372A.300 through NRS 372A.380 shall be deemed to apply the administration of the tax under NRS 453D.

Miscellaneous Provisions

Sec. () Certain public employees prohibited from having financial interest in or being employed by or volunteering at marijuana establishment. (NRS 453D.())

No employee of this State who is responsible for implementing or enforcing the provisions of this chapter or chapter 453D of NRS may have a direct or indirect financial interest in a marijuana establishment or be employed by or volunteer at a marijuana establishment.

Sec. () Maximum allowable quantity of edible marijuana products. (NRS 453D.())

For the purposes of NRS 453D.(), the maximum allowable quantity of edible marijuana products is an amount that:

- 1. Is equivalent to one ounce of usable marijuana other than concentrated marijuana; and*
- 2. One-eighth of an ounce of concentrate that is the equivalent of 1750 mg of THC.*

Sec. () Department authorized to limit marijuana production within State. (NRS 453D.())

The Department may, upon findings made following a public hearing that the public interest will be supported by limiting the cultivation of marijuana in this State, limit the amount of marijuana in production within this State.

Sec. () Limitations on promoting marijuana and marijuana products; applicability of chapter governing labeling and testing. (NRS 453D.())

1. A marijuana establishment:

- (a) May only promote marijuana or a marijuana product through marketing the laboratory results on the label of the marijuana or marijuana product; and*
- (b) Must not use a marijuana testing facility or other laboratory to promote any other attributes of marijuana or a marijuana product.*

2. The provisions of this chapter governing labeling and testing of marijuana and marijuana products apply to all marijuana and marijuana products, including, without limitation, pre-rolls.

Sec. () Department authorized to collect fee for costs of investigating complaint if substantiated; amount of fee. (NRS 453D.())

1. The Department may charge and collect a fee from any marijuana establishment that is involved in a complaint submitted to the Department by a consumer to recover the

costs of investigating the complaint after the investigation is completed if the complaint is substantiated. The fee will be based upon the hourly rate established for each investigator of marijuana establishments as determined by the budget of the Department.

2. *As used in this section, “substantiated” means supported or established by evidence or proof.*

**Sec. () Confidentiality of information relating to security of marijuana establishment.
(NRS 453D.())**

Except as otherwise provided in NRS 239.0115 and NAC 453D.(), any information received by the Department related to the security of a marijuana establishment is confidential and must not be disclosed by the Department.

Sec. () Confidentiality of name and any other identifying information of persons who facilitate or deliver services pursuant to chapter. (NRS 453D.())

1. *Except as otherwise provided in this section and NRS 239.0115, the Department and any designee of the Department shall maintain the confidentiality of and shall not disclose the name or any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453D of NRS. Except as otherwise provided in NRS 239.0115, the name and any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453D of NRS are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.*
2. *Notwithstanding the provisions of subsection 1, the Department or its designee may release the name and other identifying information of a person who facilitates or delivers services pursuant to this chapter or chapter 453D of NRS to:*

- (a) *Authorized employees of the Department or its designee as necessary to perform official duties of the Department; and*
- (b) *Authorized employees of state and local law enforcement agencies only as necessary to verify that a person is lawfully facilitating or delivering services pursuant to this chapter or chapter 453D of NRS.*

Comment [a5]: Please note comments from page 6

~~3. Nothing in this section prohibits the Department from providing a locality with a copy of all information and documentation provided as part of an application to operate a marijuana establishment upon the request of the locality and with the prior consent of the applicant.~~ The Department must provide a locality with a copy of all information and documentation provided as part of an application to operate a marijuana establishment upon the request of the locality and with prior consent of the applicant.

() Vending machines (NRS 453D.())

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

Sec. () Singularly-owned, co-located marijuana establishments (NRS 453D.())

The Department will regulate the interoperability of singularly owned, co-located marijuana establishments by establishing areas of overlap and separation for the combined business operations.

- 1. *Component marijuana establishments within a combined marijuana establishment retain their individual legal status as separate entities.*

2. *Combined marijuana establishments are not issued a separate license which supersedes the individual marijuana establishment certificates issued to the component marijuana establishments.*

3. *Facilities*

(a) *Component marijuana establishments may share a single, secured storage area, however the inventory from each component marijuana establishment must be securely segregated within the storage space apart from that of other component marijuana establishments.*

(b) *Building infrastructure and security systems may be shared and combined within appropriate control systems.*

(c) *Combined marijuana establishment facilities may include common entrances, exits, break room, locker rooms, loading docks, and other areas as are expedient for business and appropriate for the site as determined and approved by Department inspectors.*

(d) *A marijuana establishment may cultivate, manufacture, distribute, and sell to the public both medical marijuana and retail marijuana according to the establishment's license type.*

(e) *Each marijuana establishment must:*

(a) *Be located in a commercial or industrial zone or overlay as approved by the locality; and*

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

4. *Inspections*

- (a) All Component marijuana establishments within a combined marijuana establishment will be inspected prior to commencing operations as the Department determines appropriate, and each component marijuana establishment shall be inspected at least once prior to issuance of a permanent license.*
- (b) All Component marijuana establishments within a combined marijuana establishment must be prepared to commence operations at the time of the pre-opening inspection.*
- (c) In order to gain approval, actual operation and/or intent to immediately commence operations is not required. Each marijuana establishment must simply demonstrate that all construction, equipment, and policies and procedures have been completed and obtained, have been inspected by the local jurisdiction as required, and all portions of the combined marijuana establishment are prepared to commence operations.*
- (d) All walls, ceilings, floors, electrical cabling, plumbing, HVAC ducting, general (non-cultivation specific) lighting for each entire building must be completed as specified in the floorplan submitted to the Department in the marijuana establishment application, at a completion level sufficient to obtain a certificate of occupancy as issued by the local jurisdiction at the time of the pre-opening inspection.*
- (e) The final license for a combined marijuana establishment shall specify which establishment types are registered to operate at that location.*

5. Phased Implementations

(a) Component marijuana establishments may be opened in phases.

(1) To be considered “ready to commence operations,” a cultivation component marijuana establishment must demonstrate the lights, plumbing, HVAC, humidity, CO2, and all other growing technical facilities, along with their related control systems, for at least one growing unit.

(2) To be considered “ready to commence operations,” a production component marijuana establishment must demonstrate the proper, safe, installation of all extraction, cooking, or other equipment, along with the plumbing, ventilation, solvent lines, electricity, electrical lines, refrigerators, and all other production equipment.

(3) Once a marijuana establishment facility has been inspected and received its marijuana establishment license, operations within a previously inspected and approved space may be expanded to areas designated for the intended purpose to the level described in their application without further inspection or approval. However, the Department retains the right to return for inspections as often as necessary, if the marijuana establishment commences operations in phases.

6. Combined operations of singularly owned, co-located combined marijuana establishments

(a) Employee inter-marijuana establishment transit will be permitted if the agent in transit is registered and carries the appropriate agent registration cards for all component marijuana establishments to be entered.

(b) Employees may perform work functions for any related component marijuana establishment during their work shift if the agent is registered and carries the

appropriate agent registration cards for all component marijuana establishments' assigning such work.

(c) Equipment not specific to the operation of one component marijuana establishment, including vehicles, may be shared among all component marijuana establishments.

(d) Equipment which is specific to the scope of operation performed by one marijuana establishment, such as extraction devices which are specifically used by a production unit, or cultivation lights which are specifically used by a cultivation unit, may not be shared between component marijuana establishments

7. Separate operations of the component marijuana establishments. Each component marijuana establishment within a combined marijuana establishment must:

(a) Be individually licensed and approved to operate as a business by all relevant jurisdictions and authorities, distinct from all other marijuana establishment operating on the same real estate parcel unless this practice is prohibited by the jurisdiction in which the combined marijuana establishment is located.

(b) Be able to present financial records complying with current GAAP (Generally Accepted Accounting Principles) separately from all other component marijuana establishments operating on the same parcel.

(c) File all financial disclosures and tax documents separately from all other marijuana establishments within the combined marijuana establishment.

8. Exceptions to the above include:

(a) Exceptions to conducting a single pre-opening inspection on all component marijuana establishments within a combined marijuana establishment may be available.

- (b) *Written requests for exception, containing detailed justification for the exception to this policy must be presented to the Department.*
- (c) *Exceptions may be granted at the Department's discretion for extraordinary circumstances beyond the control of a component marijuana establishment's management or ownership, but the Department's policy is that financial outlays, and/or vendor/supplier difficulties associated with readying all component marijuana establishments for inspection, will not be considered extraordinary circumstances.*
- (d) *If a request to an exception is granted, and the pre-opening inspection of one component marijuana establishment is successful, the Division may permit the component marijuana establishment which passed the inspection to operate under its license for a period of time approved by the Department. The license shall reflect that not all components have been registered. A final license will only be issued to any combined marijuana establishment after all component marijuana establishments have passed opening inspections, paid fees, and satisfied all other state and local laws, regulations, and ordinances.*

Sec. () Dual Licensees (NRS 435D.())

1. A dual licensee shall:

- (a) *Comply with the regulations adopted by the Department pursuant to NRS 453A with respect to the medical marijuana establishment operated by the dual licensee:*
- (b) *To the extent authorized by such regulation, combine the location or operations of the marijuana establishment operated by the dual licensee with the medical marijuana establishment operated by the dual licensee.*

