

REGULATIONS OF THE  
**NEVADA CANNABIS COMPLIANCE BOARD**

Las Vegas, Nevada

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Current as of July 1, 2020

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## REGULATION 1

### ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

**1.000 Title.** These regulations may be known and cited as Nevada Cannabis Compliance Regulations, or abbreviated N.C.C.R. or NCCR.

**1.010 Promulgation, amendment, modification and repeal.** The following regulations are issued pursuant to the Regulation of Cannabis, chapters 678A, 678B, 678C and 678D of the Nevada Revised Statutes, in accordance with procedures prescribed by NRS 678A.450. The Cannabis Compliance Board (“Board”) will, from time to time, promulgate, amend and repeal such regulations, consistent with the policy, objects and purposes of the Regulation of Cannabis, as it may deem necessary or desirable in carrying out the policy and provisions of the Regulation of Cannabis in Title 56 of the Nevada Revised Statutes. The NCCR becomes effective upon passage and approval. The Board hereby repeals the administrative regulations (NAC 453A and 453D) adopted by the Department of Taxation pursuant to chapters 453A and 453D of NRS governing the licensing and regulation of marijuana establishments and medical marijuana establishments. To the extent that the NCCR, is not passed and/or approved, in whole or in part, the prior version or equivalent sections of NAC 453A and/or 453D will remain in force and effect, to the extent they do not conflict with any provisions of NRS 678A through 678D, as the regulations of the Board. The applicable sections of NAC 453A and/or 453D must be interpreted in a manner so that all references to the Department of Taxation and its constituent parts are read and interpreted as being references to the Board and its constituent parts.

**1.020 Construction.** Nothing contained in these regulations shall be so construed as to conflict with any provision of the Regulation of Cannabis in Title 56 or of any other applicable statute.

**1.030 Severability.** If any provision of these regulations be held invalid, it shall not be construed to invalidate any of the other provisions of these regulations.

**1.040 Definitions.** As used in these regulations, unless the context otherwise requires, the words and terms defined in NRS 678A.020 to 678A.240, NRS 678B.030 to 678B.070, NRS 678C.010 to 678C.110, and NRS 678D.010 to 678D.040 have the meanings ascribed to them in those statutes.

**1.050 “Act” defined.** “Act” means chapters 678A, 678B, 678C and 678D of the Nevada Revised Statutes.

**1.053 “Analyte” defined.** “Analyte” means any compound, element, contaminant organism, species or other substance for which a cannabis sample is tested by a cannabis independent testing laboratory.

**1.055 “Analytical portion” defined.** “Analytical Portion” means the portion of a test sample that is being processed for a particular laboratory test.

**1.057 “Applicant” defined.** “Applicant” means any person who has applied for the licensing of a cannabis establishment, for the issuance of a license to a business entity, or for issuance of an agent card.

**1.058 “Application” defined.** “Application” means a request for the issuance of a license for a cannabis establishment, for the issuance of a license to a business entity, or for issuance of an agent card, or for approval of any act or transaction for which Board approval is required or permitted under the provisions of chapters 678A-D of NRS.



**1.060 “Batch” defined.** “Batch” means the usable flower and trim contained within one or more specific lots of cannabis grown by a cannabis cultivation facility from one or more seeds or cuttings of the same strain of cannabis and harvested on or before a specified final date of harvest.

**1.065 “Batch number” defined.** “Batch number” means a unique numeric or alphanumeric identifier assigned to a batch by a cannabis establishment when the batch is planted.

**1.068 “Board Agent” defined.** “Board Agent” means employee of the Board, including, but not limited to, inspectors, auditors and investigators.

**1.070 “CBD” defined.** “CBD” means cannabidiol, which is a primary phytocannabinoid compound found in cannabis.

**1.073 “Chief Medical Officer” defined.** “Chief Medical Officer” means:

1. The Chief Medical Officer appointed pursuant to NRS 439.085; or
2. The designee of the Administrator of the Division, if:
  - (a) No Chief Medical Officer has been appointed pursuant to NRS 439.085;
  - (b) The position of Chief Medical Officer appointed pursuant to NRS 439.085 is vacant; or
  - (c) The Chief Medical Officer appointed pursuant to NRS 439.085 is absent from the State.

**1.075 “Combined cannabis establishment” defined.** “Combined cannabis establishment” means a group of cannabis establishments of different types which:

1. Each share identical ownership; and
2. Are located on the same parcel of real estate.

**1.080 “Component cannabis establishment” defined.** “Component cannabis establishment” means an individual cannabis establishment which is part of a combined cannabis establishment.

**1.085 “Excise tax on cannabis” defined.** “Excise tax on cannabis” means any excise tax imposed by chapter 372A or 678B of NRS.

**1.090 “Extraction” defined.** “Extraction” has the meaning ascribed to it in NRS 453.0825.

**1.095 “Fair market value” defined.** “Fair market value” means the value established by the Department of Taxation based on the price that a buyer would pay to a seller in an arm’s length transaction for cannabis in the wholesale market.

**1.100 “Foreign matter” defined.** “Foreign matter” means:

1. Stems which are 3 millimeters or more in diameter and constitute more than 5 percent of the cannabis product; or
2. Any physical contaminant which is included in the cannabis product, including but not limited to powdery mildew or insects.

**1.105 “Growing unit” defined.** “Growing unit” means an area within a cannabis cultivation facility in which growing operations are performed at all stages of growth. The term includes, without limitation, multiple rooms or areas that collectively are used to perform growing operations at all stages of growth regardless of whether each individual room or area has the capability to perform growing operations at all stages of growth.

**1.110 “Imminent health hazard” defined.** “Imminent health hazard” means a situation that requires immediate correction or cessation of operations to prevent injury or serious illness as determined by the Board pursuant to NCCR 4.065.

**1.115 “Label” defined.** “Label” means written or printed material affixed to or included with cannabis or a cannabis product to provide identification or other information.

**1.120 “Letter of approval” defined.**

1. “Letter of approval” has the meaning ascribed to it in NRS 678C.070.
2. The term does not include:
  - (a) A letter issued by the Division accepting an application for a registry identification card;
  - (b) A recommendation or referral letter issued by a physician;
  - (c) A letter issued by another state or jurisdiction approving the medical use of cannabis; or
  - (d) Any other document which the Division determines does not meet the definition set forth in subsection 1.

**1.125 “Lot” defined.** “Lot” means:

1. The flowers from one or more cannabis plants of the same batch, in a quantity that weighs 5 pounds (2,268 grams) or less;
2. The leaves or other plant matter from one or more cannabis plants of the same batch, other than full female flowers, in a quantity that weighs 15 pounds (6,804 grams) or less; or
3. The wet flower, leaves or other plant matter from one or more cannabis plants of the same batch used only for extraction, in a quantity that weighs 125 pounds (56,700 grams) or less within 2 hours of harvest.

**1.130 “Multiple-serving edible cannabis product” defined.** “Multiple-serving edible cannabis product” means an edible cannabis product which is offered for sale to a consumer and contains, within a variance of 15 percent of the potency allowable, more than 10 milligrams and not more than 100 milligrams of THC. The term includes an edible cannabis product which contains multiple pieces, each of which contains 10 milligrams or less of THC, if the edible cannabis product offered for sale contains a total of more than 10 milligrams of THC.

**1.135 “Packaging” defined.** “Packaging” means the materials used to wrap or protect goods.

**1.137 “Person” defined.** “Person” means natural persons, applicant, limited partnerships, limited-liability companies, corporations, publicly-traded corporations, private investment companies, trusts, holding company, or other form of business organization such as defined by the Board.

**1.140 “Pesticide” defined.** “Pesticide” has the meaning ascribed to it in NRS 586.195.

**1.145 “Physician” defined.** “Physician” has the meaning ascribed to it in NRS 0.040.

**1.150 “Potential total THC” defined.** “Potential total THC” means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of Delta-9 tetrahydrocannabinol and Delta-8 tetrahydrocannabinol.

**1.155 “Potentially hazardous cannabis products and ingredients” defined.**

1. “Potentially hazardous cannabis products and ingredients” means an edible item that is natural or synthetic and that requires temperature control because the item is in a form capable of supporting:
  - (a) The rapid and progressive growth of infectious or toxigenic microorganisms;
  - (b) The growth and toxin production of *Clostridium botulinum*; or
  - (c) In raw shell eggs, the growth of *Salmonella enteritidis*.
2. The term includes, without limitation:
  - (a) An animal item that is raw or heat-treated;
  - (b) An item of plant origin that is heat-treated or consists of raw seed sprouts;

- (c) Cut melons and tomatoes;
  - (d) Garlic-in-oil mixtures that are not modified in a way that results in mixtures which prohibit growth; and
  - (e) Whipped and/or infused butter.
3. The term does not include:
- (a) An ingredient with a value of water activity of not more than 0.85;
  - (b) An ingredient with a pH level of not more than 4.6 when measured at 75°+/- 4°F (24°+/- 2.2°C); or
  - (c) An ingredient, in a hermetically sealed and unopened container, that is commercially processed to achieve and maintain commercial sterility under conditions of nonrefrigerated storage and distribution.

**1.160 “Premises” defined.** “Premises” means:

1. Any temporary or permanent structure, including, without limitation, any building, house, room, apartment, tenement, shed, carport, garage, shop, warehouse, store, mill, barn, stable, outhouse or tent; or
2. Any conveyance, including, without limitation, any vessel, boat, vehicle, airplane, glider, house trailer, travel trailer, motor home or railroad car, whether located aboveground or underground and whether inhabited or not.

**1.163 “Private Residence” defined.** “Private Residence” means any building, buildings, or part of a building owned or leased by a public or private entity which serves as a private, non-transient residential dwelling unit. Private residences include, but are not limited to, single family homes, town houses, duplexes, condominiums, mobile homes, and apartments. Private residences do not include hotels, weekly hotels, monthly hotels, motels, camps, campers, motor homes, and/or other vehicles and industrial and commercial facilities that do not also serve as residences. Private residences also do not include universities, colleges, and/or schools, as well as their housing, residences, and/or dormitories.

**1.165 “Production run” defined.** “Production run” means:

1. For the extraction of concentrated cannabis by a cannabis establishment, the combination of one or more lots used to make the same product in one homogenous mixture produced using the same method which results in not more than 2.2 pounds (997.90 grams) of concentrated cannabis.
2. For the production of cannabis products by a cannabis production facility, one homogenous mixture produced at the same time using the same method and which may include a combination of concentrated cannabis and other materials for the production of cannabis products.

**1.170 “Production run number” defined.** “Production run number” means a unique numeric or alphanumeric identifier assigned to a production run by a cannabis product facility which accounts for each batch or lot or any concentrated cannabis used in the production run.

**1.175 “Proficiency testing” defined.** “Proficiency testing” means the evaluation, relative to a given set of criteria, of the performance, under controlled conditions, of a cannabis independent testing laboratory in analyzing unknown samples provided by an external source.

**1.180 “Proficiency testing program” defined.** “Proficiency testing program” means the program established by the Board pursuant to NCCR 11.040 to evaluate the proficiency of cannabis independent testing laboratory in this State.

**1.185 “Proficiency testing provider” defined.** “Proficiency testing provider” means a person or organization operating a proficiency testing program which has been certified as meeting the requirements of standard ISO/IEC 17043 of the International Organization for Standardization.

**1.190 “Proficiency testing sample” defined.** “Proficiency testing sample” means a sample, the composition of which is unknown to the cannabis independent testing laboratory, provided to a cannabis independent testing laboratory to test whether the cannabis independent testing laboratory can produce analytical results within certain criteria.

**1.195 “Public transportation” defined.** “Public transportation” means:

1. Buses;
2. Trains;
3. Subways;
4. Other forms of transportation which charge a fare and are available to the public; and
5. Public transportation does not include a taxicab, pursuant to NRS 678D.430(7).

**1.200 “Sample protocols” defined.** “Sample protocols” means the procedures specified by the Board which are required to be used to obtain samples of cannabis for quality assurance testing.

**1.205 “Security equipment” defined.** “Security equipment” means a system of video cameras, monitors, recorders, video printers, motion detectors, exterior lighting, electronic monitoring and other ancillary equipment used for surveillance of a cannabis establishment.

**1.210 “Seed-to-sale tracking system” defined.** “Seed-to-sale tracking system” means an electronic database which is used to monitor the current chain of custody of cannabis from the point of acquisition or planting to the end consumer and which is accessible by the Board, Board Agents and by cannabis establishments.

**1.215 “Separate operations” defined.** “Separate operations” means any area in which a component cannabis establishment must maintain legal and operational separation from all other component cannabis establishments within a combined cannabis establishment.

**1.220 “Single-serving edible cannabis product” defined.** “Single-serving edible cannabis product” means an edible cannabis product which is offered for sale to a consumer and contains not more than 10 milligrams of THC.

**1.225 “Surveillance” defined.** “Surveillance” means the capability to observe and record activities being conducted outside and inside a cannabis establishment.

**1.230 “Taxpayer” defined.** “Taxpayer” means cannabis establishments as required.

**1.235 “Vending Machine” defined.** “Vending Machine” is an automated machine that provides items to consumers.

**1.240 “Cannabis” interpreted to exclude industrial hemp.** For the purpose of Title 56 of NRS, the Board will interpret “cannabis” to exclude industrial hemp, as defined in NRS 557.040, which is grown or cultivated pursuant to chapter 557 of NRS.

**1.245 “Immature cannabis plant” and “mature cannabis plant” interpreted.** For the purposes of Title 56 of NRS:

1. “Immature cannabis plant” means a cannabis plant with no observable flowers or buds.
2. “Mature cannabis plant” means a cannabis plant which has flowers or buds that are readily observable by an unaided visual examination.

## REGULATION 2

### CANNABIS COMPLIANCE BOARD: ORGANIZATION AND ADMINISTRATION

#### 2.010 Definitions.

1. “**Chair**” means the Chair of the Cannabis Compliance Board or the Chair’s designee.
2. “**Executive Assistant**” means the Executive Assistant to the Executive Director.
3. “**Meeting**” means the gathering of members of the Board at which a quorum is present, for the purpose of deliberating toward a decision or making a decision. The term includes, but is not limited to, the consideration of license applications, transfers of interest, and disciplinary proceedings.

#### 2.020 Delegation to Chair.

1. The Board hereby delegates to the Chair the authority to issue preliminary rulings on scheduling, procedural, and evidentiary matters, and other matters provided by these regulations, that may be presented to the Board during the course of conducting a meeting, or that may arise when the Board is not meeting.
2. The Board may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted pursuant to subsection 1 of this section.
3. Any specific ruling or decision of the Chair pursuant to subsection 1 of this section is subject to consideration by the entire Board upon the request of any Board Member, or upon timely motion of a person affected by the ruling or decision.
4. The Board shall be deemed to have ratified an action of the Chair taken pursuant to subsection 1, under the following circumstances:
  - (a) If the Chair’s action occurred during a Board meeting, the Chair’s action is ratified if the Board does not overturn or address the action at that meeting.
  - (b) If the Chair’s action occurred at a time other than during a meeting, if the Board does not overturn or address the Chair’s action at the next meeting concerning that particular matter.
5. The Chair may sign all orders on behalf of the Board.
6. Where the Board is a party to civil litigation, the Chair may give guidance regarding the course of the litigation to the attorney for the Board.

#### 2.025 Board meetings.

1. Except as otherwise specifically provided by these regulations, any member of the Board may place an item on a Board agenda for consideration by the entire Board.
2. The Chair, or in the Chair’s absence, the remaining Board members, may alter the order in which matters on the Board agenda are heard.
3. Requests for special meetings will be granted only upon a showing of exceptional circumstances. The Board may require that a person requesting a special meeting pay the costs associated with such meeting, in addition to those costs usually assessed against an applicant, licensee, or registrant.
4. In the absence or incapacity of the Chair, the remaining Board members may call a special meeting.
5. Unless otherwise ordered by the Chair, requests for continuances of any matter on the Board agenda must be in writing, must set forth in detail the reasons a continuance is necessary, and must be received by the executive assistant no later than eight calendar days before the meeting.
6. Unless otherwise ordered by the Chair, the original of any documentation supplementing an application or disciplinary action as required by the Board must be received by the executive assistant no later than eight calendar days before the meeting. Documentation not timely received will not be considered by the Board unless the Board, in its discretion, otherwise consents. The Chair may defer to another meeting any matter with respect to which documentation has not been timely submitted. The applicant and its enrolled attorney or agent, if any, must appear at the meeting to which the matter is deferred, unless the Board Chair waives their appearances.

#### **2.040 Appearances.**

1. Except as provided in subsection 2 or unless an appearance is waived by the Chair, all persons, and their attorneys and agents, if any, must appear at the Board meeting at which their matter is to be heard. Requests for waivers of appearances must be in writing, must be received by the executive assistant no later than eight business days before the meeting, and must explain in detail the reasons for requesting the waiver. If at the time of its meeting the Board has any questions of an applicant, licensee, or registrant who has been granted a waiver and is not present, the matter may be deferred to another meeting of the Board.

2. Where the Board is to consider a stipulation between the Board and a licensee, or registrant settling a disciplinary action and revoking, suspending or conditioning a license, the licensee or registrant shall be prepared to respond on the record to questions regarding the terms of the stipulation and the licensee's or registrant's voluntariness in entering into the stipulation.

**2.045 Recessed meetings.** Any meeting of the Board may be recessed to consider matters which were duly noticed as items on the agenda of that meeting, to such time and place as the Board may designate. Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by NCCR 2.050 of these regulations or as otherwise required by statute or by these regulations.

#### **2.050 Service of notices in general.**

1. Each licensee and applicant shall provide a point of contact to the Board for the purpose of sending notices and other communications from the Board. The point of contact should be the same person designated in NCCR 5.010. Each licensee and applicant is required to update this point of contact, including the contact's electronic mail address, immediately as often as is otherwise necessary. The original provision and subsequent updates of the point of contact shall be made to the Board's custodian of records by means designated by the Chair. Immediately means no later than 24 hours.

2. Except as otherwise provided by law or in these regulations, notices and other communications will be sent to an applicant or licensee through the point of contact by electronic mail as provided to the Board for the purpose of sending notices and other communications. Except as otherwise provided by law or in these regulations, notices and other communications sent to the point of contact by electronic mail shall satisfy any requirement to mail a notice or other communication.

3. Notices shall be deemed to have been served on the date the Board sent such notices to the point of contact's electronic mail address as provided to the Board by a licensee or applicant, and the time specified in any such notice shall commence to run from the date of such mailing.

4. Any applicant or licensee who desires to have notices or other communications mailed to a physical address shall file with the Board a specific request for that purpose, and notices and other communications will, in such case, be sent to the applicant or licensee at such address.

5. An applicant or licensee will be addressed under the name or style designated in the application or license, and separate notices or communications will not be sent to individuals named in such application or license unless a specific request for that purpose is filed with the Board.

(a) In the absence of such specific request, a notice addressed under the name or style designated in the application or license shall be deemed to be notice to all individuals named in such application or license.

**2.055 Subpoenas.** The Board hereby delegates to the executive assistant the authority to issue subpoenas and subpoenas duces tecum as provided by these regulations. In the absence of the executive assistant, the Chair may designate another person to issue such subpoenas.

**2.060 Employee records.**

1. All records concerning Board employees maintained by the Board are confidential as set out in NAC 284.718.
2. Access to employee records declared confidential by this section shall be allowed only as set out in NAC 284.726.

**2.065 Procedure for control of evidence.**

1. When a Board Agent seizes any article of property, the custodian of evidence for the Board shall place the evidence in a secure facility and enter in a suitable system sufficient information to establish a chain of custody. A failure to comply with this subsection shall not render evidence inadmissible in any proceeding before the Board.

**2.070 Other employees of Board: Employment and discharge; conditions and limitations regarding hearing officers.**

1. The Board may employ hearing officers, experts, administrators, attorneys, investigators, consultants and clerical personnel necessary to the discharge of its duties.
2. A hearing officer employed by the Board shall not act in any other capacity for the Board or occupy any other position of employment with the Board, and the Board shall not assign the hearing officer any duties which are unrelated to the duties of a hearing officer.
3. Each employee of the Board hired under this regulation is an at-will employee who serves at the pleasure of the Board. The Board may discharge an employee of the Board for any reason that does not violate public policy, including, without limitation, making a false representation to the Board.
4. If a person resigns his or her position as a hearing officer or the Board terminates the person from his or her position as a hearing officer, the Board may not rehire the person in any position of employment with the Board for a period of 2 years following the date of the resignation or termination. The provisions of this subsection do not give a person any right to be rehired by the Board and do not permit the Board to rehire a person who is prohibited from being employed by the Board pursuant to any other provision of law.

**REGULATION 3**

**CANNABIS ADVISORY COMMISSION: ORGANIZATION AND ADMINISTRATION**

**3.010 Definitions.**

1. "Commission Chair" means the Chair of the Cannabis Advisory Commission or the Chair's designee.
2. "Commission Meeting" means the gathering of members of the Commission to further its mandate pursuant to NRS 678A.310.

**3.020 Delegation to Commission Chair.** The Commission Chair may schedule quarterly meetings of the Commission and create an agenda pursuant to NRS 678A.310(1).

**3.025 Commission meetings.**

1. Except as otherwise specifically provided by these regulations, any member of the Commission may place an item on a Commission agenda for consideration by the entire Commission.
2. The Commission Chair, or in the Commission Chair's absence, the remaining Commission members, may alter the order in which matters on the Commission agenda are heard.

## **REGULATION 4**

### **DISCIPLINARY AND OTHER PROCEEDINGS BEFORE THE BOARD**

**4.010 Applicability.** NCCR 4 shall apply to disciplinary proceedings governed by NRS 678A.500 to 678A.640. Unless otherwise ordered by the Chair, this regulation shall apply to all such proceedings that are pending on the effective date of this regulation.

**4.020 Grounds for disciplinary action.**

1. A violation of any of the provisions of Title 56 of NRS or NCCR is grounds for disciplinary action by the Board, including, without limitation, immediate revocation of a license for a cannabis establishment pursuant to NRS 678A.450 and NRS 678.650.

2. A violation of any of the provisions of Title 56 of NRS or NCCR is grounds for disciplinary action by the Board, including, without limitation, immediate revocation of a cannabis establishment agent registration card.

**4.030 Imposition of civil penalty; revocation or suspension of license or cannabis establishment agent registration card; corrective action.**

1. The Board may:

(a) Subject to the provisions of NCCR 4, impose a civil penalty of not more than \$90,000 per violation on any person who fails to comply with or violates any provision of the NCCR and Title 56 of NRS. Such a civil penalty must be paid to the State of Nevada for deposit in the State General Fund;

(b) Except as otherwise provided in paragraph (c), suspend or revoke a license or cannabis establishment agent registration card. If the Board orders the suspension of a license or cannabis establishment agent registration card, the Board shall prescribe the time period of the suspension in the written decision. If the Board orders the revocation of a license or cannabis establishment agent registration card, the Board shall prescribe a period of not less than 1 year and not more than 10 years during which the person may not apply for reinstatement of the license or cannabis establishment agent registration card; and

(c) If corrective action approved by the Board will cure the noncompliance or violation but will not be completed within 30 days after issuance of the order, suspend for more than 30 days the license of a cannabis establishment or the cannabis establishment agent registration card of a person who fails to comply with or violates the provisions of the NCCR and Title 56 of NRS.

2. To determine the amount of a civil penalty assessed pursuant to this section, the Board will consider the gravity of the violation, the economic benefit or savings, if any, resulting from the violation, the size of the business of the violator, the history of compliance with the NCCR and Title 56 of NRS by the violator, action taken to remedy the violation, the effect of the penalty on the ability of the violator to continue in business and any other matter as justice may require.

**4.035 Category I Violations.**

1. The Board will determine a category I violation of the NCCR and Title 56 of NRS as follows:

(a) Category I violations are of a severity that make a person ineligible to receive, renew, or maintain a license, including, without limitation:

- (1) Conviction of an excluded felony offense;
- (2) Operating without all required permits, certificates, registrations and/or licenses;
- (3) Making an intentionally false statement to the Board or Board Agents;
- (4) Intentionally destroying or concealing evidence;
- (5) Intentionally failing to pay taxes to the Department of Taxation;



- (6) Allowing noisy, disorderly or unlawful activity that results in death or serious physical injury, that involves the unlawful use or attempted use of a deadly weapon against another person or that results in a sexual offense which is a category A felony;
  - (7) Operating a cannabis establishment while the license for the cannabis establishment is suspended or revoked;
  - (8) Transporting cannabis outside of the boundaries of this State, except where authorized by an agreement between the Governor of this State and a participating tribal government;
  - (9) Making verbal or physical threats to a Board Agent or Board member;
  - (10) Failing to immediately admit regulatory or law enforcement personnel into the premises of a cannabis establishment;
  - (11) Refusing to allow an inspection or obstructing regulatory personnel or law enforcement officer from performing his or her official duties;
  - (12) Purchasing or selling cannabis that has not passed the analysis required by a cannabis testing facility without written approval from the Board;
  - (13) Purchasing or selling cannabis not found in the seed-to-sale tracking system; or
  - (14) Failure to properly collect taxes.
2. Before consideration of the factors described in subsection 1(a), the Board will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:
- (a) For a category I violation which is the:
    - (1) First violation in the immediately preceding 3 years, a civil penalty of not more than \$90,000 and a suspension for not more than 30 days or revocation of a license or cannabis establishment agent registration card.
    - (2) Second or subsequent violation in the immediately preceding 3 years, revocation of a license or cannabis establishment agent registration card.

**4.040 Category II Violations.**

1. The Board will determine a category II violation of the NCCR and Title 56 of NRS as follows:
- (a) Category II violations are violations of a severity that create a present threat to public health or safety, including, without limitation:
    - (1) Making an unintentional false statement or representation of fact to the Board or Board Agents;
    - (2) Unintentionally destroying or concealing evidence;
    - (3) Failing to verify the age of, or selling or otherwise providing cannabis or cannabis paraphernalia to, a person who is less than 21 years of age;
    - (4) Allowing a person who is less than 21 years of age to enter or remain in a cannabis establishment or transport vehicle unless the person holds a registry identification card or letter of approval;
    - (5) Permitting sales by a person without a cannabis establishment agent registration card unless that person is deemed to be temporarily registered;
    - (6) Effecting a change in ownership and/or ownership interest without complying with all the requirements of NCCR 5.110 and/or any additional Board guidance and orders regarding transfers of interest.;
    - (7) 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;
    - (8) Allowing a person who is less than 21 years of age to work or volunteer at the cannabis establishment;
    - (9) Failing to cease operation and notify the Board or Board Agents during an imminent health hazard;
    - (10) Purchasing, cultivate, produce or otherwise use cannabis from an unapproved source;
    - (11) Not properly segregating medical patient retail sales from adult use retail sales

- (12) Operating an unapproved extraction unit;
  - (13) Selling an amount of cannabis in excess of transaction limits;
  - (14) Failing to maintain required security alarm and surveillance systems;
  - (15) Any intentional variance from approved procedures in a laboratory;
  - (16) Failing to notify the Board or Board Agents of a loss of possession or control of a cannabis facility within 24 hours;
  - (17) Transferring, moving, or disturbing cannabis or cannabis product which has been quarantined by the Board without Board approval; or
  - (18) Failing to renew the cannabis establishment license on time.
2. Before consideration of the factors described in subsection 1(a), the Board will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:
- (a) For a category II violation which is the:
    - (1) First violation in the immediately preceding 3 years, a civil penalty of not more than \$25,000 and a suspension for not more than 20 days of a license or cannabis establishment agent registration card.
    - (2) Second violation in the immediately preceding 3 years, a civil penalty of not more than \$75,000 and a suspension for not more than 30 days of a license or cannabis establishment agent registration card.
    - (3) Third or subsequent violation in the immediately preceding 3 years, revocation of a license or cannabis establishment agent registration card.

**4.050 Category III Violations.**

1. The Board will determine a category III violation of the NCCR and Title 56 of NRS as follows:

- (a) Category III violations are violations of a severity that create a potential threat to public health or safety, including, without limitation:
  - (1) Transporting cannabis in an unauthorized vehicle;
  - (2) Allowing consumption by any person of alcohol, cannabis or other intoxicants on the premises of the cannabis establishment or in areas adjacent to the premises of the cannabis establishment which are under the licensee's control, including, without limitation, a parking lot;
  - (3) Failing to keep any required records, including seed-to-sale tracking requirements;
  - (4) Failing to tag plants as required;
  - (5) Failing to follow an approved security plan;
  - (6) Allowing disorderly activity;
  - (7) Allowing any activity which violates the laws of this State;
  - (8) Failing to notify the Board or Board Agents within 24 hours after discovery of a serious incident or criminal activity on the premises of the cannabis establishment;
  - (9) Unintentionally failing to pay taxes to the Department of Taxation;
  - (10) Selling unauthorized products;
  - (11) Failing to notify the Board or Board Agents of a modification or expansion of the facilities of the cannabis establishment or a change in equipment or menu of the cannabis establishment;
  - (12) Violating packaging or labeling requirements including seed-to-sale tracking system requirements;
  - (13) Storing or delivering an unapproved cannabis product or a cannabis product outside the seed-to-sale tracking system;
  - (14) Failing to meet requirements for the disposal of cannabis waste;
  - (15) Using unauthorized pesticides, soil amendments, fertilizers or other crop production aids;
  - (16) Exceeding the maximum serving requirements for cannabis products;
  - (17) Exceeding a reasonable time frame for delivery without approval from the Board or Board Agents;

- (18) Transporting or storing cannabis from an unlicensed source, other than patient samples stored at a cannabis interdependent testing laboratory, or diversion of cannabis or cannabis products;
  - (19) Picking up, unloading or delivering cannabis at an unauthorized location;
  - (20) Failing to comply with requirements for hand washing and employee hygiene, including, without limitation, using a bare hand on a cannabis product;
  - (21) Failing to maintain proper temperature of potentially hazardous food or cannabis products;
  - (22) Selling or failing to dispose of cannabis, cannabis products or food items that are spoiled or contaminated;
  - (23) Failing to tag cannabis or a cannabis product as required;
  - (24) Failing to follow seed-to-sale tracking system requirements while transporting or delivering cannabis or cannabis products
  - (25) Failing to properly update the licensee's point of contact with the Board;
  - (26) Failure to maintain quality assurance/quality control program in a laboratory; or
  - (27) Failure to maintain updated standard operating procedures.
2. Before consideration of the factors described in subsection 1(a), the Board will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:
- (a) For a category III violation which is the:
    - (1) First violation in the immediately preceding 3 years, a civil penalty of not more than \$10,000.
    - (2) Second violation in the immediately preceding 3 years, a civil penalty of not more than \$30,000 and/or a suspension for not more than 10 days of a license or cannabis establishment agent registration card.
    - (3) Third violation in the immediately preceding 3 years, a civil penalty of not more than \$90,000 and/or a suspension for not more than 20 days of a license or cannabis establishment agent registration card.
    - (4) Fourth violation in the immediately preceding 3 years, a civil penalty of not more than \$90,000 and a suspension for not more than 60 days of a license or cannabis establishment agent registration card.
    - (5) Fifth or subsequent violation in the immediately preceding 3 years, revocation of a license or cannabis establishment agent registration card.

**4.055 Category IV Violations.**

1. The Board will determine a category IV violation of the NCCR and Title 56 of NRS as follows:

- (a) Category IV violations create a climate which is conducive to abuses associated with the sale or production of cannabis or cannabis products, including, without limitation:
  - (1) Failing to display or have in the immediate possession of each cannabis establishment agent a cannabis establishment agent registration card or proof of temporary registration;
  - (2) Removing, altering or covering a notice of suspension of a license or any other required notice or sign;
  - (3) Violating advertising requirements;
  - (4) Displaying products in a manner visible to the general public from a public right of way;
  - (5) Failing to respond to an administrative notice of a violation or failing to pay fines;
  - (6) Violating restrictions on sampling;
  - (7) Failing to maintain a standardized scale as required;
  - (8) Improper storing of cannabis, cannabis products or other foods;
  - (9) Failing to properly wash, rinse and sanitize product contact surfaces as required;
  - (10) Failing to maintain hand-washing facilities that are stocked, accessible and limited to hand washing only;
  - (11) Infestation by pests that are not multigenerational or on contact surfaces;

- (12) Failing to properly use sanitizer as required;
  - (13) Violating any transportation or delivery requirements not described in another category of violations; or
  - (14) Failing to properly respond to a Board or Board Agent's request for documentation, information, video, or other records.
2. Before consideration of the factors described in subsection 1(a), the Board will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:
- (a) For a category IV violation which is the:
    - (1) First violation in the immediately preceding 3 years, a civil penalty of not more than \$5,000.
    - (2) Second violation in the immediately preceding 3 years, a civil penalty of not more than \$10,000 and/or a suspension for not more than 7 days of a license or cannabis establishment agent registration card.
    - (3) Third violation in the immediately preceding 3 years, a civil penalty of not more than \$20,000 and/or a suspension for not more than 10 days of a license or cannabis establishment agent registration card.
    - (4) Fourth violation in the immediately preceding 3 years, a civil penalty of not more than \$40,000 and/or a suspension for not more than 20 days of a license or cannabis establishment agent registration card.
    - (5) Fifth violation in the immediately preceding 3 years, a civil penalty of not more than \$80,000 and a suspension for not more than 30 days of a license or cannabis establishment agent registration card.
    - (6) Sixth or subsequent violation in the immediately preceding 3 years, revocation of a license or cannabis establishment agent registration card.

#### **4.060 Category V Violations.**

1. The Board will determine a category V violation of the NCCR and Title 56 of NRS as follows:
- (a) Category V violations are inconsistent with the orderly regulation of the sale or production of cannabis or cannabis products, including, without limitation:
    - (1) Failing to submit monthly tax or sales reports or payments;
    - (2) Failing to notify the Board or Board Agents of a temporary closure of the cannabis establishment within 24 hours of the closure;
    - (3) Failing to post any required signs;
    - (4) Failing to notify the Board of a change in the name of the cannabis establishment;
    - (5) Making a payment with a check returned for insufficient funds;
    - (6) Failing to comply with any other requirements not described in another category of violations;
    - (7) Failing to properly submit quarterly inventory reports, monthly sales reports, or other reports required by the Board; or
    - (8) Failure to pay for all costs involved in screening or testing related to quality assurance compliance checks within 30 days.
2. Before consideration of the factors described in subsection 1(a), the Board will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:
- (a) For a category V violation which is the:
    - (1) First violation in the immediately preceding 3 years, a warning.
    - (2) Second violation in the immediately preceding 3 years, a civil penalty of not more than \$2,500.
    - (3) Third violation in the immediately preceding 3 years, a civil penalty of not more than \$5,000 and/or a suspension for not more than 3 days of a license or cannabis establishment agent registration card.

(4) Fourth violation in the immediately preceding 3 years, a civil penalty of not more than \$10,000 and/or a suspension for not more than 7 days of a license or cannabis establishment agent registration card.

(5) Fifth violation in the immediately preceding 3 years, a civil penalty of not more than \$20,000 and/or a suspension for not more than 10 days of a license or cannabis establishment agent registration card.

(6) Sixth or subsequent violations in the immediately preceding 3 years, a civil penalty of not more than \$40,000 and/or a suspension for not more than 20 days of a license or cannabis establishment agent registration card.

#### **4.065 Imminent health hazard.**

1. The Board, through its Board Agents, will determine whether an event is an imminent health hazard that requires immediate correction or cessation of operations to prevent injury or serious illness based on the nature, severity and duration of any anticipated injury, illness or disease and the number of injuries or illnesses to members of the public which may occur. Events that are presumed to be imminent health hazards include, without limitation:

- (a) Interruption of electrical service;
- (b) Lack of potable water or hot water;
- (c) Grossly unsanitary occurrences or conditions including, without limitation, pest infestation or sewage or liquid waste not being disposed of in an approved manner;
- (d) Lack of adequate refrigeration;
- (e) Lack of adequate toilet and hand-washing facilities for employees;
- (f) Misuse of poisonous or toxic materials;
- (g) A suspected outbreak of foodborne illness;
- (h) A fire or flood;
- (i) Governor's emergency directives; or
- (j) Any other condition or circumstance which endangers public health.

2. If a cannabis facility becomes aware of any such condition listed above, independently and not through the Board's Agent, it must report said hazard to the Board or Board Agents within two hours of the hazard's discovery.

#### **4.070 Complaint.** The complaint must contain the following information:

1. The date of the violation or, if the date of the violation is unknown, the date that the violation was identified;
2. The address or description of the location where the violation occurred;
3. The section of the NCCR and Title 56 of NRS that was violated and a description of the violation;
4. The amount of the civil penalty that the Board may impose or a description of the action the Board may take for the violation;
5. A description of the payment process, including a description of the time within which and the place to which any civil penalty must be paid if the respondent does not wish to dispute the complaint;
6. An order prohibiting the continuation or repeated occurrence of the violation described in the complaint;
7. A description of the complaint process, including, without limitation, the time within which respondent must serve an answer to the complaint and the place to which the answer must be served; and
8. The name of the Board Agent who performed the investigation.

**4.075 Service of complaint.** The Board shall serve the complaint in the manner prescribed by NRS 678A.520(1). The Board may serve the complaint by registered or certified mail, or may utilize the services of the Board by referring the complaint to a Board Agent for personal service. Proof of service may be provided by a certificate or affidavit of service, which shall be signed by

the person effecting service and which shall specify the date and manner of service.

#### **4.080 Prohibition of ex parte communications.**

1. Unless required for the disposition of ex parte matters authorized by law:
  - (a) A party or the party's representative shall not communicate, directly or indirectly, in connection with any issue of fact or law related to a proceeding under this regulation, with any member of the Board, except upon notice and opportunity to all parties to participate; and
  - (b) A member of the Board shall not communicate, directly or indirectly, in connection with any issue of fact or law related to a proceeding under this regulation, with any party or any party's representative, except upon notice and opportunity to all parties to participate.
2. This section shall not preclude:
  - (a) Any member of the Board from consulting with Board counsel or supervisory counsel concerning any matter before the Board; or
  - (b) A party or a party's representative from conferring with the Chair or Board counsel concerning procedural matters that do not involve issues of fact or law related to the proceeding.
3. A party or a party's representative may discuss, with counsel only, issues of fact or law in conjunction with potential case settlement.

#### **4.085 Delegation to Chair.**

1. Pursuant to NCCR 2.020, the Chair may issue rulings on discovery matters, scheduling matters, protective orders, the admissibility of evidence, and other procedural or prehearing matters that are not dispositive of the case or any portion thereof. The Chair's rulings are subject to consideration by the entire Board upon the request of any Board member, or upon motion of a party or person affected by the ruling, as provided in NCCR 2.020. The failure of such party or person to move for such consideration, shall not be deemed to be consent to the ruling, nor waiver of any objections previously made regarding the ruling, for the purpose of judicial review.
2. The Chair may alter any of the time periods provided by this regulation, upon the Chair's own initiative or upon motion by a party or other person affected, for good cause shown.

#### **4.090 Appearance through counsel.**

1. Parties to proceedings governed by this regulation may appear personally or through an attorney, except that the parties must personally attend any hearing on the merits unless such attendance has been waived pursuant to NCCR 2.
2. When a party has appeared through an attorney, service of all notices, motions, orders, decisions, and other papers shall thereafter be made upon the attorney.
3. When a party is represented by an attorney, the attorney shall sign all motions, oppositions, notices, requests, and other papers on behalf of the party, including requests for subpoenas.
4. An attorney may withdraw from representing a person upon notice to the person or licensee, and the Board. The notice must include the reason for the requested withdrawal. The attorney must notify the person or licensee of an opportunity to object to the withdrawal. If the party or licensee objects to the withdrawal, the person or licensee must so notify the Board. The Board may deny the request if there may be an unreasonable delay in the case or the substantial rights of the person or licensee may be prejudiced.
5. If the Board finds that an attorney has violated any provision of this section, the Board may bar the attorney from participating in the case or may impose such other sanctions as the Board deems appropriate.
6. A person or licensee subject to a hearing pursuant to this chapter is responsible for all costs related to the presentation of the defense.

#### **4.095 Early case conference and hearing.**

1. Within 10 days after the respondent answers the complaint pursuant to NRS 678A.520 and demands a hearing or if the Board orders a hearing even if the respondent waives his or her right to a hearing, the parties shall hold an early case conference at which the parties and a hearing

officer employed by the Board or a delegated member of the Board, a panel of the Board, or the Board must preside. At the early case conference, the parties shall in good faith:

(a) Set the earliest possible hearing date agreeable to the parties and the hearing officer, a delegated member of the Board, panel of the Board, or the Board, including the estimated duration of the hearing no later than 45 days after receiving the respondent's answer unless an expedited hearing is determined to be appropriate;

(b) Set dates:

(1) By which all documents must be exchanged;

(2) By which witness lists must be exchanged;

(3) By which all prehearing motions and responses thereto must be filed; and

(4) For any other foreseeable actions that may be required for the matter;

(c) Discuss or attempt to resolve all or any portion of the evidentiary or legal issues in the matter;

(d) Discuss the potential for settlement of the matter on terms agreeable to the parties; and

(e) Discuss and deliberate any other issues that may facilitate the timely and fair conduct of the matter.

2. A formal hearing must be held at the time and date set at the early case conference by:

(a) The Board;

(b) A hearing officer; or

(c) A panel of three members of the Board.

3. The hearing will be conducted as set forth in NRS 678A.540. If the hearing is held before a hearing officer or panel of the Board, the hearing officer or panel shall issue, within 30 days of the last date of the hearing, findings of fact and conclusions of law for the Board's review pursuant to NCCR 4.135(1).

4. For purposes of NRS 678A.550 and the regulations regarding conduct of a hearing, a Board member shall be deemed present at a hearing when said Board member has reviewed the full written or audio transcript of the hearing and all evidence submitted at the hearing.

#### **4.100 Reinstatement of license or cannabis establishment agent registration card: Application; conditions, limitations or restrictions upon reinstatement; denial.**

1. If a person applies for reinstatement of a license or cannabis establishment agent registration card that has been revoked pursuant to this chapter, the person shall:

(a) Submit an application on a form supplied by the Board.

(b) Satisfy all the current requirements for the issuance of an initial license or cannabis establishment agent registration card.

(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 relating to cannabis, 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 or cannabis establishment agent registration card prescribed by the Board.

2. The Board will consider each application for reinstatement of a license or cannabis establishment agent registration card submitted pursuant to this section. In determining whether to reinstate the license or cannabis establishment agent registration card, the Board will consider the following criteria:

(a) The severity of the act resulting in the revocation of the license or cannabis establishment agent registration card.

(b) The conduct of the person after the revocation of the license or cannabis establishment agent registration card.

(c) The amount of time elapsed since the revocation of the license or cannabis establishment agent registration card.

(d) The veracity of the attestations made by the person pursuant to subsection 1.

(e) The degree of compliance by the person with any additional requirements for reinstatement of the license or cannabis establishment agent registration card prescribed by the Board.

(f) The degree of rehabilitation demonstrated by the person.

3. If the Board reinstates the license or cannabis establishment agent registration card, the Board may place any conditions, limitations or restrictions on the license or cannabis establishment agent registration card as it deems necessary.

4. The Board may deny reinstatement of the license or cannabis establishment agent registration card if the person fails to comply with any provisions of this section.

5. This section shall not be interpreted to give any party or other person a right to reinstatement of the license or cannabis establishment agent registration card.

#### **4.105 Grounds for summary suspension; notice; request for hearing.**

1. If, due to the actions of a cannabis establishment, there could be an impairment of the health and safety of the public, the Executive Director, or the Deputy Director in his absence, will convene an emergency Board meeting telephonically.

2. Pursuant to subsection 3 of NRS 233B.127, if the Board finds that the public health, safety or welfare imperatively requires emergency action, the Board may issue an order of summary suspension of the license of a cannabis establishment or a cannabis establishment agent registration card pending proceedings for revocation or other action. An order of summary suspension issued by the Board must contain findings of the exigent circumstances which warrant the issuance of the order of summary suspension, and a suspension under such an order is effective immediately.

3. The Board will give notice to a licensee or person that is subject to an order of summary suspension of the facts or conduct that warrant the order and the deficiencies that must be corrected to lift the order. A cannabis establishment whose license has been suspended pursuant to section 2 shall develop a plan of correction for each deficiency and submit the plan to the Board for approval within 10 business days after receipt of the order of summary suspension. The plan of correction must include specific requirements for corrective action, which must include times within which the deficiencies are to be corrected. A licensee or person that is subject to an order of summary suspension shall not operate until the Board or its designee has confirmed that the deficiencies identified in the order have been corrected.

4. If the plan submitted pursuant to section 3 is not acceptable to the Board or its designee, the Board may direct the cannabis establishment to resubmit a plan of correction or the Board may develop a directed plan of correction with which the cannabis establishment must comply. The Board's acceptance of a plan of correction does not preclude the Board from assessing fines and/or pursuing disciplinary action against the licensee for any violations connected with the suspension.

5. A licensee or person that is subject to an order of summary suspension may request a hearing regarding the order within 10 business days after the order is issued. A hearing on the summary suspension must be held within 30 days after that request for hearing.

#### **4.110 Discovery: mandatory exchanges.**

1. Within 20 calendar days after the service of the answer by the first answering respondent, and thereafter as each respondent answers the complaint, the parties shall confer for the purpose of complying with subsection 3 of this section.

2. Within 5 calendar days after a request for hearing regarding an order of summary suspension, the parties shall confer for the purpose of complying with subsection 3 of this section.

3. At each conference the parties shall:

(a) Exchange copies of all documents and other evidence then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief; and

(b) Exchange written lists of persons each party then intends to call as a material witness in support of that party's case in chief. Each witness shall be identified by name, if known, position, business address, and a brief description of the purpose for which the witness will be



called. If no business address is available, the party shall provide a home address for the witness, or shall make the witness available for service of process. For the purpose of this paragraph, a “material witness” is a person whose testimony relates to a genuine issue in dispute which might affect the outcome of the proceeding.

4. The investigative file for a case is not discoverable unless Board counsel 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 person. Discovery of the investigative file is limited to solely to those documents the Board Counsel intends to use as evidence in support of its case, as disclosed prior to the hearing.

5. A party may not serve any written discovery on another party, inclusive of interrogatories, requests for production, requests for admissions and/or depositions by written questions.

6. Pursuant to NRS 678A.530(2), a party may take the deposition of a material witness.

(a) A party who wishes to take a deposition of a material witness must request such a deposition at any early case conference held in the matter or submit a written application at least 30 days before the hearing. The application must:

- (1) Set forth the reason why the deposition is necessary; and
- (2) Be accompanied by the appropriate orders for deposition.

(b) A material witness is a witness who has percipient knowledge of the alleged misconduct of the licensee. If there is any dispute as to whether a particular witness is material, such dispute shall be submitted to the Chair or hearing officer and they shall rule on whether such witness is material.

(c) The Chair or the hearing officer shall approve or deny the application within 5 days after the receipt of the application.

(d) If a material witness deposition is allowed it shall be conducted in accordance with the Nevada rules of civil procedure and not last more than one day/seven hours unless good cause is shown.

(e) Depositions of non-material witnesses may be permitted in two very limited circumstances:

- (1) If the potential witnesses resides outside of Nevada; or
- (2) If the witness is not available to testify during the hearing.

(f) If the parties cannot agree on whether a non-material witness can be deposed, such dispute shall be submitted to the Chair or the hearing officer and they shall rule on this issue, taking into account whether the burden and expense of the proposed deposition outweighs its likely benefit.

7. It shall be a continuing obligation of the parties to produce documents, witness lists, and other matters governed by this section as such become identified by and available to the parties. A party may amend its responses to the requirements of this section by informing the adverse party that documents previously produced or witnesses previously listed, will not be introduced in that party’s case in chief.

**4.115 Continuances and recesses.** The Board may, for good cause shown, either before or during a hearing, grant continuances or recesses and may consider a stipulation by the parties to a continuance of the hearing.

**4.120 Burden and standard of proof. The Board has the burden of proof, and the standard of proof is a preponderance of the evidence as defined in NRS 233B.0375.** If a licensee fails to create and/or maintain any documents, records, surveillance video, and/or any other items required pursuant to these regulations and Title 56 of NRS, that failure shall create a rebuttal presumption that such items would be harmful to that licensee’s case at any disciplinary proceeding against the licensee.

#### **4.125 Motions.**

1. All motions shall be in writing, unless made during a hearing.
2. A motion shall state with particularity the grounds therefore, shall be supported by a memorandum of points and authorities, and shall set forth the relief or order sought.
3. Every written motion shall be filed with the Board and served by the moving party upon the adverse party or as the Chair directs.
4. An opposing party shall have 10 calendar days after service of the motion within which to file and serve a memorandum of points and authorities in opposition to the motion.
5. The moving party shall have 5 calendar days after service of the opposing memorandum to serve and file a reply memorandum of points and authorities if the moving party so desires.
6. If a motion or opposition is served by mail, 3 calendar days shall be added to the time periods specified herein for response.
7. The failure of a moving party to file a memorandum of points and authorities in support of a motion shall constitute consent to the denial of the motion. The failure of an opposing party to file a memorandum of points and authorities in opposition to any motion shall constitute consent to the granting of the motion.

#### **4.130 Subpoenas.**

1. The executive assistant shall issue subpoenas, including subpoenas duces tecum, upon the request of a party, in accordance with this section.
2. Subpoenas may be issued only for the following purposes:
  - (a) To compel a nonparty witness to appear and give oral testimony at a deposition as provided by NRS 678A.530(2); and
  - (b) To compel any person to appear at the hearing on the merits of the case, to give oral testimony alone, or to produce documents or other tangible things.
3. Subpoenas shall be submitted to the executive assistant for issuance on a form approved by the Chair. Concurrently with the submission of the subpoena to the executive assistant, the requesting party shall serve a copy on all other parties to the proceeding, and shall file proof of such service with the Board.
4. Subpoenas will not be issued in blank. A subpoena submitted for issuance must contain the title and number of the case, the name of the person to whom it will be directed, the date, time, and place of the hearing or deposition, and the name and signature of the requesting party or the requesting party's attorney. A subpoena duces tecum must in addition contain a complete description of specific documents or other tangible things that the witness will be required to produce at the hearing.
5. Unless the witness agrees otherwise, a subpoena issued for the purpose provided by subsection 2(b) must be served by the requesting party at least 10 calendar days prior to the hearing or deposition. A subpoena will be issued during the hearing or upon less than 10 days notice only upon order of the Board for reasonable cause shown by the requesting party.

#### **4.135 Disposition of charges: Adjudication by Board.**

1. Prior to the adjudication, at least three members of the Board shall review a full transcript of the hearing or the phonographic recording of the hearing to ensure they have heard all the evidence presented and shall review the findings of fact and conclusions of law submitted after the hearing.
2. At the adjudication, the Board shall consider any findings of fact and conclusions of law submitted after the hearing and shall allow:
  - (a) Counsel for the Board to present a disciplinary recommendation and argument in support of the disciplinary recommendation;
  - (b) The respondent or counsel of the respondent to present a disciplinary recommendation and argument in support of the disciplinary recommendation; and
  - (c) The Board may limit the time within which the parties and the complainant may make their arguments and statements.

3. At the conclusion of the presentations of the parties, the Board shall deliberate and may by a majority vote impose discipline based upon the evidence, findings of fact and conclusions of law and the presentations of the parties.

4. If the Board finds that a violation has occurred, it shall by order any and all discipline authorized by this Chapter and Title 56 of the NRS.

5. Within 30 days after the conclusion of the adjudication by the Board, the Board shall issue a final order, that imposes discipline and incorporates the findings of fact and conclusions of law obtained from the hearing. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

#### **4.140 Declaratory orders and advisory opinions.**

1. Any applicant for licensure, licensed cannabis establishment, or holder of registry identification card may obtain a determination or advisory opinion from the Board as to the applicability of any provision of chapters 678A through 678D of NRS or any regulation adopted pursuant thereto by bringing a petition for a declaratory ruling before the Board. No other persons or entities may petition the Board for a declaratory ruling.

2. A declaratory ruling is an extraordinary remedy that will be considered by the Board only when the objective of the petitioner cannot reasonably be achieved by other means and when the ruling would be significant to the regulation of cannabis. The Board will construe any statute or regulation reviewed pursuant to this section in a manner consistent with the declared policy of the State of Nevada.

3. A petition for a declaratory ruling shall be filed with the Executive Director, together with a nonrefundable filing fee in the amount of \$500.00.

4. The petition for a declaratory ruling must contain:

(a) The name, business address and telephone number of the petitioner;

(b) A statement of the nature of the interest of the petitioner in obtaining the declaratory ruling;

(c) A statement identifying the specific statute or regulation in question;

(d) A clear and concise statement of the interpretation or position of the petitioner relative to the statute or regulation order in question;

(e) A description of any contrary interpretation, position or practice that gives rise to the petition;

(f) A statement of the facts and law that support the interpretation of the petitioner, along with a table of legal authorities;

(g) A statement showing why the subject matter is appropriate for Board action in the form of a declaratory ruling and why the objective of the petitioner cannot reasonably be achieved by other administrative remedy;

(h) A statement identifying all persons or groups who the petitioner believes will be affected by the declaratory ruling, including the cannabis industry as a whole, and the manner in which the petitioner believes each person will be affected; and

(i) The signature of the petitioner or the petitioner's legal representative.

5. A petitioner may not file a petition for declaratory ruling involving questions or matters that are issues in a disciplinary action or civil penalty action with the Board in which the petitioner is a party or has a financial and/or ownership interest in a party

6. The Board will consider a petition for declaratory ruling at the next scheduled Board meeting, provided that the petition is filed with the Executive Director 15 calendar days prior to that scheduled Board meeting. If the petition is not filed with the Executive Director 15 calendar days prior to next scheduled Board meeting, the petition will be considered at the following scheduled Board meeting.

7. In considering a petition for a declaratory ruling at the Board's meeting, the Board, by majority vote of the members, may take any of the following actions:

(a) Dismiss the petition and close the case;

(b) Order a hearing with oral argument on the petition and set a date for said hearing, which may be at a subsequently scheduled Board meeting;

(c) Issue an order permitting any other licensee or applicant to file a brief supporting or opposing the petition. If the Board chooses this option, supporting or opposing briefs shall be due 10 calendar days after the Board meeting during which the petition is considered and any reply briefs shall be due 5 calendar days thereafter. All such briefs must be timely filed and served on the Executive Director and the other parties involved, or will not be considered. Each such brief must be accompanied by a non-refundable filing fee of \$250;

(d) After hearing the petition and reviewing any additional briefing (if applicable), issue an order granting, denying, or granting in part and denying in part, the petition.

8. The petitioner may not obtain judicial review of any Board order entered pursuant to this regulation.

9. The petitioner, or any other party filing a brief under subsection 7(c), may request a waiver of the filing fee pursuant to a showing of financial hardship.

#### **4.145 Adoption, amendment or repeal of a regulation.**

1. Any interested party may petition the Board to request the adoption, amendment or repeal of a regulation under NCCR pursuant to NRS 678A.460(1)(d).

2. The Board will construe any such petition pursuant to this section in a manner consistent with the declared policy of the State of Nevada.

3. A petition to the Board to request the adoption, amendment or repeal of a regulation shall be filed with the Executive Director, together with a nonrefundable filing fee in the amount of \$500.00.

4. The petition to request the adoption, amendment or repeal of a regulation must contain:

(a) The name, business address and telephone number of the petitioner;

(b) A statement of the substance or nature of the regulation, amendment or repeal requested;

(c) A statement identifying the specific regulation in question;

(d) A clearly drafted proposed new regulation to be adopted, a clearly drafted amendment to a specific regulation or a detailed statement of what regulation is to be repealed and why, depending on the specific request;

(e) A statement identifying all persons or groups who the petitioner believes will be affected by the adoption, amendment or repeal of a regulation, including the cannabis industry as a whole, and the manner in which the petitioner believes each person will be affected; and

(f) The signature of the petitioner or the petitioner's legal representative.

5. A petitioner may not file a petition for adoption, amendment or repeal of a regulation that involves regulations that are issues in a disciplinary action or civil penalty action with the Board in which the petitioner is a party or has a financial and/or ownership interest in a party.

6. The Board will consider a petition for adoption, amendment or repeal of a regulation at the next scheduled Board meeting, provided that the petition is filed with the Executive Director 15 calendar days prior to that scheduled Board meeting. If the petition is not filed with the Executive Director 15 calendar days prior to next scheduled Board meeting, the petition will be considered at the following scheduled Board meeting.

7. In considering a petition for adoption, amendment or repeal of a regulation at the Board's meeting, the Board, by majority vote of the members, may take any of the following actions:

(a) Dismiss the petition with no action taken;

(b) Refer the petition to the Cannabis Advisory Commission for consideration and recommendations;

(c) Order a hearing with oral argument on the petition and set a date for said hearing, which may be at a subsequently scheduled Board meeting;

(d) Issue an order permitting any other licensee or applicant to file a brief supporting or opposing the petition. If the Board chooses this option, supporting or opposing briefs shall be due 10 calendar days after the Board meeting during which the petition is considered and any reply briefs shall be due 5 calendar days thereafter. All such briefs must be timely filed and

served on the Executive Director and the other parties involved, or will not be considered. Each such brief must be accompanied by a non-refundable filing fee of \$250;

(e) After hearing the petition and reviewing any additional briefing (if applicable), issue an order granting, denying, or granting in part and denying in part, the petition.

8. The petitioner may not obtain judicial review of any Board order entered pursuant to this regulation.

9. The petitioner, or any other party filing a brief under subsection 7(d), may request a waiver of the filing fee pursuant to a showing of financial hardship.

## **REGULATION 5**

### **LICENSING, BACKGROUND CHECKS, AND REGISTRATION CARDS**

#### **5.000 Application process.**

1. It is declared policy of Nevada that all cannabis establishments, are licensed and controlled so as to better protect the public health, safety, morals, good order and welfare of inhabitants and to preserve the competitive economy and the policies of free competition of the State of Nevada. Any cannabis establishment license, business license, agent card, or approval by the Board pursuant to the provisions of chapters 678A-D of NRS is a revocable privilege, and no holder acquires any vested right therein or thereunder. No applicant for a license or other affirmative Board approval has any right to a license or the granting of the approval sought.

2. An application for a cannabis establishment license, business license, agent card, or approval by the Board is seeking the granting of a privilege, and the burden of proving the applicant's qualification to receive any license is at all times on the applicant. An applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action or financial loss which may result from action with respect to an application and expressly waive any claim for damages as a result thereof.

3. An application for a cannabis establishment license, business license, agent card, or approval by the Board, shall constitute a request to the Board for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the cannabis industry in the manner or position sought by the application; and, by filing an application with the Board, the applicant specifically consents to the making of such a decision by the Board at their election when the application, after filing, becomes moot for any reason other than death.

4. A request for withdrawal of an application may be made at any time prior to final action upon the application by the Board by filing a written request to withdraw with the Board. Final action by the Board upon an application occurs when the Board adopts its conclusion regarding the application. Unless any Board member directs a request for withdrawal be placed on an agenda for action, the Board Chair may, in the Chair's discretion, grant the request for withdrawal without prejudice. The Board may, in its discretion, deny the request, or grant the request with or without prejudice. If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of 1 year from the date of such withdrawal.

5. After completion of its investigation and proceedings respecting an application, the Board will issue the approval or denial of the application. If the Board denies an application, the denial will be accompanied by written reasons upon which the denial is based. All such denials and reasons will be made public, and no denial will be secret. Any person whose application has been denied is not eligible to apply again for licensing or approval until after expiration of 1 year from the date of such denial, unless the Board determines in its discretion otherwise.

#### **5.010 Designation of persons responsible for providing information, signing documents and ensuring certain actions are taken.**

1. When a cannabis establishment is required pursuant to this chapter or chapter 678B of NRS to provide information, sign documents, accept service of complaints or notification of violations,

or ensure actions are taken, the persons identified in this subsection shall comply with the requirement on behalf of the cannabis establishment:

- (a) If a natural person is applying for a license for a cannabis establishment, the natural person;
- (b) If a corporation is applying for a license for a cannabis establishment, a natural person who is an officer of the corporation;
- (c) If a limited partnership is applying for a license for a cannabis establishment, a natural person who is a partner;
- (d) If a limited-liability company is applying for a license for a cannabis establishment, a manager or, if the limited-liability company does not have a manager, a natural person who is a member of the limited-liability company;
- (e) If an association or cooperative is applying for a license for a cannabis establishment, a natural person who is a member of the governing board of the association or cooperative;
- (f) If a joint venture is applying for a license for a cannabis establishment, a natural person who signed the joint venture agreement;
- (g) If a trust is applying for a license for a cannabis establishment, a natural person who is a trustee of the trust; and
- (h) If a business organization other than those described in paragraphs (b) to (g), inclusive, is applying for a license for a cannabis establishment, a natural person who is a member of the business organization.

2. For the purposes of this chapter and chapter 678B of NRS, the following persons must comply with the provisions governing owners, officers and board members of a cannabis establishment:

- (a) If a corporation is applying for a license for a cannabis establishment, the shareholders, officers, and board members of the corporation;
- (b) If a limited partnership is applying for a license for a cannabis establishment, the partners;
- (c) If a limited-liability company is applying for a license for a cannabis establishment, the members and managers of the limited-liability company;
- (d) If an association or cooperative is applying for a license for a cannabis establishment, the members of the association or cooperative;
- (e) If a joint venture is applying for a license for a cannabis establishment, the natural persons who signed the joint venture agreement;
- (f) If a trust is applying for a license for a cannabis establishment, the trustees of the trust, and
- (g) If a business organization other than those described in paragraphs (a) to (f), inclusive, is applying for a license for a cannabis establishment, the members of the business organization.

#### **5.015 Qualifications for licensure.**

1. In addition to the considerations in NRS 678B.200 and NRS 678B.280, the Board may consider the following in determining whether any person qualifies to receive a license under the provisions of chapter 678B of the NRS:

- (a) The adequacy of the person's business competence and experience for the role or position for which application is made;
- (b) The unsuitable affiliates of the person applying for the license even if the person is found suitable by the Board, but associates with, or controls, or is controlled by, or is under common control with, an unsuitable person;
- (c) The adequacy of the proposed funding for the nature of the proposed operations; and
- (d) The suitability of the source of funding unless the person satisfies the Board that the source of funding:
  - (1) Is a person of good character, honesty, and integrity;
  - (2) Is a person whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its cannabis industry; and

(e) The Board may consider any other qualifications or behavior of the person that the Board determines is inconsistent with the declared policy of the State.

**5.020 Request for applications to operate establishment: Notice by Board; required provisions; time period for submission of applications.**

1. As often as the Board deems necessary, the Board will determine whether a sufficient number of cannabis establishments exist to serve the people of this State and, if the Board determines that additional cannabis establishments are necessary, the Board will issue a request for applications to operate a cannabis establishment. The Board will provide notice of a request for applications to operate a cannabis establishment by:

(a) Posting on the Internet website of the Board that the Board is requesting applicants to submit applications;

(b) Posting a copy of the request for applications at the principal office of the Board, at the Legislative Building and at not less than three other separate, prominent places within this State; and

(c) Making notification of the posting locations using the electronic mailing list maintained by the Board for cannabis establishment information.

2. When the Board issues a request for applications pursuant to this section, the Board will include in the request the point values that will be allocated to each applicable portion of the application.

3. The Board will accept applications in response to a request for applications issued pursuant to this section for 10 business days beginning on the date which is 45 business days after the date on which the Board issued the request for applications and will specify the exact dates on which applications will be accepted. The applicants must strictly adhere to the instructions the Board provides for submittal of each application.

4. If the Board receives an application in response to a request for applications issued pursuant to this section on a date other than the dates set forth in subsection 3, the Board will not consider the application and must return the application to the entity that submitted the application.

**5.025 Submission of application by person who holds medical cannabis establishment registration certificate for cannabis establishment of same type; issuance of license; refund of fee if application not approved.** The Board may consider an application by a person who already holds a medical cannabis establishment license for no more than one license for a cannabis establishment of the same type if the person must meet all requirements of the NCCR and Title 56 of the NRS.

**5.030 Submission of application by person who holds medical cannabis establishment registration license for cannabis establishment of same type or different type; submission of application by person in response to request for applications.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on how a person who holds medical cannabis establishment license will submit an application for a cannabis establishment of same type or different type in response to a request by the Board pursuant to NCCR 5.020.

**5.035 Request by the board of county commissioners of the county to increase percentage of total number of medical cannabis dispensaries.** Upon request by the board of county commissioners of the county to increase percentage of total number of medical cannabis dispensaries to more than 25 percent pursuant to NRS 678B.230, the board of county commissioners of the county must:

1. Submit the request on the form prescribed by the Board;

2. Provide all information on the form prescribed by the Board, including but not limited to, the following:

(a) The reason for the request to increase the percentage of total number of medical cannabis dispensaries; and

(b) The amount of percentage increase requested.

3. The Board may deny a request to increase percentage of total number of medical cannabis dispensaries if the Board finds the proposed percentage increase will not promote the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State.

**5.040 Licensing of cannabis establishments: Criteria of merit; relative weight.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on how the Board will determine the ranking of the applications made in response to a request by the Board pursuant to NCCR 5.020.

**5.045 Ranking of applications for retail cannabis store; proportional allocation of licenses for retail cannabis stores within each county; notification to locality of acceptance of applicants; prevention of monopolistic practices; revision or disqualification of application for criminal history of applicant or other person named in application.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on how the Board will determine the ranking of the applications made in response to a request by the Board pursuant to NCCR 5.020.

**5.050 Request by applicant for ranked application score; request to review scoring information; designation of Board employee to respond to request; maintenance of information in application file.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on how an applicant may review the scoring of an application made in response to a request by the Board pursuant to NCCR 5.020.

**5.055 Issuance of license if Board receives only one application in response to request for applications; notification to locality.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on how the Board will handle only one application made in response to a request by the Board pursuant to NCCR 5.020.

**5.060 Issuance of license is conditional until certain requirements for approval to begin operations are satisfied.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on conditional licenses issued in response to a request by the Board pursuant to NCCR 5.020.

**5.065 Written notice of denial of application.** Prior to requesting applications pursuant to NCCR 5.020, the Board will promulgate regulations on how written notice of a denial of application is given in response to a request by the Board pursuant to NCCR 5.020.

**5.070 Inspections.**

1. Board Agents or the Executive Director may, at any time they determine an inspection is needed, conduct an investigation into the premises, facilities, qualifications of personnel, methods of operation, policies and procedures of any cannabis establishment and of any person proposing to engage in the operation of a cannabis establishment. An inspection of a facility may include, without limitation, investigation of standards for safety from fire on behalf of the Board by the local fire protection agency. If a local fire protection agency is not available, the State Fire Marshal may conduct the inspection after the cannabis establishment pays the appropriate fee to the State Fire Marshal for such inspection.

2. The Board will not issue a license for a cannabis establishment until the Board Agents complete an inspection of the cannabis establishment. Such an inspection may require more than one visit to the cannabis establishment.

3. Board Agents may conduct a preliminary walk-through of a cannabis establishment, upon request and subject to the availability of inspectors, to assist with questions and identify



issues for correction before the inspection of the cannabis establishment. Before requesting a preliminary walk-through, a cannabis establishment must complete all construction and be near completion of all other requirements of the laws and regulations of this State. If a Board Agent conducts a preliminary walk-through at the request of a cannabis establishment, the Board will issue an invoice to the cannabis establishment for the costs of the preliminary walk-through, including, without limitation, travel and inspection activities.

4. In addition to complying with the provisions of chapters 372A and 678B of NRS and chapter 372A of NAC governing the imposition of an excise tax on cannabis establishments, a cannabis establishment may not operate until it has been issued a license from the Board.

5. The Board will not issue a license for a cannabis establishment until the Board has received a satisfactory report of full compliance with and completion of all applicable public safety inspections required by state and local jurisdictions, including, without limitation, fire, building, health and air quality inspections, except as otherwise provided in NCCR 5.075.

**5.075 Authority of Board and Executive Director relating to inspections and investigations, summoning of witnesses and issuance of subpoenas, administration of oaths and administration of provisions of chapter.**

1. Submission of an application for a license for a cannabis establishment constitutes permission for entry to and reasonable inspection of the cannabis establishment by the Board and Board Agents, with or without notice. An inspector conducting an inspection pursuant to this section does not need to be accompanied during the inspection.

2. The Executive Director may, upon receipt of a complaint against a cannabis establishment, except for a complaint concerning the cost of services, a complaint concerning the efficacy of cannabis or a complaint related to consumer service issues, conduct an investigation during the operating hours of the cannabis establishment, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation, policies, procedures and records of that cannabis establishment or any other cannabis establishment which may have information pertinent to the complaint.

3. Board Agents may enter and inspect any building or premises at any time, with or without notice, to:

- (a) Secure compliance with any provision of the NCCR or Title 56 of NRS;
- (b) Prevent a violation of any provision of the NCCR or Title 56 of NRS; or
- (c) Conduct an unannounced inspection of a cannabis establishment in response to an allegation of noncompliance with the NCCR or Title 56 of NRS.

4. The Board may:

(a) Summon witnesses to appear and testify on any subject material to its responsibilities under this chapter or Title 56 of NRS. No property owner and no officer, director, superintendent, manager or agent of any company or corporation, whose property is wholly in one county, shall be required to appear, without his or her consent, at a place other than the county seat or at the nearest town to his or her place of residence or the principal place of business of such company or corporation. Such summons may be served by personal service by the Executive Director or his or her agent or by the sheriff of the county.

(b) Except as otherwise provided in this paragraph, issue subpoenas to compel the attendance of witnesses and the production of books and papers and may seek to enforce the subpoenas by petition to any court of competent jurisdiction in the manner provided by law. The Board will not issue a subpoena to compel the production of books and papers that contain individually identifiable health information.

5. Any member of the Board, the Executive Director or any officer of the Board designated by the Board or Executive Director may administer oaths to witnesses.

6. The Board and Board Agents may:

- (a) Inspect and examine all premises wherein cannabis is manufactured, sold or distributed;
- (b) Inspect all equipment and supplies in, upon or about such premises;

(c) Summarily seize and remove from such premises any cannabis or cannabis products and impound any equipment, supplies, documents or records for the purpose of examination and inspection;

(d) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any applicant or licensee, on his or her premises, or elsewhere as practicable, and in the presence of the applicant or licensee, or his or her agent, relating to the gross income produced by any cannabis establishment, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of this chapter or any chapter of Title 56 of NRS; and

(e) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any affiliate of a licensee whom the Board knows or reasonably suspects is involved in the financing, operation or management of the licensee. The inspection, examination, photocopying and audit may take place on the premises of the affiliate or another location, as practicable, and in the presence of the affiliate or its agent.

7. Board Agents will enter and inspect at least annually, with or without notice, each building or the premises of a cannabis establishment to ensure compliance with the provisions of this chapter and Title 56 of NRS. Nothing in this subsection shall be construed to prohibit an appropriate local administrative authority from conducting an inspection of the facilities or operations of a cannabis establishment as provided by the ordinance of a local government.

8. Board Agents will enter and inspect, with or without notice, any building or premises operated by a cannabis establishment within 72 hours after the Board is notified that the cannabis establishment is operating without a license for the cannabis establishment.

9. Board Agents will inspect the medical cannabis establishment and the cannabis establishment of a dual licensee at the same time using the same inspection team to ensure consistency and efficiency. Board Agents will conduct such an inspection in a manner which is not unduly burdensome for the dual licensee.

10. The Board or Board Agents may consult with any person or entity, as needed, in any of the Board's audits, inspections, and/or investigations. This includes, but is not limited to, allowing such persons or staff from said entities to accompany Board Agents during inspections, and/or investigations.

11. The Board will administer the provisions of the NCCR and Title 56 of NRS for the protection of the public and in the public interest in accordance with the policy of this State.

12. As used in this section, "individually identifiable health information" means information which identifies a natural person, or from which the identity of a natural person may reasonably be ascertained, and which relates to:

- (a) The past, present or future physical or mental health or condition of the person; or
- (b) The provision of health care to the person.

**5.085 Surrender of license if cannabis establishment has not received final inspection; extension of time for final inspection; fee not refundable.**

1. If a cannabis establishment has not received a final inspection within 12 months after the date on which the Board issued a license to the cannabis establishment, the cannabis establishment must surrender the license to the Board. The Board may extend the period specified in this subsection if the Board, in its discretion, determines that extenuating circumstances prevented the cannabis establishment from receiving a final inspection within the period specified in this subsection.

2. If a cannabis establishment surrenders a license to the Board pursuant to this section, the applicable licensing fee paid by the cannabis establishment is not refundable.

**5.090 Notification to Board if cannabis establishment is closing; immediate surrender of license upon permanent closure.** If a cannabis establishment is closing, the person identified in subsection 1 of NCCR 2.050 for the cannabis establishment must notify the Board of the closing

at least 15 days before the cannabis establishment is closed. If the intent is to permanently close the cannabis establishment it must surrender its license to the Board immediately upon closing.

**5.095 Renewal of license.** A person or entity that wishes to renew a license for a cannabis establishment must annually submit to the Board:

1. Payment of the annual licensing fee for the renewal of the license. Payment must include the identification numbers of the establishment and the name of the entity applying to renew the license.
2. Any such other information required by the Board upon request.

**5.100 Grounds for denial of issuance or renewal of license; grounds for revocation of license; notice; opportunity to correct situation.**

1. The Board will deny an application for the issuance or renewal of a license for a cannabis establishment if:

- (a) The application or the cannabis establishment is not in compliance with any provision of this chapter or Title 56 of NRS; or
- (b) An owner, officer or board member of the cannabis establishment:
  - (1) Is an employee or contractor of the Board;
  - (2) Has an ownership or financial investment interest in a cannabis testing facility and also is an owner, officer or board member of a cannabis cultivation facility, cannabis distributor, cannabis product manufacturing facility or retail cannabis store; or
  - (3) Intentionally provides information that the Board determines is false or misleading.

2. The Board may revoke a license for a cannabis establishment if:

- (a) The cannabis establishment engages in a category I violation pursuant to NCCR 4.035;
- (b) An owner, officer or board member of the cannabis establishment has been convicted of an excluded felony offense;
- (c) An owner, officer or board member of the cannabis establish unintentionally provides information that the Board determines is false or misleading; or
- (d) The Board receives formal notice from the applicable locality that the cannabis establishment has had its authorization to operate terminated.

3. The Board may deny an application for the issuance or renewal of a license for a cannabis establishment or may suspend or revoke any license issued under the provisions of this chapter and Title 56 of NRS upon any of the following grounds:

- (a) Violation by the applicant or the cannabis establishment of any of the provisions of this chapter or Title 56 of NRS.
- (b) The failure or refusal of an applicant or cannabis establishment to comply with any of the provisions of this chapter or Title 56 of NRS.
- (c) The failure or refusal of a cannabis establishment to carry out the policies and procedures or comply with the statements provided to the Board in the application of the cannabis establishment.
- (d) Operating a cannabis establishment without a license.
- (e) The failure or refusal to return an adequate plan of correction to the Board within 10 business days after receipt of a statement of deficiencies pursuant to NCCR 5.080.
- (f) The failure or refusal to correct any deficiency specified by the Board within the period specified in a plan of correction developed pursuant to NCCR 5.080.
- (g) The failure or refusal to cooperate fully with an investigation or inspection by the Board or Board Agents.
- (h) The failure to comply with the provisions of chapters 372A and Title 56 of NRS and chapter 372A of NAC governing the imposition of an excise tax on cannabis establishments.
- (i) An owner, officer or board member of the cannabis establish unintentionally provides information that the Board determines is false or misleading.

4. If the Board denies an application for issuance or renewal of a license for a cannabis establishment or revokes such a license, the Board will provide notice to the applicant or cannabis establishment that includes, without limitation, the specific reasons for the denial or revocation.

5. Before denying an application for issuance or renewal of a license for a cannabis establishment or revoking such a license as a result of the actions of an owner, officer or board member of the cannabis establishment pursuant to paragraph (b) of subsection 1 or paragraph (b) of subsection 2, the Board may provide the cannabis establishment with an opportunity to correct the situation.

6. The Board will not deny an application to renew a license for a cannabis establishment or revoke a license based on a change in ownership of the cannabis establishment if the cannabis establishment is in compliance with the provisions of the NCCR and Title 56 of NRS.

**5.110 Requirements for transfer of all or a portion of ownership interest; reimbursement of costs to Board; notice to Board; disclosure of facts pertaining to representative capacity of certain persons to Board; permission of Board required for registering certain information in the books and records of the cannabis establishment; investigation.**

1. A transfer of an ownership interest in any amount in a cannabis establishment is not effective until the Board has been notified on a form prescribed by the Board of the intent to transfer an ownership interest in the cannabis establishment and the Board has found that each person to whom an ownership interest is proposed to be transferred is individually qualified to be an owner of the cannabis establishment.

2. A cannabis establishment shall, in accordance with this section and upon submission of a statement signed by a person authorized to submit such a statement by the governing documents of the cannabis establishment, transfer all or any portion of its ownership to another party, and the Board shall transfer the license issued to the cannabis establishment to the party acquiring ownership, if the party who will acquire the ownership of the cannabis establishment submits:

(a) If the party will acquire the entirety of the ownership interest in the cannabis establishment, evidence satisfactory to the Board that the party has complied with the NCCR and Title 56 of the NRS for the purpose of operating the cannabis establishment;

(b) For the party and each person who is proposed to be an owner, officer or board member of the cannabis establishment, the name, address and date of birth of the person, a complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

(c) Proof satisfactory to the Board that, as a result of the transfer of ownership, no person, group of persons or entity will, in a county whose population is 100,000 or more, hold more than one license for a cannabis establishment or more than 10 percent of the licenses for cannabis establishments allocated to the county, whichever is greater.

3. A cannabis establishment shall reimburse the Board for all costs incurred by the Board and Board Agents to determine whether any change in ownership or other change was made to circumvent the provisions of this section which prohibit the transfer of a license for a cannabis establishment or to otherwise review or investigate a change in ownership.

4. A person shall not sell, purchase, assign, lease, grant or foreclose a security interest or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatsoever in or to any cannabis establishment or any portion thereof, whether the license for the cannabis establishment is conditional or not, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any cannabis establishment or any portion thereof, except in accordance with this chapter and Title 56 of NRS.

5. A cannabis establishment shall notify the Board, on a form prescribed by the Board, each time an ownership interest in any amount in the cannabis establishment is transferred. This form must be signed by:

- (a) All owners of the cannabis establishment; or
- (b) All officers of the cannabis establishment; or

(c) All board members of the cannabis establishment.

6. A person without a valid cannabis establishment agent registration card for a cannabis establishment shall notify the Board prior to any:

(a) Transfer or conveyance of any interest in or to a cannabis establishment, or any portion thereof; or

(b) investment therein; or

(c) exercise of a significant level of control over; or

(d) participation in the profits thereof

→by or to any person acting as agent or trustee or in any other representative capacity for or on behalf of another person. Such notification must disclose of all facts pertaining to such action, including, without limitation, a description of the reason for the transfer and any contract or other agreement describing the transaction. Such person must be issued a cannabis establishment agent registration card for the cannabis establishment at issue, on approval by the Board of the proposed action.

7. A cannabis establishment, or an owner, officer or board member thereof, shall not cause or permit any stock certificate or other evidence of beneficial interest in the cannabis establishment to be registered in the books or records of the cannabis establishment in the name of any person other than the true and lawful owner of the beneficial interest without the written permission of the Board.

8. If the person receiving an ownership interest is not a natural person, the recipient must disclose the percentage of the ownership interest in the cannabis establishment received by each person who has an ownership interest in the recipient.

9. A request to transfer an ownership interest in a cannabis establishment which holds a conditional license must be accompanied by a notarized attestation, signed by a person authorized to submit such an attestation by the governing documents of the cannabis establishment, declaring that the prospective owner will build and operate the cannabis establishment at standards that meet or exceed the criteria contained in the original application for the cannabis establishment.

10. The owners of a cannabis establishment may request the transfer of any portion or the entirety of the ownership interest in the cannabis establishment to any existing owner or combination of existing owners of the cannabis establishment by submitting to the Board:

(a) A completed Transfer of Interest Form prescribed by the Board;

(b) An affidavit by the owners of the cannabis establishment requesting the transfer affirming under oath that they are authorized to request the transfer of interest and all current owners and interested parties authorize and consent to the transfer of interest;

(c) All contracts or other agreements which describe the ownership transaction; and

(d) Proof satisfactory to the Board that no monopoly will be created.

11. The owners of a cannabis establishment may request the transfer of any portion or the entirety of the ownership interest in the cannabis establishment to any natural person who holds an ownership interest in another cannabis establishment or any person whose ownership interest is entirely held by natural persons who hold an ownership interest in another cannabis establishment by submitting to the Board:

(a) A completed Transfer of Interest Form prescribed by the Board;

(b) An affidavit by the owners of the cannabis establishment requesting the transfer affirming under oath that they are authorized to request the transfer of interest and all current owners and interested parties authorize and consent to the transfer of interest;

(c) All contracts or other agreements which describe the ownership transaction;

(d) Identification of each cannabis establishment in which any person who is proposed to receive an ownership interest in the cannabis establishment which is the subject of the request holds an ownership interest;

(e) A proposed organizational chart for the cannabis establishment which is the subject of the request;

(f) A copy of any document required to be filed with the Secretary of State, if applicable;

(g) A copy of any document required to be revised as a result of the proposed transfer relating to a fictitious name, if applicable;

(h) An updated description of all shares issued in the cannabis establishment and the shares issued per owner as a result of the proposed transfer, if applicable;

(i) A copy of a business license issued to the cannabis establishment by a locality which is revised to reflect the proposed transfer, if applicable; and

(j) Proof satisfactory to the Board that no monopoly will be created.

12. The owners of a cannabis establishment may request the transfer of any portion or the entirety of the ownership interest in the cannabis establishment to any natural person, regardless of whether the natural person holds an ownership interest in another cannabis establishment, or any person whose ownership interest is not entirely held by natural persons who hold an ownership interest in another cannabis establishment by submitting to the Board:

(a) A completed Transfer of Interest Form prescribed by the Board;

(b) An affidavit by the owners of the cannabis establishment requesting the transfer affirming under oath that they are authorized to request the transfer of interest and all current owners and interested parties authorize and consent to the transfer of interest;

(c) All contracts or other agreements which describe the ownership transaction;

(d) A complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(e) Proof that a complete application for a cannabis establishment agent registration card has been submitted for each person who will receive an ownership interest;

(f) A proposed organizational chart for the cannabis establishment;

(g) A copy of any document required to be filed with the Secretary of State, if applicable;

(h) A copy of any document required to be revised as a result of the proposed transfer relating to a fictitious name, if applicable;

(i) An updated description of all shares issued in the cannabis establishment and the shares issued per owner as a result of the proposed transfer, if applicable;

(j) A copy of a business license issued to the cannabis establishment by a locality which is revised to reflect the proposed transfer, if applicable; and

(k) Proof satisfactory to the Board that no monopoly will be created.

13. The Board Agents will conduct such investigation of a request submitted pursuant to subsection 10, 11 or 12 and of each person proposed to receive an ownership interest in a cannabis establishment as a result of such a request as the Board Agents determine is necessary. If the Board, as a result of such an investigation, determines additional information is necessary to complete the investigation, the cannabis establishment shall submit such information to the Board in a timely fashion. Upon completion of the investigation, the Board will:

(a) If the requested change in ownership does not violate any provision of the NCCR or Title 56 of NRS or any other relevant law or regulation:

(1) Notify the cannabis establishment in writing that the request has been approved;

(2) Update its records to reflect the new ownership of the cannabis establishment; and

(3) Notify the locality in which the cannabis establishment is located of the change in ownership of the cannabis establishment.

(b) If the requested change in ownership violates any provision of the NCCR, Title 56 of NRS or any other relevant law or regulation, notify the cannabis establishment in writing that the request has been denied and state the reason for denial.

14. Except for persons possessing a valid agent card and associated with a licensed cannabis establishment or licensed business entity, each employee, agent, personal representative, lender or holder of indebtedness of a cannabis licensee who, in the opinion of the Board, has the power to exercise a significant influence over the licensee's operation of a cannabis establishment may be required to apply for a license. A person required to be licensed pursuant to this section shall apply for a license within 30 days after the Board requests that the person do so.

**5.112 Procedures for waiving requirements of NCCR 5.110 regarding any transfer of ownership of less than 5 percent.**

1. The Board may waive the requirement to obtain Board approval for a transfer of a portion of ownership interest of less than 5 percent:

(a) The cannabis establishment can request a waiver of the requirement on a form prescribed by the Board, including, but not limited to, the following information:

(1) An explanation as to why Board approval should be waived for a transfer of ownership interest of less than 5 percent;

(2) A list of all owners of any ownership interest in the Cannabis Establishment, and their address, as of the date of the waiver application;

(3) A certification by the cannabis establishment that any person who holds an ownership interest of less than 5 percent does not exert control or hold a position of authority over the cannabis establishment and any of the other persons who claim ownership in the cannabis establishment; and

(4) Any other information requested by the Board necessary to promote the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State.

2. Any such waiver approved by the Board pursuant to this regulation, is valid for a time specified by the Board at its discretion.

3. The Board may deny or rescind any previously approved waiver pursuant to this regulation at its discretion.

4. For purposes of NRS 678B.340(4), with respect only to transfers of interest and cannabis establishment agent registration cards for those who do not volunteer or work at, contract to provide labor to or be employed by an independent contractor to provide labor to a cannabis establishment as a cannabis establishment agent, the term “prospective cannabis establishment agent” shall be deemed to exclude any passive investor in a publicly traded company owning less than 5 percent of the shares of that publicly traded company.

**5.115 Contracts or agreements with certain unsuitable or unlicensed persons prohibited; termination of contract or agreement.**

1. A person who has:

(a) Been denied a license or agent card by the Board;

(b) Been found unsuitable by the Board; or

(c) Had a license, agent card or other approval revoked by the Board,

→shall not enter or attempt to enter into any contract or agreement with a licensee, either directly or indirectly, through any business organization under such a person’s control that involves the operations of a licensee without the prior approval of the Board. This provision does not prohibit any person from purchasing any goods or services for personal use from a licensee at retail prices that are available to the general public.

2 Every contract or agreement with a person that is subject to the provisions of subsection 1 shall be deemed to include a provision for its termination without liability on the part of the licensee. Failure to expressly include that condition in the contract or agreement is not a defense in any action brought pursuant to this section to terminate the agreement.

**5.120 Submission of information by cannabis establishment to obtain or renew registration card for person employed by or contracted with establishment or for volunteer; fingerprinting and application fee; issuance of registration card; temporary registration.**

1. A person who wishes to volunteer or work at a cannabis establishment, or a cannabis establishment that wishes to retain as a volunteer or employ such a person, shall submit to the Board an application on a form prescribed by the Board. The application must be accompanied by:

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

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

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

(d) A complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

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

(d) The application fee;

(f) A list and description of each of the following which has not been previously reported to the Board:

(1) A conviction of any felony offense;

(2) A civil penalty or judgment entered against the agent card holder; and

(3) The initiation by a federal, state or local government of an investigation or proceeding against the agent card holder.

(g) Any such other information required by the Board upon request.

2. A person who wishes to contract to provide labor to or be employed by an independent contractor to provide labor to a cannabis establishment, or a cannabis establishment that wishes to contract with such a person, shall submit to the Board an application on a form prescribed by the Board for the registration of the independent contractor and each employee of the independent contractor who will provide labor as a cannabis establishment agent. The application must be accompanied by:

(a) The name, address and, if the prospective cannabis establishment agent has a state business license, the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS;

(b) The name, address and date of birth of each employee of the prospective cannabis establishment agent who will provide labor as a cannabis establishment agent;

(c) A statement signed by the prospective cannabis establishment agent pledging not to dispense or otherwise divert cannabis to, or allow any of its employees to dispense or otherwise divert cannabis to, any person who is not authorized to possess cannabis in accordance with the provisions of this title;

(d) A statement signed by the prospective cannabis establishment agent asserting that it has not previously had a cannabis establishment agent registration card revoked and that none of its employees who will provide labor as a cannabis establishment agent have previously had a cannabis establishment agent registration card revoked;

(e) A complete set of the fingerprints of each employee of the prospective cannabis establishment agent who will provide labor as a cannabis establishment agent and written permission of the prospective cannabis establishment agent and each employee of the prospective cannabis establishment must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

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

(g) The application fee

(h) A list and description of each of the following which has not been previously reported to the Board:

(1) A conviction of any felony offense;

(2) A civil penalty or judgment entered against the agent card holder; and

(3) The initiation by a federal, state or local government of an investigation or proceeding against the agent card holder.



- (i) Any such other information required by the Board upon request.
3. An owner, officer and board member who wishes to hold an ownership interest in a cannabis establishment of less than 5 percent shall submit to the Board an application on a form prescribed by the Board. The application must be accompanied by:
- (a) The name, address and date of birth of the prospective cannabis establishment agent;
  - (b) A statement signed by the prospective cannabis establishment agent pledging not to dispense or otherwise divert cannabis to any person who is not authorized to possess cannabis in accordance with the provisions of this title;
  - (c) A statement signed by the prospective cannabis establishment agent asserting that he or she has not previously had a cannabis establishment agent registration card revoked;
  - (d) A complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;
  - (e) Any information required by the Board to complete an investigation into the background of the prospective cannabis establishment agent, including, without limitation, financial records and other information relating to the business affairs of the prospective cannabis establishment agent;
  - (f) A statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.
  - (g) A list and description of each of the following which has not been previously reported to the Board:
    - (1) A conviction of any felony offense;
    - (2) A civil penalty or judgment entered against the agent card holder; and
    - (3) The initiation by a federal, state or local government of an investigation or proceeding against the agent card holder.
  - (h) For each owner, officer and board member of the cannabis establishment, whether the owner, officer or board member:
    - (1) Has served as an owner, officer or board member for a medical cannabis establishment or cannabis establishment that has had its medical cannabis establishment registration certificate or license, as applicable, revoked;
    - (2) Is an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval;
    - (3) Is a law enforcement officer;
    - (4) Is an employee or contractor of the Board; or
    - (5) Has an ownership or financial investment interest in any other medical cannabis establishment or cannabis establishment.
  - (i) The application fee,
  - (j) Any such other information required by the Board upon request.
4. A cannabis establishment shall notify the Board within 10 business days after a cannabis establishment agent ceases to hold an ownership interest in the cannabis establishment of less than 5 percent, be employed by, volunteer at or provide labor as a cannabis establishment agent to the cannabis establishment.
5. A person who:
- (a) Has been convicted of an excluded felony offense;
  - (b) Is less than 21 years of age; or
  - (c) Is not qualified, in the determination of the Board pursuant to NRS 678B.200,
- shall not serve as a cannabis establishment agent.
6. If an applicant for registration as a cannabis establishment agent satisfies the requirements of this section, is found to be qualified by the Board pursuant to NRS 678B.200 and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the Board shall issue to the person and, for an independent contractor, to each person identified in the independent contractor's application for registration as an employee who will provide labor as a cannabis establishment agent, a cannabis establishment agent registration card.

7. A person to whom a cannabis establishment agent registration card is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.

8. A cannabis establishment agent registration card issued pursuant to this section to an independent contractor or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any cannabis establishment in this State.

9. A cannabis establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a cannabis establishment authorizes the person to volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.

10. Except as otherwise prescribed by regulation of the Board, an applicant for registration or renewal of registration as a cannabis establishment agent is deemed temporarily registered as a cannabis establishment agent on the date on which a complete application for registration or renewal of registration is submitted to the Board. A temporary registration as a cannabis establishment agent expires 45 days after the date upon which the application is received.

11. A cannabis establishment agent registration card will expire 2 years after the date of issuance.

12. If a cannabis establishment agent registration cardholder wishes to remain a cardholder they must, prior to the expiration date of the card:

- (a) Resubmit the information set forth in this section; and
- (b) Pay the renewal fee set forth in NRS 678B.390.

#### **5.125 Policies and procedures for waiving requirement to obtain a cannabis agent registration card for any owner, officer and board member who holds an ownership interest of less than 5 percent.**

1. The Board may waive the requirement to obtain a cannabis agent registration card for any person who holds an ownership interest of less than 5 percent in a cannabis establishment if:

(a) The person or cannabis establishment requests waiver of the requirement on a form prescribed by the Board, including the following information:

(1) An explanation as to why the cannabis agent registration card requirement should be waived for the person who holds an ownership interest of less than 5 percent;

(2) Identification and address for each person asking for a waiver of the cannabis agent registration card requirement;

(3) A certification by the cannabis establishment that the person who holds an ownership interest of less than 5 percent does not exert control or hold a position of authority over the cannabis establishment or any of the other persons who claim ownership in the cannabis establishment; and

(4) Any other information requested by the Board necessary to promote the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State.

2. Any such waiver approved by the Board pursuant to this regulation, is valid for a time specified by the Board at its discretion.

3. The Board may deny or rescind any previously approved waiver pursuant to this regulation at its discretion.

4. For purposes of NRS 678B.340(4), with respect only to transfers of interest and cannabis establishment agent registration cards for those who do not volunteer or work at, contract to provide labor to or be employed by an independent contractor to provide labor to a cannabis establishment as a cannabis establishment agent, the term “prospective cannabis establishment agent” shall be deemed to exclude any passive investor in a publicly traded company owning less than 5 percent of the shares of that publicly traded company.

**5.130 Submission of information by cannabis establishment to obtain or renew a registration card for a cannabis executive; temporary registration; registration card for a cannabis executive required for officer, board member and person holding 5 percent or more ownership interest in cannabis establishment.**

1. Each person who holds 5 percent or more of the ownership interest in a cannabis establishment, shall obtain a cannabis establishment agent registration card for a cannabis executive.

2. A person who wishes to hold an ownership interest in a cannabis establishment of more than 5 percent shall submit to the Board an application on a form prescribed by the Board for a cannabis establishment agent registration card for a cannabis executive. The application must be accompanied by:

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

(b) A statement signed by the applicant asserting that he or she has not previously had a cannabis establishment agent registration card for a cannabis executive revoked;

(c) A complete set of the fingerprints of the prospective cannabis establishment executive agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(d) Any information required by the Board to complete an investigation into the background of the applicant, including, without limitation, financial records and other information relating to the business affairs of the applicant;

(e) The application fee;

(f) A list and description of each of the following which has not been previously reported to the Board:

(1) A conviction of any felony offense;

(2) A civil penalty or judgment entered against the agent card holder; and

(3) The initiation by a federal, state or local government of an investigation or proceeding against the agent card holder.

(g) Any such other information required by the Board upon request.

3. If the Board determines the applicant is qualified to receive a cannabis establishment agent registration card for a cannabis executive, the Board shall issue to the person a cannabis establishment agent registration card for a cannabis executive.

4. A cannabis establishment agent registration card for a cannabis executive will expire 2 years after the date of issuance.

5. If a cannabis establishment agent registration cardholder for a cannabis executive wishes to remain a cardholder they must, prior to the expiration date of the card:

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

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

6. A person to whom a cannabis establishment agent registration card for a cannabis executive is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.

7. A cannabis establishment shall notify the Board within 10 business days after becoming aware a cannabis executive ceases to hold an ownership interest in the cannabis establishment of over 5 percent.

8. A person who:

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

(b) Is less than 21 years of age,

→ shall not serve as a cannabis executive

9. If an applicant for registration as a cannabis executive satisfies the requirements of this section and is not disqualified from serving as a cannabis executive **pursuant** to this section or any other applicable law or regulation, the Board will issue to the person a cannabis establishment agent registration card for a cannabis executive.

**5.135 Submission of applications electronically.** An applicant submitting an application for a cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive pursuant to NCCR 5.130 or renewing, amending, changing or replacing a cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive shall submit the application electronically in the format prescribed by the Board.

**5.140 Registration cards: Requirements for requesting replacement card.** To request a replacement cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive that has been lost, stolen or destroyed, the cannabis establishment agent shall submit to the Board, within 3 working days after the card was lost, stolen or destroyed, a request for a replacement card which must include:

1. The name and date of birth of the cardholder;
2. If known, the number of the lost, stolen or destroyed cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive; and
3. If the cardholder cannot provide the number of the lost, stolen or destroyed cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive, a copy of:
  - (a) Any valid government-issued identification card of the cardholder which includes a photograph of the person; or
  - (b) A cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive previously issued to the person.
4. An application fee of \$150.

**5.145 Registration cards: Requirements for changing name or address.** To make a change to the name or address on a cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive, the cannabis establishment agent must submit to the Board a request for the change, which must include:

1. The name on and the number of the current cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive of the cardholder;
2. The new name or address of the cardholder;
3. The effective date of the new name or address of the cardholder;
4. For a change of the address of the cardholder, the county and state in which the new address is located; and
5. For a change of the name of the cardholder, a copy of any valid government-issued identification card of the cardholder which includes a photograph of the person and the new name and address of the cardholder.
6. Failure to update your name or address within forty-five days constitutes a category V violation pursuant to NCCR 4.060.

**5.150 Categories of registration cards.**

1. The Board will issue cannabis establishment agent registration cards for each of the following categories:
  - (a) A cannabis cultivation facility;
  - (b) A cannabis distributor;
  - (c) A cannabis product manufacturing facility;
  - (d) A cannabis testing facility;
  - (e) A cannabis sales facility; or
  - (f) An independent contractor who provides labor to a cannabis establishment or an employee of such an independent contractor.
2. Each cannabis establishment agent registration card issued pursuant to NCCR 5.120 must indicate the applicable category. A person who is employed by or volunteers at a cannabis establishment and to whom a cannabis establishment agent registration card is issued may only be

employed by or volunteer at the type of cannabis establishment for which he or she is registered. Such a person may hold more than one category of cannabis establishment agent registration card and may volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.

3. If a cannabis establishment agent also holds a valid medical cannabis establishment agent registration card, the cannabis establishment agent is authorized to work in any cannabis establishment or dual licensee for which the category of the cannabis establishment agent registration card and medical cannabis establishment agent registration card authorizes the person to volunteer or work.

**5.155 Legal status as separate entity; issuance of license by the Board; shared secured storage area; requirements for buildings and location; inspection and other requirements to commence operations; expansion of operations; powers and duties in operation; request for exception from inspection.**

1. Each component cannabis establishment retains its individual legal status as a separate entity from the combined cannabis establishment of which it is a part and each other component cannabis establishment which is a part of the same combined cannabis establishment.

2. The Board will not issue to a combined cannabis establishment a license for a cannabis establishment, but the combined cannabis establishment will instead be deemed to exist for the efficient operation and regulation of the component cannabis establishments which are a part of the combined cannabis establishment and will be issued a license by the Board upon a determination by the Board that the combined cannabis establishment has complied with the provisions of this section.

3. The component cannabis establishments of a combined cannabis establishment may share a single, secured storage area if the inventory from each component cannabis establishment is securely segregated within the secured storage area apart from the inventory of all other component cannabis establishments.

4. The building infrastructure, security systems and other facilities, including, without limitation, common entrances, exits, break rooms, locker rooms, loading docks and other areas determined by the Board to be expedient for business and appropriate for the site, may be combined and shared among the component cannabis establishments of a combined cannabis establishment.

5. Each component cannabis establishment must be located in a commercial or industrial zone or overlay as approved by the locality and comply with all local ordinances and rules pertaining to zoning, land use and signage.

6. Each component cannabis establishment within a combined cannabis establishment must be inspected before commencing operations. A component cannabis establishment need not actually commence or intend to immediately commence operations to satisfy the requirements of this subsection.

7. For the purposes of subsection 6, a component cannabis establishment is ready to commence operations if the component cannabis establishment:

(a) Is a cannabis cultivation facility and has demonstrated the successful installation and operation of lights, plumbing, heating, ventilation and air-conditioning systems, humidity control systems, carbon dioxide control systems and all other growing technical facilities, including all related control systems, for at least one growing unit. A growing unit must:

(1) Be serviced by all building facilities and technology and have all other features described to perform growing operations at all stages of growth in the application for a medical cannabis licenser license for the cultivation facility or cannabis cultivation facility;

(2) Have the capacity to nourish clones, germinate seedlings, attain vegetative growth, flower plants to maturity, dry and cure cut plants, trim and package finished plants and store finished cannabis product in compliance with NRS 678, as applicable; and

(3) Consist of one or more growing tables, enclosed pods or rooms.

(b) Is a facility for the production of edible cannabis products or cannabis-infused products, as defined in Title 56 of NRS or cannabis product manufacturing facility and has demonstrated

the proper, safe installation of all extraction, cooking or other equipment and all plumbing, ventilation, solvent lines, electricity, electrical lines, refrigerators and all other production equipment.

8. A component cannabis establishment which has demonstrated that it is ready to commence operations pursuant to subsection 7 may expand operations within a previously inspected and approved space to the level described in its application for a license for a cannabis establishment without further inspection or approval. The Board and Board Agents may inspect such a component cannabis establishment as often as it determines to be necessary.

9. Before the Board will issue a license for a combined cannabis establishment, all walls, ceilings, floors, electrical cabling, plumbing, general lighting for purposes other than cultivation and ducting for heating, ventilation or air-conditioning systems for each component cannabis establishment must be completed as specified in the floorplan submitted to the Board as part of the application for a license for a cannabis establishment for the component cannabis establishment at a level sufficient to obtain a license of occupancy issued by the locality.

10. Each license issued by the Board to a combined cannabis establishment must specify which types of cannabis establishments are approved to operate at the location of the combined cannabis establishment.

11. A combined cannabis establishment may:

(a) Allow the cannabis establishment agents or medical cannabis establishment agents of each component cannabis establishment to move between the component cannabis establishments of the combined cannabis establishment if each such cannabis establishment agent or medical cannabis establishment agent holds and carries on his or her person a cannabis establishment agent registration card or medical cannabis establishment agent registration card, as applicable, for each kind of cannabis establishment or medical cannabis establishment to be entered.

(b) Allow a cannabis establishment agent or medical cannabis establishment agent of any component cannabis establishment to perform work functions for any component cannabis establishment if each such cannabis establishment agent or medical cannabis establishment agent holds and carries on his or her person a cannabis establishment agent registration card or medical cannabis establishment agent registration card, as applicable, for each kind of cannabis establishment or medical cannabis establishment at which work functions are performed.

(c) Share equipment which is not specific to the operation of a component cannabis establishment, including, without limitation, motor vehicles, among all component cannabis establishments.

(d) Not allow a component cannabis establishment to share equipment which is specific to the operation of the component cannabis establishment, including, without limitation, extraction devices which are specifically used by a cannabis production facility or cultivation lights which are specifically used by a cannabis cultivation facility, with another component cannabis establishment.

12. Each component cannabis establishment shall maintain separate operations from other component cannabis establishments and the combined cannabis establishment of which the component cannabis establishment is a part by:

(a) Holding a license for a cannabis establishment or a medical cannabis establishment license and being individually approved, separate from all other cannabis establishments or medical cannabis establishments operating on the same parcel of real estate, to operate as a business by all relevant jurisdictions and authorities, as applicable.

(b) Maintaining separately from all other component cannabis establishments and being able to present financial records which comply with generally accepted accounting principles.

(c) Filing all financial disclosures and tax documents separately from all other component cannabis establishments.

**5.160 Notification to the Board of subsequent events.**

1. All cannabis establishment registration agent card holders must provide notification to the board of the following within 5 days of occurrence.
  - (a) A conviction of any felony offense;
  - (b) A civil penalty or judgment entered against the cannabis establishment registration agent card holder; and
  - (c) The initiation by a federal, state or local government of an investigation or proceeding against the cannabis establishment registration agent card holder.
2. The Point of Contact must provide notification to the board of the following within 5 days of becoming aware of:
  - (a) A civil penalty or judgment entered against a cannabis establishment registration agent card holder; or
  - (b) The initiation by a federal, state or local government of an investigation or proceeding against the cannabis establishment.

**REGULATION 6**

**PRODUCTION AND DISTRIBUTION OF CANNABIS**

**6.010 Establishment of maximum allowable quantity of cannabis products a person may possess for purposes of exemption from state or local prosecution.**

1. The maximum allowable quantity of adult use cannabis products a person may possess is:
  - (a) One ounce (28.35 grams) of usable cannabis.
  - (b) The equivalent to one-eighth ounce of concentrated cannabis, not to exceed 3,543 milligrams of THC;
  - (c) 3,543 milligrams of THC contained within edible cannabis products; or
  - (d) A combination of usable and concentrated cannabis not to exceed the legal limit.
2. The maximum allowable quantity of medical cannabis products a holder of a valid registry identification card may possess is:
  - (a) Two and one half ounces (70.875 grams) of usable cannabis.
  - (b) 10,000 milligrams of THC concentrate;
  - (c) 10,000 milligrams of THC contained within one or more edible cannabis products; or
  - (d) A combination of usable and concentrated cannabis not to exceed the legal limit.

**6.015 Board authorized to limit cannabis production within State.** The Board may, upon findings made following a public hearing that the public interest will be supported by limiting the cultivation of cannabis in this State, limit the amount of cannabis in production within this State.

**6.020 Limitations on promoting cannabis and cannabis products.**

1. A cannabis establishment:
  - (a) May only promote cannabis or a cannabis product through marketing the laboratory results on the label of the cannabis or cannabis product; and
  - (b) Must not use an independent testing laboratory or other laboratory to promote any other attributes of cannabis or a cannabis product.
  - (c) Must not make any health claims including but not limited to healing, curing, treating or reducing risk of any illness or health related condition.
2. The provisions of this chapter governing labeling and testing of cannabis and cannabis products apply to all cannabis and cannabis products, including, without limitation, pre-rolls.

**6.025 Board authorized to collect fee for costs for oversight; hourly rate.**

1. The Board may charge and collect a fee from any cannabis establishment that is involved in a complaint submitted to the Board by a consumer, or any other individual or entity, 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

inspector/auditor/investigator of cannabis establishments as determined by the budget of the Board. Licensees will be notified of any fee changes.

2. The Board may charge and collect a fee from any cannabis establishment that is involved in a routine inspection or audit wherein it is deemed that an investigation, based on violations of Title 56 of NRS or these regulations, is required to recover the costs of investigating the violation after the investigation is completed if the violation is substantiated. The fee will be based upon the hourly rate established for each inspector/auditor/investigator of cannabis establishments as determined by the budget of the Board.

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

4. For the ongoing activities of the Board relating to the oversight of cannabis establishments, not related to processing an application by a cannabis establishment, the Board will collect an assessment from each cannabis establishment for the time and effort attributed to the oversight of the cannabis establishment at an hourly rate established by the Board.

**6.030 Confidentiality of information received by Board relating to security of cannabis establishments.** Except as otherwise provided in NRS 239.0115 and NCCR 6.035, any information received by the Board related to the security of a cannabis establishment is confidential and must not be disclosed by the Board.

**6.035 Confidentiality of name and any other identifying information of persons who facilitate or deliver services pursuant to Title 56 of NRS to persons who apply for or are issued registry identification card or letter of approval; exceptions.**

1. Except as otherwise provided in this section and NRS 239.0115, the Division will and any designee of the Division shall maintain the confidentiality of and shall not disclose the name or any other identifying information of any person who facilitates or delivers services or has applied for or to whom the Division or its designee has issued a registry identification card or letter of approval pursuant to Title 56 of NRS or NCCR. 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 Title 56 of NRS or NCCR 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 Division or its designee may release the name and other identifying information of a person who facilitates or delivers services or to whom the Division or its designee has issued a registry identification card or letter of approval pursuant to Title 56 of NRS or NCCR to:

(a) Authorized employees of the Division or its designee as necessary to perform official duties of the Division; and

(b) Authorized employees of federal, state and/or local law enforcement agencies only as necessary to verify that a person is lawfully facilitating or delivering services pursuant to Title 56 of NRS or NCCR. Nothing in this regulation will preclude the Board from disclosing the name and contact information of any person who facilitates or delivers services when providing a list of witnesses pursuant to a disciplinary complaint.

(c) Upon the lawful order or subpoena of a court of competent jurisdiction, authorized agents of any agency of the United States Government, any state or any political subdivision of a state, or the government of any foreign country.

3. Nothing in this section prohibits the Board from providing a local government with a copy of all information and documentation provided as part of an application to operate a cannabis establishment upon the request of the local government and with the prior consent of the applicant.

**6.040 Tracking and evaluation of attending provider of health care by Division; submission of certain information to appropriate regulatory boards.**

1. The Division will register and track each attending provider of health care who advises a patient that the medical use of cannabis may mitigate the symptoms or effects of the patient’s medical condition. To the extent possible, the Division will maintain a confidential record of:



(a) The number of patients whom the attending provider of health care advises that the medical use of cannabis may mitigate the symptoms or effects of the patients' medical conditions;

(b) The chronic or debilitating medical conditions of such patients;

(c) The number of times the attending provider of health care advises each patient that the medical use of cannabis may mitigate the symptoms or effects of the patient's medical condition;

(d) The number of different chronic or debilitating medical conditions for which the attending provider of healthcare advises each patient that the medical use of cannabis may mitigate the symptoms or effects of the patient's medical conditions; and

(e) How frequently the attending provider of health care advises each patient that the medical use of cannabis may mitigate the symptoms or effects of the patient's medical condition.

2. Based on its evaluation of the records maintained pursuant to subsection 1, if the Division determines that an attending provider of health care is advising patients that the medical use of cannabis may mitigate the symptoms or effects of the patients' medical conditions at a rate that appears unreasonably high, the Division will notify the State Board of Medical Examiners or the State Board of Osteopathic Medicine or the State Board of Nursing in writing so that the appropriate board may investigate the notification as a complaint against the physician pursuant to chapter 630 or 632 or 633 of NRS, as applicable.

3. The Division will, for each calendar year, submit to the State Board of Medical Examiners and the State Board of Osteopathic Medicine and the State Board of Nursing for each physician, physician assistant and advanced practice registered nurse licensed by that board the information the Division maintains pursuant to subsection 1.

4. If the Division has reason to believe that the public health, safety or welfare imperatively requires action, the Division may refer, in writing, a case involving an alleged violation by a physician, physician assistant, and/or advanced practice registered nurse of any provision of this chapter or chapter 678A-678D of NRS related to the medical use of cannabis to the Board of Medical Examiners or the State Board of Osteopathic Medicine so that the appropriate board may investigate the referral as a complaint against the attending provider of health care pursuant to chapter 630 or 632 or 633 of NRS, as applicable.

**6.050 Posting of licenses and other authorization to conduct business in conspicuous place.**

A cannabis establishment shall post its license for a cannabis establishment, business license and any other authorization to conduct business in a public view within the cannabis establishment.

**6.055 Requirements of dual licensee.** A dual licensee shall:

1. Comply with the provisions of Title 56 of NRS and NCCR with respect to the medical cannabis establishment operated by the dual licensee; and

2. Combine the location and operations of the medical cannabis establishment and adult use cannabis establishment operated by the dual licensee as provided in NCCR 5.155.

**6.060 Operation in accordance with plans and specifications included in application; deviation from plans and specifications; documentation of change to facilities; inspection or audit of change to facilities.**

1. Except as otherwise provided in this section, a cannabis establishment shall operate according to the plans and specifications included within the application for a license for the cannabis establishment submitted pursuant to NRS 687B.210, NRS 687B.250.

2. A cannabis establishment may operate in a manner that deviates from the plans or specifications included within its application for a license if the change would comply with state and local laws, regulations and ordinances and the cannabis establishment provides the Board with a written notification of its intent to make the change which includes, without limitation:

(a) The name, physical address and license number of the cannabis establishment; and

- (b) A description of the proposed change.
- 3. Upon receipt of a written notification pursuant to subsection 2, the Board will add the information to the file that the Board maintains on the cannabis establishment and send a letter of approval or denial.
- 4. A cannabis establishment which has completed a change to its facilities, pursuant to section 2, shall submit documentation of the change to the Board as soon as practicable, but in no event later than the date of the next scheduled inspection of the cannabis establishment by the Board.
- 5. The Board Agents will inspect or audit any change to the facilities of a cannabis establishment that the Executive Director deems necessary of inspection or auditing at the next inspection of the cannabis establishment by the Board Agents or at such other time as the Executive Director determines to be appropriate after the date that the cannabis establishment projects for completion of the change or notifies the Board of the completion of the change, whichever is earlier.
- 6. A cannabis establishment shall not commence the operation of any material change to the facilities or operations of the cannabis establishment until the Board Agents complete an inspection or audit of the change or notifies the cannabis establishment that an inspection or audit is not necessary. Material changes include, without limitation, modifications to:
  - (a) The infrastructure of the facilities of the cannabis establishment, including, without limitation, modifications requiring demolition or new construction of walls, plumbing, electrical infrastructure, heating, ventilation, or air conditioning; and
  - (b) The operating capability of the cannabis establishment, including, without limitation, the implementation of a new extraction device or removal of an existing extraction device, a change to the growing method from the method previously used and inspected or a change to the lighting technology, hydroponic system, pod or other contained growing system. The addition of one or more new pods which are identical to a pod that has already been inspected is not a material change.

**6.065 Written request for move to new location; issuance of new amended license upon approval of request.**

- 1. A cannabis 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 cannabis establishment at the new location has been approved by the locality. 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.
- 2. Except as otherwise provided in subsection 1, a cannabis establishment that wishes to move to a new location or commence operations at a location other than the location contained in the application of the cannabis establishment must submit a written request for relocation to the Board. The written request for relocation must include, without limitation:
  - (a) The name, current physical address, proposed new physical address and license or application number of the cannabis establishment;
  - (b) Documentation of a public meeting in which the locality of the proposed new location considered the relocation request;
  - (c) Documentation of land use approval for the new location by the locality;
  - (d) A professional survey demonstrating that the proposed location meets the distance requirements set forth in paragraph (a)(2)(II) of subsection 3 of NRS 678B.250;
  - (e) A signed, written attestation that the operation of the cannabis establishment at the new address will meet or exceed the merits of the location specified in the application submitted by the cannabis establishment; and
  - (f) If establishment is operational, a detailed inventory report and plan to transfer inventory to new location.
- 3. The Board will consider each request received pursuant to subsection 2 and, after reviewing the documentation contained in the request, determine whether the request should be approved.

Upon approval, the Board will issue to the cannabis establishment a new license which is amended to reflect the new address.

**6.070 Persons authorized on premises; visitor identification badge and other requirements for other persons; maintenance and availability of visitor log.**

1. Except as otherwise provided in this section, the only persons who may be on the premises of a cannabis sales facility are:

- (a) A registered cannabis establishment agent for a cannabis sales facility;
- (b) A patient who holds a valid registry identification card or letter of approval;
- (c) The designated primary caregiver of a patient who holds a valid registry identification card or letter of approval;
- (d) A person who is not a resident of this State but is deemed to hold a valid registry identification card pursuant to NRS 678C.470;
- (e) A person inspecting the cannabis establishment, including, without limitation, a local government authority, pursuant to this Act or NCCR; or
- (f) Any person not listed in paragraph (a) to (e), inclusive, who is at least 21 years of age.

2. The only persons who may be on the premises of a cannabis establishment other than a cannabis sales facility are:

- (a) A registered cannabis establishment agent for that facility type; or
- (b) A person inspecting the cannabis establishment, including, without limitation, a local government authority, pursuant to this ACT or NCCR.

3. Any person other than a person authorized to be on the premises of a cannabis establishment pursuant to subsection 1 or 2 must obtain a visitor identification badge from a cannabis establishment agent before entering the premises of the cannabis establishment.

4. A person who obtains a visitor identification badge pursuant to subsection 3, including, without limitation, an outside vendor or contractor:

- (a) Must be escorted and monitored by a cannabis establishment agent at all times he or she is on the premises of the cannabis establishment;
- (b) Must visibly display his or her visitor identification badge at all times he or she is on the premises of the cannabis establishment;
- (c) Must not handle any cannabis or money whatsoever; and
- (d) Must return the visitor identification badge to a cannabis establishment agent upon leaving the premises of the cannabis establishment.

5. Each cannabis establishment shall maintain a visitor log which includes the name of the visitor and the date, time and specific purpose of each visit by a person other than a person authorized to be on the premises of the cannabis establishment pursuant to subsection 1 or 2. The cannabis establishment shall make its visitor log available to the Board or Board Agents upon request.

6. Each regular, seasonal or temporary employee of, volunteer or person who provides labor as a cannabis establishment agent at a cannabis establishment must obtain a cannabis establishment agent registration card pursuant to the provisions of NRS 678B and may not be authorized to be on the premises of the cannabis establishment by obtaining a visitor identification badge pursuant to the provisions of this section.

7. Live animals shall be allowed on the premises only under the following conditions:

- (a) Decorative fish in aquariums
- (b) Patrol dogs accompanying police or security officers
- (c) In areas that are not used for cannabis storage or preparation, and that are usually open for customers, including but not limited to sales areas, service animals that are controlled by the disabled employee or consumer, if a health or safety hazard will not result from the presence or activities of the service animal.

(d) "Nothing in this Section shall be construed to supersede, or be in conflict with, the Americans with Disability Act.

**6.075 Development, documentation and implementation of certain policies and procedures; maintenance and availability.** A cannabis 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) Acquiring cannabis from other cannabis establishments;
    - (4) Disposing of unusable cannabis; and
    - (5) Returning for a refund cannabis or cannabis products to the cannabis establishment from which the cannabis or cannabis products were acquired.
  - (d) If applicable, consumer education and support, including, without limitation:
    - (1) The availability of different strains of cannabis and the purported effects of the different strains;
    - (2) Information about the purported effectiveness of various methods, forms and routes of administering cannabis;
    - (3) The prohibition on the smoking of cannabis in public places, places open to the public, within a cannabis facility, and places exposed to public view and on federal lands;
    - (4) Education on how cannabis 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 cannabis or while impaired by cannabis is unlawful; and
    - (5) That possession of cannabis exceeding a certain quantity remains a felony with various legal consequences.
2. Maintain copies of the policies and procedures developed pursuant to subsection 1 at the cannabis establishment and provide copies to the Board or Board Agents for review upon request.

**6.080 Inventory control system; authorized sources for acquisition of cannabis and cannabis products; duties of establishment if loss incurred; maintenance and availability of documentation.**

1. Each cannabis establishment shall designate in writing a cannabis establishment agent who has oversight of the inventory control system of the cannabis establishment.
2. Except as otherwise provided in subsection 3, a cannabis establishment shall only acquire cannabis or cannabis products from another Nevada licensed cannabis establishment, including, without limitation, a cannabis cultivation facility, a cannabis product manufacturing facility or a cannabis sales facility.
3. A cannabis cultivation facility may acquire seeds for the cultivation of cannabis from any person if the acquisition of the seeds does not violate the provisions of Title 56 of NRS. A cannabis cultivation facility may also acquire cannabis or cannabis products from a consumer if the acquisition does not violate the provisions of Title 56 of NRS.
4. A cannabis establishment shall not acquire concentrated cannabis or products containing concentrated cannabis from another cannabis establishment, except that a cannabis sales facility or a cannabis product manufacturing facility may acquire concentrated cannabis or products containing concentrated cannabis from a cannabis product manufacturing facility. A cannabis cultivation facility may sell crude collected resins to a cannabis sales facility if the crude collected resins are:

- (a) From a single batch;
  - (b) Unaltered; and
  - (c) Not combined.
5. Each cannabis establishment, except a cannabis independent testing laboratory, shall establish and implement an inventory control system that documents:
- (a) Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable cannabis 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 cannabis from another cannabis establishment:
    - (1) A description of the cannabis 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 license of the cannabis establishment providing the cannabis;
    - (3) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent providing the cannabis;
    - (4) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis on behalf of the cannabis establishment; and
    - (5) The date of acquisition.
  - (c) When acquiring cannabis from a medical cannabis establishment registered pursuant to this Act:
    - (1) A description of the cannabis 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 medical cannabis establishment registration certificate of the medical cannabis establishment providing the cannabis;
    - (3) The name and the number of the medical cannabis establishment agent registration card of the medical cannabis establishment agent providing the cannabis;
    - (4) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis on behalf of the cannabis establishment; and
    - (5) The date of acquisition.
  - (d) For each batch of cannabis cultivated:
    - (1) The batch number, lot number and production run number, as applicable.
    - (2) Whether the batch originated from cannabis seeds or cannabis cuttings.
    - (3) The strain of the cannabis seeds or cannabis cuttings planted.
    - (4) The number of cannabis seeds or cannabis cuttings planted.
    - (5) The date on which the cannabis 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 cannabis plants grown to maturity.
    - (8) Harvest information, including, without limitation:
      - (I) The date of harvest;
      - (II) The final yield weight of processed usable cannabis, in grams; and
      - (III) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent responsible for the harvest.
    - (9) The disposal of cannabis that is not usable cannabis, including:
      - (I) A description of and reason for the cannabis being disposed of, including, if applicable, the number of failed or other unusable cannabis plants;
      - (II) The date of disposal;
      - (III) Confirmation that the cannabis was rendered unusable before disposal;

- (IV) The method of disposal; and
- (V) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent responsible for the disposal.
- (e) When providing cannabis to another cannabis establishment:
  - (1) The amount, strain, batch number, lot number and production run number, as applicable, of cannabis provided to the cannabis establishment;
  - (2) The name and license number of the other cannabis establishment;
  - (3) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent who received the cannabis on behalf of the other cannabis establishment; and
  - (4) The date on which the cannabis was provided to the cannabis establishment.
- (f) When receiving edible cannabis products from another cannabis establishment:
  - (1) A description of the edible cannabis products received from the cannabis establishment, including the total weight of each edible cannabis product and the amount of THC, measured in milligrams, and the production run number of the cannabis in each edible cannabis product.
  - (2) The total amount and production run number of cannabis in the edible cannabis products.
  - (3) The name and:
    - (I) License number of the cannabis establishment providing the edible cannabis products to the receiving cannabis establishment;
    - (II) The number of the cannabis establishment agent registration card of the cannabis establishment agent providing the edible cannabis products to the receiving cannabis establishment; and
    - (III) The number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the edible cannabis products on behalf of the receiving cannabis establishment.
  - (4) The date on which the edible cannabis products were provided to the cannabis establishment.
- (g) When receiving cannabis products from another cannabis establishment:
  - (1) A description of the cannabis products received from the cannabis establishment, including the total weight of each cannabis product and the amount of THC, measured in milligrams, and production run number of the cannabis in each cannabis product.
  - (2) The total amount and production run number of cannabis in the cannabis products.
  - (3) The name and:
    - (I) License number of the cannabis establishment providing the cannabis products to the receiving cannabis establishment;
    - (II) The number of the cannabis establishment agent registration card of the cannabis establishment agent providing the cannabis products to the receiving cannabis establishment; and
    - (III) The number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis products on behalf of the receiving cannabis establishment.
  - (4) The date on which the cannabis products were provided to the cannabis establishment.
- (h) When receiving concentrated cannabis or products containing concentrated cannabis from a cannabis product manufacturing facility:
  - (1) A description of the concentrated cannabis or products containing concentrated cannabis received from the cannabis product manufacturing facility, including the total weight of each product, the amount of THC (except a cannabis independent testing laboratory), measured in milligrams, and the production run number for each product;
  - (2) The name and:
    - (I) License number of the cannabis establishment providing the concentrated cannabis or products containing concentrated cannabis to the receiving cannabis establishment;

(II) The number of the cannabis establishment agent registration card of the cannabis establishment agent providing the concentrated cannabis or products containing concentrated cannabis to the receiving cannabis establishment; and

(III) The number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the concentrated cannabis or products containing concentrated cannabis on behalf of the receiving cannabis establishment.

(3) The date on which the concentrated cannabis or products containing concentrated cannabis were provided to the cannabis establishment.

6. Each cannabis establishment shall:

(a) Establish and maintain a seed-to-sale 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 Executive Director and to the cannabis establishment that ordered the concentrated cannabis or cannabis product.

(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 Executive Director.

7. If a cannabis establishment identifies a reduction in the amount of cannabis in the inventory of the cannabis establishment which is not due to documented causes, the cannabis establishment shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of cannabis in the inventory of the cannabis establishment is due to suspected criminal activity by a cannabis establishment agent, the cannabis establishment shall report the cannabis establishment agent to the Board and to the appropriate law enforcement agencies within 24 hours. The Board may require the cannabis establishment to provide additional information as it determines necessary to conduct an investigation.

8. A cannabis establishment shall:

(a) Maintain the documentation required by subsections 5, 6 and 7 at the cannabis establishment for at least 5 years after the date on the document; and

(b) Provide the documentation required by subsections 5, 6 and 7 to the Board or Board Agents for review upon request.

**6.082 Use of seed-to-sale tracking system; payment of fees.** A cannabis establishment shall:

1. Use the seed-to-sale tracking system managed by the independent contractor selected by the Board;

2. Connect to the seed-to-sale tracking system using the independent contractor's application programming interface;

3. Pay any fees assessed by the independent contractor for using the seed-to-sale tracking system, including, without limitation, user fees or application programming interface fees; and

4. Ensure cannabis and cannabis products are tagged as required using the seed-to-sale inventory system.

**6.085 Required security measures, equipment and personnel; location of outdoor cultivation facility must allow for response by local law enforcement.**

1. To prevent unauthorized access to cannabis at a cannabis establishment, the cannabis establishment must have:

(a) One single secure entrance of the physical building;

(b) No visible cannabis or cannabis products from outside the establishment.

(c) Security equipment to deter and prevent unauthorized entrance into limited access areas that includes, without limitation:

(1) 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, and which, for a cannabis cultivation facility which engages in outdoor cultivation, covers the entirety of the cultivation area and the perimeter and exterior area of the cannabis cultivation facility;

(2) Exterior lighting to facilitate surveillance which, for a cannabis cultivation facility which engages in outdoor cultivation:

(I) When the lighting would not interfere with the growing cycle of a crop, covers the entirety of the cultivation area and the perimeter and exterior area of the cannabis cultivation facility; and

(II) When the lighting would interfere with the growing cycle of a crop, covers the perimeter and exterior area of the cannabis cultivation facility;

(3) Electronic monitoring, including, without limitation, each of the following:

(I) At least one call-up monitor that is 19 inches or more;

(II) A printer capable of immediately producing a clear still photo from any video camera image, which photo must be provided to the Board or Board Agents for review upon request;

(III) Video cameras with a recording resolution of at least 1920 x 1080, or the equivalent, at a rate of at least 15 frames per second which provide coverage of all entrances and exits of the building, any room or area that holds a vault and any point-of-sale location, which record 24 hours per day, which are capable of being accessed remotely by a law enforcement agency in real time upon request and which may record motion only. A video camera providing coverage of a point-of-sale location must allow for the identification of any person purchasing cannabis;

(IV) Video cameras with a recording resolution of at least 720 x 480, or the equivalent, at a rate of at least 15 frames per second which provide coverage of all limited access areas not described in sub-subparagraph (III) and any activity in or adjacent to the establishment, which record 24 hours per day, which are capable of being accessed remotely by a law enforcement agency, the Board, and Board Agents in real time upon request, which may record motion only and which, for a cannabis cultivation facility which engages in outdoor cultivation, cover the entirety of the cultivation area and the perimeter and exterior area of the cannabis cultivation facility;

(V) A video camera which is capable of identifying any activity occurring within the cannabis establishment in low light conditions 24 hours per day;

(VI) A method for storing video recordings from the video cameras for at least 30 calendar days in a secure on-site or off-site location or through a service or network that provides on-demand access to the recordings and providing copies of the recordings to the Board and Board Agents for review upon request, on portable, external hard drives or other media as directed by the Board or Board Agents, at the expense of the cannabis establishment, and within a reasonable time frame as determined by the Board or Board Agents;

(VII) A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system; and

(VIII) Sufficient battery backup for video cameras and recording equipment to support at least 5 minutes of recording in the event of a power outage;

(4) Immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the cannabis establishment in the interior of each building of the cannabis establishment; and

(5) For a cannabis cultivation facility which engages in outdoor cultivation:

(I) An alarm system and video cameras which are monitored 24 hours per day;

(II) An exterior barrier, determined to be appropriate by local law enforcement, which is located around the perimeter of the cannabis cultivation facility and which consists of a solid block wall or chain link fence with a height of at least 8 feet and an additional fence with a height of at least 8 feet located at least 10 feet and not more than 20 feet inside of the solid block wall or chain link fence; and



(III) A secure brick and mortar building which is approved by the appropriate Board Agent as suitable to dry and store cannabis and which meets the security and sanitation requirements for a cannabis cultivation facility which engages in indoor cultivation of cannabis.

(d) Policies and procedures:

(1) That restrict access to the areas of the cannabis establishment that contain cannabis to persons authorized to be in those areas only;

(2) That provide for the identification of persons authorized to be in the areas of the cannabis establishment that contain cannabis;

(3) That prevent loitering;

(4) For conducting electronic monitoring;

(5) For the use of the automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the cannabis establishment;

(6) For limiting the amount of money available in any retail areas of the cannabis establishment and for training employees on this practice;

(7) For notifying the public of the minimal amount of money available, which may include, without limitation, the posting of a sign;

(8) For maintaining communication with law enforcement agencies; and

(9) For providing and receiving notifications regarding burglary, attempted burglary, robbery, attempted robbery and other suspicious activity.

2. Each video camera used pursuant to subparagraph (3) of paragraph (a) of subsection 1 must:

(a) Include a date and time generator which possesses the capability to display the date and time of recorded events on the recording in a manner that does not significantly obstruct the recorded view; and

(b) Be installed in a manner that will prevent the video camera from being readily obstructed, tampered with or disabled.

3. A cannabis establishment shall make a reasonable effort to repair any malfunction of security equipment within 72 hours after the malfunction is discovered. A cannabis establishment shall notify the Board and local law enforcement within 24 hours after a malfunction is discovered and provide a plan of correction. Failure to correct a malfunction within 72 hours after the malfunction is discovered is a violation of this section.

4. If a video camera used pursuant to subparagraph (3) of paragraph (a) of subsection 1 malfunctions, the cannabis establishment shall immediately provide alternative video camera coverage or use other security measures, such as assigning additional supervisory or security personnel, to provide for the security of the cannabis establishment. If the cannabis establishment uses other security measures, the cannabis establishment must immediately notify the Executive Director, and the Executive Director will determine whether the other security measures are adequate.

5. Each cannabis establishment shall maintain a log that documents each malfunction and repair of the security equipment of the cannabis establishment pursuant to subsections 3 and 4. The log must state the date, time and nature of each malfunction, the efforts taken to repair the malfunction and the date of each effort, the reason for any delay in repairing the malfunction, the date the malfunction is repaired and, if applicable, any alternative security measures that were taken. The log must also list, by date and time, all communications with the Board, Board Agents or Executive Director concerning each malfunction and corrective action. The cannabis establishment shall maintain the log for at least 1 year after the date of last entry in the log.

6. Each cannabis establishment must employ a security manager or director who must be responsible for:

(a) Conducting a semiannual audit of security measures to ensure compliance with the state procedures of the cannabis establishment and identify potential security issues;

(b) Training employees on security measures, emergency response and robbery prevention and response before starting work and on an annual basis; and

(c) Evaluating the credentials of any third party who intends to provide security to the cannabis establishment before the third party is hired by or enters into a contract with the cannabis establishment.

7. Each cannabis establishment shall ensure that the security manager or director of the cannabis establishment, at least one employee of the cannabis establishment or the employees of any third party who provides security to the cannabis establishment has completed or will complete within three months of being hired, to be proven by written attestation from the employee and the training officer, the following training:

- (a) Training in theft prevention or a related subject;
- (b) Training in emergency response or a related subject;
- (c) Training in the appropriate use of force or a related subject that covers when the use of force is and is not necessary;
- (d) Training in the use and administration of first aid, including cardiopulmonary resuscitation;
- (e) Training in the protection of a crime scene or a related subject;
- (f) Training in the control of access to protected areas of a cannabis establishment or a related subject;
- (g) Not less than 8 hours of on-site training in providing security services; and
- (h) Not less than 8 hours of classroom training in providing security services.

8. A cannabis cultivation facility which engages in the outdoor cultivation of cannabis must be located in such a manner as to allow local law enforcement to respond to the cannabis cultivation facility within 15 minutes after being contacted unless the local law enforcement agency determines some other response time is acceptable.

**6.087 Duties relating to cannabis establishment agents.** A cannabis establishment shall:

1. Ensure that each cannabis establishment agent has his or her valid cannabis establishment agent registration card or temporary authorization in his or her immediate possession when the cannabis establishment agent:

- (a) Is employed by or volunteering at or providing labor as a cannabis establishment agent at the cannabis establishment;
- (b) Is transporting cannabis or cannabis products for the cannabis establishment, regardless of the type of license held by the cannabis establishment; or
- (c) Is delivering cannabis or cannabis products for a cannabis sales facility.

2. Not allow a person who does not possess a cannabis establishment agent registration card which is valid at the cannabis establishment to:

- (a) Serve as an officer or board member for the cannabis establishment or hold an ownership interest of more than 5 percent in the cannabis establishment;
- (b) Be employed by or have a contract to provide services for the cannabis establishment;
- (c) Volunteer at or on behalf of the cannabis establishment; or
- (d) Contract to provide labor at or be employed by an independent contractor to provide labor at the cannabis establishment.

3. Provide written notice to the Board, including the date of the event, within 10 working days after the date on which a cannabis establishment agent begins:

- (a) Service as an officer or board member for the cannabis establishment;
- (b) Employment by the cannabis establishment or providing services for the cannabis establishment pursuant to a contract;
- (c) Volunteering at or on behalf of the cannabis establishment; or
- (d) Providing labor at or beginning employment by an independent contractor to provide labor at a cannabis establishment pursuant to a contract.

4. Provide written notice to the Board, including the date of and reason for the event, within 10 working days after the date on which a cannabis establishment agent no longer:

- (a) Serves as an officer or board member for the cannabis establishment;
- (b) Is employed by or has a contract to provide services for the cannabis establishment;
- (c) Volunteers at or on behalf of the cannabis establishment; or

(d) Contracts to provide labor at or is employed by an independent contractor to provide labor at a cannabis establishment.

5. Provide written notice to the Board, including the date of the event, within 10 working days after the date on which the person designated by the cannabis establishment to provide written notice to the Board relating to cannabis establishment agents ceases to serve in that capacity at the cannabis establishment.

#### **6.090 Cleanliness and health of cannabis establishment agents.**

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

(a) Cleans his or her hands and exposed portions of his or her arms in a hand-washing sink pursuant to NCCR 6.090:

- (1) Immediately upon entrance to the cannabis establishment;
- (2) Immediately before working with cannabis plants;
- (3) Immediately before preparing concentrated cannabis or cannabis products, including, without limitation, working with exposed cannabis products, clean equipment and utensils or unwrapped single-service and single-use articles;
- (4) After touching any bare human body parts other than his or her clean hands and exposed portions of arms, including, without limitation, surrogate prosthetic devices for hands and arms;
- (5) After using the toilet facilities;
- (6) After coughing, sneezing, using a handkerchief or disposable tissue, using tobacco, eating or drinking;
- (7) After handling soiled equipment or utensils;
- (8) During preparation or extraction of concentrated cannabis or cannabis products, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;
- (9) When switching between working with unprocessed cannabis products or uncooked food products and working with finished concentrated cannabis or cannabis products;
- (10) Before donning gloves for working with cannabis products; and
- (11) After engaging in other activities that contaminate the hands.

(b) If working directly in the preparation of concentrated cannabis or cannabis 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; and
- (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 cannabis establishment to address health conditions at the cannabis establishment determines that a cannabis establishment agent who is employed by or volunteers at or provides labor as a cannabis establishment agent at the cannabis establishment has a health condition that may adversely affect the safety or quality of the concentrated cannabis or cannabis products at the cannabis establishment, that cannabis establishment agent is prohibited from having direct contact with any cannabis or equipment or materials for processing concentrated cannabis or cannabis products until the designated person determines that the health condition of the cannabis establishment agent will not adversely affect the concentrated cannabis or cannabis products.

3. A cannabis establishment agent shall not work directly with concentrated cannabis or cannabis products if the cannabis establishment agent has:

- (a) A symptom of gastrointestinal infection, including, without limitation, diarrhea or vomiting;
- (b) A sore throat with fever;

- (c) Jaundice; or
- (d) A lesion that appears inflamed or contains pus, including, without limitation, a boil or infected wound that is not covered with:
  - (1) An impermeable cover and a single-use glove if the lesion is on a hand or wrist, both of which must be changed at any time that hand washing is required;
  - (2) An impermeable cover if the lesion is on an arm; or
  - (3) A dry, durable, tight-fitting bandage if the lesion is on another part of the body.

**6.092 Hand washing: Procedure.**

1. Each cannabis establishment agent shall, when required pursuant to NCCR 6.090(1)(a), clean his or her hands and the exposed portions of his or her arms for at least 20 seconds, using a cleaning compound in a hand-washing sink that is appropriately equipped.

2. Each cannabis establishment agent shall use the following cleaning procedure in the order stated to clean his or her hands and the exposed portions of his or her arms, including, without limitation, surrogate prosthetic devices for hands and arms:

- (a) Rinse under clean, running warm water.
- (b) Apply an amount of cleaning compound recommended by the manufacturer of the cleaning compound.
- (c) Rub together vigorously for at least 15 seconds while:
  - (1) Paying particular attention to removing soil from underneath the fingernails during the cleaning procedure; and
  - (2) Creating friction on the surfaces of the hands and arms, fingertips and areas between the fingers.
- (d) Thoroughly rinse under clean, running warm water at a minimum temperature of 100°F (37.8°C).
- (e) Immediately follow the cleaning procedure with thorough drying using a clean paper towel.

**6.095 Requirements for building used as cannabis establishment or by dual licensee; use of commercial weighing and measuring equipment.**

1. A building used as a cannabis establishment or by a dual licensee 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 (37.8°C);
  - (4) Soap contained in a dispenser;
  - (5) Disposable, single-use paper towels in a mounted dispenser; and
  - (6) A conveniently located trash can.
- (b) Except for a cannabis distributor, at least one fully stocked hand-washing sink which is designated for hand washing only, not located in a toilet facility and located away from any area in which edible cannabis products are cooked or otherwise prepared to prevent splash contamination. which is designated for hand washing only Additional hand-washing sinks may be required to facilitate hand washing as required.
- (c) Designated storage areas for concentrated cannabis and cannabis products or materials used in direct contact with such items separate from storage areas for toxic or flammable materials.
- (d) At least one mop sink or dump sink to dispose of liquid waste.
- (e) If preparation or packaging of concentrated cannabis or cannabis products is done in the building, a designated area for the preparation or packaging that:
  - (1) Includes work space that can be sanitized;
  - (2) Is only used for the preparation or packaging of concentrated cannabis or cannabis products; and

- (3) Has a fully stocked hand-washing sink conveniently located and designated for hand washing only.
2. For any commercial weighing and measuring equipment used at a cannabis establishment, the cannabis 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 Board or Board Agents for review upon request.

**6.100 Quality assurance testing required before sale or transfer of products.** A cannabis establishment shall not sell or transfer a lot of usable cannabis, concentrated cannabis or cannabis products until all required quality assurance testing has been completed.

**6.105 Requirements for preparation or sale of edible cannabis products; cannabis product manufacturing facility exempt from provisions governing food establishments.**

1. A cannabis establishment that prepares or sells edible cannabis products must:
  - (a) Before preparing an edible cannabis product, obtain written authorization from the appropriate Board Agent to prepare edible cannabis products;
  - (b) If the cannabis establishment prepares edible cannabis products, ensure that the edible cannabis products are prepared according to the applicable requirements set forth in Title 56 of NRS and the NCCR and the operating procedures included in its application pursuant to NRS 687B.210, NRS 687B.250;
  - (c) If the edible cannabis products are not prepared at the cannabis establishment, obtain and maintain at the cannabis establishment a copy of the current written authorization to prepare edible cannabis products from the cannabis establishment that prepares the edible cannabis products;
  - (d) If the cannabis establishment is a cannabis product manufacturing facility, package all edible cannabis products produced by the cannabis establishment on the premises of the cannabis establishment; and
  - (e) If the cannabis establishment sells edible cannabis products, ensure that the edible cannabis products are sold according to the applicable requirements set forth in Title 56 of NRS and NCCR.
2. A cannabis establishment is responsible for the content and quality of any edible cannabis product sold by the cannabis establishment.
3. A cannabis product manufacturing facility is not subject to the provisions of chapter 446 of NRS or chapter 446 of NCR.

**6.110 Prohibition on dispensing or selling cannabis or cannabis products from vending machine.** A cannabis establishment shall not dispense or otherwise sell cannabis or cannabis products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the cannabis establishment.

**6.115 Prohibition on treating or adulterating usable cannabis with chemical or other compound.** A cannabis establishment may not treat or otherwise adulterate usable cannabis with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight or smell of the usable cannabis.

**6.120 Restrictions on advertising; required posting of signs in cannabis sales facility.**

1. A cannabis establishment:
  - (a) Shall not engage in advertising which contains any statement or illustration that:
    - (1) Is false or misleading;
    - (2) Promotes overconsumption of cannabis or cannabis products;

(3) Depicts the actual consumption of what appears to be cannabis or cannabis products;  
or

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

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

(c) Shall not place an advertisement:

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

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

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

(4) On or inside of a motor vehicle used by a cannabis establishment for private transportation;

(5) On signs carried by a natural person, including, without limitation, handbills, pamphlets, cards or other types of advertisements that are distributed to the general public, but excluding an advertisement placed in a newspaper of general circulation, trade publication or other form of print media; and

(6) Where prohibited by local ordinance.

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

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

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

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

2. A cannabis sales facility shall post signs in prominent locations inside cannabis sales facility which state activities that are strictly prohibited and punishable by law, including, without limitation, the following statements:

(a) “No minors permitted on the premises unless the minor holds a letter of approval and is accompanied by a designated primary caregiver”;

(b) “No on-site or public consumption of any cannabis or cannabis products”;

(c) “Distribution to persons under the age of 21 is prohibited”;

(d) “Except for medical cannabis patients, possession of over 1 ounce of usable cannabis, a cannabis product containing more than 3,543 milligrams of THC or a combination of the two which exceeds the legal limit is prohibited”; and

(e) “Transportation of cannabis or cannabis products across state lines is prohibited.”

**6.123 Use of packaging: Required approval by Board.** A cannabis establishment shall not use packaging unless the packaging has been approved by the appropriate Board Agent.

**6.125 Responsibility for costs relating to clean-up, mitigation or remedy of environmental damage.** A cannabis 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 cannabis establishment.

**6.130 Documentation and reporting of loss or theft; maintenance of documentation.** A cannabis establishment shall:

1. Document and report any loss or theft of cannabis from the cannabis establishment to the appropriate law enforcement agency and to the Board within 24 hours after discovery of the loss or theft; and
2. Maintain copies of any documentation required pursuant to Title 56 of NRS and NCCR for at least 5 years after the date on the documentation and provide copies of the documentation to the Board or Board Agents for review upon request.

**6.135 Quarterly reporting concerning production, purchases and sales of cannabis and cannabis products.** Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall submit the report required pursuant to NRS 372A.285 to the Board on or before the 30th day of each January, April, July and October containing information concerning the 3 months immediately preceding the date of the report. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall submit such a report regardless of whether any purchases or sales have occurred.

## **REGULATION 7**

### **CANNABIS SALES FACILITY**

**7.010 Requirements for operation; posting of hours of operation.** Each cannabis sales facility shall:

1. Ensure that the cannabis sales facility is operating and available to sell cannabis or cannabis products to consumers during, and only during, the designated hours of operation of the cannabis sales facility as provided to the Board in the application for a license submitted by the cannabis sales facility and the hours authorized by the locality in which the cannabis sales facility is located; and
2. Post, in a place that can be viewed by persons entering the cannabis sales facility, the hours of operation during which the cannabis sales facility will sell cannabis or cannabis products to consumers.

**7.015 Duties of cannabis establishment agent before sale to consumer.** Before a cannabis establishment agent sells cannabis or cannabis products to a consumer, the cannabis establishment agent shall:

1. Verify the age of the consumer by checking a government-issued identification card containing a photograph of the consumer using an identification scanner approved by the appropriate Board Agent to determine the validity of any government-issued identification card;
2. Offer any appropriate consumer education or support materials; and
3. Enter the following information into the inventory control system:
  - (a) The amount of cannabis or cannabis product sold;
  - (b) The date and time at which the cannabis or cannabis product was sold;
  - (c) The number of the cannabis establishment agent registration card of the cannabis establishment agent; and
  - (d) The number of the license for the cannabis establishment.

**7.020 Valid proof of identification of age of consumer required.**

1. Except as otherwise provided in this subsection, a cannabis sales facility shall refuse to sell cannabis or cannabis products to any person unless the person produces a form of valid identification showing that the person is 21 years of age or older. A dual licensee may sell cannabis or cannabis products to a person who is less than 21 years of age if the sale complies with the provisions of Title 56 of NRS and NCCR.
2. Identification presented to satisfy subsection 1 must contain a photograph and the date of birth of the person.

3. Identification presented to satisfy subsection 1 must be a valid and unexpired:
  - (a) Driver's license or instruction permit issued by this State or any other state or territory of the United States;
  - (b) Identification card issued by this State or any other state or territory of the United States for the purpose of proof of age of the holder of the card;
  - (c) United States military identification card;
  - (d) A Merchant Mariner Credential or other similar document issued by the United States Coast Guard;
  - (e) A passport issued by, or recognized by, the United States Government or a permanent resident card issued by the United States Citizenship and Immigration Services of the Board of Homeland Security; or
  - (f) A tribal identification card issued by a tribal government, as defined in NRS 239C.105, which requires proof of the age of the holder of the card for issuance.

**7.025 Prohibition on sale that exceeds maximum usable quantity of cannabis.** A cannabis sales facility shall not sell to any consumer an amount of cannabis or cannabis products which exceeds:

1. One ounce (28.35 grams) of usable cannabis other than concentrated cannabis;
2. One-eighth ounce of concentrated cannabis or cannabis products containing not more than 3,543 milligrams of THC; or
3. A combination of usable and concentrated cannabis not to exceed the legal limit.

**7.030 Products required to be offered for sale; restrictions on sale of other products; restrictions on advertising.**

1. A cannabis sales facility shall only offer for sale cannabis, cannabis products, cannabis paraphernalia, cannabis-related accessories, products containing CBD and products containing industrial hemp which are related to cannabis.
2. Each cannabis sales facility shall offer for sale containers for the storage of cannabis and cannabis products which lock and are designed to prohibit children from unlocking and opening the container.
3. A cannabis sales facility shall not sell any food, beverage or personal care item that does not contain cannabis.
4. A cannabis sales facility shall not sell any product that contains nicotine.
5. A cannabis sales facility shall not sell any product that contains alcohol if the product would require the cannabis sales facility to hold a license issued pursuant to chapter 369 of NRS.
6. A cannabis sales facility shall not sell cannabis or cannabis products to a consumer through the use of, or accept a sale of cannabis or cannabis products from, a third party, intermediary business, broker or any other business that does not hold a license for a cannabis sales facility in this State.
7. A cannabis sales facility shall not contract with a third party or intermediary business to advertise delivery to consumers. This section applies to advertising only and not delivery services.
8. A cannabis sales facility shall not recommend products to women that are pregnant or breastfeeding.

**7.035 Storage and location of products; disclosure of cannabis testing facility performing quality assurance tests upon request of consumer; approved sources of products for sale; maintenance and availability of certificate of analysis; exemption for industrial hemp.**

1. A cannabis sales facility must store all usable cannabis, concentrated cannabis and cannabis products behind a counter or other barrier to ensure a consumer does not have direct access to the cannabis, concentrated cannabis or cannabis products.
2. Upon the request of a consumer, a cannabis sales facility must disclose the name of the cannabis testing facility which performed the required quality assurance tests for the cannabis sales facility and the corresponding certificate of analysis.



3. A cannabis sales facility may only sell usable cannabis obtained from a cannabis cultivation facility in this State.

4. Except as otherwise provided in subsection 6, a cannabis sales facility may only sell concentrated cannabis and cannabis products obtained from a cannabis product manufacturing facility in this State.

5. Except as otherwise provided in subsection 6, a cannabis sales facility may not sell a product other than usable cannabis, concentrated cannabis or cannabis products which contain any level of THC or CBD without the approval of the appropriate Board Agent. Each cannabis sales facility shall maintain a file which contains a certificate of analysis for any such approved product at the cannabis sales facility and shall make the file available for review upon request.

6. The provisions of subsection 4 does not apply to industrial hemp, as defined in NRS 557.040, which is certified and registered with the State Department of Agriculture.

**7.040 Delivery to consumer: General requirements.** Except for a delivery made pursuant to NCCR 6.035, a cannabis establishment or a third party shall not deliver cannabis or cannabis products to a consumer unless:

1. The delivery is made by a cannabis establishment agent who holds a cannabis establishment agent registration card in the category of cannabis sales facility;

2. The delivery is made by a cannabis establishment agent employed by a cannabis sales facility or by an independent contractor:

(a) Which has entered into a service agreement with a cannabis sales facility to perform deliveries to consumers using only cannabis establishment agents who hold a cannabis establishment agent registration card in the category of cannabis sales facility; and

(b) Whose name has been disclosed to the Board before any deliveries are made.

3. The name of the cannabis sales facility and all independent contractors who perform deliveries on behalf of the cannabis sales facility has been published on the Internet website of the Board;

4. The Board has received confirmation from the cannabis sales facility, before a person engages in the delivery process, including, without limitation, accepting an order or physically delivering cannabis or cannabis products, that the person is employed by, volunteers at or provides labor as a cannabis establishment agent at the cannabis sales facility and holds a valid cannabis establishment agent registration card in the cannabis sales facility;

5. The cannabis establishment agent who delivers cannabis or cannabis products to a consumer obtains verification of the identity and age of the consumer at the point of delivery by scanning a document described in NCCR 7.020 before providing the cannabis or cannabis products to the consumer;

6. The cannabis establishment agent who delivers cannabis or cannabis products to a consumer does not also deliver any other item to the consumer unless the item is cannabis paraphernalia or merchandise, packaging or a promotional item directly related to the cannabis or cannabis product;

7. The cannabis establishment agent who delivers cannabis or cannabis products to a consumer does not first purchase the cannabis or cannabis product from the cannabis sales facility and then obtain reimbursement from the consumer;

8. The delivery is conducted only during the hours that the cannabis sales facility is open for business;

9. The delivery is conducted only within the borders of this State;

10. The cannabis establishment agent who delivers cannabis or cannabis products only travels to and from the cannabis sales facility and the delivery destination and does not make any unnecessary stops that are not disclosed in the trip plan and delivery manifest. If the cannabis establishment agent makes a stop for fuel, the stop must be documented in the trip plan and maintained for review by the Board and Board Agents; and

11. If the cannabis sales facility contracts with a service that provides a digital or other platform used in conjunction with an agreement to facilitate deliveries to consumers, the digital or other platform is approved by the Board.

**7.045 Delivery to consumer: Duties of cannabis sales facility.**

1. A cannabis sales facility delivering cannabis or cannabis products to a consumer pursuant to NCCR 7.040 shall:

(a) Ensure that all cannabis and cannabis products are secured at all times during delivery; and

(b) Maintain a physical or electronic copy of a delivery manifest generated using the seed-to-sale tracking system that contains all the information required by this section in a format approved by the Board.

2. A cannabis sales facility may deliver cannabis or cannabis products to more than one consumer in a single trip if the delivery manifest correctly reflects the specific inventory destined for each specific consumer and location.

3. Before delivering cannabis or cannabis products to a consumer, the cannabis sales facility shall enter the information required to indicate that the cannabis or cannabis products will be delivered to a consumer into the seed-to-sale tracking system.

4. A cannabis sales facility shall not alter the information which has been entered into the seed-to-sale tracking system pursuant to subsection 3.

5. If a cannabis establishment agent is not able to deliver cannabis or cannabis products directly to the consumer who ordered the cannabis or cannabis products, the cannabis establishment agent shall return the cannabis or cannabis products to the cannabis sales facility.

6. A cannabis sales facility shall provide a receipt to the consumer generated by their own point of sale system.

7. The delivery manifest generated using the seed-to-sale tracking system must include, without limitation:

(a) The date and approximate time of the delivery;

(b) The name, location, address and license number of the cannabis sales facility;

(c) The name, location and address of each consumer;

(d) The name and quantity, by weight and unit, of each item to be delivered to each consumer;

(e) The make, model, license plate number and number of the identification card issued pursuant to NCR 678B.582 of the vehicle used for delivery; and

(f) The name, number of the cannabis establishment agent registration card and signature of each cannabis establishment agent performing or accompanying the delivery of the cannabis or cannabis products.

8. In addition to the requirements of this section, the cannabis sales facility shall ensure that each delivery satisfies the requirements of NCCR 6.075 & 6.078.

9. Before cannabis or cannabis products leave the cannabis sales facility for delivery, the cannabis sales facility shall adjust its records to reflect the removal of the cannabis or cannabis products in a manner that reflects the information included in the delivery manifest generated using the seed-to-sale tracking system and that can be easily reconciled, by the name and quantity of the cannabis or cannabis products, with the delivery manifest.

10. After delivery of cannabis or cannabis products, the cannabis sales facility shall ensure that the trip plan, including any changes to the trip plan made pursuant to subsection 9 of NCCR 7.040, is accurate.

11. Any cannabis or cannabis product which is damaged, undeliverable to the consumer or refused by the consumer must be delivered back to the cannabis sales facility and reconciled by the cannabis sales facility in the seed-to-sale tracking system.

12. A cannabis sales facility shall not deliver any cannabis or cannabis products unless the cannabis sales facility can reconcile the delivery of cannabis or cannabis products with the seed-to-sale tracking system and all associated transaction history and order receipts.

13. A cannabis sales facility must reconcile all transactions to the seed-to-sale tracking system at the close of business each day.

14. A cannabis sales facility shall ensure that all information contained in a delivery manifest generated using the seed-to-sale tracking system is accurate for each delivery that is completed.

15. A cannabis sales facility shall maintain all documents required by this section and provide a copy of any such document to the Board or Board Agents for review upon request.

**7.050 Delivery to consumer: Restrictions; duties of cannabis establishment agent making delivery.**

1. A cannabis sales facility shall not deliver more than 5 ounces (141.75 grams) of cannabis or an equivalent amount of cannabis products to any combination of consumers within a single trip.

2. A medical cannabis sales facility shall not deliver more than 10 ounces (283.5 grams) of cannabis, edible cannabis products or cannabis-infused products, or any combination thereof when making a sales delivery exclusively to persons who hold a valid registry identification card or designated as a primary caregiver.

3. A cannabis sales facility shall not deliver cannabis or cannabis products to a consumer at any location that has been issued a gaming license, as defined in NRS 463.0159.

4. A cannabis sales facility shall not knowingly deliver more than 1 ounce (28.35 grams) of cannabis or cannabis products to a consumer in a private residence in one calendar day.

5. A cannabis sales facility shall not deliver cannabis or cannabis products to any person other than the consumer who ordered the cannabis or cannabis products. Before delivering cannabis or cannabis products to a consumer, the cannabis establishment agent delivering the cannabis or cannabis products for a cannabis sales facility shall:

(a) Confirm by telephone that the consumer ordered the cannabis or cannabis products and verify the identity of the consumer; and

(b) Enter the details of such a confirmation in a log which must be made available for inspection by an appropriate law enforcement agency, the Board and Board Agents.

6. A cannabis sales facility shall not allow a cannabis establishment agent to deliver cannabis or cannabis products unless the cannabis or cannabis products are:

(a) Stored in a lockbox or locked cargo area within the vehicle being used for delivery;

(b) Not visible from outside the vehicle; and

(c) Contained in sealed packages and containers which remain unopened during delivery.

→ For the purpose of this subsection, the trunk of a vehicle is not considered to be a lockbox or locked cargo area unless the trunk cannot be accessed from within the vehicle and can only be accessed using a key which is different from the key used to access and operate the vehicle.

7. A cannabis sales facility shall ensure that a cannabis establishment agent delivering cannabis or cannabis products for the cannabis sales facility has a means of communicating with the cannabis sales facility while he or she provides delivery.

8. A person shall not be present within any vehicle while it is being used for the delivery of cannabis or cannabis products unless the person is a cannabis establishment agent for the cannabis sales facility providing delivery of the cannabis or cannabis products or an independent contractor retained by the cannabis sales facility to provide delivery.

9. Each cannabis establishment agent delivering cannabis or cannabis products must:

(a) Report to a person designated by the cannabis establishment to receive such reports any motor vehicle crash that occurs during the delivery as soon as reasonably possible after the crash occurs, but in no instance shall such time to report exceed 12 hours;

(b) Report to Board Agents any unauthorized stop; and

(c) Report to a person designated by the cannabis establishment to receive such reports any loss or theft of cannabis or cannabis products that occurs during the delivery immediately after the cannabis establishment agent becomes aware of the loss or theft. A cannabis sales facility that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency, to the Board and to the Executive Director.

**7.055 Delivery to consumer: Requirements for motor vehicles used to make deliveries; adequate temperature control of products required; inspection of motor vehicles authorized.**

1. A cannabis sales facility may use any motor vehicle, not to include two wheeled motor vehicles, that can legally be operated on the highways of this State and that meets the requirements of this section to deliver cannabis and cannabis products.
2. Before using a motor vehicle to deliver cannabis or cannabis products, a cannabis sales facility must obtain the approval of the appropriate Board Agent for the use of the motor vehicle. Upon approving a motor vehicle for use to deliver cannabis or cannabis products, the Board will issue an identification card containing such information as the Board determines to be necessary, which must be kept inside the motor vehicle at all times.
3. A cannabis sales facility shall ensure that each motor vehicle used to deliver cannabis or cannabis products:
  - (a) Has no advertising, signage or other markings relating to cannabis; and
  - (b) Is equipped with an audible car alarm.
4. A cannabis sales facility shall provide adequate care for perishable cannabis products including, without limitation, refrigeration during delivery, if required. Any method for temperature control used during delivery must be approved by the appropriate Board Agent before use. If a potentially hazardous cannabis product is being delivered, the potentially hazardous cannabis product must be maintained at a temperature of less than 41°F (5°C) throughout delivery.
5. Board Agents may inspect each motor vehicle used for delivery of cannabis or cannabis products by a cannabis sales facility pursuant to NCCR 5.070.

**REGULATION 8  
CANNABIS CULTIVATION FACILITY**

**8.010 Required written disclosure with each lot of usable cannabis; provision of free samples to cannabis sales facility; applicability of provisions governing excise tax on cannabis to free samples.**

1. A cannabis cultivation facility must disclose in writing with each lot of usable cannabis provided to a cannabis sales facility:
  - (a) All soil amendments, fertilizers, pesticides, and other crop production aids applied to the growing medium or cannabis plant included in the lot; and
  - (b) The name of the cannabis testing facility which performed the required quality assurance tests and the certificate of analysis for the lot.
2. A cannabis cultivation facility may provide a cannabis sales facility free display samples of usable cannabis packaged in a sample jar protected by a plastic or metal mesh screen to allow consumers to smell the product before purchase. A sample jar may not contain more than 3.5 grams of usable cannabis. The sample jar must not be left unattended and must be sealed shut. The sample jar and the usable cannabis within may not be sold to a consumer and must be either returned to the cannabis cultivation facility which provided the usable cannabis and sample jar or destroyed by the cannabis sales facility after use and documented by the cannabis sales facility using its inventory control system pursuant to NCCR 6.080. A cannabis production facility may provide uninfused edibles as display samples.
3. The provisions of chapters 372A of NRS and chapter 372A of NAC regarding the excise tax on cannabis apply to free samples of usable cannabis provided pursuant to subsection 2.

**8.015 Restrictions on access to facility and persons authorized on premises; location of cannabis growing at facility.**

1. Except as otherwise provided in subsection 2, a cannabis cultivation facility must ensure that access to the enclosed, locked facility where cannabis is cultivated is limited to the officers, board members and authorized cannabis establishment agents of the cannabis cultivation facility.

2. Each cannabis cultivation facility shall ensure that an authorized cannabis establishment agent accompanies any person other than another cannabis establishment agent associated with that cannabis establishment when the person is present in the enclosed, locked facility where cannabis is cultivated or produced by the cannabis cultivation facility.

3. Each cannabis cultivation facility shall ensure that any cannabis growing at the cannabis cultivation facility:

(a) Cannot be observed from outside the cannabis cultivation facility and is not visible from a public place by normal, unaided vision; and

(b) Unless the cannabis cultivation facility cultivates cannabis outdoors, does not emit a strong odor that is clearly detectable from outside the cannabis cultivation facility.

#### **8.020 Requirements for outdoor cultivation; verification of adequate isolation.**

1. If an applicant for a license for a cannabis cultivation facility wishes to engage in the cultivation of cannabis outdoors or if a cannabis cultivation facility wishes to begin to cultivate cannabis outdoors, the applicant or cannabis cultivation facility must, before engaging in any outdoor cultivation, submit a verification issued by the State Department of Agriculture that the outdoor cultivation will be adequately isolated from all other outdoor cannabis and industrial hemp cultivation locations to prevent the cross-pollination of cannabis crops.

2. A request for verification of adequate isolation described in subsection 1 must be submitted to the State Department of Agriculture and:

(a) Be on a form prescribed by the State Department of Agriculture;

(b) Include documentation that verifies that the applicant or cannabis cultivation facility has obtained:

(1) Appropriate licensing;

(2) Approved zoning; and

(3) Any other approvals required by the locality;

(c) Include a map or GPS coordinates that define the proposed location of outdoor cultivation by the applicant or cannabis cultivation facility; and

(d) Include any other information that the State Department of Agriculture determines to be necessary.

3. The applicant or cannabis cultivation facility shall not begin outdoor cultivation until the State Department of Agriculture provides verification of adequate isolation described in subsection 1, the applicant or cannabis cultivation facility transmits the verification of adequate isolation to the Board and the Board issues a license for a cannabis cultivation facility to the applicant or approves the modification of operations of the cannabis cultivation facility to begin outdoor cultivation.

### **REGULATION 9**

#### **PRODUCTION OF CANNABIS PRODUCTS**

##### **9.010 Hand and arm contact while engaged in extraction of concentrated cannabis or production of cannabis products.**

1. Each cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products shall keep his or her hands and the exposed portions of his or her arms clean.

2. A cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products shall not have contact with exposed, finished cannabis products with his or her bare hands and shall use suitable barriers, including, without limitation, deli tissue, spatulas, tongs, single-use gloves or dispensing equipment when handling exposed, finished concentrated cannabis or cannabis products.

3. A cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products shall minimize bare hand and arm contact with exposed cannabis products that are not in a finished form.

**9.015 Qualifications and duties of persons responsible for managing facility.** Based on the risks inherent to the operation of a cannabis product manufacturing facility, the persons responsible for managing each such facility shall demonstrate to the Board knowledge of disease prevention, and the requirements of Title 56 of NRS and NCCR, by:

1. Complying with the provisions of Title 56 of NRS and NCCR and having no category I, II, II(b) or III violations pursuant to NCCR 4.035-4.050 during inspections.
2. Ensuring that at least one employee of the cannabis product manufacturing facility is available during all operating hours which is a certified food protection manager who has shown proficiency in the required information through passing a test that is part of a program which certifies a person to be a food protection manager and which:
  - (a) Has been evaluated and listed by an accrediting agency as conforming to national standards for organizations that certify persons as food protection managers; or
  - (b) Provides to such persons other training acceptable to the Board.
3. Responding correctly to the questions of an inspector of cannabis establishments regarding:
  - (a) The relationship between the prevention of disease and the personal hygiene of a cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products.
  - (b) The prevention of the transmission of disease by a cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products who has a disease or medical condition that may transmit disease.
  - (c) The symptoms associated with the diseases that are transmissible through cannabis products and ingredients.
  - (d) The significance of the relationship between maintaining the temperature for a certain amount of time for potentially hazardous cannabis products and ingredients and the prevention of illness transmission.
  - (e) The hazards involved in the consumption of raw or undercooked meat, poultry and eggs.
  - (f) The required temperatures and times for safe cooking of potentially hazardous cannabis products and ingredients, including, without limitation, meat, poultry and eggs.
  - (g) The required temperatures and times for the safe refrigerated storage, hot holding, cooling and reheating of potentially hazardous cannabis products and ingredients.
  - (h) The relationship between the prevention of illness transmission and the management and control of:
    - (1) Cross contamination;
    - (2) Hand contact with finished cannabis products and ingredients;
    - (3) Hand washing; and
    - (4) Maintaining the establishment in a clean condition and in good repair.
  - (i) The correct procedures for cleaning and sanitizing utensils and the surfaces of equipment that have direct contact with cannabis products and ingredients.
  - (j) The identification of poisonous or toxic materials in the facility and the procedures necessary to ensure that those materials are safely stored, dispensed, used and disposed of according to applicable state and federal laws and regulations.

**9.020 Creation of cannabis extracts; development of standard operating procedures, good manufacturing practices and training plan.**

1. A cannabis product manufacturing facility may only use the methods, equipment, solvents, gases and mediums set forth in this section when creating cannabis extracts.
2. A cannabis product manufacturing facility may use the hydrocarbons N-butane, isobutane, propane, heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the Board. These solvents must be of at least 99 percent purity and a cannabis product manufacturing facility must, when using such solvents:
  - (a) Use the solvents in a professional grade, closed-loop extraction system designed to recover the solvents;

- (b) Work in a spark-free environment with proper ventilation; and
- (c) Follow all applicable local fire, safety and building codes in the processing and storage of the solvents.

3. A cannabis product manufacturing facility may use a professional grade, closed-loop CO2 gas extraction system where every vessel is rated to a minimum of 900 pounds per square inch and it follows all applicable local fire, safety and building codes in the processing and the storage of the solvents. The CO2 must be of at least 99 percent purity.

4. A cannabis product manufacturing facility may use heat, screens, presses, steam distillation, ice water and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other extracts.

5. A cannabis product manufacturing facility may use food grade glycerin, ethanol and propylene glycol solvents to create cannabis extracts.

6. A cannabis product manufacturing facility which creates cannabis extracts must develop standard operating procedures, good manufacturing practices and a training plan before producing cannabis extracts for the marketplace. Any person using solvents or gases in a closed-looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and safely handle and store the solvents and gases.

#### **9.025 Requirements and restrictions on use of non-cannabis ingredients.**

1. Each cannabis product manufacturing facility shall ensure that it obtains non-cannabis ingredients, including hemp and CBD, for cannabis products from sources that comply with the requirements of federal and state law and regulations and are approved by the Board, including, without limitation, commercial and retail businesses.

2. A cannabis product manufacturing facility shall not use or prepare non-cannabis ingredients prepared or stored in a private home.

3. A cannabis product manufacturing facility must submit all new menu items and their ingredients to the appropriate Board Agent for approval on a form prescribed by the Board prior to production and sale of new products. A cannabis product manufacturing facility may not produce nasal spray, inhalers, eye drops, or medical devices.

4. A cannabis product manufacturing facility preparing menu items that require a HACCP plan as determined by the appropriate Board Agent must be approved by a processing authority prior to submission. Special processes requiring a HACCP plan include, but are not limited to, canning, reduced oxygen packaging, and other processes as determined by the appropriate Board Agent.

#### **9.030 Protection of products and ingredients from cross-contamination.**

1. Except as otherwise provided in subsection 2, each cannabis product manufacturing facility shall ensure that cannabis products and ingredients are protected from cross-contamination by:

(a) Separating raw animal ingredients during storage, preparation, holding and display from raw cannabis products, or other raw finished ingredients such as fruits and vegetables, and from concentrated cannabis and cooked or baked and finished cannabis products which are ready to eat or otherwise use.

(b) Except when combined as ingredients, separating types of raw animal ingredients from each, including, without limitation, meat, poultry and eggs, during storage, preparation, holding and display by preparing each type of raw animal ingredient at a different time or in a different area and:

(1) Using separate equipment for each type of raw animal ingredient; or

(2) Arranging each type of raw animal ingredient in equipment so that cross-contamination of one type of raw animal ingredient with another is prevented.

(c) Preparing each type of raw animal ingredient at different times or in separate areas.

2. The provisions of subsection 1 do not apply to items stored frozen in a freezer.

3. Cannabis products must be protected from contamination by storing the product in a clean, dry location:

- (a) Where the products are not exposed to splashes, chemicals, dust or other contamination; and
  - (b) Fifteen centimeters or more above the floor.
4. Cannabis products and direct contact surfaces of equipment and utensils must be stored and handled in a manner that prevents any biological, chemical or physical contamination at all times.
  5. Chemical sanitizer must be available for immediate use at the proper concentration during all hours of operation in a location other than a three-compartment sink.

**9.035 Use of pasteurized eggs and egg products; cleanliness of equipment, utensils and articles; requirements for temperature controls.** Each cannabis product manufacturing facility shall ensure that:

1. Pasteurized eggs or egg products are substituted for raw eggs in the preparation of cannabis products.
2. Cannabis products and ingredients only have contact with the surfaces of:
  - (a) Equipment and utensils that are cleaned and sanitized; or
  - (b) Single-service and single-use articles that have not previously been used.
3. Ingredients such as eggs, meat, poultry and cannabis containing these raw animal ingredients are cooked to heat all parts of the cannabis product to a temperature and for a time that complies with one of the following methods based on the product that is being cooked:
  - (a) At 145°F (63°C) or above for 15 seconds for meat, including, without limitation, commercially raised game animals.
  - (b) At 155°F (68°C) or above for 15 seconds for:
    - (1) Mechanically tenderized and injected meats; and
    - (2) Meat and commercially raised game animals if it is comminuted.
  - (c) At 165°F (74°C) or above for 15 seconds for poultry, stuffed meat, stuffed pasta, stuffed poultry or stuffing containing meat or poultry.
4. Except during preparation, cooking or cooling, potentially hazardous cannabis products and ingredients are maintained:
  - (a) At 135°F (57°C) or above; or
  - (b) At 41°F (5°C) or less.
5. During the thawing process, potentially hazardous cannabis products and ingredients are:
  - (a) Maintained at 41°F (5°C) or less; and
  - (b) Thawed:
    - (1) Under refrigeration;
    - (2) Under cool running water;
    - (3) As part of the cooking process; or
    - (4) In a microwave only if the potentially hazardous cannabis products and ingredients will be cooked immediately thereafter.

**9.040 Clear marking of potentially hazardous cannabis products; determination of expiration date and shelf life of perishable products.**

1. Each cannabis product manufacturing facility shall ensure that:
  - (a) Potentially hazardous cannabis products and ingredients prepared and held by the facility for more than 24 hours are clearly marked to indicate the date or day by which the item must be consumed, sold or discarded when held at a temperature of 41°F (5°C) or less for a maximum of 7 days or, if the item is frozen, when the item is subsequently thawed and held at a temperature of 41°F (5°C) or less for a maximum of 7 days; and
  - (b) Potentially hazardous cannabis products and ingredients that are prepared and packaged by a commercial processing plant are clearly marked at the time that the original container is opened and, if the item is held for more than 24 hours, indicate the date or day by which the item must be consumed, sold or discarded, based on the temperature and time combination set forth in paragraph (a). The day on which the original container is opened in the cannabis establishment must be counted as “day 1.” The day or date marked by the cannabis product



manufacturing facility may not exceed a use-by date of the manufacturer if the manufacturer determined the use-by date.

(c) Products are not held past the expiration, sell by or use-by date.

2. If a cannabis product manufacturing facility produces a cannabis product which is perishable, the expiration date for the cannabis product must:

(a) Be determined as a result of shelf-life testing pursuant to subsection 3; or

(b) Not exceed 7 days, including the date of preparation of the cannabis product, if the cannabis product is refrigerated.

3. A cannabis product manufacturing facility shall perform testing, as specified by the Board, to determine the shelf life of each cannabis product which is perishable for the first production run of each such cannabis product. The appropriate Board Agent will determine which cannabis products require testing to determine shelf life during the review and approval of each cannabis product. New testing pursuant to this subsection must be performed for any change in the recipe, production run size or equipment used to produce a cannabis product.

#### **9.045 Edible cannabis products: Testing to ensure homogeneity of potency; requirements for sale; approval of Board required for certain changes.**

1. Each cannabis product manufacturing facility shall contract with a cannabis testing facility to perform testing to ensure the homogeneity of the potency of the product on each edible cannabis product produced by the facility. A cannabis product manufacturing facility shall not sell an edible cannabis product unless the appropriate Board Agent has preapproved the production of the edible cannabis product and a cannabis testing facility has verified the homogeneity of the potency of the product as described in NCCR 11.060.

2. A cannabis product manufacturing facility shall not sell an edible cannabis product other than a multiple-serving edible cannabis product or a single-serving edible cannabis product. An edible cannabis product sold as a multiple-serving edible cannabis product must not contain more than 100 milligrams of THC. An edible cannabis product sold as a single-serving edible cannabis product must not contain more than 10 milligrams of THC.

3. A cannabis product manufacturing facility shall not sell an edible cannabis product unless the appropriate Board Agent has approved that:

(a) The recipe and production procedures for the edible cannabis product will ensure consistent concentration of THC for the edible cannabis product; and

(b) The cannabis product manufacturing facility has demonstrated that its process for producing the edible cannabis product produces a homogenous product.

4. Any change in the recipe, production run size or equipment used to produce an edible cannabis product must be approved by the appropriate Board Agent. The Board Agent may require new approval or testing pursuant to this section for such a change.

#### **9.050 Requirements for sinks and running water.**

1. Each cannabis product manufacturing facility shall ensure that it provides:

(a) A sink with at least three compartments for manually washing, rinsing and sanitizing equipment and utensils;

(b) Sink compartments that are large enough to accommodate immersion of the largest equipment and utensils; and

(c) Running water that reaches a minimum temperature of 120°F (49°C).

2. If equipment or utensils are too large for the warewashing sink, a cannabis product manufacturing facility must use a warewashing machine or alternative equipment.

#### **9.055 Requirements for sanitizers.** Each cannabis product manufacturing facility shall ensure that:

1. In a mechanical operation, the temperature of the fresh hot water sanitizing rinse as it enters the manifold is not more than 194°F (90°C) or less than 180°F (82°C).

2. A chemical sanitizer used in a sanitizing solution for a manual or mechanical operation at contact times is used in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency, and as follows:

(a) A chlorine solution must have a concentration between 50 parts per million and 100 parts per million or be otherwise prepared in accordance with the manufacturer's label.

(b) An iodine solution must have a concentration between 12.5 parts per million and 25 parts per million or be otherwise prepared in accordance with the manufacturer's label.

(c) A quaternary ammonium compound solution must have a concentration between 150 parts per million and 400 parts per million or be otherwise prepared in accordance with the manufacturer's label.

3. If a chemical sanitizer other than chlorine, iodine or a quaternary ammonium compound is used, it is applied in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency and the use of the chemical sanitizer is approved by the appropriate Board Agent.

4. A sanitizer bucket or spray bottle is readily available during all hours of operation and kept at the proper concentration.

5. Test strips which are appropriate for the type of chemical sanitizer in use are available and used properly.

**9.060 Requirements for materials used in construction of utensils and contact surfaces.**

Each cannabis product manufacturing facility shall ensure that the materials that are used in the construction of utensils and the contact surfaces of equipment:

1. Do not allow the migration of deleterious substances or impart colors, odors or tastes to cannabis products; and

2. Under normal use conditions are:

(a) Safe;

(b) Durable, corrosion-resistant and nonabsorbent;

(c) Sufficient in weight and thickness to withstand repeated warewashing;

(d) Finished to have a smooth, easily cleanable surface; and

(e) Resistant to pitting, chipping, crazing, scratching, scoring, distortion and decomposition.

**9.065 Requirements for lighting.** Each cannabis product manufacturing facility shall ensure that the light intensity in the facility is:

1. At least 20 foot candles (215 lux):

(a) At a distance of 30 inches (75 cm) above the floor in walk-in refrigeration units and areas for storage of dry cannabis products and in other areas and rooms during periods of cleaning;

(b) Inside equipment such as reach-in and under-counter refrigerators; and

(c) At a distance of 30 inches (75 cm) above the floor in areas used for hand washing, warewashing and equipment and utensil storage and in toilet rooms.

2. At least 50 foot candles (540 lux) at a surface where a cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products is working with cannabis products or working with utensils or equipment, including, without limitation, knives, slicers, grinders or saws where employee safety is a factor.

**9.070 Requirements for filters for liquid filtration; prohibition on asbestos-containing filter.**

1. Each cannabis product manufacturing facility shall ensure that filters for liquid filtration used in the extraction of concentrated cannabis or manufacture, processing or packaging of cannabis products intended for human use do not release fibers into such products.

2. A cannabis product manufacturing facility shall not use an asbestos-containing filter.

**9.075 Sufficiency of ventilation hood systems and devices.** Each cannabis product manufacturing facility shall ensure that its ventilation hood systems and devices are sufficient in number and capacity to prevent grease or condensation from collecting on walls and ceilings.

**9.080 Sufficiency of mechanical ventilation.** Each cannabis product manufacturing facility shall ensure that it provides mechanical ventilation of sufficient capacity as necessary to keep rooms free of excessive heat, steam, condensation, vapors, obnoxious odors, smoke and fumes.

**9.085 Surfaces of equipment and utensils: Cleanliness.** Each cannabis product manufacturing facility shall ensure that:

1. The surfaces of equipment and utensils that have direct contact with cannabis products are clean to sight and touch;
2. The surfaces of cooking equipment and pans that have direct contact with cannabis products are kept free of encrusted grease deposits and other soil accumulations; and
3. The surfaces of equipment that do not have direct contact with cannabis products are kept free of an accumulation of dust, dirt, residue and other debris.

**9.090 Surfaces of equipment and utensils: Frequency of and activities requiring cleaning.** Each cannabis product manufacturing facility shall ensure that:

1. The surfaces of equipment and utensils that have direct contact with cannabis products are cleaned:
  - (a) Before each use with a different type of raw animal ingredient, including, without limitation, beef, pork or poultry;
  - (b) Each time there is a change from working with raw cannabis products to working with finished cannabis products;
  - (c) Between uses with raw fruits and vegetables and with potentially hazardous cannabis products and ingredients, using the appropriate time and temperature controls to ensure the safety of the cannabis products; and
  - (d) At any time during operation when contamination may have occurred.
2. If the surfaces of equipment or utensils come into contact with potentially hazardous cannabis products and ingredients, the surfaces and utensils are cleaned throughout the day at least once every 4 hours.
3. The surfaces of utensils and equipment that have direct contact with cannabis products and ingredients that are not potentially hazardous are cleaned:
  - (a) At any time when contamination may have occurred; and
  - (b) In equipment, including, without limitation, ice bins and beverage dispensing nozzles, and enclosed components of equipment, such as ice makers, cooking oil storage tanks and distribution lines, beverage and syrup dispensing lines or tubes, coffee bean grinders and water vending equipment:
    - (1) At a frequency specified by the manufacturer; or
    - (2) If the manufacturer does not specify a frequency, at a frequency necessary to prevent the accumulation of soil or mold.

**9.095 Surfaces and utensils: Sanitation.** Each cannabis product manufacturing facility shall ensure that:

1. The surfaces and utensils that have direct contact with cannabis products are adequately washed, rinsed and sanitized.
2. After being cleaned, surfaces of equipment and utensils that have direct contact with cannabis products are sanitized in:
  - (a) Hot water manual operations by immersion for at least 30 seconds with a temperature of 170°F (77°C) or above;
  - (b) Hot water mechanical operations by being cycled through equipment that is set up and achieving a utensil surface temperature of 160°F (71°C) as measured by an irreversible registering temperature indicator; or

(c) Chemical manual or mechanical operations, including, without limitation, the application of sanitizing chemicals by immersion, manual swabbing, brushing or pressure spraying methods using a solution as specified on the manufacturer's label use instructions that are approved by the Environmental Protection Agency, by providing an exposure time of at least 30 seconds unless the manufacturer's label use instructions provide otherwise.

**9.100 Surfaces of cooking and baking equipment and door seals of microwave ovens: Cleanliness.** Each cannabis product manufacturing facility shall ensure that:

1. The surfaces of cooking and baking equipment that have direct contact with cannabis products are cleaned at least once every 24 hours; and
2. The cavities and door seals of microwave ovens are cleaned at least once every 24 hours by using the recommended cleaning procedure of the manufacturer.

**REGULATION 10**

**MINIMUM GOOD MANUFACTURING PRACTICES FOR CULTIVATION**

**AND PREPARATION OF CANNABIS AND CANNABIS PRODUCTS**

**FOR ADMINISTRATION TO HUMANS**

**10.010 Establishment of minimum good manufacturing practices.** NCCR 10.010 to 10.080, inclusive, set forth the minimum good manufacturing practices for the cultivation and preparation of cannabis and cannabis products for administration to humans.

**10.015 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Requirement to have quality control unit.**

1. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall have a quality control unit that:

(a) Has the responsibility and authority to approve or reject all components, product containers, closures, in-process materials, packaging materials, labeling and cannabis or cannabis products;

(b) Has the authority to review production records to assure that no errors have occurred or, if errors have occurred, that the errors have been fully investigated and resolved;

(c) Is responsible for approving or rejecting cannabis or cannabis products manufactured, processed, packaged or held under contract by another cannabis establishment; and

(d) Is responsible for approving or rejecting all procedures or specifications which may impact the identity, strength, quality and purity of the cannabis or cannabis products.

2. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall:

(a) Set forth the responsibilities and procedures applicable to the quality control unit in writing, a copy of which shall be provided promptly to the Board or Board Agents upon request; and

(b) Follow the written responsibilities and procedures set forth pursuant to paragraph (a).

**10.020 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Adequate ventilation, filtration systems and related equipment required for building.**

1. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall ensure that any building used to manufacture, process, package or hold cannabis or cannabis products:

(a) Has adequate ventilation; and

(b) Contains equipment for adequate control over air pressure, microorganisms, dust, humidity and temperature when appropriate for the manufacture, processing, packaging or holding of cannabis or cannabis products.

2. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility must use filtration systems, including, without limitation, prefilters and particulate matter air filters, when appropriate on air supplies to production areas. If air is recirculated to production areas, the cannabis establishment must take measures to control recirculation of dust from production. In areas where air contamination occurs during production, the cannabis establishment must ensure that there are adequate exhaust systems or other systems adequate to control contaminants.

**10.025 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Establishment of and adherence to written procedures for labeling and packaging materials.**

1. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall establish and follow written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, and examination of labeling and packaging materials. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request.

2. Any labeling or packaging materials that meet the appropriate written specifications established pursuant to subsection 1 may be approved and released for use. Any labeling or packaging materials that do not meet the specifications established pursuant to subsection 1 must be rejected to prevent their use in operations for which they are unsuitable.

3. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall:

(a) Store separately with suitable identification the labels and other labeling materials for each type of cannabis or cannabis product, and the different strength, dosage form or quantity of contents;

(b) Limit access to the storage area described in paragraph (a) to authorized personnel of the cannabis establishment; and

(c) Destroy obsolete and outdated labels, labeling and other packaging materials.

**10.030 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Establishment of and adherence to written procedures for production and process control to assure quality of cannabis and cannabis products; review and approval of procedures; recording and justification of deviation from procedures.**

1. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall have written procedures for production and process control that are designed to assure that the cannabis or cannabis products have the identity, strength, quality and purity they purport or are represented to possess. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request.

2. The written procedures required pursuant to subsection 1 and any changes to those procedures must be drafted, reviewed and approved by the appropriate organizational units of the cannabis establishment and reviewed and approved by the quality control unit of the cannabis establishment.

3. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall follow written production and process control procedures in executing various production and process control functions and shall document these procedures at the time of performance. Any deviation from the written procedures must be recorded and justified by the cannabis establishment. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request.

**10.035 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Establishment of and adherence to written procedures for components, product containers and closures.** Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall ensure that:

1. It has written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, testing and approval or rejection of components, product containers and closures and that it follows those procedures. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request;
2. Components, product containers and closures are at all times handled and stored in a manner so as to prevent contamination; and
3. Bagged or boxed components, product containers or closures are stored at least 6 inches (15 centimeters) off the floor and are suitably spaced to permit cleaning and inspection.

**10.040 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Appropriateness, cleanliness and maintenance of equipment, utensils and substances; maintenance of records.**

1. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall ensure that any equipment used to manufacture, process, package or hold cannabis or cannabis products:

(a) Is of appropriate design and adequate size and is suitably located to facilitate operations for its intended use and for its cleaning and maintenance; and

(b) Is constructed so that surfaces which have direct contact with components, in-process materials, cannabis or cannabis products are not reactive, additive or absorptive so as to alter the safety, identity, strength, quality or purity of the cannabis or cannabis products beyond the official or other established requirements.

(c) Is submitted to the appropriate Board Agent on a form prescribed by the Board for approval prior to use.

2. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall ensure that:

(a) Any substances required for its operation, such as lubricants or coolants, do not come into contact with components, product containers, in-process materials, cannabis or cannabis products so as to alter the safety, identity, strength, quality or purity of the cannabis or cannabis products beyond the official or other established requirements;

(b) Equipment and utensils are cleaned, maintained and, as appropriate for the nature of the cannabis or cannabis products, sanitized and sterilized at appropriate intervals to prevent malfunctions or contamination that would alter the safety, identity, strength, quality or purity of the cannabis or cannabis products beyond the official or other established requirements; and

(c) Written procedures are established and followed for the cleaning and maintenance of equipment and utensils used to manufacture, process, package or hold cannabis or cannabis products. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request. These procedures must include, without limitation:

(1) Assignment of responsibility for cleaning and maintaining equipment;

(2) Maintenance and cleaning schedules, including, sanitizing schedules;

(3) A description in sufficient detail of the methods, equipment and materials used in cleaning and maintenance operations and the methods of disassembling and reassembling equipment as necessary to assure proper cleaning and maintenance;

(4) Protection of clean equipment from contamination before use; and

(5) Inspection of equipment for cleanliness immediately before use.

3. Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility must maintain records of any maintenance, cleaning, sanitizing and inspection carried out pursuant to this section.

**10.045 Cannabis cultivation facility, cannabis product manufacturing facility, cannabis distributor and cannabis sales facility: Requirement to ensure cleanliness of employees and volunteers.** Each cannabis cultivation facility, cannabis product manufacturing facility, cannabis distributor and cannabis sales facility shall ensure that:

1. Each cannabis establishment agent who is employed by or volunteers at the cannabis establishment and who is engaged in cultivating, manufacturing, processing, packaging or holding cannabis or cannabis products wears clean clothing appropriate for the duties he or she performs;
2. Protective apparel, such as head, face, hand and arm coverings, are worn as necessary to protect cannabis or cannabis products from contamination; and
3. Each cannabis establishment agent who is employed by or volunteers at the cannabis establishment practices good sanitation and health habits.

**10.050 Cannabis cultivation facility, cannabis product manufacturing facility, cannabis distributor and cannabis sales facility: Restrictions on salvaging cannabis and cannabis products; maintenance of records.**

1. Each cannabis cultivation facility, cannabis product manufacturing facility, cannabis distributor and cannabis sales facility shall ensure that cannabis or cannabis products that have been subjected to improper storage conditions, including, without limitation, extremes in temperature, humidity, smoke, fumes, pressure, age or radiation due to natural disasters, fires, accidents or equipment failures, are not salvaged and returned to the marketplace.
2. Whenever it is unclear whether cannabis or cannabis products have been subjected to the conditions described in subsection 1, a cannabis cultivation facility, cannabis product manufacturing facility or cannabis sales facility may conduct salvaging operations only if:
  - (a) The cannabis or cannabis products are salvaged for use only for the purpose of extraction;
  - (b) Evidence from tests and assays performed by a cannabis testing facility indicates that the cannabis or cannabis products meet all applicable standards of quality and purity; and
  - (c) Evidence from inspection of the premises indicates that the cannabis or cannabis products and their associated packaging were not subjected to improper storage conditions as a result of the disaster or accident, if any.
3. A cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility must maintain records, including, without limitation, the name, lot number, production run number and disposition for cannabis or cannabis products salvaged pursuant to subsection 2.

**10.055 Cannabis establishment: Requirements for building used to manufacture, process, package or hold cannabis.**

1. Each cannabis establishment shall ensure that any building used to manufacture, process, package or hold cannabis or cannabis products:
  - (a) Is of suitable size, construction and location to facilitate cleaning, maintenance and proper operations;
  - (b) Has adequate space for the orderly placement of equipment and materials to prevent miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of cannabis or cannabis products between different components, product containers, closures, labels, in-process materials and cannabis or cannabis products and to prevent contamination; and
  - (c) Contains interior surfaces which are not constructed of bare, painted or coated wood or wood product unless:
    - (1) The bare, painted or coated wood is within a building used only as a cannabis sales facility and all cannabis or cannabis products are packaged or protected at all times; or
    - (2) The wood is sealed and coated with an epoxy paint which renders the surface:
      - (I) Safe;
      - (II) Durable, corrosion-resistant, nonporous and nonabsorbent;
      - (III) Finished to have a smooth, easily cleanable surface; and

(IV) Resistant to pitting, chipping, crazing, scratching, scoring, distortion and decomposition.

2. Each cannabis establishment shall ensure that:

(a) The flow of components, product containers, closures, labels, in-process materials and cannabis and cannabis products through any building used to manufacture, process, package or hold cannabis or cannabis products is designed to prevent contamination;

(b) The operations of the cannabis establishment are performed within specifically defined areas of adequate size;

(c) All items are stored at least 6 inches (15 cm) off the floor;

(d) All access points to outside areas are sealed, including, without limitation, by use of door sweeps; and

(e) There are separate or defined areas or such other control systems for the operations of the cannabis establishment as are necessary to prevent contamination or miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of cannabis or cannabis products during the course of the following procedures:

(1) Receipt, identification, storage and withholding from use of components, product containers, closures and labels, pending the appropriate sampling, testing or examination by the quality control unit before release for manufacturing, processing or packaging;

(2) Holding rejected components, product containers, closures and labels before disposition;

(3) Storage of released components, product containers, closures and labels;

(4) Storage of in-process materials;

(5) Processing operations;

(6) Packaging and labeling operations;

(7) Quarantine storage before the release of cannabis or cannabis products;

(8) Storage of cannabis or cannabis products after release;

(9) Cannabis testing facility operations; and

(10) Sanitary processing, which includes as appropriate:

(I) Floors, walls and ceilings made of smooth, hard surfaces that are easily cleanable;

(II) Temperature and humidity controls;

(III) An air supply filtered through high-efficiency particulate air filters under positive pressure;

(IV) A system for monitoring environmental conditions;

(V) A system for cleaning and sanitizing rooms and equipment; and

(VI) A system for maintaining any equipment used to control sanitary conditions.

**10.060 Cannabis establishment: Requirement to maintain building used to manufacture, process, package or hold cannabis in good state of repair.** Each cannabis establishment shall ensure that any building used to manufacture, process, package or hold cannabis or cannabis products is maintained in a good state of repair.

**10.065 Cannabis establishment: Requirements for water, plumbing and drains in building used to manufacture, process, package or hold cannabis.** Each cannabis establishment shall ensure that:

1. Any building used to manufacture, process, package or hold cannabis or cannabis products supplies potable water under continuous positive pressure in a plumbing system free of defects that could contribute to the contamination of any cannabis or cannabis products. Potable water must meet the standards prescribed in the Primary Drinking Water Regulations, 40 C.F.R. Part 141. Water not meeting such standards is not permitted in the potable water system.

2. Drains are of adequate size and, where connected directly to a sewer, are provided with an air break or other mechanical device to prevent back-siphonage.

10.070 Cannabis establishment: Adequate lighting.



1. Each cannabis establishment shall ensure that adequate lighting is provided in all areas of the cannabis establishment.

2. If it is necessary for a cannabis establishment to have dim or no lighting in a certain area of the cannabis establishment for a specific reason, the cannabis establishment must have a written policy which specifies:

- (a) The area needing dim or no lighting; and
- (b) The reason the area needs dim or no lighting.

**10.075 Cannabis establishment: Establishment of and adherence to written procedures for sanitation; requirement to retain person who is certified applicator of pesticides.**

1. Each cannabis establishment shall ensure that it has written procedures:

(a) Assigning responsibility for sanitation and describing in sufficient detail the cleaning schedules, methods, equipment and materials to be used in cleaning the buildings and facilities of the cannabis establishment; and

(b) For the use of appropriate rodenticides, insecticides, fungicides, fumigating agents and cleaning and sanitizing agents by the cannabis establishment.

2. Each cannabis establishment shall ensure that the written procedures described in subsection 1 are followed. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request.

3. All sanitation procedures of a cannabis establishment apply to work performed by contractors or temporary cannabis establishment agents for the cannabis establishment as well as work performed by full-time cannabis establishment agents during the ordinary course of operations.

4. Each cannabis cultivation facility shall retain at least one person who is a certified applicator, as defined in NRS 555.2618, who is authorized to use pesticides for:

(a) If the cannabis cultivation facility engages in the cultivation of cannabis indoors, greenhouse and nursery pest control pursuant to subparagraph (2) of paragraph (c) of subsection 1 of NCR 555.640; and

(b) If the cannabis cultivation facility engages in the cultivation of cannabis outdoors, agricultural pest control of animals or plants pursuant to paragraph (a) or (b) of subsection 1 of NCR 555.640.

**10.080 Cannabis establishment: Storage, management and disposal of waste.**

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

(a) Store, manage and dispose of all solid and liquid waste and wastewater generated during the processing of cannabis or production of cannabis products in accordance with all applicable state and local laws and regulations; and

(b) Render waste containing cannabis unusable before the waste leaves the cannabis establishment. Such waste includes, without limitation:

(1) Waste from cannabis plants, including, without limitation, roots, stalks, leaves, stems, flower, trim or solid plant material and any plant material used to create an extract;

(2) Solvents used in the processing of cannabis or extraction of concentrated cannabis;

(3) Any plant material or solvents discarded as a result of quality assurance testing or any other testing performed by a cannabis testing facility; and

(4) Any other waste as determined by the Board.

2. A cannabis distributor or cannabis sales facility may return a cannabis product to a cannabis cultivation facility or cannabis product manufacturing facility to be rendered unusable.

3. Unless another method approved by the Board is used, waste containing cannabis must be rendered unusable by grinding and incorporating the waste with:

(a) For disposal using an organic method other than composting, the following kinds of compostable mixed waste:

(1) Food waste;

(2) Yard waste;

- (3) Soil; or
- (4) Other waste as approved by the Board; or
- (b) For disposal in a landfill or other method not described in paragraph (a), the following kinds of noncompostable mixed waste:
  - (1) Paper waste;
  - (2) Cardboard waste;
  - (3) Plastic waste; or
  - (4) Other waste as approved by the Board.

→ The amount of waste containing cannabis in the resulting mixture must be less than 50 percent by volume. Such waste must not be disposed of by composting.

4. A cannabis establishment shall provide notice to the Board using the seed-to-sale tracking system before rendering unusable and disposing of cannabis or cannabis products.

## REGULATION 11

### CANNABIS TESTING FACILITIES

#### **11.010 Employment, qualifications and duties of scientific director; inspection of testing facility upon appointment of new director.**

1. Each cannabis testing facility must employ a scientific director who must be responsible for:

- (a) Establishing and maintaining a quality control and quality assurance program that ensures the quality of the cannabis testing facility's services, and that is capable of identifying any failure of quality when it occurs;
- (b) Supervising all staff of the cannabis testing facility; and
- (c) Actively participating in the operation of the testing facility to the extent necessary to assure compliance with the provisions of this Act.

2. The scientific director of a cannabis testing facility must have earned:

- (a) A doctorate degree in science from an accredited college or university and have at least 2 years of post-degree laboratory experience;
- (b) A master's degree in science from an accredited college or university and have at least 4 years of post-degree laboratory experience; or
- (c) A bachelor's degree in science from an accredited college or university and have at least 6 years of post-degree laboratory experience.

3. If a scientific director is no longer employed by a cannabis testing facility, the cannabis testing facility shall not be permitted to conduct any testing.

4. A cannabis testing facility shall immediately inform the Board upon the appointment of a new scientific director.

5. A scientific director shall be available to the personnel of a testing facility, in person or by telephonic or other electronic means, for any necessary consultation.

6. The scientific director must be on the premises of the testing facility at least 5 workdays each month.

#### **11.015 Requirements for testing facility to handle, test or analyze cannabis.**

1. A cannabis testing facility shall not handle, test or analyze cannabis unless:

- (a) The cannabis testing facility has been issued a license;
- (b) The cannabis testing facility is independent from all other persons involved in the cannabis industry in Nevada; and
- (c) No person with a direct or indirect interest in the cannabis testing facility has a direct or indirect financial interest in:
  - (1) A cannabis sales facility;
  - (2) A cannabis product manufacturing facility;
  - (3) A cannabis cultivation facility;
  - (4) A cannabis distributor;

- (5) A provider of health care who provides or has provided written documentation for the issuance of registry identification cards or letters of approval; or
  - (6) Any other entity that may benefit from the cultivation, manufacture, dispensing, sale, purchase or use of cannabis or cannabis products.
2. A cannabis testing facility is not required to use a cannabis distributor to collect or move samples for testing.

**11.020 Agreement to become accredited within 1 year after licensure; provision of annual inspection report to Board; inspection by accrediting organization is not substitute for inspection by Board.**

1. Each cannabis testing facility must agree to become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization within 1 year after licensure. The scope of accreditation must cover all analytes pursuant to NCCR 11.050
2. Each cannabis testing facility that claims to be accredited must provide the Board with copies of each annual inspection report from the accrediting organization, including, without limitation, any deficiencies identified in and any corrections made in response to the report.
3. Inspection by an accrediting organization is not a substitute for inspection by the Board or Board Agents.

**11.025 Adherence to general laboratory standards, practices, procedures and programs; inspection by Board or authorized third party; adoption of publications by reference.**

1. Each cannabis testing facility must:
  - (a) Follow the most current version of the Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control monograph published by the American Herbal Pharmacopoeia.
  - (b) Follow the Recommendations for Regulators — Cannabis Operations published by the American Herbal Products Association.
  - (c) Be accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization by an impartial organization that operates in conformance with standard ISO/IEC 17011 of the International Organization for Standardization and is a signatory to the Mutual Recognition Arrangement of the International Laboratory Accreditation Cooperation.
  - (d) Follow the Guidelines for Laboratories Performing Microbiological and Chemical Analyses of Food, Dietary Supplements, and Pharmaceuticals — An Aid to the Interpretation of ISO/IEC 17025:2005 (2015) published by AOAC International.
2. Each cannabis testing facility shall demonstrate proficiency in testing samples using the analytical methods approved by the Board or the appropriate Board Agent by participating in the approved proficiency testing program for all required analytes within 6 months after the date upon which the cannabis testing facility is issued a license.
3. The Board may require an independent third party to inspect and/or monitor the analytical testing methodologies and technical competence of the cannabis testing facility on an ongoing basis.
4. Each cannabis testing facility shall:
  - (a) Adopt and follow minimum good laboratory practices which must, at a minimum, satisfy the OECD Series on Principles of Good Laboratory Practice (GLP) and Compliance Monitoring published by the Organisation for Economic Co-operation and Development.
  - (b) Become certified by the International Organization for Standardization and agree to have the inspections and reports of the International Organization for Standardization made available to the Board or Board Agents.
  - (c) Maintain internal standard operating procedures. A copy of these procedures shall be provided promptly to the Board or Board Agents upon request.
  - (d) Maintain a quality control and quality assurance program.
5. The Board Agents or an independent third party authorized by the Board may conduct an inspection of the practices, procedures and programs adopted, followed and maintained pursuant

to subsection 4 and inspect all records of the cannabis testing facility that are related to the inspection.

6. A cannabis testing facility must use, when available, testing methods that have undergone validation by the Official Methods of Analysis of AOAC International, the Performance Tested Methods Program of the Research Institute of AOAC International, the Bacteriological Analytical Manual of the Food and Drug Administration, the International Organization for Standardization, the United States Pharmacopeia, the Microbiology Laboratory Guidebook of the Food Safety and Inspection Service of the United States Department of Agriculture or an equivalent third-party validation study approved by the Board. If no such testing method is available, a cannabis testing facility may use an alternative testing method or a testing method developed by the cannabis testing facility upon demonstrating the validity of the testing method to and receiving the approval of the Board.

7. All quality assurance tests pursuant to NCCR 11.050. shall be validated or verified by the cannabis testing facility observing the guidelines of the most recent version of standard ASTM D8282: “Standard Practice for Laboratory Test Method Validation and Method Development”, published by the American Society for Testing and Materials (ASTM) and available at [www.astm.org](http://www.astm.org), or any subsequent standard as approved by the appropriate Board Agent.

8. The Board hereby adopts by reference:

(a) The Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control monograph published by the American Herbal Pharmacopoeia. A copy of that publication may be obtained from the American Herbal Pharmacopoeia, P.O. Box 66809, Scotts Valley, California 95067, or at the Internet address <http://www.herbal-ahp.org/>.

(b) The OECD Series on Principles of Good Laboratory Practice (GLP) and Compliance Monitoring published by the Organisation for Economic Co-operation and Development. A copy of that publication may be obtained free of charge from the Organisation for Economic Co-operation and Development at the Internet address <http://www.oecd.org/env/ehs/testing/oecdseriesonprinciplesofgoodlaboratorypracticeglpandcompliancemonitoring.htm>.

(c) Standard ISO/IEC 17025 published by the International Organization for Standardization. A copy of that publication may be obtained from the American National Standards Institute at the Internet address <https://webstore.ansi.org/RecordDetail.aspx?sku=ISO%2fIEC+17025%3a2005>.

(d) The Guidelines for Laboratories Performing Microbiological and Chemical Analyses of Food, Dietary Supplements, and Pharmaceuticals — An Aid to the Interpretation of ISO/IEC 17025:2005 (2015) published by AOAC International. A copy of that publication may be obtained from AOAC International at the Internet address [http://www.aoac.org/aoac\\_prod\\_imis/AOAC/AOAC\\_Member/PUBSCF/ALACCCF/ALACC\\_M.aspx](http://www.aoac.org/aoac_prod_imis/AOAC/AOAC_Member/PUBSCF/ALACCCF/ALACC_M.aspx)

**11.030 Establishment of policies for adequate chain of custody and requirements for samples of products provided to testing facility.** Each cannabis testing facility must establish policies for an adequate chain of custody and sample identification requirements for samples of products provided to the cannabis testing facility for testing or research purposes, including, without limitation, policies and requirements for:

1. Issuing instructions for the minimum sample and storage requirements;
2. Documenting the condition of the external package and integrity seals utilized to prevent contamination of, or tampering with, the sample;
3. Documenting the condition and amount of the sample provided at the time of receipt;
4. Documentation of any pertinent sample identifiers, including but not limited to product type, product name, strain name, seed-to-sale tracking number, batch/lot number and production run number as appropriate;
5. Documenting all persons handling the original samples, aliquots and extracts;
6. Providing adequate identification on sample containers throughout all phases of testing, including, but not limited to aliquots, dilutions, tubes, slides, culture plates, extracts, data files,

images, and other secondary samples created during the processing or testing of a sample. The sample identifier(s) on any sample container must be indelible, legible, and able to withstand all stages of processing and conditions of storage;

7. Documenting all transfers of samples, aliquots and extracts referred to another cannabis testing facility for additional testing or whenever requested by a client;

8. Maintaining a current list of authorized cannabis establishment agents and restricting entry to the laboratory to only those authorized;

9. Securing the cannabis testing facility during nonworking hours;

10. Securing short- and long-term storage areas when not in use;

11. Utilizing a secured area to log-in and aliquot samples;

12. Ensuring samples are stored appropriately; and

13. Documenting the disposal of samples, aliquots and extracts.

**11.035 No limitation on amount of usable cannabis and cannabis products on premises of testing facility; maintenance of records to prove amount on premises is for testing purposes only.** A cannabis testing facility is not limited in the amount of usable cannabis and cannabis products it may have on the premises of the cannabis testing facility at any given time, but the cannabis testing facility must maintain records to prove that all usable cannabis and cannabis products on the premises are there for testing purposes only.

**11.040 Proficiency testing program: Establishment by Board; required participation by testing facilities; conditions for successful participation; unsuccessful participation grounds for limitation, suspension or revocation of license; proficiency testing inter-laboratory communication and referral prohibited.**

1. The Board will establish a proficiency testing program for cannabis testing facilities. A proficiency testing program must include, without limitation, providing rigorously controlled and standardized proficiency testing samples to cannabis testing facilities for analysis, reporting the results of such analysis and performing a statistical evaluation of the collective demographics and results of all cannabis testing facilities.

2. Each cannabis testing facility must participate in the proficiency testing program established pursuant to this section.

3. A cannabis testing facility must successfully participate in one of the approved proficiency testing programs that covers all required analytes a minimum of every 12 months in order to maintain continued licensure.

4. To maintain continued licensure as a cannabis testing facility, a cannabis testing facility must participate in the designated proficiency testing program with continued satisfactory performance as determined by the appropriate Board Agent.

5. A cannabis testing facility must analyze proficiency testing samples using the same procedures with the same number of replicate analyses, standards, testing analysts and equipment as used for product testing. All proficiency testing samples must be integrated within the routine laboratory workload whenever possible.

6. The scientific director of the cannabis testing facility and all testing analysts that participated in proficiency testing must sign corresponding attestation statements.

7. All proficiency testing results received must be reviewed by the scientific director and appropriate staff members. Upon receipt of results from the proficiency testing provider, the testing facility shall do the following:

(a) Evaluate the testing facility's performance and perform corrective action for any unsatisfactory results received. Failure to provide a result for a required analyte shall be considered an unacceptable result.

(b) Investigate any unsatisfactory results, to include a retrospective review of potentially affected cannabis samples whenever applicable.

(c) Document investigation findings and any resultant corrective actions, if applicable, and maintain the documentation for a period of at least two years.

8. Successful participation includes an acceptable score for each and every target analyte that the cannabis testing facility reports to include quantitative results when applicable. Issues related to samples provided by the proficiency testing company will be reviewed on a case by case basis.

9. A testing facility who fails to achieve an acceptable score for a required quality assurance test shall:

(a) Notify the appropriate Board Agent in writing within 24 hours.

(b) Repeat the proficiency testing of any failed tests within 30 calendar days or as otherwise approved by the appropriate Board Agent. If the testing facility fails to perform satisfactorily for the same required quality assurance test in two consecutive proficiency testing events, or two out of three proficiency testing events, the testing facility may be required to cease the performance of testing for those analytes until it demonstrates to the satisfaction of the appropriate Board Agent that the nonconformances have been corrected in such a manner as to ensure that they will not recur.

10. Unsuccessful participation in proficiency testing may result in limitation, suspension, denial of renewal of license, or revocation of the license of the cannabis testing facility.

11. The Board will select a proficiency testing provider(s) to conduct the proficiency testing program and determine the schedule that the proficiency testing provider will follow when sending proficiency testing samples to cannabis testing facilities for analysis.

12. In addition to achieving the standard required pursuant to subsection 8, a cannabis testing facility successfully participates in the proficiency testing program only if the cannabis testing facility:

(a) Obtains single-blind proficiency testing samples from the proficiency testing provider;

(b) Analyzes the proficiency testing sample for all analytes listed in NCCR 11.050 to 11.065, inclusive;

(c) Reports the results of its analysis to the proficiency testing provider;

(d) Successfully performs proficiency testing for all required analytes pursuant to this Act not less frequently than once each 12 months;

(e) Pays the costs of subscribing to the proficiency testing program; and

(f) Ensures the proficiency testing provider submits to the appropriate Board Agent the results of any test performed pursuant to this section.

13. A cannabis testing facility shall not communicate with another cannabis testing facility about proficiency testing samples for a proficiency testing event until after the deadline for submission of results to the proficiency testing provider.

14. Proficiency testing samples shall not be referred to another testing facility for analysis and shall not be accepted from other testing facility for analysis.

#### **11.045 Limited testing for research and development purposes.**

1. A cannabis cultivation facility or a cannabis product manufacturing facility may conduct operations and request limited laboratory testing by a cannabis testing facility for research and development purposes.

2. A cannabis cultivation facility or cannabis product manufacturing facility described in subsection 1 shall:

(a) Notify the appropriate Board Agent of its intent to conduct research and development on a form prescribed by the Board by electronic mail before sending a sample to a cannabis testing facility;

(b) Receive approval from the appropriate Board Agent for the requested research and development studies.

(c) Quarantine each batch, lot or production run in a separate quarantine area and label each batch, lot or production run with a distinctive label containing "R&D QUARANTINE" as a header and footer in 20-point white font and a red background;

(d) Account for all cannabis subject to quarantine pursuant to paragraph (b) in the seed-to-sale tracking system;

(e) Limit all research and development operations to clearly segregated and designated areas or rooms marked “R&D CULTIVATION AREA” or “R&D PRODUCTION AREA” on 8 1/2 by 11 inch signs with a red background and white lettering, posted at the entrance to the area or room and along the walls of the area or room, with a minimum of one sign for every 300 square feet of the area or room; and

(f) Perform research and development operations in a grow room only if the plants used for such operations are designated and separated from other plants.

3. A cannabis cultivation facility or cannabis product manufacturing facility operating as described in subsection 1 may request limited testing protocols from a cannabis testing facility for research and development purposes. A cannabis testing facility shall not perform any laboratory tests on research and development samples which were not specifically indicated as part of the approved study.

4. A cannabis testing facility that performs testing for a cannabis cultivation facility or cannabis product manufacturing facility described in subsection 1 shall report the results of the testing to the cannabis establishment and to the Board by electronic mail. The cannabis testing facility shall clearly mark the test results with “R&D TESTING ONLY -- NOT FOR RESALE” on the top of each page of the report in 20-point white font and a red background.

5. A batch, lot or production run produced for research and development purposes pursuant to this section which fails quality assurance testing need not be destroyed.

6. A batch, lot or production run originally produced for research and development purposes pursuant to this section may not be sold to a cannabis sales facility until the batch, lot or production run has undergone and passed all testing required by NCCR 6.100.

**11.050 Required quality assurance tests; submission of wet cannabis for testing.**

1. Each cannabis testing facility must use the sampling protocols and the general body of required quality assurance tests for usable cannabis, as received, concentrated cannabis and cannabis products set forth in this section. Such tests may include moisture content, potency analysis, foreign matter inspection, microbial screening, pesticide and other chemical residue and metals screening and residual solvents levels. A cannabis testing facility may request permission from the appropriate Board Agent to obtain additional sample material for the purposes of completing required quality assurance tests but may not use such material for the purposes of resampling or repeating quality assurance tests. A cannabis testing facility may retrieve samples from the premises of another cannabis establishment and transport the samples directly to the cannabis testing facility. A cannabis testing facility transporting samples may make multiple stops if:

(a) Each stop is for the sole purpose of retrieving a sample from a cannabis establishment; and

(b) All samples remain secured at all times.

2. The tests required pursuant to subsection 1 by a cannabis testing facility are as follows:

Product	Tests Required	Action Levels
Usable cannabis, infused pre-rolls and crude collected resins, as received, excluding wet cannabis	1. Moisture content 2. Potency analysis 3. Terpene analysis 4. Foreign matter inspection 5. Mycotoxin screening 6. Heavy metal screening 7. Pesticide residue analysis 8. Herbicide screening 9. Growth regulator screening 10. Total yeast and mold	1. < 15% 2. N/A 3. N/A 4. None detected 5. < 20 µg/kg for the total of Aflatoxins B1, B2, G1 and G2 combined and < 20 µg/kg for Ochratoxin A 6. Arsenic: < 2 ppm Cadmium: < 0.82 ppm

Product	Tests Required	Action Levels
	11. Total Enterobacteriaceae 12. Salmonella 13. Pathogenic E. coli 14. Aspergillus fumigatus 15. Aspergillus flavus 16. Aspergillus terreus 17. Aspergillus niger 18. Total coliform	Lead: < 1.2 ppm Mercury: < 0.4 ppm 7. See NCR 678B.786 8. See NCR 678B.786 9. See NCR 678B.786 10. < 10,000 colony forming units per gram 11. < 1,000 colony forming units per gram 12. None detected per gram 13. None detected per gram 14. None detected per gram 15. None detected per gram 16. None detected per gram 17. None detected per gram 18. < 1,000 colony forming units per gram
Wet cannabis, as received, which is destined for extraction	1. Potency analysis 2. Terpene analysis 3. Foreign matter inspection 4. Mycotoxin screening 5. Heavy metal screening 6. Pesticide residue analysis 7. Herbicide screening 8. Growth regulator screening 9. Total yeast and mold 10. Total Enterobacteriaceae 11. Salmonella 12. Pathogenic E. coli 13. Aspergillus fumigatus 14. Aspergillus flavus 15. Aspergillus terreus 16. Aspergillus niger 17. Total coliform	1. N/A 2. N/A 3. None detected 4. < 20 µg/kg for the total of Aflatoxins B1, B2, G1 and G2 combined and < 20 µg/kg for Ochratoxin A 5. Arsenic: < 2 ppm Cadmium: < 0.82 ppm Lead: < 1.2 ppm Mercury: < 0.4 ppm 6. See NCR 678B.786 7. See NCR 678B.786 8. See NCR 678B.786 9. < 10,000 colony forming units per gram 10. < 1,000 colony forming units per gram 11. None detected per gram 12. None detected per gram 13. None detected per gram 14. None detected per gram 15. None detected per gram 16. None detected per gram 17. < 1,000 colony forming units per gram
Extract of cannabis (nonsolvent) like hashish, bubble hash, infused dairy butter, mixtures of extracted products or oils or fats derived from natural sources, including concentrated cannabis extracted with ethanol or CO <sub>2</sub>	1. Potency analysis 2. Foreign matter inspection 3. Terpene analysis 4. Mycotoxin screening 5. Heavy metal screening 6. Pesticide residue analysis 7. Total yeast and mold	1. N/A 2. None detected 3. N/A 4. < 20 µg/kg for the total of Aflatoxins B1, B2, G1 and G2 combined and < 20 µg/kg for Ochratoxin A



Product	Tests Required	Action Levels
	<ul style="list-style-type: none"> <li>8. Total Enterobacteriaceae</li> <li>9. Salmonella</li> <li>10. Pathogenic E. coli</li> <li>11. Aspergillus fumigatus</li> <li>12. Aspergillus flavus</li> <li>13. Aspergillus terreus</li> <li>14. Aspergillus niger</li> </ul>	<ul style="list-style-type: none"> <li>5. Arsenic: &lt; 2 ppm</li> <li>Cadmium: &lt; 0.82 ppm</li> <li>Lead: &lt; 1.2 ppm</li> <li>Mercury: &lt; 0.4 ppm</li> <li>6. See NCR 678B.786</li> <li>7. &lt; 1,000 colony forming units per gram</li> <li>8. &lt; 100 colony forming units per gram</li> <li>9. None detected per gram</li> <li>10. None detected per gram</li> <li>11. None detected per gram</li> <li>12. None detected per gram</li> <li>13. None detected per gram</li> <li>14. None detected per gram</li> </ul>
Extract of cannabis (solvent-based) made with any approved solvent, including concentrated cannabis extracted by means other than with ethanol or CO <sub>2</sub>	<ul style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Residual solvent test</li> <li>5. Mycotoxin screening</li> <li>6. Heavy metal screening</li> <li>7. Pesticide residue analysis</li> <li>8. Total yeast and mold</li> <li>9. Total Enterobacteriaceae</li> <li>10. Salmonella</li> <li>11. Pathogenic E. coli</li> <li>12. Aspergillus fumigatus</li> <li>13. Aspergillus flavus</li> <li>14. Aspergillus terreus</li> <li>15. Aspergillus niger</li> </ul>	<ul style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. None detected</li> <li>4. &lt; 500 ppm</li> <li>5. &lt; 20 µg/kg for the total of Aflatoxins B1, B2, G1 and G2 combined and &lt; 20 µg/kg for Ochratoxin A</li> <li>6. Arsenic: &lt; 2 ppm</li> <li>Cadmium: &lt; 0.82 ppm</li> <li>Lead: &lt; 1.2 ppm</li> <li>Mercury: &lt; 0.4 ppm</li> <li>7. See NCCR 11.065</li> <li>8. &lt; 1,000 colony forming units per gram</li> <li>9. &lt; 100 colony forming units per gram</li> <li>10. None detected per gram</li> <li>11. None detected per gram</li> <li>12. None detected per gram</li> <li>13. None detected per gram</li> <li>14. None detected per gram</li> <li>15. None detected per gram</li> </ul>
Edible cannabis product, including a product which contains concentrated cannabis	<ul style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Total Enterobacteriaceae</li> <li>5. Salmonella</li> <li>6. Pathogenic E. coli</li> <li>7. Total aerobic count</li> <li>8. Water activity or pH</li> </ul>	<ul style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. None detected</li> <li>4. &lt; 1,000 colony forming units per gram</li> <li>5. None detected per gram</li> <li>6. None detected per gram</li> <li>7. &lt; 100,000 colony forming units per gram</li> <li>8. Water activity &lt; 0.86 or pH &lt; 4.6</li> </ul>

Product	Tests Required	Action Levels
Liquid cannabis product, including, without limitation, soda or tonic, including a product which contains concentrated cannabis	<ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> <li>3. Foreign matter inspection</li> <li>4. Total Enterobacteriaceae</li> <li>5. Salmonella</li> <li>6. Pathogenic E. coli</li> <li>7. Total aerobic count</li> <li>8. Water activity or pH</li> </ol>	<ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. None detected</li> <li>4. &lt; 1,000 colony forming units per gram</li> <li>5. None detected per gram</li> <li>6. None detected per gram</li> <li>7. &lt; 100,000 colony forming units per gram</li> <li>8. Water activity &lt; 0.86 or pH &lt; 4.6</li> </ol>
Topical cannabis product, including a product which contains concentrated cannabis	<ol style="list-style-type: none"> <li>1. Potency analysis</li> <li>2. Terpene analysis</li> </ol>	<ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> </ol>

3. A sample of usable cannabis must be at least 10 grams. A sample of a production run must be the lesser of 1 percent of the total product weight of the production run or 25 units of product, but not less than 5 grams of the production run. All samples must be homogenized by the testing facility before testing using a homogenization process which has been approved by the appropriate Board Agent and in a manner that prevents contamination of test samples or analytical portions.

4. The analytical portion that is used for the purposes of any microbial test must be a minimum of one gram, unless otherwise approved by the Board.

5. A cannabis establishment shall not submit wet cannabis to a cannabis testing facility for testing unless the wet cannabis is destined for extraction and weighed within 2 hours after harvest. The plant must not undergo any further processing, including, without limitation, drying the plant and subsequently selling separately the cannabis bud and cannabis trim from the plant, before being weighed.

6. As used in this section, “as received” means the unaltered state in which a sample was collected, without any processing or conditioning, which accounts for all mass, including moisture content. A cannabis testing facility shall not report the results of usable cannabis on a dry weight basis.

7. A cannabis testing facility shall provide the final certificate of analysis to the Board and to the cannabis establishment from which the sample was collected within 2 business days after obtaining the results.

8. The certificate of analysis shall include a photo of the product, as received.

### **11.055 Performance of potency analysis or terpene analysis.**

1. When performing potency analysis or terpene analysis pursuant to NCCR 11.050, a cannabis testing facility shall test for and accurately quantify the presence of the following:

(a) Cannabinoids:

- (1) THC;
- (2) Tetrahydrocannabinolic acid;
- (3) CBD;
- (4) Cannabidiolic acid; and
- (5) Cannabinol; and

(b) Terpenoids:

- (1) Alpha-bisabolol;
- (2) Alpha-humulene;
- (3) Alpha-pinene;
- (4) Terpinolene;

- (5) Beta-caryophyllene;
- (6) Beta-myrcene;
- (7) Beta-pinene;
- (8) Caryophyllene oxide;
- (9) Limonene; and
- (10) Linalool.

**11.060 Performance of testing to verify homogeneity of potency of edible cannabis products.**

1. Except as otherwise provided in subsection 2, a cannabis testing facility shall perform testing to verify the homogeneity of the potency of an edible cannabis product by testing multiple samples from a single production run.

2. A cannabis testing facility that tests an edible cannabis product which has previously had the homogeneity of the potency of the edible cannabis product verified by a cannabis testing facility and which has not undergone a change in recipe may verify the homogeneity of the edible cannabis product by testing one or more single units or servings from a production run of the edible cannabis product.

3. The cannabis testing facility will verify the homogeneity of the potency of the edible cannabis product only if:

(a) The concentration of THC and weight of each sample is within 15 percent above or below the intended concentration of THC and weight; and

(b) No combination of samples which comprise 10 percent or less of the cannabis product contain 20 percent or more of the total THC in the cannabis product.

**11.065 Use of approved pesticides by cannabis establishment; performance of pesticide residue analysis by testing facility.**

1. A cannabis establishment shall only use a pesticide in the cultivation or production of cannabis or cannabis products if the pesticide appears on the list of pesticides published by the State Department of Agriculture pursuant to NRS 586.550.

2. When performing pesticide residue analysis pursuant to NCCR 11.050, a cannabis testing facility shall analyze for the pesticides which occur on the list of pesticides published by the State Department of Agriculture pursuant to NRS 586.550 at the detection levels specified by the State Department of Agriculture and for any other substances required by the Board. If:

(a) A pesticide which occurs on the list of pesticides published by the State Department of Agriculture pursuant to NRS 586.550 is detected at a level which exceeds the level specified by the State Department of Agriculture; or

(b) A pesticide which does not occur on the list of pesticides published by the State Department of Agriculture pursuant to NRS 586.550 is detected in any amount which is positively verified, the pesticide residue analysis is failed.

**11.070 Testing: Selection of representative samples and random samples; segregation period for entire lot; duties of testing facility; disposal of lot if sample fails test; release of lot if sample passes test; filing of electronic copy of certificate of analysis for tests performed by testing facility; grounds for disciplinary action for failure to comply.**

1. Immediately before packaging:

(a) Usable cannabis for sale to a cannabis sales facility, cannabis product manufacturing facility or another cannabis cultivation facility, a cannabis cultivation facility shall segregate all harvested cannabis into homogenized lots of flower and trim, respectively, and allow a cannabis testing facility to select a representative sample for testing from each lot the cannabis cultivation facility has segregated. The cannabis testing facility which performs the test must collect the samples. If the cannabis cultivation facility has segregated the lot of harvested cannabis into packages or container sizes smaller than the entire lot, the cannabis testing facility must sample and test each package containing harvested cannabis from the lot.

(b) Concentrated cannabis or cannabis products, a cannabis product manufacturing facility shall allow a cannabis testing facility to select a random sample from each lot or production run for testing by the cannabis testing facility. The cannabis testing facility performing the testing must collect the samples.

(c) The cannabis testing facility selecting a sample shall seal the sample within the package to ensure sample integrity. The sample shall be collected in a tamper resistant package or in a package that is sealed with tamper resistant tape immediately after the sample is placed in the package.

(d) The cannabis testing facility shall ensure that the seed to sale tracking document is attached to the sample package, lot or production run number, and the weight or quantity of the sample on the sample package and on the chain of custody.

2. A cannabis testing facility that collects a sample pursuant to this section shall test the sample as provided in NCCR 11.050.

3. From the time that a lot or production run has been homogenized for sample testing and eventual packaging and sale to a cannabis sales facility, cannabis product manufacturing facility or, if applicable, another cannabis cultivation facility, the cannabis establishment which provided the sample shall segregate and withhold from use the entire lot or production run, except the samples that have been removed by the cannabis testing facility for testing, until the cannabis testing facility provides the certificate of analysis from its tests and analysis. During this period of segregation, the cannabis establishment which provided the sample shall maintain the lot or production run in a secure, clearly designated, cool and dry location so as to prevent the cannabis from becoming contaminated or losing its efficacy. Under no circumstances shall the cannabis establishment which provided the sample sell the cannabis or cannabis products, as applicable, to a cannabis sales facility, cannabis product manufacturing facility or, if applicable, another cannabis cultivation facility before the time that the cannabis testing facility has completed its testing and analysis and provided the certificate of analysis to the cannabis establishment which provided the sample.

4. Except as otherwise provided in subsection 5, a cannabis testing facility shall immediately return or dispose of any sample received pursuant to this section upon the completion of any testing, use or research. If a cannabis testing facility disposes of a sample received pursuant to this section, the cannabis testing facility shall document the disposal of the sample using its seed-to-sale tracking system pursuant to NCCR 6.080 and 6.082.

5. A cannabis testing facility shall keep any sample which fails testing, or which is collected by the Board for confirmation testing for 30 days after failure or collection. A sample which is kept pursuant to this subsection must be stored in a manner approved by the appropriate Board Agent. A cannabis testing facility shall dispose of a sample kept pursuant to this subsection after 30 days have elapsed after failure or collection.

6. Except as otherwise provided in NCCR 11.075, if a sample provided to a cannabis testing facility pursuant to this section does not pass the testing required by NCCR 11.050, the cannabis establishment which provided the sample shall dispose of the entire lot or production run from which the sample was taken and document the disposal of the sample using its inventory control system pursuant to NCCR 6.080 and 6.082.

7. If a sample provided to a cannabis testing facility pursuant to this section passes the testing required by NCCR 11.050, the cannabis testing facility shall release the entire lot or production run for immediate manufacturing, packaging and labeling for sale to a cannabis sales facility, a cannabis product manufacturing facility or, if applicable, another cannabis cultivation facility.

8. A cannabis establishment shall not use more than one cannabis testing facility to test the same lot or production run of cannabis without the approval of the appropriate Board Agent.

9. A cannabis testing facility shall file with the Board, in a manner prescribed by the Board, an electronic copy of the certificate of analysis for all tests performed by the cannabis testing facility, regardless of the outcome of the test, including all testing required by NCCR 11.050 to 11.065, inclusive, at the same time that it transmits those results to the facility which provided the sample. The cannabis testing facility shall transmit an electronic copy of the certificate of analysis for each test to the Board by electronic mail at:

- (a) If the test was passed, [cannabislabpass@ccb.nv.gov](mailto:cannabislabpass@ccb.nv.gov); or
  - (b) If the test was failed, [cannabislabfail@ccb.nv.gov](mailto:cannabislabfail@ccb.nv.gov).
10. An electronic mail message transmitted pursuant to subsection 9 must be formatted as follows:
- (a) The subject line of the electronic mail message must be the name of the cannabis establishment from which the sample was collected.
  - (b) The name of the electronic file containing the certificate of analysis must be:
    - (1) Except as otherwise provided in subparagraph (2) or (3), the Facility ID assigned by the Board to the cannabis testing facility, followed by an underscore, followed by the four digit identifier assigned by the Board to the cannabis establishment from which the sample was collected, followed by an underscore, followed by:
      - (I) If the sample was from a production run, the production run number; or
      - (II) If the sample was not from a production run, the batch number, followed by an underscore, followed by the lot number.
    - (2) If the certificate of analysis is from a retesting of a previously failed sample, an underscore followed by the word “Retest” must be appended to the end of the name of the electronic file.
    - (3) If the certificate of analysis has been amended, an underscore followed by the word “Amended” must be appended to the end of the name of the electronic file.
  - (c) If the certificate of analysis has been amended, the electronic copy of the certificate of analysis must state “Amended” in 20 point bold red font at the center of the top of the first page of the report and must contain a statement of the reason for the amendment that clearly and completely describes the change in 10 point font.
11. The Board will take immediate disciplinary action against any cannabis establishment which fails to comply with the provisions of this section or falsifies records related to this section, including, without limitation, revoking the license of the cannabis establishment.
12. A cannabis testing facility may subcontract its testing of cannabis or cannabis products only to another cannabis testing facility.
13. The Board may publish on their website all Certificates of Analysis issued to them in the preceding time.

**11.075 Testing: Authorized use of cannabis upon failure of microbial screening; automatic failure to pass; request for retest; retest for pesticide residue must be performed by State Department of Agriculture; effect of passing or failing retest.**

- 1. Upon approval of the appropriate Board Agent, a lot or production run of cannabis that fails a residual solvents, pH, water activity (aw), homogeneity, or microbial screening test may be used to make an extract. After processing, the extract must pass all required quality assurance tests.
- 2. If a sample from a cannabis product manufacturing facility fails a quality assurance test, the entire production run from which the sample was taken automatically fails the quality assurance test.
- 3. At the request of a cannabis cultivation facility or a cannabis product manufacturing facility, the appropriate Board Agent may, on a case-by-case basis, authorize a retest to validate the results of a failed test. The cannabis cultivation facility or cannabis product manufacturing facility is responsible for all costs involved in a retest performed pursuant to this section.
- 4. A cannabis cultivation facility or a cannabis product manufacturing facility may not request a retest pursuant to this section unless, at the time samples are initially taken for testing, two samples are collected at the same time by a cannabis testing facility using tamper-resistant bags. One of the samples must be taken by the cannabis testing facility for testing and the facility must place the other sample in a secure quarantine storage area at the facility for further retesting by a secondary cannabis testing facility or the State Department of Agriculture.
- 5. A cannabis cultivation facility or a cannabis product manufacturing facility shall submit a request for retesting to the appropriate Board Agent in writing and on a form designated by the Board.

6. If the appropriate Board Agent grants a request for retesting, the Board Agent will select the cannabis testing facility that will perform the retest.

7. Except as otherwise provided in this subsection, a cannabis cultivation facility or a cannabis product manufacturing facility may submit a request for retesting of not more than 50 lots or production runs each calendar year. For any subsequent failure of a quality assurance test in a calendar year, the facility shall destroy the lot or the entire production run, as applicable. A lot which only fails a quality assurance test for moisture content must not be counted for the purpose of this subsection.

8. A failed quality assurance test for pesticide residue must be retested by the State Department of Agriculture unless otherwise approved by the Board or appropriate Board Agent.

9. If a sample passes the same quality assurance test upon retesting, the cannabis cultivation facility or cannabis product manufacturing facility need not destroy the lot or production run and may sell the lot or production run to a cannabis cultivation facility, cannabis sales facility or cannabis product manufacturing facility, as applicable.

10. If a sample fails the same quality assurance test upon retesting, the Board Agent denies a request for retesting or a cannabis cultivation facility or a cannabis product manufacturing facility does not request retesting after a sample fails a quality assurance test, the facility shall destroy the entire lot or production run from which the sample was taken.

**11.080 Collection and testing of random samples from cannabis establishments for comparison with results reported by testing facilities.** At the request of the Board, a testing facility chosen by the Board may collect and test random samples from cannabis establishments and compare the results of its testing to the results reported by cannabis testing facilities.

**11.085 Random quality assurance compliance checks; costs for screening or testing.**

1. Upon the request of the Board, a cannabis facility must provide a cannabis testing facility designated by the Board with a sample of cannabis or a cannabis product in an amount determined by the cannabis testing facility to be sufficient for random quality assurance compliance checks in a secure manner such that the cannabis testing facility can confirm that it has received and is testing the correct sample.

2. The cannabis testing facility that receives a sample pursuant to subsection 1 shall, as directed by the Board:

- (a) Screen the sample for pesticides, chemical residues, herbicides, growth regulators and unsafe levels of metals;
- (b) Perform any other quality assurance test deemed necessary by the Board; and
- (c) Report its results to the Board.

3. The cannabis cultivation facility or cannabis product manufacturing facility is responsible for all costs involved in screening or testing performed pursuant to this section.

## REGULATION 12

### PACKAGING AND LABELING OF CANNABIS PRODUCTS

**12.010 Requirements for single packages.**

1. Unless preparing bulk packages only for delivery to another cannabis establishment and not for sale to a consumer, a cannabis establishment that packages cannabis or cannabis products must individually package, label and seal the cannabis or cannabis products in a single package for sale. A cannabis sales facility shall only sell cannabis or cannabis products in a single package which must not contain:

- (a) More than 1 ounce (28.35 grams) of usable cannabis.
- (b) For a cannabis product sold as a capsule, more than 100 milligrams of THC per capsule or more than 800 milligrams of THC per package.
- (c) For a cannabis product sold as a tincture, more than 800 milligrams of THC.

(d) For a cannabis product sold as an edible cannabis product, more than 100 milligrams of THC.

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

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

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

2. An edible cannabis product must be packaged in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams of THC per serving, and include a statement that the edible cannabis product contains cannabis and its potency was tested with an allowable variance of plus or minus 15 percent of the allowable limit.

3. For cannabis or cannabis products that are intended to be sold to a consumer, the text used on all labeling must be printed in at least 8-point font and may not be in italics.

### **12.015 Requirements for edible cannabis products, products in solid or liquid form, usable cannabis and concentrated cannabis or cannabis products.**

1. Any edible product containing cannabis must:

(a) Be clearly and unambiguously packaged as cannabis with the words “THIS IS A CANNABIS PRODUCT” in bold type that clearly identifies that the product contains cannabis;

(b) Be packaged in a manner which is not modeled after a brand of products primarily consumed by or marketed to children;

(c) Be presented in packaging which does not contain an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the cannabis product manufacturing facility which produced the product; and

(d) Not be packaged or marketed as candy.

2. When sold at a cannabis sales facility, any cannabis or cannabis product must be packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. Part 1700 and the standards specified in subsection 3 or 4. The child-resistant packaging must maintain its effectiveness for multiple openings before leaving the cannabis sales facility with the consumer.

3. Except as otherwise provided in subsection 4, cannabis products in solid or liquid form must be packaged in:

(a) Plastic which is 4 mils or more in thickness; or

(b) If the product is in liquid form, a food-grade container.

4. Edible Cannabis products in liquid form containing more than 10 milligrams THC must be packaged using a resealable cap in a container that:

(a) Clearly demarks each serving of cannabis in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of THC; and

(b) Includes a device that allows a reasonable person to intuitively measure and serve a single serving of THC.

→ The portion of such a container that demarks each serving of cannabis need not be opaque.

5. Any container or packaging containing usable cannabis, concentrated cannabis or cannabis products must protect the contents from contamination and must be of a food grade material.

6. An edible cannabis product must be sealed in a container which is not transparent and sold in packaging which is opaque.

7. Each single serving in a multiple-serving edible cannabis product must be physically demarked in a way that enables a reasonable person to intuitively determine how much of the edible cannabis product constitutes a single serving. Each demarked serving must be easily separable in a manner that allows an average person who is 21 years of age or over to physically separate, with minimal effort, an individual serving of the edible cannabis product.

8. If an edible cannabis product is of a kind that is impracticable to clearly demark each serving of cannabis or to make each serving easily separable, the edible cannabis product must:

(a) Contain not more than 10 milligrams of THC per unit of sale; or

(b) Be sold in a package that contains more than one individually wrapped single-serving edible cannabis product.

**12.020 Stamp or mold required for edible cannabis products; exception.**

1. Except as otherwise provided in subsection 3, each single-serving edible cannabis product and each individual serving containing not more than 10 milligrams of THC of a multiple-serving edible cannabis product must be stamped or molded with a symbol approved by the Board to indicate that the product contains cannabis.

2. An edible cannabis product that is impractical to stamp or mold with a symbol, including, without limitation, bulk goods or powders, each individual serving must be individually wrapped with the warning symbol on the wrapper exemption from stamping or molding product must be requested on a form prescribed by the Board.

3. An edible cannabis product in liquid form which is packaged as required by NCCR 12.015 need not be stamped or molded as described in this section.

**12.025 Requirements for labeling products “organic.”** A cannabis cultivation facility or cannabis product manufacturing facility shall not label usable cannabis, concentrated cannabis or cannabis products as “organic” unless the cannabis plants and all ingredients used are produced, processed and certified in a manner that is consistent with the national organic standards established by the United States Department of Agriculture in accordance with the Organic Foods Production Act of 1990, 7 U.S.C. §§ 6501 et seq.

**12.030 Cannabis cultivation facility: Required labeling before sale of cannabis to another cannabis establishment.**

1. A cannabis cultivation facility shall label all cannabis before it sells the cannabis to another cannabis establishment and shall securely affix to the package a label that includes, without limitation, in legible English:

(a) The name of the cannabis establishment and its license number;

(b) If the cannabis establishment is operated by a dual licensee, the number of the medical cannabis establishment registration certificate of the cultivation facility operated by the dual licensee;

(c) The batch number;

(d) The lot number;

(e) The date of final harvest;

(f) The date of final testing;

(g) The date on which the product was packaged;

(h) The cannabinoid profile and potency levels and terpenoid profile of the top three terpenes as determined by the cannabis testing facility, which may include the potential total THC but must not include any other calculated level of THC;

(i) The quantity of cannabis being sold; and

(j) A warning that states: “THIS PRODUCT CONTAINS CANNABIS.”

(k) A warning that states: “Keep out of reach of children.”

2. The label required by subsection 1 for a container or package containing usable cannabis sold by a cannabis cultivation facility must be in substantially the following form:



**T&M NURSERY**  
**License Number:** 123 456 789 001 0001  
**Registration Certificate Number:** 543 210789 000 0100  
(if applicable)

**THIS PRODUCT CONTAINS CANNABIS**  
Keep out of Reach of Children  
**Batch Number:**  
1234  
**Lot Number:**  
1234

**Final Harvest Date:**  
01/01/2020

**Final Testing Date:** 01/15/2020  
**Packaged on:** 01/17/2020  
**Best if used by:** 03/17/2020

16.7% THC    1.5% CBD    0.3% CBN  
Myrcene 5.6 mg/g    Limonene 5.1 mg/g    Valencene 3.5 mg/g

**Net Weight:** 2 lbs.

**12.035 Cannabis product manufacturing facility: Required labeling of cannabis products before sale to retail store.**

1. A cannabis product manufacturing facility shall label all cannabis products before it sells the cannabis products to a cannabis sales facility or another cannabis product manufacturing facility and shall include on the packaging or securely affix to the package a label that includes, without limitation, in legible English and in a manner which must not mislead consumers:

- (a) The name of the cannabis establishment and its license number;
- (b) If the cannabis establishment is operated by a dual licensee, the number of the medical cannabis establishment registration certificates of the facility for the production of edible cannabis products or cannabis-infused products, as defined in Title 56 of NRS, operated by the dual licensee;
- (c) The production run number;
- (d) A warning that states: “Keep out of reach of children.”
- (e) The date of production;
- (f) The date of final testing;
- (g) The date on which the product was packaged;
- (h) The cannabinoid profile and potency levels and terpenoid profile of the top three terpenes as determined by the cannabis testing facility,
- (i) If the product is perishable, the expiration date;
- (j) The total amount of THC in the cannabis product, measured in milligrams;
- (k) The total amount of THC in each serving of the edible cannabis product and a notice that the actual amount of THC may be within 15 percent of the stated amount;
- (l) A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343;
- (m) The net weight of the product;
- (n) If concentrated cannabis was added to the product or if the product consists solely of concentrated cannabis, a disclosure of the type of extraction process used and any solvent, gas or other chemical used in the extraction process or any other compound added to the concentrated cannabis;

(o) If the product is an edible cannabis product other than extracts and tinctures, the serving size; and

(p) A warning that states: “THIS PRODUCT CONTAINS CANNABIS.”

2. The label required by subsection 1 for a container or package containing concentrated cannabis or edible cannabis products sold by a cannabis product manufacturing facility must be in substantially the following form:

<p><b>TK’s Cannabis Products</b> <b>License Number:</b> 123 456 789 001 0001 <b>Registration Certificate Number:</b> 543 210789 000 0010 (if applicable)</p> <p><b>Production Run Number:</b> 1234</p> <p><b>THIS PRODUCT CONTAINS CANNABIS</b></p> <p><b>Keep out of reach of children</b></p> <p><b>Produced on:</b> 01/01/2020 <b>Final Testing Date:</b> 01/15/2020 <b>Packaged on:</b> 01/17/2020 <b>Best if used by:</b> 03/17/2020 <b>Cannabinoid profile:</b> <b>Terpenoid profile:</b></p> <p><b>Total THC content:</b> <b>THC content per serving +/- 15%:</b> <b>This product contains concentrated cannabis produced with butane.</b></p> <p><b>Ingredients:</b> Wheat, Sugar, Milk Chocolate <b>Allergy Warning:</b> Peanuts, Tree Nuts, Eggs, Wheat, Soy <b>Net Weight:</b> 100mg</p>
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**12.040 Cannabis sales facility: Required labeling of usable cannabis.**

1. A cannabis sales facility must affix to each container or package containing usable cannabis sold at retail, if not already included on the container or package, a label which must include, without limitation:

(a) The business or trade name and the license number of the cannabis cultivation facility that cultivated and sold the usable cannabis;

(b) If the cannabis cultivation facility is operated by a dual licensee, the number of the medical cannabis establishment registration certificate of the cultivation facility operated by the dual licensee;

(c) The batch number;

(d) The lot number;

(e) The date and quantity sold, including the net weight measured in ounces and grams or by volume, as appropriate;

(f) The name and address of the cannabis sales facility;

(g) The cannabinoid profile and potency levels and terpenoid profile as determined by the cannabis testing facility, which may include the potential total THC but must not include any other calculated level of THC;

- (h) A warning that states: “This product may have intoxicating effects and may be habit forming;”
  - (i) The statement: “This product may be unlawful outside of the State of Nevada;”
  - (j) The date on which the cannabis was harvested;
  - (k) A warning that states: “THIS PRODUCT CONTAINS CANNABIS;” and
  - (l) A warning that states: “Keep out of reach of children.”
2. The label required by subsection 1 for a container or package containing usable cannabis sold at retail must be in substantially the following form:

<p><b>MM’s Plant Emporium</b>  <b>License Number:</b> 123 456 789 001 0001  <b>Registration Certificate Number:</b> 543 210789 000 0010  (if applicable)</p> <p><b>THIS PRODUCT CONTAINS CANNABIS</b>  Keep out of Reach of Children  <b>Batch #:</b> 1234  <b>Lot #:</b> 1234  <b>Final harvest:</b> 01/01/2020</p> <p>by  We Care Cannabis sales facility  123 Main Street, Carson City, NV 89701</p> <p><b>WARNING:</b>  This product may have intoxicating effects and may be habit forming.</p> <p>16.7% THC    1.5% CBD    0.3% CBN  Myrcene 5.6 mg/g    Limonene 5.1 mg/g    Valencene 3.5 mg/g</p> <p>Net Weight: .25 ounces (7 grams)</p> <p><b><u>This product may be unlawful outside the State of Nevada.</u></b></p>
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**12.045 Cannabis sales facility: Required labeling of cannabis products.**

1. A cannabis sales facility must affix to each container or package containing cannabis products sold at retail and affix to or include with each container or package containing concentrated cannabis or cannabis products sold at retail a label which must not mislead consumers and must include, without limitation:

- (a) The business or trade name and the license number of the cannabis product manufacturing facility that extracted and sold the concentrated cannabis or manufactured and sold the product;
- (b) If the cannabis product manufacturing facility is operated by a dual licensee, the number of the medical cannabis establishment registration certificate of the facility for the production of edible cannabis products or cannabis-infused products operated by the dual licensee;
- (c) The production run number that accounts for all lot numbers of all cannabis used to extract the concentrated cannabis or create the product, as recorded in the inventory control system of the cannabis product manufacturing facility that sold the concentrated cannabis or product;
- (d) The name and address of the cannabis sales facility;
- (e) The date on which the concentrated cannabis was extracted or the product was manufactured;

- (f) The date on which the concentrated cannabis or product was packaged;
  - (g) If the product is perishable, a suggested use-by date;
  - (h) The cannabinoid profile and potency levels and terpenoid profile of the product, as determined by the cannabis testing facility that tested the product;
  - (i) The measurements of THC included on the label must include only the delta-9-tetrahydrocannabinol in the cannabis product, measured in milligrams THC;
  - (j) The total amount of THC in each serving of the product and a notice that the actual amount of THC in each serving may be within 15 percent of the stated amount;
  - (k) A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343.
  - (l) The concentration of THC in the product, measured in milligrams;
  - (m) The net weight of the cannabis or cannabis product;
  - (n) A warning that states: “Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by 2 or more hours;”
  - (o) If concentrated cannabis or a cannabis extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the concentrated cannabis or the cannabis extract;
  - (p) A warning that states: “This product may have intoxicating effects and may be habit forming;”
  - (q) A warning that states: “Keep out of reach of children;”
  - (r) A statement that: “This product may be unlawful outside of the State of Nevada;” and
  - (s) A warning that states: “THIS PRODUCT CONTAINS CANNABIS.”
2. The label required by subsection 1 for a container or package containing concentrated cannabis or cannabis products sold at retail must be in substantially the following form:

We Care Cannabis sales facility  
123 Main Street, Carson City, NV 89701

**THIS PRODUCT CONTAINS CANNABIS**

**Date Sold:** 3/27/2020

Cookie

**Net Weight:** 2 ounces (56 grams)

**Produced on:** 1/1/2020

**Final Testing Date:** 1/15/2020

**Packaged on:** 1/17/2020

**Best if used by:** 6/3/2020

**Cannabinoid profile:**

**Terpenoid profile:**

**THC content per serving +/- 15%:**

**CAUTION:** When eaten or swallowed the intoxicating effects of this product can be delayed by 2 or more hours.

Keep out of reach of children

**This product may be unlawful outside the State of Nevada.**

**Manufactured at:** KC's Kitchen

**License Number:** 321654987101 0401

**Registration Certificate Number:** 543 210789 000 0010

(if applicable)

Production Run #5463

**INGREDIENTS:** Flour, Butter, Canola Oil, Sugar, Chocolate, Cannabis, Strawberries

**CONTAINS ALLERGENS:** Milk, Wheat

**Contains cannabis extract processed with butane.**

**Contains concentrated cannabis produced with CO<sub>2</sub>.**

**WARNING:** This product may have intoxicating effects and may be habit forming.

**12.050 Cannabis sales facility: Required disclosures and warnings.**

1. A cannabis sales facility must provide with all usable cannabis sold at retail accompanying material that discloses any pesticides applied to the cannabis plants and growing medium during production and processing.

2. A cannabis sales facility must provide with all usable cannabis and cannabis products sold at retail a written notification which contains the following warnings:

- (a) That cannabis and cannabis products must be kept out of the reach of children;
- (b) That cannabis and cannabis products can cause severe illness in children;

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

(d) “THE INTOXICATING EFFECTS OF CANNABIS MAY BE DELAYED BY 2 HOURS OR MORE AND USERS OF CANNABIS PRODUCTS SHOULD INITIALLY INGEST A SMALL AMOUNT OF THE PRODUCT CONTAINING NO MORE THAN 10 MILLIGRAMS OF THC, THEN WAIT AT LEAST 2 HOURS BEFORE INGESTING ANY ADDITIONAL AMOUNT OF THE PRODUCT;”

(e) “This product may have intoxicating effects and may be habit forming. Smoking is hazardous to your health;”

(f) “Ingesting cannabis or cannabis products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and a person should consult with a physician before doing so;”

(g) “There may be health risks associated with consumption of this product;”

(h) “Pregnant women should consult with a physician before ingesting cannabis or cannabis products;”

(i) “Cannabis or cannabis products can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of cannabis or cannabis products;” and

(j) “Ingestion of any amount of cannabis or cannabis products before driving may result in criminal prosecution for driving under the influence.”

3. The text used on all accompanying material and warnings must be printed in at least 12-point font and may not be in italics.

**12.055 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Required labeling.** Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall:

1. Use for labeling all cannabis and cannabis products the standard label described in NCCR 12.010 and 12.030 to 12.045, inclusive;
2. Exercise strict control over labeling materials issued for use in labeling operations for cannabis and cannabis products;
3. Carefully examine labeling materials issued for a batch for identity and conformity to the labeling specified in the applicable production or control records; and
4. Have and follow written procedures describing in sufficient detail the control procedures employed for the issuance of labeling.

**12.060 Cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility: Examination of products during finishing operations; collection of representative sample of units; recording of results.** Each cannabis cultivation facility, cannabis product manufacturing facility and cannabis sales facility shall:

1. Examine packaged and labeled products during finishing operations to provide assurance that the containers and packages have the correct labels;
2. Collect a representative sample of units at the completion of finishing operations and ensure that the samples are visually examined for correct labeling; and
3. Record the results of the examinations performed pursuant to subsections 1 and 2 in the applicable production or control records.

**12.065 Cannabis treated with radiation.** If any cannabis or cannabis product has been treated with radiation at any time, any and all packaging of the irradiated cannabis or cannabis product must include labeling that contains the following statement: “WARNING: This product contains ingredients that have been treated with irradiation” in bold lettering, along with the Radura symbol as used by the U.S. Food and Drug Administration.

**REGULATION 13**  
**CANNABIS DISTRIBUTORS**

**13.010 Requirements for wholesale transportation of cannabis and cannabis products.**

1. A cannabis distributor may transport cannabis and cannabis products between a cannabis establishment and another cannabis establishment or between the buildings of a cannabis establishment.

2. A cannabis establishment shall not transport cannabis or cannabis products to a cannabis sales facility unless the cannabis establishment holds a license for a cannabis distributor.

3. A cannabis distributor shall not purchase or sell cannabis or cannabis products, or deliver cannabis or cannabis products to a consumer under their distribution license.

4. A cannabis distributor may enter into an agreement or contract with a cannabis establishment for the transport of cannabis or cannabis products. Such an agreement or contract may include, without limitation, provisions relating to insurance coverage, climate control and theft by a third party or an employee.

5. A cannabis distributor, and each cannabis establishment agent employed by the cannabis distributor who is involved in the transportation, is responsible for cannabis and cannabis products once the cannabis distributor takes control of the cannabis or cannabis products and leaves the premises of a cannabis establishment.

6. A cannabis distributor shall not allow a cannabis establishment agent to transport cannabis or cannabis products unless:

(a) The cannabis establishment agent carries a copy, for the duration of the transportation, of the transportation manifest generated using the seed-to-sale tracking system pursuant to NCR 678B.864 for the transportation;

(b) Each cannabis establishment agent involved in the transportation has, in his or her immediate possession, his or her cannabis establishment agent registration card or verification of temporary authorization;

(c) The cannabis or cannabis products are stored in a sanitary and secure manner in a lockbox or locked cargo area within the vehicle being used for delivery and not visible from outside the vehicle;

(d) The vehicle being used for delivery has no advertising, signage or other markings relating to cannabis; and

(e) The cannabis establishment agent transporting cannabis or cannabis products for the cannabis distributor on behalf of a cannabis establishment has a means of communicating with the cannabis establishment.

7. Each cannabis establishment agent transporting cannabis or cannabis products for a cannabis distributor must:

(a) Report to a person designated by the cannabis distributor to receive such reports and to the Board any motor vehicle crash that occurs during the transportation within 2 hours after the crash occurs;

(b) Report to the Board any unauthorized stop; and

(c) Report to a person designated by the cannabis distributor to receive such reports any loss or theft of cannabis or cannabis products that occurs during the transportation immediately after the cannabis establishment agent becomes aware of the loss or theft. A cannabis distributor that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency and to the Board.

8. Each cannabis distributor shall maintain a log of all reports received pursuant to subsection 7 for review by the Board or Board Agents upon request.

9. Any cannabis or cannabis product which is damaged or refused by the receiving cannabis establishment must be transported back to the originating cannabis establishment.

**13.015 Duties of distributor delivering cannabis or cannabis products; transportation manifest; duties of originating cannabis establishment and receiving cannabis establishment; maintenance of records.**

1. Before transporting cannabis or cannabis products pursuant to NCCR 13.010, a cannabis distributor shall:

(a) Ensure that all cannabis and cannabis products are secured at all times during delivery; and

(b) Maintain a physical or electronic copy of a transportation manifest generated by the cannabis establishment using the seed-to-sale tracking system that contains all the information required by this section in a format approved by the Board.

2. A cannabis distributor may deliver cannabis or cannabis products to more than one cannabis establishment in a single trip, if the transportation manifest correctly reflects the specific inventory destined for each specific cannabis establishment and location.

3. Before transferring cannabis or cannabis products to a cannabis distributor, the originating cannabis establishment shall enter the information required to indicate that the cannabis or cannabis products will be transported to the receiving cannabis establishment into the seed-to-sale tracking system. A cannabis establishment shall not list a cannabis distributor as the receiving cannabis establishment.

4. A cannabis distributor shall not alter the information which has been entered into the seed-to-sale tracking system pursuant to subsection 3.

5. If a cannabis distributor is not able to deliver cannabis or cannabis products directly to the receiving cannabis establishment due to normal business operations, the cannabis distributor shall notify the Board and the originating cannabis establishment of the premises where the cannabis or cannabis products will be stored and the anticipated date and time of delivery.

6. A cannabis distributor shall provide a copy of the transportation manifest generated using the seed-to-sale tracking system to the cannabis establishment receiving cannabis or cannabis products. The copy of a transportation manifest provided to a cannabis establishment pursuant to this subsection must be generated separately for each cannabis establishment and must not contain the information of any other cannabis establishment.

7. The transportation manifest generated using the seed-to-sale tracking system must include, without limitation:

(a) The date and approximate time of the departure;

(b) The name, location, address and license number of the originating cannabis establishment;

(c) The name, location, address and license number of the receiving cannabis establishment;

(d) The name, location, address and license number of the cannabis distributor;

(e) The name and quantity, by weight and unit, of each product to be delivered to each cannabis establishment;

(f) The estimated date and time of arrival;

(g) The make, model, license plate number and number of the identification card issued pursuant to NCCR 13.030 of the vehicle used for delivery; and

(h) The name, number of the cannabis establishment agent registration card and signature of each cannabis establishment agent performing or accompanying the transportation of the cannabis or cannabis products.

8. In addition to the requirements of this section, the originating and the receiving cannabis establishment shall each ensure that each delivery satisfies the requirements of NCCR 6.080 and 6.082.

9. Before cannabis or cannabis products leave the originating cannabis establishment, the originating cannabis establishment shall adjust its records to reflect the removal of the cannabis or cannabis products in a manner that reflects the information included in the transportation manifest generated using the seed-to-sale tracking system and that can be easily reconciled, by the name and quantity of the cannabis or cannabis products, with the transportation manifest.

10. After receipt of cannabis or cannabis products, the receiving cannabis establishment shall:



(a) Confirm that the cannabis or cannabis products are as described in the transportation manifest;

(b) Adjust its records to reflect the receipt of the cannabis or cannabis products in a manner that reflects the information included in the transportation manifest generated using the seed-to-sale tracking system and that can be easily reconciled, by the name and quantity of the cannabis or cannabis products, with the transportation manifest; and

(c) Separately document, in the seed-to-sale tracking system and any other relevant business records, any differences between the quantity of cannabis or cannabis products specified in the transportation manifest and the quantities actually received.

11. After transferring cannabis or cannabis products to the receiving cannabis establishment, the cannabis distributor shall enter the end time of the trip in the trip plan and ensure that the trip plan, including any changes to the trip plan made pursuant to subsection 5, is accurate.

12. Each cannabis sales facility and cannabis distributor shall maintain all documents required by this section and provide a copy of any such document to the Board or Board Agents for review upon request.

### **13.020 Storage area for cannabis and cannabis products; verification of inventory; inspection by Board.**

1. Each cannabis distributor shall maintain a storage area for cannabis and cannabis products which includes at least one area which is temperature controlled. The area which is temperature controlled shall be maintained in a commercial food grade unit which is kept at a temperature of less than 41°F (5°C) while storing potentially hazardous cannabis products.

2. The storage area for cannabis and cannabis products maintained pursuant to subsection 1 must be a separate, enclosed, locked facility. Products unrelated to the business of the cannabis distributor, including, without limitation, products containing alcohol, must not be stored with cannabis or cannabis products. Within the storage area, cannabis or cannabis products may only be stored in a secure, locked device, cabinet, room or motor vehicle within the storage area which is protected by a lock or locking mechanism that meets at least the security rating established by Underwriters Laboratories for key locks.

3. If a cannabis distributor experiences an unusual or extraordinary circumstance beyond its control as part of its normal business operations in providing transportation of cannabis or cannabis products and the cannabis distributor determines that it is necessary to use its storage area for the temporary storage of cannabis or cannabis products, the cannabis distributor shall submit to the Board a notice of temporary storage of cannabis or cannabis products.

4. If a cannabis distributor determines the final delivery destination will exceed 100 miles and it is unreasonable to deliver the cannabis or cannabis product within one trip, the product may be stored for no more than 24 hours. All cannabis or cannabis product stored at a licensed cannabis distributor must be documented in the seed-to-sale tracking system.

5. A cannabis distributor shall not store cannabis or cannabis products for more than 24 hours without written consent from the appropriate Board Agent.

6. A cannabis distributor shall verify the inventory of a motor vehicle after the inventory is off-loaded into storage and before the inventory is on-loaded onto a motor vehicle from storage.

7. A cannabis distributor shall make its vehicles, premises, including, without limitation, its storage area, promptly available to the Board or Board Agents for inspection during normal business hours without notice or promptly upon request from the Board or Board Agents.

### **13.025 Amount that may be transported by distributor; transportation by cannabis establishment agent; restrictions on transportation by vehicle.**

1. A cannabis distributor may transport any amount of cannabis or cannabis products that does not violate the laws or regulations of this State or the limits established by the insurer who provides coverage for the cannabis distributor.

2. A cannabis distributor shall not allow a cannabis establishment agent to transport cannabis or cannabis products unless the cannabis or cannabis products are:

- (a) Except as otherwise provided in subsection 3, stored in a lockbox or locked cargo area within the vehicle being used for delivery;
  - (b) Not visible from outside the vehicle;
  - (c) Contained in sealed packages and containers which remain unopened during delivery;
- and
- (d) Tagged for the purpose of inventory tracking with a unique identifying seed-to-sale tracking system label prescribed by the Board for the duration of transport.

→ For the purpose of this subsection, the trunk of a vehicle is not considered to be a lockbox or locked cargo area unless the trunk cannot be accessed from within the vehicle and can only be accessed using a key which is different from the key used to access and operate the vehicle.

3. A cannabis distributor may allow a cannabis establishment agent to transport live cannabis plants in a fully enclosed, windowless, locked trailer or in a secured area inside the body of a locked van or truck if the plants are not visible from the outside.

4. A person shall not be present within any vehicle while it is being used for the transportation of cannabis or cannabis products unless the person is a cannabis establishment agent for the cannabis distributor providing transportation of the cannabis or cannabis products.

5. If the value of the cannabis and cannabis products being transported by a cannabis distributor in a vehicle, as reported on the transportation manifest as the insured fair market wholesale value, exceeds \$25,000, the cannabis distributor shall ensure not fewer than two cannabis establishment agents of the cannabis distributor accompany the vehicle.

6. Each cannabis establishment agent who loads or unloads a vehicle for the transportation of cannabis or cannabis products shall perform the loading or unloading within view of the video surveillance system of a cannabis establishment.

### **13.030 Transportation between cannabis establishments owned by distributor; use of motor vehicles for transportation; adequate care for perishable cannabis products.**

1. A cannabis distributor that also holds a license for a cannabis establishment of another type and that is transporting cannabis or cannabis products between its own cannabis establishments located within the same building, within contiguous buildings, or between buildings located within 500 feet of each other, is not required to use a vehicle to perform the transportation.

2. A cannabis distributor may use any motor vehicle, except those with 2 wheels, that can legally be operated on the highways of this State and that meets the requirements of this section to transport cannabis and cannabis products.

3. Before using a motor vehicle to transport cannabis or cannabis products, a cannabis distributor must obtain the approval of the appropriate Board Agent for the use of the motor vehicle. Upon approving a motor vehicle for use to transport cannabis or cannabis products, the Board will issue an identification card containing such information as the Board Agent determines to be necessary which must be kept inside the motor vehicle at all times.

4. A cannabis distributor shall ensure that each motor vehicle used to transport cannabis or cannabis products:

- (a) Has no advertising, signage or other markings relating to cannabis; and
- (b) Is equipped with an audible car alarm.

5. A cannabis distributor shall provide adequate care for perishable cannabis products including, without limitation, refrigeration during transportation, if required. Any method for temperature control used during transportation must be approved by the appropriate Board Agent before use. If a potentially hazardous cannabis product is being transported, the potentially hazardous cannabis product must be maintained at a temperature of less than 41°F (5°C) throughout transportation.

6. Each cannabis distributor shall maintain at least one motor vehicle using a method approved by the appropriate Board Agent for temperature control during transportation.

7. A Board Agent may inspect each motor vehicle used for transportation of cannabis or cannabis products by a cannabis distributor pursuant to NCCR 5.070.

8. Before using a motor vehicle to transport cannabis or cannabis products, a cannabis testing facility must obtain the approval of the appropriate Board Agent for the use of the motor vehicle. Upon approving a motor vehicle for use to transport cannabis or cannabis products, the Board will issue an identification card containing such information as the Board Agent determines to be necessary which must be kept inside the motor vehicle at all times.

**13.035 Transportation between multiple cannabis establishments; requirements for drivers used by distributor; hours and locations of transportation; reporting of irregularities, motor vehicle crash or break-down of motor vehicle; use of seed-to-sale tracking system.**

1. A cannabis distributor may transport cannabis or cannabis products between multiple cannabis establishments, but shall not simultaneously transport any other item unless the item is cannabis paraphernalia or merchandise, packaging or a promotional item directly related to the cannabis or cannabis product.

2. A cannabis distributor shall not transport cannabis or cannabis products unless:

(a) During the transportation of cannabis or cannabis products, the driver of a motor vehicle for a cannabis distributor carries in the motor vehicle:

(1) Proof of valid insurance coverage in an amount required by the laws of this State;

(2) A copy of the license of the cannabis distributor;

(3) The cannabis establishment agent registration card or verification of temporary authorization of the driver;

(4) The valid driver's license of the driver; and

(5) The valid registration for the motor vehicle.

(b) All drivers used by the cannabis distributor are bonded in an amount sufficient to cover any claim that could be brought against the driver or the cannabis distributor discloses to all parties that such drivers are not bonded.

(c) The hours in which the cannabis distributor provides transportation are reasonable to allow for the delivery of cannabis and cannabis products to cannabis establishments during the operating hours of the cannabis establishments.

(d) The transportation is conducted only within the borders of this State.

(e) The cannabis establishment agent who transports cannabis or cannabis products only travels to and from cannabis establishments and does not make any unnecessary stops that are not disclosed in the trip plan and transportation manifest. The cannabis establishment agent may make a stop for fuel as necessary and keep a list of designated fuel stops along the route for submission to the Board or Board Agents upon request.

3. A cannabis distributor shall notify the Board using means determined by the Board if a motor vehicle being used for the transportation of cannabis or cannabis products by the cannabis distributor is stopped at a location other than a cannabis establishment or designated fuel stop, is involved in a motor vehicle crash or breaks down resulting in scheduled travel being interrupted.

4. A cannabis distributor shall use the seed-to-sale tracking system approved by the Board for any transportation of cannabis or cannabis products between cannabis establishments that are not co-located.

**13.040 Transportation by cannabis cultivation facility, cannabis product manufacturing facility, cannabis testing facility or cannabis sales facility; applicability of provisions relating to distributors.**

1. A cannabis cultivation facility or a cannabis product manufacturing facility may transport cannabis or cannabis products to or from a cannabis cultivation facility, a cannabis product manufacturing facility or a cannabis testing facility.

2. A cannabis testing facility or a cannabis sales facility may transport cannabis or cannabis products to or from a cannabis testing facility for testing.

3. The requirements of NCCR 13.010 for a cannabis distributor apply to a cannabis establishment that transports cannabis or cannabis products pursuant to this section without using a cannabis distributor.

**13.045 Transportation by cannabis establishment to cannabis sales facility.** A cannabis establishment shall not transport cannabis or cannabis products to a cannabis sales facility unless the cannabis establishment:

1. Holds a license for a cannabis distributor;
2. Holds a medical cannabis establishment registration certificate and is only transporting cannabis or cannabis products for the medical use of cannabis;
3. Is a cannabis testing facility transporting samples for testing; or
4. Is a dual licensee and is only transporting cannabis or cannabis products for the medical use of cannabis to a medical cannabis dispensary or a dual licensee.

## **REGULATION 14**

### **LICENSEE WORKPLACE REQUIREMENTS**

**14.010 Cannabis establishments required to maintain written policies and procedures prohibiting workplace discrimination or harassment.**

1. Each licensed cannabis establishment that employs 15 or more employees shall adopt and implement written policies and procedures prohibiting workplace discrimination or harassment of a person based on the person's race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, including, without limitation, sexual harassment. Such written policies and procedures must include, without limitation:

- (a) The procedures and methods available to a person seeking to report an instance of workplace discrimination or harassment; and
- (b) The procedures the licensed cannabis establishment will follow when investigating a report of workplace discrimination or harassment.

2. The written policies and procedures required by this section shall address and apply to workplace discrimination or harassment, including, without limitation, sexual harassment, committed by:

- (a) A person within the cannabis establishment, including, without limitation, an owner, manager, employee, or independent contractor; or
- (b) A person outside the cannabis establishment, including, without limitation, a customer, client, vendor, contractor, consultant, or other person that does business with the organization.

3. The Chair, the Chair's designee, Board Member, or Board Agent may, at any time, inspect the written policies and procedures required pursuant to this section, and all records related thereto of a licensed cannabis establishment.

4. The Chair, or the Chair's designee, may require a licensed cannabis establishment to submit the written policies and procedures adopted and implemented pursuant to subsection 1 for the Chair's, or the Chair's designee's, review. If the Chair, or the Chair's designee, makes an administrative determination that the licensed cannabis establishment's written policies and procedures do not adequately address the requirements set forth in subsection 1, the Chair, or the Chair's designee, may issue a determination identifying the deficiency and specifying a time certain within which the deficiency must be cured. Any licensed cannabis establishment affected by such an administrative determination may request a hearing from the Board.