

**PROPOSED MEDICAL MARIJUANA PROPOSED REGULATIONS 2015
(NAC 453A)**

Section 1. Chapter 453A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.

Sec. 2. *NAC 453A.____ “Concentrated cannabis” defined NRS 453.____, NRS 453A.370, SB447 (2015) “Concentrated cannabis” has the meaning ascribed to it in NRS 453.____.*

Sec. 3. *NAC 453A.____ “Extraction” defined NRS 453.____, NRS 453A.370, SB447 (2015) “Extraction” has the meaning ascribed to it in NRS 453.____.*

Sec. 4. *NAC 453A.____ “Independent Contractor” defined NRS 453A.____, NRS 453A.370, AB70 (2015) “Independent Contractor” has the meaning ascribed to it in NRS 453A.____.*

Sec. 5. *NAC 453A.____ “Letter of Approval” defined NRS 453A.____, NRS 453A.370, SB447 (2015) “Letter of Approval” has the meaning ascribed to it in NRS 453A.____.*

Sec. 6. *NAC 453A.____ “Production Run” defined NRS 453A.____, NRS 453A.370 “Production Run” means*
1. Any combination of a lot or lots used at the same time to make the same product;
2. Of any quantity;
3. Applies to facility for the production of edible marijuana products or marijuana-infused products; and
4 Applies to concentrates, edibles and infused products.

Sec. 7. *NAC 453A.____ “Production Run Number” defined NRS 453A.____, NRS 453A.370 “Production Run Number” means a unique numeric or alphanumeric identifier assigned to a production run by a facility for the production of edible marijuana products or marijuana-infused products;*
2 For the purposes of inventory control, a production number must account for all batches and lots used in the production run of a product.

Sec. 8. *NRS 453A.370 1. A facility for the production of edible marijuana products or marijuana-infused products shall label all edible marijuana products, marijuana-infused products, and concentrated cannabis products before it sells the products to a medical marijuana dispensary and shall securely affix to the package a label that includes, without limitation, in legible English:*

- (a) The name of the medical marijuana establishment and its medical marijuana establishment registration certificate number;*
- (b) The production run number;*
- (c) The date of production;*
- (d) The date of final testing;*
- (e) The date on which the product was packaged;*
- (f) The cannabinoid profile and potency levels and terpenoid profile as determined by the independent testing laboratory.*

- (g) *If the product is perishable, the expiration date; and*
- (h) *The quantity of marijuana being sold measured in milligrams of THC.*

2. The label required by subsection 1 for a container or package containing usable marijuana, edible marijuana products, marijuana-infused products or concentrated cannabis sold by a facility for the production of edible marijuana products or marijuana-infused products] must be in substantially the following form:

*Alec's Infused Cannabis
Certificate Number: 123 456 789 001 0001*

*Production Run Number:
1234*

*Produced on:
01/01/2013*

*Final Testing Date: 01/15/2013
Packaged on: 01/17/2013
Best if used by: March 17, 2013*

<i>16.7% THC</i>	<i>1.5% CBD</i>	<i>0.3% CBN</i>
<i>Myrcene 5.6 mg/g</i>	<i>Limonene 5.1 mg/g</i>	<i>Valencene</i>
	<i>3.5 mg/g</i>	

Net Weight THC: 5 milligrams.

Sec. 9. NRS 453A.370 *1. All Medical Marijuana Establishment Registration Certificate Applications are required to be submitted with a bond posted to preserve an applicant's right to pursue judicial action.*

2. Pursuant to subsection 1, a bond or associated security payable to the State of Nevada in the amount of \$250,000.00 must be received by the Division of Public and Behavioral Health at 4150 Technology Way, Suite 300, Carson City, Nevada 89706 no later than the time the application for an Establishment Registration Certificate is submitted with the Division.

3. Neither the State of Nevada, nor any agency, contractor, department, division, employee or officer of the State is liable for any costs, expenses, attorney's fees, loss of income or other damages sustained by a person who submits an unsuccessful application.

4. If the application for a Medical Marijuana Establishment Registration Certificate is successful, the bond posted or other security submitted must be returned to the person who posted the bond or submitted the security. If the judicial action is rejected and the denial is upheld, a claim may be made against the bond or other security by the Division in an amount equal to the expenses incurred and other monetary losses suffered by the Division. Any money not claimed must be returned to the person who posted the bond or submitted the security.

Sec. 10. *Requirements relating to serving sizes and packaging of marijuana for a facility for the production of edible marijuana products or marijuana-infused products. NRS 453A.370* 1. *Must package and label edible retail marijuana products by standardized requirements for three categories:*

(a) Category #1 – Single-Serving Edible/Infused Marijuana Products:

(1) Single unit for sale;

(2) Containing 10mg or less of active THC; and

(b) Category #2 – Single-Serving Edible/Infused Marijuana Products:

(1) More than one, packaging- and labeling-compliant Single-Serving Edible/Infused Marijuana Product, placed in external packaging, as the unit for sale to the consumer;

(2) Total amount of active THC in unit for sale cannot exceed 100mg; and

(c) Category #3 – Multiple-Serving Edible/Infused Marijuana Products:

(1) More than one, packaging- and labeling-compliant Single-Serving Edible/Infused Marijuana Product, placed in external packaging, as the unit for sale to the consumer;

(2) Containing more than 10mg active THC but no more than 100mg; and

(3) The product is not a bundle of individually packaged and compliant Single-Serving Edible/Infused Marijuana Products, but product has demarcations that allow it to be easily separated at each single serving of active THC.

2. Facilities for the production of edible marijuana products or marijuana-infused products packaging for retail must comply with a maximum 10 milligram active THC serving size.

3. Labels must state: “The standardized serving size for this product includes no more than 10 milligrams of active THC.”

Sec. 11. *Requirements relating to concentrated cannabis and a facility for the production of edible marijuana products or marijuana-infused products. NRS 453A.370* 1. *Concentrated cannabis may only be produced at a facility for the production of edible marijuana products or marijuana-infused products;*

2. Are intended for human consumption or to be absorbed through oral ingestion, inhalation, or other means as pre-approved by the Division.

Sec. 12. NAC 453A.023 is hereby amended to read as follows: NRS 453A.370 1. *As used by a cultivation facility* “Batch” means a specific lot *or lots* of marijuana, grown from one or more seeds or cuttings *of the same strain* that are planted and harvested at the same time; *and*

2. Only usable flower and trim shall be measured as a batch.

Sec. 13. NAC 453A.100 is hereby amended to read as follows: NRS 453A.210, 453A.370, 453A.740, SB447 (2015) 1. In addition to the materials required by NRS 453A.210, an application for a registry identification card *or letter of approval* must include:

(a) A written statement signed by the applicant’s attending physician verifying that he or she was presented with a photographic identification of the applicant and the designated primary caregiver, if any, and that the applicant and the designated primary caregiver, if any, are the persons named in the application;

(b) On forms prescribed by the Division, any information required by the Central Repository for Nevada Records of Criminal History;

(c) On forms prescribed by the Division, any information required by the Department of Motor Vehicles;

(d) A medical marijuana program waiver and liability release form that is prescribed by the Division and signed by the applicant and designated primary caregiver, if any;

(e) An acknowledgment form that is prescribed by the Division and signed by the applicant and designated primary caregiver, if any;

(f) If the applicant is under 18 years of age, a minor release form signed by the designated primary caregiver of the minor; and

(g) Proof that the applicant is a resident, including, without limitation, a photocopy of a driver's license issued by the Department of Motor Vehicles or a photocopy of an identification card issued by the Department of Motor Vehicles.

2. *A letter of approval must set forth:*

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

(b) *The date of issuance and date of expiration of the registry identification card of the designated primary caregiver;*

(c) *The name and address of the applicant's designated primary caregiver;*

(d) *The name of the applicant's designated medical marijuana dispensary, if any; and*

(e) *Any other information prescribed by regulation of the Division.*

~~[2] 3. [The Division will request a name based check of an applicant, a caregiver or the parent of a child from the Central Repository for Nevada Records of Criminal History and, if such check is inadequate to determine the criminal history of an applicant, caregiver or parent of a child, the Division may request]~~ a complete set of the fingerprints of the applicant and the designated primary caregiver ~~[, if any].~~

~~[3] 4.~~ As used in this section, "resident" has the meaning ascribed to it in NRS 453A.210.

Sec. 14. NAC 453A.110 is hereby amended to read as follows: NRS 453A.370, 453A.740, SB447 (2015) 1. If the Division approves an application for a registry identification card *or letter of approval*:

(a) The Division will provide the applicant and designated primary caregiver, if any, with written notice of its approval.

(b) The applicant and designated primary caregiver, if any, must present the written notice and proof of identity to an appropriate office of the Department of Motor Vehicles in order to receive a registry identification card *or to the Division for a letter of approval*. Upon the presentation of the written notice and proof of identity, the Department of Motor Vehicles shall prepare and issue a registry identification card *or the Division shall prepare and issue a letter of approval* to the applicant and designated primary caregiver, if any, after it has confirmed by telephone or other reliable means that the Division has approved the issuance of the card.

2. If the Division denies an application for a registry identification card *or letter of approval*, the Division will provide the applicant and designated primary caregiver, if any, with written notice of its denial by certified mail.

Sec. 15. NAC 453A.130 is hereby amended to read as follows: NRS 453A.220, 453A.370, 453A.740, SB447 (2015) A person to whom a registry identification card *or letter of approval* has been issued may renew that card by:

1. Submitting to the Division a form for renewal prescribed by the Division and the materials required by NRS 453A.210 and NAC 453A.100; and

2. Returning his or her expired registry identification card *or letter of approval* to the ~~[Department of Motor Vehicles]~~ *Division*.

Sec. 16. NAC 453A.140 is hereby amended to read as follows: NRS 453A.370, 453A.740, SB447 (2015) The Division will charge and collect the following fees:

1. For the issuance to a person, for the first time, of a packet of application materials to be used in applying for a registry identification card *or letter of approval*..... \$25
2. For the issuance to a person of a registry identification card *or letter of approval* after the Division has approved the person’s application to receive such a card..... \$75

Sec. 17. NAC 453A.150 is hereby amended to read as follows: NRS 453A.740, SB 447 (2015)

1. A person with a chronic or debilitating disease to whom a registry identification card *or letter of approval* has been issued may not be a designated primary caregiver.
2. A designated primary caregiver may not be the designated primary caregiver to more than one person.

Sec. 18. NAC 453A.304 is hereby amended to read as follows: NRS 453A.370 1. Once each year, the Division will determine whether a sufficient number of medical marijuana establishments exist to serve the people of this State and, if the Division determines that additional medical marijuana establishments are necessary, the Division will issue a request for applications to operate a medical marijuana establishment. The Division will provide notice of a request for applications to operate a medical marijuana establishment by:

- (a) Posting on the website of the Division that the Division is requesting applicants to submit their applications;
- (b) Posting a copy of the request for applications at the principal office of the Division, 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 Division for medical marijuana establishment information.

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

3. The Division will accept applications in response to a request for applications issued pursuant to this section for *not more than* 10 business days beginning on the date which is ~~[45 business]~~ 30 days after the date on which the Division issued the request for applications.

4. If the Division 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 Division must not consider the application and must return the application to the entity that submitted the application.

Sec. 19. NAC453A.306 is hereby amended to read as follows: NRS 453A.322, 453A.344, 453A.370, SB 447 (2015) An application submitted in response to a request for applications issued pursuant to NAC 453A.304 must include:

1. A one-time, nonrefundable application fee of \$5,000.

2. An application on a form prescribed by the Division pursuant to subsection 2 of NRS 453A.322. The application must include, without limitation:

(a) Whether the applicant is applying for a medical marijuana establishment registration certificate for an independent testing laboratory, a cultivation facility, a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary;

(b) The name of the proposed medical marijuana establishment, as reflected in the articles of incorporation or other documents filed with the Secretary of State;

(c) The type of business organization of the applicant, such as individual, corporation, partnership, limited-liability company, association or cooperative, joint venture or any other business organization;

(d) Confirmation that the applicant has registered with the Secretary of State as the appropriate type of business, and the articles of incorporation, articles of organization or partnership or joint venture documents of the applicant;

(e) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned or otherwise affiliated medical marijuana establishments;

(f) The mailing address of the applicant;

(g) The telephone number of the applicant;

(h) The electronic mail address of the applicant;

(i) If the applicant is applying for a medical marijuana establishment registration certificate to operate a medical marijuana dispensary, the proposed hours of operation during which the medical marijuana dispensary plans to be available to dispense medical marijuana to patients who hold valid registry identification cards *or letters of approval* or to the designated primary caregivers of such patients;

(j) An attestation that the information provided to the Division to apply for the medical marijuana establishment registration certificate is true and correct according to the information known by the affiant at the time of signing; and

(k) The signature of a natural person for the proposed medical marijuana establishment as described in subsection 1 of NAC 453A.300 and the date on which the person signed the application.

3. Documentation from a financial institution in this State, or any other state or the District of Columbia, which demonstrates:

(a) That the applicant has at least \$250,000 in liquid assets as required pursuant to subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322, which are unencumbered and can be converted within 30 days after a request to liquidate such assets; and

(b) The source of those liquid assets.

4. To assist the Division in considering the criterion of merit set forth in subsection 9 of NRS 453A.328, evidence of the amount of taxes paid to, or other beneficial financial contributions made to, this State or its political subdivisions within the last 5 years by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment.

5. A description of the proposed organizational structure of the proposed medical marijuana establishment, including, without limitation:

(a) An organizational chart showing all owners, officers and board members of the proposed medical marijuana establishment;

(b) A list of all owners, officers and board members of the proposed medical marijuana establishment that contains the following information for each person:

(1) The title of the person;

(2) A short description of the role the person will serve in for the organization and his or her responsibilities;

(3) Whether the person has served or is currently serving as an owner, officer or board member for another medical marijuana establishment;

(4) Whether the person has served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked;

(5) Whether the person has previously had a medical marijuana establishment agent registration card revoked;

(6) Whether the person is an attending physician currently providing written documentation for the issuance of registry identification cards *or letters of approval*;

(7) Whether the person is a law enforcement officer;

(8) Whether the person is currently an employee or contractor of the Division; and

(9) Whether the person has an ownership or financial investment interest in any other medical marijuana establishment.

6. For each owner, officer and board member of the proposed medical marijuana establishment:

(a) An attestation signed and dated by the owner, officer or board member that he or she has not been convicted of an excluded felony offense, and that the information provided to support the application to operate a medical marijuana establishment is true and correct;

(b) A narrative description, not to exceed 750 words, demonstrating:

(1) Past experience working with governmental agencies and highlighting past community involvement;

(2) Any previous experience at operating other businesses or nonprofit organizations; and

(3) Any demonstrated knowledge or expertise with respect to the compassionate use of marijuana to treat medical conditions; and

(c) A resume.

7. To assist the Division in considering the criterion of merit set forth in subsection 7 of NRS 453A.328, documentation concerning the adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana, including, without limitation, building and construction plans with supporting details.

8. To assist the Division in considering the criterion of merit set forth in subsection 8 of NRS 453A.328, the integrated plan of the proposed medical marijuana establishment for the care, quality and safekeeping of medical marijuana from seed to sale, including, without limitation, a plan for testing and verifying medical marijuana, a transportation plan and procedures to ensure adequate security measures, including, without limitation, building security and product security.

9. A plan for the business which includes, without limitation, a description of the inventory control system of the proposed medical marijuana establishment to satisfy the requirements of sub-subparagraph (II) of subparagraph (3) of paragraph (a) of subsection 3 of NRS 453A.322.

10. To assist the Division in considering the criterion of merit set forth in subsection 1 of NRS 453A.328, a financial plan which includes, without limitation:

(a) Financial statements showing the resources of the applicant;

(b) If the applicant is relying on money from an owner, officer or board member, evidence that the person has unconditionally committed such money to the use of the applicant in the event the Division awards a medical marijuana establishment registration certificate to the applicant and the applicant obtains the necessary approvals from local governments to operate the proposed medical marijuana establishment; and

(c) Proof that the applicant has adequate money to cover all expenses and costs of the first year of operation.

11. Evidence that the applicant has a plan to staff, educate and manage the proposed medical marijuana establishment on a daily basis, which must include, without limitation:

(a) A detailed budget for the proposed medical marijuana establishment, including pre-opening, construction and first year operating expenses;

(b) An operations manual that demonstrates compliance with this chapter;

(c) An education plan which must include, without limitation, providing educational materials to the staff of the proposed medical marijuana establishment; and

(d) A plan to minimize the environmental impact of the proposed medical marijuana establishment.

12. To assist the Division in considering the criteria of merit set forth in subsections 6 and 7 of NRS 453A.328, a proposal demonstrating:

(a) The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located; and

(b) The manner in which the proposed medical marijuana establishment will meet the needs of the persons who are authorized to engage in the medical use of marijuana.

13. If a local government in which a proposed medical marijuana establishment will be located has not enacted zoning restrictions or the applicant is not required to secure approval that the applicant is in compliance with any such restrictions, a professionally prepared survey which demonstrates that the applicant has satisfied all the requirements of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322.

14. A response to and information which supports any other criteria of merit the Division determines to be relevant, which will be specified and requested by the Division at the time the Division issues a request for applications which includes the point values that will be allocated to the applicable portions of the application pursuant to subsection 2 of NAC 453A.304.

Sec. 20. NAC453A.310 is hereby amended to read as follows: NRS 453A.370 1. If, ~~within 10 business days after the date on which the Division begins accepting applications in response to a request for applications issued pursuant to NAC 453A.304,~~ the Division receives more than one application *in response to a request for applications made pursuant to NAC 453A.304*, and the Division determines that more than one of the applications is complete and in compliance with this chapter and chapter 453A of NRS, the Division will rank the applications, within each applicable local governmental jurisdiction for any applicants which are in a jurisdiction that limits the number of a type of medical marijuana establishment and statewide for each applicant which is in a jurisdiction that does not specify a limit, in order from first to last based on compliance with the provisions of this chapter and chapter 453A of NRS and on the content of the applications as it relates to:

(a) The ownership or authorized use of property as required by sub-subparagraph (IV) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322;

(b) Documentation of liquid assets as required by sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322;

(c) Evidence of taxes paid and other beneficial financial contributions as described in subsection 9 of NRS 453A.328; and

(d) The description of the proposed organizational structure of the proposed medical marijuana establishment and information concerning each owner, officer and board member of the proposed medical marijuana establishment, including, without limitation, the information provided pursuant to subsections 5 and 6 of NAC 453A.306.

2. The Division will not further evaluate an application that does not demonstrate a sufficient response to the criteria set forth in subsection 1 and will not issue a medical marijuana establishment registration certificate to that applicant.

3. If the Division receives any findings from a report concerning the criminal history of an applicant or person who is proposed to be an owner, officer or board member of a proposed medical marijuana establishment that disqualify that person from being qualified to serve in that capacity, the Division will provide notice to the applicant and give the applicant an opportunity to revise its application. If a person who is disqualified from serving as an owner, officer or board member remains on the application as a proposed owner, officer or board member 90 days after the date on which the Division initially received the application, the Division may disqualify the application.

Sec. 21. NAC453A.324 is hereby amended to read as follows: NRS 453A.370 1. If a medical marijuana establishment is not fully operational within 18 months after the date on which the Division issued the *provisional* medical marijuana establishment registration certificate, the Division may revoke the medical marijuana establishment registration certificate. ~~[If the Division revokes a medical marijuana establishment registration certificate pursuant to this subsection, the applicable annual renewal fee paid by the establishment is not refundable.]~~

2. If the Division revokes the *provisional* medical marijuana establishment registration certificate of a medical marijuana establishment pursuant to subsection 1, the medical marijuana establishment may not reapply for a medical marijuana establishment registration certificate until at least 12 months after the date on which the previous *provisional* medical marijuana establishment registration certificate was revoked.

Sec. 22. NAC 453A.326 is hereby amended to read as follows: NRS 453A.370, SB276 (2015), SB447 (2015) 1. A medical marijuana establishment must surrender its medical marijuana establishment registration certificate and reapply for a medical marijuana establishment registration certificate during the next request for applications issued by the Division pursuant to NAC 453A.304:

(a) Before all or substantially all of the assets of the medical marijuana establishment or 10 percent or more of the stock of the medical marijuana establishment are transferred *without prior authorization by the Division*; or

(b) Except as otherwise provided in this section, any time there is a change in the location of the medical marijuana establishment if:

~~[(1) It is a material change that requires the medical marijuana establishment to go through an approval process by a local governmental entity; or]~~

~~{2}~~(1) The new location is ~~[more than 5 miles from its original approved location]~~ *not approved by the local governmental entity where the medical marijuana establishment is located prior to moving or denied all together.*

2. A medical marijuana establishment may change the location of the medical marijuana establishment to a new location that is ~~[5 miles or less from its]~~ *within the same local governmental jurisdiction as its* original approved location if:

(a) It provides to the Division before it changes location:

(1) ~~[Written justification for the need to change the location]~~ *Proof of a public hearing where the local jurisdiction approved the relocation;* and

~~{2} Land use approval for the new location from the local government, if applicable; and]~~

(b) The Division determines ~~[that the written justification is sufficient to justify the change in location]~~ *upon inspection and review of the new location that the medical marijuana establishment is in compliance with all provisions of NRS 453A and NAC 453A, including, but not limited to, all operational, safety and security plans.*

~~{3. A medical marijuana establishment may change the location of the medical marijuana establishment to a new location if the local government in which the medical marijuana establishment is located enacts zoning restrictions which prohibit the location of the medical marijuana establishment after the Division has issued a medical marijuana establishment registration certificate to the medical marijuana establishment.]~~

~~{4.}~~ 3. If a medical marijuana establishment is closing, the manager of the medical marijuana establishment must notify the Division of the closing at least 15 days before the medical marijuana establishment is closed and the medical marijuana establishment must surrender its medical marijuana establishment registration certificate to the Division immediately upon closing.

~~{5.}~~ 4. If, after investigation, the Division determines that there is cause to believe that a medical marijuana establishment has made changes in ownership or other changes to circumvent the provisions of NRS 453A.334 ~~[which prevent]~~ *regarding* the transfer of a medical marijuana establishment registration certificate, the Division will take action to revoke the medical marijuana establishment registration certificate of that medical marijuana establishment.

~~{6.}~~ 5. A medical marijuana establishment is responsible to the Division for all costs incurred by the Division to determine whether any changes in ownership or other changes were made to circumvent the provisions of NRS 453A.334 which prevent the transfer of a medical marijuana *agent card and provide for the transfer of ownership of a medical marijuana* establishment registration certificate.

6. A medical marijuana establishment is responsible to the Division for all costs incurred by the Division related to:

(a) The transfer of ownership, in part or in whole, of an establishment registration certificate; and

(b) The change of location of the medical marijuana establishment.

7. If the Division revokes a medical marijuana establishment registration certificate, the applicable annual renewal fee paid by the establishment is not refundable.

Sec. 23. NAC 453A.328 is hereby amended to read as follows: NRS 453A.370, SB 447 (2015) In addition to the information required to be submitted to the Division pursuant to subsection 5 of NRS 453A.322, a person or entity that wishes to renew a medical marijuana establishment registration certificate must submit to the Division:

1. An application in the format prescribed by the Division that includes:
 - (a) The identification number of the medical marijuana establishment;
 - (b) The name of the entity applying to renew the medical marijuana establishment registration certificate, as reflected in the articles of incorporation or other documents filed with the Secretary of State;
 - (c) The name of the person designated to submit applications for medical marijuana establishment agent registration cards on behalf of the medical marijuana establishment pursuant to subsection 2 of NRS 453A.332;
 - (d) If the medical marijuana establishment is a medical marijuana dispensary, the proposed hours of operation during which the medical marijuana dispensary plans to be available to dispense medical marijuana to patients who hold valid registry identification cards *or letters of approval* or to the designated primary caregivers of such patients;
 - (e) The number of the medical marijuana establishment agent registration cards issued to each owner, officer or board member of the medical marijuana establishment;
 - (f) For each owner, officer and board member of the medical marijuana establishment, whether the owner, officer or board member:
 - (1) Has served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked;
 - (2) Is an attending physician 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 Division; or
 - (5) Has an ownership or financial investment interest in any other medical marijuana establishment;
 - (g) An attestation that the information provided to the Division to renew the medical marijuana establishment registration certificate is true and correct according to the information known by the affiant at the time of signing; and
 - (h) The signature of a natural person for the medical marijuana establishment as described in subsection 1 of NAC 453A.300 and the date on which he or she signed the application.
2. A copy of an annual financial statement of the medical marijuana establishment for the previous year, or for the portion of the previous year during which the medical marijuana establishment was operational, which is prepared according to generally accepted accounting principles.
3. A report of an audit by an independent certified public accountant of the annual financial statement submitted pursuant to subsection 2.

Sec. 24. NAC 453A.332 is hereby amended to read as follows: NRS 453A.370 1. The Division will deny an application for or an application to renew a medical marijuana establishment registration certificate if:

- (a) The application or the medical marijuana establishment is not in compliance with any provision of this chapter or chapter 453A of NRS; or
- (b) An owner, officer or board member of the medical marijuana establishment:
 - (1) Is an employee or contractor of the Division;
 - (2) Has an ownership or financial investment interest in an independent testing laboratory and also is an owner, officer or board member of a medical marijuana dispensary, cultivation

facility or facility for the production of edible marijuana products or marijuana-infused products;
or

(3) Provides false or misleading information to the Division.

2. The Division will revoke a medical marijuana establishment registration certificate if:

(a) The medical marijuana establishment engages in an activity set forth in NRS 453A.340;

(b) An owner, officer or board member of the establishment has been convicted of an excluded felony offense; or

(c) The Division receives formal notice from the applicable local government that the medical marijuana establishment has had its authorization to operate terminated.

3. The Division may deny an application for or an application to renew a medical marijuana establishment registration certificate or may suspend or revoke any medical marijuana establishment registration certificate issued under the provisions of this chapter and chapter 453A of NRS upon any of the following grounds:

(a) Violation by the applicant or the medical marijuana establishment of any of the provisions of this chapter or chapter 453A of NRS.

(b) The failure or refusal of an applicant or medical marijuana establishment to comply with any of the provisions of this chapter or chapter 453A of NRS.

(c) The failure or refusal of a medical marijuana establishment to carry out the policies and procedures or comply with the statements provided to the Division in the application of the medical marijuana establishment.

(d) Operating a medical marijuana establishment without a medical marijuana establishment registration certificate.

(e) The failure or refusal to return an adequate plan of correction to the Division within 10 *working* days after receipt of a statement of deficiencies pursuant to NAC 453A.330.

(f) The failure or refusal to correct any deficiency specified by the Division within the period specified in a plan of correction developed pursuant to NAC 453A.330.

(g) The failure or refusal to cooperate fully with an investigation or inspection by the Division.

(h) The failure to comply with the provisions of chapter 372A of NRS and chapter 372A of NAC governing the imposition of an excise tax on medical marijuana establishments.

4. If the Division denies an application for or an application to renew a medical marijuana establishment registration certificate or revokes a medical marijuana establishment registration certificate, the Division must provide notice to the applicant or medical marijuana establishment that includes, without limitation, the specific reasons for the denial or revocation.

5. Before denying an application for or an application to renew a medical marijuana establishment registration certificate or revoking a medical marijuana establishment registration certificate as a result of the actions of an owner, officer or board member of the medical marijuana establishment pursuant to paragraph (b) of subsection 1 or paragraph (b) of subsection 2, the Division may provide the medical marijuana establishment with an opportunity to correct the situation.

6. The Division will not deny an application to renew a medical marijuana establishment registration certificate or revoke a medical marijuana establishment registration certificate based on a change in ownership of the medical marijuana establishment if the medical marijuana establishment is in compliance with the provisions of this chapter and chapter 453A of NRS.

Sec. 25. NAC 453A.336 is hereby amended to read as follows: NRS 453A.370, AB70 (2015)

1. The Division will issue medical marijuana establishment agent registration cards for each of the following categories:

- (a) An independent testing laboratory;
- (b) A cultivation facility;
- (c) A facility for the production of edible marijuana products or marijuana-infused products;

[~~or~~]

(d) A medical marijuana dispensary; *or*

(e) An independent contractor who provides labor relating to the cultivation or processing of marijuana or the production of usable marijuana, edible marijuana products or marijuana-infused products for a medical marijuana establishment or an employee of such an independent contractor.

2. Each medical marijuana establishment agent registration card issued pursuant to NRS 453A.332 must indicate the applicable category. The person to whom the medical marijuana establishment registration card is issued may only be employed by or volunteer at the type of medical marijuana establishment for which he or she is registered.

(a) An independent contractor to whom a medical marijuana establishment registration card is issued must only contract with the establishment(s) for which the independent contractor is registered with the Division.

3. A medical marijuana establishment shall ensure that training is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the medical marijuana establishment. Such training must include, without limitation:

- (a) The proper use of security measures and controls that have been adopted by the medical marijuana establishment for the prevention of diversion, theft or loss of marijuana;
- (b) Procedures and instructions for responding to an emergency; and
- (c) State and federal statutes and regulations regarding confidentiality of information related to the medical use of marijuana.

4. In addition to the training set forth in subsection 3, a medical marijuana dispensary shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the medical marijuana dispensary. Such instruction must include, without limitation:

- (a) The different strains of marijuana;
- (b) The different methods of using marijuana, edible marijuana products and marijuana-infused products; and
- (c) Learning to recognize signs of medicine abuse or instability in the medical use of marijuana by a patient.

5. In addition to the training set forth in subsection 3, an independent testing laboratory shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the independent testing laboratory. Such instruction must include, without limitation:

- (a) The good laboratory practices adopted by the independent testing laboratory; and
- (b) The standard operating procedures and the quality control and quality assurance programs of the independent testing laboratory.

6. In addition to the training set forth in subsection 3, a cultivation facility shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the cultivation facility. Such instruction must include, without limitation:

- (a) The methods of cultivation used by the cultivation facility;
- (b) The methods of fertilization used by the cultivation facility;
- (c) Methods for recognizing the signs of insect infestation, pathogens and disease in marijuana plants, and the procedures for eradication and the safe disposal of plants so affected;
- (d) The nutritional requirements of marijuana plants at various growth stages, including, without limitation, proper mixing and dispersal of fertilizer, flushing procedures and procedures for postharvest trimming, drying and curing; and
- (e) The safe handling of equipment, including, without limitation, high-intensity discharge lamps, electrical ballasts, pumps, fans, cutting implements and other equipment for cultivation.

7. In addition to the training set forth in subsection 3, a facility for the production of edible marijuana products or marijuana-infused products shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at the facility for the production of edible marijuana products or marijuana-infused products. Such instruction must include, without limitation:

- (a) Understanding the difference between topical products, edible marijuana products and marijuana-infused products, as applicable to the operations of the facility for the production of edible marijuana products or marijuana-infused products;
- (b) The procedures used by the facility for the production of edible marijuana products or marijuana-infused products to create edible marijuana products or marijuana-infused products; and
- (c) The proper procedures for handling edible marijuana products or marijuana-infused products, including, without limitation, the procedures used to prepare, produce, package and store such products as required by the provisions of this chapter and chapter 453A of NRS.

Sec. 26. NAC 453A.346 is hereby amended to read as follows: NRS 453A.370, AB 70 (2015)

1. The Division will provide written notice to a medical marijuana establishment agent that his or her medical marijuana establishment agent registration card is void and no longer valid when:

- (a) The medical marijuana establishment registration certificate listed on the medical marijuana establishment agent registration card of the cardholder is no longer valid; or
- (b) The Division receives the written notice required by subsection ~~3~~ 4 of NRS 453A.332 or subsection 3 or 4 of NAC 453A.410 that the medical marijuana establishment agent:
 - (1) No longer serves as an owner, officer or board member of the medical marijuana establishment;
 - (2) Is no longer employed by or contracted with the medical marijuana establishment; or
 - (3) No longer volunteers at the medical marijuana establishment.

2. Written notice provided by the Division pursuant to this section is not a revocation and is not considered a final decision of the Division subject to administrative review.

Sec. 27. NAC 453A.352 is hereby amended to read as follows: NRS 453A.344, 453A.370, AB 70 (2015)

1. Except as otherwise provided in subsection 2 of NRS 453A.344, the Division will charge and collect the following fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....	\$30,000
For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....	5,000

For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility.....	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility.....	1,000
For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....	3,000
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....	1,000
For <i>each person identified in an application for</i> the initial issuance of a medical marijuana establishment agent registration card.....	75
For <i>each person identified in an application for</i> the renewal of a medical marijuana establishment agent registration card.....	75
For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory.....	5,000
For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory.....	3,000

2. For the ongoing activities of the Division relating to the inspection of medical marijuana establishments, not related to processing an application by a medical marijuana establishment, the Division will collect an assessment from each medical marijuana establishment for the time and effort attributed to the oversight of the medical marijuana establishment that is based upon the hourly rate established for each inspector or auditor of medical marijuana establishments as determined by the budget of the Division.

Sec. 28. NAC 453A.404 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) A medical marijuana establishment shall not sell a lot of usable marijuana, *concentrated cannabis*, edible marijuana products or marijuana-infused products until all required quality assurance testing has been completed.

Sec. 29. NAC 453A.406(1) is hereby amended to read as follows: NRS 453A.370, SB447 (2015) 1. Except as otherwise provided in this section, the only persons who may be on the premises of a medical marijuana establishment are:

- (a) A medical marijuana establishment agent;
- (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*; or
- (d) A person inspecting the medical marijuana establishment pursuant to NAC 453A.320 or 453A.322.

Sec. 30. NAC 453A.408 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) A medical marijuana establishment shall:

- 1. Develop, document and implement policies and procedures regarding:
 - (a) Job descriptions and employment contracts, including, without limitation:
 - (1) The duties, authority, responsibilities and qualifications of personnel;
 - (2) Supervision of personnel;
 - (3) Training in and adherence to confidentiality requirements;
 - (4) Periodic performance evaluations; and

- (5) Disciplinary actions.
 - (b) Business records, such as manual or computerized records of assets and liabilities, monetary transactions, journals, ledgers and supporting documents, including, without limitation, agreements, checks, invoices and vouchers.
 - (c) Inventory control, including, without limitation:
 - (1) Tracking;
 - (2) Packaging;
 - (3) Accepting marijuana from patients who hold valid registry identification cards *or letters of approval* and from their designated primary caregivers;
 - (4) Acquiring marijuana from other medical marijuana establishments; and
 - (5) Disposing of unusable marijuana.
 - (d) Records of patients who hold valid registry identification cards *or letters of approval*, including, without limitation, purchases, denials of sale, any delivery options, confidentiality and retention.
 - (e) Patient education and support, including, without limitation:
 - (1) The availability of different strains of marijuana and the purported effects of the different strains;
 - (2) Information about the purported effectiveness of various methods, forms and routes of administering medical marijuana; and
 - (3) The prohibition on the smoking of marijuana in public places, places open to the public and places exposed to public view.
2. Maintain copies of the policies and procedures developed pursuant to subsection 1 at the medical marijuana establishment and provide copies to the Division for review upon request.

Sec. 31. NAC 453A.410 is hereby amended to read as follows: NRS 453A.370, AB70 (2015), SB447 (2015) A medical marijuana establishment shall:

- 1. Ensure that each medical marijuana establishment agent has his or her medical marijuana establishment agent registration card in his or her immediate possession when the medical marijuana establishment agent:
 - (a) Is employed by ~~or~~, volunteering *at, or an independent contractor* at the medical marijuana establishment; or
 - (b) Is transporting marijuana, edible marijuana products or marijuana-infused products for the medical marijuana establishment.
- 2. Not allow a person who does not possess a medical marijuana establishment agent registration card issued under the medical marijuana establishment registration certificate to:
 - (a) Serve as an officer or board member for the medical marijuana establishment;
 - (b) Be employed by or have a contract to provide services for the medical marijuana establishment; or
 - (c) Volunteer at or on behalf of the medical marijuana establishment.
- 3. Provide written notice to the Division, including the date of the event, within 10 working days after the date on which a medical marijuana establishment agent no longer:
 - (a) Serves as an officer or board member for the medical marijuana establishment;
 - (b) Is employed by or has a contract to provide services for the medical marijuana establishment; or
 - (c) Volunteers at or on behalf of the medical marijuana establishment.

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

Sec. 32. NAC 453A.412 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) Before a medical marijuana establishment agent dispenses medical marijuana to the holder of a valid registry identification card *or letter of approval* or the designated primary caretaker of such a person, the medical marijuana establishment agent shall:

1. Verify the identity of the holder of the registry identification card *or letter of approval* or the designated primary caregiver;

2. Offer any appropriate patient education or support materials;

3. Verify the validity of the registry identification card *or letter of approval* of the patient or the designated primary caretaker;

4. Verify that the amount of medical marijuana the patient or the designated primary caregiver is requesting would not cause the patient to exceed the limit on obtaining no more than 2 1/2 ounces of medical marijuana during any one 14-day period as set forth in NRS 453A.200 or the limit on obtaining edible marijuana products and marijuana-infused products set forth in NAC 453A.704; and

5. Enter the following information into the electronic verification system:

(a) The name and number of the registry identification card *or letter of approval* of the patient or the name of the designated primary caregiver of the patient;

(b) The amount of medical marijuana dispensed;

(c) Whether the medical marijuana was dispensed to the patient or to the designated primary caregiver of the patient;

(d) The date and time at which the medical marijuana was dispensed;

(e) The number of the medical marijuana establishment agent registration card of the medical marijuana establishment agent; and

(f) The number of the medical marijuana establishment registration certificate of the medical marijuana establishment.

Sec. 33. NAC 453A.414 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

1. Each medical marijuana establishment shall designate in writing a medical marijuana establishment agent who has oversight of the inventory control system of the medical marijuana establishment.

2. A medical marijuana establishment shall only acquire marijuana, edible marijuana products or marijuana-infused products from:

(a) Another medical marijuana establishment, including, without limitation, a cultivation facility and a facility for the production of edible marijuana products or marijuana-infused products, except that a medical marijuana dispensary may not purchase marijuana from another medical marijuana dispensary; or

(b) A person who holds a valid registry identification card *or letter of approval* or his or her designated primary caregiver in the manner set forth in subsection 5 of NRS 453A.352; *or*

(c) Concentrated cannabis may only be obtained from a facility for the production of edible marijuana products or marijuana-infused products by a medical marijuana dispensary or another facility for the production of edible marijuana products or marijuana-infused products.

3. Each medical marijuana establishment shall establish and implement an inventory control system that documents:

(a) Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana and ending inventory **including:**

(1) **Number of plants, cuttings and seeds;**

(2) **Flower, measured in grams;**

(3) **Trim measured in grams;**

(4) **THC, measured in milligrams.**

(b) When acquiring medical marijuana from a person who holds a valid registry identification card **or letter of approval** or his or her designated primary caregiver:

(1) A description of the medical marijuana acquired, including the amount and strain as specified by the cardholder or caregiver, if known;

(2) The name and number of the valid registry identification card **or letter of approval** of the person who provided the medical marijuana or, if provided by a designated primary caregiver, his or her name;

(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana dispensary; and

(4) The date of acquisition.

(c) When acquiring medical marijuana from another medical marijuana establishment:

(1) A description of the medical marijuana acquired, including the amount, strain and batch number, **lot number, production run number or a combination thereof;**

(2) The name and identification number of the medical marijuana establishment registration certificate of the medical marijuana establishment providing the medical marijuana;

(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the medical marijuana;

(4) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana establishment; and

(5) The date of acquisition.

(d) For each batch of marijuana cultivated:

(1) The batch number.

(2) Whether the batch originated from marijuana seeds or marijuana cuttings.

(3) The strain of the marijuana seeds or marijuana cuttings planted.

(4) The number of marijuana seeds or marijuana cuttings planted.

(5) The date on which the marijuana seeds or cuttings were planted.

(6) A list of all chemical additives used in the cultivation, including, without limitation, nonorganic pesticides, herbicides and fertilizers.

(7) The number of marijuana plants grown to maturity.

(8) Harvest information, including, without limitation:

(I) The date of harvest;

(II) The final yield weight of processed usable marijuana, **in grams;** and

(III) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the harvest.

(9) The disposal of marijuana that is not usable marijuana, including:

(I) A description of and reason for the marijuana being disposed of, including, if applicable, the number of failed or other unusable marijuana plants;

(II) The date of disposal;

(III) Confirmation that the marijuana was rendered unusable before disposal;

(IV) The method of disposal; and

(V) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the disposal.

(e) When providing medical marijuana to another medical marijuana establishment:

(1) The amount, strain and batch number, *lot number, production number as applicable* of medical marijuana provided to the medical marijuana establishment;

(2) The name and medical marijuana establishment registration certificate number of the other medical marijuana establishment;

(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent who received the medical marijuana on behalf of the other medical marijuana establishment; and

(4) The date on which the medical marijuana was provided to the medical marijuana establishment.

(f) *When receiving concentrated cannabis products a facility for the production of edible marijuana products or marijuana-infused products:*

(1) *A description of the concentrated cannabis products received from the facility for the production of edible marijuana products or marijuana-infused products, including the total weight of each concentrated cannabis product, the estimated amount of THC measured in milligrams and production run number of the marijuana contained in each concentrated cannabis product.*

(2) *The total estimated amount and batch number of concentrated cannabis in the concentrated cannabis products.*

(3) *The name and:*

(I) *Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the concentrated cannabis products to the receiving medical marijuana establishment;*

(II) *Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the concentrated cannabis products to the receiving medical marijuana establishment; and*

(III) *Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the concentrated cannabis products on behalf of the receiving medical marijuana establishment.*

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

(g) When receiving edible marijuana products from another medical marijuana establishment:

(1) A description of the edible marijuana products received from the medical marijuana establishment, including the total weight of each edible marijuana product and the estimated amount *of THC measured in milligrams* and batch number of the marijuana in each edible marijuana product.

(2) The total estimated amount and ~~{batch}~~ *production run* number of marijuana in the edible marijuana products.

(3) The name and:

(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the edible marijuana products to the receiving medical marijuana establishment;

(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the edible marijuana products to the receiving medical marijuana establishment; and

(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the edible marijuana products on behalf of the receiving medical marijuana establishment.

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

(f) When receiving marijuana-infused products from another medical marijuana establishment:

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

(2) The total estimated amount and batch number of marijuana infused in the marijuana-infused products.

(3) The name and:

(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the marijuana-infused products to the receiving medical marijuana establishment;

(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the marijuana-infused products to the receiving medical marijuana establishment; and

(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the marijuana-infused products on behalf of the receiving medical marijuana establishment.

(4) The date on which the marijuana-infused products were provided to the medical marijuana establishment.

4. Each medical marijuana establishment shall:

(a) Establish and maintain a perpetual inventory system which adequately documents the flow of materials through the manufacturing process;

(b) Establish procedures which reconcile the raw material used to the finished product on the basis of each job. Significant variances must be documented, investigated by management personnel and immediately reported to the Division and to the medical marijuana establishment that ordered the *concentrated cannabis*, edible marijuana product or marijuana-infused product; and

(c) Provide for quarterly physical inventory counts to be performed by persons independent of the manufacturing process which are reconciled to the perpetual inventory records. Significant variances must be documented, investigated by management personnel and immediately reported to the Division.

5. If a medical marijuana establishment identifies a reduction in the amount of medical marijuana in the inventory of the medical marijuana establishment not due to documented causes, the medical marijuana establishment shall determine where the loss has occurred and

take and document corrective action. If the reduction in the amount of medical marijuana in the inventory of the medical marijuana establishment is due to suspected criminal activity by a medical marijuana establishment agent, the medical marijuana establishment shall report the medical marijuana establishment agent to the Division and to the appropriate law enforcement agencies.

6. A medical marijuana establishment shall:

(a) Maintain the documentation required in subsections 3, 4 and 5 at the medical marijuana establishment for at least 5 years after the date on the document; and

(b) Provide the documentation required in subsections 3, 4 and 5 to the Division for review upon request.

Sec. 34. NAC 453A.416 is hereby amended to read as follows: NRS 453A.370, AB70, SB447 (2015) 1. A medical marijuana establishment agent authorized by the medical marijuana establishment for which he or she is employed or volunteers may transport marijuana, paraphernalia, edible marijuana products and marijuana-infused products between the medical marijuana establishment and:

(a) Another medical marijuana establishment; and

(b) A person who holds a valid registry identification card *or letter of approval* or his or her designated primary caregiver.

2. Not more than 10 ounces of marijuana, edible marijuana products or marijuana-infused products, or any combination thereof, may be transported at any one time from a medical marijuana establishment to persons who hold valid registry identification cards *or letters of approval* or their designated primary caregivers.

3. When transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products to a person who holds a valid registry identification card *or letter of approval* or his or her designated caregiver pursuant to subsection 1, a medical marijuana establishment agent must:

(a) Before transportation, confirm verbally with the patient or designated primary caregiver by telephone that the patient or designated primary caregiver ordered the marijuana, paraphernalia, edible marijuana products or marijuana-infused products and verify the identity of the patient;

(b) Enter the details of the confirmation obtained pursuant to paragraph (a) in a log which must be available for inspection by the appropriate law enforcement agency; and

(c) Secure a signature from the patient or designated primary caregiver when the items are delivered and may only leave the items with the patient or designated primary caregiver.

4. Before transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, a medical marijuana establishment agent must:

(a) Complete a trip plan that includes, without limitation:

(1) The name of the medical marijuana establishment agent in charge of the transportation;

(2) The date and start time of the trip;

(3) A description of the marijuana, paraphernalia, edible marijuana products and marijuana-infused products being transported; and

(4) The anticipated route of transportation.

(b) Provide a copy of the trip plan completed pursuant to paragraph (a) to the medical marijuana establishment for which he or she is providing the transportation.

5. During the transportation of marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, the medical marijuana establishment agent must:

(a) Carry a copy of the trip plan completed pursuant to paragraph (a) of subsection 4 with him or her for the duration of the trip;

(b) Have his or her medical marijuana establishment agent registration card in his or her immediate possession;

(c) Use a vehicle without any identification relating to marijuana and which is equipped with a secure lockbox or locking cargo area which must be used for the sanitary and secure transportation of marijuana, paraphernalia, edible marijuana products or marijuana-infused products;

(d) Have a means of communicating with the medical marijuana establishment for which he or she is providing the transportation; and

(e) Ensure that all marijuana, paraphernalia, edible marijuana products or marijuana-infused products are not visible.

6. After transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, a medical marijuana establishment agent must enter the end time of the trip and any changes to the trip plan that was completed pursuant to paragraph (a) of subsection 4.

7. Each medical marijuana establishment agent transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, must:

(a) Report any vehicle accident that occurs during the transportation to a person designated by the medical marijuana establishment to receive such reports within 2 hours after the accident occurs; and

(b) Report any loss or theft of marijuana, paraphernalia, edible marijuana products or marijuana-infused products that occurs during the transportation to a person designated by the medical marijuana establishment to receive such reports immediately after the medical marijuana establishment agent becomes aware of the loss or theft. A medical marijuana establishment 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 Division as required by NAC 453A.418.

8. A medical marijuana establishment shall:

(a) Maintain the documents required in paragraph (a) of subsection 4 and subsections 6 and 7; and

(b) Provide a copy of the documents required in paragraph (a) of subsection 4 and subsections 6 and 7 to the Division for review upon request.

9. Each medical marijuana establishment shall maintain a log of all reports received pursuant to subsection 7.

10. Agents of a third party independent contractor may:

(a) Transport medical marijuana to another medical marijuana establishment or;

(b) Transport medical marijuana between the buildings of the medical marijuana establishment;

(c) Transport medical marijuana to the Nevada Department of Agriculture for laboratory testing;

(d) Not operate without a valid Agent Card from the Division of Public and Behavioral Health;

(e) Not deliver marijuana, paraphernalia, edible marijuana products or marijuana-infused products to a person who holds a valid registry identification card or letter of approval or his or her designated caregiver.

11. Agents of a third party independent contractor must adhere to provisions of NRS 453A and NAC 453A, including but not limited to:

(a) Comply with all transportation guidelines and policies of the Division;

(b) Maintain and file all applicable trip plans and logs;

(c) Following all safety and security protocols; and

(d) Ensure that all medical marijuana is accounted for in the inventory control system of the Medical Marijuana Establishment with which they are contracted.

Sec. 35. NAC 453A.420 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) To prevent unauthorized access to medical marijuana at a medical marijuana establishment, the medical marijuana establishment must have:

1. Security equipment to deter and prevent unauthorized entrance into limited access areas that includes, without limitation:

(a) Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic device;

(b) Exterior lighting to facilitate surveillance;

(c) Electronic monitoring, including, without limitation:

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

(2) A video printer capable of immediately producing a clear still photo from any video camera image;

(3) Video cameras with a recording resolution of at least 704 x 480 or the equivalent which provide coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building and which are capable of identifying any activity occurring in or adjacent to the building;

(4) A video camera at each point-of-sale location which allows for the identification of any person who holds a valid registry identification card *or letter of approval* or his or her designated primary caregiver purchasing medical marijuana;

(5) A video camera in each grow room which is capable of identifying any activity occurring within the grow room in low light conditions;

(6) A method for storing video recordings from the video cameras for at least 30 calendar days;

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

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

(d) Immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the medical marijuana establishment in the interior of each building of the medical marijuana establishment.

2. Policies and procedures:

(a) That restrict access to the areas of the medical marijuana establishment that contain medical marijuana to persons authorized to be in those areas only;

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

Sec. 36. NAC 453A.430 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) A medical marijuana establishment may not treat or otherwise adulterate usable marijuana *or concentrated cannabis* with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight or smell of the usable marijuana.

Sec. 37. NAC 453A.450 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) Each medical marijuana dispensary shall:

1. Ensure that the medical marijuana dispensary is operating and available to dispense or sell marijuana, edible marijuana products or marijuana-infused products to patients who hold valid registry identification cards *or letters of approval* or to the designated primary caregivers of such patients during, and only during, the designated hours of operation of the medical marijuana dispensary as provided to the Division pursuant to paragraph (i) of subsection 2 of NAC 453A.306 and the hours authorized by the local government in which the medical marijuana dispensary is located; and

2. Post, in a place that can be viewed by persons entering the medical marijuana dispensary, the hours of operation during which the medical marijuana dispensary will dispense or sell marijuana, edible marijuana products or marijuana-infused products to patients who hold valid registry identification cards *or letters of approval* or to the designated primary caregivers of such patients.

Sec. 38. NAC 453A.452 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

1. Each medical marijuana dispensary shall ensure that:

(a) A patient record is established and maintained for each holder of a valid registry identification card *or letter of approval* who obtains marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary;

(b) An entry in a patient record:

(1) Is recorded only by a medical marijuana establishment agent who is authorized by the policies and procedures of the medical marijuana dispensary to make an entry;

(2) Is dated and signed by the medical marijuana establishment agent who is recording the entry;

(3) Includes the number of the medical marijuana establishment agent registration card of the medical marijuana establishment agent who is recording the entry; and

(4) Is not changed to make the initial entry illegible;

(c) If an electronic signature is used to sign an entry, the medical marijuana establishment agent whose signature the electronic code represents is accountable for the use of the electronic signature;

(d) A patient record is only accessed by a medical marijuana establishment agent authorized by the policies and procedures of the medical marijuana dispensary to access the patient record;

(e) A patient record is provided to the Division for review upon request;

(f) A patient record is protected from loss, damage or unauthorized use; and

(g) A patient record is maintained for at least 5 years after the date on which the patient or his or her designated primary caregiver last requested marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary.

2. If a medical marijuana dispensary maintains patient records electronically, the medical marijuana dispensary shall ensure that:

(a) There are safeguards to prevent unauthorized access; and

(b) The date and time of an entry in a patient record is recorded electronically by an internal clock.

3. A medical marijuana dispensary shall ensure that the patient record for a holder of a valid registry identification card *or letter of approval* who requests or whose designated primary caregiver on behalf of the holder of the valid registry identification card *or letter of approval* requests marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary contains:

(a) Patient information that includes:

(1) The name of the patient;

(2) The date of birth of the patient; and

(3) The name of the designated primary caregiver of the patient, if applicable;

(b) Documentation of any patient education and support materials provided to the patient or the designated primary caregiver of the patient, including, without limitation, a description of the materials and the date on which the materials were provided; and

(c) For each time the patient requests and does not obtain marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary or, if applicable, the designated primary caregiver requests on behalf of the patient and does not obtain marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary, the following:

(1) The date;

(2) The name and number of the registry identification card *or letter of approval* of the patient who requested the marijuana, edible marijuana products or marijuana-infused products; and

(3) The reason the marijuana, edible marijuana products or marijuana-infused products was not provided.

Sec. 39. NAC 453A.454 NRS 453A.354, 453A.370 and SB 447 (2015) Each medical marijuana dispensary which recognizes a nonresident card *or letter of approval* pursuant to NRS 453A.364 shall, in addition to the requirements of NAC 453A.452, enter the information it obtains concerning the nonresident card *or letter of approval* pursuant to NRS 453A.364 in the electronic verification system.

Sec. 40. NAC 453A.456 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

1. A medical marijuana dispensary must store all usable marijuana, *concentrated cannabis*, edible marijuana products and marijuana-infused products behind a counter or other barrier to ensure a customer does not have direct access to the marijuana, edible marijuana products or marijuana-infused products.

2. Upon the request of a customer, a medical marijuana dispensary must disclose the name of the independent testing laboratory which performed the required quality assurance tests for the medical marijuana establishment.

Sec. 41. NAC 453A.500 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)
1. Any product containing marijuana must be packaged in child-resistant packaging in accordance with 16 C.F.R. § 1700 or the standards specified in subsection 2 or 3.

2. Except as otherwise provided in subsection 3, marijuana-infused products in solid or liquid form *and concentrated cannabis*, must be packaged in plastic which is 4 ~~millimeters~~ *mils* or more in thickness and must be heat-sealed without an easy-open tab, dimple, corner or flap so that it is difficult for a child to open and as a tamperproof measure.

3. Marijuana-infused products in liquid form *and concentrated cannabis* may be sealed using a metal crown cork-style bottle cap.

4. Any container or packaging containing usable marijuana, *concentrated cannabis*, edible marijuana products or marijuana-infused products must protect the contents from contamination and must not impart any toxic or deleterious substance to the usable marijuana or marijuana product.

Sec. 42. NAC 453A.504 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)
A cultivation facility or facility for the production of edible marijuana products or marijuana-infused products shall not label usable marijuana, *concentrated cannabis*, edible marijuana products or marijuana-infused products as “organic” unless the marijuana plants 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.

Sec. 43. NAC 453A.506 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)
1. Any medical marijuana establishment that packages marijuana, edible marijuana products or marijuana-infused products must individually package, label and seal the marijuana or marijuana products in unit sizes such that no single unit contains more than a 2 1/2 ounce supply of marijuana.

2. For marijuana, edible marijuana products or marijuana-infused products that are intended to be dispensed or sold to a holder of a valid registry identification card *or letter of approval* or his or her designated primary caregiver:

(a) The text used on all labeling must be printed in at least 10-point font and may not be in italics; and

(b) Each label must be at least 2 ~~3~~ 1/4 inches high by 4 inches wide.

Sec. 44. NAC 453A.508 is hereby amended to read as follows: NRS 453A.370, SB447
1. A cultivation facility ~~for facility for the production of edible marijuana products or marijuana-infused products~~ shall label all marijuana ~~[- edible marijuana products and marijuana-infused products]~~ before it sells the marijuana or marijuana products to a medical marijuana dispensary and shall securely affix to the package a label that includes, without limitation, in legible English:

(a) The name of the medical marijuana establishment and its medical marijuana establishment registration certificate number;

(b) The lot number;

(c) The date of harvest;

(d) The date of final testing;

- (e) The date on which the product was packaged;
 - (f) The cannabinoid profile and potency levels and ~~{terpinoid}~~ *terpenoid* profile as determined by the independent testing laboratory.
 - (g) If the product is perishable, the expiration date; and
 - (h) The quantity of marijuana being sold.
2. The label required by subsection 1 for a container or package containing usable marijuana ~~[edible marijuana products or marijuana-infused products]~~ sold by a cultivation facility~~[-or facility for the production of edible marijuana products or marijuana-infused products]~~ must be in substantially the following form:

JT'S NURSERY		
Certificate Number: 123 456 789 001 0001		
Lot Number: 1234		
Harvested on: 01/01/2013		
Final Testing Date: 01/15/2013		
Packaged on: 01/17/2013		
Best if used by: March 17, 2013		
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.		

Sec. 45. NAC 453A.510 is hereby amended to read as follows: NRS 453A.370; SB447 (2015)
A medical marijuana dispensary must affix to each container or package containing usable marijuana sold at retail a label which must include, without limitation:

- (a) The business or trade name and the medical marijuana establishment registration certificate number of the cultivation facility that cultivated and sold the usable marijuana.
- (b) The lot number.
- (c) The date and quantity dispensed, including the net weight measured in ounces and grams or by volume, as appropriate.
- (d) The name and registry identification card *or letter of approval* number of the patient and, if applicable, the name of his or her designated primary caregiver.
- (e) The name and address of the medical marijuana dispensary.
- (f) The cannabinoid profile and potency levels and ~~{terpinoid}~~ *terpenoid* profile as determined by the independent testing laboratory.
- (g) A warning that states: "This product may have intoxicating effects and may be habit forming."

- (h) The statement: “This product may be unlawful outside of the State of Nevada.”
- (i) The date on which the marijuana was harvested.
2. The label required by subsection 1 for a container or package containing usable marijuana sold at retail must be in substantially the following form:

Joe’s Plant Emporium 0001	Cert.#: 123 456 789 001
Lot#: 1234 01/01/2013	Harvested:
Dispensed to: John J. Smith #1234987 on 11/27/2013 by We Care Dispensary 123 Main Street, Carson City, NV 89701	
WARNING: This product may have intoxicating effects and may be habit forming.	
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: .25 ounces (7 grams)	
<u>This product may be unlawful outside the State of Nevada.</u>	

Sec. 46. NAC 453A.512 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

1. A medical marijuana dispensary must affix to each container or package containing *concentrated cannabis*, edible marijuana products or marijuana-infused products sold at retail a label which must include, without limitation:

(a) The business or trade name and the medical marijuana establishment registration certificate number of the facility for the production of edible marijuana products or marijuana-infused products that manufactured and sold the product.

(b) The ~~{batch}~~ *production run number that accounts for all* lot numbers of all marijuana used to create the product *and as recorded in the facilities inventory control system*.

~~{(c) The batch number of the product.}~~

~~{d}~~ *c*) The date and quantity dispensed, including the net weight in ounces and grams or by volume, as appropriate.

~~{e}~~ *d*) The name and registry identification card *or letter of approval* number of the patient and, if applicable, the name of his or her designated caregiver..

~~{f}~~ *e*) The name and address of the medical marijuana dispensary.

~~{g}~~ *f*) The date on which the product was manufactured.

~~{h}~~ *g*) If the product is perishable, a suggested use-by date.

~~{i}~~ *h*) The total milligrams of active cannabinoids and ~~{terpenoids}~~ *terpenoids* in the product, as provided by the independent testing laboratory that tested the product.

~~{j}~~ *i*) A list of all ingredients and all major food allergens as identified in 21 U.S.C. §§ 343.

~~{k}~~ *j*) A warning that states: “Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours.”

(k) If a marijuana 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 extract.

(l) A warning that states: “This product may have intoxicating effects and may be habit forming.”

(m) A statement that: “This product may be unlawful outside of the State of Nevada.”

2. The front and back of the label required by subsection 1 for a container or package containing *concentrated cannabis*, edible marijuana products or marijuana-infused products sold at retail must be in substantially the following form:

We Care Dispensary, 123 Main Street, Carson City, NV
89701

Date Dispensed: 3/27/2014 **To:** John J. Smith
#1234987

Cookie

Net Weight: 6oz (168 Grams)
Serving Size: 10mg of THC

Contains 10 servings and a total of 100 MG of THC

Use by: 6/3/2014

Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene
3.5 mg/g

CAUTION: When eaten or swallowed the intoxicating effects of this product can be delayed 2 or more hours.

This product may be unlawful outside the State of Nevada.

Manufactured at: Joe’s Kitchen Cert.#: 321654987101 0401
123 Main Street, Las Vegas, NV on 2/1/14

~~{Lot#: 1234 Batch #5463}~~**Production Run # 3247**

INGREDIENTS: Flour, Butter, Canola Oil,
Sugar, Chocolate, Marijuana, Strawberries

CONTAINS ALLERGENS: Milk, Wheat

Contains marijuana extract processed with butane.

WARNING: This product may have intoxicating effects and may be habit forming.

3. A medical marijuana dispensary must provide with all edible marijuana products and marijuana-infused products sold at retail accompanying material that discloses any pesticides applied to the marijuana plants and growing medium during production of the marijuana used to create the extract added to the edible marijuana products or marijuana-infused products and the

type of extraction method used, including, without limitation, any solvents, gases or other chemicals or compounds used to produce or that are added to the extract, and contains the following warnings:

- (a) "There may be health risks associated with consumption of this product."
 - (b) "This product contains or is infused with marijuana or active compounds of marijuana."
 - (c) "Should not be used by women who are pregnant or breast feeding."
 - (d) "For use only by the person named on the label of the dispensed product. Keep out of the reach of children."
 - (e) "Products containing marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug."
 - (f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours."
4. The text used on all accompanying material must be printed in at least 12-point font and may not be in italics.

Sec. 47. NAC 453A.620 is hereby amended to read as follows: NRS 453A.370 Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary 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;
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 off the floor and are suitably spaced to permit cleaning and inspection; ~~{and}~~
- ~~— [4. Each container or grouping of containers for components, product containers or closures is identified with a distinctive code for each lot in each shipment received. This code must be used in recording the disposition of each lot. Each lot must be appropriately identified as to its status such as quarantined, approved or rejected].~~

Sec. 48. NAC 453A.626 is hereby amended to read as follows: NRS 453A.370 1. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that marijuana or marijuana 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 marijuana or marijuana products have been subjected to the conditions described in subsection 1, a cultivation facility, facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary may conduct salvaging operations only if there is:
 - (a) Evidence from laboratory tests and assays that the marijuana or marijuana products meet all applicable standards of identity, strength, quality and purity; and
 - (b) Evidence from inspection of the premises that the marijuana or marijuana products and their associated packaging were not subjected to improper storage conditions as a result of the disaster or accident, if any.

3. A cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary must maintain records, including, without limitation, the name, lot number, *production number* and disposition for marijuana or marijuana products salvaged pursuant to subsection 2.

Sec. 49. NAC 453A.652 is hereby amended to read as follows: NRS 453A.370 1. Each independent testing laboratory 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; or

(b) Notify the Division of the alternative testing methodology the laboratory is following for each quality assurance test it conducts. The Division may require the independent testing laboratory to have the testing methodology followed pursuant to this paragraph validated by an independent third-party to ensure that the methodology followed by the laboratory produces scientifically accurate results before the laboratory may use the methodology when conducting testing services.

2. The Division requires all registered independent testing laboratories to obtain proficiency in testing samples using both gas chromatography and liquid chromatography.

~~{2}~~ 3. The Division may require an independent testing laboratory to have its basic proficiency to execute correctly the analytical testing methodologies used by the laboratory validated and monitored on an ongoing basis by an independent third-party.

~~{3}~~ 4. Each independent testing laboratory shall:

(a) Either:

(1) Adopt and follow minimum good laboratory practices which must, at a minimum, satisfy the *OECD Principles of Good Laboratory Practice and Compliance Monitoring* published by the Organisation for Economic Co-operation and Development; or

(2) 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 Division.

(b) Maintain internal standard operating procedures.

(c) Maintain a quality control and quality assurance program.

~~{4}~~ 5. The Division or an independent third-party authorized by the Division may conduct an inspection of the practices, procedures and programs adopted, followed and maintained pursuant to subsection 3 and inspect all records of the independent testing laboratory that are related to the inspection.

~~{5}~~ 6. The Division 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/>, for the price of \$44.95.

(b) The *OECD Principles of Good Laboratory Practice 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>.

Sec. 50. NAC 453A.654 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

1. Each independent testing laboratory must use the general body of required quality assurance tests for usable marijuana, marijuana-infused products, extracts of marijuana ~~[and]~~, edible marijuana products *and concentrated cannabis* 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. An independent testing laboratory may request additional sample material in excess of the amounts listed in the table set forth in this section for the purposes of completing required quality assurance tests. An independent testing laboratory may retrieve samples from the premises of another medical marijuana establishment and transport the samples directly to the laboratory.

2. The tests required pursuant to subsection 1 and the sample size of products required for the required testing of each type of marijuana or marijuana product by an independent testing laboratory are as follows:

Product	Tests Required	Sample Size Needed to Complete all Tests
Usable marijuana	<ol style="list-style-type: none"> 1. Moisture content 2. Potency analysis 3. Terpene analysis 4. Foreign matter inspection 5. Microbial screening 6. Mycotoxin screening 7. Heavy metal screening 8. Pesticide residue analysis 9. <i>Herbicides</i> 10. <i>Growth regulators</i> 	12 grams or less
Extract of marijuana (nonsolvent) like kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, <i>including concentrated cannabis</i>	<ol style="list-style-type: none"> 1. Potency analysis 2. Foreign matter inspection 3. Microbial screening 4. Terpene analysis 	7 grams or less
Extract of marijuana (solvent-based) made with a CO ₂ extractor, <i>including concentrated cannabis</i>	<ol style="list-style-type: none"> 1. Potency analysis 2. Terpene analysis 3. Microbial screening 	2 grams or less
Extract of marijuana (solvent-based) made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the Division of at least 99 percent purity, <i>including concentrated cannabis</i>	<ol style="list-style-type: none"> 1. Potency analysis 2. Terpene analysis 3. Residual solvent test 4. Microbial screening (only if using marijuana that failed the initial test) 	2 grams or less

Product	Tests Required	Sample Size Needed to Complete all Tests
Extract of marijuana made with food grade ethanol, <i>including concentrated cannabis</i>	1. Potency analysis 2. Terpene analysis 3. Microbial screening (only if using marijuana that failed the initial test)	2 grams or less
Extract of marijuana made with food grade glycerin or propylene glycol, <i>including concentrated cannabis</i>	1. Potency analysis 2. Terpene analysis 3. Microbial screening (only if using marijuana that failed the initial test)	20 grams or less
Edible marijuana-infused product, <i>including concentrated cannabis</i>	1. Potency analysis 2. Terpene analysis 3. Microbial screening	{1—unit} <i>1% of the production run</i>
Liquid marijuana-infused product, including, without limitation, soda or tonic, <i>including concentrated cannabis</i>	1. Potency analysis 2. Terpene analysis 3. Microbial screening	{1—unit} <i>1% of the production run</i>
Topical marijuana-infused product, <i>including concentrated cannabis</i>	Potency analysis	{1—unit} <i>1% of the production run</i>

Sec. 51. NAC 453A.656 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) An independent testing laboratory shall not handle, test or analyze marijuana unless:

1. The laboratory has been issued a medical marijuana establishment registration certificate;
2. The laboratory is independent from all other persons involved in the medical marijuana industry in Nevada; and
3. No person with a direct or indirect interest in the laboratory has a direct or indirect financial interest in:
 - (a) A medical marijuana dispensary;
 - (b) A facility for the production of edible marijuana products or marijuana-infused products;
 - (c) A cultivation facility;
 - (d) A physician who provides or has provided written documentation for the issuance of registry identification cards *or letters of approval*; or
 - (e) Any other entity that may benefit from the cultivation, manufacture, dispensing, sale, purchase or use of marijuana or marijuana products.

Sec. 52. NAC 453A.658 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) 1. Immediately before packaging:

- (a) Raw marijuana for sale to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or another cultivation facility, a cultivation facility shall segregate all harvested marijuana into homogenized ~~{batches}~~ *lots of flower and trim respectively* and ~~[select a random sample from each batch for testing by]~~ an

independent testing laboratory **must select a representative sample for testing from each lot the cultivation facility has segregated**. The independent testing laboratory must collect the samples ~~unless the cultivation facility designates a person responsible for segregating all harvested marijuana into homogenized batches pursuant to this subsection in accordance with the standards set forth by the laboratory and the cultivation facility to ensure a random, homogenized sample. If the cultivation facility designates a person to segregate homogenized batches, the cultivation facility must file an attestation with the Division as to the manner in which each random, homogenized sample is selected for testing~~.

(b) **Concentrated cannabis, [E]** edible marijuana products or marijuana-infused products, **produced by** a facility for the production of edible marijuana products or marijuana-infused products ~~[shall select a random sample from each batch]~~ **must have representative samples from the production run of product** for testing by an independent testing laboratory **selected by staff from an independent testing laboratory**. The independent testing laboratory **performing the testing** must collect the samples ~~unless the facility for the production of edible marijuana products or marijuana-infused products designates a person responsible for identifying the samples in accordance with the standards set forth by the laboratory and the facility for the production of edible marijuana products or marijuana-infused products. If the facility for the production of edible marijuana products or marijuana-infused products designates a person to collect the samples, the facility shall file an attestation with the Division as to the manner in which each sample is selected for testing~~.

2. An independent testing laboratory that receives a sample pursuant to this section shall test the sample for **the presence and identification of molds and fungus, the composition of the tested materials, the presence of chemicals in the tested material, including, without limitation, pesticides, herbicides or growth regulators,** cannabinoids, terpenoids, microbial contaminants, mycotoxins, heavy metals, ~~[and pesticide chemical residue,]~~ residual solvents levels, **herbicides, growth regulators** and for purposes of conducting an active ingredient analysis ~~[, as specified in the policy manual for independent testing laboratories created by the Division]~~.

3. From the time that a batch **or production run** has been homogenized for sample testing and eventual packaging and sale to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility until the independent testing laboratory provides the results from its tests and analysis, the facility which provided the sample shall segregate and withhold from use the entire batch **or production run**, except the samples that have been removed **by independent laboratory personnel** for testing. During this period of segregation, the facility which provided the sample shall maintain the batch **or production run** in a secure, cool and dry location so as to prevent the marijuana from becoming contaminated or losing its efficacy. Under no circumstances shall the facility which provided the sample sell the marijuana or edible marijuana products or marijuana-infused products, as applicable, to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility before the time that the independent testing laboratory has completed its testing and analysis and provided those results, in writing, to the facility which provided the sample.

4. An independent testing laboratory shall immediately return or dispose of any sample received pursuant to this section upon the completion of any testing, use or research. If an independent testing laboratory disposes of a sample received pursuant to this section, the laboratory shall document the disposal of the sample using its inventory control system pursuant to NRS 453A.356 and NAC 453A.414.

5. Except as otherwise provided in NAC 453A.672, if a sample provided to an independent testing laboratory pursuant to this section does not pass the microbial, mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test based on the standards of the Division, the facility which provided the sample shall dispose of the entire batch *or production run* from which the sample was taken and document the disposal of the sample using its inventory control system pursuant to NRS 453A.356 and NAC 453A.414.

6. For the purposes of the microbial test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the standards set forth in Table 9 of the *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control* monograph adopted by reference pursuant to NAC 453A.652.

7. For the purposes of the mycotoxin test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it meets the following standards:

<u>Test</u>	<u>Specification</u>
The total of aflatoxin B1, aflatoxin B2, aflatoxin G1 and aflatoxin G2.....	<20 uG/KG of Substance
Ochratoxin A.....	<20 uG/KG of Substance

8. For the purposes of the heavy metal test, a sample of marijuana shall be deemed to have passed if it ~~meets the following standards:~~

Metal	<u>Natural Health Products</u>
<u>Acceptable limits uG/KG</u>	
Arsenic.....	<u><0.14</u>
Cadmium.....	<u><0.09</u>
Lead.....	<u><0.29</u>
Mercury.....	<u><0.29</u>

~~satisfies the standards set forth in Table 11 of the American Herbal Pharmacopoeia Cannabis Inflorescence Standards of Identity, Analysis and Quality Control monograph adopted by reference pursuant to NAC 453A.652.~~

~~[9. The Independent Laboratory Advisory Committee established pursuant to NAC 453A.666 shall establish the list of pesticides approved for use in the cultivation and production of marijuana, edible marijuana products and marijuana infused products to be sold or used in this State. For the purposes of the pesticide chemical residue test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the most stringent acceptable standard for an approved pesticide chemical residue in any food item as set forth in Subpart C of 40 C.F.R. Part 180.]~~

~~[10]~~ 9. If a sample provided to an independent testing laboratory pursuant to this section passes the microbial, mycotoxin, heavy metal, pesticide chemical residue and residual solvents levels tests, the independent testing laboratory shall release the entire batch *or production run* for immediate manufacturing, packaging and labeling for sale to a medical marijuana dispensary, a facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility.

~~[11]~~ 10. An independent testing laboratory shall file with the Division, *in a manner as prescribed by the Division*, an electronic copy of ~~each~~ *all* laboratory test results, ~~for any batch that does not pass~~ *regardless of the outcome of the test (pass/fail), including* the microbial,

mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test at the same time that it transmits those results to the facility which provided the sample. In addition, the independent testing laboratory shall maintain the laboratory test results and make them available to the Division upon request.

~~[12]~~ **11.** The Division will take immediate disciplinary action against any medical marijuana establishment which fails to comply with the provisions of this section or falsifies records related to this section, including, without limitation, revoking the medical marijuana establishment registration certificate of the medical marijuana establishment.

12. *A registered independent testing laboratory may subcontract its testing of medical marijuana to another independent testing laboratory registered pursuant to NRS 453A.322 only.*

Sec. 53. NAC 453A.666 is hereby amended to read as follows: NRS 453A.370 1. The Division will establish an Independent Laboratory Advisory Committee comprised of members which ensure that the membership of the Advisory Committee is representative of the independent testing laboratories and other medical marijuana establishments in this State.

2. The Advisory Committee shall:

(a) Provide recommendations to the Division regarding the testing of medical marijuana;

(b) Make recommendations to the Division for any changes to this chapter relating to the testing of medical marijuana~~[-; and~~

~~—(c) Assist the Division in creating and updating a policy manual to be used by the Division to guide the testing of edible marijuana products and marijuana-infused products by independent testing laboratories].~~

Sec. 54. NAC 453A.668 is hereby amended to read as follows: NRS 453A.370 1. Upon the request of the Division, a cultivation facility and a facility for the production of edible marijuana products or marijuana-infused products must provide an independent testing laboratory designated by the Division with a sample of marijuana or a marijuana product in the amount listed in NAC 453A.654 for random quality assurance compliance checks in a secure manner such that the laboratory can confirm that it has received and is testing the correct sample.

2. The independent testing laboratory that receives a sample pursuant to subsection 1 shall, as directed by the Division:

(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 Division; and

(c) Report its results to the Division.

3. The cultivation facility or facility for the production of edible marijuana products or marijuana-infused products is responsible for all costs involved in screening or testing performed pursuant to this section.

Sec. 55. NAC 453A.672 is hereby amended to read as follows: NRS 453A.370 1. If a lot of usable marijuana fails a quality assurance test, any marijuana plant trim, leaf and other usable material from the same plants automatically fail[s] the quality assurance test. ~~[Upon approval of the Division, a lot of marijuana that fails a quality assurance test may be used to make a CO₂- or solvent-based extract. After processing, the CO₂- or solvent-based extract must pass all required quality assurance tests.]~~

2. If a sample from a facility for the production of edible marijuana products or marijuana-infused productions fails a quality assurance test then the entire production run must be destroyed.

~~[2.]~~ *3. At the request of a cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products, the Division may, on a case-by-case basis, authorize a retest to validate the results of a failed test. The cultivation facility or facility for the production of edible marijuana products or marijuana-infused products is responsible for all costs involved in a retest performed pursuant to this section.*

4. To be eligible to make a request under subsection 3, a medical marijuana establishment must have a second sample collected, at the same time as the original sample is collected, and secured in a manner as prescribed by the Division.

5. Authorization by the Division of a retest must be in writing and must be on a form designated by the Division.

6. If a retest is authorized, the Division will select the independent testing laboratory that will perform the retest; and

7. A medical marijuana facility may retest a maximum of two times per calendar year. Third and subsequent failures of a quality assurance test will require the mandatory destruction of the lot(s) or the entire production run.

Sec. 56. NAC 453A.704 is hereby amended to read as follows: NRS 453A.370, SB447 For the purposes of subparagraph (3) of paragraph (b) of subsection 3 of NRS 453A.200, the maximum allowable quantity of edible marijuana products ~~[and]~~, marijuana-infused products, *and concentrated cannabis* is:

(a) An amount that is equivalent to 2 1/2 ounces of usable marijuana; and

(b) Must not exceed a maximum of 10,000 mg THC per patient per 14-day period.

Sec. 57. NAC 453A.712 is hereby amended to read as follows: NRS 453A.370, SB447 (2015) Except as otherwise provided in NRS 239.0115 *and NAC 453A.714*, any information received by the Division related to the security of a medical marijuana establishment is confidential and must not be disclosed by the Division.

Sec. 58. NAC 453A.714 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

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 this chapter or chapter 453A of NRS. Except as otherwise provided in NRS 239.0115, the name and any other identifying information of any person who facilitates or delivers services pursuant to this chapter or chapter 453A of NRS are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

2. Notwithstanding the provisions of subsection 1, the 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 this chapter or chapter 453A of NRS to:

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

(b) Authorized employees of state and local law enforcement agencies only as necessary to verify that a person is lawfully facilitating or delivering services pursuant to this chapter or chapter 453A of NRS.

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

Sec. 59. NAC 453A.718 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

1. The Division will maintain a log of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200.

2. The log must indicate, for each person:

(a) Whether the person is authorized to cultivate, grow or produce marijuana and whether the person is authorized to engage in two or more of those activities; and

(b) Whether the person is authorized to do so because:

(1) The person who holds the registry identification card *or a letter of approval* or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with chapter 453A of NRS on or before July 1, 2013;

(2) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card *or letter of approval* or his or her designated primary caregiver, if any, closed or were unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

(3) As a result of illness or lack of transportation, the person who holds the registry identification card *or letter of approval* and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or

(4) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card *or letter of approval* at the time the person first applied for his or her registry identification card *or letter of approval*.

3. The Division will ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.

Sec. 60. NAC 453A.720 is hereby amended to read as follows: NRS 453A.370, SB447 (2015)

If a patient who holds a valid registry identification card *or letter of approval* or his or her designated primary caregiver, if any, selects one medical marijuana dispensary to serve as the designated medical marijuana dispensary of the patient pursuant to NRS 453A.366, the Division will communicate the designation to the designated medical marijuana dispensary.