

## Proposed Changes to NCCR Regulation 1

New

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*Added following the March 25, 2021 through April 9, 2021, informal public comment period.*

1.135 “Packaging” defined. “Packaging” means the immediate consumer facing wrapper or container in which usable cannabis or cannabis product is packaged. ~~the materials used to wrap or protect goods.~~

## Proposed Changes to NCCR Regulation 3

New

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*Added following the March 25, 2021 through April 9, 2021, informal public comment period.*

*New proposed language not included in the informal public comment period.*

### 3.020 Delegation to Commission Chair.

1. The Commission Chair may schedule meetings of the Commission to be held throughout the year and create an agenda for each meeting pursuant to NRS 678A.310(1).

*2. The Commission Chair, or in the Commission Chair's absence, the remaining Commission members, may alter the order in which matters on the Commission agenda are heard.*

### 3.025 Commission meetings.

~~1. Except as otherwise specifically provided by these regulations, any member of the Commission may place an item on a Commission agenda for consideration by the entire Commission.~~

~~2. The Commission Chair, or in the Commission Chair's absence, the remaining Commission members, may alter the order in which matters on the Commission agenda are heard.~~

*1. The Commission shall consider all matters submitted to it by the Board, the Governor or the Legislature.*

*2. Except as otherwise specifically provided by these regulations, any member of the Commission may request an item be placed on a Commission agenda for consideration by the entire Commission. Requests made pursuant to this section will be transmitted to the Board by the Chair of the Commission for approval. If approved, the item will be placed on the next scheduled Commission meeting.*

### *3.030 Subcommittees.*

*1. The Commission Chair may establish subcommittees pursuant to NRS 678.310(2) to study issues and make recommendations to be considered by the Board.*

## Proposed Changes to NCCR Regulation 4

New

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***Added following the March 25, 2021 through April 9, 2021, informal public comment period.***

### 4.035 **Category I Violations.**

1. The Board will determine a category I violation of the NCCR and Title 56 of NRS as follows:
  - (a) Category I violations are of a severity that make a person ineligible to receive, renew, or maintain a license, including, without limitation:

- (1) Conviction of an excluded felony offense;
- (2) Operating without all required permits, certificates, registrations and/or licenses;
- (3) Making an intentionally false statement to the Board or Board Agents;
- (4) Intentionally destroying or concealing evidence;
- (5) Intentionally failing to pay taxes to the Department of Taxation;
- (6) Allowing noisy, disorderly or unlawful activity that results in death or serious physical injury, that involves the unlawful use or attempted use of a deadly weapon against another person or that results in a sexual offense which is a category A felony;
- (7) Operating a cannabis establishment while the license for the cannabis establishment is suspended or revoked;
- (8) Transporting cannabis outside of the boundaries of this State, except where authorized by an agreement between the Governor of this State and a participating tribal government;
- (9) Making verbal or physical threats to a Board Agent or Board member;
- (10) Failing to immediately admit regulatory or law enforcement personnel into the premises of a cannabis establishment;
- (11) Refusing to allow an inspection or obstructing regulatory personnel or law enforcement officer from performing his or her official duties;
- (12) Purchasing or selling cannabis that has not passed the analysis required by a cannabis testing facility without written approval from the Board;
- (13) Purchasing or selling cannabis not found in the seed-to-sale tracking system; ~~or~~
- (14) Failure to properly collect taxes; *or*
- (15) Transporting or storing cannabis from an unlicensed source, other than patient samples stored at a cannabis independent testing laboratory, or diversion of cannabis or cannabis products.***

2. Before consideration of the factors described in subsection 1(a), the Board will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:

- (a) For a category I violation which is the:
  - (1) First violation in the immediately preceding 3 years, a civil penalty of not more than \$90,000 and a suspension for not more than 30 days or revocation of a license or cannabis establishment agent registration card.
  - (2) Second or subsequent violation in the immediately preceding 3 years, revocation of a license or cannabis establishment agent registration card.

*(b) Notwithstanding the foregoing, the Board shall presume a single violation of NCCR 4.035(1)(a)(15) for diversion of cannabis or cannabis products requires revocation of a license, certificate, and/or cannabis establishment agent registration card.*

#### 4.040 Category II Violations.

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

(a) Category II violations are violations of a severity that create a present threat to public health or safety, including, without limitation:

- (1) Making an unintentional false statement or representation of fact to the Board or Board Agents;
- (2) Unintentionally destroying or concealing evidence;
- (3) Failing to verify the age of, or selling or otherwise providing cannabis or cannabis paraphernalia to, a person who is less than 21 years of age;
- (4) Allowing a person who is less than 21 years of age to enter or remain in a cannabis establishment or transport vehicle unless the person holds a registry identification card or letter of approval;
- (5) Permitting sales by a person without a cannabis establishment agent registration card unless that person is deemed to be temporarily registered;
- (6) Effecting a change in ownership and/or ownership interest without complying with all the requirements of NCCR 5.110 and/or any additional Board guidance and orders regarding transfers of interest;
- (7) Allowing noisy, disorderly or unlawful activity that involves use of a dangerous weapon against another person with intent to cause death or serious physical injury;
- (8) Allowing a person who is less than 21 years of age to work or volunteer at the cannabis establishment;
- (9) Failing to cease operation and notify the Board or Board Agents during an imminent health hazard;
- (10) Purchasing, cultivate, produce or otherwise use cannabis from an unapproved source;
- (11) Not properly segregating medical patient retail sales from adult use retail sales;
- (12) Operating an unapproved extraction unit;
- (13) Selling an amount of cannabis in excess of transaction limits;
- (14) Failing to maintain required security alarm and surveillance systems;
- (15) Any intentional variance from approved procedures in a laboratory;
- (16) Failing to notify the Board or Board Agents of a loss of possession or control of a cannabis facility within 24 hours;
- (17) Transferring, moving, or disturbing cannabis or cannabis product which has been quarantined by the Board without Board approval; ~~or~~
- (18) Failing to renew the cannabis establishment license on time; *or*
- (19) Any violation of NCCR 11.070.*

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#### 4.050 Category III Violations.

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

(a) Category III violations are violations of a severity that create a potential threat to public health or safety, including, without limitation:

- (1) Transporting cannabis in an unauthorized vehicle;

- (2) Allowing consumption by any person of alcohol, cannabis or other intoxicants on the premises of the cannabis establishment or in areas adjacent to the premises of the cannabis establishment which are under the licensee's control, including, without limitation, a parking lot;
- (3) Failing to keep any required records, including seed-to-sale tracking requirements;
- (4) Failing to tag plants as required;
- (5) Failing to follow an approved security plan;
- (6) Allowing disorderly activity;
- (7) Allowing any activity which violates the laws of this State;
- (8) Failing to notify the Board or Board Agents within 24 hours after discovery of a serious incident or criminal activity on the premises of the cannabis establishment;
- (9) Unintentionally failing to pay taxes to the Department of Taxation;
- (10) Selling unauthorized products **or using unauthorized ingredients**;
- (11) Failing to notify the Board or Board Agents of a modification or expansion of the facilities of the cannabis establishment or a change in equipment or menu of the cannabis establishment;
- (12) Violating packaging or labeling requirements including seed-to-sale tracking system requirements;
- (13) Storing or delivering an unapproved cannabis product or a cannabis product outside the seed-to-sale tracking system;
- (14) Failing to meet requirements for the disposal of cannabis waste;
- (15) Using unauthorized pesticides, soil amendments, fertilizers or other crop production aids;
- (16) Exceeding the maximum serving requirements for cannabis products;
- (17) Exceeding a reasonable time frame for delivery without approval from the Board or Board Agents;
- (18) **Transporting or storing cannabis from an unlicensed source, other than patient samples stored at a cannabis interdependent testing laboratory, or diversion of cannabis or cannabis products**;
- ~~(19)~~ Picking up, unloading or delivering cannabis at an unauthorized location;
- ~~(1920)~~ Failing to comply with requirements for hand washing and employee hygiene, including, without limitation, using a bare hand on a cannabis product;
- ~~(2021)~~ Failing to maintain proper temperature of potentially hazardous food or cannabis products;
- ~~(2122)~~ Selling or failing to dispose of cannabis, cannabis products or food items that are spoiled or contaminated;
- ~~(2223)~~ Failing to tag cannabis or a cannabis product as required;
- ~~(2324)~~ Failing to follow seed-to-sale tracking system requirements while transporting or delivering cannabis or cannabis products
- ~~(2425)~~ Failing to properly update the licensee's point of contact with the Board;
- ~~(2526)~~ Failure to maintain quality assurance/quality control program in a laboratory; or
- ~~(2627)~~ Failure to maintain updated standard operating procedures.

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#### 4.055 Category IV Violations.

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

- (a) Category IV violations create a climate which is conducive to abuses associated with the sale or production of cannabis or cannabis products, including, without limitation:
- (1) Failing to display or have in the immediate possession of each cannabis establishment agent a cannabis establishment agent registration card or proof of temporary registration;
  - (2) Removing, altering or covering a notice of suspension of a license or any other required notice or sign;
  - (3) Violating advertising requirements;
  - (4) Displaying products in a manner visible to the general public from a public right of way;
  - (5) Failing to respond to an administrative notice of a violation or failing to pay fines;
  - (6) Violating restrictions on sampling;
  - (7) Failing to maintain a standardized scale as required;
  - (8) Improper storing of cannabis, cannabis products or other foods;
  - (9) Failing to properly wash, rinse and sanitize product contact surfaces as required;
  - (10) Failing to maintain hand-washing facilities that are stocked, accessible and limited to hand washing only;
  - (11) Infestation by pests that are not multigenerational or on contact surfaces;
  - (12) Failing to properly use sanitizer as required;
  - (13) Violating any transportation or delivery requirements not described in another category of violations; ~~or~~
  - (14) Failing to properly respond to a Board or Board Agent's request for documentation, information, video, or other records; *or*
  - (15) Any violation of NCCR 11.015(2).*

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

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2. At the adjudication, the Board shall consider any findings of fact and conclusions of law submitted after the hearing and shall allow:

- (a) *Board agent or* counsel for the Board to present a disciplinary recommendation and argument ~~in support of the disciplinary recommendation;~~
- (b) The respondent or counsel of the respondent to present *an disciplinary recommendation and* argument, if they wish to, in *opposition to or* support of the disciplinary recommendation; and
- (c) The Board may limit the time within which the parties and the complainant may make their arguments and statements.

## **Proposed Changes to NCCR Regulation 5**

### New

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

1. The name and date of birth of the cardholder;
2. If known, the number of the lost, stolen or destroyed cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive; and
3. If the cardholder cannot provide the number of the lost, stolen or destroyed cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive, a copy of:
  - (a) Any valid government-issued identification card of the cardholder which includes a photograph of the person; or
  - (b) A cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive previously issued to the person.
4. An application fee of \$~~75~~**150**.

## Proposed Changes to NCCR Regulation 6

### New

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*Added following the March 25, 2021 through April 9, 2021, informal public comment period.*

*New proposed language not included in the informal public comment period.*

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

1. Except as otherwise provided in this section and NRS 239.0115, the ~~Board~~**Division** and any designee of the ~~Board~~**Division** shall maintain the confidentiality of and shall not disclose the name or any other identifying information of any person who facilitates or delivers services ~~or has applied for or to whom the Division or its designee has issued a registry identification card or letter of approval~~ pursuant to Title 56 of NRS or NCCR. Except as otherwise provided in NRS 239.0115, the name and any other identifying information of any person who facilitates or delivers services pursuant to Title 56 of NRS or NCCR are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

2. Notwithstanding the provisions of subsection 1, the ~~Board~~**Division** or its designee may release the name and other identifying information of a person who facilitates or delivers services ~~or to whom the Division or its designee has issued a registry identification card or letter of approval~~ pursuant to Title 56 of NRS or NCCR to:

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

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

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

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

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

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



- ~~(a) The number of patients whom the attending provider of health care advises that the medical use of cannabis may mitigate the symptoms or effects of the patients' medical conditions;~~
- ~~(b) The chronic or debilitating medical conditions of such patients;~~
- ~~(c) The number of times the attending provider of health care advises each patient that the medical use of cannabis may mitigate the symptoms or effects of the patient's medical condition;~~
- ~~(d) The number of different chronic or debilitating medical conditions for which the attending provider of healthcare advises each patient that the medical use of cannabis may mitigate the symptoms or effects of the patient's medical conditions; and~~
- ~~(e) How frequently the attending provider of health care advises each patient that the medical use of cannabis may mitigate the symptoms or effects of the patient's medical condition.~~

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

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

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

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

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2. Except as otherwise provided in subsection 1, a cannabis establishment that wishes to move to a new location or commence operations at a location other than the location contained in the application of the cannabis establishment must submit a written request for relocation to the Board. The written request for relocation must include, without limitation:

- (a) The name, current physical address, proposed new physical address and license or application number of the cannabis establishment;
- (b) Documentation of a public meeting in which the locality of the proposed new location considered the relocation request;
- (c) Documentation of land use approval for the new location by the locality;

(d) A professional survey demonstrating that the proposed location meets the distance requirements set forth in paragraph (a)(2)(II) of subsection 3 of NRS 678B.250;

(e) A signed, written attestation that the operation of the cannabis establishment at the new address will meet or exceed the merits of the location specified in the application submitted by the cannabis establishment; **and**

(f) If establishment is operational, a detailed inventory report and plan to transfer inventory to new location; **and**

***(g) Documentation that proves the applicant has secured a lease or other property agreement that allows operation of a cannabis establishment on the property, or a letter from the landlord of the property stating the licensee is authorized to operate a cannabis establishment on the property.***

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

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

2. Except as otherwise provided in subsection 3, a cannabis establishment shall only acquire cannabis or cannabis products from another Nevada licensed cannabis establishment, including, without limitation, a cannabis cultivation facility, a cannabis product **ion manufacturing** facility or a cannabis sales facility.

3. A cannabis cultivation facility may acquire seeds for the cultivation of cannabis from any person if the acquisition of the seeds does not violate the provisions of Title 56 of NRS. A cannabis cultivation facility may also acquire cannabis or cannabis products from a consumer if the acquisition does not violate the provisions of Title 56 of NRS.

4. A cannabis establishment shall not acquire concentrated cannabis or products containing concentrated cannabis from another cannabis establishment, except that a cannabis sales facility or a cannabis product **ion manufacturing** facility may acquire concentrated cannabis or products containing concentrated cannabis from a cannabis product **ion manufacturing** facility. A cannabis cultivation facility may sell crude collected resins to a cannabis sales facility if the crude collected resins are:

- (a) From a single batch;
- (b) Unaltered; and
- (c) Not combined, ***except as provided in subsection 5.***

5. ***A cannabis cultivation facility may combine lots of crude collected resins which have been collected in accordance with subsection 4 and have passed all testing pursuant to NCCR 11.050 prior to combining.***

**65.** Each cannabis establishment, except a cannabis independent testing laboratory, shall establish and implement an inventory control system that documents:

- (a) Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable cannabis and ending inventory, including, without limitation, the:
  - (1) Number of plants and cuttings;
  - (2) Weight of flowers, measured in grams;

- (3) Weight of trim, measured in grams;
    - (4) Quantity of THC, measured in milligrams; and
    - (5) Weight of seeds, measured in grams.
  - (b) When acquiring cannabis from another cannabis establishment:
    - (1) A description of the cannabis acquired, including the amount, strain and batch number, lot number and production run number, or any combination thereof;
    - (2) The name and identification number of the license of the cannabis establishment providing the cannabis;
    - (3) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent providing the cannabis;
    - (4) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis on behalf of the cannabis establishment; and
    - (5) The date of acquisition.
  - (c) When acquiring cannabis from a medical cannabis establishment registered pursuant to this Act:
    - (1) A description of the cannabis acquired, including the amount, strain and batch number, lot number and production run number, or any combination thereof;
    - (2) The name and identification number of the medical cannabis establishment registration certificate of the medical cannabis establishment providing the cannabis;
    - (3) The name and the number of the medical cannabis establishment agent registration card of the medical cannabis establishment agent providing the cannabis;
    - (4) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent receiving the cannabis on behalf of the cannabis establishment; and
    - (5) The date of acquisition.
  - (d) For each batch of cannabis cultivated:
    - (1) The batch number, lot number and production run number, as applicable.
    - (2) Whether the batch originated from cannabis seeds or cannabis cuttings.
    - (3) The strain of the cannabis seeds or cannabis cuttings planted.
    - (4) The number of cannabis seeds or cannabis cuttings planted.
    - (5) The date on which the cannabis seeds or cuttings were planted.
    - (6) A list of all chemical additives used in the cultivation, including, without limitation, nonorganic pesticides, herbicides and fertilizers.
    - (7) The number of cannabis plants grown to maturity.
    - (8) Harvest information, including, without limitation:
      - (I) The date of harvest;
      - (II) The final yield weight of processed usable cannabis, in grams; and
      - (III) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent responsible for the harvest.
    - (9) The disposal of cannabis that is not usable cannabis, including:
      - (I) A description of and reason for the cannabis being disposed of, including, if applicable, the number of failed or other unusable cannabis plants;
      - (II) The date of disposal;
      - (III) Confirmation that the cannabis was rendered unusable before disposal;
      - (IV) The method of disposal; and
      - (V) The name and the number of the cannabis establishment agent registration card of the cannabis establishment agent responsible for the disposal.
  - (e) When providing cannabis to another cannabis establishment:

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

(I) License number of the cannabis establishment providing the concentrated cannabis or products containing concentrated cannabis to the receiving cannabis establishment;

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

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

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

**76.** Each cannabis establishment shall:

(a) Establish and maintain a seed-to-sale inventory system which adequately documents the flow of materials through the manufacturing process.

(b) Establish procedures which reconcile the raw material used to the finished product on the basis of each job. Significant variances must be documented, investigated by management personnel and immediately reported to the Executive Director and to the cannabis establishment that ordered the concentrated cannabis or cannabis product.

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

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

**78.** A cannabis establishment shall:

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

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

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

1. A cannabis establishment:

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

- (1) “Keep out of reach of children”; and
- (2) “For use only by adults 21 years of age and older.”

## Proposed Changes to NCCR Regulation 11

New

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*Added following the March 25, 2021 through April 9, 2021, informal public comment period.*

### **11.010 Employment, qualifications and duties of scientific director; inspection of testing laboratory upon appointment of new director.**

1. Each cannabis independent testing laboratory facility must employ a scientific director who must be responsible for:

(a) Establishing and maintaining a quality control and quality assurance program that ensures the quality of the cannabis independent testing laboratory facility's services, and that is capable of identifying any failure of quality when it occurs;

(b) Supervising all staff of the cannabis independent testing laboratory facility;  
and

(c) Actively participating in the operation of the testing laboratory facility to the extent necessary to assure compliance with the provisions of this Act.

2. The scientific director of a cannabis independent testing laboratory facility must have earned:

(a) A doctorate degree in science from an accredited college or university and have at least 2 years of post-degree laboratory experience;

(b) A master's degree in science from an accredited college or university and have at least 4 years of post-degree laboratory experience; or

(c) A bachelor's degree in science from an accredited college or university and have at least 6 years of post-degree laboratory experience.

3. If a scientific director is no longer employed by a cannabis independent testing laboratory facility, the cannabis independent testing laboratory facility shall not be permitted to conduct any testing. An interim director that meets the minimum qualifications may be appointed for no more than 90 days.

4. A cannabis independent testing laboratory facility shall immediately inform the Board upon the appointment of a new scientific director.

5. A scientific director shall be available to the personnel of a testing laboratory facility, in person or by telephonic or other electronic means, for any necessary consultation.

6. The scientific director must be on the premises of the testing laboratory facility at least 5 workdays each month.

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**11.015 Requirements for testing facility to handle, test or analyze cannabis.** 1. A

cannabis independent testing laboratory ~~facility~~ shall not handle, test or analyze cannabis unless:

- (a) The cannabis independent testing laboratory ~~facility~~ has been issued a license;
- (b) The cannabis independent testing laboratory ~~facility~~ is independent from all other persons involved in the cannabis industry in Nevada; and
- (c) No person with a direct or indirect interest in the cannabis independent testing laboratory ~~facility~~ has a direct or indirect financial interest in:
  - (1) A cannabis sales facility;
  - (2) A cannabis product ion manufacturing facility;
  - (3) A cannabis cultivation facility;
  - (4) A cannabis distributor;
  - (5) A provider of health care who provides or has provided written documentation for the issuance of registry identification cards or letters of approval; or
  - (6) Any other entity that may benefit from the cultivation, manufacture, dispensing, sale, purchase or use of cannabis or cannabis products.

2. A cannabis independent testing laboratory shall implement business practices which are structured and managed so as to safeguard impartiality in testing including:

(a) A testing laboratory may not offer a different fee schedule or waive payment in the event of failing or otherwise undesirable test results; and

(b) Refunds, rebates or any other return of payment in the form of alternate compensation is not permitted for the reason of failing or otherwise undesirable test results.

3. A cannabis independent testing laboratory ~~facility~~ is not required to use a cannabis distributor to collect or move samples for testing.

**11.025 Adherence to general laboratory standards, practices, procedures and programs; inspection by Board or authorized third party; adoption of publications by reference.**

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

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**11.040 Proficiency testing program: Establishment by Board; required participation by testing laboratory ~~facility~~; conditions for successful participation; unsuccessful participation grounds for limitation, suspension or revocation of license; proficiency testing inter-laboratory communication and referral prohibited.**

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7. All proficiency testing results received must be reviewed by the scientific director and appropriate staff members. Upon receipt of results from the proficiency testing provider, the testing laboratory ~~facility~~ shall do the following:



(a) Evaluate the testing laboratory facility's performance and perform corrective action for any unsatisfactory results received. Failure to provide a result for a required analyte shall be considered an unacceptable result.

(b) Investigate any unsatisfactory results, to include a retrospective review of potentially affected cannabis samples whenever applicable.

(c) Document investigation findings and any resultant corrective actions, if applicable, and maintain the documentation for a period of at least five ~~two~~ years.

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#### **11.050 Required quality assurance tests; submission of wet cannabis for testing.**

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3. A sample of usable cannabis must be at least 10 grams. A sample of a production run must be the lesser of 1 percent of the total product weight of the production run or 25 units of product, but not less than 5 grams of the production run. Before testing, a All samples must be homogenized by the testing laboratory facility before testing using a homogenization process which has been approved by the appropriate Board Agent and in a manner that prevents contamination of test samples or analytical portions.

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#### **11.070 Testing: Selection of representative samples and random samples; segregation period for entire lot; duties of testing facility; disposal of lot if sample fails test; release of lot if sample passes test; filing of electronic copy of certificate of analysis for tests performed by testing laboratory facility; grounds for disciplinary action for failure to comply.**

1. Immediately before packaging:

(a) Usable cannabis for sale to a cannabis sales facility, cannabis production ion manufacturing facility or another cannabis cultivation facility, a cannabis cultivation facility shall segregate all harvested cannabis into homogenized lots of flower and trim, respectively, and allow a cannabis independent testing laboratory facility to select a homogenous representative sample for testing from each lot the cannabis cultivation facility has segregated. The cannabis testing laboratory facility which performs the test must collect the samples. If the cannabis cultivation facility has segregated the lot of harvested cannabis into packages or container sizes smaller than the entire lot, the cannabis cultivation facility must present all packages comprising the lot to the cannabis independent testing laboratory, and the cannabis testing laboratory facility must sample and test each package containing harvested cannabis from the lot.

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#### **11.075 Testing: Authorized use of cannabis upon failure of microbial screening; automatic failure to pass; request for retest; retest for pesticide residue must be performed by State Department of Agriculture; effect of passing or failing retest.**

1. Upon approval of the appropriate Board Agent, a lot or production run of cannabis that fails a residual solvents, pH, water activity (aw), homogeneity, or microbial screening test may be remediated or used to make an extract. After processing, the remediated lot or extract must pass all required quality assurance tests.

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4. A cannabis cultivation facility or a cannabis product ~~ion manufacturing~~ facility may not request a retest pursuant to this section unless, at the time samples are initially taken for testing, ~~thre~~~~two~~ samples are collected at the same time by a cannabis independent testing laboratory facility using tamper-resistant bags. One of the samples must be taken by the cannabis independent testing laboratory facility for testing and the facility must place the other samples in a secure quarantine storage area at the facility for further retesting by a secondary and/or third cannabis independent testing laboratory facility or the State Department of Agriculture.

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7. Except as otherwise provided in this subsection, a cannabis cultivation facility or a cannabis product ~~ion manufacturing~~ facility may submit a request for retesting of not more than 50 lots or production runs each calendar year. For any subsequent failure of a quality assurance test in a calendar year, the facility shall request permission from the Board for an additional 50 tests, destroy the lot or the entire production run, or request to send the lot or production run to extraction or remediation as applicable. The Board may extend authority to the Executive Director of the CCB to approve such requests. If the additional 50 retests are approved, a cannabis cultivation facility or a cannabis production facility must obtain the results of two retests from two different cannabis independent testing laboratories. For the retested lot or production run to be approved for sale, both retests must provide passing results. If both retests provide passing results, the certificate of analysis with the higher quantifiable results will be recorded. No more than one such request for additional tests is permitted within a calendar year. A lot which only fails a quality assurance test for moisture content must not be counted for the purpose of this subsection.

a. To request permission from the Board for an additional 50 tests, a cannabis cultivation facility or a cannabis production facility must file a petition with the Board which must include the following:

(1) Request for the additional 50 tests;

(2) List the prior 50 lots or production runs that failed, what they failed for, and which cannabis independent testing laboratory performed the test; and

(3) List whether the prior 50 lots or production runs passed pursuant to a retest, and which cannabis independent testing laboratories performed the retests.

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## Proposed Changes to NCCR Regulation 12

### New

### ~~Deleted~~

#### **12.015 Requirements for edible cannabis products, products in solid or liquid form, usable cannabis and concentrated cannabis or cannabis products.**

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8. If an edible cannabis product is of a kind that is impracticable to clearly demark each serving of cannabis with the dose in milligrams of THC~~or to make each serving easily separable~~, the edible cannabis product must:

- (a) Contain not more than 10 milligrams of THC per unit of sale; or
- (b) Be sold in a package that contains more than one individually wrapped single-serving edible cannabis product.

#### **12.045 Cannabis sales facility: Required labeling of cannabis products.**

1. A cannabis sales facility must affix to each container or package containing edible cannabis products sold at retail and affix to or include with each container or package containing concentrated cannabis or cannabis products sold at retail a label which must not mislead consumers and must include, without limitation:

- (a) The business or trade name and the license number of the cannabis product manufacturing facility that extracted and sold the concentrated cannabis or manufactured and sold the product;
- (b) If the cannabis product manufacturing facility is operated by a dual licensee, the number of the medical cannabis establishment registration certificate of the facility for the production of edible cannabis products or cannabis-infused products operated by the dual licensee;
- (c) The production run number that accounts for all lot numbers of all cannabis used to extract the concentrated cannabis or create the product, as recorded in the inventory control system of the cannabis product manufacturing facility that sold the concentrated cannabis or product;
- (d) The name and address of the cannabis sales facility;
- (e) The date on which the concentrated cannabis was extracted or the product was manufactured;
- (f) The date on which the concentrated cannabis or product was packaged;
- (g) If the product is perishable, a suggested use-by date;
- (h) The cannabinoid profile and potency levels and terpenoid profile of the product, as determined by the cannabis testing facility that tested the product;
- ~~(i) The measurements of THC included on the label must include only the delta-9-tetrahydrocannabinol in the cannabis product, measured in milligrams THC;~~
- (j) For edible cannabis products, The total amount of THC in each serving of the product and a notice that the actual amount of THC in each serving may be within 15 percent of the stated amount;
- ~~(k)~~ A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343.
- ~~(l)~~ The concentration of THC in the product, measured in milligrams;
- ~~(m)~~ The net weight of the cannabis or cannabis product;

(~~m~~) *For edible cannabis products,* ~~a~~ warning that states: “Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by 2 or more hours;”

(~~n~~) If concentrated cannabis or a cannabis extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the concentrated cannabis or the cannabis extract;

(~~o~~) A warning that states: “This product may have intoxicating effects and may be habit forming;”

(~~p~~) A warning that states: “Keep out of reach of children”;

(~~q~~) A statement that: “This product may be unlawful outside of the State of Nevada”;  
and

(~~r~~) A warning that states: “THIS PRODUCT CONTAINS CANNABIS.”

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## Proposed Changes to NCCR Regulation 13

New

~~Deleted~~

*New proposed language not included in the informal public comment period.*

**13.020 Storage area for cannabis and cannabis products; verification of inventory; inspection by Board.**

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3. *A cannabis distributor may utilize its storage area as needed for the purposes of sorting cannabis or cannabis products from various originating cannabis establishments into consolidated outbound delivery routes to receiving cannabis establishments.* ~~If a cannabis distributor experiences an unusual or extraordinary circumstance beyond its control as part of its normal business operations in providing transportation of cannabis or cannabis products and the cannabis distributor determines that it is necessary to use its storage area for the temporary storage of cannabis or cannabis products, the cannabis distributor shall submit to the Board a notice of temporary storage of cannabis or cannabis products.~~

4. ~~If a cannabis distributor determines the final delivery destination will exceed 100 miles and it is unreasonable to deliver the cannabis or cannabis product within one trip, the product may be stored for no more than 48 hours.~~ All cannabis or cannabis product stored at a licensed cannabis distributor must be *properly* documented in the seed-to-sale tracking system.

5. A cannabis distributor shall not store cannabis or cannabis products for more than ~~72~~*48* hours without written consent from the appropriate Board Agent.

6. A cannabis distributor shall verify *and keep record of* the inventory of a motor vehicle after the inventory is off-loaded into storage and before the inventory is on-loaded onto a motor vehicle from storage.

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**13.025 Amount that may be transported by distributor; transportation by cannabis establishment agent; restrictions on transportation by vehicle.**

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5. If the value of the cannabis and cannabis products being transported by a cannabis distributor in a vehicle, as reported on the transportation manifest as the insured fair market wholesale value, exceeds \$25,000, *and the distance traveled between cannabis establishments is greater than 50 miles,* the cannabis distributor shall ensure not fewer than two cannabis establishment agents of the cannabis distributor accompany the vehicle.

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