

REGULATION 5

LICENSING, BACKGROUND CHECKS, AND REGISTRATION CARDS

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5.000 Application process.

1. It is declared policy of Nevada that all cannabis establishments, are licensed and controlled so as to better protect the public health, safety, morals, good order and welfare of inhabitants and to preserve the competitive economy and the policies of free competition of the State of Nevada. Any cannabis establishment license, business license, agent card, or approval by the Board pursuant to the provisions of chapters 678A-D of NRS is a revocable privilege, and no holder acquires any vested right therein or thereunder. No applicant for a license or other affirmative Board approval has any right to a license or the granting of the approval sought.
2. An application for a cannabis establishment license, business license, agent card, or approval by the Board is seeking the granting of a privilege, and the burden of proving the applicant's qualification to receive any license is at all times on the applicant. An applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action or financial loss which may result from action with respect to an application and expressly waive any claim for damages as a result thereof.
3. An application for a cannabis establishment license, business license, agent card, or approval by the Board, shall constitute a request to the Board for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the cannabis industry in the manner or position sought by the application; and, by filing an application with the Board, the applicant specifically consents to the making of such a decision by the Board at their election when the application, after filing, becomes moot for any reason other than death.
4. A request for withdrawal of an application may be made at any time prior to final action upon the application by the Board by filing a written request to withdraw with the Board. Final action by the Board upon an application occurs when the Board adopts its conclusion regarding the application. Unless any Board member directs a request for withdrawal be placed on an agenda for action, the Board Chair may, in the Chair's discretion, grant the request for withdrawal without prejudice. The Board may, in its discretion, deny the request, or grant the request with or without prejudice. If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of 1 year from the date of such withdrawal.
5. After completion of its investigation and proceedings respecting an application, the Board will issue the approval or denial of the application. If the Board denies an application, the denial will be accompanied by written reasons upon which the denial is based. All such denials and reasons will be made public, and no denial will be secret. Any person whose application has been denied is not eligible to apply again for licensing or approval until after expiration of 1 year from the date of such denial, unless the Board determines in its discretion otherwise.

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

1. When a cannabis establishment is required pursuant to this chapter or chapter 678B of NRS to provide information, sign documents, accept service of complaints or notification of violations, or ensure actions are taken, the persons identified in this subsection shall comply with the requirement on behalf of the cannabis establishment:
 - (a) If a natural person is applying for a license for a cannabis establishment, the natural person;
 - (b) If a corporation is applying for a license for a cannabis establishment, a natural person who is an officer of the corporation;
 - (c) If a limited partnership is applying for a license for a cannabis establishment, a natural person who is a partner;
 - (d) If a limited-liability company is applying for a license for a cannabis establishment, a manager or, if the limited-liability company does not have a manager, a natural person who is a member of the limited-liability company;
 - (e) If an association or cooperative is applying for a license for a cannabis establishment, a natural person who is a member of the governing board of the association or cooperative;

- (f) If a joint venture is applying for a license for a cannabis establishment, a natural person who signed the joint venture agreement;
 - (g) If a trust is applying for a license for a cannabis establishment, a natural person who is a trustee of the trust; and
 - (h) If a business organization other than those described in paragraphs (b) to (g), inclusive, is applying for a license for a cannabis establishment, a natural person who is a member of the business organization.
2. For the purposes of this chapter and chapter 678B of NRS, the following persons must comply with the provisions governing owners, officers and board members of a cannabis establishment:
- (a) If a corporation is applying for a license for a cannabis establishment, the shareholders, officers, and board members of the corporation;
 - (b) If a limited partnership is applying for a license for a cannabis establishment, the partners;
 - (c) If a limited-liability company is applying for a license for a cannabis establishment, the members and managers of the limited-liability company;
 - (d) If an association or cooperative is applying for a license for a cannabis establishment, the members of the association or cooperative;
 - (e) If a joint venture is applying for a license for a cannabis establishment, the natural persons who signed the joint venture agreement;
 - (f) If a trust is applying for a license for a cannabis establishment, the trustees of the trust, and
 - (g) If a business organization other than those described in paragraphs (a) to (f), inclusive, is applying for a license for a cannabis establishment, the members of the business organization.

5.015 Qualifications for licensure.

1. In addition to the considerations in NRS 678B.200 and NRS 678B.280, the Board may consider the following in determining whether any person qualifies to receive a license under the provisions of chapter 678B of the NRS:
- (a) The adequacy of the person's business competence and experience for the role or position for which application is made;
 - (b) The unsuitable affiliates of the person applying for the license even if the person is found suitable by the Board, but associates with, or controls, or is controlled by, or is under common control with, an unsuitable person;
 - (c) The adequacy of the proposed funding for the nature of the proposed operations; and
 - (d) The suitability of the source of funding unless the person satisfies the Board that the source of funding:
 - (1) Is a person of good character, honesty, and integrity;
 - (2) Is a person whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its cannabis industry; and
 - (e) The Board may consider any other qualifications or behavior of the person that the Board determines is inconsistent with the declared policy of the State.

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

1. As often as the Board deems necessary, the Board will determine whether a sufficient number of cannabis establishments exist to serve the people of this State and, if the Board determines that additional cannabis establishments are necessary, the Board will issue a request for applications to operate a cannabis establishment. The Board will provide notice of a request for applications to operate a cannabis establishment by:
- (a) Posting on the Internet website of the Board that the Board is requesting applicants to submit applications;

- (b) Posting a copy of the request for applications at the principal office of the Board, at the Legislative Building and at not less than three other separate, prominent places within this State; and
 - (c) Making notification of the posting locations using the electronic mailing list maintained by the Board for cannabis establishment information.
2. When the Board issues a request for applications pursuant to this section, the Board will include in the request the point values that will be allocated to each applicable portion of the application.
 3. The Board will accept applications in response to a request for applications issued pursuant to this section for 10 business days beginning on the date which is 45 business days after the date on which the Board issued the request for applications and will specify the exact dates on which applications will be accepted. The applicants must strictly adhere to the instructions the Board provides for submittal of each application.
 4. If the Board receives an application in response to a request for applications issued pursuant to this section on a date other than the dates set forth in subsection 3, the Board will not consider the application and must return the application to the entity that submitted the application.

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

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

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

1. Submit the request on the form prescribed by the Board;
2. Provide all information on the form prescribed by the Board, including but not limited to, the following:
 - (a) The reason for the request to increase the percentage of total number of medical cannabis dispensaries; and
 - (b) The amount of percentage increase requested.
3. The Board may deny a request to increase percentage of total number of medical cannabis dispensaries if the Board finds the proposed percentage increase will not promote the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State.

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

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

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

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

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

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

5.070 Inspections.

1. Board Agents or the Executive Director may, at any time they determine an inspection is needed, conduct an investigation into the premises, facilities, qualifications of personnel, methods of operation, policies and procedures of any cannabis establishment and of any person proposing to engage in the operation of a cannabis establishment. An inspection of a facility may include, without limitation, investigation of standards for safety from fire on behalf of the Board by the local fire protection agency. If a local fire protection agency is not available, the State Fire Marshal may conduct the inspection after the cannabis establishment pays the appropriate fee to the State Fire Marshal for such inspection.
2. The Board will not issue a license for a cannabis establishment until the Board Agents complete an inspection of the cannabis establishment. Such an inspection may require more than one visit to the cannabis establishment.
3. Board Agents may conduct a preliminary walk-through of a cannabis establishment, upon request and subject to the availability of inspectors, to assist with questions and identify issues for correction before the inspection of the cannabis establishment. Before requesting a preliminary walk-through, a cannabis establishment must complete all construction and be near completion of all other requirements of the laws and regulations of this State. If a Board Agent conducts a preliminary walk-through at the request of a cannabis establishment, the Board will issue an invoice to the cannabis establishment for the costs of the preliminary walk-through, including, without limitation, travel and inspection activities.
4. In addition to complying with the provisions of chapters 372A and 678B of NRS and chapter 372A of NAC governing the imposition of an excise tax on cannabis establishments, a cannabis establishment may not operate until it has been issued a license from the Board.
5. The Board will not issue a license for a cannabis establishment until the Board has received a satisfactory report of full compliance with and completion of all applicable public safety inspections required by state and local jurisdictions, including, without limitation, fire, building, health and air quality inspections, except as otherwise provided in NCCR 5.075.

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

1. Submission of an application for a license for a cannabis establishment constitutes permission for entry to and reasonable inspection of the cannabis establishment by the Board and Board Agents, with or without notice. An inspector conducting an inspection pursuant to this section does not need to be accompanied during the inspection.
2. The Executive Director may, upon receipt of a complaint against a cannabis establishment, except for a complaint concerning the cost of services, a complaint concerning the efficacy of cannabis or a complaint related to consumer service issues, conduct an investigation during the operating hours of the cannabis establishment, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation, policies, procedures and records of that cannabis establishment or any other cannabis establishment which may have information pertinent to the complaint.
3. Board Agents may enter and inspect any building or premises at any time, with or without notice, to:
 - (a) Secure compliance with any provision of the NCCR or Title 56 of NRS;
 - (b) Prevent a violation of any provision of the NCCR or Title 56 of NRS; or
 - (c) Conduct an unannounced inspection of a cannabis establishment in response to an allegation of noncompliance with the NCCR or Title 56 of NRS.
4. The Board may:
 - (a) Summon witnesses to appear and testify on any subject material to its responsibilities under this chapter or Title 56 of NRS. No property owner and no officer, director, superintendent, manager or agent of any company or corporation, whose property is wholly in one county, shall be required to appear, without his or her consent, at a place other than the county seat or at the nearest town to his or her place of residence or the principal place of business of such company or corporation. Such summons may be served by personal service by the Executive Director or his or her agent or by the sheriff of the county.
 - (b) Except as otherwise provided in this paragraph, issue subpoenas to compel the attendance of witnesses and the production of books and papers and may seek to enforce the subpoenas by petition to any court of competent jurisdiction in the manner provided by law. The Board will not issue a subpoena to compel the production of books and papers that contain individually identifiable health information.
5. Any member of the Board, the Executive Director or any officer of the Board designated by the Board or Executive Director may administer oaths to witnesses.
6. The Board and Board Agents may:
 - (a) Inspect and examine all premises wherein cannabis is manufactured, sold or distributed;
 - (b) Inspect all equipment and supplies in, upon or about such premises;
 - (c) Summarily seize and remove from such premises any cannabis or cannabis products and impound any equipment, supplies, documents or records for the purpose of examination and inspection;
 - (d) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any applicant or licensee, on his or her premises, or elsewhere as practicable, and in the presence of the applicant or licensee, or his or her agent, relating to the gross income produced by any cannabis establishment, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of this chapter or any chapter of Title 56 of NRS; and
 - (e) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any affiliate of a licensee whom the Board knows or reasonably suspects is involved in the financing, operation or management of the licensee. The inspection, examination, photocopying and audit may take place on the premises of the affiliate or another location, as practicable, and in the presence of the affiliate or its agent.

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

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

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

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

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

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

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

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

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

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

5.090 Notification to Board if cannabis establishment is closing; immediate surrender of license upon permanent closure. If a cannabis establishment is closing, the person identified in subsection 1 of NCCR 2.050 for the cannabis establishment must notify the Board of the closing at least 15 days before the cannabis establishment is closed. If the intent is to permanently close the cannabis establishment it must surrender its license to the Board immediately upon closing.

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

1. Payment of the annual licensing fee for the renewal of the license. Payment must include the identification numbers of the establishment and the name of the entity applying to renew the license.

2. Any such other information required by the Board upon request.

3. If a person or entity fails to renew its license by the expiration date, then the licensee shall cease operations until its license is renewed. If the person or entity fails to renew its license within ninety (90) days of the expiration date, then the license shall be deemed voluntarily surrendered.

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

1. The Board will deny an application for the issuance or renewal of a license for a cannabis establishment if:
 - (a) The application or the cannabis establishment is not in compliance with any provision of this chapter or Title 56 of NRS; or
 - (b) An owner, officer or board member of the cannabis establishment:
 - (1) Is an employee or contractor of the Board;
 - (2) Has an ownership or financial investment interest in a cannabis independent testing laboratory and also is an owner, officer or board member of a cannabis cultivation facility, cannabis distributor, cannabis production facility or retail cannabis store; or
 - (3) Intentionally provides information that the Board determines is false or misleading.
2. The Board may revoke a license for a cannabis establishment if:
 - (a) The cannabis establishment engages in a category I violation pursuant to NCCR 4.035;
 - (b) An owner, officer or board member of the cannabis establishment has been convicted of an excluded felony offense;
 - (c) An owner, officer or board member of the cannabis establish unintentionally provides information that the Board determines is false or misleading; or
 - (d) The Board receives formal notice from the applicable locality that the cannabis establishment has had its authorization to operate terminated.
3. The Board may deny an application for the issuance or renewal of a license for a cannabis establishment or may suspend or revoke any license issued under the provisions of this chapter and Title 56 of NRS upon any of the following grounds:
 - (a) Violation by the applicant or the cannabis establishment of any of the provisions of this chapter or Title 56 of NRS.
 - (b) The failure or refusal of an applicant or cannabis establishment to comply with any of the provisions of this chapter or Title 56 of NRS.
 - (c) The failure or refusal of a cannabis establishment to carry out the policies and procedures or comply with the statements provided to the Board in the application of the cannabis establishment.
 - (d) Operating a cannabis establishment without a license.
 - (e) The failure or refusal to return an adequate plan of correction to the Board within 10 business days after receipt of a statement of deficiencies pursuant to NCCR 5.080.
 - (f) The failure or refusal to correct any deficiency specified by the Board within the period specified in a plan of correction developed pursuant to NCCR 5.080.
 - (g) The failure or refusal to cooperate fully with an investigation or inspection by the Board or Board Agents.
 - (h) The failure to comply with the provisions of chapters 372A and Title 56 of NRS and chapter 372A of NAC governing the imposition of an excise tax on cannabis establishments.
 - (i) An owner, officer or board member of the cannabis establish unintentionally provides information that the Board determines is false or misleading.
4. If the Board denies an application for issuance or renewal of a license for a cannabis establishment or revokes such a license, the Board will provide notice to the applicant or cannabis establishment that includes, without limitation, the specific reasons for the denial or revocation.
5. Before denying an application for issuance or renewal of a license for a cannabis establishment or revoking such a license as a result of the actions of an owner, officer or board member of the cannabis establishment pursuant to paragraph (b) of subsection 1 or paragraph (b) of subsection 2, the Board may provide the cannabis establishment with an opportunity to correct the situation.
6. The Board will not deny an application to renew a license for a cannabis establishment or revoke a license based on a change in ownership of the cannabis establishment if the cannabis establishment is in compliance with the provisions of the NCCR and Title 56 of NRS.

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

1. A transfer of an ownership interest in any amount in a cannabis establishment is not effective until the Board has been notified on a form prescribed by the Board of the intent to transfer an ownership interest in the cannabis establishment and the Board has found that each person to whom an ownership interest is proposed to be transferred is individually qualified to be an owner of the cannabis establishment.
2. A cannabis establishment shall, in accordance with this section and upon submission of a statement signed by a person authorized to submit such a statement by the governing documents of the cannabis establishment, transfer all or any portion of its ownership to another party, and the Board shall transfer the license issued to the cannabis establishment to the party acquiring ownership, if the party who will acquire the ownership of the cannabis establishment submits:
 - (a) If the party will acquire the entirety of the ownership interest in the cannabis establishment, evidence satisfactory to the Board that the party has complied with the NCCR and Title 56 of the NRS for the purpose of operating the cannabis establishment;
 - (b) For the party and each person who is proposed to be an owner, officer or board member of the cannabis establishment, the name, address and date of birth of the person, a complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and
 - (c) Proof satisfactory to the Board that, as a result of the transfer of ownership, no person, group of persons or entity will, in a county whose population is 100,000 or more, hold more than one license for a cannabis establishment or more than 10 percent of the licenses for cannabis establishments allocated to the county, whichever is greater.
3. A cannabis establishment shall reimburse the Board for all costs incurred by the Board and Board Agents to determine whether any change in ownership or other change was made to circumvent the provisions of this section which prohibit the transfer of a license for a cannabis establishment or to otherwise review or investigate a change in ownership.
4. A person shall not sell, purchase, assign, lease, grant or foreclose a security interest or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatsoever in or to any cannabis establishment or any portion thereof, whether the license for the cannabis establishment is conditional or not, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any cannabis establishment or any portion thereof, except in accordance with this chapter and Title 56 of NRS.
5. A cannabis establishment shall notify the Board, on a form prescribed by the Board, each time an ownership interest in any amount in the cannabis establishment is transferred. This form must be signed by:
 - (a) All owners of the cannabis establishment; or
 - (b) All officers of the cannabis establishment; or
 - (c) All board members of the cannabis establishment.
6. A person without a valid cannabis establishment agent registration card for a cannabis establishment shall notify the Board prior to any:
 - (a) Transfer or conveyance of any interest in or to a cannabis establishment, or any portion thereof; or
 - (b) investment therein; or
 - (c) exercise of a significant level of control over; or

(d) participation in the profits thereof

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

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

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

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

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

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

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

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

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

(e) If such transfer shall increase an ownership interest of an owner with less than a five (5) percent interest to an interest of five (5) percent or more, and this level of interest is maintained for forty-five (45) consecutive days, whether voting or beneficial, then all statutory and regulatory requirements pertaining to owners with five (5) percent interest or more apply as of thirty (30) days after the forty-fifth (45) consecutive day. The cannabis establishment must notify the Board within five (5) business days after it becomes aware of any ownership equal to or exceeding five (5) percent for more than forty-five (45) consecutive days. At the discretion of the Board, the thirty (30) day requirement set forth in this subsection may be extended upon written request of the licensee.

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

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

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

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

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

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

- (f) A copy of any document required to be filed with the Secretary of State, if applicable;
 - (g) A copy of any document required to be revised as a result of the proposed transfer relating to a fictitious name, if applicable;
 - (h) An updated description of all shares issued in the cannabis establishment and the shares issued per owner as a result of the proposed transfer, if applicable;
 - (i) A copy of a business license issued to the cannabis establishment by a locality which is revised to reflect the proposed transfer, if applicable; and
 - (j) Proof satisfactory to the Board that no monopoly will be created.
12. The owners of a cannabis establishment may request the transfer of any portion or the entirety of the ownership interest in the cannabis establishment to any natural person, regardless of whether the natural person holds an ownership interest in another cannabis establishment, or any person whose ownership interest is not entirely held by natural persons who hold an ownership interest in another cannabis establishment by submitting to the Board:
- (a) A completed Transfer of Interest Form prescribed by the Board;
 - (b) An affidavit by the owners of the cannabis establishment requesting the transfer affirming under oath that they are authorized to request the transfer of interest and all current owners and interested parties authorize and consent to the transfer of interest;
 - (c) All contracts or other agreements which describe the ownership transaction;
 - (d) A complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;
 - (e) Proof that a complete application for a cannabis establishment agent registration card has been submitted for each person who will receive an ownership interest;
 - (f) A proposed organizational chart for the cannabis establishment;
 - (g) A copy of any document required to be filed with the Secretary of State, if applicable;
 - (h) A copy of any document required to be revised as a result of the proposed transfer relating to a fictitious name, if applicable;
 - (i) An updated description of all shares issued in the cannabis establishment and the shares issued per owner as a result of the proposed transfer, if applicable;
 - (j) A copy of a business license issued to the cannabis establishment by a locality which is revised to reflect the proposed transfer, if applicable; and
 - (k) Proof satisfactory to the Board that no monopoly will be created.
13. The Board Agents will conduct such investigation of a request submitted pursuant to subsection 10, 11 or 12 and of each person proposed to receive an ownership interest in a cannabis establishment as a result of such a request as the Board Agents determine is necessary. If the Board, as a result of such an investigation, determines additional information is necessary to complete the investigation, the cannabis establishment shall submit such information to the Board in a timely fashion. Upon completion of the investigation, the Board will:
- (a) If the requested change in ownership does not violate any provision of the NCCR or Title 56 of NRS or any other relevant law or regulation:
 - (1) Notify the cannabis establishment in writing that the request has been approved;
 - (2) Update its records to reflect the new ownership of the cannabis establishment; and
 - (3) Notify the locality in which the cannabis establishment is located of the change in ownership of the cannabis establishment.
 - (b) If the requested change in ownership violates any provision of the NCCR, Title 56 of NRS or any other relevant law or regulation, notify the cannabis establishment in writing that the request has been denied and state the reason for denial.
14. Except for persons possessing a valid agent card and associated with a licensed cannabis establishment or licensed business entity, each employee, agent, personal representative, lender or holder of indebtedness of a cannabis licensee who, in the opinion of the Board, has the power to exercise a significant influence over the licensee's operation of a cannabis establishment may be required to apply for a license. A person required to be licensed pursuant

to this section shall apply for a license within 30 days after the Board requests that the person do so.

(Amended: 10/2020)

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

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

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

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

(2) A list of all owners of any ownership interest in the Cannabis Establishment, and their address, as of the date of the waiver application, unless it is a person who holds an ownership interest of less than 5 percent of a publicly traded company then the disclosure will be pursuant to Regulation 5.127;

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

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

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

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

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

(Amended: 10/2020)

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

1. A person who has:

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

(b) Been found unsuitable by the Board; or

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

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

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

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

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

- (a) The name, address and date of birth of the prospective cannabis establishment agent;
- (b) A statement signed by the prospective cannabis establishment agent pledging not to dispense or otherwise divert cannabis to any person who is not authorized to possess cannabis in accordance with the provisions of this title;
- (c) A statement signed by the prospective cannabis establishment agent asserting that he or she has not previously had a cannabis establishment agent registration card revoked;
- (d) A complete set of the fingerprints of the prospective cannabis establishment agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;
- (e) A statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to **NRS 425.520**. The statement must be completed and signed by the applicant;
- (f) The application fee;
- (g) A list and description of each of the following which has not been previously reported to the Board:
 - (1) A conviction of any felony offense;
 - (2) A civil penalty or judgment entered against the agent card holder; and
 - (3) The initiation by a federal, state or local government of an investigation or proceeding against the agent card holder.
- (h) Any such other information required by the Board upon request.

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

- (a) The name, address and, if the prospective cannabis establishment agent has a state business license, the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS;
- (b) The name, address and date of birth of each employee of the prospective cannabis establishment agent who will provide labor as a cannabis establishment agent;
- (c) A statement signed by the prospective cannabis establishment agent pledging not to dispense or otherwise divert cannabis to, or allow any of its employees to dispense or otherwise divert cannabis to, any person who is not authorized to possess cannabis in accordance with the provisions of this title;
- (d) A statement signed by the prospective cannabis establishment agent asserting that it has not previously had a cannabis establishment agent registration card revoked and that none of its employees who will provide labor as a cannabis establishment agent have previously had a cannabis establishment agent registration card revoked;
- (e) A complete set of the fingerprints of each employee of the prospective cannabis establishment agent who will provide labor as a cannabis establishment agent and written permission of the prospective cannabis establishment agent and each employee of the prospective cannabis establishment must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report:

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

5. A person who:
 - (a) Has been convicted of an excluded felony offense;
 - (b) Is less than 21 years of age; or
 - (c) Is not qualified, in the determination of the Board pursuant to NRS 678B.200,
→ shall not serve as a cannabis establishment agent.
6. If an applicant for registration as a cannabis establishment agent satisfies the requirements of this section, is found to be qualified by the Board pursuant to NRS 678B.200 and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the Board shall issue to the person and, for an independent contractor, to each person identified in the independent contractor's application for registration as an employee who will provide labor as a cannabis establishment agent, a cannabis establishment agent registration card.
7. A person to whom a cannabis establishment agent registration card is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.
8. A cannabis establishment agent registration card issued pursuant to this section to an independent contractor, or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any cannabis establishment in this State.
9. A cannabis establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a cannabis establishment authorizes the person to volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.
10. Except as otherwise prescribed by regulation of the Board, an applicant for registration or renewal of registration as a cannabis establishment agent is deemed temporarily registered as a cannabis establishment agent on the date on which a complete application for registration or renewal of registration is submitted to the Board. A temporary registration as a cannabis establishment agent expires 45 days after the date upon which the application is received.
11. A cannabis establishment agent registration card will expire 2 years after the date of issuance.
12. If a cannabis establishment agent registration cardholder wishes to remain a cardholder they must, prior to the expiration date of the card:
 - (a) Resubmit the information set forth in this section; and
 - (b) Pay the renewal fee set forth in NRS 678B.390.(Amended: 2/2021)

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

1. The Board may waive the requirement to obtain a cannabis agent registration card for any person who holds an ownership interest of less than 5 percent in a cannabis establishment if:
 - (a) The person or cannabis establishment requests waiver of the requirement on a form prescribed by the Board, including the following information:
 - (1) An explanation as to why the cannabis agent registration card requirement should be waived for the person who holds an ownership interest of less than 5 percent;
 - (2) Identification and address for each person asking for a waiver of the cannabis agent registration card requirement, unless it is a person who holds an ownership interest of less than 5 percent of a publicly traded company then the disclosure will be pursuant to Regulation 5.127;

- (3) A certification by the cannabis establishment that the person who holds an ownership interest of less than 5 percent does not exert control or hold a position of authority over the cannabis establishment or any of the other persons who claim ownership in the cannabis establishment;
 - (4) Any other information requested by the Board necessary to promote the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State; and
 - (5) If a person who holds an ownership interest of less than 5 percent is found to exert control or hold a position of authority over the cannabis establishment that person will be required to obtain a cannabis agent registration card.
2. Any such waiver approved by the Board pursuant to this regulation, is valid for a time specified by the Board at its discretion.
 3. The Board may deny or rescind any previously approved waiver pursuant to this regulation at its discretion.
 4. For purposes of NRS 678B.340(4), with respect only to transfers of interest and cannabis establishment agent registration cards for those who do not volunteer or work at, contract to provide labor to or be employed by an independent contractor to provide labor to a cannabis establishment as a cannabis establishment agent, the term “prospective cannabis establishment agent” shall be deemed to exclude any passive investor in a company owning less than 5 percent of the shares of that company.
(Amended: 10/2020)

5.127 When a publicly traded company must give an updated list of owners to the Board.

1. Within seven (7) days following notice of the annual meeting or general meeting of shareholders, each publicly traded company having an ownership interest in a cannabis establishment shall notify the Board of the date of its next annual meeting and shall provide a copy of the shareholder notice and meeting information circular to the Board.
2. A publicly traded company having an interest in a cannabis establishment, or cannabis establishment registered with a stock exchange and/or each establishment offering, having offered, or planning to offer shares for sale or portions of a company for sale must submit disclosures annually within thirty (30) days following the company’s annual meeting and also at any other time when a general shareholders meeting is required relating to changes of control of the public company. Such disclosures must include:
 - (a) An updated list of all officers and board members, and an updated list of all owners with an ownership interest of five (5) percent or more as of the record date disclosed to the CCB under 5.127(1) above, whether voting or beneficial interest including a valid and current name and address of each person disclosed;
 - (b) An updated list of all beneficial owners regardless of amount or type of ownership. If a list of all beneficial owners cannot be obtained through reasonable cost and/or effort, the publicly traded company must provide an updated list of all non-objecting beneficial owners having an ownership interest in the cannabis establishment as of the record date disclosed to the CCB under 5.127(1), and explain why it cannot obtain a full list of all beneficial owners through reasonable cost and effort;
3. These are minimum requirements and do not in any way abridge or impact the Board or CCB staff from requesting further information or documentation. This section does not remove any requirements that would otherwise apply to a publicly traded company or any other entity subject to regulation by the Nevada Cannabis Compliance Board.
(Adopted: 10/2020)

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

1. Each person who holds 5 percent or more of the ownership interest in a cannabis establishment, or is an officer, managing member or board member, shall obtain a cannabis establishment agent registration card for a cannabis executive.
 2. A person who wishes to hold an ownership interest in a cannabis establishment of more than 5 percent, or is an officer, managing member or board member, shall submit to the Board an application on a form prescribed by the Board for a cannabis establishment agent registration card for a cannabis executive. The application must be accompanied by:
 - (a) The name, address and date of birth of the applicant;
 - (b) A statement signed by the applicant asserting that he or she has not previously had a cannabis establishment agent registration card for a cannabis executive revoked;
 - (c) A complete set of the fingerprints of the prospective cannabis establishment executive agent must be submitted by the applicant to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;
 - (d) Any information required by the Board to complete an investigation into the background of the applicant, including, without limitation, financial records and other information relating to the business affairs of the applicant;
 - (e) The application fee;
 - (f) A list and description of each of the following which has not been previously reported to the Board:
 - (1) A conviction of any felony offense;
 - (2) A civil penalty or judgment entered against the agent card holder; and
 - (3) The initiation by a federal, state or local government of an investigation or proceeding against the agent card holder.
 - (g) Any such other information required by the Board upon request.
 3. If the Board determines the applicant is qualified to receive a cannabis establishment agent registration card for a cannabis executive, the Board shall issue to the person a cannabis establishment agent registration card for a cannabis executive.
 4. A cannabis establishment agent registration card for a cannabis executive will expire 2 years after the date of issuance.
 5. If a cannabis establishment agent registration cardholder for a cannabis executive wishes to remain a cardholder they must, prior to the expiration date of the card:
 - (a) Resubmit the information set forth in this section; and
 - (b) Pay the renewal fee set forth in NRS 678B.390.
 6. A person to whom a cannabis establishment agent registration card for a cannabis executive is issued or for whom such a registration card is renewed shall submit to the Board on the date of the first anniversary of the issuance or renewal an affidavit attesting that in the preceding year there has been no change in the information previously provided to the Board which would subject the person to disciplinary action by the Board.
 7. A cannabis establishment shall notify the Board within 10 business days after becoming aware a cannabis executive ceases to hold an ownership interest in the cannabis establishment of over 5 percent.
 8. A person who:
 - (a) Has been convicted of an excluded felony offense; or
 - (b) Is less than 21 years of age,→ shall not serve as a **cannabis executive**
 9. If an applicant for registration as a **cannabis executive** satisfies the requirements of this section and is not disqualified from serving as a **cannabis executive pursuant** to this section or any other applicable law or regulation, the Board will issue to the person a cannabis establishment agent registration card for a **cannabis executive**.
- (Amended: 2/2021)

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

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

1. The name and date of birth of the cardholder;
2. If known, the number of the lost, stolen or destroyed cannabis establishment agent registration card or cannabis establishment agent registration card for a cannabis executive;
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.
(Amended: 8/2021)

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

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

5.150 Categories of registration cards.

1. The Board will issue cannabis establishment agent registration cards for each of the following categories:
 - (a) A cannabis cultivation facility;
 - (b) A cannabis distributor;
 - (c) A cannabis production facility;
 - (d) A cannabis independent testing laboratory;
 - (e) A cannabis sales facility; or
 - (f) An independent contractor who provides labor to a cannabis establishment or an employee of such an independent contractor.

2. Each cannabis establishment agent registration card issued pursuant to NCCR 5.120 must indicate the applicable category. A person who is employed by or volunteers at a cannabis establishment and to whom a cannabis establishment agent registration card is issued may only be employed by or volunteer at the type of cannabis establishment for which he or she is registered. Such a person may hold more than one category of cannabis establishment agent registration card and may volunteer or work at any cannabis establishment in this State for which the category of the cannabis establishment agent registration card authorizes the person to volunteer or work.
3. If a cannabis establishment agent also holds a valid medical cannabis establishment agent registration card, the cannabis establishment agent is authorized to work in any cannabis establishment or dual licensee for which the category of the cannabis establishment agent registration card and medical cannabis establishment agent registration card authorizes the person to volunteer or work.

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

1. Each component cannabis establishment retains its individual legal status as a separate entity from the combined cannabis establishment of which it is a part and each other component cannabis establishment which is a part of the same combined cannabis establishment.
2. The Board will not issue to a combined cannabis establishment a license for a cannabis establishment, but the combined cannabis establishment will instead be deemed to exist for the efficient operation and regulation of the component cannabis establishments which are a part of the combined cannabis establishment and will be issued a license by the Board upon a determination by the Board that the combined cannabis establishment has complied with the provisions of this section.
3. The component cannabis establishments of a combined cannabis establishment may share a single, secured storage area if the inventory from each component cannabis establishment is securely segregated within the secured storage area apart from the inventory of all other component cannabis establishments.
4. The building infrastructure, security systems and other facilities, including, without limitation, common entrances, exits, break rooms, locker rooms, loading docks and other areas determined by the Board to be expedient for business and appropriate for the site, may be combined and shared among the component cannabis establishments of a combined cannabis establishment.
5. Each component cannabis establishment must be located in a commercial or industrial zone or overlay as approved by the locality and comply with all local ordinances and rules pertaining to zoning, land use and signage.
6. Each component cannabis establishment within a combined cannabis establishment must be inspected before commencing operations. A component cannabis establishment need not actually commence or intend to immediately commence operations to satisfy the requirements of this subsection.
7. For the purposes of subsection 6, a component cannabis establishment is ready to commence operations if the component cannabis establishment:
 - (a) Is a cannabis cultivation facility and has demonstrated the successful installation and operation of lights, plumbing, heating, ventilation and air-conditioning systems, humidity control systems, carbon dioxide control systems and all other growing technical facilities, including all related control systems, for at least one growing unit. A growing unit must:
 - (1) Be serviced by all building facilities and technology and have all other features described to perform growing operations at all stages of growth in the application for a medical cannabis licenser license for the cultivation facility or cannabis cultivation facility;

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

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

(b) Is a facility for the production of edible cannabis products or cannabis-infused products, as defined in Title 56 of NRS or cannabis production facility and has demonstrated the proper, safe installation of all extraction, cooking or other equipment and all plumbing, ventilation, solvent lines, electricity, electrical lines, refrigerators and all other production equipment.

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

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

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

11. A combined cannabis establishment may:

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

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

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

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

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

- (a) Holding a license for a cannabis establishment or a medical cannabis establishment license and being individually approved, separate from all other cannabis establishments or medical cannabis establishments operating on the same parcel of real estate, to operate as a business by all relevant jurisdictions and authorities, as applicable.
- (b) Maintaining separately from all other component cannabis establishments and being able to present financial records which comply with generally accepted accounting principles.
- (c) Filing all financial disclosures and tax documents separately from all other component cannabis establishments.

5.160 Notification to the Board of subsequent events.

1. All cannabis establishment registration agent card holders must provide notification to the board of the following within 5 days of occurrence.

- (a) A conviction of any felony offense;
- (b) A civil penalty or judgment entered against the cannabis establishment registration agent card holder; and
- (c) The initiation by a federal, state or local government of an investigation or proceeding against the cannabis establishment registration agent card holder.

2. The Point of Contact must provide notification to the board of the following within 5 days of becoming aware of:

- (a) A civil penalty or judgment entered against a cannabis establishment registration agent card holder; or
- (b) The initiation by a federal, state or local government of an investigation or proceeding against the cannabis establishment.