

Proposed Changes to NCCR Regulation 1

ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

New

~~{Deleted}~~

~~{1.082 “Derived” defined.}~~

~~1.110 “Imminent health hazard” defined.~~

~~{1.115 “Label” defined.}~~

~~{1.135 “Packaging” defined.}~~

~~{1.082 “Derived” defined. For purposes of NRS 678A.xxx, “derived” means obtained directly from a plant of the genus Cannabis as used in the definitions of cannabis in NRS 678A or hemp in NRS 557, whether naturally or through an extraction process approved by the Board. This does not prohibit decarboxylation of THCA.}~~

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

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

~~{1.135 “Packaging” defined. “Packaging” means the immediate consumer-facing wrapper or container in which usable cannabis or cannabis product is packaged. (Amended: 8/2021)}~~

Proposed Changes to NCCR Regulation 4

DISCIPLINARY and OTHER PROCEEDINGS BEFORE the BOARD

New

~~[Deleted]~~

- 4.010 Applicability.
- 4.012 Time.
- 4.020 Grounds for disciplinary action.
- 4.030 Imposition of civil penalty; revocation or suspension of license or cannabis establishment agent registration card; corrective action.
- 4.033 Category I Violations.
- 4.035 Category ~~[H]~~II Violations.
- 4.040 Category ~~[HH]~~III Violations.
- 4.050 Category ~~[HHH]~~IV Violations.
- 4.055 Category ~~[HVV]~~V Violations.
- 4.060 Category ~~[VV]~~VI Violations.
- 4.061 Category VII Violations.
- 4.065 Imminent health hazard.
- 4.067 Administrative Hold Order.
- 4.070 Complaint.
- 4.090 Appearance through counsel.
- 4.095 Early case conference and hearing.
- 4.100 Reinstatement of license or cannabis establishment agent registration card: Application; conditions, limitations or restrictions upon reinstatement; denial.
- 4.105 Grounds for summary suspension; notice; request for hearing.
- 4.110 Discovery: mandatory exchanges.
- 4.130 Subpoenas.
- 4.135 Disposition of charges: Adjudication by Board.
- 4.137 Settlement of Disciplinary Actions and/or Contested Cases.
- 4.140 Declaratory orders and advisory opinions.
- 4.145 Adoption, amendment or repeal of a regulation.
- 4.150 Petition for Exemption from Excluded Felony Offense Restrictions.
- 4.200 Actions Relating to Unlicensed Activity.

4.012. Time. Wheresoever in these regulations “days” are referenced without any modifier, the term “days” shall be deemed calendar days and not business days. The number of days shall be calculated as set forth in NRCP 6(a)(1).

4.033 Category I Violations.

1. The Board or a hearing officer employed by 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 precludes the continuing operations of a cannabis establishment or the maintenance of a cannabis establishment agent card.
- (b) Category I violations include, without limitation:
 - (1) Conviction of an excluded felony offense, as defined in NRS 678B.050; or
 - (2) Diversion of cannabis or a cannabis product.

2. Before consideration of the factors described in subsection 3 of NCCR 4.030(2), the Board or a hearing officer employed by the Board will presume that the appropriate penalty for any Category I violation is revocation of a license or cannabis establishment agent registration card.

4.035 Category II Violations.

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

- (a) Category II violations are of a severity that make a person ineligible to receive, renew, or maintain a license, including, without limitation:
 - (1) Intentionally failing to comply with a Board order or directive;
 - (2) Operating, working, or volunteering without all required permits, and/or licenses, including but not limited to business license, special land use permit, tax permit, or other licenses required to operate;
 - (3) Making an intentionally false statement to the Board or Board Agents;
 - (4) Intentionally destroying or concealing evidence;
 - (5) 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;
 - (6) Operating a cannabis establishment while the license for the cannabis establishment is suspended or revoked;
 - (7) 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;
 - (8) Making verbal or physical threats to a Board Agent or Board member;
 - (9) Failing to immediately admit regulatory or law enforcement personnel with appropriate identification into the premises of a cannabis establishment;
 - (10) Refusing to allow an inspection or obstructing regulatory personnel or law enforcement officer from performing his or her official duties;
 - (11) Purchasing, selling, acquiring, cultivating, producing, or otherwise using cannabis not found in the seed-to-sale tracking system and/or from an unapproved or unlicensed source;
 - (12) Transporting or storing cannabis from an unlicensed source, other than patient or consumer samples stored at a cannabis independent testing laboratory;
 - (13) Any undocumented variance in inventory exceeding 10% of total inventory;
 - (14) Failure to tag more than 10% of mature plants and/or packages;
 - (15) Engaging in grossly negligent, unlawful or criminal conduct relating to cannabis; or
 - (16) Engaging in an act or omission that poses an imminent threat to the health or safety of the public.

2. Before consideration of the factors described in NCCR 4.030(2), the Board *or a hearing officer employed by the Board* will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:

4.040 Category III Violations.

1. The Board *or a hearing officer employed by the Board* will determine a category *III* violation of the NCCR and Title 56 of NRS as follows:

2. Before consideration of the factors described in NCCR 4.030(2), the Board *or a hearing officer employed by the Board* will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:

4.050 Category IV Violations.

1. The Board *or a hearing officer employed by the Board* will determine a category *IV* violation of the NCCR and Title 56 of NRS as follows:

2. Before consideration of the factors described in NCCR 4.030(2), the Board *or a hearing officer employed by the Board* will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:

4.055 Category V Violations.

1. The Board *or a hearing officer employed by the Board* will determine a category V violation of the NCCR and Title 56 of NRS as follows:

2. Before consideration of the factors described in NCCR 4.030(2), the Board *or a hearing officer employed by the Board* will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:

4.060 Category VI Violations.

1. The Board *or a hearing officer employed by the Board* will determine a category *VI* violation of the NCCR and Title 56 of NRS as follows:

2. Before consideration of the factors described in NCCR 4.030(2), the Board *or a hearing officer employed by the Board* will presume that the following are appropriate penalties for violations of the NCCR and Title 56 of NRS:

4.061 Category VII Violations.

1. The Board or a hearing officer employed by the Board will determine a category VII violation of the NCCR and Title 56 of NRS as follows:

- (a) Category VII violations are violations which are inconsistent with the orderly regulation of the sale or production of cannabis or cannabis products, ~~though~~ and of a less serious nature than category VI violation, ~~including, without limitation:~~ as described in NCCR 4.060.

4.065 Imminent health hazard.

1. The Board, through its Board Agents, will determine whether an event is an imminent health hazard that requires immediate correction or cessation of operations to prevent injury or serious illness based on the nature, severity and duration of any anticipated injury, illness or disease and the number of injuries or illnesses to members of the public which may occur.

Events that are presumed to be imminent health hazards create a substantial hazard to public health and include, without limitation:

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

2. If a cannabis establishment becomes aware of any such condition listed above, independently and not through a Board agent, it must report said hazard to the Board or a Board agent as soon as practicable after ensuring the safety of all persons in the vicinity of the hazard

(a) A cannabis facility need not discontinue operations in an area of an establishment that is unaffected by the imminent health hazard.

(b) Considering the nature of the potential hazard involved and the complexity of the corrective action needed, the board may agree to continuing operations in the event of an extended interruption of electrical or water service if:

(1) A written emergency operating plan has been approved by the board agent;

(2) Immediate corrective action is taken to eliminate, prevent, or control any potential contamination risk and imminent health hazard associated with the electrical or water service interruption; and

(3) The board agent is informed upon implementation of the written emergency operating plan.

3. If operations are discontinued as specified under section 1, or otherwise according to law, the cannabis establishment shall obtain approval from the appropriate board agent before resuming operations.

4.067 Administrative Hold Order.

1. The Board, through its Board Agents may issue an administrative hold order for cannabis or cannabis products to prohibit any movement, transfer or sale of cannabis or cannabis products without prior written approval of the Board or an authorized agent of the Board. A hold order can be issued if:

(a) The cannabis or cannabis products fail to comply with a requirement of Title 56 of the Nevada Revised Statutes or any regulation adopted pursuant thereto; or
(b) The cannabis or cannabis products pose significant public health or safety risk, including but not limited to:

- (1) Failure of laboratory testing;
- (2) Incomplete or lack of required laboratory testing;
- (3) Inadequate traceability within the seed-to-sale tracking system;
- (4) Sale of cannabis or cannabis products that have failed testing without approval from the board agent;
- (5) Inversion of cannabis or cannabis products from unlicensed sources;
- (6) Diversion of cannabis or cannabis products to unlicensed sources;
- (7) Use of unapproved additives or contaminants, including but not limited to pesticides, herbicides, fertilizers, or adulterants;
- (8) Cannabis or cannabis products that are misbranded, adulterated, or dishonestly presented; or
- (9) Any other circumstances deemed to be a possible threat to public health and safety by the board agent.

2. A hold order expires after 30 calendar days, unless:

(a) The Board assigns a matter to a hearing officer who provides notice and holds a hearing; and;
(b) The hearing officer finds good reason to extend the hold. Valid reasons may include:

- (1) Pending laboratory retesting or reanalysis;
- (2) Awaiting investigative results from law enforcement or regulatory partners;
- (3) Delays in receiving required documentation from the licensee;
- (4) A scheduled emergency hearing requested by the licensee; or
- (5) Any other circumstance where public health or safety may remain at risk.

(c) Extensions require hearing officer approval and documentation

3. The hearing officer may remove the hold if:

(a) The cannabis or cannabis products are no longer a health and safety risk as determined by the board agent;
(b) The cannabis or cannabis products pass retesting at a licensed laboratory, if the hold was placed due to failed or incomplete laboratory analysis;
(c) The investigation is unable to be substantiated;
(d) The cannabis or cannabis products are approved for extraction or remediation; or
(e) The hearing officer authorizes the release and updates the seed-to-sale system;

4. Only a board agent may remove hold order tags, labels, or other identification from cannabis or cannabis products subject to a hold order.

(a) If product is removed from an administrative hold without board agent approval, the Board may impose disciplinary action or summarily suspend the license.

5. The Board may require destruction of cannabis or cannabis products placed on administrative hold if the cannabis or cannabis products are not brought into compliance.

4.095 Early case conference and hearing.

1. Within 10 business days after the respondent answers the complaint pursuant to NRS 678A.520, as amended by section 15 of Assembly Nill No. 76, chapter 459, Statutes of Nevada 2025, at page 2981, and demands a hearing or if the Board orders a hearing even if the respondent waives his or her right to a hearing, the parties shall hold an early case conference at which the parties and a hearing officer employed by the Board, shall in good faith:

(a) Set the earliest possible hearing date and the estimated duration of the hearing agreeable to the parties and the hearing officer or ~~not~~ later than ~~45~~ 120 days after receiving the respondent's answer unless an extension is granted pursuant to subsection 8 of NRS 678A.520, as amended by section 15 of Assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2981, or an expedited hearing is determined to be appropriate; The parties, with the approval of the Hearing Officer, may agree to extend the 120 day requirement;

2. A formal hearing must be held before a hearing officer employed by the Board at the time and date set pursuant to subsection 1 and presided over by a hearing officer.

3. The hearing will be conducted as set forth in NRS 678A.540. shall issue, as amended by section 17 of assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2893.

4.105 ~~Grounds for summary~~ Procedures for suspension of operations; ~~notice~~ application for reinspection for reinstatement, and request for hearing.

1. ~~If a Board agent issues an order Pursuant pursuant to subsection 3 of NRS 233B.127- section 30 of Assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2988, suspending the operation of a cannabis establishment, if the Board finds that the public health, safety or welfare imperatively requires emergency action, the Board may issue an order of summary suspension of the license of a cannabis establishment or a cannabis establishment agent registration card pending proceedings for revocation or other action. An order of summary suspension issued by the Board must contain findings of the exigent circumstances which warrant the issuance of the order of summary suspension, and a suspension under such an order is effective immediately.~~

~~2. The Board or its designee will give notice to a licensee or person that is subject to an order of summary suspension of the facts or conduct that warrant the order and the deficiencies that must be corrected to lift the order. A cannabis establishment whose license has been suspended pursuant to subsection 1 shall develop a plan of correction for each deficiency and submit the plan to the Board for approval within 10 business days after receipt of the order of summary suspension. The plan of correction must include specific requirements for corrective action, which must include times within which the deficiencies are to be corrected. A licensee or person that is subject to an order of summary suspension shall not operate until the Board or its designee has confirmed that the deficiencies identified in the order have been corrected.~~

applying for reinspection for reinstatement shall submit the written application by e-mail to AuditInspections@ccb.nv.gov. In addition to the requirements under section 30 subsection 2 of Assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2988, the written application must provide:

(a) A written emergency operating plan which has been approved by a Board agent; and

(b) Proof that immediate corrective action has been taken to eliminate, mitigate, or control any substantial hazard to public health.

~~3. If the plan submitted pursuant to subsection 2 is not acceptable to the Board or its designee, the Board may direct the cannabis establishment to resubmit a plan of correction or the Board may develop a directed plan of correction with which the cannabis establishment must comply.~~

~~2.~~ The Board's ~~acceptance of a plan of correction~~ *reinspection and reinstatement of a license to resume operations* does not preclude the Board from assessing fines or pursuing disciplinary action against the licensee for any violations connected with the suspension.

~~4. 3.~~ A licensee ~~or person~~ that is subject to an order ~~of summary suspension may request a hearing regarding the order within 10 business days after the order is issued. A hearing on the summary suspension must be held within 30 days after that request for hearing.~~ *pursuant to subsection 1 who petitions for a hearing pursuant to section 30 subsection 1 of Assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2988, must file the written petition by e-mail to CCBhearings@ccb.nv.gov. This written petition must include:*

(a) A statement of the reasons why its operation does not create a substantial hazard to public health, or why the suspension should be otherwise lifted, rescinded, or modified; and

(b) Supporting documentary or photographic evidence substantiating those reasons.

4. If the petition submitted pursuant to subsection 3 is filed more than 7 days after the date on which the order described in subsection 1 was issued, the filing of the petition constitutes both an acknowledgment by the petitioner and a written agreement between the petitioner and the Board that the hearing may be held after the 14-day period referenced in section 30, subsection 1 of Assembly Bill No. 76, chapter 459, Statutes of Nevada 2025, at page 2988, but in no case later than 14 days after the date on which the petition was filed, unless the Board and the petitioner agree in writing to a longer period.

4.110 Discovery: mandatory exchanges.

6. It shall be a continuing obligation of the parties to produce documents, witness lists, and other matters governed by this section as such become identified by and available to the parties. A party may amend its responses to the requirements of this section by informing the adverse party that documents previously produced or witnesses previously listed, will not be introduced in that party's case in chief. ~~However, there shall be no supplementation of witnesses or documents after the discovery deadline set at the early case conference (or any extension granted regarding same), unless the proffering party can demonstrate good cause for the failure to timely disclose such supplementation. If such good cause is shown, the opposing party shall be granted sufficient time to disclose witnesses and documents that rebut the new evidence proffered.~~

7. A party may not supplement any information provided pursuant to this section after the applicable date is set pursuant to NCCR 4.095 unless the party demonstrates good cause for the failure of the party to timely disclose such information. If good cause is shown, the opposing party must be granted a reasonable period of time to disclose witnesses and documents that rebut the new evidence supplemented pursuant to this subsection.

4.130 Subpoenas.

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

~~**4.135—Disposition of charges: Adjudication by Board.**~~

- ~~1. Prior to the adjudication, at least three members of the Board shall review a full transcript of the hearing or the phonographic recording of the hearing, as well as all admitted exhibits, to ensure they have heard all the evidence presented and shall review the findings of fact and conclusions of law submitted after the hearing.~~
- ~~2. At the adjudication, the Board shall consider any findings of fact and conclusions of law submitted after the hearing and shall allow:

 - ~~(a) Board [a] Agent or counsel for the Board to present a disciplinary recommendation and argument;~~
 - ~~(b) The respondent or counsel of the respondent to present an 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.~~~~
- ~~3. At the conclusion of the presentations of the parties, the Board shall deliberate and may by a majority vote impose discipline based upon the evidence, findings of fact and conclusions of law and the presentations of the parties.~~
- ~~4. If the Board finds that a violation has occurred, it shall by order any and all discipline authorized by [this Chapter] these regulations and Title 56 of the NRS.~~
- ~~5. Within 30 days after the conclusion of the adjudication by the Board, the Board shall issue a final order, that imposes discipline and incorporates the findings of fact and conclusions of law obtained from the hearing. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.~~

4.137 Settlement of Disciplinary Actions and/or Contested Cases.

3. If the parties enter into a settlement agreement after a disciplinary action or contested case has commenced, or have agreed to the primary terms of a settlement, ~~the Board, a panel of the Board, or the Board's appointed~~ a hearing officer employed by the Board may enter a stay of the proceedings pending the Board's consideration of approval of a final settlement agreement executed by the parties.

4.140 Declaratory orders and advisory opinions.

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

4.145 Adoption, amendment or repeal of a regulation.

4. If a petitioner files a petition that does not contain all the information set forth in subsection 3, the Board may summarily dismiss the petition, with or without prejudice.

5. A petitioner may not file a petition for adoption, amendment or repeal of a regulation that involves regulations that are issues in a contested case which is before the Board in which the petitioner is a party or has a financial or ownership interest in a party.

6. ~~[The]~~ Except as otherwise provided in this section, the Board will consider , within 30 days after the submission of a petition ~~[for adoption, amendment or repeal of a regulation at the next scheduled Board meeting, provided that the petition is filed with the Executive Director 15 calendar days prior to that scheduled Board meeting. If the petition is not filed with the Executive Director 15 calendar days prior to next scheduled]~~ pursuant to this section, deny the petition in writing stating the reasons for the denial or initiate regulation-making proceedings. The Board ~~[meeting, the petition will be considered at the following scheduled Board meeting.]~~ may extend the 30-day deadline with the consent of the petitioner. The Board may delegate to the Chair of the Board the duty to decide whether to deny a petition.

Proposed Changes to NCCR Regulation 5

LICENSING, BACKGROUND CHECKS and REGISTRATION CARDS

New~~{Deleted}~~

~~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.~~

5.037 Request by the board of county commissioners of a county to the Board to issue a medical cannabis establishment license for one medical cannabis cultivation facility and/or one medical cannabis production facility.

3. Along with the request made pursuant to subsection 1, the board of county commissioners may include community impact factors and criteria deemed important to the county which shall be incorporated into the application materials prior to the Board opening the licensing round and accepting applications in accordance with NCCR ~~5.037 (5)~~ 5.038 (1).

4. Should the Board grant the request to issue a medical cannabis license pursuant to this section, the Board shall open a licensing round specific to the county and accept applications as set forth in NCCR ~~5.037 (5)~~ 5.038 (1).

5.038 Submission of application for a cannabis establishment license other than a cannabis consumption lounge license.

~~{5} 1. [Upon a request by the Board for applications to operate a cannabis establishment pursuant to NCCR 5.037,]~~ ~~[a]~~ 1 A person may apply for a cannabis establishment license that has an open application period. An application must be submitted through the Board's designated electronic licensing application system during the time listed on the open application period. No applications will be accepted before or after the open application period. The deadline for application submissions and compliance with the application instructions will be strictly enforced. The Board will grant no grace period for an application once the application period has concluded. The Board will not be held responsible for any technical or other issues that the applicant may experience with the electronic licensing application system during the application period. Failure to submit an application, in a timely manner, for any reason including technical issues, will result in a denial. Questions on the application and/or application submittal process must only be submitted in writing to an email designated explicitly for that purpose in the written application instructions. All such questions emails will be posted publicly on the Board's website and may be combined and/or re-worded for clarity purposes. Regarding such questions and emails, the Board cannot guarantee a response within any particular time frame and/or prior to the application submittal deadline.

No applicant is entitled to rely on any verbal information relayed to them regarding the application submittal process. All official application instructions will be posted on the Board's website at www.ccb.nv.gov. The applicant must also provide a point of contact, as required by NCCR 2.050, and update that information as required.

6. ~~2.~~ The initial application must include the following:

- (a) A one-time, nonrefundable administrative processing fee in an amount designated in NRS 678B.390 for that particular cannabis establishment license type.

- (i) Each owner, officer and board member listed in the application, must provide the agent card portal record number showing proof the person has applied for an agent card as a prospective owner, officer, or board member;

- (1) Applicants must complete all sections of the application, including a complete set of the person's fingerprints, which must be submitted to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report and payment.

- (2) If any owner, officer, or board member listed in the application has been convicted of an excluded felony offense, per NRS 678B.050, the application will be removed from the process, unless said person has a pending petition, or has had a petition granted, pursuant to ~~SB 277, Sec. 4.5, 2023 Leg., 82nd Sess. (Nv. 2023)~~ [NRS 678B.633](#).

7. ~~3.~~ At the close of the initial application, the Board and Board agents will conduct a review of the applications and rank each application based on a rubric developed and approved by the Board based on the criteria of merit as required in NRS 678B.240 and set forth in NCCR 5.039. The Board shall give additional weight and consideration to an applicant's response to NRS 678B.240(f) and NCCR 5.039(1)(e). If one applicant ranks first with the highest score, that applicant will undergo a suitability investigation. If the Board approves that applicant's suitability, that applicant shall be issued the cannabis establishment license for which they have applied. If the Board does not approve this applicant's suitability, the applicant shall be denied a cannabis establishment license and the Board shall evaluate the suitability of the next highest scoring applicant. This process shall be repeated until a cannabis license is issued.

8. ~~4.~~ In the event of a tie score, the applicants with the highest rank shall be entered into a random number generator. If an applicant is selected in the random number generator, that applicant will proceed to suitability investigation and issued a cannabis establishment license on approval by the Board. If that applicant is not deemed suitable, another applicant shall be selected for suitability evaluation via the random number generator when two or more applicants have tied for the highest score. Otherwise, the next highest scoring applicant shall undergo a suitability investigation.

9. ~~5.~~ Pursuant to ~~S.B. 277, Sec 3, 2023 Leg., 82nd Sess. (Nv. 2023)~~ [NRS 678B.215](#), if the Board issues a license pursuant to this regulation after January 1, 2024, said license shall be issued as an adult-use cannabis establishment license, unless the license is issued in a covered jurisdiction.

(Adopted: 2/2024)

5.039 Criteria and weighting of merit for evaluation of license applications for a ~~medical~~ cannabis establishment license other than a cannabis consumption lounge license.

1. In determining whether to issue a ~~medical~~ cannabis establishment license pursuant to NCCR 5.038~~[7]~~, the Board shall consider the following criteria of merit and score each application accordingly:

- (a) Whether the applicant controls liquid assets in an amount determined by the Board to be sufficient to cover the initial expenses of opening the proposed ~~medical~~ cannabis establishment and complying with the provisions of this title. Select one below:
 - o 0 Points- Meets minimum requirement of ~~\$200,000~~ \$250,000 or minimum established by the Board.
 - o 1 Point- Meets twice the minimum requirement of ~~\$200,000~~ \$250,000 or minimum established by the Board.
 - o 2 Points- Meets three times or more of minimum requirement of ~~\$200,000~~ \$250,000 or minimum established by the Board.
- (b) The previous experience of the persons who are proposed to be owners, officers or board members of the proposed ~~medical~~ cannabis establishment at operating other businesses or nonprofit organizations. Select one below:
 - o 0 Points- No previous operating experience within the last 10 years.
 - o 1 Point- two or more persons within the ownership structure have responsibility and direct experience managing a company's operations or finances within the last 10 years.
 - o 2 Points- four or more persons within the ownership structure have responsibility and direct experience managing a company's operations or finances.
- (c) The educational and life experience of the persons who are proposed to be owners, officers or board members of the proposed ~~medical~~ cannabis establishment. Select one of the first 3 below plus the Bonus, if appropriate:
 - o 0 Points- No proposed owners have undergraduate or graduate degrees and less than 5 years work experience.
 - o 1 Point- two or more persons in the ownership structure have undergraduate degrees (inclusive of a Bachelor's or Associate's degree or their equivalent) and/or 5 years of work experience.
 - o 2 Points- two or more persons have undergraduate degrees plus at least 1 person has a post graduate degree or 10 years work experience.
- (d) Any demonstrated knowledge or expertise on the part of the persons who are proposed to be owners, officers or board members of the proposed ~~medical~~ cannabis establishment with respect to the compassionate use of cannabis to treat medical conditions:
 - o 0 Points- No demonstrated knowledge.
 - o 1 Point- Demonstrated knowledge and/or experience.
- (e) The likely impact of the proposed medical cannabis establishment on the community in which it is proposed to be located. ~~[If the Board of County Commissioners issues a letter of approval for the applicant, the applicant shall be awarded 5 points.]~~
 - o 0 Points- No demonstrated impact of the proposed medical cannabis establishment on the community in which it is proposed to be located.
 - o 1 Point- Demonstrated impact of the proposed medical cannabis establishment on the community in which it is proposed to be located.

(f) The adequacy of the size of the proposed ~~medical~~ cannabis establishment to serve the needs of persons who are authorized to engage in the medical use of cannabis. *This criteria is for cultivation and production only.* Select one below:

- o 0 Points- The applicant estimates that it will cultivate less than 10 cannabis plants and/or process less than 10 pounds of cannabis per year.
- o 1 Point- The applicant estimates that it will cultivate 10 to 50 cannabis plants and/or process 10 to 50 pounds of cannabis per year.
- o 2 Points- The applicant estimates that it will cultivate 51 to 100 cannabis plants and/or process 51 to 100 pounds of cannabis per year.
- o 3 Points- The applicant estimates that it will cultivate more than 100 cannabis plants and/or process more than 100 pounds of cannabis per year.

(g) The adequacy of the size of the proposed cannabis establishment to serve the needs of persons who are authorized to engage in the medical use of cannabis. This criteria is for a cannabis sales facility only. Select one below:

- o 0 Points- No demonstrated plan to serve the needs of medical patients.*
- o 1 Points- Demonstrated plan to serve the needs of medical patients.*

~~(g)~~ *(h)* A diversity plan that comports with NCCR 5.045(2)(a)(10): Select all that apply:

- o 0 Points- No diversity plan.
- o 5 Points – A diversity plan that fully complies with all requirements of NCCR 5.045(2)(a)(1)

~~(h)~~ *(i)* Whether the applicant or the persons who are proposed to be owners, officers or board members of the proposed ~~medical~~ cannabis establishment or has had an ownership interest of 5% or more or board or officer position in a cannabis establishment that has admitted to a violation or been adjudicated to have violated a Category I Violation in NCCR 4.035, ~~or a~~ Category II Violation in NCCR 4.040 *or Category III Violation in NCCR 4.050.*

- o 0 Points- No infraction history
- o *1 point (negative) – two or more Category III Violations (only applicable for violations that occurred after XX/XX/XXXX amendment.)*
- o ~~1-4~~ *2* points (negative) – One to Two Category II Violations.
- o ~~1-2~~ *3* points (negative) – Three or more Category II Violations.
- o ~~1-2~~ *4* points (negative) – One or ~~two~~ *more* Category I Violations.
- ~~o 1-3 points (negative) – Three or more Category I Violations. (Adopted: 2/2024)~~

~~(i)~~ *(j)* *Whether the owners, officers or board members of the proposed adult-use cannabis establishment have direct experience with the operation of a cannabis establishment in this State and have demonstrated a record of operating such an establishment in compliance with the laws and regulations of this State for an adequate period of time to demonstrate success.*

- o *0 Points- no previous direct experience with the operation of a cannabis establishment.*
- o *1 Point- have direct experience with the operation of a cannabis establishment in another state.*
- o *2 Points- have direct experience with the operation of a cannabis establishment in this State.*

~~(j)~~ *(k)* *The experience of key personnel that the applicant intends to employ in operating the type of adult-use cannabis establishment for which the applicant seeks a license*

- o *0 Points- no organizational chart and position descriptions that demonstrate needed positions.*
- o *1 Point- an organizational chart and position descriptions demonstrate needed positions.*

(1) For applications submitted pursuant to NRS 678B.220 (3), The likely impact of the proposed medical cannabis establishment on the community in which it is proposed to be located. If the Board of County Commissioners issues a letter of approval for the applicant, the applicant shall be awarded 5 points.

5.039.5 Cannabis establishment prospective and conditional licenses. There is no guarantee that an applicant who meets the minimum scoring guidelines and is selected by the random number selector for a prospective license will also receive a conditional license. To receive a conditional license, an applicant must be found suitable by the Board only after a suitability investigation is completed by Board Agents.

1. In the event the number of licenses for a cannabis establishment type are limited, and if the application meets the minimum scoring guidelines to qualify, the application will be entered into a random number selector to determine which applicants will be selected. If selected through the random number selector, the application will be eligible for a prospective license for a cannabis establishment. If there is no limit on the number of licenses to be awarded in any particular licensing period, a random number selector will not be used. However, the applicant must meet the minimum scoring guidelines before they can proceed to a suitability investigation by the Board Agents and suitability review by the Board to receive a conditional license.

2. If the applicant has met the minimum scoring guidelines on the application and was selected for a prospective license for a cannabis establishment, the applicant must fully cooperate with Board Agents to conduct a suitability investigation.

(a) An applicant who receives a letter informing them that they received a prospective license and that they will be proceeding to a suitability investigation by Board Agents must upload the following documents within 120-days of receipt of such letter. There will be no extensions granted to the 120-day deadline with the exception of the funding requirement pursuant to subsection (2) below:

(1) Evidence that the applicant controls \$250,000.00 in liquid assets;

(2) Operating procedures consistent with the NCCRs to ensure the use of adequate security measures;

(3) Operating procedures consistent with the NCCRs for the use of an inventory control system;

(4) Operating procedures consistent with the NCCRs for handling such cannabis or adult-use cannabis products;

(6) Whether the owners, officers or board members of the proposed cannabis establishment have direct experience with the operation of a cannabis establishment in Nevada and whether they have demonstrated a record of operating such an establishment in compliance with Nevada's laws and regulations for an adequate period of time to demonstrate success;

(7) Whether the owners, officers or board members of the proposed cannabis establishment have direct experience with the operation of a cannabis establishment in a state, jurisdiction or country other than Nevada and whether they have demonstrated a record of operating such an establishment in compliance with the laws and regulations of that state, jurisdiction or country.

(8) The educational and life experience of the persons who are proposed to be owners, officers or board members of the proposed cannabis establishment;

(9) The experience of key personnel that the applicant intends to employ in operating the cannabis establishment for which the applicant seeks a license and a short description of the role in which each personnel will serve for the organization and their responsibilities;

(10) A diversity plan which must be in the form of a detailed written plan that includes objectives, timetables, and evaluation metrics and describes the steps an applicant will take to ensure that the cannabis establishment will promote the meaningful inclusion of diverse groups. The Board will determine whether the stated goals outlined in each Diversity Plan are reasonable and represent a good faith effort to assure that the applicant, who has met the minimum scoring guidelines on the application, accords all persons an equal opportunity in contracting and employment. As used in NRS 678B, diversity refers to minorities, women, and the inclusion of other persons of backgrounds which are disproportionately underrepresented. However, the inclusion of other underrepresented groups, including, but not limited to, veterans, persons with disabilities, and LGBTQ+, is encouraged.

(I) The Diversity Plan, referenced in subsection (10) above, must include the following information:

- (i) The demographic information of each owner, officer, board member, employee, and independent contractor as currently known by the applicant;
 - (ii) Strategies for obtaining a diverse group of owners, officers, board members, employees, including executive positions, management, and independent contractors;
 - (iii) Employee hiring and retention diversity goals adopted by the applicant;
 - (iv) A plan for diversity related outreach or events the applicant will conduct to support its diversity goals in ownership, investment, management, employment, and contracting;
 - (v) Any materials from the applicant on its mentoring, training, or professional development programs for diverse groups;
 - (vi) Proposed timelines and benchmarks for achieving the diversity goals outlined in the Diversity Plan, or in the alternative, a narrative describing the applicant's ability to record and report on the components of the Diversity Plan;
 - (vii) Any other information that demonstrates the applicant's commitment to diversity in ownership, investment, management, employment, and contracting; and
 - (viii) Any other information or documentation required by the Board.
- (11) Last two fiscal year financial statements (or a statement explaining why the financial statements are not available), including an income statement, balance sheet and earnings before interest, taxes, depreciation, and amortization (EBITDA);
- (12) Resumes or curriculum vitae for all owners, officers, and board members;
- (13) Two-year business plan and first-year operating budget for the cannabis establishment;
- (14) History of the company; and
- (15) If a publicly-traded company, the most recent Non-Objecting Beneficial Owner (NOBO) list.

(b) The documents listed under subsection (a) of subsection 2 are the minimum documents applicants, who have met the minimum scoring guidelines on the applications, are required to upload to the designated electronic licensing application system. If there are no responsive documents to one of the minimum required documents, the applicant must submit an explanation of why they omitted the document. The applicant must turn over any other documents requested by the Board. The applicant must also facilitate in a timely matter any interview of an owner, officer, or board member requested by the Board or Board Agents. If the Board or Board Agents contact the applicant for any reason, the applicant must respond immediately. If an immediate response is not possible, the applicant must respond, no later than 2 business days after contact by the Board or Board Agents. If the applicant fails to respond to any Board or Board Agent communication in a timely manner, that fact may be used to deny the applicant from receiving a prospective, conditional or final license.

(c) When Board Agents complete a suitability investigation, a presentation shall be scheduled at an open and public meeting in front of the Board. The applicant and any requested owner, officer, or board member must be in attendance and prepared to give an affirmative presentation to the Board regarding its application for a license and final suitability determination. The applicant must be prepared to answer any and all questions posed by the Board during the open and public meeting.

(d) The Board will determine on a case-by-case basis the relative weight to give, if any, to any criterion of merit considered and established by the Board.

(e) Once an applicant's conditional license has been issued, the applicant's Diversity Plan will no longer be confidential.