



NLC&M

Issue Brief

Marijuana Legislation

The following bills relating to marijuana were passed by the Legislature and signed into law by Governor Sandoval.

AB135

Revises provisions related to prohibited acts concerning the use of marijuana.

- Existing law provides that it is unlawful for a person to be in physical control of a vehicle if the person is under the influence of a controlled substance or has certain specified amount of a prohibited substance in his or her blood or urine, including marijuana and marijuana metabolite.
- Removes provisions that a specified amount of marijuana and marijuana metabolite in a person's urine thereby providing that the presence of marijuana and marijuana metabolite can only be measured through a test of the person's blood.
- Makes conforming changes to provisions related to the operation of a commercial motor vehicle.
- Makes conforming changes to provisions related to the operation of a vessel under power or sail on the waters of the State.

AB422

Makes various changes to the statutes governing medical marijuana.

- Transfers responsibility for the regulation of medical marijuana establishments to the Department of Taxation.
- Makes various changes to registry identification cards and letters of approval.
- Prohibits the use of vending machines to sell marijuana.
- Enacts certain limitations on local governments regarding the licensing and regulation of marijuana.
 - Limits business license fees, either flat fee, percentage of gross revenue of the business or combination of flat fee and percentage to no more than 3% of the gross revenue of the business.

- Provides that an incorporated city may impose any fees required pursuant to NRS 278.
- Provides that an incorporated city may charge a one-time flat fee for the issuance of a business license that is similar to fees charged to alcohol businesses under NRS 369,
- Allows the imposition of other licenses for ancillary business activity by a marijuana establishment pursuant to existing authority.
- Prohibits an incorporated city from adopting any ordinances that are more restrictive than state law or regulation regarding;
 - the packaging, labeling, testing, dosage or potency of marijuana and marijuana products
 - the kinds of edible marijuana products, marijuana products and marijuana-infused products that may be sold
 - the use of pesticides in the cultivation of marijuana, the tracking of marijuana from seed to sale
 - the transportation of marijuana and marijuana products other than the direct transportation to the consumer and a city may require notification of transport
 - the issuance or verification of a registry identification card, letter of approval or written documentation
 - the training or certification of marijuana agents or employees
 - the creation or maintenance of a registry or other system to track customers holding a medical marijuana registry card.
- Provides that a person obtains a business license from the state is subject to all other licensing and permitting requirements of the State and any other counties and cities in when the persons does business.

SB344

Makes various changes to the packaging and labeling of medical marijuana products. Establishes similar provisions for recreational marijuana. The bill also contains the same language regarding local government regulation and licensing of marijuana businesses that is in AB422.

- Prohibits the production of products that resemble lollipops or that may appeal to children
- Requires certain packaging and labeling
- Prohibits advertising that would appeal to children
- Requires marijuana establishments to offer certain containers for sale
- Requires certain notifications to be provided with each sale of marijuana

SB375

Authorizes the Governor to enter into agreements with Indian tribes relating to the regulation and use of marijuana.

- An agreement may include:
 - Criminal and civil law enforcement
 - Regulatory issues relating to the possession, delivery, production, processing or use of marijuana and marijuana products
 - Medical and pharmaceutical research involving marijuana
 - Administration of laws relating to taxation
 - Any immunity, preemption or conflict of law relating to the possession, delivery, production, processing or use of marijuana and marijuana products
 - The resolution of any disputes between a tribal government and the State which may include the use of mediation or other nonjudicial processes
- An agreement must:
 - Provide for the preservation of public health and safety
 - Ensure the security of marijuana establishments and corresponding facilities on tribal lands
 - Establish provisions regulating business involving marijuana which passes between tribal and non-tribal land in the State

SB487

Made changes to the tax structure on medical marijuana, established a 10% excise tax on retail marijuana, requiring certain reports be made by marijuana establishments, provide for the issuance of additional medical marijuana dispensary licenses. The bill also contains the same language regarding local government regulation and licensing of marijuana businesses that is in AB422.

- Changes tax structure on medical marijuana from 2% at cultivation, 2% at production and 2% at retail to a 15% excise tax imposed at cultivation. This aligns the tax structure with that of recreational marijuana and allows for single stream tracking of the product and eliminates the need to identify a plant as medical or recreational until the point of sale
- Provides that \$5M per annum from the proceeds of the 15% excise tax is “deemed sufficient” to cover local government costs for increased demands on public services related to marijuana

- Imposes a 10% excise tax imposed upon sale of recreational marijuana. Proceeds of the tax go to the state's "rainy day" fund
- Provides that the Department of Taxation may issue an additional license for a medical marijuana dispensary to be established in an incorporated city located in a county whose population is under 100,000 if there is not an existing MMJ dispensary and the application is accompanied by a letter of support from the city.