

SENATE BILL NO. 374—SENATORS SEGERBLOM;
AND MANENDO

MARCH 18, 2013

JOINT SPONSORS: ASSEMBLYMEN AIZLEY;
HOGAN AND SWANK

Referred to Committee on Judiciary

SUMMARY—Provides for the registration of nonprofit dispensaries authorized to dispense marijuana and products containing marijuana to persons authorized to engage in the medical use of marijuana. (BDR 15-89)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to medical marijuana; providing for the registration of nonprofit dispensaries authorized to dispense marijuana and products containing marijuana to persons authorized to engage in the medical use of marijuana; setting forth the manner in which such dispensaries must operate; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, the State of Nevada provides immunity from state and local
2 prosecution for possessing, delivering and producing marijuana in certain limited
3 amounts for patients with qualifying medical conditions, and their designated
4 primary caregivers, who apply to and receive from the Health Division of the
5 Department of Health and Human Services a registry identification card. Existing
6 law does not specify the manner in which qualifying patients and their designated
7 primary caregivers are to obtain marijuana. (Chapter 453A of NRS)
8 This bill: (1) states that it is an unlawful act, punishable as a misdemeanor,
9 to forge, counterfeit or attempt to forge or counterfeit a registry identification card;
10 (2) provides for the registration of nonprofit medical marijuana dispensaries;



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11 (3) provides for the registration of nonprofit medical marijuana dispensary agents;
12 (4) sets forth the crimes and acts which disqualify a person from serving as the
13 principal officer, board member or agent of such a dispensary; (5) enumerates the
14 acts for which a dispensary registration certificate and dispensary agent registration
15 card are immediately revocable; (6) establishes that it is a privilege and not a right
16 to hold a dispensary registration certificate or dispensary agent registration card; (7)
17 sets forth the maximum fees which may be charged by the Health Division for the
18 initial issuance and renewal of such certificates and cards; (8) sets forth the basic
19 requirements for operating a nonprofit medical marijuana dispensary; and (9)
20 directs the Health Division to adopt necessary regulations. This bill also increases
21 the amounts of usable marijuana and live marijuana plants that a holder of a
22 registry identification card and his or her designated primary caregiver are allowed
23 to possess at any one time, matching the amounts allowed under the laws of the
24 State of Arizona.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 207 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. It is unlawful for any person to counterfeit or forge or*
4 *attempt to counterfeit or forge a registry identification card.*

5 *2. Any person who violates the provisions of subsection 1 is*
6 *guilty of a misdemeanor.*

7 *3. As used in this section, "registry identification card" has*
8 *the meaning ascribed to it in NRS 453A.140.*

9 **Sec. 2.** Chapter 453A of NRS is hereby amended by adding
10 thereto the provisions set forth as sections 3 to 20, inclusive, of this
11 act.

12 **Sec. 3.** *"Crime of violence" means any felony:*

13 *1. Involving the use or threatened use of force or violence*
14 *against the person or property of another; or*

15 *2. For which there is a substantial risk that force or violence*
16 *may be used against the person or property of another in the*
17 *commission of the felony.*

18 **Sec. 4.** *"Dispensary agent registration card" means a*
19 *registration card that is issued by the Division pursuant to section*
20 *13 of this act to authorize a person to volunteer or work at a*
21 *nonprofit medical marijuana dispensary.*

22 **Sec. 5.** *"Dispensary registration certificate" means a*
23 *registration certificate that is issued by the Division pursuant to*
24 *section 10 of this act to authorize the operation of a nonprofit*
25 *medical marijuana dispensary.*

26 **Sec. 6.** *"Enclosed, locked facility" means a closet, room,*
27 *greenhouse or other enclosed area that is equipped with locks or*
28 *other security devices which allow access only by the holder of a*
29 *valid registry identification card.*



1 **Sec. 7. 1. “Excluded felony offense” means:**

2 (a) *A crime of violence; or*

3 (b) *A violation of a state or federal law pertaining to controlled*
4 *substances, if the law was punishable as a felony in the*
5 *jurisdiction where the person was convicted.*

6 **2. The term does not include:**

7 (a) *A criminal offense for which the sentence, including any*
8 *term of probation, incarceration or supervised release, was*
9 *completed within the 10 previous years; or*

10 (b) *An offense involving conduct that would be immune from*
11 *arrest, prosecution or penalty pursuant to sections 10 to 20,*
12 *inclusive, of this act, except that the conduct occurred before*
13 *January 1, 2014, or was prosecuted by an authority other than the*
14 *State of Nevada.*

15 **Sec. 8. “Nonprofit medical marijuana dispensary” means an**
16 **entity that:**

17 **1. Is registered with the Division pursuant to section 10 of**
18 **this act; and**

19 **2. Acquires, possesses, cultivates, manufactures, delivers,**
20 **transfers, transports, supplies, sells or dispenses marijuana or**
21 **related supplies and educational materials to the holder of a valid**
22 **registry identification card.**

23 **Sec. 9. “Nonprofit medical marijuana dispensary agent”**
24 **means a principal officer, board member, employee or volunteer**
25 **of a nonprofit medical marijuana dispensary.**

26 **Sec. 10. 1. Each nonprofit medical marijuana dispensary**
27 **must register with the Division.**

28 **2. A person who wishes to operate a nonprofit medical**
29 **marijuana dispensary must submit to the Division an application**
30 **on a form prescribed by the Division.**

31 **3. Except as otherwise provided in sections 11 and 16 of this**
32 **act, not later than 90 days after receiving an application to operate**
33 **a nonprofit medical marijuana dispensary, the Division shall**
34 **register the nonprofit medical marijuana dispensary and issue a**
35 **dispensary registration certificate and a random 20-digit**
36 **alphanumeric identification number if:**

37 (a) *The person who wishes to operate the proposed nonprofit*
38 *medical marijuana dispensary has submitted to the Division all of*
39 *the following:*

40 (1) *The application fee, as set forth in section 12 of this act;*

41 (2) *An application, which must include:*

42 (I) *The legal name of the proposed nonprofit medical*
43 *marijuana dispensary;*

44 (II) *The physical address where the proposed nonprofit*
45 *medical marijuana dispensary will be located and the physical*



1 *address of one additional location, if any, where marijuana will be*
2 *cultivated, neither of which locations may be within 500 feet of a*
3 *public or private school that existed on the date on which the*
4 *application for the proposed nonprofit medical marijuana*
5 *dispensary was submitted to the Division;*

6 *(III) Evidence that the applicant controls not less than*
7 *\$150,000 in liquid assets to cover the initial expenses of opening*
8 *the proposed nonprofit medical marijuana dispensary and*
9 *complying with the provisions of sections 10 to 20, inclusive, of*
10 *this act;*

11 *(IV) Evidence that the applicant owns the property on*
12 *which the proposed nonprofit medical marijuana dispensary will*
13 *be located or has the written permission of the property owner to*
14 *operate the proposed nonprofit medical marijuana dispensary on*
15 *that property;*

16 *(V) For the applicant and each person who will be a*
17 *principal officer or board member of the proposed nonprofit*
18 *medical marijuana dispensary, a complete set of the person's*
19 *fingerprints and written permission of the person authorizing the*
20 *Division to forward the fingerprints to the Central Repository for*
21 *Nevada Records of Criminal History for submission to the Federal*
22 *Bureau of Investigation for its report;*

23 *(VI) The name and credentials of the physician licensed*
24 *in this State who will serve as the medical director of the proposed*
25 *nonprofit medical marijuana dispensary;*

26 *(VII) The name, address and date of birth of each*
27 *person who will be a principal officer or board member of the*
28 *proposed nonprofit medical marijuana dispensary; and*

29 *(VIII) The name, address and date of birth of each*
30 *person who will be employed by or otherwise provide labor at the*
31 *proposed nonprofit medical marijuana dispensary as a nonprofit*
32 *medical marijuana dispensary agent;*

33 *(3) Operating procedures consistent with rules of the*
34 *Division for oversight of the proposed nonprofit medical*
35 *marijuana dispensary, including, without limitation, procedures to*
36 *ensure accurate recordkeeping and adequate security measures;*

37 *(4) If the proposed nonprofit medical marijuana dispensary*
38 *will sell or deliver marijuana-infused edible food products,*
39 *marijuana-infused tinctures or other similar products, proposed*
40 *operating procedures for handling such goods which must be*
41 *preapproved by the Division;*

42 *(5) If the city, town or county in which the proposed*
43 *nonprofit medical marijuana dispensary will be located has*
44 *enacted zoning restrictions, a sworn statement certifying that the*



1 *proposed nonprofit medical marijuana dispensary is in*
2 *compliance with those restrictions; and*

3 *(6) Such other information as the Division may require by*
4 *regulation;*

5 *(b) None of the persons who would be principal officers or*
6 *board members of the proposed nonprofit medical marijuana*
7 *dispensary have been convicted of an excluded felony offense;*

8 *(c) None of the persons who would be principal officers or*
9 *board members of the proposed nonprofit medical marijuana*
10 *dispensary have:*

11 *(1) Served as a principal officer or board member for a*
12 *nonprofit medical marijuana dispensary that has had its*
13 *dispensary registration certificate revoked; or*

14 *(2) Previously had a dispensary agent registration card*
15 *revoked; and*

16 *(d) None of the persons who would be principal officers or*
17 *board members of the proposed nonprofit medical marijuana*
18 *dispensary are under 21 years of age.*

19 *4. For each person who submits an application pursuant to*
20 *this section, and each person who would be a principal officer or*
21 *board member of a proposed nonprofit medical marijuana*
22 *dispensary, the Division shall submit the fingerprints of the person*
23 *to the Central Repository for Nevada Records of Criminal History*
24 *for submission to the Federal Bureau of Investigation to*
25 *determine the criminal history of that person.*

26 *5. If an application for registration as a nonprofit medical*
27 *marijuana dispensary satisfies the requirements of this section and*
28 *the dispensary is not disqualified from being registered as a*
29 *nonprofit medical marijuana dispensary pursuant to this section*
30 *or other applicable law, the Division shall issue to the dispensary a*
31 *dispensary registration certificate. A dispensary registration*
32 *certificate expires 1 year after the date of issuance and may be*
33 *renewed upon:*

34 *(a) Resubmission of the information set forth in this section;*
35 *and*

36 *(b) Payment of the renewal fee set forth in section 12 of this*
37 *act.*

38 **Sec. 11. 1. Except as otherwise provided in this subsection,**
39 **the Division shall not issue dispensary registration certificates in**
40 **such a quantity as to cause the existence of more than one**
41 **nonprofit medical marijuana dispensary for every 10 pharmacies**
42 **that have been licensed pursuant to chapter 639 of NRS and are**
43 **operating within this State. The Division may issue dispensary**
44 **registration certificates in excess of the ratio otherwise allowed**
45 **pursuant to this subsection if to do so is necessary to ensure that**



1 *the Division issues at least one dispensary registration certificate*
2 *in each county of this State in which the Division has approved an*
3 *application for such an establishment to operate.*

4 *2. The Division shall not, for more than a total of 10*
5 *consecutive business days in any one calendar year, accept*
6 *applications to operate nonprofit medical marijuana dispensaries.*

7 *3. Before adopting regulations to carry out the provisions of*
8 *sections 10 to 20, inclusive, of this act, the Division shall issue*
9 *such questionnaires and conduct such meetings and studies as*
10 *may be necessary to determine the number of nonprofit medical*
11 *marijuana dispensaries that can reasonably be operated in each*
12 *county, city and town in this State with a view toward ensuring*
13 *that the number of dispensaries is neither excessive nor*
14 *insufficient to serve the population of patients who are valid*
15 *registry identification cardholders in that county, city or town. If*
16 *the Division determines that the likely number of applicants who*
17 *wish to register a nonprofit medical marijuana dispensary in a*
18 *given county, city or town exceeds the number of dispensaries*
19 *reasonably necessary to serve the population of that county, city or*
20 *town, the Division shall implement a lottery system to select the*
21 *successful registrants from among the applications submitted.*

22 **Sec. 12.** *The Division shall collect not more than the*
23 *following maximum fees:*

24	
25	<i>For the initial issuance of a dispensary</i>
26	<i>registration certificate \$5,000</i>
27	<i>For the renewal of a dispensary registration</i>
28	<i>certificate 1,000</i>
29	<i>For the change of address of a nonprofit medical</i>
30	<i>marijuana dispensary or a cultivation site of</i>
31	<i>such a dispensary 2,500</i>
32	<i>For the initial issuance of a dispensary agent</i>
33	<i>registration card 500</i>
34	<i>For the renewal of a dispensary agent registration</i>
35	<i>card 500</i>

36 **Sec. 13.** *1. A person shall not volunteer or work at a*
37 *nonprofit medical marijuana dispensary as a nonprofit medical*
38 *marijuana dispensary agent unless the person is registered with*
39 *the Division pursuant to this section.*

40 *2. A nonprofit medical marijuana dispensary that wishes to*
41 *retain as a volunteer or employ a nonprofit medical marijuana*
42 *dispensary agent shall submit to the Division an application on a*
43 *form prescribed by the Division. The application must be*
44 *accompanied by:*



1 (a) *The name, address and date of birth of the prospective*
2 *nonprofit medical marijuana dispensary agent;*

3 (b) *A statement signed by the prospective nonprofit medical*
4 *marijuana dispensary agent pledging not to dispense or otherwise*
5 *divert marijuana to any person who is not authorized to possess*
6 *marijuana in accordance with the provisions of this chapter;*

7 (c) *A statement signed by the prospective nonprofit medical*
8 *marijuana dispensary agent asserting that he or she has not*
9 *previously had a dispensary agent registration card revoked;*

10 (d) *A complete set of the fingerprints and written permission of*
11 *the prospective nonprofit medical marijuana dispensary agent*
12 *authorizing the Division to forward the fingerprints to the Central*
13 *Repository for Nevada Records of Criminal History for submission*
14 *to the Federal Bureau of Investigation for its report;*

15 (e) *The application fee, as set forth in section 12 of this act;*
16 *and*

17 (f) *Such other information as the Division may require by*
18 *regulation.*

19 3. *A nonprofit medical marijuana dispensary shall notify the*
20 *Division within 10 days after a nonprofit medical marijuana*
21 *dispensary agent ceases to be employed by or volunteer at the*
22 *nonprofit medical marijuana dispensary.*

23 4. *A person who:*

24 (a) *Has been convicted of an excluded felony offense; or*

25 (b) *Is less than 21 years of age,*

26 ↪ *shall not serve as a nonprofit medical marijuana dispensary*
27 *agent.*

28 5. *The Division shall submit the fingerprints of an applicant*
29 *for registration as a nonprofit medical marijuana dispensary agent*
30 *to the Central Repository for Nevada Records of Criminal History*
31 *for submission to the Federal Bureau of Investigation to*
32 *determine the criminal history of the applicant.*

33 6. *The provisions of this section do not require a person who*
34 *is a principal officer or board member of a nonprofit medical*
35 *marijuana dispensary to resubmit information already furnished*
36 *to the Division at the time the dispensary was registered with the*
37 *Division.*

38 7. *If an applicant for registration as a nonprofit medical*
39 *marijuana dispensary agent satisfies the requirements of this*
40 *section and is not disqualified from serving as such an agent*
41 *pursuant to this section or other applicable law, the Division shall*
42 *issue to the person a dispensary agent registration card. A*
43 *dispensary agent registration card expires 1 year after the date of*
44 *issuance and may be renewed upon:*



1 (a) Resubmission of the information set forth in this section;
2 and

3 (b) Payment of the renewal fee set forth in section 12 of this
4 act.

5 **Sec. 14.** 1. In addition to any other requirements set forth
6 in this chapter, an applicant for the issuance or renewal of a
7 dispensary agent registration card or dispensary registration
8 certificate shall:

9 (a) Include the social security number of the applicant in the
10 application submitted to the Division.

11 (b) Submit to the Division the statement prescribed by the
12 Division of Welfare and Supportive Services of the Department of
13 Health and Human Services pursuant to NRS 425.520. The
14 statement must be completed and signed by the applicant.

15 2. The Division shall include the statement required pursuant
16 to subsection 1 in:

17 (a) The application or any other forms that must be submitted
18 for the issuance or renewal of the dispensary agent registration
19 card or dispensary registration certificate; or

20 (b) A separate form prescribed by the Division.

21 3. A dispensary agent registration card or dispensary
22 registration certificate may not be issued or renewed by the
23 Division if the applicant:

24 (a) Fails to submit the statement required pursuant to
25 subsection 1; or

26 (b) Indicates on the statement submitted pursuant to
27 subsection 1 that the applicant is subject to a court order for the
28 support of a child and is not in compliance with the order or a
29 plan approved by the district attorney or other public agency
30 enforcing the order for the repayment of the amount owed
31 pursuant to the order.

32 4. If an applicant indicates on the statement submitted
33 pursuant to subsection 1 that the applicant is subject to a court
34 order for the support of a child and is not in compliance with the
35 order or a plan approved by the district attorney or other public
36 agency enforcing the order for the repayment of the amount owed
37 pursuant to the order, the Division shall advise the applicant to
38 contact the district attorney or other public agency enforcing the
39 order to determine the actions that the applicant may take to
40 satisfy the arrearage.

41 **Sec. 15.** 1. If the Division receives a copy of a court order
42 issued pursuant to NRS 425.540 that provides for the suspension
43 of all professional, occupational and recreational licenses,
44 certificates and permits issued to a person who is the holder of a
45 dispensary agent registration card or dispensary registration



1 *certificate, the Division shall deem the card or certificate issued to*
2 *that person to be suspended at the end of the 30th day after the*
3 *date on which the court order was issued unless the Division*
4 *receives a letter issued to the holder of the card or certificate by*
5 *the district attorney or other public agency pursuant to NRS*
6 *425.550 stating that the holder of the card or certificate has*
7 *complied with the subpoena or warrant or has satisfied the*
8 *arrearage pursuant to NRS 425.560.*

9 *2. The Division shall reinstate a dispensary agent registration*
10 *card or dispensary registration certificate that has been suspended*
11 *by a district court pursuant to NRS 425.540 if the Division receives*
12 *a letter issued by the district attorney or other public agency*
13 *pursuant to NRS 425.550 to the person whose card or certificate*
14 *was suspended stating that the person whose card or certificate*
15 *was suspended has complied with the subpoena or warrant or has*
16 *satisfied the arrearage pursuant to NRS 425.560.*

17 **Sec. 16.** *The following acts constitute grounds for immediate*
18 *revocation of the registration certificate of a nonprofit medical*
19 *marijuana dispensary:*

20 *1. Dispensing, delivering or otherwise transferring marijuana*
21 *to a person other than a nonprofit medical marijuana dispensary*
22 *agent, another nonprofit medical marijuana dispensary, a patient*
23 *who holds a valid registry identification card or the designated*
24 *primary caregiver of such a patient.*

25 *2. Acquiring usable marijuana or mature marijuana plants*
26 *from any person other than a nonprofit medical marijuana*
27 *dispensary agent, another nonprofit medical marijuana*
28 *dispensary, a patient who holds a valid registry identification card*
29 *or the designated primary caregiver of such a patient.*

30 *3. Violating a regulation of the Division, the violation of*
31 *which is stated to be grounds for immediate revocation of a*
32 *dispensary registration certificate.*

33 **Sec. 17.** *The following acts constitute grounds for the*
34 *immediate revocation of the dispensary agent registration card of*
35 *a nonprofit medical marijuana dispensary agent:*

36 *1. Having committed or committing any excluded felony*
37 *offense.*

38 *2. Dispensing, delivering or otherwise transferring marijuana*
39 *to a person other than a nonprofit medical marijuana dispensary,*
40 *another nonprofit medical marijuana dispensary agent, a patient*
41 *who holds a valid registry identification card or the designated*
42 *primary caregiver of such a patient.*

43 *3. Violating a regulation of the Division, the violation of*
44 *which is stated to be grounds for immediate revocation of a*
45 *dispensary agent registration card.*



1 **Sec. 18.** *The purpose for registering nonprofit medical*
2 *marijuana dispensaries and nonprofit medical marijuana*
3 *dispensary agents is to protect the public health and safety and the*
4 *general welfare of the people of this State. Any dispensary*
5 *registration certificate issued pursuant to section 10 of this act and*
6 *any dispensary agent registration card issued pursuant to section*
7 *13 of this act is a revocable privilege and the holder of such a*
8 *certificate or card, as applicable, does not acquire thereby any*
9 *vested right.*

10 **Sec. 19.** *1. A nonprofit medical marijuana dispensary must*
11 *be operated on a not-for-profit basis. The bylaws of a nonprofit*
12 *medical marijuana dispensary must contain such provisions*
13 *relative to the disposition of revenues and receipts to establish and*
14 *maintain its nonprofit character. A nonprofit medical marijuana*
15 *dispensary:*

16 (a) *Need not be recognized as tax-exempt by the Internal*
17 *Revenue Service; and*

18 (b) *Is not required to be organized pursuant to chapter 82 of*
19 *NRS.*

20 **2.** *The operating documents of a nonprofit medical*
21 *marijuana dispensary must include procedures:*

22 (a) *For the oversight of the nonprofit medical marijuana*
23 *dispensary; and*

24 (b) *To ensure accurate recordkeeping.*

25 **3.** *A nonprofit medical marijuana dispensary must have a*
26 *single secure entrance and shall implement appropriate security*
27 *measures to deter and prevent the theft of marijuana and*
28 *unauthorized entrance into areas containing marijuana.*

29 **4.** *A nonprofit medical marijuana dispensary is prohibited*
30 *from acquiring, possessing, cultivating, manufacturing,*
31 *delivering, transferring, transporting, supplying or dispensing*
32 *marijuana for any purpose except to:*

33 (a) *Directly assist patients who possess valid registry*
34 *identification cards; and*

35 (b) *Assist patients who possess valid registry identification*
36 *cards by way of those patients' designated primary caregivers.*

37 **5.** *All cultivation or production of marijuana that a nonprofit*
38 *medical marijuana dispensary carries out or causes to be carried*
39 *out must take place in an enclosed, locked facility at the physical*
40 *address provided to the Division during the registration process*
41 *for the dispensary. Such an enclosed, locked facility must be*
42 *accessible only by nonprofit medical marijuana dispensary agents*
43 *who are lawfully associated with the nonprofit medical marijuana*
44 *dispensary.*



1 6. *A nonprofit medical marijuana dispensary may acquire*
2 *usable marijuana or marijuana plants from a patient who holds a*
3 *valid registry identification card, or the designated primary*
4 *caregiver of such a patient, only if the patient or caregiver, as*
5 *applicable, receives no compensation for the marijuana.*

6 7. *A nonprofit medical marijuana dispensary shall not allow*
7 *any person to consume marijuana on the property or premises of*
8 *the dispensary.*

9 8. *Nonprofit medical marijuana dispensaries are subject to*
10 *reasonable inspection by the Division. The Division shall give*
11 *reasonable notice of an inspection under this subsection.*

12 9. *Nothing in this section prohibits a nonprofit medical*
13 *marijuana dispensary from receiving payment or other*
14 *compensation, provided that such payment or compensation is*
15 *used by the dispensary only to cover costs incurred in the*
16 *operation of the dispensary.*

17 **Sec. 20.** *The Division shall adopt such regulations as it*
18 *determines to be necessary or advisable to carry out the provisions*
19 *of sections 10 to 20, inclusive, of this act. Such regulations must,*
20 *without limitation:*

21 1. *Prescribe the form and any additional required content of*
22 *registration and renewal applications submitted pursuant to*
23 *sections 10 and 13 of this act.*

24 2. *Set forth rules pertaining to the safe and healthful*
25 *operation of nonprofit medical marijuana dispensaries, including,*
26 *without limitation:*

27 (a) *The manner of protecting against diversion and theft*
28 *without imposing an undue burden on nonprofit medical*
29 *marijuana dispensaries or compromising the confidentiality of the*
30 *holders of registry identification cards.*

31 (b) *Minimum requirements for the oversight of nonprofit*
32 *medical marijuana dispensaries.*

33 (c) *Minimum requirements for the keeping of records by*
34 *nonprofit medical marijuana dispensaries.*

35 (d) *Provisions for the security of nonprofit medical marijuana*
36 *dispensaries, including, without limitation, requirements for the*
37 *protection by a fully operational security alarm system of each*
38 *nonprofit medical marijuana dispensary and, if applicable, any*
39 *associated site at which activities of production or cultivation are*
40 *conducted.*

41 3. *Establish circumstances and procedures pursuant to which*
42 *the maximum fees set forth in section 12 of this act may be*
43 *reduced over time:*

44 (a) *To ensure that the fees imposed pursuant to section 12 of*
45 *this act are, insofar as may be practicable, revenue neutral; and*



1 *(b) To reflect gifts and grants received by the Division*
2 *pursuant to NRS 453A.720.*

3 *4. Set forth the amount of usable marijuana that a nonprofit*
4 *medical marijuana dispensary may dispense to a person who holds*
5 *a valid registry identification card, or the designated primary*
6 *caregiver of such a person, in any one 14-day period.*

7 *5. As far as possible while maintaining accountability, protect*
8 *the identity and personal identifying information of each person*
9 *who receives, facilitates or delivers services in accordance with*
10 *this chapter.*

11 **Sec. 21.** NRS 453A.010 is hereby amended to read as follows:

12 453A.010 As used in this chapter, unless the context otherwise
13 requires, the words and terms defined in NRS 453A.020 to
14 453A.170, inclusive, *and sections 3 to 9, inclusive, of this act* have
15 the meanings ascribed to them in those sections.

16 **Sec. 22.** NRS 453A.200 is hereby amended to read as follows:

17 453A.200 1. Except as otherwise provided in this section and
18 NRS 453A.300, a person who holds a valid registry identification
19 card issued to the person pursuant to NRS 453A.220 or 453A.250 is
20 exempt from state prosecution for:

21 (a) Possession, delivery or production of marijuana;

22 (b) Possession or delivery of drug paraphernalia;

23 (c) Aiding and abetting another in the possession, delivery or
24 production of marijuana;

25 (d) Aiding and abetting another in the possession or delivery of
26 drug paraphernalia;

27 (e) Any combination of the acts described in paragraphs (a) to
28 (d), inclusive; and

29 (f) Any other criminal offense in which the possession, delivery
30 or production of marijuana or the possession or delivery of drug
31 paraphernalia is an element.

32 2. In addition to the provisions of ~~subsection~~ *subsections 1* ~~†~~
33 *and 5*, no person may be subject to state prosecution for
34 constructive possession, conspiracy or any other criminal offense
35 solely for being in the presence or vicinity of the medical use of
36 marijuana in accordance with the provisions of this chapter.

37 3. The exemption from state prosecution set forth in subsection
38 1 applies only to the extent that a person who holds a registry
39 identification card issued to the person pursuant to paragraph (a)
40 subsection 1 of NRS 453A.220 and the designated primary
41 caregiver, if any, of such a person:

42 (a) Engage in or assist in, as applicable, the medical use of
43 marijuana in accordance with the provisions of this chapter as
44 justified to mitigate the symptoms or effects of the person's chronic
45 or debilitating medical condition; and



1 (b) Do not, at any one time, collectively possess, deliver or
2 produce more than:

3 (1) ~~One ounce~~ *Two and one-half ounces* of usable
4 marijuana ~~;~~ *in any one 14-day period; and*

5 (2) ~~Three mature~~ *Twelve* marijuana plants ~~;~~ *and*

6 ~~(3) Four immature marijuana plants.~~ *, irrespective of*
7 *whether the marijuana plants are mature or immature.*

8 *↳ The persons described in this subsection must ensure that the*
9 *usable marijuana and marijuana plants described in this*
10 *subsection are safeguarded in an enclosed, locked facility.*

11 4. If the persons described in subsection 3 possess, deliver or
12 produce marijuana in an amount which exceeds the amount
13 described in paragraph (b) of that subsection, those persons:

14 (a) Are not exempt from state prosecution for possession,
15 delivery or production of marijuana.

16 (b) May establish an affirmative defense to charges of
17 possession, delivery or production of marijuana, or any combination
18 of those acts, in the manner set forth in NRS 453A.310.

19 *5. A person who holds a valid dispensary registration*
20 *certificate issued to the person pursuant to section 10 of this act or*
21 *a valid dispensary agent registration card issued to the person*
22 *pursuant to section 13 of this act, and who confines his or her*
23 *activities to those authorized by sections 10 to 20, inclusive, of this*
24 *act and the regulations adopted by the Division pursuant thereto,*
25 *is exempt from state prosecution for:*

26 (a) *Possession, delivery or production of marijuana;*

27 (b) *Possession or delivery of drug paraphernalia;*

28 (c) *Aiding and abetting another in the possession, delivery or*
29 *production of marijuana;*

30 (d) *Aiding and abetting another in the possession or delivery of*
31 *drug paraphernalia;*

32 (e) *Any combination of the acts described in paragraphs (a) to*
33 *(d), inclusive; and*

34 (f) *Any other criminal offense in which the possession,*
35 *delivery or production of marijuana or the possession or delivery*
36 *of drug paraphernalia is an element.*

37 **Sec. 23.** NRS 453A.400 is hereby amended to read as follows:

38 453A.400 1. The fact that a person possesses a registry
39 identification card issued to the person by the Division or its
40 designee pursuant to NRS 453A.220 or 453A.250 , *a dispensary*
41 *registration certificate issued to the person by the Division or its*
42 *designee pursuant to section 10 of this act or a dispensary agent*
43 *registration card issued to the person by the Division or its*
44 *designee pursuant to section 13 of this act* does not, alone:



1 (a) Constitute probable cause to search the person or the
2 person's property; or

3 (b) Subject the person or the person's property to inspection by
4 any governmental agency.

5 2. Except as otherwise provided in this subsection, if officers
6 of a state or local law enforcement agency seize marijuana, drug
7 paraphernalia or other related property from a person engaged *in*,
8 *facilitating* or assisting in the medical use of marijuana:

9 (a) The law enforcement agency shall ensure that the marijuana,
10 drug paraphernalia or other related property is not destroyed while
11 in the possession of the law enforcement agency.

12 (b) Any property interest of the person from whom the
13 marijuana, drug paraphernalia or other related property was seized
14 must not be forfeited pursuant to any provision of law providing for
15 the forfeiture of property, except as part of a sentence imposed after
16 conviction of a criminal offense.

17 (c) Upon a determination by the district attorney of the county in
18 which the marijuana, drug paraphernalia or other related property
19 was seized, or the district attorney's designee, that the person from
20 whom the marijuana, drug paraphernalia or other related property
21 was seized is engaging in or assisting in the medical use of
22 marijuana in accordance with the provisions of this chapter, the law
23 enforcement agency shall immediately return to that person any
24 usable marijuana, marijuana plants, drug paraphernalia or other
25 related property that was seized.

26 ➤ The provisions of this subsection do not require a law
27 enforcement agency to care for live marijuana plants.

28 3. For the purposes of paragraph (c) of subsection 2, the
29 determination of a district attorney or the district attorney's designee
30 that a person is engaging in or assisting in the medical use of
31 marijuana in accordance with the provisions of this chapter shall be
32 deemed to be evidenced by:

33 (a) A decision not to prosecute;

34 (b) The dismissal of charges; or

35 (c) Acquittal.

36 **Sec. 24.** NRS 453A.740 is hereby amended to read as follows:

37 453A.740 The Administrator of the Division shall adopt such
38 regulations as the Administrator determines are necessary to carry
39 out the provisions of this chapter. The regulations must set forth,
40 without limitation:

41 1. Procedures pursuant to which the Division will, in
42 cooperation with the Department of Motor Vehicles, cause a registry
43 identification card to be prepared and issued to a qualified person as
44 a type of identification card described in NRS 483.810 to 483.890,



1 inclusive. The procedures described in this subsection must provide
2 that the Division will:

3 (a) Issue a registry identification card to a qualified person after
4 the card has been prepared by the Department of Motor Vehicles; or

5 (b) Designate the Department of Motor Vehicles to issue a
6 registry identification card to a person if:

7 (1) The person presents to the Department of Motor Vehicles
8 valid documentation issued by the Division indicating that the
9 Division has approved the issuance of a registry identification card
10 to the person; and

11 (2) The Department of Motor Vehicles, before issuing the
12 registry identification card, confirms by telephone or other reliable
13 means that the Division has approved the issuance of a registry
14 identification card to the person.

15 2. ~~Criteria for determining whether a marijuana plant is a~~
16 ~~mature marijuana plant or an immature marijuana plant.~~

17 ~~3.~~ Fees for:

18 (a) Providing to an applicant an application for a registry
19 identification card, which fee must not exceed \$50; and

20 (b) Processing and issuing a registry identification card, which
21 fee must not exceed \$150.

22 **Sec. 25.** On or before January 1, 2014, the Health Division of
23 the Department of Health and Human Services shall adopt the
24 regulations required pursuant to section 20 of this act.

25 **Sec. 26.** 1. This act becomes effective upon passage and
26 approval for the purpose of adopting regulations and on January 1,
27 2014, for all other purposes.

28 2. Sections 14 and 15 of this act expire by limitation on the
29 date on which the provisions of 42 U.S.C. § 666 requiring each state
30 to establish procedures under which the state has authority to
31 withhold or suspend, or to restrict the use of professional,
32 occupational and recreational licenses of persons who:

33 (a) Have failed to comply with a subpoena or warrant relating to
34 a proceeding to determine the paternity of a child or to establish or
35 enforce an obligation for the support of a child; or

36 (b) Are in arrears in the payment for the support of one or more
37 children,

38 ↪ are repealed by the Congress of the United States.



