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Comments on CCB Proposed Changes to Lounge Operations

From: Scot Rutledge, Argentum Partners on behalf of the Chamber of Cannabis

To: Tyler Klimas, Executive Director, Cannabis Compliance Board

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Submitted via electronic mail to: regulations@ccb.nv.gov

1. Regulation 1.222 “Single-use cannabis product” defined.

“Single-use cannabis product” means a type of cannabis or adult-use cannabis product, other than a ready-to-consume cannabis product, that the Board has determined to be appropriate for consumption in a cannabis consumption lounge. Single-use cannabis products include, but are not limited to, items that are designed for use in a single sitting. Such items may not contain more than 1 gram of usable cannabis or may not contain more than 10mg of THC in an adult-use edible cannabis product or tincture. Inhalable extracted adult-use cannabis products, transdermal patches, or other adult-use cannabis products not mentioned in this section may not exceed 100mg THC and must include a written warning stating “Caution- This product is very potent and is not recommended for inexperienced users”. Topical adult-use cannabis products may not exceed 400mg THC. Single-use cannabis products must be prepared at a licensed cannabis production facility and may not exceed the allowable serving size. All items must be pre-packaged and sold as a single serving prior to sale and labeled in accordance with NCCR 12.040 or 12.045.

Because usable flower is contained within the definition of “single-use cannabis product” we suggest reverting to using the term “pre-packaged” instead of “single-use” in the last two sentences of NCCR 1.222. Otherwise, this drafting change could create confusion regarding whether bulk flower may be purchased by a lounge and then divided into smaller containers.

We suggest the following change to NCCR 1.222:

Pre-packaged cannabis products must be prepared at a licensed cannabis production facility and may not exceed the allowable serving size. All pre-packaged items must be sold as a single serving and labeled in accordance with NCCR 12.040 or 12.045.



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GROUP SALES

Additionally, we still recommend creating a new section to Regulation 1.222 to allow for “group sales” of 3.5 grams of usable cannabis for two (2) or more individuals. After gathering more industry feedback, allowing up to 3.5 grams to be purchased by parties of two (2) or more will put lounge sales in alignment with the industry standardization of 1/8th packaging. Based on industry data provided in December by the Nevada Dispensary Association, we expect that many guests will visit a cannabis venue with a friend or group of friends and that buying an 1/8th and sharing will be a regular consumer practice. This will also allow for less wasteful packaging while streamlining inventory sales between retail stores and lounges. It is important to point that allowing for group sales will require additional training and education around overconsumption.

2. Regulation 4.050 Category III Violations.

We recommend adding a new section to confirm with the addition of group sales:

(33) Allowing sales of group quantities of usable cannabis to any person who is not part of a group.

3. Regulation 15.025 Prohibition on a single sale that exceeds maximum usable quantity of cannabis.

We recommend the following change to conform with the addition of group sales:

1. A cannabis consumption lounge shall not sell to any consumer at one time an amount of single-use cannabis products or ready-to-consume cannabis products which exceeds:

(a) One gram of usable cannabis for an individual sale or 3.5 grams for a group sale;



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4. Regulation 5.040(1)(a) Submission of application for a cannabis consumption lounge license.

1. To meet the minimum scoring guidelines, 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.

(1) Applicants are solely responsible for ensuring the Board receives payment for the above referenced fee no later than 5:00 p.m., Pacific Time, on the final date of the open application period. Applicants must strictly comply with the Board's written application instruction requirements regarding submission of payments and will be rejected for any failure to comply with those written application instructions. Payments must be made only via ACH through the Board's electronic licensing system that must be submitted no later than 5:00 p.m., Pacific Time, on the final date of the open application period. Any other form of payment will not be accepted.

In an industry that does not have adequate access to banking, a provision requiring that application fees can only be paid by an ACH bank transfer may create a hardship for applicants. We suggest that alternative methods of payment, such as cash or money order, be permitted.

1.(e)(1) An attestation wherein the applicant agrees and understands that the actual location, when determined, where the cannabis establishment will be conducting business:

We suggest new language for this section that clarifies if a retail cannabis establishment location is in compliance and grandfathered in with distance requirements, the potential retail attached lounge location will also be deemed compliant.

Except for a retail cannabis consumption lounge application, an attestation wherein the applicant agrees and understands that the actual location, when determined, where the cannabis establishment will be conducting business:



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5. Regulation 6.085.11. Required security measures, equipment and personnel; location of outdoor cultivation facility must allow for response by local law enforcement.

If an emergency requires law enforcement, firefighters, emergency medical service providers, Board Agents or other public safety personnel to enter the premises of the business, the cannabis establishment is responsible for ensuring that all consumption, if allowed, and other activities, including sales, cease until such personnel have completed their investigation or services and have left the premises.

We continue to suggest this language be modified to require employees to cooperate with emergency personnel, but not to require sales and consumption to cease across the entire establishment. Our suggested changes below:

If an emergency requires law enforcement, firefighters, emergency medical service providers, Board Agents or other public safety personnel to enter the premises of the business, the cannabis establishment is responsible for cooperating with law enforcement, emergency personnel, and Board Agents.

6. Regulation 9.065 Requirements for lighting

Each cannabis product manufacturing facility and cannabis consumption lounge shall ensure that the light intensity in the facility is:

1. At least 20 foot candles (215 lux):

(a) At a distance of 30 inches (75 cm) above the floor in walk-in refrigeration units and areas for storage of dry cannabis products and in other areas and rooms during periods of cleaning; (b) Inside equipment such as reach-in and under-counter refrigerators; and (c) At a distance of 30 inches (75 cm) above the floor in areas used for hand washing, warewashing and equipment and utensil storage and in toilet rooms.

2. At least 50 foot candles (540 lux) at a surface where a cannabis establishment agent engaged in the extraction of concentrated cannabis or production of cannabis products is working with cannabis products or working with utensils or equipment, including, without limitation, knives, slicers, grinders or saws where employee safety is a factor.

We understand the need to have consistency across license types for food production safety, but we would request that these lighting requirements only pertain to areas of the cannabis consumption lounge where food products and ready to consume food products are being prepared and not throughout the venue.



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7. Regulation 15.105 Ready-to-consume cannabis products.

4. Cannabis consumption lounges:

a. May separate premeasured single-dose concentrated cannabis procured from a cannabis sales facility for the purpose of individually dosing each ready-to-consume cannabis product in its final state.

b. Shall clearly mark ready-to-consume cannabis products with the cannabis dose in the dish when being served to consumers.

c. Shall notify the consumer as to which part of the dish is infused.

d. Shall include allergen information on the menu.

e. Shall neither allow nor encourage sharing of ready-to-consume cannabis products.

We suggest changing the language regarding sharing to read as follows: "Shall not encourage sharing of ready-to-consume cannabis products" because limiting consumers from sharing a bite or taste of a ready-to-consume cannabis product is very possibly impractical.