

Cannabis Compliance Board Regulatory Workshop

Meeting Minutes – March 22, 2022

The Cannabis Compliance Board (CCB) held a public meeting at 555 E. Washington Ave, Room 2450, Las Vegas, Nevada and 1919 College Parkway Room 100, Carson City, Nevada on March 22, 2022, beginning at 1:00 p.m.

Cannabis Compliance Board Members present:

Michael Douglas
Jerrie Merritt
Riana Durrett
Dennis Neilander

Tyler Klimas, Executive Director, called the meeting to order at 1:00 p.m. Director Klimas provided an introduction to the workshop and the regulations for discussion. Director Klimas stated that there will be public comment periods during each agenda item in addition to the public comment periods and the beginning and end of the meeting as indicated on the agenda.

I. Public Comment

Amanda Connor thanked the CCB for the work on the regulations and noted that recommendations from the December workshop were taken into consideration. Ms. Connor thought there was additional work to be done and contradictions in places. Ms. Connor encouraged the CCB to listen to the comments from the industry and interested parties at the workshop.

Scot Rutledge from Argentum Partners on behalf of the Chamber of Cannabis thanked the CCB for listening to the feedback through the process. Mr. Rutledge asked if free samples could be offered and how would they be handled.

Chris Anderson from Sala Consulting representing Planet 13 Holdings on all items and Jardin on some items. Mr. Anderson thanked the Board and staff for all of the work since the last workshop in December.

Nicole Buffong serves on the Board of Directors for the Chamber of Cannabis and Western Regional Director for Minorities for Medical Marijuana. Ms. Buffong stated diversity and ownership for the independent consumption lounges will bring new and innovative ideas to the marketplace. There are many modalities of consumption that complement its medicinal properties and do not always include smoking the plant.

Briana Padilla serves as an advocate and Secretary of the Chamber of Cannabis in addition to professional involvement as an ancillary service provider and business owner. Ms. Padilla's work focuses on woman and under-served communities in the cannabis industry. Ms. Padilla supported the requirement of licensees to promulgate and present their plans of prioritization when it comes to equity access and diverse representation.

II. Proposed Amendments and Additions to the Nevada Cannabis Compliance Board Regulations – Applications

Director Klimas stated that Deputy Director Michael Miles will present the changes made to the regulations, focusing on the changes made since the last workshop. Director Klimas added that staff may ask clarifying questions on the comments made. Director Klimas pointed out two changes in agenda item II regarding diversity and social equity. The provisions around diversity in this version are different than those in the last version. After 100s of hours of work by staff and the legal team, what is presented is the most defensible step forward in the CCB's desire and mandate to work to increase diversity within the cannabis industry. This is achieved in the form of obligations by applicants regarding diversity and their role in creating greater diversity. The liquid asset requirement was replaced with an attestation that funding can and will be secured. The major change to social equity was opening the applicant pool nationwide to those who qualify as a social equity applicant.

A. Regulation 1. Issuance of Regulations; Construction; Definitions

Deputy Miles stated there were two proposed updates that clarify prospective and conditional licenses. Prospective and conditional are statuses while working towards getting a final license. A letter saying you have received a prospective license will be issued after filling out the application and being selected by the random number selector. A suitability check and analysis will follow. If approved, the conditional license will be granted and then you can move forward towards opening and obtain local approvals.

B. Regulation 5. Licensing, Background Checks, and Registration Cards

Deputy Miles stated NCCR 5.020 was a housekeeping update regarding the posting of the application period. NCCR 5.040 also goes through the process of the prospective and conditional statuses through to the final license. Language was updated to make the regulation clearer. The time to reply to the CCB was increased to 2 workdays instead of 24 hours; the time to submit documents for a suitability check was increased from 30 days to 120 days. The capital requirement was changed. The diversity plan was added. NCCR 5.055 was updated to include areas from outside of Nevada. NCCR 5.060 clarified that the applicant would still qualify for a prospective license>

Deputy Miles added that when the retail establishments get their prospective license, they will not have a random number selector. There will be an area on the Accela platform to fill out an application. After review, a letter will be sent stating a prospective license has been granted.

NCCR 5.065 was a new regulation that listed the requirements needed to reduce the license renewal fees for consumption lounges pursuant to AB341. NCCR 5.085 allowed extensions to the 12-month period where a licensee must obtain a final license. NCCR 5.110 was a new regulation concerning the transferability of consumption lounge licenses. Up to 49% of the ownership may be transferred to obtain capital and it discusses if a licensee passes or is incapacitated.

Member Durrett commented that she did not think the Board should outline the process for future licenses at this time. There should be more time to deliberate on other license types; persons may not be following along with the consumption lounge licenses are being ordered. Deputy Miles agreed and added there are currently no regulations for the application of any license type. Member Durrett did not think all licenses should be combined with consumption lounges.

Chris Anderson submitted written public comment on NCCR 1.193 to potentially remove sales facility licensees from going through the prospective license process.

Paul Michael Burgess had questions on the social equity applications.

Scot Rutledge thanked the CCB for spending the time to figure out a way to look at diversity and social equity and to do so in a way that is defensible. Mr. Rutledge commented that most people in the industry are aware of the work surrounding these regulations and he preferred not to change course or delay them.

A'Esha Goins with CEIC appreciated all of the work that has gone into the regulations. In NCCR 5.040, Ms. Goins thought that the diversity plan concept made sense, but she had concerns with staff's ability to follow through on holding the licensees accountable. Ms. Goins proposed making the diversity plans public so the community can hold them accountable. Ms. Goins recommended requiring the social equity licensees to become residents of Nevada within 6 months of receiving a conditional license to keep the revenue in Nevada.

Christina Ulman, President of the Chamber of Cannabis, thanked the Board for their work and thought that this license type would put Nevada at the forefront of cannabis commerce and entertainment, and diversifying the owners. The Chamber of Cannabis urged the CCB to approve and enforce the proposed regulations that support new licensees delivering their diversity, inclusion, and equity plan to the Board before approving them for a license.

Will Adler representing Silver State Government Relations asked for clarification that the conditional license presented at the workshop was not a companion to the conditional approval discussed at the Board meeting. Deputy Miles responded that it was not. Mr. Adler felt that there was linkage between all licenses and asked if all of these steps were needed for other licensing rounds. Director Klimas responded that this would go for all license types as previously stated, and it was the first-time licensing has been addressed in the NCCRs, and it could be an evolutionary process.

Amanda Connor commented that the definition in NCCR 1.069 only applies if you have ownership and this was a significant change in regard to Board members that govern. If approved, NCCR 1.132 defined officers to only be officers of publicly traded companies. Currently, all officers whether private or public, must come forward for suitability. In NCCR 5.040(1)(b), "applicant" is used throughout but never defined. Ms. Connor recommended defining "applicant." In NCCR 5.040(1)(b)(3)(i), to meet the minimum scoring guidelines, the applicant must attest they can secure liquid assets and provide proof, but a timeline is not included. Ms. Connor recommended clarifying how long they have to secure funds. In NCCR 5.040(4), Ms. Connor commented how can you verify and attest that something meets the distance separation if you haven't gone through the local land use process. In NCCR 5.040(6)(i), Ms. Connor stated there was a contraction as it stated 48 hours or 2 business days. Ms. Connor stated 2 business days was not necessarily 48 hours

because the weekend could be in there. In NCCR 5.040(9), it stated you must apply for an agent card. Currently, you can't apply for an owner, officer, or Board member agent card through the system unless there is a license number in the system. In NCCR 5.040(11), what happens if the applicant is a newly formed entity and does not have two years of financial statements. In NCCR 5.040(16) also references 2 workdays or 48 hours to respond and recommended removing 48 hours. In NCCR 5.040's section referencing appeal of a denial, Ms. Connor recommended adding the process for how responses due should be addressed. In NCCR 5.085, recommended defining "extenuating circumstances." Ms. Connor suggested that if the retail attached consumption lounge application process is going to look different, that it be addressed clearly in the regulations that it will be a separate process.

Frank Hawkins of Nevada Wellness Center commented on the issue of "board member" and did not think board members should be considered for minority points. Mr. Hawkins commented that "applicant" was not clear if it referred to an individual or something different. Mr. Hawkins commented on land-use and identifying the locality and recommended tightening that up. He thought the CCB was doing what it could to make the industry diverse. The distance requirements have hurt the minority population; there are no dispensaries in those areas. Mr. Hawkins had questions regarding the number of consumption lounge licenses that would be awarded, how long the application would be open. Mr. Hawkins recommended have a meeting for the public to ask questions regarding the application process and all questions/answers should be posted for everyone to see so that everyone is able to receive the same information. Mr. Hawkins stated it was important for everyone to have access to the system to apply and was concerned that the CCB was not responsible for technical issues. Deputy Miles commented that if everyone waited until the last minute to apply, then it will jam the system; the application will be open for 10 days for everyone to apply. Mr. Hawkins that thought that the system should track everyone that applies or has a question. Mr. Hawkins commented that it will be easier for the applicants to secure funding after being selected. Mr. Hawkins that that the CCB should be required to reply within 48 hours if the licensees are required to reply in 48 hours.

Deputy Miles commented that the definitions for owner and board member were put in so that the application could not be padded to get diversity points, and the CCB may need to be relook at those definitions. Director Klimas added that once the application regulations are finalized, there will be an opportunity for the public to ask questions on the final product.

Deputy Miles added that "applicant" is defined in the regulations already. The application will be on the Accela platform, and there will be about 10 questions to answer.

Safiyah Abdul Rahim is a graduate of A'Esha Goins' social equity class. Ms. Rahim was concerned with the random numbers used to select licensing for social equity applicants. Ms. Rahim understood that their application might not get chosen, but wanted to know that they would be at least looked at after all the work that was put in. Ms. Rahim asked for clarification on what agent card was needed. Ms. Rahim was concerned with the regulation that smoking would need to be done in a concealed area and how concealed does it need to be. Deputy Miles responded that it needed to be a separate smoking room and that would be discussed later in the workshop.

Deputy Miles added that everyone that fills out the social equity application will have met all of the social equity criteria. All social equity applicants that fill out the application will be put into the random number selector, and 10 will be randomly selected.

Ms. Buffong asked for clarification on how the social equity applications will be qualified. Deputy Miles responded that the social equity applicant will need to prove that they lived in one of the applicable jurisdictions. If it is discovered during the suitability analysis that you did not live in one of those jurisdictions, then the application will likely be denied and there will be another drawing and the application fee will be lost.

Member Durrett asked about the appeal to the Board if denied. Deputy Miles responded that they may appeal to the Board if denied suitability; the Board will have a second look. Member Durrett asked if a second drawing was contemplated in the regulations and recommended adding that to the regulations.

Scot Rutledge suggested a second list of selected applicants if some do not meet the suitability requirements. After discussion, Mr. Rutledge withdrew the recommendation.

Rachel Lee asked for clarification on how many consumption lounge licenses were available. Deputy Miles responded that there were 10 independent, 10 social equity, and the retail licenses aren't limited. Ms. Lee asked why there were only 10 for social equity. Chair Douglas responded that that was how the Legislature drew it up.

Scot Rutledge wanted to clarify that the cap was based on how many retail stores apply. Deputy Miles responded that initially, it will be 10 and 10, but there could be another application round and more licenses could be issued. Chair Douglas added that the limitations were placed by the Legislature, and it can vary; it can increase or be limited depending on how the numbers work as outlined in the bill.

III. Proposed Amendments and Additions to the Nevada Cannabis Compliance Board Regulations – Consumption Lounges

Deputy Miles stated that this section referred to the operations. Deputy Miles presented the changes for Regulations 1, 4, and 5.

A. Regulation 1. Issuance of Regulations; Construction; Definitions

NCCR 1.222 added inhalable extracts and topicals to the single-use definition.

B. Regulation 4. Disciplinary and Other Proceedings Before the Board

The disciplinary regulations were updated based on suggestions made during the last workshop, including changing “intoxication” to “overconsumption.”

C. Regulation 5. Licensing, Background Checks, and Registration Cards

There were housekeeping changes made in 5.100, including adding “adult use cannabis sales facility.”

Chris Anderson recommended adding the allowance for the smallest amount of vaporizer cartridges that exist in the marketplace, which may be 0.3 grams. This would be helpful to improve the air quality of consumption spaces and allow one of the most popular products to be consumed.

Amanda Connor noted that on NCCR 4.050(1)(a)(2), other intoxicants, depending on how it is defined, can include tobacco and caffeine. This would mean that consumption lounges couldn’t have caffeinated products and employees couldn’t take a cigarette smoke break. Ms. Connor asked how overconsumption would be defined as noted in subsection 30. Is it up to each establishment to determine what signs of overconsumption to train agents on, or will the Board provide more guidance? In NCCR 4.060(9), regarding designated hours included in the application, Ms. Connor recommended adding a process for how to change the hours of operation. Ms. Connor asked for clarification on water service and if it must be provided to someone that is not consuming; is there a limitation on how much water must be provided.

Sean Luse with NuLeaf echoed Chris Anderson’s comments regarding the serving size as it relates to vapor products. Mr. Luse stated the smallest vaporizer on the market would have about 250-270 milligram container. To try and cut that back substantially won’t functionally work to vaporize because a minimum quantity of oil is needed to get to the heating element.

Nicole Buffong commented in regard to inhalable extracted products and was concerned about the THC milligrams dosage that is allowed. It would be difficult to limit it to 250 milligrams and almost impossible to serve someone that amount of THC. Ms. Buffong added that it was different than an edible or digestible product that may take 2 hours to feel the effect; vaporizing concentrates is instant. In regard to topicals, they do not break the barrier into the cells and intoxication would be different. A psychoactive effect is not felt, but rather pain relief or muscle relaxer.

Briana Padilla commented that when consuming an inhalable, the peak is hit at about 15 minutes immediately after consumption. This would have an onerous effect on the industry in terms of man hours for dosing and sustainability for packaging.

Scot Rutledge commented that one possible solution for the inhalable extracted cannabis limit could be half of a gram. It was a common size available. Mr. Rutledge suggested an eighth as a maximum amount allowed for group sales for two or more people.

Deputy Miles added that the intent was for the individual to talk to the salespeople when purchasing, and not to have one person order for table. The expectation is that this may be the first-time using cannabis for many of the individuals. The CCB wants the trained salespeople talking to everybody individually. Mr. Rutledge commented that there should be a balance between the new consumer and those that are not.

Frank Hawkins stated as an owner/operator, he was concerned about the clean-up. If an eighth was purchased and some is left behind, the facility has to go through the process of disposal.

Chris Anderson commented that there are products that would be attractive to sell to consumers to share after a consultation to determine the experience level. The industry is trying to come up with something that is already in the

marketplace, so that new products do not need to be developed just to be able to work in the lounges.

Nicole Buffong asked if tobacco wraps were considered an intoxicant and allowed, as tobacco wraps were commonly used to wrap flower. Deputy Miles stated that it wasn't considered. Ms. Buffong asked who would be in charge of training. Deputy Miles stated that the individual facility would be responsible and private training could be done by outside companies.

Amber Jansen commented that there were few cultivation facilities that package in gram sizes, so they would have to make special packaging. In NCCR 6.080, it states that all consumption lounges must purchase from a cannabis sales facility. This tells everyone that they can't buy wholesale. This does not make sense for the independent lounge. Chair Douglas commented that was done by the Legislature.

Amanda Connor pointed out that the proposed definitions in NCCR 1.197 and 1.222 all contemplate that these items would be specifically approved by the Board for consumption lounges. Even if it was currently being produced, it would still need to be submitted and need separate approval for consumption lounges.

Carina Robinson spoke in regard to packaging and the quantities that are made and asked to stay as consistent as possible with what is currently approved in cultivation and production. The industry has gone through multiple labelling and package changes. Having labels specific to consumption lounges was an extra layer, but Ms. Robinson understood if it needed to be done. It would be to keep it consistent. Ms. Robinson added that they are charged for the packaging and labelling approvals and asked for consideration when there are misunderstandings with packaging and labeling requests.

Scot Rutledge asked if this would allow a lounge to purchase a bulk product from a retail store, an ounce of flower for example, and break it into twenty-eight gram servings without having to individually package each gram. If it would have to be repackaged, that would be an inordinate amount of waste to serve one gram of flower or usable cannabis.

Amanda Connor did not find any changes in the regulations to the requirements for retail store sales when they sell, and there are limitations on what they can sell per package. It is not exempted out for consumption lounges.

D. Regulation 6. Production and Distribution of Cannabis

Deputy Miles stated there was a clarifying language change in NCCR 6.075. In NCCR 6.080, it was clarified that as a statutory requirement, lounges must purchase inventory from a sales facility. NCCR 6.085 updated requirements to have external hard drives on hand to hold seven days of data for a minimum of seven cameras. It also specified that personnel must be monitoring the security camera footage in real time when a lounge is open for business to the public. In NCCR 6.090, as language taken from the FDA employment and health personal hygiene handbook, a worker needs to let the employer know if they symptoms which could be due to illnesses which are transmitted through food or cannabis. If an employee is diagnosed with a specific illness, the licensee must report that to the CCB, and the infected worker must be excluded and restricted from working around open food or cannabis.

Chris Anderson commented on NCCR 6.085 and the requirement to have a position dedicated to watching the security cameras. One of Mr. Anderson's clients felt that they could adequately address this concern by having an employee on the floor of the lounge to watch for compliance issues. Staff time might potentially be better used by providing security services elsewhere in the lounge, rather than watching the cameras.

Jim Lewis, attorney for the City of Las Vegas, stated that the City of Las Vegas was in full support of the changes made regarding the security measures.

[First name unclear] King was a CEIC co-host. Ms. King was concerned with what the experience would be like in the consumption lounge. Ms. King asked if the requirement to create a risk mitigation plan if there was increased criminal activity near the consumption lounge also applied to an alcohol establishment. Is the consumption lounge going to be scrutinized? In regard to prohibiting the consumer from bringing firearms, isn't that already established. Ms. King did not want the lounge to have a "crack house" mentality.

Amanda Connor recommended for NCCR 6.070(1), (2), and (3), clarifying that emergency personnel are allowed in without signing in. In NCCR 6.075(1)(b)(4), Ms. Connor felt that "or unused cannabis" was improperly used. In the regulations, all cannabis must be rendered unusable; there should not be unused cannabis that has not been rendered unusable prior to disposal. Ms. Connor recommended clarifying the section to avoid confusion. In NCCR 6.080 regarding if the Board learns of an increase in criminal activity, "increase" is not defined. Ms. Connor recommended changed

“shall” to “may” so the Board has the discretion that if it is a minor increase that may then go down, the licensee would not be required to do a risk mitigation plan.

A’Esha Goins for behalf of CEIC commented on NCCR 6.085(11) that “leaving the premises” should be defined. Ms. Goins added that any emergency enforcement should also have to report to the Board what they are doing on the premises. Ms. Goins was concerned with the social equity applicants being targeted and wanted to be sure they were protected. Ms. Goins thought that “criminal activity” should be defined.

Nicole Buffong commented that there could be different uses for unused cannabis. It could be donated to a legitimate organization for patients in need, such as for veteran projects or medical patient services.

Safiyah Abdul Rahim thought that unused cannabis products should be allowed to be taken home by the consumer. Chair Douglas responded that the Legislature made that decision and the CCB can’t undo that until it is changed by the Legislature.

Deputy Miles stated he would present the changes to Regulation 7, 10, 11, 12, and 13 together.

E. Regulation 7. Cannabis Sales Facility

Deputy Miles stated NCCR 7.055 was added to allow sales facilities to transport product to a lounge and it must be tracked through the seed-to-sale tracking system.

F. Regulation 10. Minimum Good Manufacturing Practices for Cultivation and Preparation of Cannabis and Cannabis Products for Administration to Humans

There were no additional changes to Regulation 10.

G. Regulation 11. Cannabis Independent Testing Laboratory

There were no additional changes to Regulation 11.

H. Regulation 12. Packaging and Labeling of Cannabis Products

Deputy Miles stated there were only minor housekeeping changes to Regulation 12.

I. Regulation 13. Cannabis Distributors

NCCR 13.040 added language to allow a sales facility to transport product to a consumption lounge.

There were no questions from the Board members on Regulation 7, 10, 11, 12, or 13.

Darby Johnson commented on Regulation 7. Mr. Johnson and some partners were looking into a delivery business and discovered that a distributor would first need a dispensary to sponsor or request their services. This puts one at a disadvantage if you don’t know any dispensary owners. Mr. Johnson did not agree that the type of vehicle was not disclosed up front; that should be made public. Deputy Miles responded that a sponsor was not required, but a dispensary would need to hire the distributor for local delivery. Chief of Inspections and Audit Kara Cronkhite stated that the dispensary would be the one delivering the product, so they would have to work out whether they want a third-party delivery company; if they do use a third-party delivery company, that company would be approved through the CCB. Director Klimas asked Mr. Johnson to speak to Chief Cronkhite after the workshop to clarify.

Paul Michael Burgess of Lit Games Lounge stated he founded a business of ground robots and drone cannabis delivery. Mr. Burgess was looking to be a third-party delivery service. Mr. Burgess was working with the Las Vegas Metropolitan Police Department on safe routes for public health and safety. Mr. Burgess would like the CCB to look at automation and smart cities as far as delivery of cannabis products.

Amanda Connor commented on NCCR 7.055 in comparison to 13.040. Ms. Connor believed the intent of the changes was that the retail store could transport cannabis much like a cultivation can transport to a production facility. With the inclusion of subsection 6 in 7.055 and the use of “delivering,” it appeared that the requirements for delivery that the retail store must follow when delivering cannabis to customers must also be followed when delivering cannabis to consumption lounges. This would include calling ahead, verifying the order, having a tip manifest signed, ID scan. Ms. Connor did not think that was the intent and recommended exempting that from NCCR 13.040 for consumption lounges. In regard to NCCR 12.050(3)(a) that required the warning that it was a smoking lounge and there will be second-hand

smoke exposure, Ms. Connor asked what if it was a restaurant that does not permit smoking.

J. Regulation 15. Cannabis Consumption Lounge

Deputy Miles presented the changes to Regulation 15. There were housekeeping changes of properly naming things in NCCR 15.010. NCCR 15.015 included language to further stress that it was required to visually inspect IDs and changed “intoxication” to “overconsumption.” NCCR 15.025 added a limit to inhalable and topical products and allowed a lounge to process multiple orders as a single transaction. NCCR 15.030 added a requirement of a COA for hemp products and what must be included in the certificate, required a low dose option to be available at the lounges, and included clarifying language. In NCCR 15.035 there were housekeeping changes of names. In NCCR 15.040 there were housekeeping changes and added that consumer illnesses only need to be logged when reported after consumption. NCCR 15.050 was changed to require consumption lounges to provide PPE to employees, rather than requiring employees to wear PPE. In NCCR 15.055, language was added from comments by the local jurisdictions regarding odor mitigation plans for indoor and outdoor smoking areas. In 15.060, “nicotine” was added as clarifying language. In NCCR 15.065, “alcohol” was added as clarifying language. In NCCR 15.070, food was added to the reporting of medical incidents if ingesting the food necessitated medical treatment. NCCR 15.075 was updated to include that unused cannabis must be destroyed pursuant to NCCR 10.080(3). NCCR 15.080 included housekeeping changes to language. In NCCR 15.090, there was an update to the visibility of consumption, including it must not be visible from a public place, must have a site-obscuring wall or the lounge must be at a height that obscures people from being able to see consumption take place. NCCR 15.100 added “permanently attached” and its definition. NCCR 15.110 added a new regulation that included any service or utensil that has direct contact with cannabis or food must be washed, rinsed, and sanitized in an approved manner. The language was consistent with language for production facilities as outlined in NCCR 9.055. NCCR 15.115 added a new regulation that lounges will have to comply with the requirements of local public health regulatory agencies.

There were no questions from the Board Members on Regulation 15.

Chris Anderson stated he submitted written public comment on NCCR 15.055. He wanted to find a common ground to encourage the outdoor spaces. The Cannabis Advisory Committee on Public Health demonstrated that outdoor spaces are much safer for employees and consumers in regard to secondhand smoke. Odor was the main concern for the outdoor spaces and Mr. Anderson thought that might be something for the local jurisdictions to decide whether odor is an issue for any specific location through zoning. For NCCR 15.085, Mr. Anderson recommended that the Board retain the ultimate authority to shut down a licensee for an emergency that does not arise to the level of a general emergency.

Nicole Buffong reiterated concerns regarding topical cannabis products containing no more than 100 milligrams of THC. Consumers tolerance levels may be different. Deputy Miles clarified that this was the single serving limit, but there was nothing to prevent a consumer from purchasing multiple servings. Ms. Buffong asked for clarification in regard to hemp and hemp derived products in NCCR 15.030, and the allowable amount of CBD or THC. Deputy Miles responded that it was for cannabis CBD and cannabis related products. Ms. Buffong noted that nicotine products were again mentioned in NCCR 15.060 and asked to clarify if blunts or some type of tobacco wrap are allowed. Chief Cronkhite clarified that for CBD products and hemp derived products, the laboratory certificate of analysis is required to show the THC percentage so that it can be verified to be below 0.3%.

Briana Padilla commented on the visibility language and to consider the visibility component of drinking cannabis infused drinks or eating cannabis infused food is different than seeing people smoking a joint by a window.

Stacey Dougan, a vegan chef and representative of the Chamber of Cannabis, commented on NCCR 15.075 and the destruction of all unused cannabis and cannabis products. Ms. Dougan encouraged the CCB to find another way to use the product that’s left over. Cannabis and flower can be kept as long as it’s within the expiration date. Ms. Dougan had access to unused cannabis during the shutdown to practice with and suggested allowing unused cannabis to be used in that manner. Chief Cronkhite clarified that the intention of that regulation was with items that had been served to customers and then not finished.

A'Esha Goins stated that in Nevada, all of the drivers have licenses on their own and pair up current licensees. In NCCR 15.085 regarding temporary closure by emergency personnel, Ms. Goins reiterated the importance of keeping the jurisdiction of the lounges under the CCB and recommended having a CCB officer to show up on site in this instance.

Scot Rutledge echoed the remarks of Ms. Goins and it was a big issue to allow law enforcement that kind of scope. Mr. Rutledge echoed Mr. Anderson’s remarks regarding the outdoor consumption areas. If it is so complicated and expensive to allow customers to consume combustibles outdoors, it may price people out of being able to open the business. Mr.

Rutledge recommended flexibility in the outdoor consumption.

Sean Luse with NuLeaf commented on NCCR 15.055 regarding the ventilation of lounges. Mr. Luse was worried that the stated standards of 30 complete air changes per hour and 20 per hour outside of the smoking section would be cost prohibitive and difficult to engineer, exchanging every bit of air every 2 minutes. Pulling in summer air when it is 110 degrees and trying to maintain a cool temperature would also be difficult. Director Klimas added that these recommendations came from the subcommittee on public health and asked if Mr. Luse had another suggestion with back up materials, that would be helpful to the CCB. Mr. Luse asked where the 30 and 20 exchanges came from. Deputy Miles responded that those were the standards from cigar lounges.

Jim Lewis from City of Las Vegas thanked the CCB for the time spent on the regulations and appreciated and supported the changes made.

Paul Michael Burgess asked if there was a charge to get into the lottery. Deputy Miles responded that there is an application fee. Mr. Burgess commented that he had not heard anything about bringing your own cannabis to a consumption lounge; allowing customers to bring their own cannabis to a consumption lounge will reduce the costs for social equity applicants. Presidential Executive Orders for promoting competition in the American economy and reforms to increase equity and level the playing field for under-served small business owners speak to social equity laws and governing bodies to look at the benefits of boosting the economy and small businesses. Black and brown people are affected by NRS 678B.050 with excludes felony offenses but does not include pedophiles or white-collar crimes. Those persons could still apply, and it would be up to the Board to deny them or not.

Rachel Lee asked how it would look for cannabis edible manufacturing of products, such as a cannabis infused wedding cake, to get the proper amount of milligrams in the serving. Deputy Miles responded that the regulations did not address that, but it would need to be 10 milligrams per slice.

Amanda Connor recommended that there be the ability to change the hours of operation after the application was submitted. Ms. Connor recommended providing guidance or definitions in regard to the required signage for overconsumption. NCCR 15.020 required that the person produce a valid form of identification, however the corresponding regulation for retail stores required that the ID be scanned by and approved scanner to be verified. There is no requirement for scanning and verifying the ID for consumption lounges. Ms. Connor recommended the same requirements for the stores and consumption lounges. NCCR 15.025(1)(a), (b), (c), and (d) refer to usable cannabis, edible cannabis, inhalable extracted cannabis, and topical cannabis. Subsection (e) talks about a combination of those but used different terms: usable, edible, and concentrated cannabis. Ms. Connor recommended updated subsection (e). Ms. Connor had concerns with NCCR 15.030(7) and how staff shall not “knowingly” recommend products to persons who are pregnant or breastfeeding; what does “knowingly” mean and how will this be carried out. Chief Cronkhite responded that the customers would be the one to disclose that they are pregnant. For NCCR 15.095 in reference to water service, Ms. Connor recommended clarifying if water service was required to be provided to a person that was not consuming and how much water need to be provided. In 15.100(1), Ms. Connor commented that it stated the licensee had no right to transfer said lounge license. Ms. Connor did not think that was the intent, but the intent was they couldn’t sell it unless they also sell the retail store license.

There were no further comments. Deputy Miles thanked everyone for participating.

IV. Proposed Amendment to the Nevada Cannabis Compliance Regulations

A. Regulation 12. Packaging and Labeling of Cannabis Products

Deputy Miles stated NCCR 12.065 was discussed at a prior workshop. Chief Cronkhite and Member Young were instrumental in developing the new language.

There were no questions from the Board.

Kimberly Maxson-Rushton from the law firm Cooper Levenson appeared on behalf of RAD Source Technologies. Ms. Rushton stated the regulation came up as a result of a petition filed by RAD Source Technologies that asked for the original regulation to be amended or repealed. Ms. Rushton felt that there was still work to be done on the language. Ms. Rushton recommended changing the title to “Decontamination of Cannabis.” Irradiation is one form of the multiple ways in which cannabis can be decontaminated. Cultivators should be advised that as a result of the language, if type of remediation or decontamination is used in the grow rooms, they will be required to add the warning to the label. Ms. Rushton added that it appeared the objective was to ensure that consumers know that their product has been treated and

whether they will utilize the product for their own safety. Ms. Rushton argued that the bigger safety issue would be if the product was not decontaminated. Ms. Rushton resubmitted the request that the regulation be repealed, or the Board to consider further amendments, including changing the title and the terminology relative to the heating process as she stated it was not applicable in this setting. Ms. Rushton recommended tabling the discussion to work further on the language if it was not repealed.

Jill Ellsworth appeared on behalf of Willow Industries. Ms. Ellsworth's background, with a master's degree in food science and nutrition, gave her an understanding of the critical role of kill-steps and the importance of consumer safety. Ms. Ellsworth would encourage the cannabis industry to proactively treat flower with a kill-step. These are normalized in other industries and can be standard requirements, for example milk pasteurization using high heat. Consumers have come to expect that their products are safe and that comes with a corresponding label. Ms. Ellsworth believed the proposed language was an improvement but there were still areas that could use clarification. The main concern was that the draft regulation used the words "decontamination" and "remediation" interchangeably. In cannabis, decontamination is synonymous with a kill-step or proactive measure taken by producers to treat all cannabis prior to testing. Remediation is used when a batch of cannabis fails a contaminant test; in response, the manufacturer treats that product to remove the identified contaminants. Ms. Ellsworth recommended defining those terms. Ms. Ellsworth supports labeling requirements that inform consumers about the product provided that the label is accurate. Ms. Ellsworth believed the label should only be required for products that failed a test and were remediated, and not products that were decontaminated with a proactive kill-step.

Jodeci Gonzalez, executive administrator for the Chamber of Cannabis, thanked the CCB for all of the hard work that has gone into the consumption lounge regulations.

Amber Jansen recommended providing explanation. In her experience, anyone using radiation or ozone treatment are treating the product because it failed. Ms. Jansen did not know why people would treat product that had not failed. Ozone treatment may need to be listed because it alters the product.

Katie Hoffman, an attorney with Fennemore Craig, appeared on behalf of Ziel Equipment Sales and Services. Ziel is a developer of radio frequency technology which is used to pasteurize agricultural products such as almonds, cashews, and cannabis. Ziel supports the CCB's efforts to ensure that Nevada consumers have clear and accurate labels on cannabis products. Consumers have a right to understand the characteristics of the products they purchase. Ziel felt there were some modifications needed. Changes are needed to accurately reflect the various circumstances in which remediation technology is applied. Ms. Hoffman was concerned with the term "decontamination." Many cultivators use remediation technology proactively to treat all of their cannabis. Applying a label to that cannabis stating that it was contaminated prior to treatment is misleading. An analogy would be food products that are pasteurized don't advise that they were decontaminated. The CCB's labeling requirements should identify the method of treatment and advise that the treatment was applied to promote consumer safety. The use of the term "heating" to describe remediation processes is confusing for consumers. The term "thermal" is more precise and avoids confusion. Ziel submitted written comments to the Board.

V. Public Comment

There was no additional public comment.

VI. Adjournment

The meeting adjourned at 3:40 p.m.