



May 19, 2023

Cannabis Compliance Board
700 Warm Springs Road, Suite 100
Las Vegas, NV 89119
Via email to: regulations@ccb.nv.gov

Subject: Proposed Changes to NCCR 5

Dear Cannabis Compliance Board Members and Director Klimas,

On behalf of the Nevada Cannabis Association, we are submitting this public comment on the proposed changes to the NCCR Regulation 5 set for hearing on May 23, 2023.

NCCR 5.047

As addressed in our letter and comments at the December CCB meeting and the April workshop, the proposed changes to the licensing regulations are directly contrary to statute.

NCCR 5.047 would authorize the use of a lottery to eliminate applications. However, as set forth below, for licenses other than lounges, NRS 678B.250 and 678B.280 require that the Board use criteria of merit to evaluate applications and adopt regulations to determine the relative weight of each criteria. If the Board eliminated non-lounge applications via a random number generator, the Board would not be following the statutorily required process for evaluating license applications. The criteria of merit must be considered for applications for licenses other than lounge licenses, and the regulations cannot circumvent this requirement.

NRS 678B.250(6) requires that when issuing licenses the Board “shall consider the criteria of merit and scoring guidelines set forth in NRS 678B.280 or 678B.324, as applicable.” The statute specifically exempts lounge applications but does not exempt other types of license applications.

NRS 678B.280

1. In determining whether to issue an adult-use cannabis establishment license pursuant to NRS 678B.250, *other than an adult-use cannabis establishment license for a retail cannabis consumption lounge or an independent cannabis consumption lounge*, the Board shall, in addition to the factors set forth in that section, consider criteria of merit established by regulation of the Board. (Emphasis added.)

That statute goes on to enumerate what may constitute criteria of merit, such as the prior experience of the owners and key personnel, a plan for safekeeping of products and seed-to-sale tracking, and diversity. Further, the statute requires the Board to “adopt regulations for determining the relative weight of each criteria of merit established by the Board pursuant to subsection 1.”



With respect to lounges only, Assembly Bill 341 did specify that a lottery could take place if there were more applications than available licenses. However, this lottery does not extend to other types of licenses. For licenses other than lounges, the Board cannot eliminate applications without considering merit.

Thank you for your consideration of these comments.

Respectfully,

A handwritten signature in black ink that reads "L. Martin". The signature is written in a cursive, flowing style.

Layke A. Martin, Esq.
Executive Director
Nevada Cannabis Association