

Nevada Cannabis Compliance Board Workshop Meeting Minutes April 14, 2023

The Nevada Cannabis Compliance Board (CCB) held a public workshop at 700 E. Warm Springs Rd., Las Vegas, Nevada and 1550 College Pkwy, Carson City, Nevada beginning at 10:00 a.m. on April 14, 2023.

Cannabis Compliance Board Members Present:

Michael Douglas, Chair
Riana Durrett
Adriana Guzmán Fralick

Executive Director Tyler Klimas called the workshop to order and noted the Board Members present. Chair Douglas and Member Durrett were present in Las Vegas. Member Guzmán Fralick was present in Carson City.

I. Public Comment

Robert Kurilko, CEO of Silver Lion Farms provided his history on the challenges that Silver Lion Farms has encountered trying to secure a medical license in White Pine County.

II. Solicitation of Input for Possible Amendment and/or Repeal of Nevada Cannabis Compliance Regulations (NCCR 1 – 15) pursuant to Executive Order 2023-003

Deputy Director Michael Miles asked for persons to come up to provide recommendations for proposed changes or repeals to NCCRs and the reasons for the recommendations. Executive Director Tyler Klimas added that written input has been received and may also be submitted following the workshop.

Nicole Buffong of Minorities for Medical Marijuana and Shanel Lindsay of The Billow addressed NCCR 15.055 and the economic strain that installing advanced HVAC systems may cause consumption lounge owners. Ms. Buffong and Ms. Lindsay presented a cost-saving patented invention, Billow, which is a portable machine that can be used to eliminate smoke.

Layke Martin and Brandon Wiegand appeared on behalf of the Nevada Cannabis Association (NCA). Ms. Martin stated that NCCR 6.025, Board authorization to collect fees, is not protected by statute and the costs are burdensome to the industry. Ms. Martin stated that the requirements for air changes in NCCR 15.055(1) and (20) are excessive and the cost is burdensome to businesses; an alternative should be found. The NCA supported the ideas presented by Amanda Connor regarding NCCR 5.045 and did not believe that licensees are given the opportunity to be considered based on merit if they are selected by a lottery. Mr. Weigand echoed the cost burden issues with the requirements of NCCR 15.055 and added that the regulations already require CO₂ and PPM monitoring, so the air change language was redundant.

Michael Wheable appeared as the County Manager of White Pine County. Mr. Wheable was in favor of the proposed language in NCCR 5.035 and would like the Board to consider the language in NRS 678B.220(3) when making changes to NCCR to not deny requests for new licenses but

supported the Board's discretion in denying applications. Mr. Wheable did not think there was current language that prevented the Board from accepting applications for new licenses. He thought that the language in NCCR 5.045 regarding the random number generator should only apply to consumption lounges and that other license types should be awarded based on merit. Mr. Wheable added that by legalizing cannabis in rural counties, those areas are able to fund public services. He requested more opportunities for workshops and input for regulation changes.

Chris Anderson appeared on behalf of Sala Consulting and Planet 13 Holdings. Mr. Anderson proposed changes to the language in NCCR 15.055 that would maintain the integrity of the amount of air changes but not consistently exhausting the air outdoors, which is cost prohibitive and energy inefficient. Air changes should be dependent on the number of people utilizing a smoking room. Mr. Anderson suggested replacing the HEPA filter requirement with a MERV 14 or higher filtration system (NCCR 15.055(4)).

Nichole Barber appeared on behalf of NV Cann Labs and asked for transparency in fees (NCCR 4.030). Ms. Barber wanted to amend the requirements/credentials for CCB Board agents (inspectors) to mirror those working in the facilities and asked for a checklist to be provided to the facilities of what inspectors and auditors will be looking for. Ms. Barber recommended repealing language in NCCR 11.025 to allow for more consistent enforcement. Ms. Barber thought that the CCB should utilize and consider results of inspections conducted by accredited organizations under NCCR 11.020(3). Ms. Barber recommended an approval pathway for emerging technologies and methodology when facilities are working with accredited organizations and the standardization of methods and regulations for laboratory testing, specifically microbial and cannabinoid testing.

Member Durrett provided suggestions to eliminate redundancy and only requiring warning labels on either the packaging or the labelling, but not on both. Member Durrett thought that the labels should not be required at cultivation and production, which are redundant with Metrc tags. Member Durrett asked for a distinction to be made between edibles and concentrates under NCCR 12.015. Member Durrett requested further clarification in NCCR 5.010 to distinguish between a "natural person" and a corporation. There should be a more practical approach to training. Member Durrett did not think that the CCB had the authority to diverge from a criteria of merit in the application selection process.

Ms. Connor supported Member Durrett's suggestions for distinguishing language and labeling between edibles and concentrates.

Jason Banales, Cannabis Program Supervisor for the CCB, provided examples of information that the sales facilities needed from cultivation and production in order to accurately label products; if the information was not provided on the labels, then the sales facilities would need another avenue to get the information. Member Durrett noted that she would like to hear from dispensaries on what they would like to see.

Carina Robertson appeared on behalf of Taproot and recommended changes to NCCR 12.305(b) to simplify the labeling process and remove irrelevant tags or numbers that are associated with medical cannabis without compromising the information that is delivered to the public. Ms. Robertson supported the consumer's right to know how products work and are grown and added that cultivators and producers should be part of the conversation regarding labeling.

KayAnn Tyssee appeared on behalf of Curaleaf and supported the prior comments from other speakers to simplify the labeling and packaging language. Ms. Tyssee would like to make the language in the regulations more consistent.

Dennise Mejia appeared on behalf of ICBWA and was a social equity applicant for consumption lounges. Ms. Mejia thought that the social equity applicants were at a disadvantage and would like the CCB to provide educational workshop to help licensees with investors and business relations and compliance with CCB regulations.

Brett Scolari appeared on behalf of Strategies 360 and supported the packaging and labeling language that was submitted. Mr. Scolari stated he would submit written comments in regard to the ventilation regulations.

Will Adler appeared on behalf of the Sierra Cannabis Coalition and supported the packaging and labeling comments submitted to provide clarity. Mr. Adler would like to see a best practices workshop or analysis of the state cannabis lab testing program and how it compares to other states, and an assessment of whether changes are needed.

Rita and Eddie Scolaro thought that the dispensaries need as much information as possible on the labels to help them shelve products efficiently but wanted to eliminate extra stickering or labeling to maintain efficiency. The Scolaro's presented a plan for destruction methods to make them more safe and environmentally friendly. They recommended a new license type for the destruction of products for all facility types. They would like to eliminate inconsistencies with destruction methods and reporting. They have developed a destruction system that is organic and does not create additional waste.

III. Proposed Repeal of Nevada Cannabis Compliance Regulations

- A. Regulation 1. Issuance of Regulations; Construction; Definitions
 - 1. NCCR 1.145 "Physician" defined.
 - 2. NCCR 1.230 "Taxpayer" defined.
- B. Regulation 5. Licensing, Background Checks, and Registration Cards
 - 1. NCCR 5.025 Submission of application by person who holds medical cannabis establishment registration certificate for cannabis establishment of same type; issuance of license; refund of fee if application not approved.
 - 2. NCCR 5.030 Submission of application by person who holds medical cannabis registration license for cannabis establishment of same type or different type; submission of application by person in response to request for applications.
- C. Regulation 10. Minimum Good Manufacturing Practices for Cultivation and Preparation of Cannabis and Cannabis Products for Administration to Humans
 - 1. NCCR 10.010 Establishment of minimum good manufacturing practices.

Deputy Director Miles presented the regulations that were being considered for repeal. There were no comments from the public. Member Durrett asked about the one for one license; if the regulation was repealed would there be an opportunity for those with medical only licenses to apply for adult use. Director Miles responded that there was no authority in NRS to allow for this; the only way to apply for a license would be in a licensing round. Director Klimas added that if there are concerns, there should be further discussion.

IV. Proposed Amendments and Additions to the Nevada Cannabis Compliance Regulations Exempt Per Sec. 5 of Executive Order 2023-003

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

1. NCCR 5.020 Request for applications to operate a cannabis consumption lounge: Notice by Board; required provisions; time period for submission of applications.
2. NCCR 5.035 Request by the board of county commissioners of the county to increase percentage of total number of medical cannabis dispensaries.
3. NCCR 5.040 Submission of application for a cannabis consumption lounge.
4. NCCR 5.045 Cannabis consumption lounge prospective and conditional licenses.
5. NCCR 5.050 Cannabis consumption lounge final licenses.

Deputy Director Miles introduced the proposed changes asked for input regarding the proposed language to allow for a medical licensing round for those counties that do not have any medical only cultivation and production licenses.

Robert Kurilko appeared on behalf of Silver Lion Farms and spoke about the challenges he has faced in trying to obtain a medical cultivation license in White Pine County. Mr. Kurilko felt that NCCR 5.035 should be clarified so that there would not be confusion with the forms. In NCCR 5.035(3), the language was subjective in the reasons why the Board could deny a request for application and thought there should be more clarity. Mr. Kurilko thought that NCCR 5.040 regarding the limits on application submission was one-sided and does not put any accountability on the CCB. Mr. Kurilko commented in regard to the random number generator that the county itself should decide who it finds suitable for a license.

Deputy Director Miles and Director Klimas explained the process and the work that has been done to approve these regulations. White Pine County and Silver Lion Farms had issues with the proposed language last year when it was up for adoption; based on those comments and concerns, the Board did not approve the language but proposed another workshop. Chair Douglas noted that the Board did not have a timeline on how things could move forward based on the Governor's Executive Order; prior to White Pine's request for a medical license, there had been no requests from a county for a new license. The Governor and the CCB are in support of economic development. Chair Douglas noted that the licensing regulations need to be crafted in a way to apply to other counties that may be interested in a license. Member Durrett noted that she made the motion to delay the approval at the earlier meeting due to her concerns.

Timothy Eli Addo did not provide recommendations for changes to the NCCR. Mr. Addo thought that there were issues with the Cannabis Advisory Commission subcommittee appointments and that people with more expertise should be appointed.

Amanda Connor suggested changing the language in NCCR 5.045 regarding the random number generator selection for future licensing rounds as NRS 678B.280 called for a criteria of merit and not think that lotteries were allowed.

Layke Martin agreed with Ms. Connor's statements regarding NCCR 5.045. Ms. Martin commented that NCCR 5.040(3)(i)(1) referred to owners of 5% or greater in cannabis lounges and that needed to be clarified. Ms. Martin added that the language "shall" consider, did not provide an opportunity for merit to be considered.

Melinda Monroe thought that there was a lack of transparency with the random number generator and that the criteria to qualify as a social equity applicant for consumption lounges was difficult to meet.

Member Durrett noted that the Cannabis Advisory Commission member was not a cannabis consumption lounge application. Member Durrett did not think that avoiding lawsuits was a policy goal and that lotteries do not promote diversity.

V. Public Comment

Jason Graninger spoke about the human endogenous system and promoted the creation of a database to inform the public how cannabis affects the body.

Donna Bath spoke on behalf of Silver Lion Farms. Ms. Bath would like to see the expansion of industry in White Pine County to include cannabis; the county primarily relies on mining. Ms. Bath would like to see more accessibility in providing public comment.

Michael Wheable encouraged the Board to adopt regulations to allow for the medical only licensing round in White Pine County; the language in the regulations may never be exactly right. The new license would support local services.

Robert Kurilko commented that he liked the discussion at the workshop and recommended putting the regulations up for adoption at the next Board meeting to open the medical licensing round. Mr. Kurilko noted that there were a lot of good things happening in the Legislature and it was important to work collaboratively. The larger companies have the advantage at this time.

Tanya Haven stated she was a newly licensed to cultivate and produce cannabis. Ms. Haven appreciated the open meetings and thought that the people that were being told “no” needed to look within themselves.

VI. Adjournment

Meeting adjourned at 12:37 p.m.