

Nevada Cannabis Compliance Board

Meeting Minutes June 20, 2023

The Nevada Cannabis Compliance Board (CCB) held a public meeting at 555 East Washington Ave, Room 2450, Las Vegas, Nevada and 1919 College Parkway, Meeting Room 100, Carson City, Nevada beginning at 9:00 a.m. on June 20, 2023.

Cannabis Compliance Board Members Present:

Michael Douglas, Chair

Jerrie Merritt

Riana Durrett

Bryan Young

Adriana Guzmán Fralick

Chair Douglas called the meeting to order, and Executive Director Tyler Klimas took roll.

Chair Douglas, Member Durrett, and Member Merritt were present in Las Vegas. Member Young and Member Guzmán Fralick were present in Carson City.

I. Public Comment

Will Adler appeared on behalf of the Sierra Cannabis Coalition. Mr. Adler would like to see a workshop on Nevada's laboratory testing regulations and spoke about the changes that Washington State made and provided written comments for the Board.

Bri Padilla from the Chamber of Cannabis stated they appreciated all that the Board and its staff have done to provide opportunities for public input and dialogue as it relates to revisions to the NCCRs that impact the welfare and future of the industry. Ms. Padilla would like to include NCCR 5.030 in future discussions of NCCR, and would like to participate in any workshops or stakeholder meetings.

Amanda Connor from the law firm of Connor & Connor stated that her interns who recently graduated from high school would be presenting items on her behalf.

Cristina Ulman from the Chamber of Cannabis asked that the Board implement the changes in SB 277 as soon as possible so that the industry can see the benefits.

Abby Kaufmann from the Chamber of Cannabis thanked the CCB for posting the regulations that were submitted for repeal and appreciated the transparency. Ms. Kaufmann provided comment on the regulations that were listed as needing additional public input including: charging for certain activities, packaging and labeling requirements, and increased purchasing limits.

II. Meeting Minutes

A. Consideration for approval of the May 23, 2023, Cannabis Compliance Board Meeting minutes.

Chair Douglas asked for a motion on the meeting minutes. Member Merritt made a motion to approve the meeting minutes. Member Young seconded the motion. There was no additional discussion. All Members said aye. Motion carried.

III. Consideration of the Proposed Settlement Agreement to Resolve Disciplinary Action.

A. Cannabis Compliance Board vs. LNP, LLC (Case No. 2023-018)

Senior Deputy Attorney General L. Kristopher Rath stated that there was no complaint filed for this matter; respondent's counsel contacted Mr. Rath after the investigation to discuss whether the matter at issue could be resolved via a settlement agreement in lieu of a complaint. The matter arose from an audit investigation which began in June 2022 in which CCB staff found multiple violations primarily related to seed-to-sale tracking and inventory reconciliation issues. The licensee voluntarily shut down, worked with CCB staff to reconcile the inventory, and destroy inventory that was not properly tracked. CCB staff accepted a final plan of correction in September 2022. To resolve these matters, the respondent admitted to one Category III violation for failing to follow seed-to-sale tracking requirements, a second Category III violation for failing to follow a required security plan, and to pay civil penalties in the amount of \$40,000 with the option of lump sum payment or 10 monthly installments. Mitigating factors are outlined in Paragraph 12 of the settlement agreement and the plan of correction is detailed in Paragraph 21 of the settlement agreement. The Attorney General requested and recommended approval of the settlement agreement.

Alicia Ashcraft appeared on behalf of LNP and Nicholas Lynch, manager, was available via Zoom. Ms. Ashcraft stated the Mr. Rath adequately summarized the circumstances that brought forth the settlement. Ms. Ashcraft was available for questions and requested approval of the stipulated settlement agreement.

Member Durrett asked if the "Board" is interchangeable for "Board Staff" under NCCR 4.030(2) where it is required for the Board consider. Mr. Rath responded that the Board is considering it as part of the settlement agreement. Member Durrett noted that the bigger question of when Board is interchangeable with Board agent can be dealt with at a later time.

Member Durrett asked Ms. Ashcraft what she thought of the economic benefit or savings and the impact on the violator to continuing business. Ms. Ashcraft stated that the licensee could have been charged with around \$190,000; given the economic impact of being closed for such a long period of time and destroying about all their plants, the settlement was fair. The payment plan option, avoiding cost of an administrative hearing and the reduction in potential fines factor into the economic benefit. Ms. Ashcraft noted that they were errors of omission and mismanagement of the inventory and tracking, and not malicious or intentional; the business got started during covid and it was difficult to get answers.

Member Durrett asked if the business will survive if it pays the fine. Ms. Ashcraft responded that they will be starting from scratch, but they think that they can with the new facility manager and relationship with the CCB.

Member Durrett asked how the new language in SB 328 would be applied in the future. Mr. Rath responded that it contained the phrase "unlawful conduct" and in this case, that would be violations of the statutes and regulations. Mr. Rath did not think that would change anything in this case but can be discussed going forward.

Member Durrett made a motion to approve the settlement agreement under agenda item IIIA relating to LNP. Member Young seconded the motion. All Members said aye. Motion carried.

Chair Douglas noted that the CCB would be going through what the Legislature adopted and looking at the verbiage to see where we've been given specific guidance.

IV. Request for Transfer of Interest

Chief of Investigations David Staley presented the transfers of interest to the Board.

A. Desert Evolution, LLC (TOI# 22011) (D010, RD010, P009, RP009, T021, C010, RC010)

Chief Staley stated TOI 22011 was filed to request approval for Ricardo Elias to sell his 9.9067% membership to existing member Edgar Gionotta, Jr and the for the redistribution of membership from various existing majority members to James Hammer. Desert Evolution requested waivers of NCCR 5.110 pursuant to NCCR 5.112 and 5.125. If approved, the requirements for prior Board approval of transfers of less than 5% will be waived. Desert Evolution has adequately addressed the requirements and staff suggest that if approved, the Board limit the waivers to expire on its next TOI agenda date. Chief Staley noted that SB 277 may impact the waiver process. No areas of concern were identified.

Melissa Waite appeared on behalf of DEC Ops NV, LLC, DEP Ops NV, LLC and DED Ops NV, LLC which are wholly owned subsidiaries of Desert Evolution. Brandon Kanitz and Rob Slingerland were present via Zoom.

Member Durrett asked how the LLCs are kept track of. Ms. Waite responded that it is an administrative and intensive process and working closely with Rob Slingerland.

Member Durrett asked for some background on Mr. Slingerland and Mr. Kanitz. Mr. Slingerland responded that he has held both CFO and CEO roles in a number of industries, one of which was insurance. He was head of business development and business affairs for Candescant, a premium cannabis operator in California. Mr. Slingerland worked with Mr. Kanitz and the team throughout the CWNevada receivership. Mr. Kanitz stated that his background was in finance and small community banks. He has been on the board of troubled banks and worked with the Gionotta family investing in cannabis since 2015. Mr. Kanitz is the CEO of Desert Evolution and a large vertically integrated operation in Michigan. Member Durrett noted that the Hammers are also involved and have been in the industry since the early days.

Member Durrett made a motion to approve the transfer of interest and waiver under agenda item IV A, with the waiver set to expire on the next agenda date that the licensee requests a transfer. Member Merritt seconded the motion. All Members said aye. Motion carried.

B. MA & Associates, LLC (L002, RL002) Addendum to TOI# 21022 and 2200041 Request for waiver of NCCR 5.110 Pursuant to NCCR 5.112

Chief Staley stated that a waiver of NCCR related to transfers of ownership was not presented to the Board when the TOI applications 21022 and 2200041 were heard at the March 2023 meeting. MA& Associates has requested a waiver of NCCR 5.110 pursuant to 5.112 and has adequately addressed the required items to allow the Board to approve such a waiver. Staff suggest the if approved, the Board limit the waiver to expire on MA & Associates' next TOI agenda date. No areas of concern were identified.

Amanda Connor appeared on behalf of MA & Associates. Ms. Connor requested approval of the waiver as it was not presented with the original transfer.

Member Durrett made a motion approve the waiver of NCCR 5.110 pursuant to 5.112 which would be set to expire on the next TOI agenda date. Member Merritt seconded the motion. All Members said aye. Motion carried.

V. Consideration of Approval for a Conditional License for a Cannabis Consumption Lounge

Chief Staley introduced the agenda item to the Board and noted that these were the first three cannabis consumption lounge applicants to appear before the Board for approval of conditional licensure. If approved, the entities will need to complete necessary local approvals and final inspection by CCB staff before they can open for business.

A. Planet 13 Holdings, Inc.

Chief Staley stated Planet 13 received an early suitability review by the Board at the August 2022 Board meeting. Planet 13 submitted all the documentation necessary to receive its conditional cannabis consumption lounge license. No areas of concern were identified.

Leighton Koehler appeared on behalf of MM Development Company and stated they were finalizing the SUP application. The concept of operations, training, safety programs, and key areas of focus have been locked in. Building plans are being finalized and they awaited the outcome of NCCR 15. Mr. Koehler thanked CCB staff and his staff that worked on the application.

Chair Douglas asked if there were local ordinances in place that affect the location. Mr. Koehler responded that they were primarily developed in unincorporated Clark County and noted there was a strong focus on traffic safety.

Member Durrett asked Chief Staley if this was a checklist to be submitted and not weighing what was provided. Chief Staley responded that the statutes and regulations required what must be submitted but did not require that the CCB determine that the efficacy is appropriate. Chief Staley noted that all the applications before the Board at this meeting went well beyond meeting the requirements of the statutes and regulations.

Member Durrett asked if the Board will be notified before they open their doors. Director Klimas responded that it will be presented as an informational item similar to agenda item VII on the current agenda.

Member Guzmán Fralick asked Mr. Koehler to describe what the lounge would be like. Mr. Koehler responded that they were in the conceptual phase and looking at different possibilities: a modest-sized tasting lounge experience, a restaurant, or an uber lounge nightclub.

Member Durrett asked what portions of the plans are public as a publicly traded company. Mr. Koehler responded that material information or contracts are disclosed to investors and the market; confidential filings with the CCB, such as floor plans, would not be public for security reasons.

Member Guzmán Fralick made a motion to approve the conditional license for the cannabis consumption lounge for the applicant. Member Young seconded the motion. All Members said aye. Motion carried.

B. Common Sense Botanicals Nevada, LLC; The Venue at Sol Cannabis LLC

Chief Staley stated this item was a request for approval from The Venue at Sol Cannabis, LLC, a subsidiary of Common Sense Botanicals Nevada, LLC. Common Sense Botanicals received an early suitability review by the Board at the December 2022 meeting. The Venue at Sol has submitted all the documentation needed to receive its conditional consumption lounge license and plans to open the lounge at its existing dispensary in Washoe County. No areas of concern were identified.

Ed Alexander appeared on behalf of The Venue at Sol Cannabis. Mr. Alexander thanked the CCB staff and hoped to move this new aspect of industry forward. Mr. Alexander stated it may or may not be a revenue center for the industry, but it was an opportunity to push forward.

Chair Douglas asked for the status of the local ordinances in northern Nevada. Mr. Alexander thought that the Board should take some action to nudge local jurisdictions. Washoe County is concerned about what it will look like; if the industry gets it wrong, it will be hard to undo. Mr. Alexander had questions in terms of tax structure and financial implications.

Chair Douglas asked what the proposed lounge would look like in general. Mr. Alexander responded that he anticipated it being an entertainment based complex where cannabis complements the experience and anticipated food being a component. Mr. Alexander compared it to going to a vineyard in Napa where there is some entertainment and a tasting room in a controlled environment. Mr. Alexander noted the concerns with the air quality regulations.

Member Durrett commented that it was helpful to bring up the economics of this and whether it will be successful. Member Durrett added that the Board was limited by the statutes and regulations and has to be conscientious about not over-regulating.

Member Durrett asked if an outdoor concert venue was planned. Mr. Alexander responded that he had a large landscape space and raised stage and has been doing entertainment.

Member Durrett noted that if the economics of the lounges don't work, it wasn't necessarily the state's doing. Mr. Alexander thought there should be a committee or something similar to ILAC for consumption lounges. Mr. Alexander had questions regarding tax issues, for example who pays the 10% tax. The order of operation needs to be done correctly.

Member Durrett commented that those that have consumption lounges need to be more cohesive and participate workshops; it would be helpful if the consumption lounges worked together to provide one voice to the state. Mr. Alexander agreed.

Member Durrett made a motion to approve the conditional license for a cannabis consumption lounge under agenda item V B relating to Common Sense Botanicals. Member Merritt seconded the motion. All Members said aye. Motion carried.

C. Cheyenne Medical Sammy Davis RD263 LLC

Chief Staley stated this item was a request for approval from Cheyenne Medical Sammy Davis RD263, LLC. Cheyenne Medical received an early suitability review by the Board at the September 2022 meeting. Cheyenne Medical has submitted all the documentation needed to receive its conditional consumption lounge license and plans to open the lounge at its existing dispensary in Las Vegas. No areas of concern were identified.

Lauryn Budin, an intern for Connor & Connor, spoke on behalf of Cheyenne Medical. Ms. Budin stated that Mitch Britten of CPCM Holdings, owner of Cheyenne Medical, was in attendance. Ms. Budin requested approval of the consumption lounge application for Cheyenne Medical. Ms. Budin noted that Cheyenne Medical was competent and experienced due to its successes in other cannabis establishments.

Jaquan Pakeer, an intern for Connor and Connor, stated that the members and owners of Cheyenne Medical are reputable, knowledgeable, and have maintained compliance with the Board. They are familiar with Nevada's cannabis regulations and will be a positive addition to the market.

Sydney Yee, an intern for Connor and Connor, stated that Cheyenne Medical's understanding of the cannabis industry and consumer trends will lead to successful consumption establishments and serve as a model. Ms. Yee added that Amanda Connor was available for questions.

Chair Douglas asked if local regulations were in place. Ms. Connor responded that Clark County passed its zoning ordinance.

Chair Douglas asked what type of experience it would be. Mitch Britten responded that the space was designed to be fluid and they have applied for outdoor consumption as part of the local land use approval. Member Guzmán Fralick asked what the concept is. Mr. Britten responded that it was meant to be approachable and welcoming, similar to a cigar lounge.

Member Durrett asked for comments on the discussion points from the previous licensee. Mr. Britten stated that the industry was competing amongst other licensees and the black market. Mr. Britten agreed that the points raised were valid and taxation is something to worry about with double-dipping and people going to the black market.

Member Young made a motion to approve agenda item V C, the conditional license for cannabis consumption lounge for Cheyenne Medical Sammy Davis. Member Guzmán Fralick seconded the motion. All Members said aye. Motion carried.

VI. Consideration of Proposed Adoption, Amendment, and/or Repeal of the Nevada Cannabis Compliance Regulations

A. NCCR 15.055. Ventilation of the cannabis consumption lounge.

Deputy Director Michael Miles introduced the proposed changes to NCCR 15.055. The original version went through several workshops. The various stakeholders that offered suggestions to modify the ventilation regulations came up with this version presented at the meeting. The main change was replacing the HEPA filter with a MERV 14 filter, and adding a portable device that maintains the same air quality standards and different way of venting the air. Deputy Miles

added that Chris Anderson of Sala Consulting was present to discuss and answer questions and brought an engineer who he consulted with.

Chair Douglas asked for public comment.

Chris Anderson of Sala Consulting stated that subsections 1 through 4 meaningfully lower the barrier of entry for consumption lounge operators in drastically reducing the up-front investment and ongoing operational and energy costs of running the ventilation systems, without meaningfully deteriorating air quality. Dennis Landsberg added that they were trying to maintain the same air quality at a lower cost. Mr. Landsberg has done work on industrial, medical, and classified buildings and was familiar with the standards.

Chair Douglas asked for comments on balancing economics and desire for air quality standards. Mr. Landsberg responded that it would maintain the air quality standards and added that the most important component was pressure control. Pressurization, ventilation, and filtration will all be used in a cost-effective method. Chris Anderson added that Sala Consulting and Planet 13 Holdings supported the regulatory revisions before the Board.

Christopher LaPorte spoke on behalf of Reset. Mr. LaPorte stated he has been working with several organizations to find solutions. There is a technology that can scrub the air before pushing it out. Mr. LaPorte recommended a minimum of 5 or 6 air changes an hour.

Member Young asked if anyone knew the current standards are for non-cannabis buildings. Ed Alexander thought that it was one air exchange per hour. Deputy Miles added that the 30 refreshes per hour was based on research for cigar lounge standards. Mr. LaPorte thought that it was 15 exchanges per hour for a cigar lounge in a casino; a bar with smoking may be between 8 and 10.

Ed Alexander cautioned on getting overly granular as to these requirements and compared it to casinos; lounges are not looking to emit exhaust or for people to be unintentionally exposed. Mr. Alexander noted that there was implied consent when walking into a cannabis lounge. Mr. Alexander added that there may be other unforeseen components such as with enforcement and they may need to look at other industries that exist with similar air regulations in place.

Kara Cronkhite, Chief of Inspection and Audit, provided information and history. Chief Cronkhite stated that the requirements were for the workers and focused on their protection, to not leave a facility intoxicated or be exposed to toxic compounds. Smoking areas for accommodation typically have 6 to 10 air exchanges per hour with the assumption that smoking is allowed but not everyone is smoking. Data collected from ASHRAE, NAFA, and EPA recommend 20 to 30 air exchanges per hour to be safe for the occasional entrance of the workers that have required exposure.

Member Durrett wanted to have flexibility and not be tied to numbers as more information comes in. Chief Cronkhite said the CCB welcomed new information.

Shanel Lindsay presented an alternative to HVAC systems. Ms. Lindsay spoke about a technology that prevents smoke from going into the air and is affordable. Ms. Lindsay provided information on ppm readings and noted that they weren't trying to lower the standards but provide an affordable alternative.

Member Durrett asked if the language presented would allow for the use of Ms. Lindsay's device. Ms. Lindsay responded affirmatively and noted the requirement to provide a report annually to show the continued efficacy.

Scot Rutledge with Argentum Partners commented that the intent of the legislation was to have lounges for people to consume legally and be affordable so that people would come. Mr. Rutledge noted that they did not know how much it would cost when the regulations were promulgated. Mr. Rutledge recommended removing or reducing the 30 air exchanges and requiring an annual report; if the standards aren't met, then the SOPs would need to be updated. Mr. Rutledge added that not all venue would be filled with people smoking cannabis and asked for flexibility and more discussion before a final decision is made.

Member Durrett stated she was in favor of going forward with the regulations so that the licensees that are ready can open. Member Durrett asked if it was possible to approve the regulations and come back to it quickly with revisions. Mr. Rutledge responded that the 30 air exchanges was going to be a problem and recommended lowering that today. Mr. Rutledge agreed that no level of smoke is safe and claimed that cannabis smoke has not been shown to be carcinogenic. Mr. Rutledge suggested that maybe a waiver can be used to allow for a different way.

There was discussion on studies of whether cannabis was carcinogenic. Deputy Miles read from a study on secondhand smoke in Nature that demonstrated that cannabis smoke is similar to tobacco smoke in regard to carcinogens and other toxic compounds and has risk of heart attacks. Member Durrett asked what the turnover rate was in gaming establishments. Mr. Rutledge thought it was 20, but it may depend on what section and LEED certification and noted cannabis lounges may be more comparable to taverns than casinos.

Member Durrett asked if there were different requirements based on the amount of smoke. Chief Cronkhite responded that was correct. Mr. Rutledge suggested a waiver for the 30 turns with a plan that shows how they will protect the patrons and employees.

Member Durrett commented that the Chair and Executive Director stated it would need to be changed as soon as this issue was raised. Member Durrett asked that everyone participated going forward in discussions.

Member Young stated that there is an association between marijuana use and the risk of cancer. Member Young supported the current regulation and noted a study that showed ventilation and workers testing positive for THC; with modest ventilation, the workers did not test positive. Member Young added that there was no safe level of secondhand smoke and noted the cancer risk indicated was for lung, head and neck, squamous cell, and testicular germ cell.

Nicole Buffong spoke on behalf of the Chamber of Cannabis and Minorities for Medical Marijuana. Ms. Buffong thanked the CCB for holding a workshop in April. Ms. Buffong claimed there was no research to show that secondhand smoke causes people to get high or test positive for THC and thought this was a good market to test that. Ms. Buffong advocated for new methods, such as the Billow, to be an option. The new language created a less expensive alternative and supported it.

Ed Alexander spoke about the challenges of the outdoor air quality with all the fires in California, treating the incoming air and pollutants outside. Mr. Alexander asked if the air exchanges were required when the facility is not operational. Mr. Alexander noted the Board's ability to modify things will radically change based on the legislative session and was in support of pushing it forward in a way that makes sense. Mr. Alexander commented on other technology for odor mitigation.

Morgan Biaselli spoke on behalf of Silver State Government Relations. Ms. Biaselli suggested that using a measurement as precise as air particles to identify air quality was inappropriate. Uncontrollable environment, influence, and variability of outside air could be enough to cause a lounge to fail.

Brett Scolari spoke on behalf of Strategies 360. Mr. Scolari noted that he submitted a draft regulation aimed at putting this in line with taverns but that did not make this version. Mr. Scolari supported having flexibility and thought that they need to find alternatives and a lower barrier of entry. Mr. Scolari thought that the 30 exchanges would be problematic for a lot of operators, especially social equity. Mr. Scolari added that there may be air quality divisions that can get involved. Mr. Scolari did not think that everyone could fit in the same category for air exchange requirements.

Member Durrett asked Mr. Scolari what the standards were for casinos and taverns. Mr. Scolari did not know but thought it was 8 exchanges per hour for taverns. Chief Cronkhite noted that smoking areas typically have 6 to 10 air exchanges per hour for nuisance odor, not for removal of toxic compounds in secondhand smoke; for cigar and smoking lounges, the recommended air exchanges per hour are between 20 and 30 based on ASHRAE, NAFA, and EPA.

Member Durrett asked if it was possible to change something at this hearing if the language has already been publicly noticed. Chief Deputy Attorney General Rosalie Bordelove responded that some changes can be made but come July there will be less ability to make a substantive change. A more substantive changes at this point would require greater noticing. Senior Deputy Attorney General L. Kristopher Rath added that it would still go before the Legislative Commission for review and would be quicker under the current scheme.

Member Durrett commented that if what is envisioned is a cigar lounge, that is not how a lot of these places will operate. Deputy Miles noted that these standards are set for smoking rooms. If they are planning on a restaurant, these ventilation requirements wouldn't apply; if they will have smokers in an enclosed space, then these standards would apply. Chief Cronkhite added that the size of the space and a lot of factors to be considered. Chief Cronkhite recommended using the traditional standard; it gets complicated if you need to determine how many people, what is the cubic feet, and how much smoke there is.

Chair Douglas asked for additional comment in the north.

Layke Martin spoke on behalf of the Nevada Cannabis Association. Ms. Martin thanked the CCB for being responsive to the industry. Ms. Martin supported the language but suggested if a change was allowed, to consider changing the ventilation plan from a "must" to a "may" in the first provision. Or in the alternative, a waiver that can take into consideration different factors.

Chair Douglas called for a recess at 11:08 a.m. The Board came back on the record at 11:26 a.m.

Chair Douglas noted the concerns raised regarding the air changes and the passage of legislation that changes the Board's ability to adopt changes to the regulations. Chair Douglas asked staff for comments on possibly lowering the requirement and still achieving the goals set forth.

Director Klimas stated there were potentially changes to be made today and in the future. Director Klimas commented that flexibility with the consumption lounge regulations has been a factor since the beginning and will continue to be no matter what the regulatory procedures are. The draft before the Board included a stakeholder group of every individual that commented on air ventilation requirements in the last two years; this is a consensus document that is under consideration. Staff supported adopting something today and potentially taking another shot in July or after as necessary.

Chief Cronkhite noted that the requirements in subsection 1 are for a designated smoking room; workers should be separated from smoking areas. Studies published in the National Institute of Health and the Journal of Analytical Toxicology demonstrate that second-hand cannabis smoke can lead to or does lead to cannabinoid metabolites in bodily fluid; they would not pass a drug test and experienced psychotropic effects when compared to placebos. The recommended range is 20 to 30 air exchanges per hour; it would not be a substantial change to utilize the lower end of the range. Chief Cronkhite added that it made sense to change subsection 2 to be consistent with taverns and reduce it from 20 down to 6 changes per hour.

Director Klimas stated this would be a low end of the standard keeping in mind the workers' safety, and potentially acting on additional flexibility measures in the future.

Member Durrett asked if changing the "must" to "may" work or were there concerns. Deputy Miles responded that would be substantially changing the regulation; it could potentially completely change the standards that we're setting aside. Member Durrett commented that it made sense to go with the lower numbers since it does not substantially change the regulation and recommended noticing language again at the next meeting.

Chair Douglas asked Ms. Bordelove for clarification on how legislative changes as it impacts the CCB. Ms. Bordelove responded that the statutory change was effective upon passage and approval is now in effect. The language presented at this meeting was proposed prior to the act going into effect and the old provisions may still be used. Ms. Bordelove noted that you could make the argument that this is considered already-proposed language and you are still working on an already-proposed regulation.

Member Young commented that he was in support of the changes. Member Guzmán Fralick was in support of the staff's recommendations and to continue it in the next month. Chair Douglas was in support of the change to the numbers and coming back to make another determination at the next meeting and hearing other considerations.

Chair Douglas asked if it would be appropriate to adopt the changes in 15.055, amending in subsection 1 from 30 to 20 and amending in subsection 2 from 20 to 6, and then hold open for additional changes. Ms. Bordelove responded affirmatively that the language was clear and clarified that these changes would be effective now and the Board was holding open the possibility of making changes at the next meeting and noting that potential changes made would perhaps be less stringent.

Director Klimas knotted that subsection 9(A) should also probably change from 30 to 20 to align.

Member Durrett added that for those going forward under the current language, they are aware that it may become less strict.

Chair Douglas made a motion to make changes that are not material to 15.055 as proposed in subsection 1, changing from “30” to “20”; in subsection 2, changing “20” to “6”; and in subsection 9(a) changing “30” to “20”; noting that the Board may adopt additional changes that are not considered material at the next Board meeting. Member Young seconded the motion. All Members said aye. Motion carried.

VII. Approvals and Resolutions

A. Notice of Final Licensure

1. Natural Medicine, LLC (D145, RD145)

Director Klimas stated Natural Medicine was awarded a conditional medical dispensary license and adult-use retail store license in Las Vegas jurisdiction. On May 4, 2023, a pre-opening inspection and audit revealed the facility was in compliance. The CCB approved and issued the final license on May 17, 2023.

2. Essence Tropicana, LLC (RD317)

Director Klimas stated Essence Tropicana was awarded a conditional adult-use retail store license in the Las Vegas jurisdiction. On May 2, 2023, a pre-opening inspection and audit revealed the facility was in compliance. The CCB approved and issued the final license on June 7, 2023.

VIII. Briefing from the Chair and the Executive Director

Chair Douglas commented that a sector of the cannabis industry came together with thoughts and proposals this legislative session. What the Board needs to be effective is for the industry to coalesce and bring all the segments to the table; the Board is only as good as the information it receives. It is helpful to have dialogue; it is a disadvantage to wake up after things get passed.

Director Klimas stated a handful of bills passed and now the implementation phase starts. There were changes to fair market value, combining of license types, changes to the disciplinary process, penalties, time and effort, increase in purchase and possession limits, inclusion in the Administrative Procedures Act, and governance changes. Further analysis on the changes and policy guidance will go forward.

Director Klimas thanked each member of the CCB staff for their work to protect the public health and safety of the state.

IX. Next Meeting Date

The next Board meeting is scheduled for July 25, 2023.

X. Items for Future Agendas

Chair Douglas noted that there were several items for future agendas based on legislation and carry-overs.

XI. Public Comment

Berwyn Thompkins appeared on behalf of I Got the Munchies consumption lounge. Mr. Thompkins asked what would happen with the 120 days suitability investigations and what happens if they aren't completed.

Chair Douglas directed Mr. Thompkins to speak to staff regarding that question.

David Pope with the Attorney General's Office introduced the new Senior Deputy Attorney General Tony Garasi. Mr. Garasi has been in private practice for fifteen years and has civil practice, board, and commission experience. Mr. Pope noted that Allison Herr started a few months ago, but he was not here to introduce her at that time.

XII. Adjournment

Meeting adjourned at 11:55 a.m.