

Nevada Cannabis Advisory Commission – Federal Rescheduling/Descheduling Subcommittee

Meeting Minutes September 1, 2023*

The Nevada Cannabis Advisory Commission's Subcommittee on Federal Rescheduling held a meeting via Zoom September 1, 2023, at 1:00 p.m.

Members Present :

Ashley Balducci, Chair

Shellie Hughes

Mitchell Britten

Andrew Kline

Emily Berthelot was Absent.

Chair Balducci called the meeting to order at 1:00p.m. and took roll. Members Britten, Hughes, and Kline were present via Zoom. Member Berthelot was absent.

Instructions to join the meeting the meeting via Zoom for public comment were read into the record.

I. Public Comment

Dan Steele 03:23

For the record. My name is Dan Steele. A-1 Labs is my analytical laboratory. I'm a clinical scientist. When I graduated from UNR I was working in the School of Medicine studying cancer gene expression. I have a few points why cannabis can be removed from all categories. Our country can design target medications from raw cannabis which would fall near level three classifications. Based on abuse potential. I argue the majority of recreational use and abuse is self-prescribed medicating for ADHD, anxiety, sleep age, stress and more. raw cannabis flour is non-lethal, non-synthetic and has much less dependence than Schedule III drugs. That is all. Thank you.

Brianna Padilla 04:45

My name is Brianna Padilla, and I am speaking to you today as the executive director of the Chamber of Cannabis. I am filled with immense enthusiasm for the pivotal work this committee is undertaking and I'm excited to be here. Descheduling of cannabis has been a passionate rallying cry for our industry for decades. I'm here though, because as this historic turning point draws ever closer, we do want to contemplate what lies ahead. As the classification or potential lack thereof for cannabis post descheduling will shape the future

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of our industry and incredibly profound ways. As such, it's incumbent upon us to consider how this decision will impact patients, consumers and our broader community. I would like to draw your attention to a matter of some concern, the recent federal recommendation by HHS to reschedule cannabis to a Schedule III drug. While this recommendation is a step in the right direction, it raises significant questions and potential challenges the viability of our current state models carefully crafted by bodies such as these to regulate and ensure the safe, safety of and access to cannabis hangs in the balance. We cannot ignore the potential negative consequences this may bring including restricted access for patients and consumers alike. Today, I stand here not to oppose the progress but to emphasize the importance of thoughtful consideration and collaboration and navigating this new territory. We appreciate the opportunity to engage with the committee to express our concerns and to work together to find solutions that will usher in a future beyond the scheduling of cannabis. In closing, I want to extend our heartfelt gratitude to the CAC for their dedication to this cause. Together we can shape a future where cannabis can thrive and benefit not just our industry, but the wellbeing of those who rely on its medicinal properties, and the responsible enjoyment of adult consumers. Thank you for your time and commitment to this crucial endeavor.

Hadhinah Felice 07:06

For the record, my name is Hadhinah Felice, speaking to you today as a board member of Chamber of Cannabis, stating my opinion of the recent announcement of the HHS echoing my colleague Bri Padilla commented on. And a change of scheduling is in line with safe Banking Act and stating the obvious that this could make it easier for cannabis companies to access banking surveys to get small bank loans. And speaking of, if the HHS recommendation is followed by the DEA Section 280E on the IRS tax code will no longer apply to cannabis business as it is now affecting Schedule I and II. And as we all know, section 280E is hurting cannabis businesses, and many are being taxed nearly double the amount of what they make. And also many types of cannabis business expenses under scrutiny, such as employee salaries, marketing and advertising costs, utility costs and health insurance offered to employees all because of 280E. And lastly, I would like to say rescheduling cannabis, could always potentially result in fewer individuals facing criminal charges for nonviolent cannabis related offenses. And this could have a significant impact on reducing the burden of criminal justice system that we are currently experiencing. I'm thanking the subcommittees on your effort to better our industry. Thank you.

Abad Piza 09:02

Hi, for the record, my name is Abad Piza. I would like to say that the cannabis should be removed from all scheduling. Even though the HHS is recommending Schedule III, I would like to see removed from all government scheduling. This is something that we put into the state of Nevada in our Constitution, so that we could take advantage of this and be able to prosper it prosper off of it now reaches into several different industries. Based on what the BRICS is doing outside of our country, this is something that could strengthen the dollar and help give us backing in the financial stance of the country. But to me personally I've come to see it as more of a supplement or a superfood, not as a drug or dangerous plant. I just hope

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that more of the community comes to see it as a superfood or something that should be grown without regulation. That's all, thank you.

Abby Kaufmann 10:56

Hi, for the record. My name is Abby Kaufman, I am on the board of the Chamber of Cannabis and also work for CRB Monitor. And I'm really grateful for the timing of this subcommittee, as I'm sure has come up. And the fact that SB 277 also mentioned it at the state level. And I'll kind of get to that in a little bit. But basically, the rescheduling to Schedule III in line with the Health and Human Services recommendation has kind of three main benefits, it's that it would allow for research, and it would exempt cannabis businesses from section 280E of the IRS code. Since as a Schedule I or Schedule II substance those taxpayers cannot take tax deductions or credits. And both of those are much needed changes. And above all else, this is the first time where the federal government has acknowledged the medical applications of cannabis. So that's big, but unfortunately, that's pretty much the extent of the positive impact that this rescheduling would really have on the industry. So I hope at the state level and in your studies that you're conducting you consider the impact and consider descheduling completely. The Schedule III drugs are FDA approved drugs and they're uniformly regulated by the federal government and are only legally available by prescription. So while it's somewhat unlikely that the DEA is interested in establishing a whole regulatory scheme to allow for licensed distribution of Schedule III cannabis, if they did this could have negative impacts on the medical cannabis industry that currently exists in all but 12 states. So in my mind, the worst-case scenario here is if the federal government and the DEA goes forward with the suggestion of scheduling to III, the federal government has established a way to legally access cannabis, there could be a shift in the current non enforcement stance that has been in place since the Cole memorandum back in 2013. So the logical and most valuable scheduling changes to completely deschedule cannabis by removing it from the CSA entirely. You know, while operators bottom lines would benefit from not being subjected 280E, the inclusion of marijuana or as they call it, or cannabis in the CSA will continue to limit the industry's access to traditional payment options and lending. Basically, right now it's a federally illegal substance that from the federal government's perspective is being sold illegally. With Schedule III, it's now a federally illegal substance that at the state level is still being sold illegally. So it doesn't really change much when it comes to banks appetites. Congress has already descheduled low THC cannabis, aka hemp so descheduling high THC cannabis altogether would be consistent with existing policy and many of the state federal the state regulations that are already established with this policy change. So and like the previous public commenter said, you know, when we consider cannabis in relation to vitamins and supplements, or alcohol and tobacco, none of which are considered controlled substances, and all of which have their own rules and regulations at the federal level. There's really no reason to believe that the same treatment cannot be applied to regulating cannabis. And so I really doubt as much as the CCB is capable in this subcommittee encourage you to take a look at the state the state Controlled Substances Act and consider descheduling there. And any potential ways to combat any negative implications that the federal government's risk rescheduling to three might have on our thriving medical cannabis community.

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Jason Greninger 15:08

Hello, thank you all. I appreciate everything you're doing there for the record. My name is Jason Greninger, with Atlas Alchemy, and a member of Chamber of Cannabis. I would like to reiterate what Bri has said, and Hadhinhah, and Abby, and especially her point on banking issues, the issues being potentially negative for patients already trying to receive this medicinally. The other thing that needs to be pointed out, what's the situation is that the current restrictions, of course, restrict any funding processes and bank funding for people that are wanting to use get into business. And or do research, which is one of my interests. SBA is denied because it is attached to the federal process. So all of the traditional processes for getting your business started are limited, especially research. And in fact, most research grant processes usually insist on match funding. And when that's denied to you as it is a bit restrictive in trying to manage research, and that was specifically denied to the SBA. I can't even use them for mentorship to help move business along because of the school literally. Now, I would also like to reiterate that the descheduling completely would be the better answer. And not only that, according to the lawsuit and the actual outcome of that lawsuit. I know it's under appeal, but it's for it to be scheduled for the state constitutionally in Nevada already. This decision has already been made by our judges. And it just happens to be on appeal by the Pharmacy Board. But your time shooting, which I know they're obligated to do because of their federal restrictions, which is a seems to be being addressed at the moment. So apparently that appeal may drop, we may win that appeal, in which case, we're already scheduled in this state and need to work at it from that point of view. There is another option that's being, I don't know what the depth of penetration is. But there's this potential schedule six option that doesn't exist yet, which would allow the states to manage as they're doing. But yet still put it within a form of regulation. And that may be something that we want to look into in this process. Because Nevada has already deemed it unconstitutional to schedule it at all. And that decision has already been made by our judges. So and then I just want to thank everyone for what you're doing. And happy to see things move forward with this. And once again, concerned about Schedule III being a problem, working against what's already established, and helping many people including your own family members manage their symptoms with cannabis. Thank you.

Timothy Roberts 18:28

Hello, my name is Timothy Roberts. I'm sorry for the record, my name is Timothy Roberts, with Three Man Productions. My interest today has to do with the scheduling for insurance and medical purposes. I have a son who has had a traumatic brain injury and he has autism and 57 fractures to the skull, a very traumatic brain injury, had a fall on his skull and I grow all the cultivars that keep him from having the seizures that can kill him. And the insurance doesn't cover his meds. I've spent half my income for the last three years keeping up his meds. I've had to teach myself how to cultivate and grow pretty much give up my whole entire future in my life just to keep my son alive since this accident. A descheduling would enable as was just pointed out Chamber of Cannabis, deeper research and more. Oh wider range of options for my son because the options that the federal government's Medicaid/Medicare will cover right now. All are against his health they can kill him within six months or caused some sort of brain damage and cannabis is the one thing that you can take it stops the seizures completely and he doesn't have any insurance to cover it. So the

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descheduling of it would help and maybe open up the door that we can start talking about the insurance being a part of the process. Anyway that's all I have to say today, and I want to thank the Cannabis Advisory Commission for coming together and listening to our needs and Y'all have a great day

Braly Joy 22:36

This is Braly Joy I'm just letting you guys know that I'm here. Sorry being late

Katrina Saunders 23:53

Thank you so much. Okay. My name is Katrina Saunders for the record. I'm Vice President with Pardon Me, Please. I have been affected by the drug war at the state level and federal level in the state of Nevada. Fighting for patients' rights and social justice. I helped build an industry. My comments today is that it needs to be decheduled so we can have more research. People can have safe access and there doesn't need to be another drug war 2.0 it's not okay for white collar criminals to break the federal law, even if they're wealthy and powerful. These criminals often use their privilege to get away with crimes that would land ordinary people in jail. They draft regulations that benefit their own interest while ignoring the needs of patients and other stakeholders. This is systemic racism and classism at its worst. As a medical patient and advocate of medical cannabis. I've seen firsthand how the system works. I've helped build the cannabis industry in Nevada, but I've been repeatedly shut out of ownership opportunities. This consumption lounge language was written to exclude me and other patients while benefiting white wealthy investors. This is unacceptable. I deserve to have ownership and build generational wealth for my family. I deserve to be treated fairly under the law regardless of my race or social economic status, I will continue to fight for justice and ownership until everyone has a fair chance to succeed. This is to highlight the injustice of the system that allows white collar criminals to break federal law with impunity. It also speaks to the importance of fighting for social justice and equality, and equity. The disparities in the cannabis industry are staggering, and it's time for that to change. I hope that this raises awareness and inspires people to take real action; we must all work together to create a more just and equitable society. And that includes reducing people going to jail for cannabis use. There's not an illicit market. In reality, those are people who that you guys have grown out of regulations that can't afford to participate, because you guys want to build white wealth and don't care about the people who have actually built the industry. It's unacceptable, and that needs to be brought to light. Also, writing regulations to further harm people is not good. Thank you for your time. My name is Katree Saunders, Pardon Me Please.

II. Note From the Chair

Chair Balducci 26:16

Okay, thank you, I wanted to put on the record that we did receive some written public comments that week prior to the meeting as well. Now moving on to item two the agenda, which is notes from the chair. I did want to disclose that we do have some attorneys on this subcommittee. And so the discussion and information expressed during these public meetings reflect the opinions of the individual members and does not represent legal advice or opinions of any local authority, public official, or law office.

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III. Introduction of Members

Chair Balducci

With that, I will now move on to Item three, which is an introduction of the members. I'll begin with myself. I am the Chair, Ashley Balducci, I am a licensed attorney in Nevada. I've practiced in the cannabis realm for some years. I'm also a contributing author to the Cannabis Law Deskbook. Now I'm going to pass it over to Member Kline to introduce themselves.

Member Kline 27:32

Thank you, Ashley. My name is Andrew Kline. I'm the co-chair of the cannabis practice at Perkins Coie. We're a 1200-person law firm based in Seattle, but I'm in the Denver office. Prior to my time at Perkins Coie, I lead public policy for the National Cannabis Industry Association, spent 14 years as a federal prosecutor, and worked for then Senator Biden on the Senate Judiciary Committee, and for then Vice President Biden handling crime and drug policy.

Chair Balducci 28:01

It's nice to meet you and, now let's move on to Member Britten.

Member Britten 28:10

Hi, I'm Mitch Britten for the record. I'm the managing partner and CEO of CPCM Holdings, which has 16 licenses here in the state of Nevada. I originally came from the Colorado cannabis marketplace, and just very, very happy to be here and contribute to this board.

Chair Balducci 28:31

Now moving on to Member Hughes.

Executive Director Hughes 28:37

Good afternoon. I'm Shellie Hughes. I'm the Executive Director for the Department of Taxation. We oversee the wholesale cannabis tax and the retail cannabis tax. And prior to the CCB forming, we used to be the regulatory agency.

IV. Discussion of SB 277

Chair Balducci 29:00

Now we're going to move on to item number four on the agenda, which is discussion of SB 277 government. The whole reason we're sitting here today. I don't know if everyone's having opportunities to review it. It's really what we're looking at is Section 16 of SB 277. And I wanted to open up the discussion about what the other members on this subcommittee think as far as what we're meant to study are we

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supposed to study involved whether the if the State deschedulizes, the state of Nevada, and then if the federal government deschedulizes, so I kind of wanted to open this up for discussion and then we can get a little bit more specific as far as topics and research when we get into a subcategory. So if any of the committee members want to comment on that

Member Britten 30:15

I will say, I feel as though the emphasis should probably be more on the federal level, in my opinion. I think the implications probably dictate a little bit a little bit closer look on that side. I think state policy would likely follow. But that would probably be my preference.

Member Kline 30:48

I would agree with what Mitch just said. It appears to me that we should be myopically focused on rescheduling, given that's where we are both in the State and the federal level. And the focus should be on what could happen, what might happen, what will happen at the federal level and how it might impact the State.

Chair Balducci 31:19

Member Hughes, do you have anything to add?

Executive Director Hughes 31:21

I would agree with both Member Britten and Member Kline. I believe the focus would be on the federal level.

Chair Balducci 31:34

Okay, now I'm going to move on to Subcategory A, which is the topics towards exploring scope of research now that we kind of decided we're going to focus more on the federal level. Did we want to open this up to now I know it says removal from the Federal Controlled Substances Act. But we also have this updated recommendation from two days ago from HHS saying, you know, let's reschedule it to Category III, controlled substances. So in my opinion, and again, I'm going to extend this out to the other committee members, we should probably be looking at both descheduling, that's what the legislation calls for, but also the rescheduling in light of the recommendation from HHS.

Member Britten 32:26

Yeah, I think that's right. And from a consistency standpoint, if you look at everything that's come out over the last week and a half, the kind of general theme has been that there are kind of two, two things that are not going to happen, right. And one is that it looks unlikely to stay Schedule I. And then it also looks unlikely to be descheduled. So I think just following that common thread, we should really be looking at what those look like in Schedules II, III, and IV. Because just following that train of logic, it seems like it will land somewhere, somewhere in there.

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Chair Balducci 33:07

We maybe want to explore too if there's rescheduling a different category other than three.

Member Kline 33:19

I agree with what Mitch just said, I don't think that I think it's quite unlikely that DEA is going to divert from the science and medical evaluation of the FDA, which landed us in Schedule III. There's a pretty much a physical impossibility that cannabis can be descheduled through administrative process. And so the likelihood that cannabis is going to be descheduled administratively is about zero. And the notion of descheduling through Congress is something that I think is in the very distant future. So I would encourage this group to be my myopically focused on the impacts of rescheduling the schedule from Schedule I to Schedule III on the state of Nevada.

Chair Balducci 34:16

Member Hughes, did you want to add anything?

Executive Director Hughes 34:20

No, no, I don't have anything else to add than what was already said.

Chair Balducci 34:25

And for the record, I'm taking down everything and I'm going to create an outline of all this so we can at least start somewhere at our next meeting. And we kind of have everything narrowed down to what we are studying, and we can kind of work from that living document. I thought that might be the easiest way to tackle this project. So as far as SB 277. It also calls for us to look at the potential effects to the Nevada cannabis industry. If it is descheduled or rescheduled, we're looking at both scenarios. So I kind of wanted to extend this out to the subcommittee members. And I, myself also have some topics that I've identified. What are some of those potential effects that we want to look at and incorporate into the study? I want to look at banking. I want to look at taxing. I know there was some public comment on Section 280E, I want to look at that. And I, which goes with taxing obviously, and the research, the potential effect of research. But I'm going to open it up to the entire subcommittee to also share any topics that they'd like to look at as well.

Member Kline 35:48

I think that's a good a good start to list, I think that the universe starts to really expand if you're talking about descheduling, because it is not at all clear. First of all, as I mentioned a few minutes ago, I think the timeline for descheduling is quite far out. But hypothetically, if we were to deschedule, the biggest issue would be what federal agency would be regulating what would their relationship be with state regulators? What pieces would the Feds want to take? What pieces would the state end up taking? That is a huge project, and I don't think that we are ready to have that conversation because we don't have a descheduling

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bill. There's never been a descheduling bill in Congress that's been introduced with a regulatory plan that that gave enough clarity as to whether the federal government would have the FDA regulating or TTB regulating or some other agency, or whether they would just defer to the states. And so, again, my view is that, in the short term, this group should be myopically focused on what happens with rescheduling because that that is going to happen.

Member Britten 37:05

I agree. And I think I would also echo the importance of the taxation piece being an operator in the space for over a decade, I've had a lot of experience with 280E. And it's pretty painful, right? So I think the taxation piece is very important, as well as the enforcement. Right, I think we can expect if it goes to Schedule III, that there's going to be some new iteration of, you know, a Cole Memorandum type doctrine that that the states are going to have to follow. And just as Andrew said, who is enforcing? There's, there's a lot to unpack in those two topics alone.

Executive Director Hughes 37:48

Ashley, I do agree with the topics you suggested to explore. I know several public comments mentioned, insurance as well. I'm not sure if that's something to also look into

Chair Balducci 38:13

Thank you, Member Hughes. I understand we want to make rescheduling, I think, the focus of this study, but I think the legislation also calls for the removal. Maybe it would be helpful if we looked at it because we are kind of talking conceptually right, Member Kline? I mean, there isn't any pending descheduling federal legislation at this point. But to make sure that we cover what the study requires, maybe we look at models, different types of industries that are not scheduled products, and are regulated by the Feds to see how they're regulated. I don't know if we want to explore that. But I do know that the legislation says to look at what happens in the event that it's completely removed and not just rescheduled. I know the focus will be rescheduling.

Member Kline 39:08

It's been a few days since I've read the legislation candidly but the way I read it was rescheduled or deschedule, but I could have misread it. But it appeared to me that they were sort of predicting that one of the one of those two things could happen and now we know what's happening. Obviously, we need to be responsive to the legislature and do what they asked, but I think we may have a little bit more wiggle room there. I agree with you. I think that the writing's on the wall is that there are going to be some things that the FDA will care about pursuant to the Food, Drug and Cosmetic Act. And that is, you know, making health claims marketing to children, marketing and interstate commerce, selling products in interstate commerce. So I would think that this group would want to look at the things that FDA will care about, and make sure that the state laws are in line with those federal requirements under the Food, Drug and Cosmetic Act.

Chair Balducci 40:14

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Okay, I'm going to move on unless any other members have any other topics that they'd like to add to the list. Okay, hearing, I'm going to move on to Item IV B, which is potential speakers and presenters on these topics that we've identified. I've kind of compiled my own list, but I'm sure other committee members might have maybe other ideas. I'd really like to hear from a banking expert. I think that would be very helpful, maybe not a banking attorney, but maybe a banking expert, someone who works in the banking industry. I'd like to hear from someone with the FDA. I, you know, the Federal Food and Drug Administration. I don't know if we will hear from someone about that, or maybe an expert on that. I think it'd be really helpful to explain the process of how this was going to happen as far as the rescheduling in light of HHS recommendation. So I think we have to look at and kind of see, okay, so now it's HHS is recommendation, what what's the DEAs process? And then what happens after that, I think that would be really helpful, at least, for me, and then I'd also like to hear from a tax expert. I know we have a member Hughes, but I'm thinking more in lines on the federal side of taxes and not the state, although I think we still probably need to address that as part of the legislation. But those are the kind of speakers and presentations I'd like to see as far as the subcommittee meetings. Anyone else have any other ideas?

Member Britten 42:19

I think those are great. And I do know from an FDA perspective, Howard Sklamberg seems to be kind of at the forefront of this. He worked in the FDA and is now a private attorney in Washington, he would probably be a really good person that we could probably pull in on that.

Chair Balducci 42:38

That's interesting, you just raised that. I was listening to a podcast prior to this meeting, and he was one of the interviewees, so thank you for that. Member Kline or Member Hughes, do you have any particular speakers or presenters you'd like to hear from?

Member Kline 42:57

Howard Sklamberg is amazing. I work with him quite a bit. He's an FDA expert. Shane Pennington is another lawyer that I work with quite a bit. He is a Controlled Substances Act expert. I can certainly help with the process, but he can do a little bit deeper than I can.

Executive Director Hughes 43:25

I have nothing to add. I like the suggestions you've mentioned.

Member Kline 43:33

One of the person that might be interesting to hear from is Gillian, the executive director of CANNRA, I know CANNRA has been kind of thinking about how we ready for interstate commerce, which is directly related, actually, to how we ready for descheduling. And so it might be interesting to hear from her.

Chair Balducci 43:55

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I've met Dr. Schauer on a couple of occasions. So, I think she would be really helpful explaining the FDA aspect as well. So I think we have a pretty good starting list here. And I'm hoping that by our next subcommittee meeting, we can get a speaker/presenter to attend and to help us with working through our study as far as any other potential speakers and presenters before I move on to the next item on our agenda. Again, if for whatever reason something else comes up as you're going through this process, we can obviously add speakers and put them up and add topics to explore as well. I just kind of wanted to get a starting outline of what we're going to do and then we can go from there. Moving on to Item IV-C, which is a timeline, so the legislation requires the Cannabis Advisory Commission to get a report to the legislator by March first of 2024. So what I was hoping is that we do a lot of the work now before the holidays, and before everybody gets really busy, and try and do meetings every two weeks if we can, and really make meaningful progress with having speakers I've heard that are ready to go by the next meeting. So that way, we can really tackle and have a draft report by the beginning of January that then go to the Cannabis Advisory Commission, for their review, and give them an opportunity to maybe send back down, if necessary, if they want us to address something that may come up. So that's kind of what I was envisioning. So if anybody has any other comment on this particular item, I just kind of wanted to let everybody know what I'm envisioning as far as making as much progress as we can now before the holidays and then having something ready by the beginning of January.

Member Britten 46:12

As far as the speakers and process is concerned, does this subcommittee have a budget or anything like that, as we start looking at bringing some of these experts in?

Chair Balducci 46:25

No, not to my knowledge.

Member Kline 46:36

Ashley, I'm happy to get Howard and Shane here shouldn't be a problem. So if you want me to, if you want to send me dates, and that want me to reach out, I'm happy to do more.

Chair Balducci 46:47

Thank you, Member Kline really appreciate that. And I can work on getting Dr. Schauer to come and speak with us. I'm not sure if we have anybody really identified for tax consequences or an issue.

Member Britten 47:04

I'm sorry, I would be happy to bring in our tax attorney on this. She works out of Holland hearts Denver office, and she's solely does federal 280E regarding audits. And I'd be happy to bring her in.

Chair Balducci 47:22

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Thank you, Member Britten, I really appreciate that. I think at this point, we have a really good list of topics and speakers. And hopefully by the next meeting, we'll have one of those speakers present for us to really tackle the study. I'm going to move on to the next item on the agenda unless any other member has anything to add. Seeing none,

V. Future Meetings

Chair Balducci 47:51

I'm going to move on to Item five, which is future meetings. And I was hoping to have the next meeting by September 15. Probably around the same time, we might have to maybe move it up a little so that if we're going to have a speaker or presenter give us at least an hour for them to speak and answer any questions, we may have the entire subcommittee. And hopefully we can have one of the four people we've identified ready to go by September 15. But I just wanted to put that date out there. And we can kind of see as far as how many members are able to attend on that particular day, and if we have a speaker. And then last but not least, I was going to conclude this meeting. And I just want to thank all the committee members for giving me feedback today. I will take what we've discussed, like I said, put it in and outline and then we'll come back here for the next meeting hopefully with a speaker and ask some of the questions that we all have on the topics we've identified. So with that, I'm going to open it up to public comment, Item number six.

VI. Public Comment

Brianna Padilla 49:31

My name is Bri Padilla. I serve as the executive director of the Chamber of Cannabis. And I just wanted to hop back on because I was incredibly concerned with the direction that I heard the conversation going especially when it comes to supporting or endorsing in any way shape or form the rescheduling of cannabis to Schedule III. Doing so would require cannabis to be acquired via a prescription and in addition to a myriad of other limitations it would absolutely hinder access for patients to the market, and I would also like to request so that the industry and other industry leaders be able to submit their own experts. As speakers, I was also concerned with how I saw the positioning of the speakers presented. So if there is a public way for in a transparent way for all industry stakeholders to bring their own experts to the table, so we can have a truly fair and transparent conversation, we absolutely would love to support that. And we'll submit any form or anything that you guys design for us to be able to facilitate that. Thank you.

Katrina Saunders 50:43

Hi. I just want to say first and foremost, the disassociations of people needing to be free from prison. I help advocate for Americans for Safe Access, and they still have friends that are still incarcerated for nonviolent cannabis crimes. That needs to be brought up first and foremost [inaudible]. I don't really think you guys realize what it's like to be part of your family your life then have to rebuild that the federal cannabis felony record that affect people's housing their jobs. I just want to also reiterate that they're outside comments not

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just people that are there are experts like myself who have been in the medical cannabis industry for many years by excellent expertise and concrete advice on the things that really a threat we have been affected by the world also there descheduling so that we can have safe access to that there doesn't have to be a setback we've already made this progress moving forward. [inaudible]. I sacrifice my time and intellectual property are invaluable. Right. They don't have to be like well, reparations for suffering for emotional damage on my kids fight from these horrible regulations.

Timothy Eli Addo 53:55

Timothy Eli Addo, for the record, I would like to read reiterate the importance of decriminalizing or descheduling cannabis in general, but also like to highlight the point that it is very important that we also do recognize that it has been, it is written into our Constitution and that we do have very important institutions within our state that does support basically the medical tourism aspects of cannabis, and this should be, you know, prioritized, you know, in our discussion as well. And I also wanted to state that some of the issues that medical patients do have that, that basically affect medical patients with it still being Schedule I. One is it does it limit and restricts medical patients the access to resources, very important resources such as Social Security benefits and previously stated medical benefits as well. So I just wanted to basically state that for the record and thanks for your time.

Abad Piza 55:24

I just wanted to piggyback off of what Mr. Andrew Kline and Chamber of Cannabis. I wanted to piggyback off of what they were saying, because when the committee was supposed to have been created, it was due to the lawsuit that the ACLU made against the pharmaceutical board to have it descheduled completely. It wasn't to be in case of what if the federal government does a Schedule III? No, that wasn't the reason why this subcommittee was even created to begin with it was to be removed altogether. Because, again, constitutionally, that's what we had been fighting for this entire time for us to, for example, myself, when I signed on that document, it was to ensure that no one would go to jail, that no one would be prosecuted, that no one would continue to suffer harm due to this plan. And again, something that I said before at a different meeting, all I've seen is destruction on part of the government, even though they're saying that they're doing this for patients and all of this other stuff. Most of my friends were patients medical card holding patients who were raided due to just government targeting them or assessing them as a criminal aspect when in reality, again, anyone who uses cannabis is a patient, it doesn't matter if you got a certificate for it or not. Because again, in my eyes, I've been seeing this as more of a supplement than anything else. Now I'm just seeing government harm coming from what's being created. Because this isn't something that was this is something that you guys are doing It just boggles my mind and baffles me that something so simple, something that could be very simple because our country was supposed to be a republic founded on capitalism on real capitalism. Basically, the cops were only supposed to be there to ensure that we didn't kill each other in that process. And this has been taken and twisted into something completely different. And it's brought an arise to all kinds of other problems because we're creating monopolies. I've had people call contacting me trying to warn me about the police and warning me about all this stuff. But the truth is that when I got into this, I didn't care about them, I cared about me, I cared about my health, my family's health,

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and us being able to just live life have that, you know, quote unquote, American dream and be able to just live your life as long as you cause no harm and you know, you're not doing anything or anyone, you should be able to live your life freely. Like, there's just so much that goes into this. And it just, I wish I could make more sense of it in a simpler form. Because to me, this is extremely simple when all this bureaucratic stuff just complicates things in ways that it doesn't need to be complicated. Thank you.

Abby Kaufmann 58:33

Hi, for the record, Abby Kaufmann, again, with the Chamber of cannabis and CRB monitor. And I'd like to think I'd like to echo some of what my colleague, Bri Padilla, said, and also think of odd for putting in the context of the Subcommittee, back into play in terms of SB 277. The legislation, it's on page 36 of the 38 page, you know, bill where it says that, you know, conduct a study concerning the potential effects on the cannabis industry, in the state of cannabis were to be removed from the list of controlled substances included in Schedule I, pursuant to uniform Controlled Substances Act or the federal Controlled Substances Act. So the matter of looking at it from a federal or state level, that that's not an "or" it's an "and" the, you know, Descheduling versus rescheduling the language of the legislation that formed a subcommittee is Descheduling and removal. I understand that with the recent developments at the federal level, from this week, that the Descheduling or the Reese rescheduling is very real and being felt, but given the fact that the statute does emphasize a focus at the state level, I think that any focus or any of the resources of this committees spent on looking at rescheduling should be, I would hope that they would be focused more on preparing the industry for what that would mean for their operations. There was comments about banking and interstate commerce. And I think that what we need to realize is that with the rescheduling to Schedule III, that's not going to allow the medical cannabis dispensaries in Nevada to move product across states or be listed on a market or access institutional investment. It's if and when the DEA approves it and if and when there's a regulated by the FDA regulated can Schedule III cannabis product, that's what's going to be legal. And that's what's going to be able to be shipped to pharmacies and Walgreens. The medical cannabis market as we know now, that's an end all cannabis as a Schedule III substance that's not that's still at the state level, that's still the same at the federal level, this change is only really impacting the substances that are regulated at the federal level. And so all of these potential changes that are coming up, you know, that's going to impact states more likely negatively outside 280E real thing that that, you know, impacts the existing operations. Everything else is, if you know, regulated by the FDA, assuming that the DEA and the HHS recommendations are not binding. The medical and scientific analysis is binding to the DEA, but the actual scheduling recommendation is not. So, again, I guess, to go back, the purpose of this subcommittee is to look into the impact on the state if it were to be removed? And if so, again, if there is any discussion of the impacts of rescheduling, I hope that it is in from the lens of how this how we can prepare and what we can do at a state level to protect our existing operators in the state and not the federal you know, FDA operators. So, um, in terms of the public speakers and comments, there are several experts I think that, I agree with Bri that there should probably be some public input on these and ideally ones that do not have relationships to or work for members of the subcommittee. I don't know the details of that. But I think that the banking there's a big misconception there. And interstate commerce, you know, Visa and MasterCard aren't going to allow you to buy cannabis from medical just because it's Schedule III that's simply it's

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nothing really changes at the federal for cannabis as we know it today. So thank you for your time. Apologies for rambling was not prepared to make the second comment.

Jason Greninger 1:03:20

I want to reiterate what Bree and Abby said, specifically pointing out how that might change. patient access when people are already using this substantially to manage their symptoms. And also to reiterate that you do you need professionals in the industry around this industry that are actually working with patients in the situation in the trenches to actually give you advice on this. Not taking advice on this would be catastrophic to all of us. Okay. And one of the things that needs to be added to that discussion is the science. Your body makes 150 endogenous cannabinoids. Okay, the plant makes up to 144 Phyto-cannabinoids, that are exact match keys that fit those 37 different types of receptors in your cells. There is a very huge link to this plant in our helps, okay, no other plant makes actual keys that manage our equilibriums. And that's why these are actually retroactive neurotransmitters means that wouldn't be in this argument or any of this if that hadn't already been the case. And we found that out. We're here because of Charlotte's Web. We're here because of the understanding there's an additional value here. We're also understanding that we don't know squid and about figuring that out in a real detail. Because we need the science, the research and the funding behind that to make that happen. But when you're looking at a plant that's attached to humans making over 14444 known keys to our cellular processes. There's no other plan that kingdom attached to my knowledge at this level. So you need people on this board to bring some of the science to the table to say, yeah, there's a reason for this. Yeah, we need to make laws. Yes, we need to protect people. Yeah, we got to stop some of the garbage CBD products that are out there. Incidentally, I make CBD products. I know, there's a lot of garbage out there. But the truth is, there's potential here and needs to be managed efficiently and effectively, or we're just shooting ourselves in the foot. So you need professionals in the industry or in this industry to give you advice. Otherwise, you're just going to nail it to the wall row repeated over and over again, throughout history every time that is not applied. You can consistency that any application throughout our government process that doesn't bother to take into the fact that people, so you need those professionals in history, especially those involved in health patient care, the science behind what we're trying to figure out, knowing that we know very little thank you.

Timothy Roberts 1:06:19

For the record, my name is Timothy Roberts history Man Productions. There's one thing I noticed that weren't brought up that I was hoping would be that I wanted to bring to point. I come from unique standpoint, I'm a felon who's allowed to cultivate cannabis in Nevada with the medical marijuana cultivators card. And I'd like to know how will affect cultivators in Nevada if it goes federally legal. You know, federal legalization will bring poor quality corporate cannabis that will not help my son. This has been seen all throughout the industry as the larger corporations take over and push out small growers in the Emerald triangle where this all originated. And also, if we can write into our legislature somehow here in Nevada, the grandfathering for medical card growers so that we don't get written out in some way for the when the feds take over and how it affect my felon status in the industry because I'm trying to set a path since SB 277 has passed, passed for me to become a cultivator legally in the state of Nevada, working for a good corporation

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that does this. I'm hoping to get this path set and into the industry before the Feds start setting their policy because I don't want to get written out of their law. If we can say hey, look, Nevada already had people grown we already had this going on. And like I said, we've seen the quality of cannabis that's coming out of the larger the corporations are it's just not the quality that I grow right here for my son. Not saying we don't here in Nevada, we have some excellent growers right here in Nevada. Anyway, I wanted to point those things out how will this affect the already cultivating card holders in Nevada? And how will it affect felon status in industry? And can you please maybe at the next meeting talk about setting this path to get us felons working in the industry. Thank you for your time. Once again, my name is Timothy Roberts with Green Man Productions

Hadhinah Felice 1:09:09

Good afternoon. Hadhinah Felice again with the board of Chamber Cannabis. If alcohol and nicotine are not scheduled, then cannabis has no business being scheduled. Because those substances are more harmful than cannabis. I am patient, so I would know this as well as many others like me. And if anyone over 21 years old can just walk into a dispensary and purchase flowers. then scientists or scientists should be able to access and study this flower this cannabis plants so that we know you know the health effects on people. I'm just saying descheduling cannabis is the only way for all of us to benefit from this, especially patients. And lastly, I believe that industry professionals who are not sitting on the subcommittee's should be allowed to make public recommendations on experts who could and should be the future speakers of the subcommittee's thank you again for your time and consideration.

VII. **Adjournment at 2:10pm**

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