

March 26, 2024

Cannabis Compliance Board 700 E. Warm Springs Road, Suite 150 Las Vegas, NV 89119

Via email to regulations@ccb.nv.gov

Subject: Chamber of Cannabis Input on Proposed Changes to NCCRs 4,5,6,7,12,13

Dear CCB Staff and Executive Director Humm,

The Chamber of Cannabis is dedicated to advocating for sustainable business opportunities, restoring justice, and positively impacting our community. As such, we are in full support of (1) reducing the cost of replacement agent cards in NCCR 5.140 and of (2) providing cannabis retail establishments with the option to supplement their revenue by selling un-infused food and beverage as outlined in the proposed changes to NCCR 7.030.

We appreciate the CCB taking steps to ensure that advertising regulations (NCCRs 6.120 and 12.070) clearly reflect the various advertising guidelines — we ask that the CCB please consider similar consolidation across labeling to further reduce confusion and ensure compliance.

As detailed in the following pages, the Chamber's Commerce Committee suggests the following revisions to further clarify, reduce, and improve the following cannabis regulations included in today's workshop:

- Removal of petition fee in NCCR 4.145
- Clarification regarding the true extent of statutory limitations for agent cards as reflected in NCCR 5.120 and 5.150
- Updating NCCR 6.025 to reflect legislative changes with passage of SB195
- Increasing delivery vehicle limits in NCCR 7.050 to at least 12.5 ounces to align with the 2.5x increase in purchase limits.
- Improve uniformity of labeling requirements across all cannabis establishment types and all product types described in NCCR 12.030, 12.035, 12.040, and 12.045.

KEY:

Regulation X
NCCR X.XXX
CCB Removal
CCB Addition
Chamber Addition



#### **Chamber Removal**

Explanation

# Regulation 4. Disciplinary and Other Proceedings Before the Board

# 4.145 Adoption, amendment or repeal of a regulation.

3. A petition to the Board to request the adoption, amendment or repeal of a regulation shall be filed with the Executive Director, together with a nonrefundable filing fee in the amount of \$500.00.

Nevada's statutes include provisions allowing "any interested person to petition with the Board requesting the adoption, amendment or repeal of a regulation"-- this is in NRS678A for the CCB and is in NRS 233B.100 of the APA.

Nowhere in statute does it mention or mandate fees for petitions. It does not appear that the regulations for other state agencies and boards in Nevada, charge a fee for an interested person to engage in public regulatory discourse via petition.

This was discussed at the January 2024 workshop and was supported by individuals outside of our organization. While this is unrelated to packaging, the list of proposed changes includes NCCR 4.065, prompting us to resurface this previous suggestion.

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

5.120 Submission of information by cannabis establishment to obtain or renew registration card for person employed by or contracted with establishment or for volunteer; fingerprinting and application fee; issuance of registration card; temporary registration.

During the January workshop, the CCB expressed that the cost and number of cards was set forth in statute and, on its website states; "Pursuant to NRS 678B.390 and 678B.340, effective July 1, 2020, the cost of an agent card is \$150 per category and each card is valid for 2 years. If you are applying for multiple categories of cards such as cultivation, production, and dispensary, you must apply for a card for each category at \$150 each."

Understanding that subsection 2 of NRS 678B.390 outlines specific instances where "The Board **may** by regulation establish reduced fees", it does not outline instances where a cost reduction is prohibited.

Similarly, subsection 1 of NRS 678B.390 states that "the Board **shall** collect <u>not more than</u> the following <u>maximum</u> fees"-- it does not say that the Board shall collect the maximum amount every time.



One of the CCB's guiding principles is to provide all communities with the opportunity to participate in the industry and prosper from its economic benefit – this principle should carry the same weight as the CCB's goal of generating taxes and fees.

While statue does not **require** regulations for reducing the cost of agent cards, it does not appear to prohibit it.

## 5.150 Categories of registration cards.

During the January workshop, the CCB expressed that the cost and number of cards was set forth in statute and, on its website states; "Pursuant to NRS 678B.390 and 678B.340, effective July 1, 2020, the cost of an agent card is \$150 per category and each card is valid for 2 years. If you are applying for multiple categories of cards such as cultivation, production, and dispensary, you must apply for a card for each category at \$150 each."

In reviewing NRS 678B.390, NRS 678B.340 and NRS 678A.450 (cited in NRS678B.340), our committee was unable to locate language mandating multiple categories of cards or requiring one agent to have multiple cards.

We cannot expect to attract and retain talent if many of our neighboring states do not subject their agents to this redundant and costly practice.

- Oregon OLCC Marijuana Worker Permit
- Colorado DOR <u>MED Employee License</u>
- Arizona ADHS <u>Marijuana Facility Agents</u> (with 2nd category only for labs)

We ask that the CCB seriously consider revising this regulation to remove the categories or by creating an option for a single universal agent card, as regulators in other states have done.

# Regulation 6. Production and Distribution of Cannabis

#### 6.025 Board authorized to collect fee for costs for oversight; hourly rate.

Despite the fact that SB195 went into effect upon passage, it does not appear that the CCB has introduced any revisions to this critical regulatory change limiting the board's ability to collect fees for oversight. We appreciate the CCB's explanation that it has stopped charging these fees but feel that it is necessary to have our regulations reflect the statues. We propose that this regulation be re-written in its entirety to reflect the limitations outlined in SB195. As outlined below:

1. The Board may charge a cannabis establishment for the actual costs paid by the Board to a law enforcement agency or other person who is not an employee of the Board to conduct any background checks in connection with a transfer of ownership



- interest in the cannabis establishment pursuant to the regulations adopted by the Board pursuant to NRS 678B.380.
- 2. In addition to the the amounts specified in NRS678B.380, the Board may charge a license or an applicant for a license the costs incurred by the Board and its staff for an investigation conducted in connection with:
  - a. A transfer of ownership interest in a cannabis establishment pursuant to the regulations adopted by the Board
  - b. An application for the initial issuance of a license
  - A request to obtain any approval that may be required by the Board to enter into an agreement to provide management services to a cannabis establishment;
  - d. A waiver that is requested pursuant to the provisions of this title or the regulations adopted pursuant thereto.
- 3. The charges authorized by subsection 2 of this regulation must be limited to:
  - a. A reasonable hourly fee at a rate established by the Board by regulation for each hour spent by agents of the Board in conducting the investigation;
  - b. Costs for the travel expenses and per diem allowances of the agents of the Board conducting the investigation. The per diem allowances and travel expenses must be assessed at the rate established by the State Board of Examiners for state officers and employees generally.
- 4. The Board shall not charge a licensee, registrant or applicant for a license or registration card any fee, cost, fine or other charge that is not expressly authorized by statute. Such prohibited charges include, without limitation, any charge for the costs of ongoing activities of the Board relating to the oversight of a cannabis establishment, including, without limitation, any charge for costs relating to:
  - a. Except as otherwise provided in subsection 2, travel or lodging for an agent of the Board
  - b. Any routine inspection or audit
  - c. The preparation for and attendance at a hearing by an agent of the Board;
  - d. An investigation of a complaint submitted to the Board by a person who is not associated with the Board; or
  - e. Except as otherwise provided in NRS678B.380, any other type of inspection, audit or investigation.

# Regulation 7. Cannabis Sales Facility

# 7.050 Delivery to consumer: Restrictions; duties of cannabis establishment agent making delivery

1. A cannabis sales facility shall not deliver more than 5 ounces (141.75 grams) of cannabis or an equivalent amount of cannabis products to any combination of consumers within a single trip.

1. 2. A medical cannabis sales facility shall not deliver more than 10 ounces (283.5 grams) 12.5 ounces (354.36 grams) of cannabis, edible cannabis products or cannabis-infused products, or



any combination thereof when making a sales delivery exclusively to consumers, persons who hold a valid registry identification card or designated as a primary caregiver.

- 3. A cannabis sales facility shall not deliver cannabis or cannabis products to a consumer at any location that has been issued a gaming license, as defined in NRS 463.0159.
- 4. A cannabis sales facility shall not knowingly deliver more than 2.5 ounces (70.87 grams) 4 ounce (28.35 grams) of cannabis or cannabis products to a consumer in a private residence in one calendar day.

- -

Prior to the passage of SB277, the purchase limit for adult-use cannabis was 1 ounce and the delivery vehicle limit for adult-use cannabis sales facilities was 5 ounces. If each customer ordered the maximum, the delivery vehicle could carry enough for 5 orders. As it is currently written, delivery vehicles can only deliver 2 orders of the maximum so we are supportive of increasing the delivery vehicle limit.

However, by only increasing the delivery vehicle limit 2x when the purchase limit increased 2.5x, the CCB is limiting operational efficiency. **See** <u>Appendix A</u> **for illustration.** 

Furthermore, in Oregon, Colorado, and California, the limit for cannabis delivery vehicle is \$10,000 in retail value of regulated cannabis.

- California §15418. Cannabis Goods Carried During Delivery
- Oregon- 475C.117 Delivery of marijuana items to consumer; requirements; limitations: rules.
- Colorado E. Delivery Motor Vehicle Requirements.

From these states' regulations, it does appear that other mature markets base their delivery limits on retail value, rather than weight like we do. An alternate revision that would be even more advantageous to the industry is as follow:

 A cannabis sales facility's delivery vehicle shall not carry cannabis, edible cannabis products or cannabis-infused products, or any combination thereof with a value in excess of \$10,000 when making a sales delivery to consumers, persons who hold a valid registry identification card or designated as a primary caregiver.

# Regulation 12. Packaging and Labeling of Cannabis

# 12.010 Requirements for single packages.

1. Unless preparing bulk packages only for delivery to another cannabis establishment and not for sale to a consumer, a cannabis establishment that packages cannabis or cannabis products must individually package, label and seal the cannabis or cannabis products in a single package



for sale. A cannabis sales facility shall only sell cannabis or cannabis products in a single package which must not contain:

- (a) More than 1 ounce (28.35 grams) 2.5 ounces(70.87) of usable cannabis.
- (b) For a cannabis product sold as a pill or capsule, more than 100 milligrams

. . . . .

With the increase in purchase limits, we do not see any no harm in providing operators with the opportunity to package the full 2.5 daily purchase limit in a single package. This will align with the new purchase limits and could help reduce waste.

# 12.015 Requirements for packaging cannabis, cannabis products and edible cannabis products, products in solid or liquid form, usable cannabis and concentrated cannabis or cannabis products.

- 1. In addition to the requirements in subsection 5, Aany edible product containing cannabis must:
  - (a) Be clearly and unambiguously packaged as cannabis with the words "THIS IS A CANNABIS PRODUCT" "THIS PRODUCT CONTAINS CANNABIS" and includes the warning "KEEP OUT OF REACH OF CHILDREN" in bold type that clearly identifies that the product contains cannabis;
  - (b) Be packaged in a manner which is not modeled after a brand of products primarily consumed by or marketed to children;
  - (c) Be presented in packaging which does not contain an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the cannabis production facility which produced the product;
  - (d) Not be packaged or marketed as candy;
  - (a) (e) Include a Nevada universal cannabis symbol approved by the Board to indicate that the product contains cannabis;
  - (b) <del>(f)</del> Display ∓the net weight of the product;
  - (c) (g) Be labeled to include a A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343 321(qq);
  - (d) (h)Include a A-notice that the actual amount of THC may be within 15 percent of the stated amount for the edible cannabis product;
  - (e) (i) Contain a warning that states: "Caution: intoxicating effects may be delayed by 2 or more hours";
  - (f) (j) Be packaged in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams of THC per serving, and include a statement that the edible cannabis product contains cannabis and its potency was tested with an allowable variance of plus or minus 15 percent of the allowable limit; (k) When sold at a cannabis sales facility, be placed into a package or directly packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. Pt. 1700 and the standards specified in subsection 3 or 4. The child-resistant packaging must maintain its



effectiveness for multiple openings before leaving the cannabis sales facility with the consumer; and

- (g) (l) Protect the contents from contamination and must be of a food grade material.
- 2. When sold at a cannabis sales facility, any cannabis or cannabis product must be packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. Part 1700 and the standards specified in subsection 3 or 4. The child-resistant packaging must maintain its effectiveness for multiple openings before leaving the cannabis sales facility with the consumer.
- 3. Except as otherwise provided in subsection 4, cannabis products in solid or liquid form must be packaged in: (a) Plastic which is 4 mils or more in thickness; or (b) If the product is in liquid form, a food-grade container.
- **42.** Edible Cannabis products in liquid form containing more than 10 milligrams THC must be packaged using a resealable cap in a container that:
  - (a) Clearly demarks each serving of cannabis in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of THC; or
  - (b) Includes a device that allows a reasonable person to intuitively measure and serve a single serving of THC.
  - $\rightarrow$  The portion of such a container that demarks each serving of cannabis need not be opaque.
- 5. Any container or packaging containing usable cannabis, concentrated cannabis or cannabis products must protect the contents from contamination and must be of a food grade material.
  6. An edible cannabis product must be sealed in a container which is not transparent and sold in packaging which is opaque.
- 73.. Each single serving in a multiple-serving edible cannabis product must be physically demarked in a way that enables a reasonable person to intuitively determine how much of the edible cannabis product constitutes a single serving. Each demarked serving must be easily separable in a manner that allows an average person who is 21 years of age or over to physically separate, with minimal effort, an individual serving of the edible cannabis product.
  84. If an edible cannabis product is of a kind that is impracticable to clearly demark each serving of cannabis with the dose in milligrams of THC, the edible cannabis product must:
  - (a) Contain not more than 10 milligrams of THC per unit of sale; or
  - (b) Be sold in a package that contains more than one individually wrapped single-serving edible cannabis product
- 5. Packaging for cannabis or other cannabis products, including edibles and usable cannabis, must:
  - (a) Be clearly and unambiguously packaged as cannabis with the words "THIS PRODUCT CONTAINS CANNABIS" and includes the warning "KEEP OUT OF REACH OF CHILDREN" in bold type that clearly identifies that the product contains cannabis;
  - (b) Be packaged in a manner which is not modeled after a brand of products primarily consumed by or marketed to children;
  - (c) Be presented in packaging which does not contain an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the cannabis production facility which produced the product;



- (d) Not be packaged or marketed as candy;
- (e) When sold at a cannabis sales facility, be placed into a package or directly packaged in opaque, child-resistant packaging in accordance with 16 C.F.R. PO Part 1700 and the standards specified in this section. The child resistant packaging must maintain its effectiveness for multiple openings before leaving the cannabis sales facility with the consumer.
- (f) Be of a food-grade material and protect the contents from contamination.

Given that many of the requirements outlined in section 1 and section 5 of NCCR 12.015 are shared, we believe it would be beneficial to further isolate the regulations that specifically apply to edibles. We suggest removing the language in section 1 that is already stated in section 5 and revising the language in section 5 to reflect that the listed requirements apply to edibles as well as cannabis and other cannabis products.

Our members also would like to understand the reasoning for requiring child-resistant packaging to maintain its effectiveness for <u>multiple openings before</u> leaving a sales facility with the consumer. We do not see how this requirement benefits public safety. Without this requirement, operators may be able to leverage more affordable child resistant packaging.

# Regulations 12.030, 12.035, 12.040 and 12.045

- 12.030 Cannabis cultivation facility: Required labeling before sale of cannabis to another cannabis establishment.
- 12.035 Cannabis production facility: Required labeling of cannabis products before sale to retail store
- 12.040 Cannabis sales facility and cannabis consumption lounge: Required labeling of usable cannabis and single-use cannabis product.
- 12.045 Cannabis sales facility and cannabis consumption lounge: Required labeling of cannabis products and single-use cannabis products.

Broadly speaking, our members are seeking uniformity in packaging and labeling requirements. Oftentimes, confusion surrounding what labels and packages require what information from which operator leads to duplication of efforts which ultimately impacts operators' bottom lines.

We would like to propose that these regulations be consolidated into a single labeling regulation and have included the 3 variations of labels that would exist in the Appendix portion of this document.



**12.0XX** Cannabis establishment: Required labeling of cannabis, including usable cannabis, cannabis products, and single-use cannabis products.

- 1. If not already included on the container or package, all cannabis establishments must label cannabis, usable cannabis, cannabis products and single-use cannabis products with the following information in legible English:
  - a. The establishment ID of the cannabis cultivation facility that cultivated the usable cannabis:
  - b. The inventory package ID number (parent tag) as assigned in the state required seed-to-sale inventory tracking system;
  - c. The date of final harvest;
  - d. The detected cannabinoid profile and potency levels and terpenoid profile of the top three terpenes, if detected, as determined by the cannabis testing facility, which may include the potential total THC but must not include any other calculated level of THC;
  - e. The quantity sold in the bulk or individual package, including the net weight measured in ounces and grams or by volume, as appropriate;
  - f. A warning that states: "THIS PRODUCT CONTAINS CANNABIS";
  - g. A warning that states: "Keep out of Reach of Children"; and
  - h. A warning that states: "This product may have intoxicating effects and may be habit forming;"
- 2. If not already included on the container or package, a A cannabis cultivation facility shall label all cannabis before it sells the cannabis to another cannabis establishment and shall securely affix to or include with the package, or supply through an electronic medium approved by the appropriate board agent, with the information required in section 1 in substantially the following form:

#### THIS PRODUCT CONTAINS CANNABIS

Keep out of reach of children

WARNING: This product may have intoxicating effects and may be habit forming.

Cultivation Establishment ID: XXXXX

Parent Tag ID: XXXXX Final harvest: MM/DD/YYYY

XX.X% THC | XX.X% CBD | XX.X% CBN

Myrcene 5.6mg/g | Limonene 5.1 mg/g | Valencene: 1.1mg/g

Quantity Sold: X | Net weight (volume): X

3. If not already included on the container or package, in addition to the information required in section 1, a A cannabis sales facility and cannabis consumption lounge must affix to, include with, or supply through an electronic medium approved by the appropriate board agent each container or package containing usable cannabis or cannabis products sold at retail or ready-to-consume



cannabis products and single-use cannabis products in the form of usable cannabis any form sold at consumption lounges, if not already included on the container or package, a label which must include, without limitation, the name and address of the cannabis sales facility or cannabis consumption lounge, in substantially the following form:

High Times Lounge - Highway 420, Las Vegas, NV 89210

#### THIS PRODUCT CONTAINS CANNABIS

Keep out of reach of children

WARNING: This product may have intoxicating effects and may be habit forming.

Cultivation Establishment ID: XXXXX

Parent Tag ID: XXXXX
Final harvest: MM/DD/YYYY

XX.X% THC | XX.X% CBD | XX.X% CBN

Myrcene 5.6mg/g | Limonene 5.1 mg/g | Valencene: 1.1mg/g

Quantity Sold: X | Net weight (volume): X

- 4. If not already included on the container or package, in addition to the information required in section 1, a A cannabis sales facility and cannabis consumption lounge must affix to, include with, or supply through an electronic medium approved by the appropriate board agent each container or package containing cannabis products sold at retail and Single-use cannabis product in the form of cannabis products sold at consumption lounges, if not already on the container or package, a label which must not mislead consumers and must include, without limitation:
  - a. The establishment ID of the cannabis production facility that manufactured and sold the product;
  - b. The name and address of the cannabis sales facility or cannabis consumption lounge;
  - c. If the product is not an edible cannabis product, Tthe date on which the cannabis product was manufactured;
  - d. If the product is an edible, a suggested use by the expiration date;
  - e. For edible cannabis products, the total amount of THC in each serving of the product and a notice that the actual amount of THC in each serving may be within 15 percent of the stated amount;
  - f. A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343-321(qq);
  - g. The concentration of THC in the product, measured in milligrams;



- h. If concentrated cannabis or a cannabis extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the concentrated cannabis or the cannabis extract.;
- i. Subsection A-H will be in substantially the following form:

High Times Lounge - Highway 420, Las Vegas, NV 89210

#### THIS PRODUCT CONTAINS CANNABIS

Keep out of reach of children

WARNING: This product may have intoxicating effects and may be habit forming.

Cultivation Establishment ID: XXXXX Production Establishment ID: XXXXX

Parent Tag ID: XXXXX
Final harvest: MM/DD/YYYY

XX.X% THC | XX.X% CBD | XX.X% CBN

Myrcene 5.6mg/g | Limonene 5.1 mg/g | Valencene: 1.1mg/g

Total THC Content +/- 15% = 98.6 mg
\*THC Content per Serving +/- 15% = 9.86 mg

Quantity Sold: X | Net weight (volume): X

Production date: MM/DD/YYYY \*Expiration date: MM/DD/YYYY

Ingredients: Allergens:

Contains cannabis extract processed with \_\_\_\_\_

In addition to the suggestions outlined above, the Chamber of Cannabis would like to echo some of the sentiments expressed in the <u>small business impact statements</u> and request that, prior to enforcing the regulations included in this workshop, the CCB issue the following:

- Written guidance on timeline and process for implementing changes to packaging and labeling, preferably to include a transition period to prevent unnecessary waste and avoid duplication of efforts.
- 2. Guidance on approved electronic mediums.
- 3. Notice regarding finalization of regulatory changes.

By embracing the pillars of justice, commerce, and community, the Chamber strives to promote a thriving, responsible, and inclusive cannabis industry. We are dedicated to championing the interests of our members, working towards equitable regulations, fostering economic growth, and building strong partnerships within the cannabis community.

<sup>\*</sup>Items with an asterisk only apply to edible cannabis products



We and our members are thankful for the opportunity to influence the regulatory landscape in which we operate, and encourage all industry stakeholders to take advantage of these valuable forums.

Thank you for your thoughtful consideration of this comment and of the revisions outlined above.

Highest regards,

Abby Kaufmann

on behalf of the Commerce Committee

Chamber of Cannabis secretary@cofclv.org



# **Appendix**

Appendix A: NCCR 7.050

NCCR 7.050: Delivery to Consumer	Purchase Limit (Flower)	Delivery Vehicle Limit (Adult-Use)	# of Delivery Orders if Max. is Purchased	
Prior to Jan. 1, 2024	1 ounce	5 ounces	5 deliveries	
<b>Current Status</b>	2.5 ounces	5 ounces	2 deliveries	
<b>CCB Proposed Changes</b>	2.5 ounces	10 ounces	4 deliveries	
C of C LV Recommendation	2.5 ounces	12.5 ounces	5 deliveries	

# Appendix B: NCCRs 12.030, 12.035, 12.040, 12.045

ESTABLISHMENT	PRODUCT	Current NCCR	SAMPLE	
Retailers & Lounges	All Products	12.040, 12.045	High Times Lounge - Highway 420, Las Vegas, NV 89210	
All Establishments	All Products	12.030-12.045	THIS PRODUCT CONTAINS CANNABIS	
All Establishments	All Products	12.030-12.045	Keep out of reach of children	
All Establishments	All Products	12.030-12.045	WARNING: This product may have intoxicating effects and may be habit forming.	
All Establishments	All Products	12.030-12.045	Cultivation Establishment ID: XXXXX	
Non-Cultivation	Non-usable	12.035, 12.045	Production Establishment ID: XXXXX	
All Establishments	All Products	12.030-12.045	Parent Tag ID: XXXXX	
All Establishments	All Products	12.030-12.045	Final harvest: MM/DD/YYYY	
7				
All Establishments	All Products	12.030-12.045	XX.X% THC   XX.X% CBD   XX.X% CBN	
All Establishments	All Products	12.030-12.045	Myrcene 5.6mg/g   Limonene 5.1 mg/g   Valencene: 1.1mg/g	
Non-Cultivation	Non-usable	12.035, 12.045	Total THC Content +/- 15% = 98.6 mg	
Non-Cultivation	Edible ONLY	12.035, 12.045	*THC Content per Serving +/- 15% = 9.86 mg	
All Establishments	All Products	12.030-12.045	Quantity Sold: X   Net weight (volume): X	
Non-Cultivation	Non-usable	12.035, 12.045	Production date: MM/DD/YYYY	
Non-Cultivation	Edible ONLY	12.035, 12.045	Expiration date*: MM/DD/YYYY	
Non-Cultivation	Non-usable	12.035, 12.045	Ingredients:	
Non-Cultivation	Non-usable	12.035, 12.045	Allergens:	
Non-Cultivation	Non-usable	12.035, 12.045	Contains cannabis extract processed with	



March 27, 2024

Cannabis Compliance Board 700 Warm Springs Road, Suite 100 Las Vegas, NV 89119

Via email to: regulations@ccb.nv.gov

Subject: Workshop on Proposed Changes to NCCR Regulations 4, 5, 6, 7, 12 & 13

Dear Cannabis Compliance Board Members and Director Humm,

On behalf of the members of the Nevada Cannabis Association, we are submitting this comment in advance of the workshop on March 28, 2024. We plan to provide additional public comment at the workshop on all of the proposed changes but want to submit in writing our particular concerns with the amendments to NCCR 12.015.

#### NCCR 12.015(1)(i)

The proposed changes to NCCR 12.015(1) would require all edible packaging to contain the warning "Caution: intoxicating effects may be delayed by 2 or more hours." This would move the existing warning from the label of edible products (NCCR 12.045) to the packaging itself. This proposed change is problematic because it would require licensees to purchase all new packaging.

This is at least the fourth regulatory change to edible packaging requirements since the adult-use program began just over six years ago. Each time, licensees must re-order new packaging, which can range from \$50,000 for a smaller operator to hundreds of thousands of dollars for larger operators. Additionally, because many licensees order packaging as far as a year in advance, there is significant time needed to work through existing packaging and an environmental cost for packaging that will be wasted if it can't be used up in time.

Furthermore, this warning is already currently conveyed to customers in two different formats. All edibles must have a label containing the warning: "Caution: When eaten or swallowed, the intoxicating effects of this product may be delayed by 2 or more hours" pursuant to NCCR 12.045. Additionally, at the point of sale, the dispensary or lounge must also provide the consumer with the list of warnings in NCCR 12.050, including the warning in all caps that:

THE INTOXICATING EFFECTS OF CANNABIS MAY BE DELAYED BY 2 HOURS OR MORE AND USERS OF CANNABIS PRODUCTS SHOULD INITIALLY INGEST A SMALL AMOUNT OF THE PRODUCT CONTAINING NO MORE THAN 10 MILLIGRAMS OF THC, THEN WAIT AT LEAST 2 HOURS BEFORE INGESTING ANY ADDITIONAL AMOUNT OF CANNABIS.

It is unclear why the existing two methods of conveying the two-hour warning to edible consumers are insufficient, and how moving the warning to the packaging itself is worth the significant cost to be borne by licensees.



As is clear from the fact that this is the fourth time that edible packaging requirements are changing in just over six years, there should be flexibility for the CCB to adjust the information that is conveyed to consumers. Allowing warnings such as this one to remain on the label allows for that flexibility, as labels are much easier and less costly to reprint. Further, labeling changes can be implemented faster than changes to packaging, thereby getting information to consumers more quickly. If the concern is that under NCCR 12.040 and 12.045 information on the label may be affixed *or* included with the product, the CCB has the flexibility to require that this particular warning regarding delayed onset be affixed, rather than requiring reprinting of all of the packaging itself.

Requiring a complete overhaul of existing packaging to add one phrase -- which is already being conveyed on the label and in written warnings provided to consumers -- highlights the often Sisyphean nature of operating within the licensed industry. Sellers of unlicensed cannabis and intoxicating hemp products face no such costs of regulatory compliance and are much more of a threat to public safety.

## NCCR 12.015(5)

To the extent that the proposed changes to NCCR 12.015(5) would require an overhaul of flower and other cannabis product packaging, we hope that the Board will consider the economic impact as highlighted above. The information proposed to be printed on packaging is currently conveyed via labels, if not already printed on the packaging itself (NCCR 12.040 and 12.045).

Thank you for your consideration of these comments, and we look forward to further discussing Regulation 12 and the other proposed changes at the workshop.

Respectfully,

Layke A. Martin, Esq. Executive Director

Nevada Cannabis Association



325 W. Huron Street No. 700 Chicago, IL 60654 312.471.6720 gtigrows.com

Wednesday, March 27, 2024

Cannabis Compliance Board 700 Warm Springs Rd, Ste 100 Las Vegas, NV 89119

Via email to: regulations@ccb.nv.gov

Re: Solicitation of Input on NCCR 4, 5, 6, 7, 12, and 13.

Dear Cannabis Compliance Board and Director Humm,

On behalf of Green Thumb Industries, Inc. ("GTI"), I respectfully submit these written comments in response to the proposed permanent regulations issued by the Nevada Cannabis Compliance Board (CCB) to NCCR Regulations 4, 5, 6, 7, 12 and 13. We have carefully reviewed the proposed regulations and wish to offer our insights on several key sections and topics:

#### *I.* NCCR 4.065 Imminent Health Hazard

Cannabis operators should be afforded more time, rather than less, to report hazards that may not be truly imminent. While we understand the importance of addressing immediate health hazards promptly, we propose extending the reporting window to 12 hours for hazards that do not pose an immediate threat to public health and safety. Additionally, we recommend refining the definition of "vicinity" to limit the operator's responsibility to the facility itself.

# *II.* NCCR 7.050 (8)(a) and (c):

We appreciate the amendment made regarding reporting time after a crash occurs. We suggest further clarification to ensure that reporting time commences after ensuring the safety of appropriate persons.

- (a) Report to a person designated by the cannabis establishment to receive such reports the appropriate board agent any motor vehicle crash that occurs during the delivery as soon as reasonably possible after the crash occurs, and after ensuring the safety of appropriate persons, but in no instance shall such time to report exceed 424 hours;
- (c) Report to a person designated by the cannabis establishment to receive such reports any loss or theft of cannabis or cannabis products that occurs during the delivery immediately after the cannabis establishment agent becomes aware of the loss or theft. A cannabis sales facility that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency, and to the Board after any risk to public safety has been alleviated, and after ensuring the safety of appropriate persons.and to the Executive Director.

#### *III.* NCCR 13.010 (c):

We appreciate the proposed change concerning reporting time for loss or theft during transportation. We recommend additional clarification that reporting time begins at least 24 hours after the completion of the investigation and the alleviation of any associated risks.

(c) Report to a person designated by the cannabis distributor to receive such reports any loss or theft of cannabis or cannabis products that occurs during the transportation immediately after the cannabis establishment agent becomes aware of the loss or theft. A cannabis distributor that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency and to the Board <u>after the completion of an investigation and</u> <u>after any risk to</u> public safety has been alleviated.

#### IV. NCCR 6.120:

We fully support the authorization of advertising at entertainment events where most attendees are over 21. We recommend the CCB extend this authorization to include sporting events for the same reason.

# V. NCCR 12.070 (3) and (6):

While we acknowledge the incorporation of advertising guidance into the regulation, we find the requirement of including the establishment name and license number on all advertisements burdensome, especially for operators with multiple licenses. We recommend striking subsection 3 in its entirety, which would alleviate confusion and burdens on the business.

Further, we recommend striking "fruit" from the description of items that are attractive to children. Fruit by itself is not attractive to children, rather it is the cartoon depictions of fruit and other renderings that would be attractive to children.

(6) A cannabis establishment shall not engage in advertising that in any way makes cannabis or cannabis products appeal to children, including without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, **fruit** or toy. The cannabis establishment shall ensure that the advertisement is not modeled after a brand of products primarily consumed by or marketed to children.

# VI. NCCR 12.015(1)(a), (1)(i) and (5)(a):

We urge the CCB to allow warnings to be placed on a label rather than directly on the package. A similar warning is already required on packaging, and making this adjustment would impact all packing in NV. Adding warnings directly onto packaging will be costly and burdensome, while leaving little flexibility to pivot or adjust if additional regulatory requirements are added or removed from packaging in the future.

\* \* \*

We value the collaborative approach taken by the CCB in soliciting feedback from stakeholders. We remain committed to working together to develop regulations that promote public health and safety while fostering a thriving cannabis industry in Nevada. Should you require any further clarification or information, please do not hesitate to contact us.

Best Regards,

Tiffany Newbern-Johnson Director of Government Affairs