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SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233.B.0608

Nevada Cannabis Compliance Regulations

1. Background

The Nevada Cannabis Compliance Board (CCB) held a public meeting for solicitation of input at 700 E. Warm Springs Road, Suite 150, Las Vegas, Nevada beginning at 1:00 p.m. on January 31, 2024. Teleconference participation for the meeting was also available via Zoom for members of the public and CCB Board members.

Solicitation of Input for Possible Amendments to Nevada Cannabis Compliance Regulations (“NCCR”) 1 through 15 was garnered and included written comments and public comments by industry members who provided input on regulations 4, 5, 6, 7, 12, and 13 during the meeting. The proposed revisions reflect the input received during the public meeting and submitted via written comment.

The Cannabis Compliance Board drafted proposed regulation changes to Nevada Cannabis Compliance Regulations (“NCCR”) 4, 5, 6, 7, 12, and 13 to clarify, reduce, and improve packaging and advertising, possession and purchase limits, annual agent card costs, and wholesale cannabis distribution regulations pursuant to 678A-D.

2. A description of the manner in which comments were solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

On January 31, 2024, the Cannabis Compliance Board (“Agency”) held a meeting to gather Solicitation of Input from the public for possible amendments to Nevada Cannabis Compliance Regulations (“NCCR”) 1 through 15, and all public comment was considered.

On February 29, 2024, the Cannabis Compliance Board (“Agency”) prepared and disseminated draft language for changes to the following NCCRs:

- Regulation 4. Disciplinary and Other Proceedings Before the Board
- Regulation 5. Licensing, Background Checks, and Registration Cards
- Regulation 6. Production and Distribution of Cannabis
- Regulation 7. Cannabis Sales Facility
- Regulation 12. Packaging and Labeling of Cannabis
- Regulation 13. Cannabis Distributors

The Agency also distributed a fifteen-question small business survey to seek input and information from small businesses to gauge what impact proposed language would have on their businesses. The notice of workshop, proposed language, and survey were posted on the CCB website. The survey and a link to the proposed language was also distributed as follows:

- Distributed via Agency Listserv to 8,596 members of the public and members of the cannabis industry
- Emailed by the Nevada Cannabis Association and Chamber of Cannabis to its list of interested parties
- Posted on Agency and local chamber social media

The questionnaire was open for ten (10) days. In that time frame, 20 people completed the survey. Many of the respondents did not provide additional comments beyond indicating whether the regulations would have adverse or beneficial effects. Nongermane comments were omitted from the results.

Responses provided the following major themes:

- **Concerns on the burden imposed by additional packaging changes**
- **Desire for a transition period and additional guidance regarding updates**

70% of respondents identified themselves as owners/officers.

65% of respondents identified themselves as affiliated with licensed cannabis establishments.

Other respondents identified as smoke/vape shops (1 of 20), prospective license holders (1 of 20), water supplier (1 of 20), private investigators (1 of 20), or did not identify an organization (2 of 20).

95% of respondents identified as having less than 150 employees. A single respondent identified as having more than 150 employees but also identified as a non-cannabis establishment (water supplier).

30% of survey respondents indicated the proposed change to the regulations would result in direct or indirect **adverse** economic impact to their business.

30% of survey respondents indicated the proposed change to the regulations would result in direct **beneficial** impact to their business.

10% of survey respondents indicated the proposed change to the regulations would result in indirect **beneficial** impact to their business.

Adverse Impact

70% responded no or unsure/not affected 30% responded yes.

Explanations included:

- A desire for a transition period to incorporate new packaging requirements
- Expressed concerns about burdens imposed by implementing packaging changes
- Additional comments were not related to proposed regulation changes but related to the ability of non-license holders to enter the cannabis market or compete in the market (i.e., smoke shops)

Indirect Adverse Impact

70% answered no or unsure/not affected, 30% responded yes.

Explanations included:

- Concern about the burdens or potential conflicts imposed by implementing packaging changes
- A request for further CCB guidance on any new regulations
- The potential adverse effects related to security updates that were made in line with legislative updates to NRS 678

Beneficial Impact

70 % responded no or unsure/not affected 30% responded yes

Explanations included:

- Positive impact in the decrease in replacement agent card fees
- Beneficial impact by the lessened labeling requirements
- A beneficial impact by the updated purchasing amounts in line with legislative updates to NRS 678

Indirect Beneficial Impact

90 % responded no or unsure/not affected, 10% responded yes

Explanations included:

- Indirect beneficial impact related to the lessened replacement agent card fee

Anyone interested in obtaining a copy of the summary of responses can contact:

Attn: Small Business Impact Summary
Cannabis Compliance Board
700 E. Warm Springs Road #100
Las Vegas, Nevada 89119
Email: regulations@ccb.nv.gov

3. **The manner in which the analysis was conducted, including the methods used to determine the impact of the proposed regulation on small businesses.**

The Agency used informed, reasonable judgment in determining that there would not be an impact on small businesses due to the nature of the regulation changes. The proposed permanent regulations make minor changes to requirements already established and in place by license holders.

The Agency analyzed the written responses from the Small Business Impact Survey and public comment from the January 31, 2024 solicitation of input meeting to determine the likely impact of the proposed permanent regulations on small businesses. This analysis included categorizing responses to identify themes and the frequency with which impacts were named. The Agency also looked at issues named with less frequency but could potentially have impact. The Agency has determined that there will be no adverse impacts to small businesses after making these revisions.

4. **The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:**

Direct and indirect adverse effects

The Agency finds that there is no adverse economic effect on small business.

The changes make updates to existing regulations as well as lessening requirements upon small businesses in a manner that would not impose substantial burdens.

It is also important to note that most, if not all, of the existing legal cannabis establishments in Nevada qualify as small businesses, so the impacts are not the result of existing as a small business but rather being in a competitive context with large businesses and corporations.

Direct and indirect beneficial effects

The Agency anticipates that those cannabis businesses that may be impacted will realize the beneficial economic impacts by the lessened labeling requirements made by the updated regulations. Additionally, lessened replacement agent card fees may allow small business to provide funds for their employees to obtain cannabis agent cards, a practice that is not required by regulation but may be common among some businesses.

5. **A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

The agency considered the feedback from the public and determined that revisions to the proposed language were not necessary to reduce the impact on small businesses.

6. **The estimated cost to the agency for enforcement of the proposed regulations.**

The proposed permanent regulations present no significant foreseeable or anticipated cost or decrease in costs for enforcement. The proposed changes merely make minor updates to regulations that are already in effect.

7. **If the proposed regulations provide a new fee or increases to existing fees, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed regulations do not increase or introduce new fees.

8. **If the proposed regulations include provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed permanent regulations do not overlap or duplicate any regulation of other federal, State or local governmental entities, but does reference regulatory authority granted by NRS 678A through NRS 678D.

9. **The reasons for the conclusion of the agency regarding the impact of these regulations on small businesses.**

The Agency has determined that there will be no adverse impacts to small cannabis businesses after revising the proposed permanent language based on comments received. Conversely, the Agency has determined that there will be beneficial impacts to small cannabis businesses based on the small changes required by the proposed updates to existing frameworks. In addition, expressed comments for and against the changes were nearly equally represented.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulations on small businesses and that this statement was properly prepared, and the information contained herein is accurate.

Dated this 13th day of March 2024.



James Humm
Executive Director
Nevada Cannabis Compliance Board

Public Notice

The public is hereby noticed that items on this agenda are stacked. Items may be taken out of order, two or more agenda items may be combined for consideration, and/or at any time an agenda item may be removed from the agenda or discussion delayed.

The Cannabis Compliance Board (CCB) will take public comment on any matters within its jurisdiction, control, or advisory power. The Board is not permitted to deliberate or take action on any items raised during the public comment period until the matter itself has been specifically included on an agenda as an item upon which action may be taken by the Board. Comments by the public may be limited to three minutes as a reasonable time, place, and manner restriction, but may not be limited upon viewpoint. If a member of the public is unable to attend the meeting in person and would like to provide public comment during the meeting through remote appearance, they can submit a request via email before the scheduled meeting to regulations@ccb.nv.gov to receive instructions to join the meeting remotely. The CCB is not responsible for technical difficulties a member of the public may experience in connecting to the meeting remotely. Comments by the public may be emailed to regulations@ccb.nv.gov by 5:00 p.m. the day before the scheduled meeting and include the commenter's full name. Content may be redacted due to inappropriate language. All written public comments shall, in their entirety, be included as part of the public record. Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual, the Board may refuse to consider public comment regarding the matter pursuant to NRS 678A.560 and NCCR 4.080. In the event technical difficulties prevent these proceedings from being broadcast, the CCB, at its discretion, may conduct the meeting without the proceedings being broadcast.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Cannabis Compliance Board via email at regulations@ccb.nv.gov, in writing at Cannabis Compliance Board, 700 E. Warm Springs Rd., Suite 100, Las Vegas, Nevada 89119 or by calling 702-486-8241 as soon as possible.

This agenda has been emailed for posting at the following locations: Cannabis Compliance Board 700 E. Warm Springs Rd., Suite 100, Las Vegas, Nevada; Cannabis Compliance Board 3850 Arrowhead Dr., Carson City, Nevada; The Legislative Building – Capitol Complex, Carson City; The Nevada State Library 100 Stewart Street, Carson City; on the official website of the State of Nevada at <https://notice.nv.gov>, pursuant to NRS 232.2175; on the Legislative website at <https://www.leg.state.nv.us/>, on the Cannabis Compliance Board's website at <https://ccb.nv.gov> and to the Interested Parties mailing list maintained by the agency.

In the event there are supporting materials available for items on this agenda, such materials will be produced upon request pursuant to NRS 241.020(7) and (8) by submitting a request via email to regulations@ccb.nv.gov or via mail at 700 E. Warm Springs Rd., Suite 100, Las Vegas, Nevada, 89119. Supporting materials may also be available at the Cannabis Compliance Board's website at <https://ccb.nv.gov/public-meetings/>