

# CANNABIS COMPLIANCE BOARD

## STATE OF NEVADA

ccb.nv.gov

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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 regulation 12 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.

Consideration and review of public comment received during workshops held on April 30 and May 14, 2024, resulted in additional proposed amendments to NCCR 12.

#### 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 NCCRs 4, 5, 6, 7, 13 and specifically:

- Regulation 12. Packaging and Labeling of Cannabis

The Agency 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 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 first 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.

On May 16, 2024, the Cannabis Compliance Board (“Agency”) prepared and disseminated draft language for the new proposed changes to NCCR 12 and distributed a second fifteen-question small business survey to garner input from small businesses regarding the revised language. The second 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 8,629 members of the public and 533 members of the cannabis industry.

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**
- **Concerns on the burden imposed by requiring an irradiation disclosure.**

69% of respondents identified themselves as owners/officers.

91% of respondents identified as having less than 150 employees. Three respondents identified as having more than 150 employees and did not participate in the remainder of the survey.

36% of survey respondents indicated the proposed change to the regulations would result in direct or indirect **adverse** economic impact to their business.

25% of survey respondents indicated the proposed change to the regulations would result in direct **beneficial** impact to their business.

14% of survey respondents indicated the proposed change to the regulations would result in indirect **beneficial** impact to their business.

### **Adverse Impact**

56% responded no or unsure/not affected 43% responded yes.

Explanations included:

- A desire for a transition period to incorporate new packaging requirements.
- Expressed concerns with having to include a disclosure regarding irradiation treatment(s).
- 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**

72% answered no or unsure/not affected, 28% responded yes.

Explanations included:

- Concern about the burdens or potential conflicts imposed by implementing packaging changes.
- The potential for consumer confusion due to the addition of irradiation disclosure.

### **Beneficial Impact**

75% responded no or unsure/not affected 25% responded yes.

Explanations included:

- A positive impact for the cannabis establishments who do not use irradiation devices.
- The proposed changes will help streamline compliance labels.
- Increased transparency.

### **Indirect Beneficial Impact**

83% responded no or unsure/not affected, 17% responded yes.

Explanations included:

- Increased consumer knowledge and education.
- Increased transparency from cannabis establishments regarding processes used.

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](mailto: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 both Small Business Impact Surveys, public comment from the January 31, 2024, solicitation of input meeting, workshops held on February 29, 2024, and May 16, 2024, and additional public comment 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 streamlined labeling requirements made by the updated regulations.

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 24 day of May 2024.



Steve Gilbert  
Chief of Administration  
Nevada Cannabis Compliance Board

To receive a printed copy of this Small Business Impact Statement, contact:

Attn: Small Business Impact Summary – 5/23/24  
Cannabis Compliance Board  
700 E. Warm Springs Road #100  
Las Vegas, Nevada 89119  
Email: [regulations@ccb.nv.gov](mailto:regulations@ccb.nv.gov)

