

NEVADA CANNABIS COMPLIANCE BOARD BIENNIAL REPORT

2025

2nd Edition



**CANNABIS
COMPLIANCE
BOARD**
STATE OF NEVADA

CCB.NV.GOV
CCB Biennial Report - 2025

2025

CCB BIENNIAL REPORT

The Nevada Legislature set forth the public policy, through NRS 678A.005, which guides the Nevada Cannabis Compliance Board's (CCB) daily operations, regulatory decisions, and, ultimately, its core purpose and mission.

Following the approval of Assembly Bill 533 (2019) during the 80th Legislative Session, the CCB formally began operations on July 1st, 2020.

Regarding the economic benefit of the cannabis industry to Nevada's economy, public policy dictates, "the continued growth and success of the cannabis industry is dependent upon public confidence and trust" (NRS 678A.005 (3)).

Furthermore, "that public confidence and trust can only be maintained by strict but fair and equitable regulation of all persons, locations, practices, associations and activities related to the operation of cannabis establishments" (NRS 678A.005 (4)).

Modeled after the Nevada Gaming Control Board, the CCB was charged with setting the Gold Standard in cannabis regulation and oversight. Since its launch, the CCB has emerged as a leader in shaping cannabis policy and regulatory best practices for states nationwide.

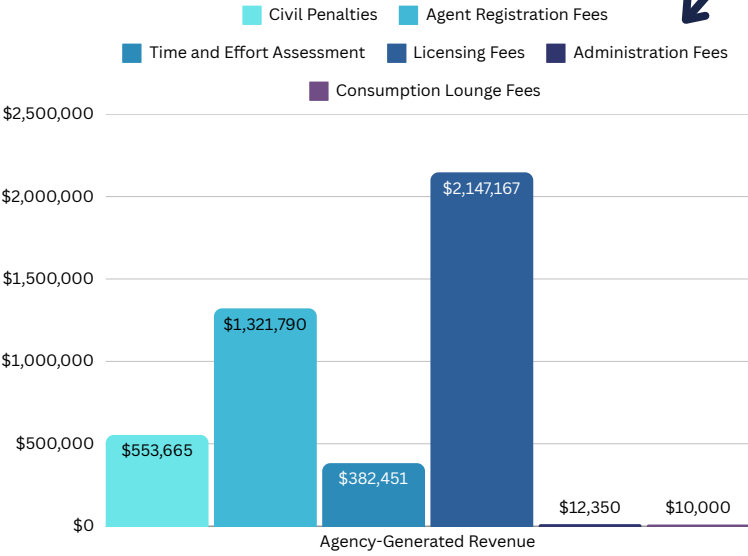
Understanding the maturation of Nevada's cannabis industry, the CCB continuously evolves and adapts, while remaining grounded in its commitment to protect the public health and safety of Nevadans and those who visit the Silver State.

EXECUTIVE SUMMARY

TOTAL RETAIL AND MEDICAL CANNABIS SALES (FISCAL YEAR 2024)

\$829,225,193

A decrease of 2% compared to fiscal year 2023. This decline is consistent with sales trends in other states with mature cannabis markets and can be attributed at least in part to after-effects of the COVID-19 pandemic.



EXCISE TAX - WHOLESALE TRANSFER TO CCB FROM TAXATION (FY 24):

\$43,737,614

AGENCY-GENERATED REVENUE (FY 24):

\$4,427,423

AGENCY OPERATING BUDGET (FY 24):

\$11,628,409

TRANSFER TO LOCAL GOVERNMENTS (FY 24):

\$5,004,587

TRANSFER TO STATE EDUCATION FUND (FY 24):

\$31,079,460

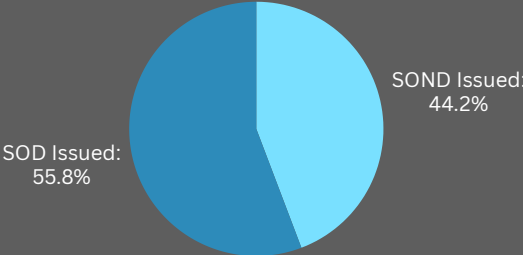
ENSURING COMPLIANCE

CCB agents conduct annual routine inspections and audits of cannabis establishments, which result in either a Statement of No Deficiencies (SOND) or a Statement of Deficiencies (SOD).

Timeframe: July 1, 2023- June 30, 2024

SOND Issued: 157

SOD Issued: 198



9

Disciplinary complaints authorized by CCB Board Members in 2024 as a result of violations identified during an audit or inspection.



AGENCY OVERVIEW

Mission Statement: *The Nevada Cannabis Compliance Board governs Nevada’s cannabis industry through strict regulation of all areas of its licensing and operations, protecting the public health and safety of our citizens and visitors while holding cannabis licensees to the highest ethical standards.*



Administration and
Licensing



Inspection and
Audit



Investigations



Enforcement

5 CCB Board
Members

12 Cannabis
Advisory
Commission Members

101 Full-Time
Employees

OPERATIONS & RESPONSIBILITIES

- Oversee and regulate Nevada’s 387 operational and 95 conditional medical and adult-use licenses.
- Enforce statutes and regulations set forth in NRS 678A-D and the Nevada Cannabis Compliance Regulations (NCCR 1-15).
- Protect public health and safety for consumers, medical patients, and visitors to the State.
- Maintain the industry's economic benefit to the State.

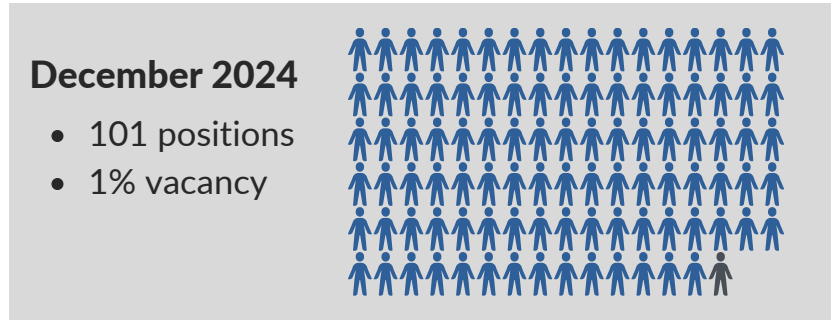
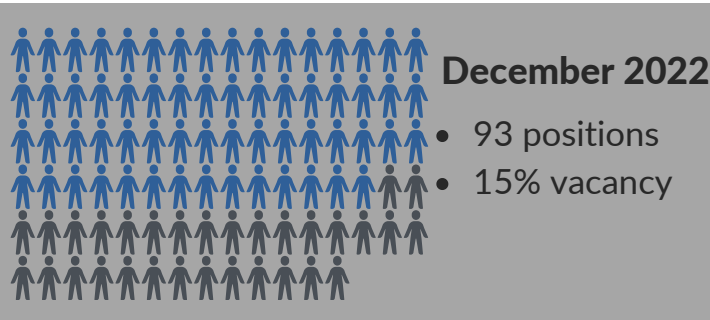


**CANNABIS
COMPLIANCE
BOARD**
STATE OF NEVADA

Agency Overview
CCB Biennial Report - 2025

AGENCY OPERATIONS

STAFFING



AGENCY OPERATIONS & EFFICIENCIES

Office Organization: The new legislatively approved positions in the audit, inspection, and investigation divisions improved efficiencies within their divisions.

Staff Training and Improvement: In the interim, the CCB Team received numerous trainings and utilized resources inside and outside the agency, leveraged trainings from other state agencies, and provided numerous trainings to licensees and industry stakeholders.

Full Staffing: The CCB is a desirable and forward looking agency with a vacancy rate of 1%.

Audit and Inspection: Teams completed all fieldwork and 100% of licensees were visited.

Collaboration with Other Law Enforcement Agencies: CCB's Enforcement Division continues to collaborate with federal, State, local, and neighboring state agencies to combat the illicit market.

Regulatory Updates: The Board, as dictated by the Governor's Executive Order, considered multiple regulations changes, which were workshopped and approved in June of 2024.

Legislative Implementations: SB195, SB277, SB328

Board Transitions: The role of Vice Chair was created and appointed per SB 328 (2023). The CCB welcomed a new Board member in January 2024, with another new member starting in February 2025. All new members receive onboarding and training as required by SB 328.

Agent Card Petitions: The Board approved agent cards for multiple petitioners as allowed under SB 277 (2023).

Agency Collaboration: Continued work with Department of Taxation and the Department of Public Safety

Cannabis Licensing: The Nevada Cannabis Compliance Board made history by completing the second ever licensing round in agency history for White Pine County. One cultivation and one production license were awarded.

INDUSTRY SNAPSHOT

103

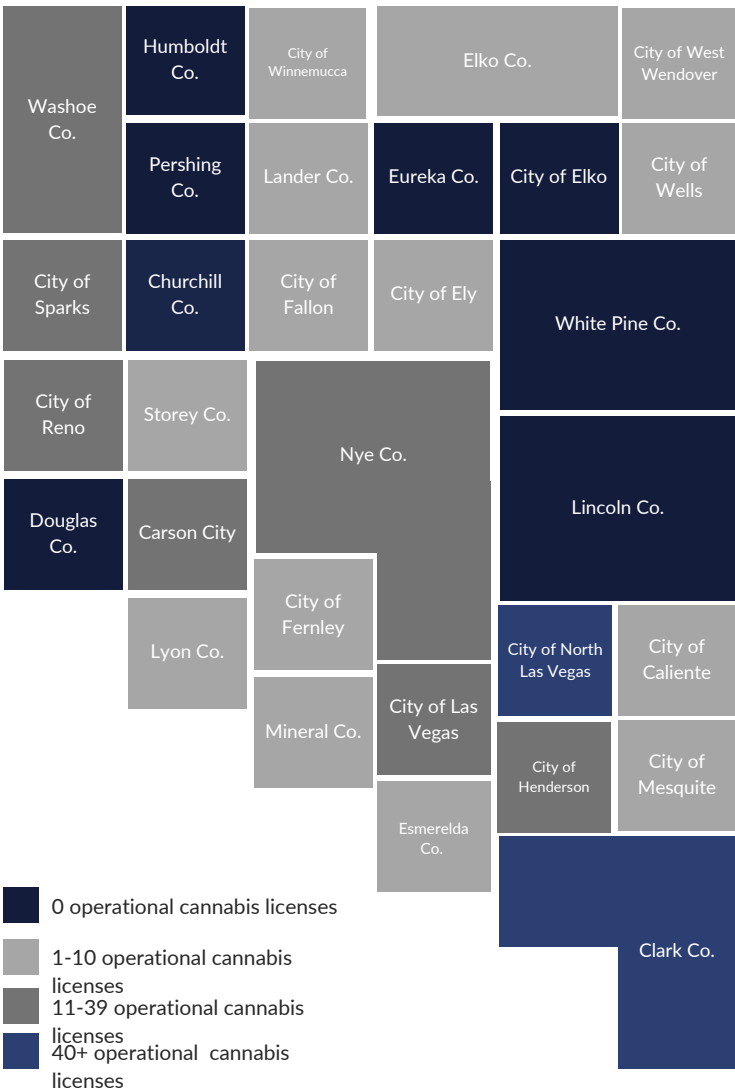
Operational dispensaries/retail sales facilities

- 102 combined medical/adult-use licenses (pursuant to NRS 678B.215(7))
- 1 stand-alone medical license

387

Total medical and adult-use operational licenses statewide

BREAKDOWN OF LICENSES BY JURISDICTION



FAST FACTS

SB277, passed in the 82nd Legislative Session, deems each adult-use cannabis establishment to be a dual license, authorized to engage in both adult-use and medical cannabis activities on one license, thus reducing the total number of licenses which the CCB is required to maintain.

The highest concentration of active licenses is in Southern Nevada.

- 260** operational licenses in Clark County (Unincorporated Clark Co., Las Vegas, North Las Vegas, Henderson, Mesquite)
- 62** operational licenses in Washoe County (Unincorporated Washoe Co., Reno, Sparks)

Breakdown of operational license types:

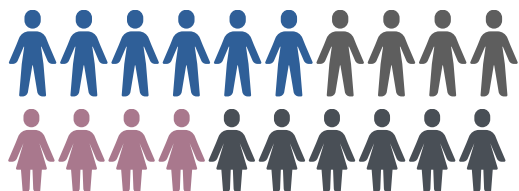
- 128** Cultivation Facilities
- 100** Production Facilities
- 8** Independent Testing Laboratories
- 103** Medical Dispensaries/Retail Cannabis Stores
- 46** Distribution Facilities
- 2** Consumption Lounges

The state's only stand-alone medical cannabis dispensary is located in the City of Fallon.

This data only includes operational licenses which have received final licensure to operate from the CCB. This does not include prospective or conditional licenses.

INDUSTRY SNAPSHOT

Each year, the CCB publishes a demographic report of the Nevada cannabis industry's workforce. This is the third year the CCB generated this report based on data collected from agent card applications rather than a voluntary survey resulting in a 100% response rate.

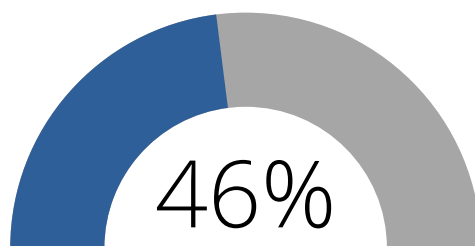


60% identified as **Male**

39% identified as **Female**

14,582

Individuals with active cannabis agent registration cards

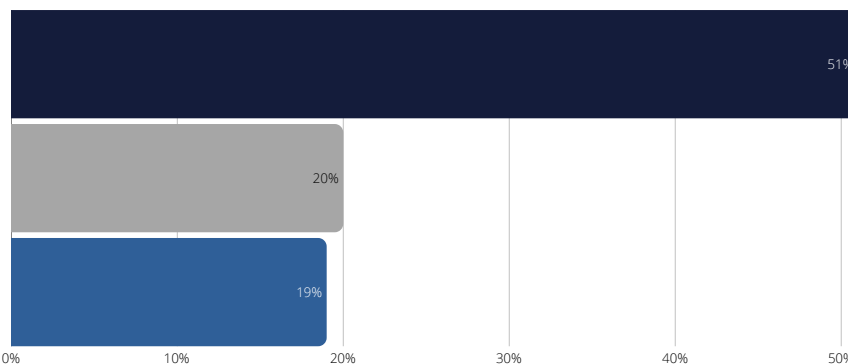


fall within the **25-34 year old** age group

51% identified as **White**

20% identified as **Hispanic**

19% identified as **Black**



28%

28% identified as being of **Hispanic, Latino, or Spanish origin**

694

Total number of industry executives (owners, officers, and board members)

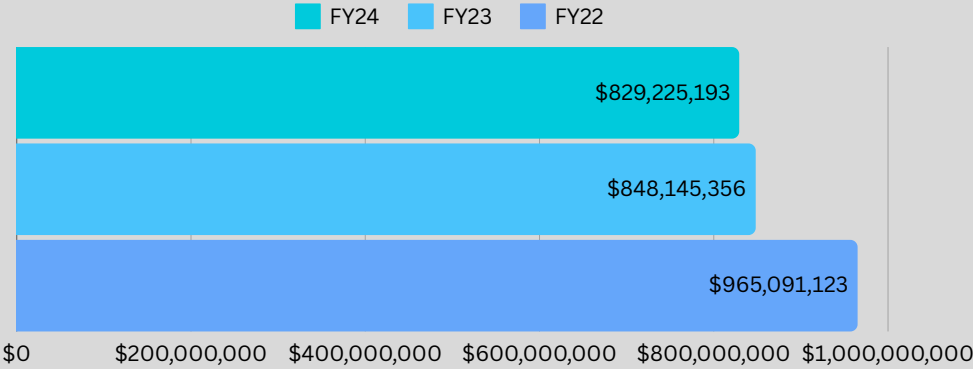
The full report may be found by clicking [here](#) to identify trends within Nevada's cannabis industry.

BY THE NUMBERS: INDUSTRY

TAXABLE SALES

Reported by Adult-Use Retail
 Stores and Medical Dispensaries

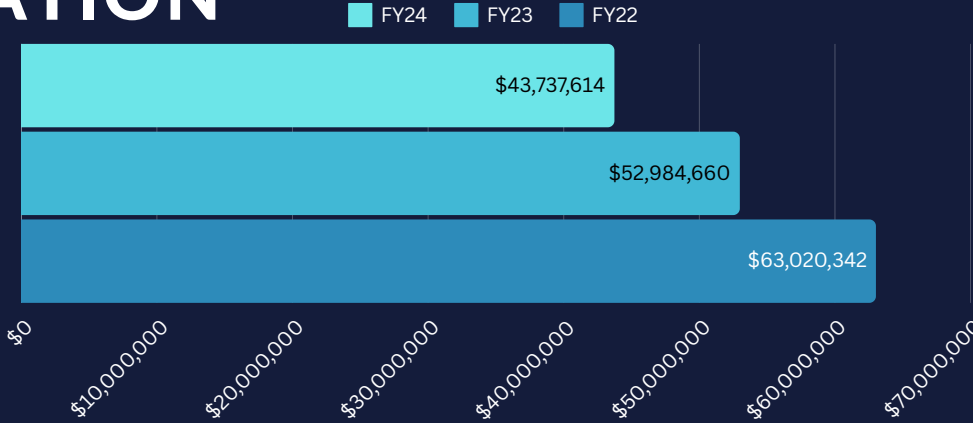
- FY24: \$829,225,193
- FY23: \$848,145,356
- FY22: \$965,091,123



EXCISE TAX - WHOLESALE TRANSFER TO CCB FROM TAXATION

15% Rate - Adult-Use and Medical

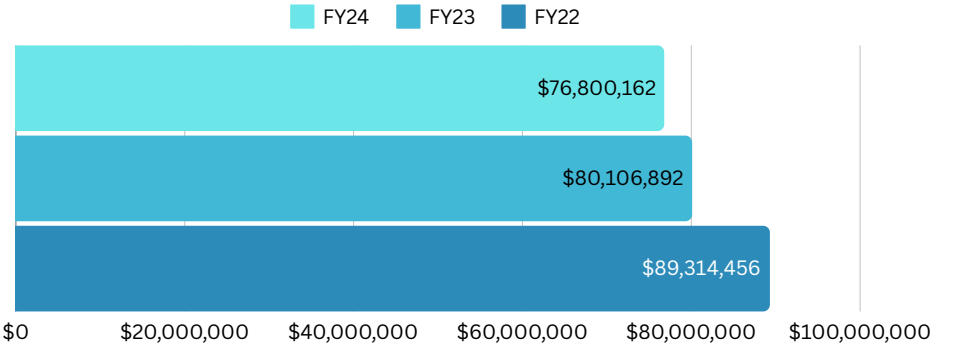
- FY24: \$43,737,614
- FY23: \$52,984,660
- FY22: \$63,020,342



STATE RETAIL CANNABIS EXCISE TAX COLLECTED

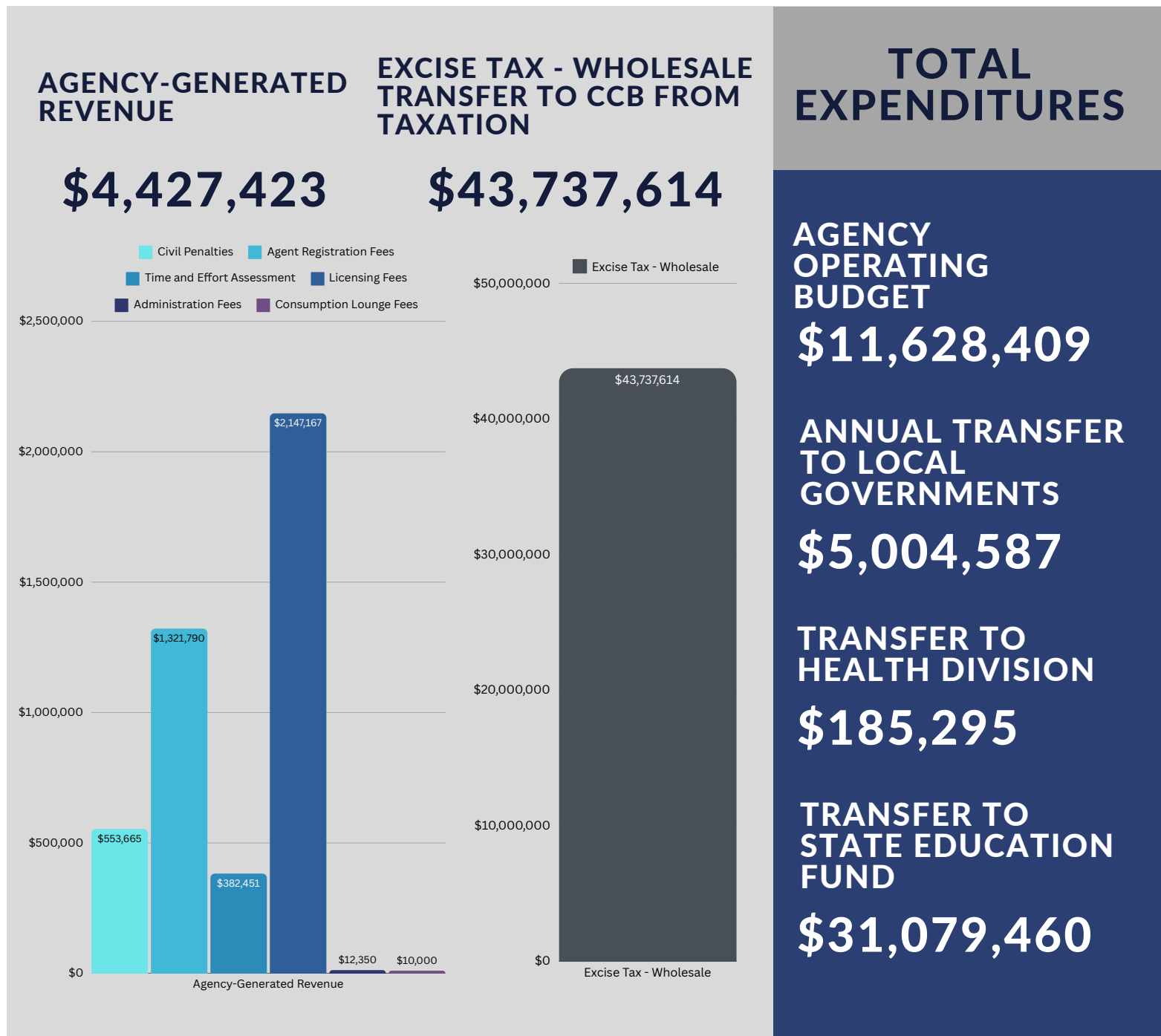
10% Rate - Adult-Use Only

- FY24: \$76,800,162
- FY23: \$80,106,892
- FY22: \$89,314,456



CCB REVENUE & EXPENDITURES

Agency-generated revenue and wholesale excise tax must first be expended to pay the operating costs of the Board. Then, excess revenue is deposited into the State Education Fund.



INDUSTRY FEES

LICENSING & RENEWAL FEES

After the passage of SB277, beginning on January 1, 2024, CCB staff began combining licenses for both medical and adult-use, creating one fee for license renewal.

As of January 2025, all licenses have been combined.

RENEWAL FEES

Adult-Use Cultivation License Renewal Fee: \$1,000.00 (was \$10,000.00)
Adult-Use Production License Renewal Fee: \$1,000.00 (was \$3,300.00)
Adult-Use Independent Laboratory License Renewal Fee: \$3,000.00 (was \$5,000.00)
Adult-Use Retail Store License Renewal Fee: \$5,000.00 (was \$6,600.00)
Adult-Use Distribution License Renewal Fee: \$5,000.00
Adult-Use Consumption Lounge License Renewal Fee: \$10,000.00

TIME AND EFFORT ASSESSMENT



Hourly rate at which time and effort for CCB staff work is billed. This rate has remained unchanged since implemented by the Division of Public and Behavioral Health in 2015.

Per statutory change, the CCB no longer bills licensees for oversight work including audits, inspections, and licensing investigations. Time and effort is only billed for work conducted by CCB staff for a Transfer of Interest.

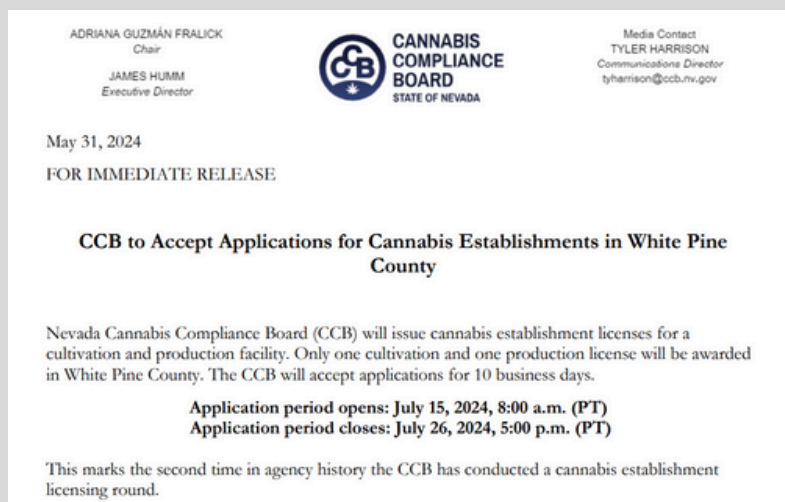
The hourly rate is \$111.00.

The billing rate for travel time has been reduced by 50% to a rate of \$55.50.

ADMINISTRATION & LICENSING

What's New: In Summer 2024, the CCB successfully completed its second cannabis licensing round, issuing one production and one cultivation license in White Pine County.

The CCB hosted two live webinars and prepared educational videos to prepare applicants for the opportunity.



DIVISION DUTIES

- Maintain a database of 482 medical and adult-use operational and conditional licenses and ownership listings.
- Process and review license applications and renewals; collect related fees.
- Manage Cannabis Agent Registration Card program (20,000+ active); all employees, contractors, volunteers, and most owners, officers, and board members of a cannabis establishment must carry an active Agent Card.
- Partner with Department of Public Safety and FBI to conduct background checks, and review background reports prior to approval of an Agent Card application.
- Assist the Department of Taxation in collecting unpaid taxes from licensees.
- Provide internal and external support for the CCB's system of record (Accela) and the industry seed-to-sale tracking system (Metrc).

CONSUMPTION LOUNGE LICENSING

In the fall of 2022, the CCB successfully completed the first cannabis licensing round in the State since 2018, issuing 40 prospective licenses for cannabis consumption lounges. The 40 total licenses consisted of 20 Retail-Attached Licenses and 20 Independent Lounge Licenses, half of which (10) were issued to social equity applicants.

Two retail-attached lounges have been issued a final license to operate and are operational in the Unincorporated Clark County jurisdiction. Twenty others (13 retail-attached and 7 independent) have passed suitability by the Board and have received conditional licenses.

Per state law, the CCB was authorized to issue 20 independent lounge licenses, half of which (10) were designated for social equity applicants.

AGENT CARD PROCESSING

All employees, contractors, volunteers, owners, officers, receivers, and board members of a cannabis business must always carry a current registered Agent Card while at a facility. The Agent Card is issued by the CCB and a background check must be completed as part of the application process.

There are limitations on who can work for or volunteer at a cannabis business:

- Must be 21 years or older.
- Cannot have been convicted of an excluded felony offense.*
- Applicant is compliant with any order or plan for repayment of child support.

*New process via SB277 implemented to allow for exemption petition.



Pursuant to NRS 678B.390 and 678B.340, the cost of an agent card is \$150 per category and each card is valid for 2 years.

The establishment code is a code provided by the CCB to the license. This code will never change.



Each category requires a separate card at \$150

- Cultivation
- Production
- Distribution
- Dispensary
- Laboratory
- Consumption Lounge

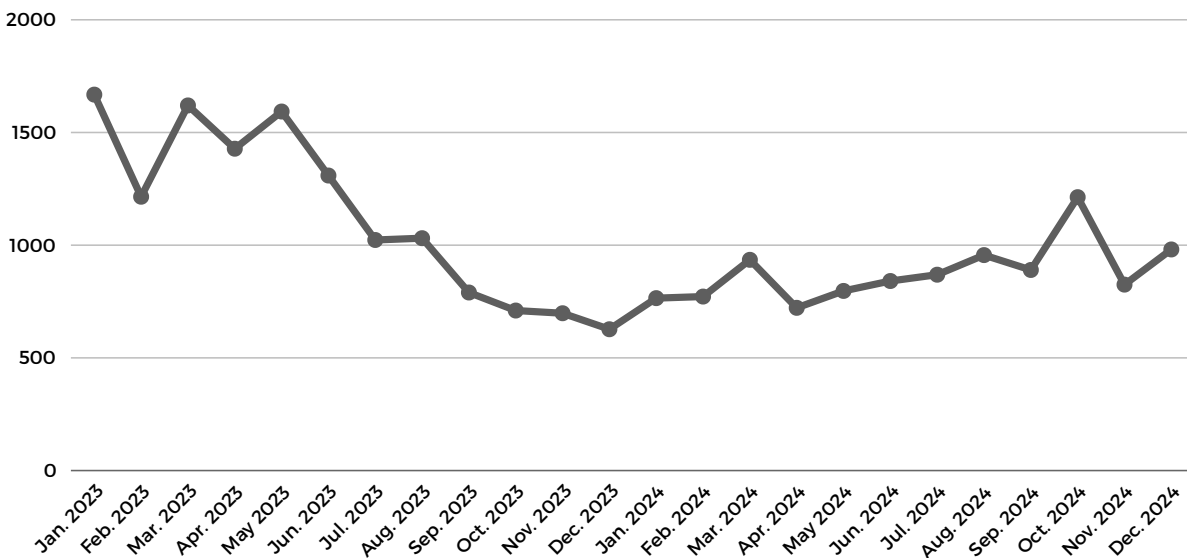
Agent Card Processing



7 CCB Agent Card Team Members

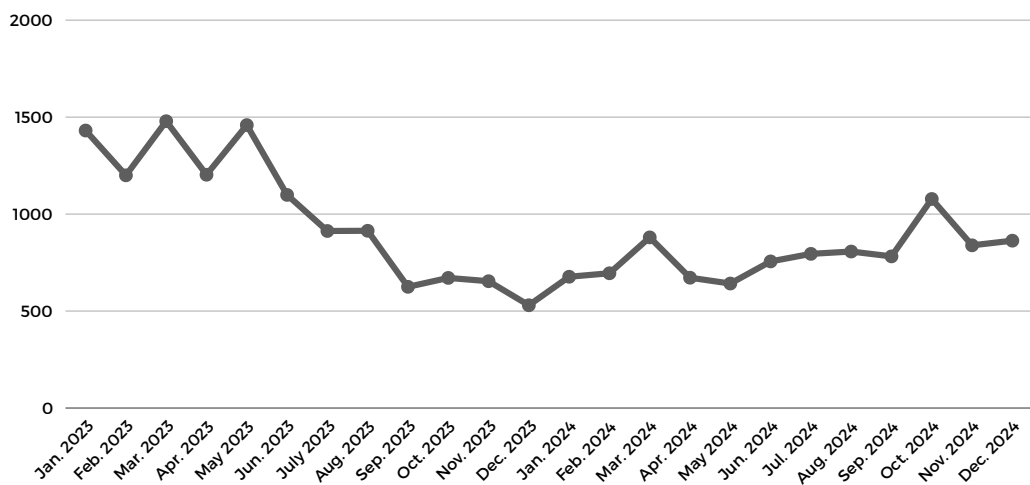
NUMBERS & STATISTICS

TOTAL APPLICATIONS RECEIVED MONTHLY



The CCB receives an average of 1,012 agent card applications monthly.

TEMPORARY AGENT CARDS ISSUED MONTHLY

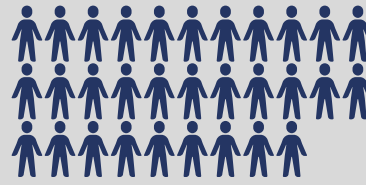


The CCB issues an average of 902 temporary agent cards monthly, allowing Nevadans to enter or continue work in the cannabis industry.

Pending a State and FBI background check, an applicant can expect to receive a temporary agent card within 48 hours.

INSPECTION & AUDIT

(HEALTH & SAFETY)



13 Field Inspectors
5 Lab Inspectors
14 Field Auditors

- Perform audits and inspections of cannabis facilities (routine, pre-openings, facility modifications, investigations, spot checks, etc.). Licensees are **not** billed a time and effort fee.
- Ensure facilities are operating in accordance with laws and regulations in order to promote public health and safety.
- Track and monitor all inventory from seed to sale through Metrc.

- Review requests for cannabis product packaging/labeling, facility modifications, menu or equipment changes, laboratory retests, requests to extract, and R&D testing.
- Ensure independent testing laboratories adhere to general laboratory standards, practices, and procedures.
- Verify compliance and security in all establishments is functioning properly through 24/7 video surveillance.

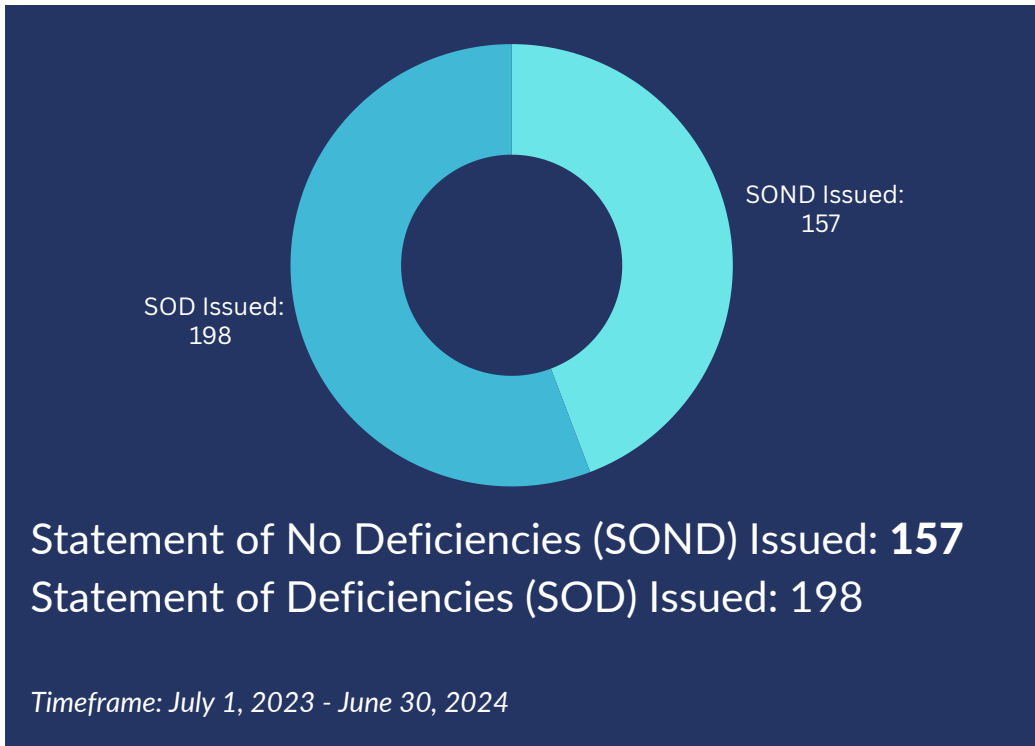
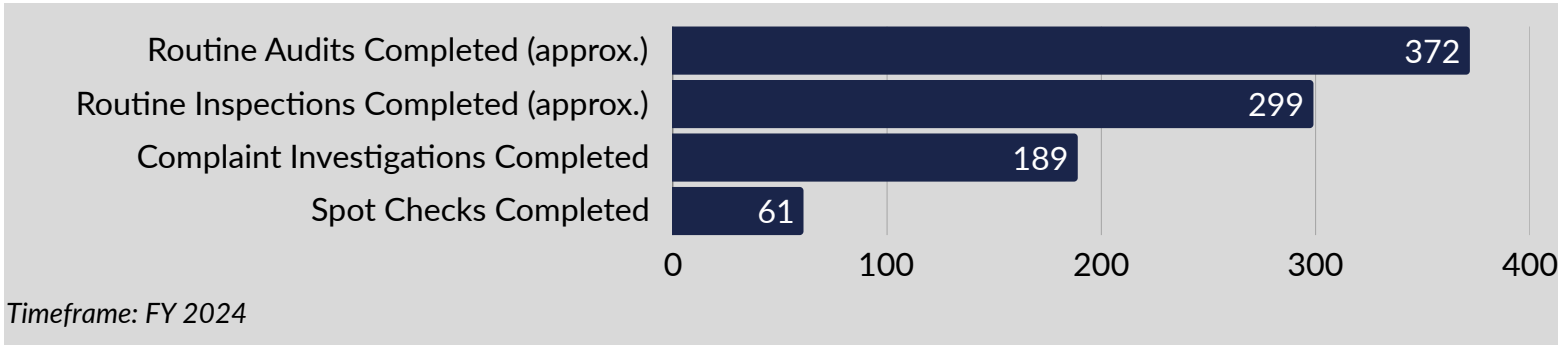
What's New: As of January 2025, two state-regulated consumption lounges are open in Southern Nevada. The inspection team has been able to share learned experiences with other compliance teams across the country and has been able to provide in-person tours with officials from Guam and Albania, and representatives from Congressional and other state offices. Both facilities have received routine inspections and audits with no major compliance issues.



(Left) Guam's Cannabis Control Board visits the Silver State to learn about regulating cannabis consumption lounges from Nevada Cannabis Compliance Board.

ENSURING COMPLIANCE

CCB Inspectors and Auditors are at the front lines of ensuring compliance. Upon completion of a routine inspection or audit, Board agents will issue either a Statement of No Deficiencies (SOND) or a Statement of Deficiencies (SOD) to a licensee. SODs may further advance to Letters of Concern or Disciplinary Complaints upon further review by the Nevada Attorney General's Office and the CCB.



100%
 of operational licensees received audit and inspections in 2023 and 2024.

9
 Disciplinary complaints authorized by CCB Board Members in 2024 as a result of violations identified during an audit or inspection.

FY 2024 was marked by significant improvements in inspection and audit efficiency, compliance oversight, and facility adherence to State regulations. The increase in staff, coupled with the introduction of data analytics, holiday spot checks, and a risk-based approach, resulted in a more robust inspection and auditing framework. Audit and Inspection assistance with the SB277 dual license conversion project further supported regulatory goals, enabling compliant license transitions.

Most common violations for SOD which result in a complaint or fine:

1. Major seed-to-sale tracking issues including:
 - a. Untagged plants;
 - b. Missing/unaccounted inventory;
 - c. Lack of documentation of sales transactions;
 - d. Importing plants and seeds improperly.
2. Major issues regarding facility maintenance, sanitation, and employee hygiene
3. Security system/camera issues.
4. Diversion/theft of cannabis by individual agents.
5. Unapproved pesticides or improper application of pesticides.
6. Operating during an imminent health hazard

Most common violations for SOD which, alone, do not result in a complaint or fine:

1. Logs not properly maintained.
2. Facility (floors, walls, ceilings) not maintained.
3. Non-contact surfaces not clean or maintained.
4. Agent cards expired or not carried on person.
5. Improper storage, including those that may pose potential for contamination or may compromise proper seed-to-sale tracking system.
6. Lack of running water/other imminent health hazards in which the facility chooses to self-disclose.

2023-2024 COMMON COMPLIANCE ISSUES

Inadequate Security/Camera Monitoring

(NCCR 6.085 defines requirements for security cameras and backup measures should any technology fail.)



2023-2024 COMMON COMPLIANCE ISSUES

Unapproved/ Improper Application of Pesticides



CANNABIS COMPLIANCE BOARD
STATE OF NEVADA
ccb.nv.gov

Public Health and Safety Bulletin 2024-04

The Nevada Cannabis Compliance Board (CCB) is hereby issuing Public Health and Safety Bulletin 2024-04 on November 5, 2024, advising consumers and patients to avoid or take caution when consuming the cannabis products which are the subject of this notice.

CCB agents discovered that the following cannabis and cannabis products had been treated with an unapproved pesticide, Conserve SC, that was not applied in accordance with its label, at Redwood Warehouse, LLC (License #8752974632321450295):

All usable cannabis harvested by Redwood Warehouse, LLC (C029) between September 21, 2023 – August 16, 2024, was affected. Affected products may include cannabis flower, shake/trim and unfinished pre-rolls, infused edibles, infused flower, infused pre-rolls, or cannabis concentrates.

Please refer to the product list in the link below. To determine if you have purchased or consumed an affected product, please refer to the appropriate tab and identify your product by item AND lot or production run. Please note that the item name may not specify the name of the product brand, so consumers must verify the lot number or production run number as it appears on the product label. All cannabis products properly sold by a licensed cannabis sales facility should have a product label on or provided with the packaging. The lot number or production run number can be found on the label, typically near the top.

Link to product list:
<https://ccb.nv.gov/wp-content/uploads/2024/11/2024-11-05-11-04-Lot-Product-Safety-Bulletin-For-Release.xlsx>

Alternatively, please scan the QR code below to be directed to the product list. The same list is located on the CCB's website under the "Guidance" tab > "Public Health and Safety Advisories" page.

CANNABIS COMPLIANCE BOARD
STATE OF NEVADA
ccb.nv.gov

Public Health and Safety Bulletin 2023-01

The Nevada Cannabis Compliance Board (CCB) is hereby issuing Public Health and Safety Bulletin 2023-01 on January 19, 2023, advising consumers and patients to avoid or take caution when consuming the cannabis products which are the subject of this notice.

The CCB was notified that the following cannabis and cannabis products had been treated with an unapproved pesticide, Ethephon, at Clark Natural Medicinal Solutions, LLC (License #6499579735670122923 and 6130179234796117347):

Usable cannabis (including cannabis flower, shake/trim and unfinished pre-rolls):

All usable cannabis harvested by Clark Natural Medicinal Solutions, LLC (C165/RC165) between July 23, 2021 – January 5, 2023. All cannabis products properly sold by a licensed cannabis sales facility should have a product label on the packaging. The name of the cultivation facility which grew the cannabis and the harvest date can be found on the label, typically near the top.

Infused edibles, Infused flower, Infused Pre-rolls and Cannabis Concentrates:

Please refer to the product list in the link below. To determine if you have purchased or consumed an affected product, please refer to the appropriate tab and identify your product by item AND production run. Please note that the item name may not specify the name of the product brand, so consumers must verify the production run as it appears on the product label. All cannabis products properly sold by a licensed cannabis sales facility should have a product label on the packaging. The production run number can be found on the label, typically near the top.

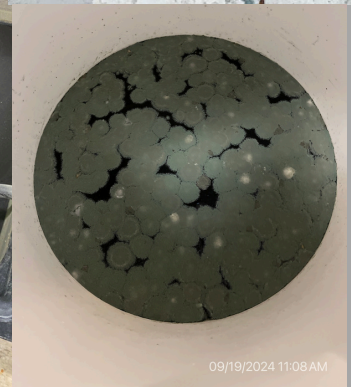
Link to product list: <https://ccb.nv.gov/guidance/#item-1>

Alternatively, please scan the QR code below to be directed to the product list. The same list is located on the CCB's website under the "Guidance" tab > "Public Health and Safety Advisories" page.

The CCB is advising consumers to avoid consumption of said products.

There is no reason to believe the cannabis sales facilities or cannabis testing facilities had any knowledge of the use of this unapproved pesticide; Ethephon is not on the list of pesticides the testing facilities must look for, and their test methods are not set up for detection of Ethephon.

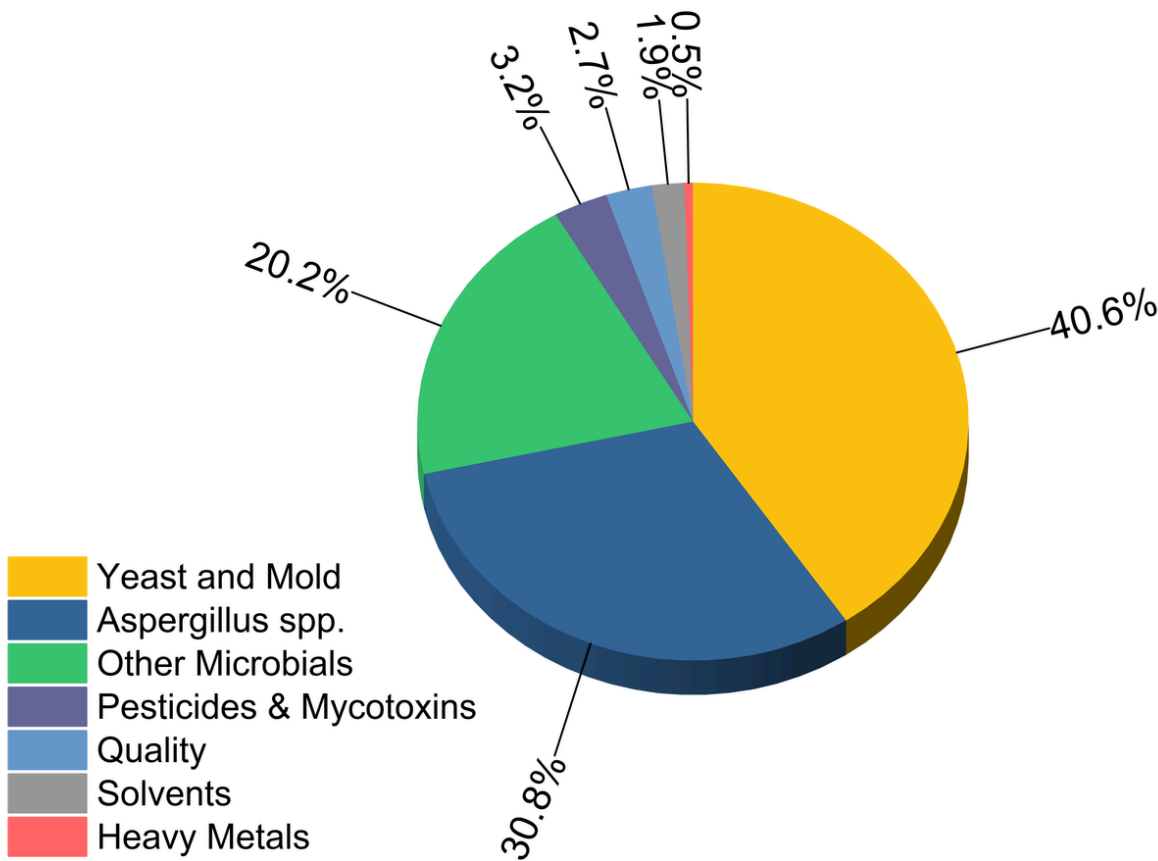
Unsanitary Practices



LAB INSPECTIONS

- Currently, the state's eight independent testing laboratories are inspected annually with a comprehensive in-depth review completed every other year. On average, CCB Lab Inspectors spend two full days onsite during a laboratory inspection, in addition to 200+ hours spent inspecting raw testing data.
- Licensees are **not** billed a time and effort fee by the CCB for the inspection of raw laboratory testing data.
- Laboratories are required to test for 6 cannabinoids, 10 terpenes, 23 pesticides/herbicides/growth regulators, 5 mycotoxins, 4 heavy metals, 4 residual solvents, 10 microbial contaminants, foreign matter, water activity, pH, and percent moisture. They are also required to be ISO 17025 certified.

FY23-24 FAILS BY TEST TYPE



Percentages may not total 100 due to rounding.

CERTIFICATES OF ANALYSIS

A random sample must be collected from each product's lot for testing. Upon testing, each sample receives a Certificate of Analysis (CoA), issued by the independent testing laboratory. The CoA follows the product's batch to the point of sale. Consumers may request to review the CoA for any product being sold at a dispensary.

87,440

Samples tested in
FY 23-24

Of the samples tested in
FY 23-24

91%
passed

9%
failed

Most Common Reasons for Failure

Usable Cannabis:

- Total Yeast and Mold
- Aspergillus
- Total Coliforms / Total Enterobacteriaceae

Concentrates:

- Butane
- Aspergillus
- Bifenthrin (an unapproved pesticide)

Infused products:

- Homogeneity

Certificate of Analysis

Powered by Confident LIMS
1 of 2

Strain: [REDACTED]

Sample Received: 11/04/2024; Report Created: 11/07/2024; Harvest/Production Date: 09/27/2024


Lic. # [REDACTED]

Flower [REDACTED]

Plant, Flower - Cured
Harvest Process Lot: [REDACTED] METRC Batch: [REDACTED] METRC Sample: [REDACTED]

Safety

Pass Pesticides	Pass Microbials	Pass Mycotoxins	Not Tested Solvents	Pass Heavy Metals	Pass Foreign Matter
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The photo on this report is of a sample collected by the lab and may vary from the final packaging.

17.829% THCa	17.379% Total Potential THC
<LOQ Total Potential CBD	Pass 9.3% Moisture

Terpenes

Cinnamon	Lemon	Magnolia	20.140 mg/g Total Terpenes
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Analyte	LOQ	Mass	Mass
	mg/g	mg/g	%
β-Caryophyllene	0.083	6.387	0.6387
δ-Limonene	0.083	2.832	0.2832
Farnesene	0.083	2.363	0.2363
β-Myrcene	0.083	2.037	0.2037
α-Humulene	0.083	1.806	0.1806
Linalool	0.083	1.670	0.1670
α-Bisabolol	0.083	1.413	0.1413
β-Pinene	0.083	0.584	0.0584
α-Terpineol	0.083	0.519	0.0519
α-Pinene	0.083	0.337	0.0337
Caryophyllene Oxide	0.083	0.193	0.0193
α-Terpinene	0.083	<LOQ	<LOQ
Camphene	0.083	<LOQ	<LOQ
Citronellol	0.083	<LOQ	<LOQ
3-Carene	0.083	<LOQ	<LOQ
Eucalyptol	0.083	<LOQ	<LOQ
Fenchone	0.083	<LOQ	<LOQ
γ-Terpinene	0.083	<LOQ	<LOQ
Ceraniol	0.083	<LOQ	<LOQ
Menthol	0.083	<LOQ	<LOQ
Nerolidol	0.083	<LOQ	<LOQ
β-Ocimene	0.083	<LOQ	<LOQ
Gualol	0.083	<LOQ	<LOQ
Isopulegol	0.083	<LOQ	<LOQ
p-Cymene	0.083	<LOQ	<LOQ
Terpinolene	0.083	<LOQ	<LOQ
Valencene	0.083	<LOQ	<LOQ

Cannabinoids

Analyte	LOQ	Mass	Mass
	%	%	mg/g
THCa	0.083	17.829	178.29
Δ9-THC	0.083	1.743	17.43
CBD	0.083	<LOQ	<LOQ
CBDa	0.083	<LOQ	<LOQ
CBC	0.083	<LOQ	<LOQ
CBG	0.083	<LOQ	<LOQ
CBN	0.083	<LOQ	<LOQ
THCV	0.083	<LOQ	<LOQ
Δ8-THC	0.083	<LOQ	<LOQ
CBGa	0.083	1.286	12.86
CBDV	0.083	<LOQ	<LOQ
CBDVa	0.083	<LOQ	<LOQ
Total		20.858	208.58


Total THC = THCa * 0.877 + Δ9-THC + Δ8-THC
Total CBD = CBDa * 0.877 + CBD
Total Edible THC = Δ9-THC + Δ8-THC
LOQ = Limit of Quantitation; The reported result is based on a sample weight with the applicable moisture content for that sample; Unless otherwise stated all quality control samples performed within specifications established by the Laboratory.

Notes:

LOQ = Limit of Quantitation; The reported result is based on a sample weight with the applicable moisture content for that sample; Unless otherwise stated all quality control samples performed within specifications established by the Laboratory.

Scientific Director

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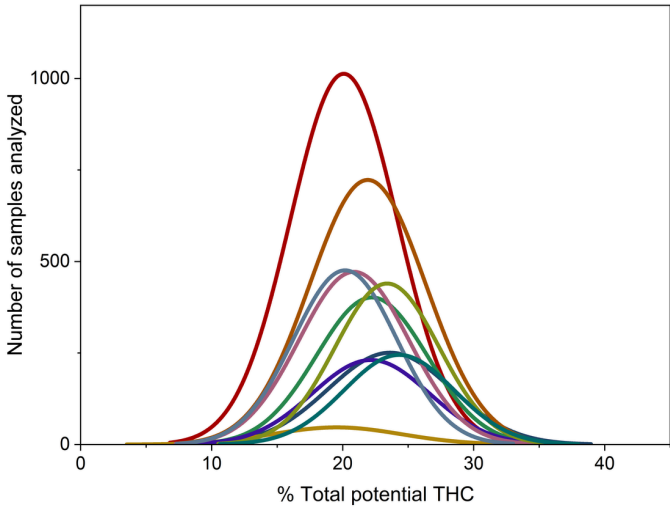


All pass limits are as specified in NAC 453A and Nevada Department Second Policies. Unless otherwise stated all quality control samples performed within specifications established by the Laboratory.

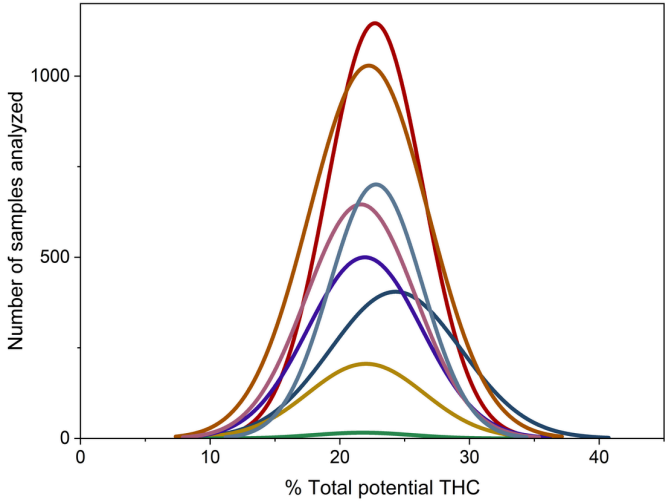
THC POTENCY COMPLIANCE

In addition to ensuring lab methods, materials, and sanitary practices meet regulatory standards as part of a routine inspection, CCB Lab Inspectors review data to ensure accurate reporting of THC potency results.

Distribution of Total Potential THC Results By Laboratory - July-December 2020



Distribution of Total Potential THC Results By Laboratory - July-December 2023



CCB Agents launched an investigation into the THC potency practices of all labs. As a result, labs suspected of inflating THC potency numbers were identified and have since curbed that practice, as seen in the histogram from 2023 (right). CCB Lab Inspectors continue to monitor THC potency regularly and histograms to date remain consistent with 2020 results (left).

In general, the average THC potency for flower tends to be 20-25%. Potency above 30% triggers a review as it may indicate potential inflation and falsifying of data.



(Left): This hemp derived cannabinoid product was being sold at a smoke shop distributor in Reno. Upon discovering this product and others, the CCB and City of Reno worked together to remove non-compliant products from the shelves. When examining the Certificate of Analysis for this product, it was discovered that the product contained synthetic cannabinoids.

The CCB has recently found that suppliers and distributors have changed their marketing techniques to avoid openly disclosing that synthetic cannabinoids are present in an attempt to bypass regulations.

INVESTIGATIONS DIVISION DUTIES

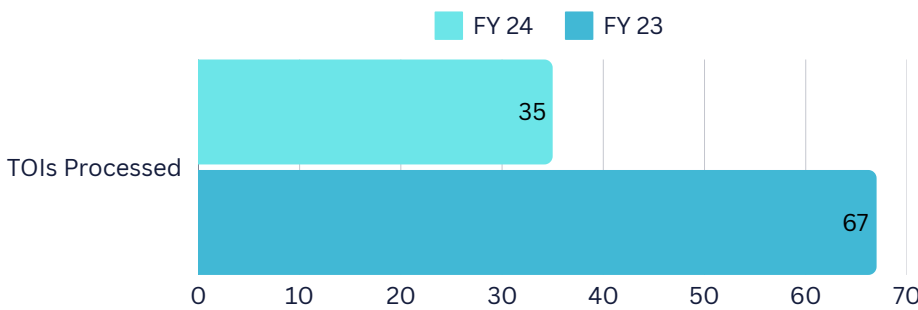


14 Compliance/Audit Investigators

- Investigate potential licensees and affiliated owners, officers, and board members, by conducting interviews, a full suite of background and due diligence checks, and financial analysis.
- Review, process, and document TOI (Transfer of Interest) and/or TOI waiver applications.

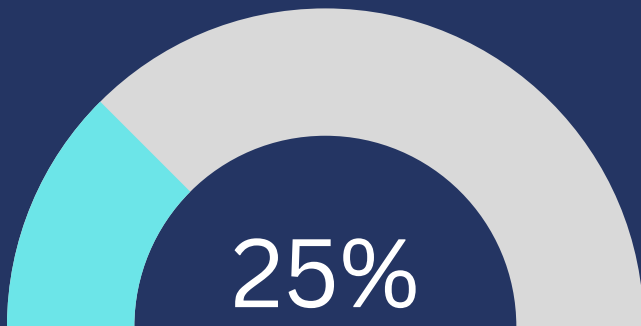
- Review, process, and document suitability of applicants and proposed licensees for new licenses, such as consumption lounges.
- All TOI, TOI Waiver, New License, and License Agreement requests are reviewed and approved by the Board at one of its monthly public meetings.

TRANSFER OF INTEREST REQUESTS PROCESSED



3 MONTHS

Approximate time from assignment to Board approval for a Transfer of Interest request which does not include any areas of concern.



Total areas of concern over FY 24 & FY23

- FY 24: 17% contained areas of concern
- FY 23: 33% contained areas of concern

Most Common Areas of Concern

- *Taxation compliance issues*
- *Unapproved Transfers of Interest (TOI) / Hidden Ownership*
- *Financial Insolvency*
- *Individuals found to be unsuitable*

ENFORCEMENT



8 POST-certified Agents

DIVISION DUTIES

- Investigate complaints made against a licensed facility and incident reports filed regarding licensed facilities.
- Quarantine product if product appears to be untagged or found outside the seed-to-sale tracking system, or if product is found to be potentially unsafe for consumption.
- Partner with local and State law enforcement regarding criminal investigations and to convey safety notices when necessary.
- Assist other law enforcement agencies in larger-scale collaborative enforcement efforts to curb the illegal cultivation, production, and sale of cannabis products.

What's Next: The CCB recognizes a need for greater enforcement capability within the agency to address unregulated cannabis.

Additional resources will be needed to support efforts to better protect communities and the legal market from the effects of the illicit market. The CCB will work with DPS on illicit market enforcement.

ENFORCEMENT EFFORTS

(Right): All plants and products must be tagged from seed to sale, using the CCB's tracking system, Metrc. If a product in a licensed facility is found to not be properly tagged or brought in from out-of-state, CCB POST officers quarantine the product and assist CCB Agents in an investigation.

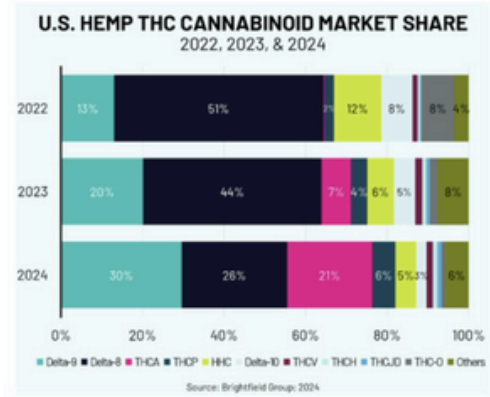
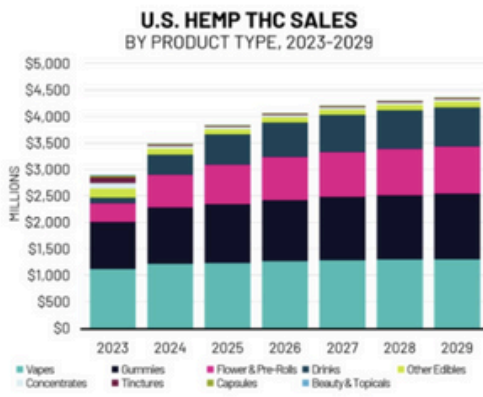
(Below): The CCB hosts regular statewide meetings with law enforcement and industry stakeholders to share information and ideas to combat the illicit market.



SYNTHETIC CANNABINOIDS

The CCB has recently found that some suppliers and distributors have changed marketing techniques to avoid openly disclosing that synthetic cannabinoids are present in an attempt to bypass regulations. This shift in marketing of hemp-derived cannabinoid products has been seen nationally, as detailed in the FDA chart (Right).

Hemp-Derived/Intoxicating Marketplace



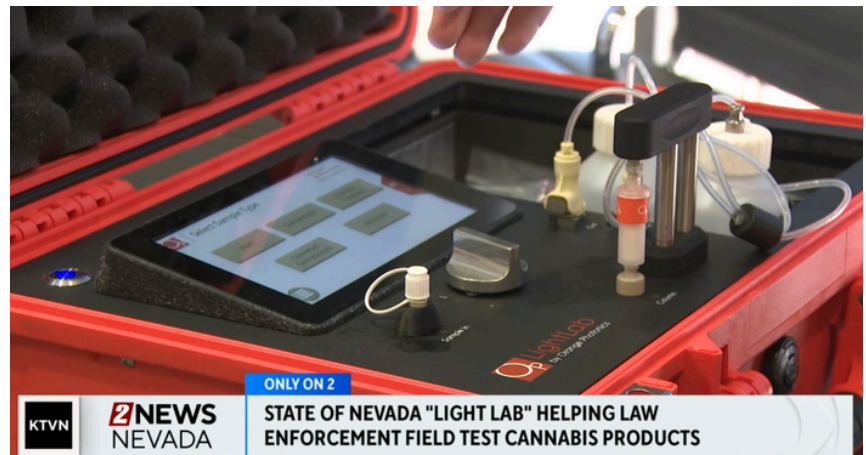
(Left) This product was being sold at a smoke shop distributor in Northern Nevada. Upon discovering this product and others, the CCB and City of Reno worked together to remove non-compliant products from the shelves.

- This product is marketed as a “THCa” product but when examining the Certificate of Analysis for this product, it was discovered that the product contained synthetic cannabinoids, including Delta-8 THC that was over the Federal legal limit.
- The packaging uses a cartoon astronaut, appealing to kids.
- This product has California’s cannabis symbol.

NEW TECHNOLOGY

In 2024, the CCB enlisted mobile labs to test edibles, plants, concentrates, and infused products in the field. Results take approximately 15 minutes.

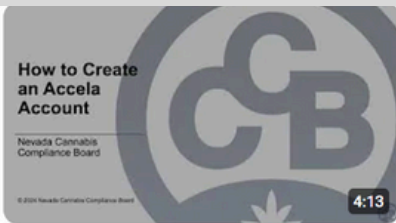
These LightLabs have already been used to assist law enforcement with testing, including an illegal grow operation in Lyon County leading to 10 arrests. (Right)



AGENCY TRANSPARENCY & ACCOUNTABILITY

REGULATORY PROCESS

- The CCB holds public board meetings monthly with remote access and livestream capabilities.
- Any interested party may petition the Board to request the adoption, amendment, or repeal of a regulation (NCCR 4.145).
- Upon a regulation change, the CCB works to give ample notice and time for licensees to make adjustments to become compliant.
- The CCB holds workshops regarding regulation changes, allowing abundant time and opportunity to hear from the industry and other stakeholders.
- Pursuant to SB328, CCB is no longer exempt from the Administrative Procedures Act. LCB is currently revising the Nevada Cannabis Compliance Regulations into the NAC format, as well as all regulatory changes submitted in June of 2024.
- From 2023-2024, the CCB and CAC combined held 9 public meetings in order to receive input and further develop the regulations surrounding the cannabis industry pursuant to the Governor’s executive orders and needs of industry.



How to Create an Accela Account
59 views • 5 months ago



Educational Webinar - Menu and Item Approval - April 26, 2024



How to Apply for a Consumption Lounge License



Social Equity Eligibility Educational Webinar
469 views • 2 years ago

ONLINE ENHANCEMENTS

- The CCB website includes an interactive search tool to look up information about licenses, including owners, officers, and board members.
- Proposed regulation changes, supporting materials, complaints, petitions, and public comment are always posted and available to review online.
- Ahead of the application window for a county-specific licensing round for a cultivation and production license in 2024, the CCB built an extensive webpage with resources, educational videos, and live webinars to help potential applicants.

FEDERAL ACTION

The CCB tracks nationwide cannabis-related conversations, trends, and issues. The CCB is a founding member of the Cannabis Regulators Association (CANNRA), a national organization of cannabis regulators from over 40 states and territories.

ACCESS TO BANKING RESOURCES, LOANS, AND CAPITAL

SAFE Banking, which would grant access to financial services, continues to face challenges in Washington, D.C. The SAFE Banking Act has passed in the House several times in recent years, but still continues to fail to reach majority support in the Senate. The SAFER Banking Act, a similar bill, was introduced in September of 2023, but has also been held up in Senate committee hearings.

RESCHEDULING OF CANNABIS

Earlier this year, the DEA responded to President Biden's directive to reschedule cannabis from Schedule I to Schedule III of the Controlled Substances Act. This pivotal change, if finalized, would reclassify cannabis as a drug with moderate to low potential for dependence, strictly for medical use. An appeal has officially derailed the cannabis rescheduling hearing that was scheduled to be held by the DEA on Jan 21, 2025.

SECTION 280E - TAX CODE

Under Section 280E, cannabis remains classified as a Schedule I controlled substance. As a result, legally operating cannabis businesses cannot deduct ordinary business expenses when filing federal tax returns. As a result, federal taxes for cannabis businesses are calculated based on gross income rather than net income. This unfortunate roadblock to cannabis businesses would be removed if cannabis is rescheduled to a Schedule III control substance.

NATIONWIDE WARNINGS - DELTA-8 THC

Both the FDA and CDC have issued multiple warnings regarding the dangers of Delta-8 THC products. Although Nevada made significant strides in protecting against Delta-8 production within the state, the online marketplace and loopholes in federal legislation around hemp and synthetic cannabinoids remain a serious threat to public health and safety.

INTERSTATE COMMERCE

There is currently no regulatory framework to govern interstate shipments of cannabis. However, interstate commerce would dramatically change the legal cannabis market and supply chain among and within states, including Nevada. If federal changes are enacted, the industry could expect out-of-state cannabis businesses to attempt to enter Nevada's market bringing their own unique competitive advantages, adding significant difficulties for Nevada's licensed markets. At the onset, the flood of alternative and potentially cheaper cannabis that has not met Nevada's strict testing standards and targets Nevada's tourist-based attractions would also present a public health and safety challenge. For these reasons, it is imperative that Nevada's regulatory framework adapt to potential changes to the cannabis landscape as a result of any federal action.

CONTACT INFORMATION

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Dave Staley, Chief of Investigations

REPORT PREPARED BY

Tyler Harrison, Communications Director



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CCB Biennial Report - January 2025