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

Nevada Cannabis Compliance Regulations

1. Background

The Cannabis Compliance Board drafted proposed changes to the Nevada Cannabis Compliance Regulations (“NCCR”) 1, 4 and 5 to incorporate changes from the 2025 legislative session, clarify definitions, provide clarity to manufacturing, cultivation and laboratory standards and to provide other matters properly relating thereto.

2. A description of the way 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 November 17, 2025, the Cannabis Compliance Board (“Agency”) notified the public of the proposed changes and upcoming workshop by posting a notice of workshop, proposed language, and the results of its survey on the CCB website.

Draft language provided proposed changes to the following NCCRs:

- Regulation 1. Issuance of Regulations; Construction; Definitions
- Regulation 4. Disciplinary and Other Proceedings Before the Board
- Regulation 5. Licensing, Background Checks, and Registration Cards

On October 22, 2025, the CCB sent a thirty-one-question survey to solicit input and information from small businesses to gauge what impact the proposed language would have on their businesses. This survey closed on November 1.

The survey and a link to the proposed language was distributed via Constant Contact email platform to 10,286 members of the public and members of the cannabis industry and was accessible to the public on the CCB website meeting notices page.

The questionnaire was open for eleven (11) days. During that time, sixteen (16) people completed the survey. Many 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 received provided the following major themes:

- The changes will provide additional clarity and definitions leading to increased compliance and understanding.
- Concerns about CCB expanded powers regarding ability to require closure due to imminent health hazards and substantial threats to public health.
- Concerns about wasted product due to increased sample size or waste that would occur after larger lots fail laboratory testing.
- Concerns about random number selection process and the implications on investor financing.
- Concerns about potential new licensing rounds to existing market.
- Administrative burdens related to training on new regulations and new reporting requirements.

81% of respondents (13 individuals) identified themselves as owners/officers of cannabis establishments.

81% of respondents identified as having less than 150 employees.

For each of the proposed changes to Regulations 1, 4, and 5, respondents were asked whether these changes would have a direct or indirect adverse impact to their business, a direct or indirect beneficial impact on their business, or whether they were “not affected” or “unsure” of the impact on their business. Those results are further detailed by each regulation as follows:

Regulation 1 Adverse Impact

Five respondents (38% of respondents) indicated an adverse economic effect.

62% responded no or unsure/not affected.

Explanations included:

- Potential loss of operational time if waiting for reinspection after an imminent health hazard closure.
- Concerns on waste created by an increase in sample testing amounts.
- Concerns about expanded powers given to the CCB with new definitions.

Regulation 1 Indirect Adverse Impact

Six respondents (46% of respondents) indicated an adverse economic effect.

54% responded no or unsure/not affected.

Explanations included:

- Potential burdens on supply chains if operational interruptions occur.
- Possible increased losses after reported lab failures, which may affect cost of final goods.
- Expenses related to training staff on new regulations/procedures.
- Concerns about expanded powers given to the CCB with new definitions.

Regulation 1 Beneficial Impact

92% responded no or unsure/not affected and 8% responded yes.

Explanations included:

- The updated definitions add clarity and consistency that benefit overall compliance and understanding across the industry

Regulation 1 Indirect Beneficial Impact

85% responded no or unsure/not affected and 15% responded yes.

Explanations included:

- Scaled sample sizes will allow flexibility to avoid adverse cost effects.
- The updated definitions add clarity and consistency that benefit overall compliance and understanding across the industry.

Regulation 4 Adverse Impact

62% responded no or unsure/not affected 38% responded yes.

Explanations included:

- Closures due to imminent health hazards would result in lack of operations.
- Reinspection requirement may cause a delay in reopening after an imminent health hazard.
- An increased administrative cost with required reporting.
- Increased cost with penalties by the board including operational costs with suspension, revocation, or closure.

Regulation 4 Indirect Adverse Impact

69% answered no or unsure/not affected, 31% responded yes.

Explanations included:

- Potential need for additional staff resources or operational delays due to reporting requirements.
- Closures due to imminent health hazards would result in lack of operations.
- Increased cost with penalties by the board including operational costs with suspension, revocation, or closure

Regulation 4 Beneficial Impact

92% responded no or unsure/not affected and 8% responded yes.

Explanations included:

- Clearer licensing and operational guidelines could make compliance easier to navigate and reduce uncertainty for small operators.

Regulation 4 Indirect Beneficial Impact

92% responded no or unsure/not affected, 8% responded yes.

Explanations included:

- Clearer expectations for operators may also help reduce miscommunication and create a more consistent regulatory environment.

Regulation 5 Adverse Impact

69% responded no or unsure/not affected 31% responded yes.

Explanations included:

- Licensing based on random number selection may limit investments due to the uncertainty of obtaining a license and/or wasted resources on preparing applications that don't get selected.
- Imposed deadlines for response or document submission do not have listed exceptions. Additional concerns about the document materials requested and board ability to deny licenses.

Regulation 5 Indirect Adverse Impact

69% answered no or unsure/not affected, 31% responded yes.

Explanations included:

- New licensing rounds may cause market instability.
- Random number selection is based on chance and not on compliance history or operational success.
- Changes to testing and packaging may have operational costs that in turn raise costs of final goods.

Regulation 5 Beneficial Impact

93% responded no or unsure/not affected 8% responded yes.

Explanations included:

- Stronger standards for product handling, labeling, and testing can improve consumer confidence and industry credibility.

Regulation 5 Indirect Beneficial Impact

92% responded no or unsure/not affected, 8% responded yes.

Explanations included:

- Stronger testing and labeling standards can increase public trust in licensed cannabis products, which benefits compliant operators by distinguishing them from unregulated sources.

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 further clarify existing regulations. Many concerns regarding imminent health hazards do not correctly interpret procedure. Furthermore, the agency has historically conducted closures due to substantial threats to public health in this way. The Agency also consulted with the Administrative Law Judges who act as its hearing officers for additional input on the regulations.

In addition, the agency has modeled imminent health hazard procedures from FDA Food Code, NRS regarding food establishments, and enforcement codes from several local health jurisdictions. In addition, the agency analyzed the written responses from the Small Business Impact Survey. 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. CCB has determined that there will not be any adverse impacts on small businesses.

The new hearing process just ensures the Administrative Law Judge is the actual trier of fact and turns the Board into an appellate body for the disciplinary process. The process before the new statutory changes required the licensee to go before the ALJ and then again to the Board. There should be no significant financial impact and there could be potential savings if the licensee doesn't appeal the ALJ's decision.

The licensing process streamlines the application process and there should be no financial impact due to these changes.

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 beyond existing requirements associated with maintaining compliance. The proposed changes make updates to existing regulations and provide clarification on regulatory procedures for licensees.

Direct and indirect beneficial effects

The Agency finds that there likely will be no beneficial economic effect on small business either, beyond streamlining the disciplinary process. The Agency anticipates that those cannabis businesses that may be impacted will realize the beneficial economic impacts by giving licensees the option to appeal the ALJs decisions or not.

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

The agency considered the feedback from the public and the survey results 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.**

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The proposed permanent regulations present no significant foreseeable or anticipated cost for enforcement as updates align with current agency procedures.

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 do 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, as set forth above. Conversely, the Agency has determined that there may be beneficial impacts to small cannabis businesses based on the optional appellate process as noted above.

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 the information contained herein is accurate.

Dated this 14th day of November 2025.



James Humm
Executive Director
Nevada Cannabis Compliance Board

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

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