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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, 10 and 11 to incorporate changes from the 2024 legislative session, which clarifies definitions, adopts certain laboratory sampling and testing standards pursuant to Senate Bill 157 (2025), 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.

Prior to conducting the small business impact survey, the CCB received input on possible proposed guidelines and changes with key industry stakeholders. As there was no consensus as to a starting point the CCB used the ASTM standard as referenced in Senate Bill 157.

On November 5, 2025, the Cannabis Compliance Board ("Agency") notified the public of the proposed changes and upcoming workshop by posting a notice of workshop and proposed language on the CCB website. The Small Business Impact Statement was posted on November 6, 2025.

Draft language provided proposed changes to the following NCCRs:

- Regulation 1. Issuance of Regulations; Construction; Definitions
- Regulation 10. Minimum Good Manufacturing Practices for Cultivation and Preparation of Cannabis and Cannabis Products for Administration to Humans
- Regulation 11. Cannabis Independent Testing Lab

On October 20, 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 October 30.

The survey and a link to the proposed language was distributed via Constant Contact email platform to 10,531 members of the public and members of the cannabis industry.

The questionnaire was open for eleven (11) days. During that time, thirty-two (32) 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 may affect the number of tests ordered, affecting costs for both licensed laboratories and other licensed cannabis establishments.
- Uncertainty on how this might affect long term compliance by laboratories and economic viability of licensed laboratories.
- Increased burden on licensed laboratories to comply with the new standard including equipment, storage capacity, training, SOP development, and sample collection and preparation.
- Uncertainty on how this may affect the costs associated with laboratory testing.
- Larger lot sizes with small samples may result in missed contaminants requiring recalls or retesting and legal liability by the licensed laboratory that provided the results.

59% of respondents (19 individuals) identified themselves as owners/officers of cannabis establishments.

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

Respondents were asked whether the changes to Regulations 1, 10, and 11 would have a direct or indirect adverse impact to their business, a direct or direct 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

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

54% responded no or unsure/not affected.

Explanations included:
- The cost of needed additional infrastructure by licensed laboratories including equipment upgrades and storage capacity (4 respondents).
- Less laboratory tests ordered by facilities, affecting lab revenue (6 respondents).
- Concerns on statistical viability and representativeness of sample/lack of measurement uncertainty (4 respondents).
- Potential increase in testing costs due to increased laboratory burden (1 respondent).
- Larger lot sizes with small samples may result in missed contaminants requiring recalls or retesting and legal liability (4 respondents).

Regulation 1 Indirect Adverse Impact

Nine respondents (35% of respondents) indicated an adverse economic effect.

65% responded no or unsure/not affected.

Explanations included:
- Less tests ordered, resulting in less laboratory revenue (2 respondents).
- Concerns on statistical viability and representativeness of sample/lack of measurement uncertainty (1 respondent).
- Increased cost of additional sample preparation (1 respondent).
- Increased testing costs for cultivators passed on by laboratory (1 respondent).
- Lessened volume of tests ordered may result in increased competition affecting small labs/consolidated competition potential for laboratories and their customers (2 respondents).
- Increased product loss, increased need for inventory controls, and increase in lab sample processing times (1 respondent).

Regulation 1 Beneficial Impact

73% responded no or unsure/not affected and 27% responded yes

Explanations included:
- Possible lowered cost of testing (5 respondents).
- Improved understanding of regulations with update (1 respondent).

Regulation 1 Indirect Beneficial Impact

81% responded no or unsure/not affected and 19% responded yes

Explanations included:
- Lesser samples prepared may result in lowered testing cost (1 respondent).
- Potentially lowered packaging costs (1 respondent).
- Increased regulatory understanding by industry (1 respondent).

Regulation 10 Adverse Impact

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

Explanations included:
- Less laboratory tests ordered resulting in less revenue for labs (1 respondent).
- Increased laboratory burdens including increased sample processing (3 respondents), increased sample collection and sample preparation times (1 respondent), need for additional staff to comply with additional burden (1 respondent) and increased storage capacity needs (3 respondents).
- Increased time for reported results (2 respondents).

Regulation 10 Indirect Adverse Impact

58% answered no or unsure/not affected, 42% responded yes.

Explanations included:
- Concerns regarding statistical viability and representativeness of sample/lack of measurement uncertainty (2 respondents).
- Increased laboratory burden including sample collection time and paperwork (3 respondents) and increased labor costs (3 respondents).
- Concerns about required documentation of growing conditions being shared with laboratories (2 respondents.)
- The cost associated with purchasing a copy of the reference ASTM standard (1 respondent).
- Less laboratory tests ordered resulting in less revenue for labs (1 respondent).

Regulation 10 Beneficial Impact

96% responded no or unsure/not affected and 4% responded yes

Explanations included:
- Possible improved efficiency of post-harvest processing (1 respondent).

Regulation 10 Indirect Beneficial Impact

88% responded no or unsure/not affected, 12% responded yes

Explanations included:
- Possible lowered cost of testing (1 respondent).

Regulation 11 Adverse Impact

35% responded no or unsure/not affected 65% responded yes.

Explanations included:
- Potential for increased loss if larger lot sizes fail testing (1 respondent).
- Burden on laboratories with returning unused portions of sample to cultivator (4 respondents) or wasting/destruction of additionally collected samples that were not used (6 respondents).
- Increased lab burdens including sample processing time (5 respondents), increased storage capacity needs (5 respondents), upgraded equipment (5 respondents), training of staff on new standard (4 respondents), and time for developing new Standard Operating Procedures (SOP) (2 respondents).
- Less laboratory tests ordered resulting in less revenue for labs (1 respondent).

Regulation 11 Indirect Adverse Impact

54% answered no or unsure/not affected, 46% responded yes.

Explanations included:
- Concerns regarding statistical viability and representativeness of sample/lack of measurement uncertainty (4 respondents).
- Increased competition in smaller cultivators by large businesses (2 respondents).
- Increased burden on laboratories for increased paperwork required for chain of custody (3 respondents).
- Larger lot sizes with small samples may result in missed contaminants requiring recalls or retesting (2 respondents).
- Increased costs of goods due to increased testing costs (1 respondent).

Regulation 11 Beneficial Impact

96% responded no or unsure/not affected 4% responded yes

Explanations included:
- Possible financial savings and efficiency of harvest preparation (1 respondent)

Regulation 11 Indirect Beneficial Impact

100% responded no or unsure/not affected, 0% responded yes. No written responses were provided.

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 and cannot determine the impacts to small cannabis businesses. The Agency analyzed the written responses from the Small Business Impact Survey and initial input from key cannabis industry stakeholders and attorneys representing industry 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. Agency has determined that there will be various impacts on small businesses depending on the type of license the business holds.

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 anticipates that those cannabis businesses that may be impacted may have differing economic impacts that will depend on type of license and size of operations. While the new referenced sampling standard introduces new requirements, the cost or time needed for individual facilities to implement these changes is unknown.

Direct and indirect beneficial effects

The Agency anticipates that those cannabis businesses that may be impacted may have differing economic impacts that will depend on type of license and size of operations. While the new referenced sampling standard introduces new requirements, the cost or time needed for individual facilities to implement these changes is unknown.

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.**

As these new standards are statutory, the agency needs and will consider feedback from the public during the workshop process. The results from the various workshops will determine what revisions are made to the regulations with the focus being to minimize any negative impact the proposed language would have 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 for enforcement. To the extent sampling protocols are changing, regulatory staff will incorporate these into their standard inspection and audit procedures and the agency does not anticipate that this will affect a major change.

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 and reference standards by the American Society for Testing and Materials.

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

The Agency cannot determine the impacts to small cannabis businesses. The regulatory updates to sampling will have both potential adverse and beneficial impacts depending on the type of license.

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 6th 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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