From: Kunj Dave
To: CCB Regulations
Cc: Sherman Hom
Subject: Clarification Request – Definition of "Usable Cannabis, as Received (Destined for Extraction)"
Date: Thursday, November 6, 2025 11:35:33 AM

Dear Regulatory Division,

Good afternoon.

First, I would like to thank the **Nevada Cannabis Compliance Board** for its continued dedication to refining and strengthening the state's cannabis testing framework. The recent update adding *"Usable cannabis, as received, which is destined for extraction"* to the testing regulation table demonstrates the Board's proactive approach to ensuring product safety and regulatory precision.

I would like to request clarification on the exact meaning of this product category — specifically, whether *"usable cannabis, as received (destined for extraction)"* refers to **wet or freshly harvested plant material prior to drying or curing**, or if it encompasses **any cannabis material submitted for extraction regardless of its moisture content**.

A precise understanding of this definition will help ensure accurate application of microbial testing standards in alignment with the Board's intent.

Thank you for your time and guidance.

Respectfully,

Kunj Dave

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December 1, 2025

Cannabis Compliance Board
700 Warm Springs Road, Suite 100
Las Vegas, NV 89119
Via email to: Regulations@ccb.nv.gov

Subject: Workshop on Proposed Changes to NCCR 1, 4 & 5

Dear Cannabis Compliance Board Members and Director Humm,

On behalf of the Nevada Cannabis Association, we appreciate the opportunity to comment on the proposed amendments to Regulations 1, 4 & 5 in advance of the workshop on December 2, 2024.

I. 4.065 Imminent Health Hazard

The changes to this section appear to require licensees to obtain approval from a board prior to continuing or resuming operations after encountering any of the ten types of incidents listed in 4.065. (In particular, Section 4.065(3) and the use of the term "the board may agree" in 4.065(2)(b).) This is impractical and burdensome. For example, a brief power outage on a weekend would fall under the "interruption of electrical service" category, requiring a licensee to wait for a response from the CCB outside of business hours to continue or resume operation. Businesses should be permitted to resume operations when the situation is resolved, or continue operations under an approved emergency operating plan, and report that status to the CCB.

Losing power for one minute is not a health hazard, while losing power for several hours might raise concerns about temperature control. A time limit (based on data) should be included in the regulation for interruption of electrical service and any other categories where the potential health hazard exists only after a certain period of time.

II. 4.067 Administrative Hold Order

This section exceeds the statutory authority granted by Senate Bill 168 (2025). Section 6(2) of SB 168 states that the Board must adopt regulations that:

> Authorize an agent of the Board to issue a hold order only under circumstances in which cannabis or a cannabis product fails to satisfy a requirement set forth in this title or the regulations adopted pursuant thereto **and** constitutes a substantial hazard to the public health. (Emphasis added.)

The proposed language of NCCR 4.067 uses "or" instead of "and;" thereby broadening the circumstances in which a hold may be issued far beyond what was permitted in SB 168. Further, the language used in the regulation is not "substantial hazard to public health" but rather "significant public health or safety risk." The nine scenarios listed as posing a significant public health or safety risk include "[a]ny other circumstance deemed to be *a possible threat* to public health and safety by the board agent." (Emphasis added.) This is far broader than intended by the Legislature – the level of threat required for a hold reduced from *substantial* to *possible*.

Senate Bill 168 requires that "at or before the time of issuance of a hold order notice be provided to the cannabis establishment whose cannabis or cannabis product is subject to

the hold order stating the reasons for the hold order." This is not included in the draft of the regulations, likely because it is an obligation of the Board not the licensees, but this should be incorporated into internal Board policies to ensure that licensees receive this notice.

The bill requires a hold order to be automatically terminated not later than 30 days after its issuance unless the Board, after notice and a hearing and for good cause shown, extends the duration of the hold order. Proposed 4.067(2)(a) delegates this authority to a hearing officer, which may exceed the Board's statutory authority. Subsection (2) authorizes the hearing officer to extend the hold beyond 30 days if the officer finds "good reason" to extend the hold; however, there is no process outlined for a licensee to appeal the hearing officer's determination to the Board.

It appears that the timeline set forth in this section conforms to the statute so long as it is clear that the hearing must take place prior to the automatic termination of the hold order at 30 days. In other words, a hearing scheduled for day 35 does not extend the hold by five additional days.

Subsection (3)(a) again shifts the standard for administrative holds. The standard used in the statute is "substantial hazard to public health."

Subsection (4) could lead to confusion as it could imply that physical tags or labels intended to keep physical products from being moved in a facility can only be removed by board agents. This would be a significant waste of resources.

III. 4.105 Suspension of Operations

The NCCRs should be a comprehensive body of rules, rather than directing licensees to search through outside documents. This section should spell out the circumstances rather than referring to sections of bills. Regulations should stand alone and provide comprehensive rules without requiring external legislative research.

IV. There is No Statutory Authority for a Lottery as Described in 5.039.5

The use of a random number generator was authorized by statute only for consumption lounges when a local jurisdiction limited the number of licenses available. The use of a lottery should not be permitted without clear legislative authority.

For licenses other than lounges, NRS 678B.250 and 678B.280 require that the Board use criteria of merit to evaluate applications and adopt regulations to determine the relative weight of each criteria. If the Board eliminated applications via a random number generator, the Board would not be following the statutorily required process for evaluating license applications. The criteria of merit must be considered for applications for licenses other than lounge licenses, and the regulations cannot circumvent this requirement. For licenses other than lounges, the Board cannot eliminate applications without considering merit.

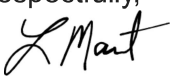
V. NCCR 5.100(1)(h) Should Be Deleted After Passage of Senate Bill 41 (2025)

It was represented during hearings on Senate Bill 41 (2025) that the Department of Taxation's creation of a Cannabis Tax Permit would result in the deletion of NCCR 5.100(h) because the Department of Taxation would be overseeing the enforcement of tax delinquencies. Thus, this provision of the NCCRs related to grounds for denial of renewal due to nonpayment of cannabis excise taxes should be deleted.

VI. Conclusion

Thank you for the opportunity to provide comments on these proposed amendments.

Respectfully,



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