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Governor

CANNABIS COMPLIANCE BOARD STATE OF NEVADA

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Department of Public Safety
MITCHELL BRITTEN, *Member*
ALEC GARCIA, *Member*
DAVID GOLDWATER, *Member*
ALLISON GENCO HERZIK,
Member
BRALY JOY, *Member*
LAYKE MARTIN, *Member*
RAYMOND MCKAY, *Member*
BRITTNEY MILLER, *Member*

Nevada Cannabis Advisory Commission Meeting Minutes September 14th, 2026

The Nevada Cannabis Advisory Commission held a meeting at 700 East Warm Springs Road, Las Vegas, Nevada and Teams on **September 14, 2026**, at 2:00pm

Members Present:

Executive Director Michael Miles, Chair
Attorney General Aaron Ford
Director Shellie Hughes
Director George Togliatti
Mitchell Britten
Alec Garcia
Allison Genco Herzik
Braly Joy
Layke Martin
Assemblymember Brittney Miller

Member's Absent:

David Goldwater
Raymond McKay

Chair Miles and Members Joy and Garcia attended in person. Members Ford, Britten, Hughes, Herzik, and Togliatti appeared via Teams. Member Miller arrived at 2:10 p.m via Teams.

- I. Public Comment**
 - a. No public comment was provided.
- II. Consideration for Approval of the February 3, 2026, Cannabis Advisory Commission Meeting Minutes (for possible action)**
 - a. Attorney General Ford moved to approve the February 3, 2026, minutes. Director Hughes seconded. Minutes approved unanimously.
- III. Presentation of Subcommittee Reports (for discussion only)**
 - a. Subcommittee Report on Hemp**
 - i. Chair Miles thanked both Chairs of the subcommittees for their work on putting the taxation and hemp reports together and introduced Layke Martin to present the CAC Hemp Subcommittee Report and Recommendations.
 1. Member Martin thanked her subcommittee members for the time they devoted over the past six months to reviewing this complicated and rapidly changing area of law and policy. She also thanked the Deputy Attorney Generals (DAGs) for their assistance.
 2. Member Martin presented a brief summary of Assembly Bill 76 (AB76) that directed the subcommittee to study how Nevada should regulate consumable

hemp products, including whether regulation should be assigned to the CCB and whether sales should be limited to cannabis licensees or, in the case of beverages, businesses licensed to sell alcohol.

3. The report found that Nevada does not currently have a comprehensive statewide framework for hemp derived cannabinoid products sold outside licensed cannabis facilities.
 - a. Ultimately, regulatory authorities are divided among the Department of Agriculture, the CCB Department of Human Services, local health and food safety authorities, law enforcement and local governments.
 - b. Hemp products are also not subject to the same registration, tracking, age verification, taxation, inspection, or enforcement requirements that apply to licensed cannabis. Member Martin stated that Nevada has a visible retail and online market for hemp but does not have sufficient information to identify all the products and manufacturers currently operating in the state or to measure the size of that market. Most concerning is that Nevada does not have a statewide minimum age for hemp derived cannabinoid products and online sales create a significant enforcement gap.
 - c. Similarly, Nevada law does not clearly address hemp derived cannabinoids in food and beverages or establish a retail pathway for intoxicating hemp derived THC beverages.
 4. The report then discusses issues and contradictions within federal law. In response to the hemp loophole created by the 2018 Farm Bill, Congress enacted Public Law 119-37 that narrows the definition of hemp. This definition was set to go in effect on November 12, 2026 but current legal proceedings have created uncertainty around the exact date the federal government would begin to enforce the new definitions.
 - a. The subcommittee recommends that Nevada align its definition of hemp with those federal standards as Illinois, Ohio and New Jersey have already done.
 - b. Similarly, the subcommittee recommends a statewide regulatory framework tailored to the size and nature of that market that include designating a lead state agency, establishing manufacturing and product registration, adopting uniform testing, packaging labeling, and product safety standards, establishing a minimum age of 21 for intoxicating products, applying requirements to online sales, strengthening inspection, recall, enforcement authority, and addressing the tax disparity with regulated cannabis, and also of course providing adequate funding for the responsible agency or agency. The report recommends legislature strongly consider limiting the sale of hemp products.
 5. Member Martin concluded that the report provides the legislature with a framework that protects consumers, creates accountability, and ensures that any new regulatory requirements are supported by clear authority and adequate resources.
- ii. Chair Miles thanked Member Martin and noted that the CCB's authority to enforce hold orders on or destruction of unlicensed products was expanded under AB504. This authority has allowed the CCB to put over 6000 products on hold, destroy over 1000 products, and return any remaining unlicensed products to the suppliers. This has allowed the CCB to narrow in on and investigate some of the unlicensed

suppliers that are currently operating in Nevada. Chair Miles then requested any further questions or comments to the other Members.

- iii. Attorney General (AG) Ford asked what the subcommittees' thoughts were on hemp beverages. The AG's office has sent letters to Congress opposing hemp beverages due to the argument that if hemp beverages are authorized, they should be allowed to be sold at liquor stores as opposed to licensed cannabis facilities.
 1. Executive Director Hughes commented that liquor investigators within the Department of Taxation currently seize hemp products if they find them in liquor stores as they are not currently authorized under Nevada law to sell them.
 2. AG Ford asked, presuming that hemp beverages become lawful and legal to sell, what would be the argument against allowing them to be sold in liquor stores as opposed to only being allowed to be sold in dispensaries?
 3. Member Martin clarified that the report determines that there is not currently a pathway for hemp beverages to be sold in Nevada outside of licensed cannabis facilities but if the legislature decided to authorize these products it would need affirmative legislation and would require a specified regulatory framework.
 4. Chair Miles presented his opinion remarking that if Nevada gave an advantage to hemp drinks being allowed in liquor stores it would make sense for that advantage to be extended to cannabis drinks as well.

b. Subcommittee Report on Cannabis Taxation

- i. Chair Miles then introduced Erica Scott to present the Taxation of Cannabis Report & Recommendations.
 1. Erica Scott thanked her subcommittee members for their consistent efforts on the study and began with a PowerPoint summary of the report.
 - a. The first point of the report analyzed the elimination of the wholesale cannabis tax with the increase to retail cannabis tax, and the second point reviewed a possible addition of an intoxicating hemp excise tax. Scott clarified that the report utilizes different verbiage than consumable hemp included in AB76.
 - b. Scott stated that there is language in AB76 for the subcommittee to research any other options, and though it was discussed, it became apparent that a completely different tax structure would have been more cumbersome on the industry.
 2. Scott continued with the report's introduction on the history of cannabis excise tax in Nevada.
 - a. The first fiscal year with taxes generated from legalization of recreational cannabis was in 2017. Since then, there has been a 15% wholesale excise tax followed by a 10% retail excise tax for adult use cannabis. The retail excise tax distributions go directly to the State education fund. The wholesale cannabis tax distributions go to regulatory operations at CCB with any remaining funds distributed to the state education fund as well. The study also analyzes medical cannabis sales as those sales are subject to local tax between 6.85% and 8.375%. Medical cannabis is also subject to the wholesale tax but exempt from the retail excise tax.
 - b. Scott then focused on other taxes and licensing fees affecting the industry. The licensed cannabis industry is subject to additional tax and fee structures at the county and local licensing level, and additional federal tax rates due to the schedule one status of

marijuana. Nevada county fee structures vary widely across the 17 counties. Additionally, due to the schedule one status, licensed cannabis businesses cannot deduct ordinary business expenses, resulting in a tax rate that may exceed 70% in situations where the business owes taxes even when operating at a loss.

- c. Scott concluded the section remarking that the steady price decline of cannabis over the years, and subsequently of tax revenue, is indicative of a mature market as well as other substantial financial impacts.
3. Scott then reviewed the bulk of the study, being the licensed cannabis sales analysis. The subcommittee gathered the past seven full years of sales data recorded in the state seed-to-sale system, which is the most comprehensive analysis of Nevada's licensed cannabis market that has been done to date.
 - a. The sales were broken down by total monthly sales by category by county which included eleven counties and twenty-eight cannabis item categories, which were then aggregated to ten categories for the final analysis.
 - b. Over \$2 billion in flower has been sold in Nevada between 2018 to 2025, followed by solvent base concentrates at \$1 billion for the second most popular category, then infused edibles as the third most popular category at about \$648 million in sales.
 - c. Scott stated that the technical analysis showed a broad price compression between 2019 to 2025 with annual price trends indicating that the Nevada cannabis market became less expensive for many of the largest product categories over the period analyzed. She stated that compression could be reflective of a combination of factors, such as market maturation, increased competition, production efficiencies, technological advancements, or greater availability of lower priced products being from the illicit or intoxicating hemp markets.
 - d. As prices went down observations, or the amount of cannabis sales, went up. A review of the supply side of the cannabis industry also shows increased production of cannabis over the years as cannabis transactions showed that the trend of transfers has increased, indicating sufficient supply.
4. Scott continued stating that after analyzing price elasticity and running rigorous tests, the study concluded that the solution for eliminating wholesale excise tax was an increase to retail excise tax. She continued by asserting that the subcommittee does not necessarily make a recommendation as to whether or not the wholesale cannabis tax should be eliminated, but rather, if elimination of the wholesale cannabis tax is pursued by the legislature the rate at which the retail excise tax should be increased to offset that change would be between 2-5%.
 - a. Eliminating the wholesale excise tax reduces the state education fund by \$21 million, but an increase to the retail cannabis tax of 2-5% and a total retail cannabis tax between 12 -15% would increase the state education fund by between \$11.8 to \$30.9 million.
 - b. Scott included that there is an added issue addressing the distributions to regulatory actions and to local governments. The study does recommend that \$5 million to local governments be evaluated, since all active counties are enacting 3% additional

licensing fees and that the regulatory agencies operate from the funds of the retail excise tax as well.

- c. The study also examined whether medical patients would be affected or impacted and because there is an assumption that cultivators would not drop their prices, even if they are no longer paying the wholesale tax, there would be no significant price change for medical patients.
5. Scott then discussed the option to implement a tax on intoxicating hemp. The subcommittee ran into the issue of finding comparable data for hemp tax structures. Texas and Florida have enacted a hemp tax structure, though they do not have an established recreational cannabis market the way that Nevada does. The closest dataset found was from Minnesota as they have an established consumable hemp market as well as a licensed recreational cannabis market initiated in 2023.
 - a. The revenue estimated from Minnesota's data is roughly \$42.7 million a year at a 10% retail tax rate. Factoring in population size and other ratios, if Nevada were to implement a 10% excise tax on intoxicating hemp, it would generate an estimated \$4.3 million to state revenues or between \$5.16 million or \$6.45 million at the proposed 12-15% retail cannabis tax rate.
 - b. Scott emphasized that intoxicating hemp should be treated the same as the intoxicating levels of cannabis in Nevada. So, if the wholesale excise tax is still in place for cannabis, that any intoxicating hemp should also be taxed on the wholesale side as well.
 - c. Overall, the subcommittee recommends that the intoxicating hemp industry be regulated similar to the licensed cannabis industry, since the existence of the market is born out of the federal loophole and demand for the intoxicating hemp would be satisfied with the licensed cannabis market otherwise.
6. Scott concluded the presentation with a final summary of the subcommittee's recommendations.
 - ii. Chair Miles thanked Scott and requested that a chart that gives year by year comparisons of wholesale tax versus retail tax collected is added to the report. He then opened the discussion for other Members questions or comments.
 - iii. Member Martin echoed the subcommittee's recommendation regarding looking at that \$5 million that is going to local enforcement.
 - iv. Member Britten thanked Scott as the Chair of the taxation subcommittee and noted that during the subcommittee's meetings there was a large discussion surrounding which areas of the industry were not as effective at paying their taxes. The subcommittee discussed that the bulk of uncollected taxes were on the wholesale tax, so one of the recommendations that Member Britten would add to the report is that the intent of conducting this study was to remove the uncollected tax burden as retailers seem to have a better track record of paying those taxes.
 1. Scott asked if Member Britten would like to add language to the report now as the subcommittee ran into the deadline for finalizing the report before it could be added. Scott also commented that because the Department of Taxation does not publish information on the source of unpaid taxes, they were unable to include specific data to support the claim.
 2. Member Britten remarked that if it could be mentioned to the legislature that the subcommittee's recommendations are a potential way to solve the unpaid tax burden that would be great.

- v. Member Garcia asked if the study anticipates additional issues if the price compression continues and what that may look like for projections in the long term.
 - 1. Scott answered that yes, price compression would be a continuing issue, but it would also be maintained if there were no changes to the wholesale tax anyway. The price compression occurring now with the wholesale and retail tax is indicative of a mature market due to efficiencies within the industry, but consumption of cannabis has not dramatically decreased in Nevada.

IV. Discussion and Consideration for the Approval of Subcommittee Reports (for possible action)

a. Subcommittee Report on Hemp

- i. Chair Miles asked if any members had further comments, questions, or discussion topics before the vote to adopt the CAC Hemp Subcommittee Report and Recommendations for submission to the Joint Interim Standing Committee of the Judiciary and to the Director of the Legislative Council Bureau (LCB).
- ii. Seeing no further discussion, Chair Miles moved to adopt the report for submission to the Joint Interim Standing Committee of the Judiciary and to the Director of the LCB. Member Garcia seconded. Motion approved unanimously.

b. Subcommittee Report on Cannabis Taxation

- i. Chair Miles asked if any members had further comments, questions, or discussion topics before the vote to adopt the Taxation of Cannabis Report & Recommendations for submission to the Joint Interim Standing Committee of the Judiciary and to the Director of the LCB.
- ii. Seeing no further discussion, Chair Miles moved to adopt the report for submission to the Joint Interim Standing Committee of the Judiciary and to the Director of the LCB with the addition of a chart that includes the specific wholesale taxes compared to retail taxes collected for each year. Director Hughes seconded. Motion approved unanimously.

V. Future Meetings (for discussion only)

- a. Chair Miles stated that after this year's legislative session he would request a subcommittee be created to address lab standards and to report on the best way to combat lab shopping, which is a growing problem nationwide.
- b. Assemblymember Miller asked why the lab issue would be shelved until after the legislative session.
 - i. Chair Miles responded that the CCB has just started gathering data analysis on lab trends and as this is a newer process, would take time to build standards. He also stated there was an assumption that this group would be incredibly busy during the legislative session.
 - ii. Assemblymember Miller stated that the bigger concern is not to meet during session or after session but how long it takes to gather data and subsequently, how much data there is to work with.
 - iii. Chair Miles responded that gathering the data may take a couple months but will reach out to the members for next steps once an acceptable amount of data is procured.
- c. Director Togliatti commented that there would be a meeting tomorrow with buildings and grounds concerning the future plans for the building next door, which is intended to be built out possibly for a cannabis testing laboratory and a forensic laboratory for the Department of Public Safety (DPS) with an additional stage for evidence storage, particularly for drug narcotic storage.

- i. Chair Miles responded that he plans on being there for the meeting and explained that the state has plans for building a full forensic lab for DPS and a full cannabis lab for the CCB. He continued that compiling the request for all the equipment shows it would take a significant budget and has not been fully submitted to the LCB yet, though there has been a budgetary Bill Draft Request submitted.

VI. Public Comment

- a. There was no public comment provided.

VII. Adjournment

- a. Chair Miles expressed appreciation for the subcommittee members and chairs again and adjourned the meeting at 2:48pm.

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