

SB 277 Updates
July 26, 2024

Nevada Cannabis Compliance Board

James Humm, Executive Director
Michael Miles, Deputy Director



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.

“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, location, practices, associations and activities related to the operation of cannabis establishments” (NRS 678A.005 (4)).



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

Inspections and Audit

Investigations

Enforcement

Agency Operations & Regulatory Responsibilities

- Oversee and regulate Nevada's 450+ operational 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.

- **101 Full-Time Employees**
- **5 CCB Board Members**
- **8 Cannabis Advisory Commission Members**
- **11% Current Vacancy Rate**

SB277 Overview and Implementation



Study on Federal Rescheduling/Descheduling

Required the Cannabis Advisory Commission (CAC) to provide a study and recommendations concerning the potential effects on the Nevada cannabis industry if cannabis were to be removed from schedule I of the Uniform Controlled Substances act or the federal Controlled Substances Act.

- The Chair of the CAC created a five-person subcommittee on Rescheduling/Descheduling comprised of CAC members and outside experts to study and prepare this report.
- The Subcommittee held seven public meetings, which included a discussion with the bill sponsor, Senator Dallas Harris, as well as subject matter experts in the field of cannabis regulation. Using subject matter expertise as well as independent research, the Subcommittee produced the requested report and recommendations.
- During the February 23, 2024, Cannabis Advisory Commission Meeting, members unanimously approved this report.
- On February 29, 2024, the final report was submitted to the Legislative Counsel Bureau and The Joint Interim Standing Committee on the Judiciary

Environmental Effects

Requires the Board, before adopting, amending or repealing any regulation, to consider whether the proposed action is likely to have an adverse effect on the environment

- The repeal of NRS 678A.460 placed the CCB under the Administrative Procedures Act (APA)
- CCB Staff collaborates with licensees to make environmentally conscious choices that fall within statute/regulations.

Dual Licensing

The CCB was prohibited from issuing or renewing a medical establishment license unless facilities are in a jurisdiction with an adult-use moratorium.

Audit

- Audit team has assisted facilities in merging medical and adult-use inventory in seed-to-sale tracking system.
- Transition project is still ongoing

Licensing

- Beginning January 1, 2024, CCB staff began issuing combined licenses for both medical and adult use, creating one fee for a renewal of their license.

Individual Sale Amount Increase



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Sale and Possession Limits

December 19, 2023

As a result of the passage of Senate Bill 277, the Nevada Cannabis Compliance Board (CCB) has received numerous questions from licensees and consumers regarding the sale and possession limits of cannabis.

As detailed in the bill, on **January 1, 2024**, the sale and possession limits will increase from one (1) ounce to 2.5 ounces of usable cannabis and from one-eighth (1/8) to one-fourth (1/4) ounce of concentrated cannabis.

No action will be required in METRC for this change. This will go live on January 1, 2024. Sales facilities will need to update their POS systems.

Required signage inside the sales facility regarding sale and possession limits will need to be updated to reflect the new limits.

Limits per package and per vehicle for delivery were not addressed in Senate Bill 277 and remain unchanged at this time.

Questions regarding this guidance should be directed to auditinspections@ccb.nv.gov.

Nevada Cannabis Compliance Board

Carson City Office Location:
3850 Arrowhead Drive, 1st Floor
Carson City, NV 89706

Las Vegas Office Location:
700 East Warm Springs Road, Suite 100
Las Vegas, NV 89119



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Cannabis Transaction/Possession Limit Exchange Chart

January 3, 2024

Please be advised that per Senate Bill No. 277, effective January 1, 2024, the new transaction and possession limit has increased to two and one-half ounces of usable cannabis and one-fourth of an ounce of concentrated cannabis. A transaction exchange chart has been provided below for your reference.

It is recommended that all Sales (Dispensaries) facilities update their Point of Sale (POS) systems to reflect the change to ensure that transactions do not exceed the new limits. In addition, sales facilities should update their required signage to reflect the current limits by January 30, 2024.

Cannabis and Cannabis Product Exchange Chart

| For this much flower... | | | ... this much THC in other products is within limits | |
|-------------------------|-----------------|-----------------|--|---------------------------|
| Usable Cannabis | Usable Cannabis | Usable Cannabis | THC Products (previous limits) | THC Products (new limits) |
| ounces (oz) - fraction | ounces (oz) | grams (g) | milligrams (mg) | milligrams (mg) |
| 0 | 0.00 | 0.00 | 3543 | 7087 |
| 1/8 | 0.13 | 3.54 | 3101 | 6733 |
| 1/4 | 0.25 | 7.09 | 2658 | 6379 |
| 1/2 | 0.50 | 14.18 | 1771 | 5670 |
| 1 | 1.00 | 28.35 | 0 | 4255 |
| 1 1/2 | 1.50 | 42.53 | | 2839 |
| 2 | 2.00 | 56.70 | | 1423 |
| 2 1/2 | 2.50 | 70.88 | | 0 |

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Excluded Felonies

Requires the Board to develop and implement a process by which a person who has been convicted of an excluded felony offense may submit to the Board a petition for an exemption from those prohibitions.

- January 18, 2024, the CCB issued written guidance on the petition process, as codified in NCCR 4.150
 - Petitioners submit, via email, documentation related to their conviction/probation and their perceived impact on public health/safety and the Nevada cannabis industry.
- As of July 19, 2024, seven petitions have been received by the Board
 - Five petitioners have been heard by the Board and approved to receive an agent card
 - Two petitioners are yet to be determined pending additional document submission.

Issuance and Renewal Fees

Decreases the maximum amount of the fees the CCB is authorized to charge for the issuance or renewal of an adult-use cannabis establishment license.

Secure Entrances

Authorizes any cannabis establishment to have more than one entrance so long as each entrance is secure.

- Prior to SB 277, establishments could request a separate, secure, employee entrance if desired.
- Since the passing of SB 277, >5 facilities have requested a second, secure entrance.

Industry Snapshot

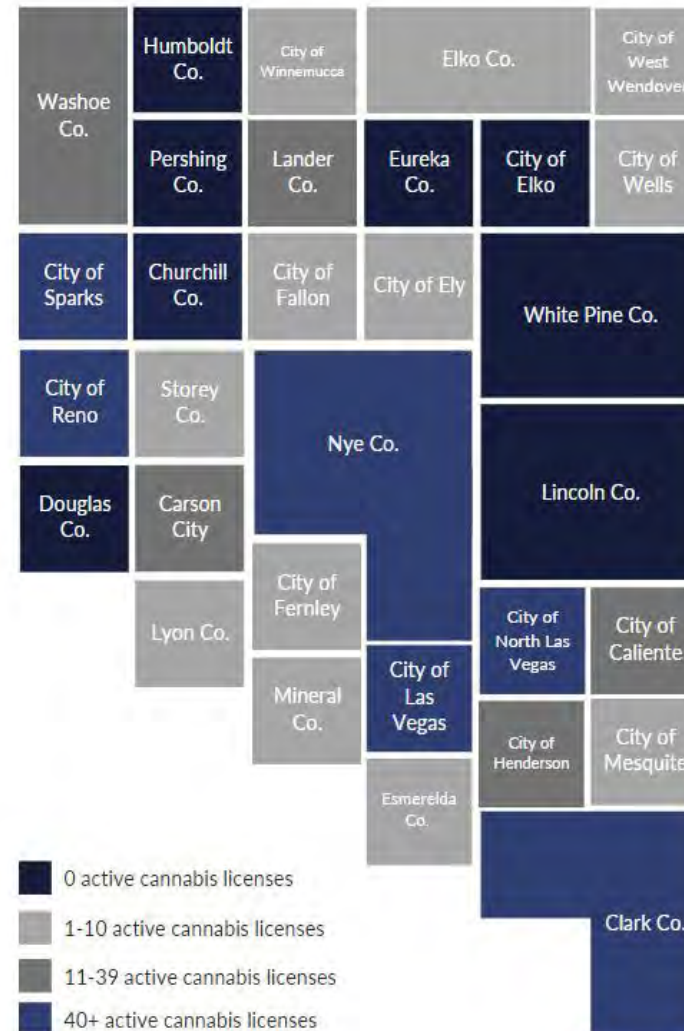
Total Active Licenses Statewide: **462**

Facility Types

- Cultivation
- Production
- Independent Testing Labs
- Distribution
- Retail/Dispensary
- Consumption Lounge

14,961

Individuals with active cannabis agent registration cards

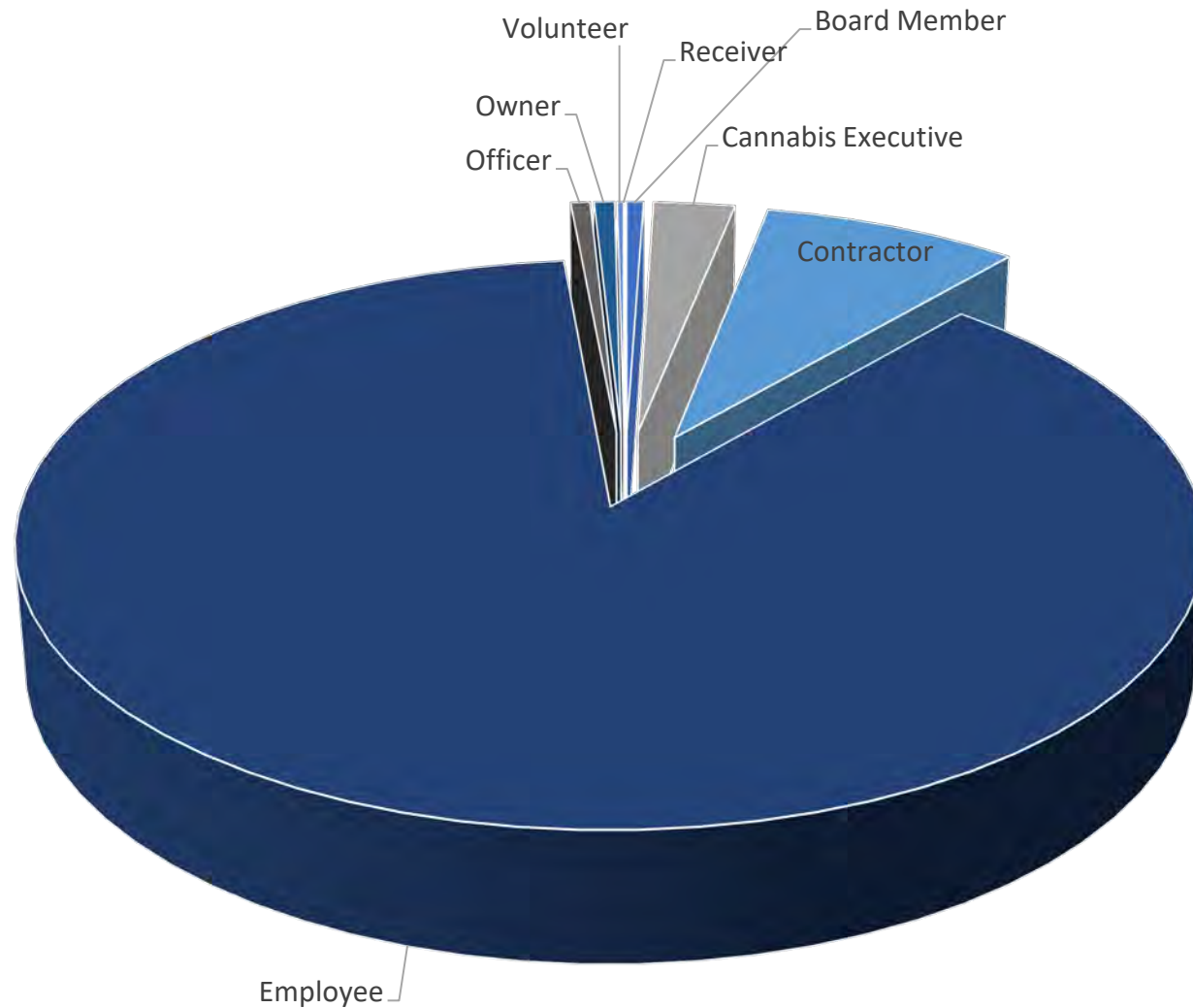


The highest concentration of active licenses is in Southern Nevada.

•**300+** active licenses in Clark County (Unincorporated Clark Co., Las Vegas, North Las Vegas, Henderson, Mesquite)

•**65+** active licenses in Washoe County (Unincorporated Washoe Co., Reno, Sparks)

Registered Cannabis Agents



- **81** Board Members
- **387** Cannabis Executives
- **1,221** Contractors
- **13,051** Employees
- **92** Officers
- **97** Owners
- **29** Volunteers
- **3** Receivers

Total: 14,961*

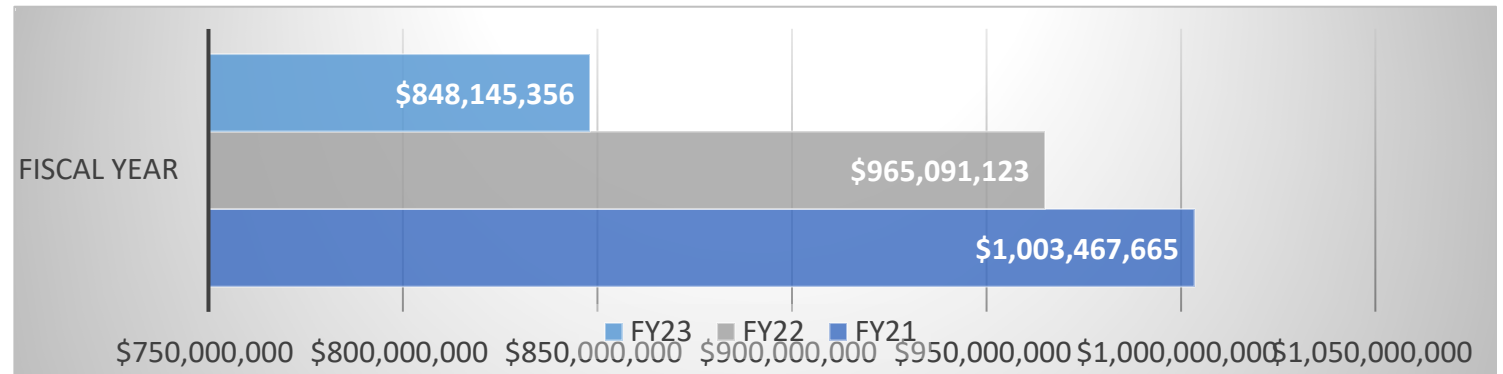
**This number reflects number of active individuals, not number of agent cards.*

Taxable Sales

FY23: \$848,145,356

FY22: \$965,091,123

FY21: \$1,003,467,665

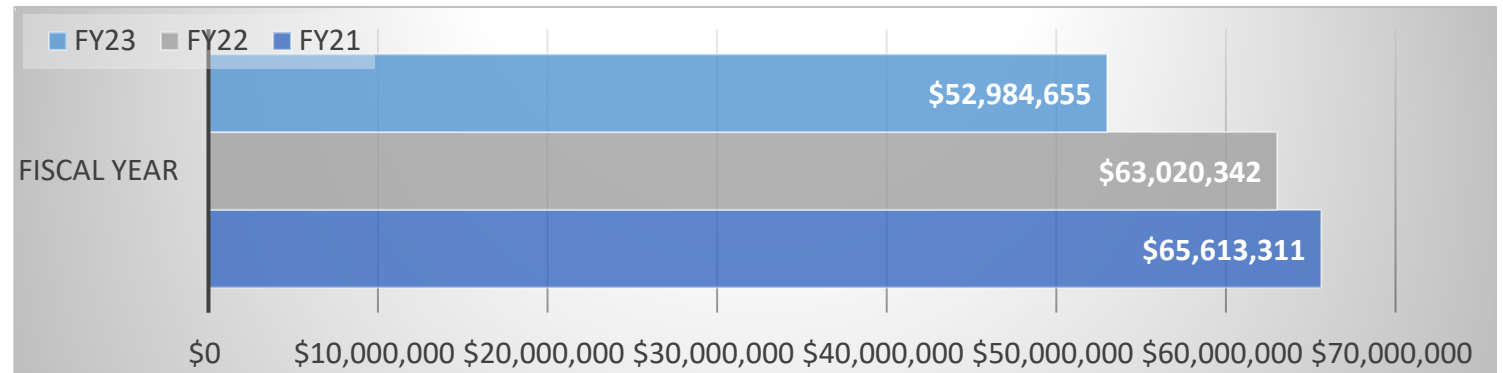


State Wholesale Cannabis Excise Tax (15% Rate – Adult-Use and Medical)

FY23: \$52,984,655

FY22: \$63,020,342

FY21: \$65,613,311

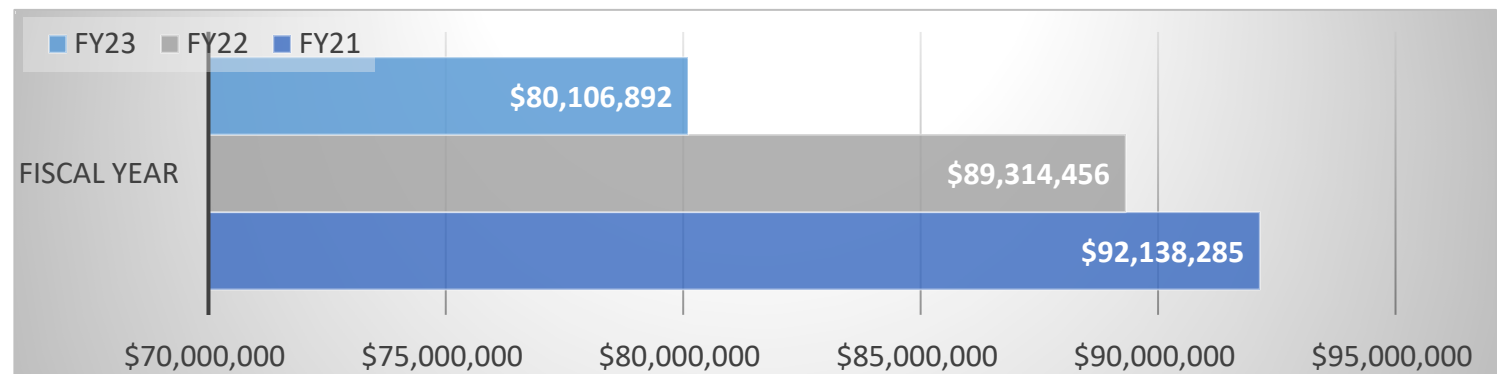


State Retail Cannabis Excise Tax (10% Rate – Adult-Use)

FY23: \$80,106,892

FY22: \$89,314,456

FY21: \$92,138,285



**All graphs and charts are created and owned by the CCB.*



Current and Trending Challenges

Economics of the Industry

- Tax revenue in FY 23 was down compared to both FY 22 and FY 21
- Sales revenue in FY 23 was down compared to both FY 22 and FY 21

The decline is consistent with sales trends in other states with mature cannabis markets and can be attributed in part to after-effects of the COVID-19 pandemic.

Illicit Market

- Unregulated cultivation, production, and sale of cannabis

Federal Concerns

- Noted prior in the rescheduling/descheduling

2024 - Looking Ahead

Market Study

- The CCB commissioned a study reviewing the economics of the regulated Nevada cannabis industry and the scope and effects of the illicit market, which will be released soon.

CAC Subcommittee on Market Participation

- Subcommittee is working on establishing criteria for a pilot program for identifying opportunities for an emerging small cannabis business to participate in the cannabis industry (NRS 678A.450) with the goal of increasing the participation of women, minority, veteran, LGBTQ+ - owned businesses and local agriculture (NRS 678A.310).

White Pine

- After the Board approved regulations in February, the CCB opened their second licensing round, which closes today at 5:00pm, for one cultivation and one production establishment in White Pine County.

Cannabis Consumption Lounges

- Cannabis consumption lounges are expected to open on a rolling basis. Two are currently open.

Economic Growth, Public Safety, Government Support Services



Questions?

Contact Information & CCB Locations

Website: <https://ccb.nv.gov>

Office Locations:

Carson City Office

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Executive Team:

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