

**ADVISORY COMMISSION ON THE ADMINISTRATION OF JUSTICE'S
SUBCOMMITTEE ON THE MEDICAL USE OF MARIJUANA**

August 21, 2014

The meeting of the Advisory Commission on the Administration of Justice's Subcommittee on the Medical Use of Marijuana was called to order by Senator Tick Segerblom at 9:06 a.m. on August 21, 2014 at the Grant Sawyer State Office Building, Room 4401, 555 East Washington Avenue, Las Vegas, Nevada and via videoconference to the Legislative Building, Room 3138, 401 South Carson Street, Carson City, Nevada. The Agenda is included as [Exhibit A](#) and the Attendance Roster is included as [Exhibit B](#). All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT (LAS VEGAS):

Yvanna Cancela, Political Director, Culinary Workers Union Local 226
Bob Coffin, Councilmember, City of Las Vegas
Russ Cutolo, Sergeant, Las Vegas Metropolitan Police Department
Chris Giunchigliani, Commissioner, Clark County
Gary Modafferi, Esq.
Sandra Douglass Morgan, City Attorney, City of North Las Vegas
Hillary Schieve, Councilmember, City of Reno
Jennifer Solas, Advocate for Persons Who Use Medical Marijuana
John Watkins, Esq.
Chad Westom, Health Bureau Chief, Division of Public and Behavioral Health,
Department of Health and Human Services,
Kristina Wildeveld, Esq.
Assemblywomen Michele Fiore, Assembly District No. 4
Senator Mark Hutchinson, Senate District No. 6
Senator Tick Segerblom, Chair, Senate District No. 3

COMMITTEE MEMBERS PRESENT (CARSON CITY):

Christine Jones Brady, Deputy Public Defender, Washoe County
Keith Munro, Assistant Attorney General, Office of the Attorney General
Vanessa Spinazola, Legislative and Advocacy Director, ACLU of Nevada
Eric Spratley Lieutenant, Washoe County Sheriff's Office

COMMITTEE MEMBERS ABSENT:

Assemblywoman Olivia Diaz, Assembly District No. 11

STAFF MEMBERS PRESENT:

Nicolas Anthony, Senior Principal Deputy Legislative Counsel
Angela Hartzler, Deputy Administrator, Legal Division, Legislative Counsel Bureau
Olivia Lodato, Interim Secretary, Legal Division, Legislative Counsel Bureau

OTHERS PRESENT:

John Laub, President, Las Vegas Medical Marijuana Association
Keith Patton
Jorge Domenech
Lisa Sikes
Teresa Dimming
Raymond Fletcher
A.G. Burnett, President, Nevada Gaming Control Board
Paul Armentano, Deputy Director, National Organization for the Reform of
Marijuana Laws (NORML)
Maggie McLetchie, Esq.
Susan Chicovsky, Green mountain Harvest, LLC
Mark Goldfogel, CEO, C4EverSystems
Patrick McManamon, Cannasure Insurance Services, LLC
Jordon Person, Primal Therapeutics
Brannon Zimbelman, The Travel Joint
Vicki Higgins, Wellness Education Cannabis Advocates of Nevada
Shannon
David Kallas
Bruce Gale, Esq.
Assemblyman William C. Horne, Assembly District 34
Timothy

Chair Segerblom opened the meeting and mentioned several people from out of the State were present to testify. He requested a roll call of members present.

Mrs. Hartzler called the roll. A quorum was present.

Chair Segerblom opened Agenda Item III, Public Comment.

John Laub, President, Las Vegas Medical Marijuana Association, said at the last meeting there was discussion of safe and secure products. He said they had childproof bags and a drug safe for their medicine. He said it was designed to keep kids out of medicine cabinets. He said they were in strong support of good

regulation in the industry. He said the seed-to-sale programs in Colorado and Washington were good programs.

Keith Patton said he was a medical marijuana patient. He was having custody issues in the family courts. He said he was a good test case if anyone wanted to speak to him. He said he had not seen his son for the past 2 years due to his medical marijuana status.

Jorge Domenech said he volunteered his time at a nonprofit at one time. He said a nonprofit should concentrate on the patients. It would be a partnership between the Legislature, the states and the cities. He said it enabled them to run all their social tests because they had a captive audience in all the patients going to the nonprofits.

Lisa Sikes said she was a medical cannabis patient and had Lyme Disease for 12 years. She said cannabis was the only medicine helping her stomach and appetite issues. She had many concerns with the direction the law was going. She was concerned about the loss of her right to grow. She lived on a fixed income and required ingesting large infusions and oils of cannabis. She said a new way was by juicing the leaves. She said she did not have the money to buy from a dispensary. The right to grow should remain an option for all patients now and in the future, she said.

Teresa Demming was a licensed patient. She said she had a car accident and was cited for a DUI. She said she could not afford to buy from a dispensary. She said while she was in the hospital her entire harvest of marijuana was taken by the police. She said the limit of plants needed to be increased.

Raymond Fletcher said he appreciated the legislation brought forward to protect people on State programs. He said all employees should be protected.

Chair Segerblom asked for a motion about the minutes.

Ms. Giunchigliana moved to approve of the minutes.

Senator Hutchinson seconded the motion.

The motion carried.

Chair Segerblom opened discussion on Agenda Item VI.

A.G. Burnett, Chairman, Nevada Gaming Control Board, said there were two topics he was addressing today. The first was the Board's position regarding medical marijuana and gaming licensees and the second regarding transfers of interest in corporations holding medical marijuana licenses or approvals.

Chair Segerblom said he was correct. He asked if there was anything they could do concerning the licensees and he was also interested in the mechanism used to transfer corporate interests.

Mr. Burnett said the Board issued a notice several months ago. He said receiving a gaming license was a long and intrusive process. He summarized the Board's position in regard to gaming licensees and medical marijuana, [Exhibit C](#). He said in Nevada law medical marijuana was legal and set to be regulated. However, under federal criminal law it was still a crime. The Controlled Substances Act (CSA) made no distinction between medical and recreation use of marijuana and it can be applied against persons who possess, cultivate, or distribute marijuana. He said he had a copy of the notice for the record, [Exhibit C](#). The Board did not believe investment or any other involvement by a person who received a gaming license or approval was consistent with the effective regulation of gaming.

Chair Segerblom asked if it went from ownership to key licensees to dealers or was there a cut-off within the law.

Mr. Burnett said anyone who received gaming approval or license was under the Board's jurisdiction. He said it included CEOs to key employees.

Chair Segerblom asked if you were a clerk in an establishment, but not a key employee, it would not apply.

Mr. Burnett replied a clerk not licensed as a key employee with the Board was not under the regulations of the Board.

Chair Segerblom asked about a husband or manager who was a key employee and transferred the ownership to his wife or sold it to her, would it still apply.

Mr. Burnett said they had someone licensed to service a slot route that chose to transfer his interest in a medical marijuana establishment to his wife. He said Nevada was a community property state. The Board said the person was still married to someone who was willfully committing a federal crime. He said they looked at all federal crime in the same manner.

Chair Segerblom said it made sense from a business standpoint. He said it was also in statute that violations of federal law were things they had to closely monitor.

Mr. Burnett said it was in regulation and there were statutes that required the Board and the Nevada Gaming Commission to consider those things. He said his written testimony detailed the statutes, [Exhibit C](#). He said they also had concerns about the potential for money laundering charges from a federal prosecutor's standpoint. He said any funds derived from ill-gotten gains and transferred in any fashion can constitute the basis for prosecution for money laundering. He said they worked with federal prosecutors at all levels.

Chair Segerblom said it seemed the Commission members were held to the same standard.

Mr. Burnett said Commission members were not licensed or found suitable by the Board. He said there were three members who recused themselves. He said the ethics laws required recusal in the case of conflicts of interest.

Mr. Coffin said the Nevada Gaming Control Board was formed because they were afraid of aggressive federal intrusion into gaming. He said they stood up to the federal government and he was disappointed the agency buckled under the federal laws. He said the local governments were trying to determine who was in the marijuana business and why. He said they could have let the licensees choose, at their own peril, to get the license for medical marijuana. He added it was an attempt to control addiction. He said he thought gambling was addictive.

Mr. Burnett said he would try to address Mr. Coffin's thoughts. He saw three different thoughts, the first was the history of Nevada in gaming regulation. He said the State came together and started a huge enforcement effort as a strong message to the federal government that the State could handle the problems. He said gaming and medical marijuana were two vastly different things.

The second point was to let the licensee do it. He said they encouraged licensees to go into legal business interests and pursuits. He said they did not go into the interest of federal crimes. He said the gaming interests needed guidance at times and that was the purpose of the Board. He said the State did not need the federal government to intervene into gaming. He said the Board wanted to keep gaming and medical marijuana separate.

The third point was addiction. The Board had great concerns with addiction. The licensees were required by regulation to create compliance mechanisms to alleviate risks of gaming addiction.

Ms. Giunchigliani said legislation was changed and a vote taken on how to recuse yourself—you had to state specifically for the record why you recused yourself. She said it sounded like that did not happen. She said they did give reasons why and laid down a record and they also asked for an affirmation from Ms. Giunchigliani whether the recusal or statement was appropriate to the Attorney General and received advice at that time. She asked what the reasons were for the recusal.

Mr. Burnett said he did not recall their reasons. He said they could provide her with a transcript.

Ms. Douglass Morgan said they did have to disclose and if it reduced the number of the quorum then they had to provide a written statement.

Mr. Burnett said the Board was hyper compliant with the State open meeting law. He said he would go briefly into some of the laws.

Chair Segerblom said he knew their position. He said he wanted it on the record that it was not some arbitrary position the Board made without thought.

Mr. Burnett said Nevada Revised Statute (NRS) 463.0129 required gaming be kept free from criminal and corruptive elements. It required the Board to enact a strict regulation. Nevada Revised Statute 463.170 spoke to the qualifications of licensees and their prior activities, criminal records, habits, and associations. He said none of them can include illegal practices. He said State gaming Regulation 5.011 gave them the ground for disciplinary actions for any activity that could reflect poorly upon the State of Nevada or tend to reflect poorly on the State or the gaming industry.

Senator Hutchinson said he admired the Nevada Gaming Control Board and said Nevada had the gold standard for gaming and regulations. He said it was important to not injure anything to do with gaming. He said Mr. Burnett mentioned money laundering as a problem because of the all-cash business of medical marijuana. He asked if there were other thoughts about introducing the elements of a new business that had not yet been determined as the best way to proceed.

Mr. Burnett said the federal government was hyper vigilant concerning medical marijuana. He referred to [Exhibit C](#) that included a clip from the website of the office of the White House where it emphasized the state marijuana laws did not change the fact that using marijuana continued to be an offense under federal law. The 2013 Cole Memorandum did not walk away from medical marijuana, but left everything open for prosecutions. He said they were constantly sending agents

across the nation and overseas to assist the federal government in federal crimes. He said the Federal Corrupt Practices Act was very important under the federal laws. He said taking the medical marijuana aspect out of it would not be appropriate. For the Board to allow licensees to willfully commit one federal crime while we actively investigated them for potentially violating other federal crimes would be disingenuous.

Senator Hutchinson noted the legal analysis from the Attorney General's office. He said it was straightforward and clear. He noted for the record that there was no analysis from a constitutional perspective. He said there was no constitutional right in this State for anybody to be involved in the medical marijuana business.

Mr. Burnett said that was exactly right. He said that went to transfers of interests. He said he thought there was a statute in the medical marijuana law that said it was not a vested right or a property right and that was the same in gaming.

Chair Segerblom said what they were trying to do was raise the image of people in the marijuana business from being perceived as felons to instead being perceived as business people and honored citizens from some of the most prominent families in Nevada. He asked how the Board transferred ownership interests.

Mr. Burnett said they did not perceive marijuana licensees as felons; the federal government did view them in that manner. He said NRS 463.160 was the requirement anyone with an interest in a gaming activity had to be licensed. He said when someone was licensed it was not a property right, it was a privilege and not a right. He said gaming licenses could not be transferred. A gaming license was specific to the individual. He said the license does not transfer to new locations it was tied to the property. When the licensee wished to transfer his or her holdings the Nevada Gaming Control Board and Nevada Gaming Commission were involved for approvals. He said it was for transfers of ownership in the actual corporation, limited partnership or LLC.

Chair Segerblom asked if a hotel had a license in the corporation that owned the hotel.

Mr. Burnett said yes, the corporate structures were extremely complex, but there was a licensed entity to be licensed as the operator and above that there might be a holding company or a publically traded company.

Chair Segerblom asked about a hotel wishing to sell to another corporation.

Mr. Burnett removed the public component out of the discussion. He said they required new applications from the new corporation.

Chair Segerblom asked if the tentative deal was made first, did they then go to the Board for approval.

Mr. Burnett replied yes they did, and the key word was tentative. The statutes said any transfer of interest was deemed null and void unless or until the regulators signed off on it. He said generally private companies licensed every single shareholder. He said the regulations were very clear concerning that, and a transaction conducted without the Board's knowledge was deemed void, [Exhibit C](#).

Chair Segerblom said they investigated the background of the new potential owner and then the Board and Commission voted on the candidate. He asked about a temporary receiver. He asked if there were regulations for someone from outside to run a licensed business.

Mr. Burnett said there was a regulation devoted entirely to receiverships. He said in a bankrupt property where the owners walked away and left the keys to the building, they had a procedure to handle that situation.

Mr. Watkins said he wanted to go on record that he did not agree with the principle of the proposition that a crime is a crime is a crime. He said he saw bank robbery as different than someone using medication. He said he appreciated Mr. Burnett's position with the Nevada Gaming Control Board. He wanted to go on record he disagreed not all crimes are the same. He said Nevada stood up to the federal government.

Mr. Modafferi asked if Mr. Burnett's analysis would change if the federal government rescheduled the drug from Schedule 1 to Schedule 2.

Mr. Burnett said he needed to do more research into the scheduling of 1 or 2. He said he understood taking it to Schedule 2 meant the drug could only be prescribed by doctors as opposed to recommending it, however it was still controlled.

Ms. Wildeveld pointed out gambling was once illegal under federal laws. She said if the Nevada Gaming Control Board supported medical marijuana, perhaps the federal government would change their minds on the issue and change the schedule so it was not illegal. She said there could be critical and contradictory issues the Board will have to consider, like if a Board member had cancer and wanted to seek treatment with medical marijuana. Would they lose their license because their doctor is recommending a treatment against the federal law, she asked.

Mr. Burnett said he had an aunt dying of cancer. He said she lives in Seattle and she was a judge. She has said that the Board did the exact right thing. They did not pass judgment on medical marijuana. They did not abrogate the State law on medical marijuana. He said the Board's concerns were with gaming licensees who proposed to grow and distribute it. He said she was correct, federal law made gaming illegal. However, he pointed out every federal law from the illegal gambling business act to the unlawful internet gaming enforcement act had a carveout for states who go ahead and make the activity legal.

Ms. Giunchigliani asked about the Prohibitive Practices Act, and when marijuana and cocaine were added. She asked if Nevada had a similar prohibitive act in statutes. She asked if they could start the process to remove that category in State law.

Mr. Burnett said State gaming Regulation 8.010 involved selling or transferring a gaming interest, Regulation 8.020 spoke to the transfer of interests among licensees and Regulation 8.030 was a transfer of interest to a stranger to license.

Ms. Schieve asked for clarification of what constituted relatives.

Mr. Burnett said they purposely did not make that clarification because it was their intent to take it on a case-by-case basis. He said they proposed to issue the initial guidance and then study the situation per individual application. He said relationships were vastly different and that was the reason they proceeded on a case-by-case basis.

Ms. Schieve asked if there was a cooling-off period if someone left their employer and wanted to enter the medical marijuana business.

Mr. Burnett said there was no cooling off period, they could immediately go into business.

Mr. Modafferi asked Mr. Burnett if his position prevented a landlord-tenant relationship.

Mr. Burnett replied they were taking the various situations on a case by-case basis because of the various types of landlord-tenant relationships that existed. If a gaming licensee was a landlord and had a tenant that they proposed to lease the medical marijuana establishment (MME) out to, then they were renting something out to someone who was willfully committing a federal crime. He said there were a multitude of other types of relationships they were going to encounter. He noted they looked at landlords in gaming license context.

Chair Segerblom asked about marijuana massages in a hotel.

Mr. Burnett replied he did not know anything about them.

Chair Segerblom opened Agenda Item VIII.

Paul Armentano said a copy of his written remarks had been submitted to the Commission, [Exhibit D](#). He said he was deputy director of the National Organization for the Reform of Marijuana Laws (NORML). He reviewed hundreds of issues of cannabinoids and behavioral performance. He said he submitted two papers on these issues, [Exhibit E](#) and [Exhibit F](#). He was testifying today to highlight the problematic nature of Nevada's present per se traffic safety laws as they pertain to the trace presence of delta-9-tetrahydrocannabinol (THC), or carboxy-THC, [Exhibit D](#).

The National Highway Traffic Safety Administration, NHTSA, said it was difficult to establish a relationship between a person's THC concentration and performance impairing effects. Mr. Armentano continued to read his testimony [Exhibit D](#). He said THC and metabolite carboxy-THC may be present for prolonged periods of time following cannabis consumption. Both substances were lipid soluble, not water soluble. He said they had a prolonged half-life in humans. He said THC may be identified in the blood of consumers for periods of time exceeding 7 days, long after any psychomotor impairing effects of the substance had worn off.

The Arizona Supreme Court struck down provisions in the traffic law that inappropriately equated the presence of THC with per se psychomotor impairment. He said Nevada imposed an inflexible per se threshold of 2 nanograms/milliliter of THC in blood. He said the limits were selected because they were the lowest limits of quantitation available at that time. He recommended increased efforts within the law enforcement community to encourage officers to engage in drug recognition evaluation or equivalent training.

In conclusion, the sole presence of THC was an inconsistent and inadvisable indicator of psychomotor impairment in cannabis consuming subjects. He said NORML maintained the imposition and enforcement of per se measures risks inappropriately convicting unimpaired subjects of traffic safety violations.

Chair Segerblom said he understood California had no per se limits.

Mr. Armentano said yes, he was correct. There were 12 states that impose zero tolerance per se limits for the presence of either THC or its inert metabolite. He said a smaller number of states imposed per se limits for the presence of either

THC or THC metabolite. He said other states had effect-based standards that meant in order to gain a DUI conviction the state had to establish evidence indicating the driver recently ingested a controlled substance and that they were unduly under the influence of the substance. California operated under such a standard.

Chair Segerblom asked if he knew if there were problems with the California standard.

Mr. Armentano said no and legislation was introduced over the past decade to potentially impose per se standards for cannabis and the measures had not made it out of committee.

Chair Segerblom asked about active or inactive THC.

Mr. Armentano said in Nevada the per se standard was 2 ng./ml. of THC in blood. He said THC was the psychoactive component in cannabis. He said carboxy-THC was not psychoactive, but it had a long half-life in the blood or urine. He said in Colorado there was a separation of THC which could be active and carboxy-THC which was a psychoactive or biological compound.

Chair Segerblom said the current thresholds were adopted because they were the lowest thresholds at the time. He asked if there was any scientific evidence that there was any correlation between the higher thresholds and being under the influence.

Mr. Armentano said that was his understanding. He said there was no scientific evidence he was aware of in the literature that correlated those particular per se thresholds.

Ms. Douglass Morgan said Mr. Armentano's papers mentioned it was difficult to determine whether or not people were influenced by cannabis through standard field sobriety tests or saliva.

Mr. Armentano said one can identify THC in saliva, but there was no correlation that existed between the presence of THC and impairment. He said saliva was a detection test but not a performance-based test.

Ms. Douglass Morgan said there was a question about the 2 ng. and 5 ng.. She said it was also referenced in studies and was not "pulled out of thin air." She said the 2 ng. and 5 ng. were also being utilized by other states and were based on studies done in 2007 and were referenced in his report.

Mr. Armentano said she was not correct. The standards for Ohio and Nevada predate the publication of any of the papers. He said there was a review paper that estimated at that time a potential per se level of 5 ng./ml. THC in blood and that paper was the basis for the recommendation in the State of Washington. The authors of the paper had published additional literature about patients who became tolerant to the use of cannabis may drive safely regardless of the THC level and acknowledging a level of 5 or lower could inadvertently convict individuals not under the influence due to residual THC levels present for long periods of time.

Ms. Douglass Morgan stated for the record there were a lot of unknowns in the evidence he presented. She said as someone who represents law enforcement and prosecutors she would not favor any change until there was more definitive information.

Mr. Watkins said the reason it needed to change was because they were convicting innocent people. He said the federal government stated you cannot establish impairment from levels of THC in the blood. He said it was easy to convict someone who might have used marijuana even 30 days prior. He said the per se amounts convicted innocent people.

Chair Segerblom asked if an Arizona Supreme Court case threw out the per se standards.

Mr. Armentano said it threw out the per se standards for the metabolite carboxy-THC, not the per se standard for THC.

Ms. Jones Brady asked if there was any research for the inactive carboxy that suggested when it was stored in the fat they could experience the effects of the drug even though they had not recently used it.

Mr. Armentano said the metabolite, because it was fat soluble, would be intermittently excreted by the body. Because the metabolite was not a biologically active substance, it was a breakdown of what was once a psychoactive substance. He said there was no change in behavior specific to presence of THC.

Ms. Jones Brady said it seemed there was no consistency in law enforcement about who was chosen for Drug Recognition Expert (DRE) certification. She asked if there was regular training for Nevada Highway Patrol and sheriffs where they were DRE certified.

Mr. Sprately said from a law enforcement perspective it was limited due to funding, training and personnel. He said over the past several years they had lost a number

of their DRE-certified officers. He said it was sporadic due to the availability of the training in the State and the availability of the personnel able to attend the training. He said it came down to funding for training.

Chair Segerblom said they should take some of the proceeds from the revenue of this law towards the training.

Ms. Jones Brady asked Mr. Armentano about the specific kinds of impairment marijuana causes when it does impair someone. She asked if there was going to be a public awareness campaign for people to help them identify impairment.

Chair Segerblom said that was one purpose of the Advisory Commission on the Administration of Justice (ACAJ)—to determine where the money was spent.

Ms. Giunchigliani said 1999 was when the State statutes added all the language concerning marijuana and cocaine. She said they needed to define what the impairment was and the metabolite should not be there. She said they needed to make sure they were testing the right things; urine should not be tested, it should be the blood. She said it was important to know what they were measuring.

Mr. Armentano commented if a person inhaled cannabis there was one standard, but if one consumed cannabis orally the THC blood profile was very different. Inhaled cannabis produced an immediate spike in THC blood levels followed by a rapid decline. By contrast, THC when taken orally has no spike. He said there was delayed onset and as a result there was a very slow, gradual incline in THC blood level after oral injection. He said it showed the problematic shortcomings of relying on an inflexible per se law.

Ms. Giunchigliani said while looking at the drug driving laws they also needed to look at the employment laws.

Ms. Solas said putting any limit on blood impairment was wrong. She said novice users felt the effect more acutely than long term users of cannabis. She said the DRE should be performance-based and no number attached to the standard.

Ms. Cancela agreed it was important to look at the standards for employment issues also. She said the union had been dealing with this for years. She said they had crafted specific, diligent language they could share with the ACAJ.

Mr. Watkins said the work environment was treated differently by the Nevada Supreme Court than in the criminal court. He said there was a separation made by the Supreme Court.

Chair Segerblom asked Mr. Armentano to explain the new law in Colorado.

Mr. Armentano said Colorado did not have a per se standard for THC. There was debate in Colorado over a period of several years trying to establish a per se threshold for THC in blood. He said there was a lack of consensus in the evidence of what THC levels should be so the measure failed to be enacted. He said last year, 2013, lawmakers enacted a compromise measure which set a 5 ng./ml. THC in blood standard classified as permissible inference. He said the state was saying one could infer a person was under the influence at that level. However, a person at trial could raise evidence arguing he/she was not under the influence. He said it was not a per se standard but a permissive inference standard.

Mr. Sprately asked Mr. Armentano if the number of DUIs in Colorado had doubled since their legalization of recreational marijuana.

Mr. Armentano said that was not true, it was misreported. He said overall traffic fatalities had gone down, there was a reported increase in the presence of THC detected in drivers involved in accidents. He said it was not the same as saying the drivers were under the influence of marijuana or were culpable in the accident. He said more drivers were tested for drugs in their system, so more drivers tended to have drugs in their system. He said there was no study from Colorado at this time.

Mr. Sprately said he was sure there would be more data because Colorado was being intensely studied. He said this year the state provided a great amount of DRE training for their officers so there was more data coming from Colorado. He referred to the NHTSA publication concerning marijuana and actual driving performance, [Exhibit E](#), and thought it was a very elementary and good publication that gave the subcommittee a lot of information. He recommended everyone read it because it had a lot of good information.

Mr. Armentano said he included in his written testimony online references to the full texts of all of the reports. He concurred everybody should be familiar with the reports.

Mr. Sprately said there were some contradictions in Mr. Armentano's report, [Exhibit D](#), which needed to be overcome before decisions were made on the topic. He also asked about the Colorado High Intensity Drug Trafficking Area (HIDTA) report regarding marijuana and crashes.

Mr. Armentano asked if it was the report released late last week. He was aware of the Rocky Mountain HIDTA report that came out last week. He said the report was looking at prevalence not culpability.

Mr. Sprately said everyone wanted to know where the 2 ng., 15 ng. or 5 ng. came from. He said the testimony was the limits were chosen without any scientific debate by the lawmakers. The limits were elected because they were the lowest limits available at that time. He said it did not seem like they knew how the numbers were chosen.

Mr. Armentano said it was his understanding from the debate at that time. He was working on this issue at that time over a decade ago.

Ms. Giunchigliani said some stuff was done at the end of session without a committee hearing. She asked what was in State law for people using other drugs.

Chair Segerblom said the only per se was marijuana.

Ms. Jones Brady said there was a per se for methamphetamine and cocaine also. She said some of the prescribed drugs went on an impairment theory and the State was required to prove some level of impairment.

Chair Segerblom said they can use what is in the blood or urine as part of their proof.

Ms. Jones Brady replied they could.

Ms. Giunchigliani asked if the DRE certification had been updated to reflect the medical marijuana use so the officers were certified in a variety of different ways.

Mr. Armentano said the 2012 DRE teaching manual was put together as a federal program and the most recent edition of the manual made no reference to any change in various State laws in regard to the legal status of marijuana for medicinal or recreational purposes.

Chair Segerblom opened Agenda Item IX.

Maggie McLetchie said she was a local attorney and represented a number of applicants to the State, Clark County and North Las Vegas. She referred to her PowerPoint presentation concerning delivery to nonresident medical marijuana patients, [Exhibit G](#). The question was whether it was or should be allowed to be delivered to nonresidents. She referred to the Las Vegas Review-Journal's website of proposed dispensary sites. She said there were a lot of dispensary applications near the Las Vegas Strip. She showed the map of the 18 approved dispensaries, [Exhibit G](#). She asked why so many people applied for licenses near the Strip and

what were the rules about serving nonresident card holders. She said currently no delivery was allowed to nonresidents. Dispensaries were allowed to serve nonresidents, but not by delivery.

The system in place until March, 2016 was an affidavit system. She outlined the system as listed in NRS 453A.354, [Exhibit G](#). She said on April 1, 2016, everything changes and the law imagines Nevada has a system where information can be shared with other states. She said this will be an electronic data base verification system instead of the affidavit system. She said after April 1, 2016, Nevada can deliver medical marijuana to nonresidents. She said there was a typo in [Exhibit G](#) referring to the amount of marijuana—it should read 2 1/2 ounces of medical marijuana during any one 14-day period. She said under the statutes, the Division of Public and Behavioral Health (DBPH), Department of Health and Human Services gets to approve which state's data bases are reliable.

Chair Segerblom asked if State law needed to be changed to allow delivery to nonresidents.

Ms. McLetchie said only the regulation needed changing.

Ms. Douglass Morgan said North Las Vegas officials thought about the issue. She said they were concerned about local jurisdiction and crossing city and county lines.

Ms. McLetchie said there were cross jurisdictional issues that needed to be resolved because of the distances involved.

Chad Westom, DPBH Bureau Chief, said they were looking into the issue and staff was developing materials to help dispensaries in the future look at card holders from other states. Other staff was looking at programing requirements. He said the State of Arizona indicated they had concerns about sharing information. He said it was big project.

Ms. McLetchie said the April 1, 2016 version of the statutes presume the other states cooperated because the Division would approve the data bases.

Chair Segerblom said there should be a way to verify an affidavit in somebody's hotel room.

Ms. McLetchie said verification over the phone was possible, it was just more difficult because you had to go through the steps and it was not something that could be done over the telephone.

Mr. Cutolo said certain cities had banned dispensaries. He said if there were deliveries between one city and another, would it bring up legal issues with municipal codes.

Chair Segerblom opened discussion on Agenda Item X. He asked Mr. Westom to summarize what had occurred this past week concerning the applications.

Mr. Westom said they started receiving applications on August 5th for all jurisdictions in the State. He said as of August 20, 2014 they had received 497 applications. He said each application paid a non-refundable \$5,000 fee.

Mr. Westom briefly recounted the medical marijuana application process, [Exhibit H](#). He said they had 90 days to review, rank, and score the applications after the closing date.

Chair Segerblom asked if everything would be released on the last day of the 90-day period.

Mr. Westom said they hoped to move as quickly as possible. He said they expected 420 applications and now had nearly 500 and they are adding additional staff. He said there were many things to look at in the applications. He continued his PowerPoint presentation, [Exhibit H](#). The regulations had lots of requirements to protect everybody. The majority of applications were from southern Nevada. He said ownership of medical marijuana certificates were not transferable, [Exhibit H](#).

Ms. Giunchigliani said the first two items in [Exhibit H](#) were nontransferable. She asked if only corporations can change.

Mr. Westom said no, the corporations cannot change. Once the certificates were issued to a corporation, that certificate cannot be transferred from one corporation to another. He said only the individual owners within the corporation could change.

Ms. Giunchigliani said she was concerned about the body of people they were approving and not just the location. She said they could then go to the State and change out some people and it was not who they had recommended.

Mr. Westom said they were in conversations with the City of Las Vegas. He said it was too early in the process to evaluate that question as they had not even stopped receiving applications.

Ms. Giunchigliani said her concern was she was hearing rumors a lot of people changed partners.

Mr. Westom said they had good communication with the local jurisdictions. He said if the local government did not give approval to an applicant, then the State would not approve them.

Ms. Giunchigliana said the regulation model in Nevada for gaming was well respected. She said if they had definitions they could use for medical marijuana they should use them. She asked about the training or background of the people hired to do the analysis.

Mr. Westom said they had a very impressive group of people. They had teams of three with seven teams currently working. They had auditors, CPAs, employees with Federal Deposit Insurance Corporation and Securities Exchange Commission backgrounds on the financial side. They also had pharmacy technicians, doctors, master chemists, building inspectors, sanitation inspectors and registered environmental health specialists. He said they had a separate group with business backgrounds also.

Mr. Coffin said they had talked about the issue of people who applied at the county and or the city once or twice as a Limited Liability Company (LLC). He said they applied directly to the State without applying to the local government. He asked how long before they knew the list of names of the LLCs. He said they needed to know the names of the companies that applied to the State.

Mr. Westom said they had processes for them. He said they requested that each medical marijuana establishment applicant fill out a release of information so they can share information about the company and their scoring and ranking. The companies who fill out the form will be released.

Mr. Coffin said Las Vegas complicated the process by asking for a copy of the State application.

Mr. Westom said it was too early to tell if they received copies from all the applicants.

Mr. Coffin said it was not easy to rank the applicants. He wondered if there was a problem in the future involving the rankings.

Mr. Westom said their intent was to follow the statutes and regulations. He said they had to give a score and rank the applicants because it was written into the

regulations and adopted by the State Board of Health. He said they were confident of the process.

Mr. Westom referenced [Exhibit H](#) on the ownership part of the registration certificate. He said if an establishment made significant changes they had to reapply for the registration certificate. He said the question on additional dispensaries was not a topic the DPBH was able to address at this time due to the way the law was written. He referred to projected number of cardholders using data from other states, [Exhibit H](#). He said Arizona was more like Nevada than Colorado. He said they projected 32 percent growth in their card holders, and Nevada used that number to look at what might happen in Nevada.

Chair Segerblom asked if the 32 percent was in addition to the existing 6,000.

Mr. Westom replied yes, 32 percent per year. He referred to the projected numbers in [Exhibit H](#). He said if they were mistaken and the increase was far more than 32 percent, then the numbers will rise. He said medical marijuana card holders from other states were not factored into the equation. He said there was a question about the physicians and their information going on the website. He said NRS 453A.700 protected the name and identifying information of attending physicians. Mr. Weston said that completed his presentation.

Ms. Schieve asked about having a formal interview process of the applicants.

Mr. Westom said some local jurisdictions did, but it was not something they considered. The process was not built that way. He said they were dealing with massive volumes of information.

Ms. Schieve asked if they were requiring LLCs to list the stakeholders. She said transparency was very important.

Mr. Westom said the merit-based application and process provided better information for the applicant. He said it gave them more points, better ranking, and better scores.

Chair Segerblom asked if it was required that every member or a certain percentage of ownership of an LLC had to be specified.

Mr. Westom replied it depended on how big an owner they were. They are supposed to list all owners, the source of funding, and their financial plan for the next number of years. He said any owner at 5 percent or more was supposed to be

listed and background checks were also required. He said it was all confidential when it was on the application.

Ms. Giunchigliani said they wanted full disclosure of the LLCs.

Ms. Douglass Morgan asked about the change of location. She said they were limited to the number of dispensaries. She said the local level needed more control as to where they can be located. She said right now the regulations only allowed someone to move locations within a 5-mile radius, but that needed work to increase the distances.

Mr. Westom said he had a similar conversation with a number of people. He said they agreed and would be interested in partnering with and looking at the opportunities. He said it was difficult at his level because there was so much information they had to review and a lot of it was specific to the location or the building. Mr. Westom said the local government had a great say in the location. He said if they were opposed and did not grant licensing then the State Division also rejected their certificate.

Mr. Modafferi asked if the facility was approved locally for cultivation and production, but not for a dispensary and they seek a license for all three at the same location, what was the potential impact of that. He asked if the other two applications would be impacted.

Mr. Westom asked if he meant they sought a certificate for each one of those at the State level. He said at his level they had to apply for each of the businesses as a separate application. They also had to fill out a form stating their preference if one of the applications did better than the other.

Mr. Modafferi said there was an initial preference for seed-to-sale, but if that possibility was denied by the local government, would it reflect poorly on the other applications.

Mr. Westom said he could not answer that question. It was on a case-by-case basis.

Ms. Jones Brady asked what sort of interim monitoring was planned; was it by the local governments similar to the monitoring of restaurants.

Mr. Westom replied interim monitoring of random investigations would be done by professional inspectors at least once a year. He said they were not going to investigate customer service complaints. He said they would partner with local governments on some of the alleged violations.

Chair Segerblom opened Agenda Item XI. He said the next presenters were dealing with third-party vendors. He said they did not have a licensing process for people who worked in the business but were outside contractors.

Susan Chicovsky, Green Mountain Harvest, LLC, said she had a cleared and compliant medical marijuana harvesting and trimming company since 2010. She said an issue with trimming was it was usually a part-time job. She said she had 58 employees and they did a minimum of 8 jobs a day. She said they were OSHA cleared. She referred to her presentation [Exhibit I](#). She said they went in and cut the plants and trimmed them to make them ready for resale. She said they could do everything the growers needed to make their process easier. She highlighted things in [Exhibit I](#), Green Mountain Harvest Objectives and [Exhibit J](#), trimming procedures.

Chair Segerblom asked if her employees were licensed with the State.

Ms. Chicovsky replied yes they were all licensed with the State.

Ms. Giunchigliani asked what the wages were for her employees.

Ms. Chicovsky said they started at \$10 per hour, \$11 per hour after 3 months and 6 months later went to \$12 per hour. The assistant supervisors earned \$12 per hour, the training supervisors were at \$13 for one month, and the supervisors were at \$14. She said there were not unionized nor did they have medical care at this time. She said her profit margin was less than 8.5 percent and her overhead was huge. She said she hoped to have benefits and profit-sharing within the next year.

Mr. Watkins asked why people were wearing gloves while doing the trimming.

Ms. Chicovsky said the gloves were due to a contamination factor. She said it was medicine and she was concerned about hygiene. She said trim rooms needed the tables covered with paper to keep the table from contamination. She added Nevada had the ability to set the standard for the county. She said they wear gloves in order to not contaminate the product. They were not allowed to work when they were sick, or have food or drink on the table. She said Nevada needed legal and State-licensed third-part venders.

Yvanna Cancela asked about the hiring practices and how many people were locals.

Ms. Chicovsky said about 92 percent of the company was local. She said she offered a trimmer/training program for \$250 a week for 5 days of training. She said

they got a number of out-of-state people, but most of her people were from Colorado.

Ms. Solas asked about the other businesses involved.

Ms. Chicovsky said a machine trim company was one, compliance companies, testing companies, temporary labor companies, transportation and packaging companies, delivery systems to homebound patients, and garbage services. She said they were looking at compliant vendor services that met State rules and regulations.

Mr. Westom commented other states had some good laws and regulations on medical marijuana and trim rooms. He said the State had additional requirements concerning sanitation and prevention of contamination of the product. He said there was no allowance for chemicals or paint to be near the trim rooms.

Ms. Chicovsky said the contamination problem was huge.

Chair Segerblom said the next presentation, Agenda Item XII, concerned the banking problems.

Mark Goldfogel published his first software when he was 17 years old. He coined the phrase seed-to-sale tracking. He sold his company in November and licensed a company called C4EverSystems. He said their mission was to provide whatever was required for banks to openly accept deposits in this industry. He said they developed a kiosk that sat at the point of dispensary, [Exhibit K](#). It allowed different ways for an order to come in, but all the cash needed for the order was submitted directly into the machine. At no point did any dispensary employee, owner, or anyone else ever handle the cash.

He said they estimated \$2.4 billion in cash would go through State-licensed medical marijuana facilities this year. He said they took the cash from a consumer and locked it in a reverse ATM-like technology. He said licensed carriers cleaned the cartridges out and took the sealed cartridges directly to the banks. He said they could prove the cash was never in a position where it could be corrupted. He said they could validate the consumer using a number of standards that would allow control of cross-store shopping. He said they could validate that a consumer could not purchase at multiple stores at the same time.

He offered the State of Nevada, at no cost, to develop the technology for cross-store shopping should the State wish to close the loop on cash and require a cash management system with closed loops on cash so all transactions were done

through a machine. He said he founded a company, General Payments Systems, Inc. that for 6 years processed payments in courts, municipalities and corrections institutions. He discussed the example of the kiosk, [Exhibit K](#). He said nobody from the dispensary ever touched their cash. The bank was the only one with a key to open the container.

Chair Segerblom asked about the federal government allowing the dispensary this practice.

Mr. Goldfogel said it stood on the 2013 Cole Memorandum, which said banks under certain guidelines, if they can prove the legitimacy of their transaction, they would validate banking in the industry. He said 100 percent of the funds in the dispensary had to go through the account or it was taxed or regulated. He said they would modify their project to meet all regulations as they come into law.

Ms. Giunchigliani asked what percentage he took of the sale.

Mr. Goldfogel replied 1.75 percent of the transaction and they provided the hardware at no cost to the facility. He said they had the knowledge and capacity to take debit or credit cards if the merchants had an agreement.

Mr. Coffin asked if there was anything comparable in the alcohol industry, specifically from the grain to the bottle or to the can.

Mr. Goldfogel said there was technology that could do it. Most government regulations predated the technology.

Chair Segerblom recommended he meet with the banking commissioner and see if there was some State law that allowed him to do what he was trying to do.

Mr. Goldfogel said he met with the banking commissioner who recommended the committee do exactly that.

Ms. Schieve asked what other competitors were in the area.

Mr. Goldfogel said there was a company that was a vending machine distributor. He said there will be other competitors and they welcomed them. He said all the competitors came forward and agreed to integrate with this technology rather than building their own.

Chair Segerblom opened discussion on Agenda XIII.

Mr. McManamon said he started a company named Cannasure Insurance Services, LLC. He said he started in the cannabis phase of insurance in 2010. He said they provided leading edge products and services designed for the cannabis industry, [Exhibit L](#). They sent risk managers out to observe operations and define best practices in states allowing use of cannabis. He said their main goal was to protect the business owner's interest and the general public. He said they were a multi-tier firm. He said they underwrote companies directly through their contract with Lloyds of London. They provided standard property and casualty insurance and general liabilities.

He said they also did risk management, educational resources and seminars. He said they did not operate in states without a strong regulatory framework. He said crime and security were paramount to his company. They trained employees to not talk about what occurred at work. He said everybody did not need to know everything. One or two key employees should understand what went on in the daily basis. He said cash was a huge issue, hundreds of thousands being stolen because there was no place to put the money. He said product liability was important, [Exhibit L](#).

Chair Segerblom asked Mr. McManamon what his goals were for Nevada.

Mr. McManamon said he estimated over the next 3 years a \$5 to \$10 million property and casualty premium. He said Nevada charged 3.2 percent in Nevada Surplus Lines tax on all premiums sold. He said resident agents would generate commissions of \$500,000 to \$1,000,000 annually.

Mr. Coffin asked who was writing health insurance for people in the industry.

Mr. McManamon said most of the people who worked in the shops were younger people. They were a more attractive class of business for the health insurance companies. He said he had never heard of an issue in Colorado where a company was denied health insurance because they were a dispensary or cultivator. He said life insurance was not much of an issue.

Ms. Solas asked about nonprofits or trimmers and did his company insure them.

Mr. McManamon replied yes, they focused on the consultants, lawyers, accounts and labs. He said real estate landlords were one of the largest growing segments of his business. He said they also wrote physician malpractice insurance.

Ms. Schieve asked if the policies were expensive compared to a regular business policy.

Mr. McManamon said it was not far outside the standard cost of a policy. He said capacity was the issue. They worked with Lloyds of London and the cost was on average 10 to 15 percent higher. He said the property was the major issue. He said Nevada's values were 2 to 3 times what they were in any other state in terms of property.

Ms. Schieve asked how many insurance companies were providing these services.

Mr. McManamon said there were less than five insurance companies that would write the entire policy. He said there were probably three companies at this time. He said they covered fire insurance.

Mr. Coffin recommended Mr. McManamon meet with the State insurance commissioner.

Mr. McManamon said they were wholesalers and not a licensed insurance company.

Chair Segerblom opened discussion on Agenda Item XIV.

Jordan Person, Primal Therapeutics, said she was discussing the topic of cannabis-infused therapy. She said she was a licensed massage therapist and a licensed practical nurse. She said she started her company in February 2014. She kept a record of the effects as answered by her patients. She said after using marijuana infused body works on many patients she did not feel any psychoactive effects. The usual euphoric effects felt from smoking cannabis were not present in message therapy. She said topicals were an ideal alternative because all the healing properties were present without feeling mentally altered. She said cannabis-infused body work had three primary function—increased blood flow to the area being treated, decreased pain, and decreased inflammation. She urged everyone to include the definition of cannabis-infused body work into the legislation which will prevent some difficulties.

Ms. Fiore asked if the oil from the message would be in her system in a blood test.

Ms. Person said to date, nobody had failed a drug test from the use of topical marijuana. She said there was no scientific testing done yet to prove or disprove it.

Ms. Giunchigliani said Nevada had a State message therapy licensing board. She asked how Ms. Person was licensed in Colorado.

Ms. Person said it was done through the state but no parameters had been set for cannabis message therapy. She said rules needed to be written to spell out the use of the therapy.

Mr. Coffin asked about the different oils she used; some would have THC and some would not.

Ms. Person said it was a full plant breakdown. Her product had a full cannabinoid spectrum so it was high in THC, Cannabidiol (CBD) and Cannabinol (CBN) and was licensed from the State of Colorado.

Ms. Giunchigliani asked if her product had a business license component or a state license for her product.

Chair Segerblom said there was a problem in Nevada compared to Colorado because marijuana was not licensed for recreational use. Ms. Parent could purchase the product.

Ms. Solas asked Ms. Parent if she made her own product or purchased it in Colorado.

Ms. Parent replied she purchased the products.

Chair Segerblom opened Agenda Item XV, a presentation on Internet Marijuana Travel.

Mr. Brannon Zimbelman said his company was known as The Travel Joint. He said they were a travel tourism lifestyle site. He said they were a high end site geared to the baby boomer generation. He said they provided information to the clients concerning strains of marijuana. He said they did everything a la carte. He said the client could pick and choose what they wanted from the site. He said they dumbed the content all the way down. It was a safe place for people to go.

Ms. Schieve asked when Mr. Zimbelman launched his site.

He replied 2 years ago, after the election. He said they made money on everything touched on the site. There was no membership charges. He said it was more of a lifestyle site.

Ms. Giunchigliani asked if he collected the live entertainment tax.

Mr. Zimbelman said no, it was done through their affiliate Ticket Network. He said they were a secondary ticketing system. They could advertise online but not with billboards. He said each dispensary listed paid \$75 per month to be in the mapping system.

Mr. Modafferri asked if Mr. Zimbelman thought word was getting out that Nevada had a reciprocity clause and would it have an impact. He suggested they put up what the regulation guidelines were so people were informed.

Mr. Zimbelman replied yes it would have a huge impact. He said they did several articles about Las Vegas. He agreed it should be posted.

Chair Segerblom said this was an exciting industry directed toward people with money to spend. He opened Agenda Item XVI.

Ms. Giunchigliani said of items A through E of Agenda Item XVI, B was one she wanted them to consider. She said she did not agree with the county's restriction on county lines.

Mr. Westom said it was discussed and he had not seen an opinion from the Attorney General. He said there was a general consensus local government could be more restrictive than the State.

Chair Segerblom said the goal in writing the law was to have the State be one giant market and try to get the best.

Ms. Giunchigliani said they should look at statutory clarification to be sure they cannot prohibit that across-the-line sale.

Chair Segerblom asked Ms. Douglass Morgan if North Las Vegas was charging \$10,000 to bring in marijuana from Las Vegas to sell.

Ms. Douglass Morgan said she did not know the exact amount.

Ms. Giunchigliani recommended going paperless for application.

Mr. Westom said they were not opposed to that proposal for subsequent years. He said thumb drives would be useful.

Chair Segerblom asked the Subcommittee to vote on the suggestions. The first one concerned the cross jurisdictional lines, item B on Agenda Item XVI.

Ms. Fiore said she was in favor of it because she did not want Nevada to become a California. She said they were fighting it now with the gun laws and did not need to fight with the marijuana laws. She said the State should hand down the rules and regulations for the whole State.

Chair Segerblom asked if anyone was opposed. He said that was a unanimous vote.

Ms. Giunchigliani moved to adopt item B of Agenda Item XVI to legislatively require allowing sales and transportation across county lines.

The motion was seconded.

The motion passed.

Ms. Giunchigliani said she was unsure about item A in Agenda Item XVI.

Mr. Sprately said law enforcement opposed changing what was already successfully established in Statute. He said they wanted to limit the home growers and there were caveats in the State Statutes allowing people to still continue if certain criteria were met. He said today they heard a lot about pro-marijuana groups, a lot of statistics, and some facts that contradicted themselves. He was happy about what he heard from Green Mountain Harvest. He said cash management and risk management were also good. He said Nevada Revised Statutes established that unregulated growing of marijuana was not allowed. It was a major issue for law enforcement that should not be changed at this time.

Ms. Solas said she discussed the subject with many patients. She said they were asked to modify their homes. She said they harvested their own plants and observed a clean room industry. She said they grew the product at home because they were mandated to do so. She said she lobbied for dispensaries so people who could not grow their own products had safe access. She said they traded among themselves without charge.

Mr. Coffin said he was disappointed when he saw this in Statute. He said to take away the right of someone to grow a small amount seemed to him to be excessive. He recommended extending the sunset on item A of Agenda Item XVI.

Ms. Giunchigliani moved to extend the sunset clause to March 31, 2018.

Mr. Watkins seconded the motion.

Mr. Sprately said he supported the motion for the extension.

The motion passed. Ms. Wildeveld abstained from voting.

Ms. Giunchigliani said on page 18 of the past meeting minutes referred to S.B. 351 and it should have said S.B. 362. She asked if there was something in State law requiring the use of butane versus carbon dioxide in product.

Mr. Westom said there was nothing in the law referring to butane.

Mr. Coffin said people should be allowed to process any way they wanted to, subject to their own risk. He said a motion was made at the city level to outlaw butane.

Chair Segerblom said it was not an issue for the committee at this time.

Ms. Giunchigliani moved to establish a licensing and regulation process for people who want to be regulated.

Ms. Solas seconded the motion.

Mr. Coffin asked what the end result was. He said the more they licensed and regulated, the more the cost was raised.

Chair Segerblom said he wanted to authorize the State to adopt regulations for third party providers in the industry.

Mr. Westom asked if he envisioned the third parties being medical marijuana establishment agents.

The motion passed.

Ms. Giunchigliani asked about item C of Agenda Item XVI.

Chair Segerblom said it concerned the underlying problem of weight because they cannot differentiate between the underlying amount of marijuana in a product as opposed to the weight.

Ms. Wildeveldt said she was told they take the weight of the edible product, but the only way they test for the amount of THC was if it was a federal or felony case.

Ms. Fiore asked if they could make a simple law and determine how many grams it took to make a cookie or a brownie.

Ms. Solas said there was no uniformity in baking.

Mr. Modafferi said there was ambiguity in the law.

Ms. Fiore said they needed to create law that sided on the error for our citizens and our Nevadans and our smokers versus the weight of flour.

Ms. Giunchigliani moved to correct the ambiguity referenced in item C of Agenda Item XVI.

Ms. Fiore seconded the motion.

The motion passed.

Ms. Giunchigliani opened discussion on item E of Agenda Item XVI. She said no one should be denied seeing their child or not have custody because they were a medical card holder.

Ms. Wildeveldt said she brought the subject to the committee. She said there had to be an exception for people who were allowed to use their medical marijuana cards.

Ms. Giunchigliani moved to provided exceptions for medical marijuana card holders regarding child custody and neglect and offender programs.

Ms. Fiore seconded the motion.

The motion passed.

Ms. Giunchigliani said the University system was not going to allow students on campus to have any marijuana on them, even though they were card holders. She said the policy needed to be changed.

Ms. Giunchigliani moved to modify the statutory requirement that the federal government had to approve the research changes to the law to allow the students who were medical marijuana card holders to not be kicked off campus.

Ms. Fiore seconded the motion.

The motion passed. Mr. Sprately voted no.

Mr. Watkins said one of the most important issues on Agenda Item XVII was the nanogram issue.

Ms. Giunchigliani said her next issue was to eliminate the 2 nanograms in Statute. She recommended the State Board of Pharmacy change its administrative code for finding that marijuana was designated as Schedule 1 to Schedule 2. She said they needed to make a recommendation for testing blood only. She said they also had to look at employment laws.

Mr. Watkins said it was important to get rid of the per se numbers on the marijuana. He said the public was protected because there was an impairment standard. He said it was the standard for all other medications.

Mr. Spratley said he wanted to continue having the discussion so they craft good public policy. He said they needed to have the scientific community and toxicology community educate the voting members of the ACAJ or the Legislature. He said a balanced view needed to be presented. He said he could not vote for any change at this time.

Chair Segerblom said it was a recommendation to the ACAJ so even if the suggestion passed, they could still have the debate in ACAJ.

Ms. Giunchigliani said she specifically noted the Pharmacy Board listed it as a Schedule 1, which she thought needed changing. Secondly, she said it would deal with drunk driving and employment because it dealt with the same factor. She said the 2 nanograms was never public policy.

Mr. Westom said he agreed with Mr. Spratley's concerns and the need to know more information.

Ms. Giunchigliani said she was suggesting through the motion that various things should happen. She said she would work on a subcommittee or work group to further vet the idea.

Mr. Watkins said he did not see the problem. The federal government and NHTSA said you cannot show impairment by marijuana levels in the blood. He said get rid of the levels.

Ms. Giunchigliani moved to get rid of the per se standards in employment and driving.

The motion was seconded by Mr. Watkins.

The motion did not pass. Mr. Westom, Mr. Cutolo, and Mr. Sprately voted no.

Chair Segerblom said there were only 9 pro votes so he put the motion on hold for the present.

Mr. Coffin said all 500 applications did not have any co-ops or owner-user groups. He said the cost was probably the impediment. He hoped a co-op would be permitted to have lower capital requirements and had to be owner-user only, and not a club. He was asking for the ability for people to set up their own cooperatives. He said existing businesses could not sell to nonmembers including tourists.

Mr. Coffin moved to look at a statute to allow for co-ops within the State with a restricted number of them and on who and how they sold the product.

Ms. Giunchigliani seconded the motion.

The motion passed.

Chair Segerblom said going back to the previous vote, they only needed a majority of the members present, so the motion passed with 9 yes votes to 3 no votes.

Ms. Giunchigliani asked if there was a reason for restriction on cultivation in greenhouses.

Chair Segerblom said they put into the law the walls had to be black or opaque.

Mr. Westom said greenhouses were not prohibited. There had to be a mechanism where you could not see the product. He said it could not be clear glass, but there had to be some sort of covering over the greenhouse. He said netting and other devices could be used. He said he was not aware of local or county prohibitions.

Chair Segerblom asked about the issue of adding dispensaries, either adding or changing the amount the local jurisdictions could ask for or add.

Ms. Schieve said it was all about accessibility and population size. She also wanted to require the stakeholders to be on the LLCs

Mr. Westom said the information was included in the application but the information was confidential and that was the way the law was written.

Ms. Schieve asked if it was something that could be changed.

Mr. Westom asked if she wanted to repeal the confidentiality for the LLCs only. He said if all of it was repealed, the patients and doctors lost confidentiality.

Ms. Schieve said it was LLCs. She said it was imperative the stakeholders be named.

Ms. Schieve moved to repeal confidentiality for LLCs and any business entity.

Ms. Giunchigliani seconded the motion.

The motion passed.

Mr. Modafferi asked if the subcommittee agreed it should be moved from Schedule 1 to Schedule 2. He said the federal government refused to recognize marijuana had medical applications. He said it should be moved and rescheduled.

Ms. Giunchigliani said it was contained in the motion that named the State Board of Pharmacy. She said where it was listed, it should be changed to Schedule 2.

Ms. Solas said Schedule 2 was still too high.

Ms. Giunchigliani said if it was moved to Schedule 3 the federal government and the health district would come into the State and they do not want that to occur. She agreed at some point, but do not invite the bureaucracy in at this time.

Ms. Giunchigliani said if they looked at the issue of transferability of ownership, could they look at the gaming regulations as a guideline for definition of the transfer.

Chair Segerblom said he was in favor of creating an agency like gaming where there was a controlled position sitting in on the transfers.

Ms. Giunchigliani moved to create a regulatory structure similar to gaming and rely on them to help define the process.

Ms. Solas seconded the motion.

The motion passed.

Chair Segerblom opened Agenda Item XVIII, public comment.

Vicki Higgins from Wellness Education Cannabis Advocates of Nevada said it is important that community members who will be dealing with medical cannabis patients and establishments in the community should be required to receive training and education.

Shannon was concerned a lot of regulatory agencies did not understand how the controls work for scheduled medications. She said scheduling of the drug was based off the medicinal need and also the therapeutic benefit, and the risk of dependence. She said the problem she anticipated was the federal law was more strict than the proposed State law.

Ms. Wildeveld said she appreciated her comments, but said there were a lot of inconsistencies in the law and that needed to be addressed.

David Kallas recommended the Subcommittee advise the next committee to advise the Legislature to address a concern with the gouging issue. He said it appeared there was lack of justification for additional costs as it was a new business and they did not yet know if it was going to be profitable. He said people invest hundreds of thousands of dollars into it and then get taxed and the business may not be successful. He said the most important thing was providing quality medication to the patients and doing it at a price that was reasonable for them. He asked that they put a cap on local jurisdictions and how much they can charge individuals operating businesses. He said the extra costs will be passed on to the patients.

Bruce Gale commented on several comments made during the meeting. He recommended adding a provision mandating insurance coverage for medical marijuana.

Keith Patton said you could Google him and find out everything about him and see the entire court case. He said he had 2 years of battle trying to see his son. He said he needed the support of the community, law enforcement, parents, the ACAJ and sick people.

Raymond Fletcher said Keith had been railroaded. He said the gaming industry should be separate from the medical marijuana industry. He said the fees to get involved should not be as high as they were, and more patients should have the

opportunity to run a business. He said they needed to use the resources available in the community.

Assemblyman William Horne said he is a member of the Legislature and is a licensed attorney. He said he has represented clients seeking licensing in this industry. He was glad they were addressing the formula for dispensaries, as well as the number and where they went. He said Nye County got one dispensary, but exceptions needed to be made for counties with few people and large distances.

He commented on the ease of business. He said if it was a new industry in the State and as legitimate as possible for business owners to provide the medicine, it was important to look at the ease in which to comply with the laws and regulations. He said the local application, the State application and everything else was different. He said they needed to explore bifurcating this where the State application made decisions and then at the local level ask where the people wanted to operate in the city. That would give people entering the business a clear understanding on what they had to do to operate and get licensed in the State.

Chair Segerblom agreed with Mr. Horne. He said license the people at the State level who were suitable and then they could go to the local jurisdiction. The local jurisdiction could determine the number of dispensaries they wanted.

Timothy commented he like the presentation from Green Mountain Harvest. He said labs were the backbone of the industry. He was concerned about pesticides on the product. He added there should be rules and regulations on the mold issue and pesticides.

Chair Segerblom said there was no further business and he adjourned the meeting at 2:46 p.m.

Respectfully Submitted:

Olivia Lodato, Interim Secretary

Approved By:



Senator Tick Segerblom, Chair

Dated: September 30, 2016

Exhibit	Witness / Agency	Description
A		Agenda
B		Attendance Roster
C	A.G. Burnett	Nevada State Gaming Control Board
D	Paul Armentano	NORML
E	Paul Armentano	Perspective-Drug Treating and Analysis
F	Paul Armentano	Per se Limits on Drivers
G	Maggie McLetchie	Delivery to Nonresident Medical Marijuana Patients
H	Chad Westom	Update on Medical Marijuana Program
I	Susan Chicovsky	Green Mountain Harvest Objectives
J	Susan Chicovsky	Green Mountain Harvest Trimming Procedures
K	Mark Goldfogel	C4EverSystems-Cash Management
L	Patrick McManamon	Cannasure Insurance Services
M	Jorge Domenech	Nonprofit Organization-A Partnership