

Senate Bill 195

Senate Committee on Commerce & Labor

Brandon Wiegand:

Good morning, Chair Spearman and members of the Senate Commerce & Labor Committee. My name is Brandon Wiegand (spell out name), I am the President of the Nevada Cannabis Association and Chief Operating Officer of Thrive Cannabis Marketplace.

I have been a part of the cannabis industry since 2015. In that time, we've had three different regulators, each with their own practices and culture. Our sincere hope as an industry was that the passage of AB533 and the creation of the Cannabis Compliance Board would bring stability and growth. The reality however, is that we've gotten off to a rocky start.

The CCB has taken a hostile stance and aggressive approach to enforcement of cannabis licensees while simultaneously billing those licensees millions of dollars a year in fees for its own staff's time. Time which is already funded by the Wholesale Marijuana Tax levied against those same licensees.

For cannabis licensees in Nevada, there is zero margin for error. Imagine you're the manager of a dispensary who discovers non-compliant behavior by an employee - behavior that violates the training you've administered and the SOP's your company has developed. You'd think that catching, correcting, and self-reporting an employees rogue actions would be commended. That is not how the CCB has handled these incidents - instead licensees are asking themselves whether or not to risk self-reporting an incident knowing they'll face tens of thousands of dollars in fines, that reporting could trigger an inspection that may result in additional citations for unrelated de minimis violations, and that the CCB will "stack" those

incidents into six-figure fines and threaten suspension or revocation of your license. You'll also get a bill for all of the CCB staff time in investigating the incident.

The CCB is not required to consider mitigating factors like self-reporting when considering punishment. So even though incidents should be reported, and a safe and well-run industry depends on self-reporting, the behavior of the CCB has created a culture of fear that permeates the industry, impacting licensees and their employees.

In every state but Nevada, the highest civil penalties are reserved for cannabis businesses operating without a license. Here, the exact opposite is true. The only operators paying six-figure fines are legal cannabis licensees. When it comes to enforcing unlicensed cannabis businesses, the CCB has completely ignored the flourishing unlicensed market, focusing enforcement exclusively against legally operating licensees.

On behalf of the NCA and Thrive, we support SB195 and believe that these reforms will put the CCB and the industry on a path of cooperation, where education and communication – rather than fines and fees – become the key tools used to ensure compliance and public safety.