

STEVE SISOLAK
Governor

Las Vegas Office:
2300 East St. Louis Ave.
Las Vegas, NV 89104
Telephone (702) 668-4590
Fax (702) 668-4567



JENNIFER OTT
Director

Elko Office:
4780 East Idaho St.
Elko, NV 89801-4672
Telephone (775) 738-8076
Fax (775) 738-2693

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE

405 South 21st St.
Sparks, Nevada 89431-5557
Telephone (775) 353-3601 Fax (775) 353-3661
agri.nv.gov

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS
AS REQUIRED BY NRS 233B.066**

INFORMATIONAL STATEMENT

LCB File No. R026-21

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapter 581.

1. A clear and concise explanation of the need for the adopted regulation.

- To implement the rules and fees necessary to carry out the provisions of Senate Bill 404 of the 81st Session of the Nevada Legislature.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were sent by U.S. mail and by email to persons known to have an interest in the subject of cannabis weighing and measuring equipment, as well as any persons who had specifically requested such notice. The Nevada Department of Agriculture (NDA) also coordinated with the Cannabis Compliance Board to provide notice of the proposed regulations and the workshop to receive comment on the proposed regulations to their licensee listserve.

These documents were also posted and made available at the following locations:

- Nevada Department of Agriculture, 405 S. 21st St., Sparks, NV 89431
- Nevada Department of Agriculture, 2300 E. Saint Louis Ave., Las Vegas, NV 89104
- Nevada Department of Agriculture, 4780 E. Idaho St., Elko, NV 89801
- State Capitol Building
- Nevada State Library & Archives
- County Public Libraries, email contact available at <https://nsla.nv.gov/find-a-library-directory>
- Nevada Department of Agriculture website at agri.nv.gov
- Nevada Public Notice website at <https://notice.nv.gov/>
- Nevada Legislature Administrative Regulation Notices at <https://www.leg.state.nv.us/App/Notice/A/>

A workshop to solicit public comment on the proposed regulation was held on June 15, 2022. Thereafter, on or about November 16, 2022, the Director of the NDA, acting in her capacity as ex officio State Sealer of Measurement Standards, issued a Notice of Intent to Act Upon a Regulation, which incorporated in the

proposed amendments the suggestions of the parties attending the workshop and through public comment as well as any comments from the Legislative Counsel Bureau. The hearing was held on December 19, 2022.

A copy of the summary of the public response to the proposed regulation and the minutes of the workshop and hearing may be obtained from the Nevada Department of Agriculture, Attn: Division of Measurement Standards 405 S. 21st St., Sparks, NV 89431, 775-353-3783, or ce@agri.nv.gov.

3. The number of persons who (a) Attended each hearing, (b) Testified at each hearing, (c) Submitted to the agency written comments.

- Workshop held on June 15, 2022
 - Number in attendance: 23
 - Number testifying: 0
 - Written statements submitted: 1

- Hearing held on December 19, 2022
 - Number in attendance: 4
 - Number testifying: 0
 - Written statements submitted: 0

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency.

Name	Entity/Organization	Address	Phone	Email
Cadence Matijevecich	NDA	405 S. 21 st Street, Sparks, NV 89431	775-353-3782	c.matijevecich@agri.nv.gov
Adelina Helton	NDA	405 S. 21 st Street, Sparks, NV 89431	775-353-3782	ahelton@agri.nv.gov
Cynthia Oropeza	NDA	405 S. 21 st Street, Sparks, NV 89431	775-353-3782	coropeza@agri.nv.gov
Amber Smyer	NDA	405 S. 21 st Street, Sparks, NV 89431	775-353-3782	N/A
William Striejewske	NDA	405 S. 21 st Street, Sparks, NV 89431	775-353-3782	wstrijewske@agri.nv.gov
Nathan Waldron	NDA	2300 E. St. Louis Avenue, Las Vegas, NV 89104	775-353-3782	nwaldron@agri.nv.gov
Ann Myer	Nevada Cannabis Compliance Board	Not provided	Not provided	Not provided
Carina Robinson	Taproot Brands	Not provided	Not provided	Not provided
Casey Silvas	The Source	Not provided	Not provided	Not provided

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Claudia King	Curaleaf	Not provided	Not provided	Not provided
Cristal G.	Desert Evolution	Not provided	Not provided	Not provided
Ella Naitoh	Green/Natural Medicine	Not provided	Not provided	Not provided
Gabriela Gama	Green Thumb Industries	Not provided	Not provided	Not provided
Jake Winn	SSAC Corp – Srene	Not provided	Not provided	Not provided
Kandic Jensen	GTI NV	Not provided	Not provided	Not provided
KayAnn Tyssee	Curaleaf	Not provided	Not provided	Not provided
Kevin H.	Not provided	Not provided	Not provided	Not provided
Layke Martin	Nevada Cannabis Associates	Not provided	Not provided	Not provided
Letty Elias	Euphoria Wellness	Not provided	Not provided	Not provided
Leighton Koehler	Not provided	Not provided	Not provided	Not provided
Liam Davis	Curaleaf	Not provided	Not provided	Not provided
Logan Feldstein	Sunderstorn	Not provided	Not provided	Not provided
Nikki Costello	Verano Compliance Nevada	Not provided	Not provided	Not provided
Sara Adams	Planet 13	Not provided	Not provided	Not provided
Sarah Scott	Black & Wadhams, PLLC	Not provided	Not provided	Not provided
Morgan Biaselli	SSGR	Not provided	Not provided	Not provided

5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

A survey was conducted of businesses that would potentially be affected by the regulation. The electronic survey was emailed to the NDA’s customer list of 7,026 persons/entities, those specifically requesting notice, and posted on the NDA website at agri.nv.gov. Additionally, notice of the proposed regulations and of the survey was sent via U.S. mail to 246 entities holding licenses for the type of weighing and measuring equipment used in cannabis establishments (scale devices with a capacity of 500 pounds and under tested with a Class II,

Echelon II weight kit). The survey was open for responses from March 3, 2022 to March 25, 2022. A total of 58 survey responses were received.

Comments were solicited from affected businesses in the same manner as they were solicited from the public and are included in the workshop and hearing meeting minutes. The summary may be obtained as instructed in the response to question #2.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The permanent regulation was adopted on December 19, 2022. Based upon the limited number of comments received in response to the regulation that requested changes to the proposed regulation, the agency adopted the proposed regulation without change. Most comments submitted in opposition to the regulation indicated that no regulation requiring licensure and inspection of cannabis weighing and measuring equipment should be adopted, however, pursuant to NRS 581.065 and NRS 581.067, the State Sealer of Measurement Standards is required to adopt a regulation pertaining to licensure and inspection of cannabis weighing and measuring equipment.

7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.

(a) Adverse and beneficial effects

- Adverse economic effect on regulated business
 - Businesses subject to the proposed regulation are estimated to experience direct economic effects between \$50 and \$2,000 for the cost of license fees for weighing and measuring devices not currently licensed as commercial weighing and measuring equipment and for the cost of staff time to facilitate the agency’s inspection of these devices. Additionally, some businesses subject to the regulation are estimated to experience direct economic effects between \$250 and \$5,000 to replace weighing and measuring equipment currently in use in their establishments that does not meet the requirements of the proposed regulations. These direct economic impacts would be adverse as they would increase the operational costs of the small business.
- Adverse economic effect on the public
 - The cannabis industry could pass the cost of these licenses on to their customers, increasing the retail price for cannabis products purchased by the public.
- Beneficial economic effect on regulated business
 - Some businesses, which had previously elected to have the agency perform special testing of weighing and measuring devices used for a non-commercial purpose, are estimated to experience direct economic effects between \$25 and \$1,000 as they would no longer need to pay the special test fees charged for such tests. These direct economic impacts would be beneficial as they would decrease the operational costs of the business.
- Beneficial economic effect on the public
 - The agency estimates that there will be no direct beneficial economic effect on the public.

(b) Immediate and long-term effects

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- Immediate economic effect on regulated business
 - The agency estimates that the cannabis industry will immediately be subject to a total of \$7,500 in licensing fees.
- Long-term economic effect on regulated business
 - The \$7,500 in licensing fees identified above will be required to be paid annually each year following the approval of the proposed regulation.
- Immediate economic effect on the public
 - The agency estimates that there will be no immediate economic effect on the public.
- Long-term economic effect on the public
 - The retail price of cannabis products purchased by the public could be increased to cover the cost of the additional license fees required by the proposed regulation.

8. The estimated cost to the agency for enforcement of the adopted regulation.

\$7,500 per year

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The regulation does not overlap or duplicate the regulations of other state or government agencies.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The regulation does not contain provisions that are more stringent than a federal regulation.

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The NDA expects to collect a total of \$7,500 in new license fees annually, which will be used to cover the costs associated with issuance of the license and inspection and testing of the devices subject to the fee.

I certify that to the best of my knowledge or belief a concerted effort was made to determine the impact of this proposed regulation on small businesses and that the information contained in this statement is accurate.

Jennifer Ott
 Director
 Nevada Department of Agriculture