

**MINUTES OF THE  
SENATE COMMITTEE ON JUDICIARY**

**Seventy-ninth Session  
March 28, 2017**

The Senate Committee on Judiciary was called to order by Chair Tick Segerblom at 1:33 p.m. on Tuesday, March 28, 2017, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Tick Segerblom, Chair  
Senator Nicole J. Cannizzaro, Vice Chair  
Senator Moises Denis  
Senator Aaron D. Ford  
Senator Don Gustavson  
Senator Michael Roberson  
Senator Becky Harris

**GUEST LEGISLATORS PRESENT:**

Senator Patricia Farley, Senatorial District No. 8

**STAFF MEMBERS PRESENT:**

Patrick Guinan, Policy Analyst  
Nick Anthony, Counsel  
Pat Devereux, Committee Secretary

**OTHERS PRESENT:**

Chuck Callaway, Las Vegas Metropolitan Police Department  
Michael Cathcart, City of Henderson  
Will Adler, Sierra Cannabis Coalition  
Riana Durrett, Executive Director, Nevada Dispensary Association  
Joey Gilbert, Chief Executive Officer, Mainstream Marijuana Association; Mynt Cannabis Dispensary; Tahoe-Reno Botanicals; Tahoe-Reno Extractions

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Mark H. Fiorentino, TGIG LLC  
Jacquelyn Holloway, Director, Department of Business License, Clark County  
Mary McElhone, Business Licensing Manager, City of Las Vegas  
Larry Smith, G5 Cultivation  
Julie Monteiro, R.N., MJ Patient Lobbyists and Advocates of Nevada  
Mona Lisa Samuelson, MJ Patient Lobbyists and Advocates of Nevada  
Gerard Mager  
Wendy Stolyarov, Libertarian Party of Nevada  
James Hartman  
Joseph L. Pollock, Deputy Administrator for Regulatory and Planning Services,  
Division of Public and Behavioral Health, Department of Health and  
Human Services  
Cindy Brown, MJ Patient Lobbyists and Advocates of Nevada; Patient to Patient  
Michael McAuliffe, Wellness Education Cannabis Advocates of Nevada  
Vicki Higgins  
Laurel Stadler, Northern Nevada DUI Task Force  
Roy Edgington, City of Fernley  
Be-Be Adams, Boys and Girls Club Statewide Alliance  
Neal Tomlinson, Nevada Dispensary Association  
Dagny Stapleton, Nevada Association of Counties  
Grace Crosley, Nevadans for Informed Marijuana Regulation  
Brandon Kemble, City of Henderson  
Wes Henderson, Nevada League of Cities and Municipalities  
Jordan Person, L.M.T., L.P.N., Owner, Primal Therapeutics  
Chris Thompson, Executive Director, National Organization for the Reform of  
Marijuana Laws Las Vegas Chapter  
Madisen Saglibene, Deputy Director, National Organization for the Reform of  
Marijuana Laws Las Vegas Chapter  
Tim Petarra, State Chair, Veterans in Politics International; National Organization  
for the Reform of Marijuana Laws Las Vegas Chapter  
Jesse Wadhams, Las Vegas Metropolitan Chamber of Commerce  
Illona Mager  
Jude Hurin, C.P.M., Administrator, Management Services and Programs  
Division, Department of Motor Vehicles  
Maribel Mendez-Gomez, G5 Cultivation

CHAIR SEGERBLOM:

We will open the hearing on Senate Bill (S.B.) 344.

**SENATE BILL 344**: Revises various provisions relating to the labeling, packaging and advertising of marijuana. (BDR 40-451)

SENATOR PATRICIA FARLEY (Senatorial District No. 8):

Senate Bill 344 revises provisions relating to labeling, packaging and advertising edible marijuana or marijuana-infused products. The revisions will make the marijuana program safer for all Nevadans. Adults will be able to more easily monitor their marijuana intake by serving size and avoid eating too much. Changes in packaging and advertising will make marijuana products less appealing to children.

*Nevada Revised Statutes* (NRS) requires all edible marijuana products and marijuana-infused products to be clearly labeled as medical marijuana, packaged so as not to appeal to children, regulated and sold according to the concentration of tetrahydrocannabinol (THC) in the products and not by weight, and packaged and labeled to allow tracking for inventory control.

Section 1 of S.B. 344 expands requirements for labels to include the number of servings of THC in products, which must be sold in a single package. The bill clarifies a product cannot be packaged or advertised so as to appear to be candy, appeal to children or contain images of cartoon characters, mascots, action figures, balloons, fruit or toys. The product cannot be packaged or labeled in a manner modeled after any brand of products consumed by or marketed to children. The bill clarifies marijuana cannot be infused in a commercially available candy or snack food item. It also provides products cannot be sealed in transparent bags or other containers.

Section 2 of S.B. 344 establishes similar requirements for recreational marijuana establishments. The provisions related to medical marijuana products are effective on July 1. The provisions related to recreational marijuana products are effective January 1, 2020.

Colorado and Washington's marijuana programs have requirements similar to those in S.B. 344. A 2016 study by the University of Washington School of Law, "Concerning Cannabis-Infused Edibles: Factors That Attract Children to Foods," looked at which elements of food appeal to children. Color and novel shapes are key factors in children's food choices. Cartoon and other promotional characters powerfully influence children's food preferences.

In 2014, Washington introduced laws prohibiting marijuana establishments from selling gummy bears, lollipops and cotton candy infused with cannabis. In addition, marijuana products that require cooking or baking are prohibited.

Beginning October 1 in Colorado, a universal symbol will be included on marijuana product labels for identification and standardized servings will be required. The words "candy" or "candies" will not be able to appear on marijuana packaging unless they are part of the establishment name.

There is a lot of opposition to S.B. 344, including from the marijuana industry, which has long used it in candy. As part of public policy, tobacco, alcohol and prescription drug products are not in the form of or packaged like candy or sold as edibles. We must draw a clearer line in the sand for marijuana since we are trying to regulate it like tobacco or alcohol. We want to set the national recreational marijuana standard in Nevada.

CHAIR SEGERBLOM:

Have you visited and researched all of the other states with legalized recreational marijuana in order to craft this bill?

SENATOR FARLEY:

Over the 2015-2016 Interim, I went to Colorado and Oregon and have been in contact with Washington and Canada, which has had legalized recreational marijuana for 12 years. We are trying to adopt tried-and-true regulations that work in social programs. Senate Bill 344's provisions are stronger than those in most states, but not as strong as those in Washington are.

SENATOR FORD:

Did you say the marijuana industry opposes S.B. 344?

SENATOR FARLEY:

Yes, but not in its entirety. There is a long history of marijuana-infused food and candy. The industry has worked with us to eliminate marijuana gummy bears and cartoon characters. Senate Bill 344 goes further in regulating what edibles can look like and how they can be packaged.

SENATOR FORD:

I am disappointed the marijuana industry opposes your bill. As a child, I remember buying candy cigarettes with which you could blow smoke. It was

preparing me to buy adult cigarettes. I would hate to hear the industry is not cognizant of our desire to protect children from that type of advertising. I want to hear them defend the position that we should not label and disallow marijuana products to be packaged in a way that attracts children.

SENATOR FARLEY:

I agree and have made my opinion clear to the industry representatives. They continue to work toward being leaders in children's safety.

SENATOR HARRIS:

The bill is setting a standard to protect children and others who might not understand what they are consuming. Has any thought been given to child-resistant containers for additional protection?

SENATOR FARLEY:

Many dispensaries are already doing that. Various packaging options require childproof containers. A proposed amendment to the bill would require more resistant devices, along with educational materials about how they work, to be sold in dispensaries.

CHUCK CALLAWAY (Las Vegas Metropolitan Police Department):

Las Vegas Metropolitan Police Department (LVMPD) supports S.B. 344. Packaging restrictions and a policy of not marketing marijuana products to children is important for public safety.

MICHAEL CATHCART (City of Henderson):

The City of Henderson sees the issues addressed by S.B. 344 as very important. Our staff received many questions from local officials when we implemented the medical marijuana statutes. The bill strengthens NRS.

WILL ADLER (Sierra Cannabis Coalition):

The Sierra Cannabis Coalition supports S.B. 344 and the general concept of regulating edibles and other marijuana products. We would like to break it down more because the current THC limit per serving is 400 milligrams. We agree with regulating serving size and packaging because they currently differ by county and city. Regulating and standardizing those elements statewide is a step forward.

RIANA DURRETT (Executive Director, Nevada Dispensary Association):

The Nevada Dispensary Association represents 80 percent of dispensaries statewide and 90 percent in southern Nevada. We support S.B. 344 and are already implementing some of its provisions. The ban on using mascots, fruit and animal characters was adopted in Colorado. The Nevada Dispensary Association adopted it as a best practice. I called all of our members to determine they do not have marijuana-infused gummy bears for sale. They are prepared to implement measures to ensure marijuana products are not marketed to children. Many dispensary owners are members of the Nevada community or lifelong State residents. They do not want to see marijuana marketed to children in any way, shape or form.

There are already extensive requirements for labeling, packaging and product appearance for medical marijuana. We would like them to be adopted by the recreational program. Senate Bill 344 goes farther than Colorado or Oregon by combining the restrictions of both programs, which we support.

We have talked to Senator Farley about the proposed total ban on marijuana-infused candy. There are many safeguards against products getting to children, and we will work with her on a more specific definition of "candy." We have also spoken to the Senator about the medical marijuana program's limits on serving size and per package limits of THC. When the Nevada Department of Health and Human Services (DHHS) tried to enact more provisions, many patients said dosing would not work for them. We believe that matter should be between patients and doctors.

JOEY GILBERT (Chief Executive Officer, Mainstream Marijuana Association; Mynt Cannabis Dispensary; Tahoe-Reno Botanicals; Tahoe-Reno Extractions):

The Mainstream Marijuana Association, Mynt Cannabis Dispensary, Tahoe-Reno Botanicals and Tahoe-Reno Extractions support S.B. 344 and any commonsense regulations to keep marijuana away from children.

MARK H. FIORENTINO (TGIG LLC):

My company, TGIC LLC, operates in Nye and Clark Counties as The Grow in the medical marijuana program. In answer to Senator Ford's question about the industry's specific concerns, The Grow supports the bill's packaging and marketing limitations. Our concern relates to the word "candy." Section 2, subsection 3, paragraph (a) states manufacturers cannot make a product that "Appears to be candy." That goes beyond just marketing and packaging.

Current NRS requires packaging with clear labels stating the product contains marijuana. We have talked to Senator Farley about including requirements that products must be in opaque packages. We can do a lot to prevent confused children from buying certain products without going so far as to prohibit manufacturing them.

JACQUELYN HOLLOWAY (Director, Department of Business License, Clark County):  
The Clark County Department of Business License supports S.B. 344 as an important policy issue. We support its standardization provisions.

MARY MCELHONE (Business Licensing Manager, City of Las Vegas):  
The City of Las Vegas supports S.B. 344 for all reasons stated today. It is a great step toward protecting our children.

LARRY SMITH (G5 Cultivation):  
I support S.B. 344 because I agree we should ensure our children are protected.

JULIE MONTEIRO, R.N. (MJ Patient Lobbyists and Advocates of Nevada):  
I support S.B. 344. I am concerned about medical marijuana patients. Packaging of grow is phenomenal, but production is a bit on the conservative side. I am a pediatric emergency room trauma nurse who has seen many children who have overdosed. In relation to Nevada's over-the-counter medicines, Costco Wholesale sells pretty, neon pink Tylenol tablets in 50-count bottles. If we are going to use cannabis as a protectant, we need to apply the same appearance standards to pharmaceuticals. No one has died of a cannabis overdose.

Some military veterans are unable to get medical marijuana patient cards. We are limiting the ability of some patients to get badly needed medicines, so they must turn to the recreational program market. I agree with the grow dosing recommendations and regulations.

MONA LISA SAMUELSON, MJ Patient Lobbyists and Advocates of Nevada:  
You have my written testimony ([Exhibit C](#)). I support S.B. 344 as we begin to apply our medical marijuana program standards to recreational marijuana products to protect our communities.

GERARD MAGER:  
I oppose S.B. 344 because it does not go far enough. Drug packaging all across the Nation lists interactions with other drugs. We need to list which drugs

interact negatively with marijuana and what side effects it has, such as psychotic episodes. We put warning labels on other products, and it would be a serious misstep by the Legislature to not include them on marijuana packaging.

WENDY STOLYAROV (Libertarian Party of Nevada):

The Libertarian Party of Nevada opposes S.B. 344 because its provisions regarding advertising fruit and with mascots and similar things are extremely overbroad. We are fine with the dosage controls as a reasonable method of ensuring people get an even experience.

SENATOR ROBERSON:

The bill is not overbroad.

JAMES HARTMAN:

I am neutral on S.B. 344. In 2014, Colorado regulators' idea of protecting children involved banning all marijuana-infused candy, cookies, brownies and other edibles. We have come a long way in terms of how we protect children in Nevada. Child-resistant packaging should be an obligation and mandate. In October 2016, Colorado banned the use of the term "candies" and required warning labels for packaging indicating marijuana products should not be used by children. The Marijuana Enforcement Division, Colorado Department of Revenue, also requires that the initials "THC" be on packaging and each individual edible items. This was vigorously resisted by the marijuana industry because of the expense. I hope Nevada will require each edible labeled as containing THC.

JOSEPH L. POLLOCK (Deputy Administrator for Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services):

The Division of Public and Behavioral Health, DHHS, is neutral on S.B. 344. Section 1, subsection 4, and section 2, subsection 4, state facilities must seal "... cookies and brownies in a bag or other container which is not transparent." The Division would like that extended to all edibles. Section 2, subsection 1, paragraph (f), sets the THC per serving size at a maximum of 25 milligrams.

The Division's outreach and education programs will be similar to Colorado's "start low, stay slow" consume-responsibly campaign. When they try edibles for the first time, people should start with a low dose and then go slowly when eating more. The effect of edibles does not kick in right away, so people may



take multiple servings at a time. If you start at 25 milligrams per serving, 2 or 3 servings means quite a bit of THC in your system. This may be inconsistent with the Division's campaign to educate tourists and residents trying edibles for the first time to start low, stay slow.

MS. MONTEIRO:

The bill's dosing limitations are very conservative. We need to remember no one has ever died from cannabis. It is one of the safest substances that can be consumed. Cannabidiols, lemon and sugar can be used to stabilize overdose patients.

I agree packaging should be labeled with "THC!" despite the added expense. Children will figure out a package contains marijuana, and if they cannot get THC through the State programs, they will find another way. Not producing or calling it "candy" is too extreme. We need to get beyond reefer madness.

We have the science behind the plant. You have my research on and suggestions for dosing ([Exhibit D](#)). Mascots and fruits should be labeled as "THC!" Las Vegas is a place for tourists to find their green gold.

SENATOR GUSTAVSON:

You have twice said no one has ever died from marijuana use. Maybe not the users, but how many users have caused the deaths of other people?

MS. MONTEIRO:

That figure is a lot less than deaths caused by users of alcohol and other narcotics. The March/April 2017 issue of *Cannabis Nurses Magazine* ([Exhibit E](#), on file at the Research Library) deals with using cannabis to control the opioid dependency epidemic.

SENATOR GUSTAVSON:

The fact is people have died because of marijuana use, period.

MS. MONTEIRO:

I beg to differ with that and do not agree with your statement. For 5,000 years, no one has died from cannabis.

CINDY BROWN (MJ Patient Lobbyists and Advocates of Nevada; Patient to Patient):

I am neutral on S.B. 344 and opposed to limiting fruit and mascots. A lot of name-brand products have mascots, including alcohol. What happened to personal responsibility of parents to make sure their edibles are kept out of sight of their children? We keep trying to overregulate everyone.

Child-proof packages are good, but what about my friends with seriously arthritic hands who cannot open them? What about children with cancer who use medical marijuana? Are we not making anything to appeal to them? They are sick and miserable, but will we give them something yukky-looking? Let us give them something pretty that they like. Children pick up and eat cigarette butts. No one has died from directly ingesting cannabis. High drivers have died in car wrecks, but not from cannabis itself. It helps our bodies more than hurts them.

MICHAEL MCAULIFFE (Wellness Education Cannabis Advocates of Nevada):

The Wellness Education Cannabis Advocates of Nevada is the State's largest and oldest cannabis education and patient advocacy group. It is neutral on S.B. 344. Section 1, subsection 1, paragraph (e), states products "Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children." That is vague and overly broad because no metric is provided by which that is determined. What is marketed to children and what is not? Lacking a clear source of authority, courts would find that too vague.

I disagree with prohibiting all candy, as stated in section 1, subsection 3, paragraph (a). There are over-the-counter cough lozenges that are essentially hard candies with a small amount of medicine. Children have access to and use them. When I was growing and up to the present, liqueur-filled candies have been available, but are not marketed to children. I had a medical marijuana patient with brain tumors who could not smoke, vape or use other methods to obtain benefits. She sucked all day on small marijuana-infused candy drops for relief.

VICKI HIGGINS:

I am a longtime medical cannabis advocate. While I mostly support S.B. 344, the nontransparent packaging provision concerns me. If people cannot see an edible product and then open it and find it unappealing, that is not good. Very

stringent packaging restrictions are already required, and it is important to see edible products before purchase.

I agree parents are responsible for keeping marijuana from children. Alcohol is advertised with alien characters, and casinos have bubbles, balloons and gifts that appeal to children. Casino games fulfill adults' childish needs. Female parts are displayed all over Las Vegas on billboards. Given all of that, the bill's packaging restrictions are ridiculous. We care that children do not have access to marijuana. Other bills this Session propose to provide education about that.

SENATOR ROBERSON:

Several southern Nevada testifiers have voiced objections to the bill's labeling provisions to protect children. There was a case in Colorado in which a child ingested a marijuana edible and then jumped off a balcony and died. I assume most people in this room want this bill to pass with bipartisan support. Some statements made today are disgusting. This is about greed over child safety. You are not helping your case with many Legislators by continuing to object to the fact that this bill is too broad.

MS. HIGGINS:

We do care about children and appreciate the packaging restrictions. My comments concerned edible product appearance for purchasers.

LAUREL STADLER (Northern Nevada DUI Task Force):

In Colorado in 2013, marijuana-related traffic crashes caused 71 fatalities. In 2014, it was 94 fatalities, and 115 fatalities in 2015. That figure is increasing each year after marijuana was legalized. The Northern Nevada DUI Task Force would like a label warning against driving after ingesting marijuana products. Many over-the-counter medicines have similar warnings that users may become impaired or incapable of driving.

SENATOR FARLEY:

We looked into the warning labels and drug interactions issue and dosing restrictions. The science is not there, and it would open another debate. We are trying to get everything on labels we know to be true and backed by science. Senate Bill 344 is just a start for where warnings, packaging and education of consumers could go. In another bill this Session, we are asking dispensary owners to issue cards to purchasers explaining dangers of and interactions with the drug and hazards like DUI of marijuana.

As for Senator Gustavson's question, there have obviously been deaths involving people impaired by marijuana, just like with alcohol and other substances. That does not make it okay. It makes the burden of responsibility for lawmakers and business owners even greater to make sure the next death does not happen.

CHAIR SEGERBLOM:

We will close the hearing on S.B. 344 and open the hearing on S.B. 341.

**SENATE BILL 341**: Revises provisions relating to marijuana establishments and medical marijuana establishments. (BDR 40-1110)

SENATOR FARLEY:

Senate Bill 341 revises provisions relating to marijuana establishments. Existing law provides for a limited number of registration certificates or medical marijuana dispensaries according to the size of a county. Section 1, subsection 3 authorizes local governmental jurisdictions to request additional registration certificates from the Division of Public and Behavioral Health.

The Division is required to determine whether additional medical marijuana dispensaries are necessary to serve patients who hold valid registry identification cards in the jurisdiction. The Division is authorized to make those additional registration certificates available.

Current NRS provides that any excess money raised from the issuance and renewal of registration certificates be deposited into the Distributive School Account to support education. *Nevada Revised Statutes* also provide that any gifts, grants or donations to support the program may be used for certain alcohol and drug abuse programs. Sections 2 and 7 of S.B. 341 expand the use of such funds to provide education and outreach relating to the safe usage of and prevention of abuse of marijuana.

Existing law requires the University of Nevada School of Medicine to seek federal approval and establish a research program relating to the medical use of marijuana. Sections 3 through 6 of the bill authorize any institution of the Nevada System of Higher Education to seek such approval and establish such a research program.

Existing law authorizes counties and incorporated cities to regulate marijuana-related businesses and establish, impose and collect a license tax on them. Sections 8 through 11 of the bill prohibit imposition of such requirements on marijuana establishments or medical marijuana establishments other than zoning ordinances, building ordinances or other general requirements that apply to all businesses in the area. These sections also limit license taxes that may be imposed on marijuana establishments or medical marijuana establishments to a total not to exceeding 3 percent of their gross revenue. Section 12 of the bill provides an effective date of July 1.

I have worked with the industry, cities and counties on several of these issues, including capping the fees or creating an excise tax, as proposed in S.B. 302, which the Committee has heard.

**SENATE BILL 302**: Provides an early start for recreational marijuana sales.  
(BDR 40-545)

We will hear from cities and counties about local operations certificates and how they will be distributed.

CHAIR SEGERBLOM:

Representatives of the Cities of Fernley and West Wendover have approached me about the bill. Will they be allowed to apply to the State for potential medical marijuana licenses?

SENATOR FARLEY:

Yes. I have been approached by two other jurisdictions that, due to population caps, could not get marijuana license establishments.

CHAIR SEGERBLOM:

Are you trying to level out the process so each jurisdiction imposes the same taxes?

SENATOR FARLEY:

Yes. Some cities are imposing exorbitant fees and requesting gross revenue taxes from establishments. A black market may be created, driving businesses to price their products too high so it is cheaper to buy products on the street. We need a fair and consistent statewide policy on fees and taxes. Businesses do not know why fees and taxes can be vastly different in jurisdictions. We are

trying to understand what those costs should be, cap them and then allow local jurisdictions to justify additional costs.

SENATOR HARRIS:

Is the 3 percent license tax in addition to the excise tax proposed in S.B. 302?

SENATOR FARLEY:

Five percent would come from an excise tax, which, combined with the 3 percent license tax, would give each county and local government a total of 8 percent. They would also get sales tax revenue. We are working with the Department of Taxation to create a model of what that would look like so locals are not left upside-down, and there is revenue sharing.

SENATOR HARRIS:

How do you define "gross revenue" or "gross receipts"?

SENATOR FARLEY:

The medical program defines that as cash. Everything is transacted through MJ Freeway Business Solutions, and it is easy to tell what, when and how much product was sold. Clark County figures its revenue quarterly, and it is easy to audit sales to get a gross number.

SENATOR HARRIS:

There are no write-offs or deductions, and it is based on what they enter.

SENATOR FARLEY:

That raised an interesting conversation this Session. Under federal law, write-offs are not allowed under 26 U.S. Tax Code 280E. We must make sure we are not overtaxing establishments to the point a criminal market is created. There could be from 50 percent to 60 percent gross tax, and for a \$10 million business, that would leave just \$4 million to cover overhead. That begins to not make sense.

SENATOR HARRIS:

With a \$10 million business, commerce taxes will also come into play. Does the 3 percent license fee come off the top, or is it paid after commerce taxes? How would the two taxes dovetail?

SENATOR FARLEY:

The commerce tax for the industry is about 0.111 percent, which goes into the tax equation.

SENATOR HARRIS:

Which tax would get priority, gross receipts or commerce? Are we going to take the commerce tax first then determine the license fee? Will we use the same determination number for both taxes?

SENATOR FARLEY:

Both taxes are based on gross sales. In all businesses, when you hit gross, it hurts.

SENATOR HARRIS:

Presumably, unless there are write-offs under the commerce tax, will it be the same number for both taxes?

SENATOR FARLEY:

Yes.

ROY EDGINGTON (Mayor, City of Fernley):

The Fernley City Council weighed the pros and cons of the City's role in the marijuana industry. We have made a concerted effort to educate ourselves about the industry and seen firsthand the cultivation, production and dispensary aspects of the business. On March 1, the City voted to lift the moratorium on medical marijuana establishments. As S.B. 341 progresses, the City sees itself as a participant in policy making supporting its concepts.

CHAIR SEGERBLOM:

I am seeing real progress if cities like Fernley can look at the marijuana industry in a new light and go forward with it.

MS. MONTEIRO:

I support S.B. 341 as a great tool for education. I would like to see accountability for funds spent in the industry. Ms. Samuelson has proposed a statewide regulatory body dealing with medical marijuana industry consumer protection and oversight, Exhibit C. Why is that important? In the last proceedings of the medical marijuana program, funds were used for Reno conferences opposing cannabis.

It is important that traditional programs that teach marijuana as a schedule I controlled substance are updated and revised and the science behind the plant put forward. Colorado State University received \$900,000 in grants that were inappropriately used. When research funds are given to the University of Nevada School of Medicine and other State colleges, we must have accountability through a regulatory board.

MR. SMITH:

I support S.B. 341 because we should provide community education about the safe usage of marijuana to prevent abuse of it.

MS. HIGGINS:

I support S.B. 341 because its educational outreach is a good thing.

BE-BE ADAMS (Boys and Girls Clubs Statewide Alliance):

The Boys and Girls Club Statewide Alliance supports S.B. 341, but we asked Senator Farley to amend section 2, subsection 3, paragraph (b). Money will be allocated for education about safe usage of marijuana, but we would like that expanded to provide nationally developed substance abuse prevention curricula in recreational programming.

NEAL TOMLINSON (Nevada Dispensary Association):

The Nevada Dispensary Association supports S.B. 341. We are working with Senator Farley and others on the request for additional establishment licenses from the Cities of Fernley and Wendover. We are working on a solution that does not create additional licenses, rather allocating to the Cities licenses being unused in other parts of the State.

MR. ADLER:

The Sierra Cannabis Coalition would like a closer look at the mechanism for obtaining new dispensary certificates. Many areas do not have medical marijuana dispensaries, and we support increasing that geographic distribution to patients across the State. Standardization of license fees is welcome because they differ a lot by locality and region.

MR. CALLAWAY:

The LVMPD's only real concern with S.B. 341 is section 8, subsection 4, paragraph (c) and section 10, subsection 4, paragraph (c), which disallow county and city governments to "Impose any other requirement upon a



marijuana establishment or medical marijuana establishment which is not of general applicability to all businesses" within their jurisdiction.

Marijuana businesses are unique, and with that comes the need for local governments to be able to impose certain regulations or restrictions on them that do not apply to other businesses. Examples are restrictions on waste disposal, odor control, cash-only transactions, security measures, etc.

SENATOR FORD:

Are there exemptions such as those you are proposing on marijuana establishments for other businesses in NRS?

MR. CALLAWAY:

I am not aware of any exemptions for other businesses. However, liquor establishments, strip clubs and those types of businesses typically receive privileged licenses. There may be a need for exemptions for those businesses that are not needed for ones like gift shops. When we create NRS prohibiting restrictions on marijuana establishments that do not apply to any other businesses, we box ourselves into a corner.

SENATOR FORD:

Existing NRS treats certain businesses differently from others. Therefore, Senate Bill 341 would not be straying from the norm, right?

MR. CALLAWAY:

No. Under the local government zoning and licensing process, if the marijuana industry felt requirements were unfair, it could object to those government bodies. From a public safety law enforcement prospective, strict language preventing any alteration from requirements placed on other businesses is troubling.

SENATOR HARRIS:

Is what would be unique be the exemption for marijuana establishments from additional restrictions? Governments would regulate them as needed like they do strip clubs or liquor businesses. Would the bill prohibit that?

MR. CALLAWAY:

As an analogy, if someone wanted to produce an elephant show, to say that business cannot be treated differently in NRS than any other business would be a mistake. Elephant shows are unique.

MR. MAGER:

Marijuana does kill. My 17-year-old son was killed by a driver under the influence of it. It is not a safe drug. I oppose S.B. 341 because of the same sections as Mr. Callaway. Question No. 2 on the November 2016 ballot gave counties and cities the right to use zoning and license regulations to disallow the sale of recreational marijuana. The bill would strip them of that right, thereby violating the will of the people.

DAGNY STAPLETON (Nevada Association of Counties):

The opposition to S.B. 341 by the Nevada Association of Counties is based solely on section 8, subsection 4, paragraph (a), which limits the authority of counties to license and charge fees on medical marijuana establishments. Senator Farley has been working with us on this and on section 8, subsection 3 limits on what counties may charge for the license tax.

Section 10 enables cities to allow establishments independent of the counties they are in. For rural counties that choose to disallow establishments, a city in that jurisdiction could license them. That could have impacts on the counties because they provide many services to cities, including health and human services, district courts, public defenders and juvenile services.

SENATOR ROBERSON:

Regarding Mr. Mager's comment about Question No. 2, how do you square S.B. 341 with the language in that measure?

CHAIR SEGERBLOM:

Do you mean the provisions disallowing local governments to decide whether they want marijuana establishments? That is not the intent because we have always intended that local governments have the right to say no. Some cities that said no initially are now saying maybe. The bill will be reviewed by the Senate Committee on Revenue and Economic Development, which may exempt some of its tax provisions.

GRACE CROSLEY (Nevadans for Informed Marijuana Regulation);

I also have concerns about disallowing local jurisdictions to impose regulations for marijuana establishments. Other states with recreational marijuana have allowed local governments wide latitude over regulations. Communities are happy with that.

In Alaska, a mayor said, his "small town gets to watch the bigger, more active communities get up and go through trials." A few Alaska towns have specifically banned manufacture of marijuana products involving explosives or gases. Nome, Alaska, enacted an ordinance allowing marijuana establishments to stay open longer during the Iditarod Trail Sled Dog Race.

Vail, Colorado, has banned the marijuana industry entirely to protect its brand. It wants to maintain current tourism instead of getting new marijuana tourism. Aspen, Colorado, permits marijuana establishments; however, its mayor is limiting the number of licenses for the same reason as Vail.

Oregon has a patchwork of marijuana regulations, which the industry says makes things difficult. One county commissioner said marijuana cannot be treated like a normal crop. A lot of decision making by Oregon's local governments is happening quickly, and the public is reacting.

Every Nevada county has its own character. Some might be interested in family-friendly tourism, others in sin-based tourism. Communities should not only have the option to decide whether to allow retail marijuana but also how to regulate it. A community could restrict or prohibit advertising completely or choose to emblazon it all over the place.

BRANDON KEMBLE (City of Henderson):

The City of Henderson has minimal objections to S.B. 341. We oppose the proposed amendments to section 10, which would impose business requirements other than those of "general applicability" and prohibit the issuance of licenses and certificates by local jurisdictions. Those jurisdictions have to strike a delicate balance between constituents, medical marijuana patients and the business community. The City of Henderson's regulations have allowed us to do that.

We are operating in a delicate legal environment, given federal restrictions on marijuana. The City's regulations are specifically designed to allow us to comply

with the Department of Justice's 2013 Cole Memo guidance regarding marijuana enforcement.

Ms. McELHONE:

The City of Las Vegas opposes S.B. 341 based on section 10, which seems to remove all ability for local governments to control businesses in their jurisdictions. Some have special needs and know what ordinances they need to adopt for compliance. The City has filled gaps in NRS to address things like odor, about which we have recently adopted an ordinance.

Ms. HOLLOWAY:

I echo the light opposition expressed by Ms. McElhone, Mr. Callaway and Ms. Stapleton. Clark County's issue is with sections 8 and 10, which reduce our ability to have "requirements of general applicability" of other businesses. Clark County licenses medical marijuana as a privileged license. To be restrictive to the point at which local elected officials and law enforcers cannot have a voice in policy making or are prohibited from licensing and regulating the industry is in contrast to the 2013 Cole Memo. It also contrasts with the Clark County Board of Commissioners' vision for, investment in and commitment to the industry and the public safety, health and well-being of the communities they serve.

Ms. STOLYAROV:

The Libertarian Party of Nevada generally supports S.B. 341 but objects to its zoning requirements and the need for dispensaries to request licenses. We strongly support the provisions that increase accessibility for medical marijuana research. We like the fee caps and increased consistency of imposing them across the State.

WES HENDERSON (Nevada League of Cities and Municipalities):

The Nevada League of Cities and Municipalities generally supports S.B. 341 and is working with Senator Farley on a proposed amendment to allow establishments in incorporated cities in rural counties to obtain licenses. We understand the Nevada Dispensary Association's desire to have many more medical licenses. We share testifiers' concerns with section 10, which restricts the ability of incorporated cities to regulate establishments. We understand Ms. Stapleton's statement that if a city allows licenses, but the county does not, there will be some undetermined impact.

CHAIR SEGERBLOM:

We will close the hearing on S.B. 341 and open the hearing on S.B. 374.

**SENATE BILL 374**: Prohibits certain entities from taking action against persons who engage in certain lawful activities relating to marijuana. (BDR 40-185)

SENATOR TICK SEGERBLOM (Senatorial District No. 3):

Many licensed professionals, such as doctors, lawyers, masseuses and nurses, have become involved peripherally or directly in owning marijuana businesses, consulting with marijuana clients, issuing marijuana prescriptions or being a cannabis masseuse or nurse. They recommend different strains of marijuana or use marijuana-infused oils. This involvement exposes them to discipline by their licensing boards and jeopardizes their licenses.

Senate Bill 374 provides if people use marijuana in their professional practices, that alone is not a basis for discipline or license revocation. Lawyers have been told they cannot own marijuana businesses even though it is legal under the Nevada Constitution. Doctors have been told they should prescribe marijuana, and nurses have been told they should not work in dispensaries because they are giving medical advice about marijuana. Marijuana masseuses cannot obtain licenses in Denver, Colorado.

Many of these professions are tied directly to the tourism industry. In the Caesar's Palace Las Vegas Hotel and Casino spa, there could be a sign: "Swedish massage, \$95; hot rock massage, \$85; marijuana massage, \$150." That would be good for our tourism economy.

JORDAN PERSON, L.M.T., L.P.N. (Owner, Primal Therapeutics):

Primal Therapeutics does marijuana-infused massage as a mobile service in Denver and throughout Colorado. We are mobile because there is no place for us to have a legal brick-and-mortar facility. We go to patients' homes, hotels, businesses and event spaces. It is almost necessary for my workers to be familiar with or consumers of cannabis because a big part of what we provide is education. We work with an equal number of tourists and locals, which seems to be the same as Nevada.

I am also a 16-year nurse. If I were to go to the Colorado Board of Massage Therapy or Board of Nursing, my license would be in jeopardy. From its

inception, I have been transparent about the nature of my company and tried to abide by a framework of essentially nonexistent laws for the ancillary businesses resulting from recreational legalization. I informed the American Massage Therapy Association and the National Certification Board for Therapeutic Massage and Bodywork that I would be teaching cannabis-infused massage. Therapists reach out to me daily from across the Country asking how to do it legitimately. Nevada would be the first state to provide protections necessary to continue the progression of cannabis law.

SENATOR HARRIS:

Have you reached out to the Nevada gaming industry? I do not think they would like you providing that service in their hotel casinos as it might impact their privileged licenses.

MS. PERSON:

I agree. I did not reach out to gaming facilities because I got the same reaction as yours. Nevada will eventually have brick-and-mortar facilities, especially if S.B. 236 passes.

**SENATE BILL 236**: Requires a license or permit issued by a local government to operate certain businesses in which the use of marijuana is allowed or to allow the use of marijuana at certain events. (BDR 20-43)

SENATOR HARRIS:

Would you still have a mobile service for gaming properties?

MS. PERSON:

Correct, especially if they did not want us there.

MS. MONTEIRO:

As a longtime marijuana patient advocate, it has been difficult to see my nursing colleagues and other medical professionals who have the best intentions and scientific backgrounds be limited in their practices because marijuana is a schedule I substance. Laws have not caught up with the science behind the plant. It is vitally important to protect licensed professionals because we have legal medical and recreational programs. Through education and time, these stigmas will vanish.

How will S.B. 374 protect and affect professional licensing boards and entitlement in S.B. 378?

**SENATE BILL 378**: Revises provisions relating to controlled substances.  
(BDR 14-559)

Section 14, subsection 2, states "A professional licensing board is entitled, for the purpose of determining suitability for a license or liability to discipline for misconduct, to inspect and to copy from a record sealed ... ." No matter if you are a felon or convicted of a misdemeanor or gross misdemeanor, boards must not have access to sealed records. That is an invasion of privacy. Livelihoods are threatened when licensing boards become involved.

MR. MCAULIFFE:

The Wellness Education Cannabis Advocates of Nevada strongly supports S.B. 374.

CHRIS THOMPSON (Executive Director, National Organization for the Reform of Marijuana Laws Las Vegas Chapter):

I have been a cannabis advocate since graduating from Purdue University with a biological engineering degree. I came to Nevada to work in its legal cannabis industry and because of its cannabis progressive laws. I have not pursued my professional engineering license for fear it could be revoked if it was found out I am a cannabis activist and like to do engineering for the industry.

The bill would directly benefit me by removing that fear and protecting responsible cannabis consumers from disciplinary and undue actions. Employers should not be able to endanger the livelihood of Nevada professionals who express promarijuana views.

MADISEN SAGLIBENE (Deputy Director, National Organization for the Reform of Marijuana Laws Las Vegas Chapter):

I received a bachelor's degree in social work from Buffalo State University in New York. I hope to one day hold a license in clinical social work practice. I hold a Nevada gaming license and work at a well-known Las Vegas casino. As a medical marijuana patient, the harsh reality is I cannot express my views to my coworkers or supervisors for fear of retaliation. Senate Bill 374 will provide protection for those who need it. It is a shame that, although I am within my legal Nevada right, I feared telling my coworkers I was testifying today.

TIM PETARRA (State Chair, Veterans in Politics International; National Organization for the Reform of Marijuana Laws Las Vegas Chapter):

I do not use cannabis or participate in any cannabis activity. I am a political activist and former military police officer in the U.S. Army. My concern with S.B. 374 is protection of the rights of veterans who come home after service and use the Servicemen's Readjustment Act of 1944 to attain various careers.

They are also seeking multiple medications to transition back to civilian life. Many of my friends are heavily dependent on opioids and move to states where they can receive lesser treatments like marijuana. I fear they will get job training, become certified through licensing boards and then start jobs in which they fear losing all of the transitional work they have done. Their career paths are in jeopardy as is their ability to support their families. Veterans are often called to be emergency medical technicians and psychologists.

MR. CALLAWAY:

Las Vegas Metropolitan Police Department has a concern with S.B. 374, section 3, which does not prohibit employers from taking actions against employees while acting in the official capacity of their jobs. If a law enforcement officer who made comments to the media or participated in one of the groups "which advocates for or against the legal use of marijuana" while representing himself or herself as an officer, I would hope the bill's intent is not that LVMPD could take disciplinary action for representing personal views while under the capacity of an officer.

SENATOR SEGERBLOM:

No, it is not.

JESSE WADHAMS (Las Vegas Metropolitan Chamber of Commerce):

The Las Vegas Metropolitan Chamber of Commerce's concerns with S.B. 374 are with section 3. It is overbroad with regard to individuals expressing their opinions. Many State businesses intersect with State and federal licensure. Employers need the ability to take action to protect their businesses.

ILLONA MAGER:

I was a licensed registered critical-care nurse for more than 20 years in northern Nevada. There is a reason the Nevada State Board of Nursing has standards. Nurses found using drugs were disciplined, their licenses held and they were directed toward rehabilitation. Positive actions could be taken, and it



did not become an employment factor as a result of miscalculation by management. I would hate to see licensing boards reduced to that.

MR. MAGER:

I am opposed to S.B. 374 because people have professional licensees with both State and federal requirements. You cannot exempt federal license holders from being disciplined for violating federal law. Doctors and nurses take an oath to "First, do no harm." Marijuana is a dangerous, serious drug that harms people every day all across the Country. People cannot be exempted from something they are not supposed to do.

MS. CROSLY:

I oppose S.B. 374 because it prohibits licensing boards from taking disciplinary action against licensees who commit any lawful action relating to marijuana, including working for a retailer or owning a dispensary. The State Board of Osteopathic Medicine is prohibited under NRS from disciplining doctors who do anything lawful regarding marijuana. Pending legislation would allow professionals like psychologists or social workers to submit written documentation stating someone should be able to use medical marijuana. Another bill would allow dispensaries to apply for medical marijuana cards on behalf of patients. A psychologist working for a dispensary may be submitting card applications like candy, and the licensing board could not take action against the doctor.

Licensing boards are comprised of professionals whose job is to figure out what is and is not appropriate for their professions. A situation might develop in which Legislators allow the teaching of creationism in public schools, and educators licensing boards would be prohibited from disciplining teachers for doing so.

MS. STOLYAROV:

The Libertarian Party of Nevada strongly supports sections 1 and 2 of S.B. 374. Protecting professionals from having their licenses yanked for engaging in legal actions is important. However, we are uncomfortable with section 3 because employers should have the right to fire people who express opinions contrary to organizations' missions. The section 3 language should be more restrictive,

VICE CHAIR CANNIZZARO:

We will close the hearing on S.B. 374 and open the hearing on S.B. 329.

**SENATE BILL 329**: Revises various provisions relating to marijuana concerning health and regulation. (BDR 40-361)

SENATOR SEGERBLOM:

We will focus solely on the first section of S.B. 329, which will move regulation of medical marijuana from the Division of Public and Behavioral Health (DHHS) to the Department of Taxation. Under the provisions of the 2016 ballot Question No. 2, DHHS regulates recreational marijuana, so, arguably, no one thinks it is a good idea to also have recreational under DHHS. We will have to follow the lead of Question No. 2 and move recreational marijuana to Taxation. I do not know what that involves, just changing phone numbers or a physical move of offices. If we do not make the move, we will have two different industries regulated by different agencies. We need one system, one set of inventories, and a different tax structure controlled by Taxation, according to Question No. 2.

SENATOR HARRIS:

I understand the importance of having one taxing structure in Taxation. In terms of general governance of marijuana, why move it from DHHS to Taxation? Is not DHHS the appropriate agency to deal with all issues involving marijuana?

SENATOR SEGERBLOM:

Question No. 2 put the whole recreational marijuana process under Taxation, even though it does not just involve taxation. Dispensaries must be licensed, and inspectors must be hired for dispensaries and grow facilities. It will be a huge industry with thousands of jobs.

Under Question No. 2, both Taxation and DHHS would send teams out to inspect the grow, which is an unnecessary duplication of services. We have a medical system that is working well, so we should put both programs under Taxation. That would result in a big cost savings, be best for the entire industry and reward people who have worked hard to get the medical industry going.

SENATOR HARRIS:

Do you anticipate leaving medical under Taxation once the parameters of Question No. 2 have expired in three years and the Legislature can start dealing with changing them? Alternatively, do you think medical would eventually be moved to a different agency?

SENATOR SEGERBLOM:

The plan all along has been to create something like the Gaming Control Board for the marijuana industry, which under Question No. 2 will take two more Sessions.

SENATOR HARRIS:

Gaming Control's roots were in Taxation.

SENATOR SEGERBLOM:

I had originally wanted to put recreational under Gaming Control, but that did not happen. The two industries have similar, highly regulated models. That is what Nevada does best.

MR. PETARRA:

Condensing the State's involvement in marijuana from two departments to one is a logical tax-saving move. From the consumer side, restricting the industry to single inspectors makes logistical sense.

MS. DURRETT:

The Nevada Dispensary Association organized a conference in Colorado at which our Legislators met with their Colorado counterparts and regulators. The Colorado participants advised us to not have medical and recreation regulated by different departments. It will be a nightmare of confusion and overlapping, wasted resources.

MR. ADLER:

The Sierra Cannabis Coalition supports moving medical marijuana to Taxation. It will streamline both programs and save the State a lot of money. It will not hurt medical but make it more efficient.

MS. SAMUELSON:

Marijuana patients want to have the process streamlined and avoid the nightmares occurring in other states.

MR. MCAULIFFE:

The Wellness Education Cannabis Advocates of Nevada strongly supports this section of S.B. 329 as a commonsense move forward.

MS. HIGGINS:

I support those provisions of S.B. 329 for reasons previously stated.

MR. MAGER:

I oppose these provisions of the bill because Taxation does not have the expertise to deal with negative health issues caused by marijuana.

MR. HARTMAN:

I am concerned with the present confusion over having two departments regulate the industry. We are talking about an early-start program for recreational marijuana beginning in July. Taxation borrowed money to hire four people to begin that process. In 2014, the Colorado Department of Revenue had more than 50 employees, yet it took them a full year to get their marijuana program operational. Nevada is proposing to expedite that process by July 1 with limited staff and responsibilities split between two departments.

JUDE HURIN, C.P.M. (Administrator, Management Services and Programs Division, Department of Motor Vehicles):

You have my written testimony ([Exhibit F](#)) opposing this part of S.B. 329. In October 2016, the Department of Motor Vehicles (DMV) initiated an electronic interface program with DHHS. If medical marijuana moves to Taxation, DMV wants to ensure that is a successful and proper move so marijuana patient caregivers do not have to go to DMV offices to apply for patient card credentials.

SENATOR SEGERBLOM:

Do you think we can mechanically make sure that happens?

MR. HURIN:

Yes, and DMV will work with Taxation to make the program successful. Whoever manages the interface can play with it, but it will take time to create codes. The biggest concern of DMV is the July 1 implementation deadline.

MS. CROSLEY:

This portion of S.B. 329 makes a lot of sense to condense governance of marijuana sales into one department, but under Question No. 2 that will not be for three years. Placing the control of a medical drug under Taxation suggests medical marijuana is all about profits instead of optimal health care.

The Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice will have representatives from Taxation instead of DHHS. If we change the makeup of that Subcommittee, it makes more sense to remove its industry representatives. Nonprofit dispensaries will provide education on medical marijuana use in consultation with Taxation. It makes more sense for that to be under DHHS or both agencies.

VICE CHAIR CANNIZZARO:

We will close the hearing on S.B. 329 and open the hearing on S.B. 378.

MARIBEL MENDEZ-GOMEZ (G5 Cultivation):

Thank you for building the legal cannabis system, which benefits the entire Nevada community.

MS. MAGER:

My son was killed in a DUI marijuana accident in 1996. When he was in the eighth grade, I found marijuana in his room. I got advice from the Children's Cabinet, we brought in Washoe County Juvenile Services and we fought for control over his premature drug use and future addiction. He admitted he had tried methamphetamines and d-lysergic acid diethylamide.

There is a network of other mothers with losses due to cannabis. It upsets me that the Committee is not hearing victims' voices. Today's hearing dealt with packaging marijuana to protect children. States with legalized recreational use have had increased juvenile school suspensions due to drug use and addiction. In Massachusetts, five people are dying every day from drug overdoses.

A group of mothers produced a YouTube video, asking if mothers' losses began with marijuana. While not all marijuana users go on to other drugs, if you ask heroin users if they began with marijuana, the incidence is high. We need to prevent further lost lives from abuse of medical marijuana acquired from friends of friends. They are ingesting high-potency THC thinking it is harmless. There is a connection between THC and psychotic breakdowns, premature schizophrenia and suicide. Mothers are dealing with the pain, grief, frustration and loss involving drug-addicted teens and with finding affordable treatment and giving them a future. Please keep this in mind as you rush through regulating recreational use before setting up appropriate NRS. We need education in schools about medical marijuana, law enforcer drug-recognition experts and

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hospital staff who can give proper care to tourists who misuse recreational marijuana.

MR. PETARRA:

We will take Ms. Mager's considerations into account for our veteran advocacy programs.

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CHAIR SEGERBLOM:

We will close the hearing on S.B. 378. Seeing no more business before the Senate Committee on Judiciary, we will adjourn this meeting at 3:30 p.m.

RESPECTFULLY SUBMITTED:

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Pat Devereux,  
Committee Secretary

APPROVED BY:

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Senator Tick Segerblom, Chair

DATE: \_\_\_\_\_

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	11		Attendance Roster
S.B. 344	C	2	Mona Lisa Samuelson / MJ Patient Lobbyists and Advocates of Nevada	Written testimony
S.B. 344	D	2	Julie Monteiro / MJ Patient Lobbyists and Advocates of Nevada	State Dosing Recommendations for 2016
S.B. 344	E		Julie Monteiro / MJ Patient Lobbyists and Advocates of Nevada	March/April 2017 issue of <i>Cannabis Nurses Magazine</i>
S.B. 329	F	1	Jude Hurin / Management Services and Programs Division, Department of Motor Vehicles	Written testimony