

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON JUDICIARY**

**Eightieth Session
May 24, 2019**

The Committee on Judiciary was called to order by Chairman Steve Yeager at 10:27 a.m. on Friday, May 24, 2019, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman Steve Yeager, Chairman
Assemblywoman Lesley E. Cohen, Vice Chairwoman
Assemblywoman Shea Backus
Assemblyman Skip Daly
Assemblyman Chris Edwards
Assemblyman Ozzie Fumo
Assemblywoman Alexis Hansen
Assemblywoman Lisa Krasner
Assemblywoman Brittney Miller
Assemblywoman Rochelle T. Nguyen
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Jill Tolles
Assemblywoman Selena Torres
Assemblyman Howard Watts

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Diane C. Thornton, Committee Policy Analyst
Bradley A. Wilkinson, Committee Counsel
Cheryl Williams, Committee Secretary
Melissa Loomis, Committee Assistant

OTHERS PRESENT:

Shellie Hughes, Chief Deputy Director, Department of Taxation
Mona Lisa Samuelson, Private Citizen, Henderson, Nevada
Jennifer Solas, Compliance Director, Cura Cannabis Solutions; President, Wellness
Education Cannabis Advocates of Nevada
Erin Smith, Private Citizen, Las Vegas, Nevada

Chairman Yeager:

[Roll was called, and Committee protocol was explained.] We have just one item on the agenda and that is our work session for Assembly Bill 533. Members, you should have a mock-up of A.B. 533 that is also available on the Nevada Electronic Legislative Information System for members of the public. At this time, I will hand it over to Ms. Thornton to take us through Assembly Bill 533.

Assembly Bill 533: Revises provisions relating to cannabis. (BDR 60-1217)

Diane C. Thornton, Committee Policy Analyst:

Assembly Bill 533 was sponsored by the Assembly Committee on Judiciary on behalf of the Office of the Governor, and was heard in this Committee on May 21, 2019 ([Exhibit C](#)).

This bill creates both the Cannabis Advisory Commission and the Cannabis Compliance Board. In addition, this bill generally reenacts, revises, and reorganizes the provisions governing the medical use of marijuana and the use of marijuana by persons 21 years of age or older in this state into a new title of the *Nevada Revised Statutes* (NRS) and transfers the authority to license and regulate persons and establishments involved in the marijuana industry in this state to the Cannabis Compliance Board.

There is one amendment to this bill sponsored by J. Brin Gibson, General Counsel, Office of the Governor. The amendment does the following; these are some of the changes but not all of them. Most of these questions are ones that Committee members had brought up during Committee.

1. Section 51 revises the definition of "THC";
2. Section 52 revises the membership of the Cannabis Advisory Commission. There is a change to the mock-up on that section. Instead of adding a position in subsection 1, paragraph (c), subparagraph 9, it will be an either/or including

subparagraph 5, which is a member who is a physician licensed pursuant to NRS Chapter 630 or Chapter 633 and who has knowledge, skill, and experience in the medical use of cannabis through clinical practice or medical research; combined with or a member who possesses knowledge, skill, and experience in public health or food safety;

3. Section 53 revises the duties of the Commission;
4. Section 55 requires the members of the Cannabis Compliance Board to be residents of the state of Nevada;
5. Section 58 revises the salaries of the Board members;
6. Section 60 clarifies that all meetings are open to the public and must be conducted in accordance to the open meeting law;
7. Section 62 revises the organization and structure of the Board;
8. Section 64 revises the authorization of the Board to adopt regulations, including signage, marketing, gathering of data, and creating pilot programs;
9. Section 65 revises the procedures for the adoption of regulations, including filing regulations with the Legislative Counsel and allowing the Legislative Commission to examine a regulation adopted, amended, or repealed by the Board;
10. Section 67 clarifies that the Department of Taxation must conduct a tax audit of all licensees;
11. Section 68 provides that the employees of the Board who are certified by the Peace Officers' Standards and Training Commission must cooperate with the Attorney General in the performance of any criminal investigation;
12. Section 70 revises procedures relating to disciplinary action;
13. Section 91 establishes a 1,500-foot separation requirement from nonrestricted gaming establishments licensed under NRS 463.0177;
14. Section 100 is deleted, thereby removing the authorization of the Board to issue licenses for cannabis consumption lounges;
15. Sections 119 through 121 are deleted relating to the requirements for the operation of a cannabis consumption lounge;
16. Sections 197.5, 198.5, and 199.5 are added, prohibiting a local government from licensing cannabis consumption lounges;

17. Section 213.5 revises provisions concerning industrial hemp;
18. Section 239.5 of this bill requires the Cannabis Compliance Board to conduct a study relating to consumption lounges; and
19. Section 246 revises the effective date.

Chairman Yeager:

Before I open it for questions, I did want to say publicly that I think it has been 72 hours since we heard this bill, and I do not know that many of the folks working on the bill have slept much since then. So I wanted to publicly recognize Mr. Gibson, Ms. Hughes, and Ms. Young who have been working very hard on this bill since we heard it on Tuesday, and I think that work is demonstrated in the mock-up. I know they have been working hard because I have been getting those emails at wee hours of the morning with updates, so I just wanted to thank all of you. We are obviously at the point in session where time is of the essence. I appreciate that and I know the Committee does as well. With that, Committee, are there questions on the work session document for A.B. 533?

Assemblywoman Miller:

I just want to echo your sentiments as well. I was highly impressed with the amendment because it seemed that all the questions and concerns that we members brought up were addressed in that. That does not always happen to that extent. I know my questions were responded to as well. I really appreciate that, but I still have a question. For clarity, just to get on the record about the relationship—I understand that we are suspending the ability to open the consumption lounges. Can you explain a little further for the record how that will impact the authority or relationship with the city and county at the local level?

Chairman Yeager:

I can handle that, and I think the consumption lounge piece, as many of you know, is probably one of the most controversial and difficult pieces of this legislation. I will not speak for everyone, but in working through that, the lesson learned there was, we may want to proceed with a little more caution rather than having the state step in or having locals licensing on their own. The bill itself would preclude the licensing of any consumption lounges until we have a chance at the next Legislature to hear back from the Cannabis Compliance Board with input from the Commission that will be formed about the best way forward for cannabis consumption lounges. I think you will see in section 239.5, those are the areas that the Compliance Board with help from the Commission is to look at. You will see that there are some pretty intricate legal issues that arise from consumption lounges. I think the thought there was, it is best to proceed with caution and make sure that we get this right, so if we were to pass this bill, there will not be consumption lounges until the next version of the Legislature has had a chance to look at this issue.

Assemblywoman Peters:

I was wondering about the definition of consumption lounge. Is there nothing in there about consumption lounges?

Chairman Yeager:

That is correct. Basically, no one would be able to do a consumption lounge of any sort; whether it is at the dispensary that is now existing or on its own. So the law would simply remain the status quo in terms of public consumption.

Assemblywoman Hansen:

My concerns were addressed with those answers, but just to clarify, things stay the same now. In two years when we revisit this, who would have jurisdiction over licensing if we went to consumption lounges? We would decide who the jurisdiction for licensing would be—county versus state?

Chairman Yeager:

Thank you for the question, and this may be a good chance for me to phone a friend to come up and explain. I was looking at section 239.5 which indicates what is to be studied and what is to be reported to the Legislature. We will depart from our usual practice, and I will call whoever wants to come up to the table to explain what you think that vision might look like once we have the report envisioned in 239.5, and what the Legislature's role would be versus what the Cannabis Compliance Board's role would be.

Shellie Hughes, Chief Deputy Director, Department of Taxation:

I believe the intent behind that is to allow the Cannabis Control Board to make that determination. It could be that the state would have jurisdiction over the license or they may set some guidelines in place that the counties and cities would have to follow before approving those types of licenses.

Chairman Yeager:

I will just add to that. You might remember in the initial version of the bill, there were envisioned some statewide standards that would be put into place but the actual licensing would have been left to the local authority. I think that is an issue that is still being worked out. I think that is one that we could potentially take up or the Board could take up in terms of do we want the Board and the state to be the licensing entity, or, much like we do in the restricted gaming space now, where there are minimum standards that are set in law. I think the idea is for us to get some really good information envisioned in section 239.5 to be able to, at minimum, make some recommendations to the Commission or to the Board about how best to proceed in this space.

Assemblywoman Peters:

I was not a part of these discussion, so I apologize if I am off base. In my district we have a blossoming food center, local businesses, small foods, and one of the concerns is wanting to start to play in the space of foods with CBD, foods with cannabis products in them. I worry about, if we wait for another two years to even start the process of what it would look like,

could we have businesses opening? Could we do something along the lines of starting to allow for the business development of cannabis consumption lounges or cannabis consumption venues, so that businesses can start talking about what it would look like to be a business in that industry and have that be heard by the Commission or something along those lines so we do not halt industry altogether? I have fears about us being so far behind where other more local—San Francisco—places are in the industry, by completely halting.

Chairman Yeager:

A very good question. I think the answer to that question is yes. Obviously, the Cannabis Compliance Board and the Commission will take formation and start its work before we get back here for the next session. I would anticipate that those kinds of discussions about what that might look like, there would be input from those businesses, so it would not just be a hard stop, but plans could be put into place following guidance that will still be in formation. I do not think the idea is just to cut off this discussion. I really think it is the beginning of the discussion. With food products that are infused with cannabis, you would not be able to open an establishment that had those—but certainly there are other options for that now. Obviously, you have consumption in your house and that is okay.

I understand your concerns, but I also think we want to make sure that we get this right. I am kind of getting a commitment from the folks in the room that with input from those potential business owners about what this might look like, how this might develop, that that would be worked on in the interim. So when we are ready to launch this, we can launch it in a legitimate and quick way.

Are there any other questions from Committee members? [There were none.] At this time I will take a motion to amend and do pass; the motion will be to include the mock-up with the one change that Ms. Thornton talked about relating to members listed on the Cannabis Advisory Commission Board in section 52. That would be the motion.

ASSEMBLYMAN FUMO MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 533.

ASSEMBLYMAN WATTS SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Daly:

I wanted to comment on the one issue that was my main sticking point. I was reading the language over regarding the regulation part. It is a halfway step, a compromise and there is some review that is there. I will be able to support the bill with that, and I appreciate you guys making that step. I think it is a good one.

Chairman Yeager:

Is there any further discussion? [There was none.] Before we take the vote, I would like to thank the three I recognized earlier, but obviously there are a lot of people in this room and

there were a lot of amendments, opinions, and debate that happened over the last 72 hours. What we have in front of us, albeit not perfect—because nothing we do in this building is perfect—I think it is a really good piece of legislation, and I want to thank all of those who engaged over the last 72 hours to make this as good as possible for this morning's work session. With that, the motion is to amend and do pass with the mock-up and the one conceptual amendment.

THE MOTION PASSED UNANIMOUSLY.

I will take the floor statement. Congratulations to those of you who have worked on this. That brings us to the end of our work session. Would anyone like to give public comment either here or in Las Vegas?

Mona Lisa Samuelson, Private Citizen, Henderson, Nevada:

I am president of MJ Plan and Nevada's first medical marijuana patient lobbyist. I come this morning because I had presented a few amendments myself. I am very glad to hear that you did look over the salary requirements you made for the Board because I just want to put in there, I did not see the amendment so I am not sure what salary you amended it with. I do want to remind you that we are talking about the most important regulatory work going on here in Nevada. I want to ensure that we have quality people who enjoy doing what they are doing, and they do not feel like they are under pressure to please an industry and hope that later on they might get a better paying job with the industry.

I think that, from your public, it is a very important thing that you keep in mind that we pay our lobbyists \$60,000 for one session. So to ask them to take any less for a full-time employee is insulting, and we want quality people. Other than that, I am very much for this bill and I want to thank you so much for hearing our concerns. I know that you saw my amendments. There is no way that paperwork does not get through to you guys. Thank you so much for hearing the patients' concerns. I look forward to the Commission being established. I look forward to meeting our Cannabis Compliance Board, and I want to thank you for all your hard work. I am sorry, when I come into your meetings heated; I am just very passionate because I love my community and I want to thank you because each one of you makes our community great. Thank you.

Jennifer Solas, Compliance Director, Cura Cannabis Solutions; President, Wellness Education Cannabis Advocates of Nevada:

We are a nonprofit that has existed in Nevada since 2008. I am for this bill, and I am very happy that you are looking at salaries, because if I were to go for the top job, I would have to take a serious pay cut at \$45,000 a year for the top job for this Commission. I want to thank everyone for their hard work and their long hours on this bill. Thank you.

Erin Smith, Private Citizen, Las Vegas, Nevada:

I just want to thank all of you for drafting this bill and even considering legalizing the social use of cannabis. I am new to Las Vegas, I have only been here for a year and a half. I had a concern, since the suspension of the availability to open up a consumption lounge, if it was

possible to do a spa and wellness center that provided CBD or hemp-based products that the guests could participate in, if this was going to be allowed or if it is something that needed to be revoked since the cannabis consumption lounge was going to be suspended. I just wanted to have that question on record, and if you could answer on your own time, that would be great. Thank you.

Chairman Yeager:

Is there any other public comment? [There was none.] I will close public comment at this time. Committee members, we do not have any bills in Committee. We have processed everything we have so far. I can tell you that there is not going to be a meeting on Monday. We will have to see for the rest of the week. There are nine potential bills that are sitting in the Senate Committee on Finance that may or may not come over to our Committee. That is the workload we have for next week; it is somewhere between zero and nine bills, depending on what comes over from the Senate Committee on Finance. I do not think we have any additional work to do for the rest of today.

Before we close the meeting, I did want to thank the Committee members. I do not know if any of you in the audience saw this, but I got a wonderful gift from my Committee members. It is a Marc-André Fleury jersey from the Vegas Golden Knights, with the "Donut King" moniker on the back. Thank you to the Committee members; you know I am going to get a lot of use out of that gift as the Golden Knights march onward toward their first Stanley Cup in next year's season.

This meeting is adjourned [at 10:50 a.m.].

RESPECTFULLY SUBMITTED:

Cheryl Williams
Committee Secretary

APPROVED BY:

Assemblyman Steve Yeager, Chairman

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document on [Assembly Bill 533](#), dated May 24, 2019, presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.