

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE,
AND MINING**

**Eightieth Session
May 31, 2019**

The Committee on Natural Resources, Agriculture, and Mining was called to order by Chair Heidi Swank at 3:19 p.m. on Friday, May 31, 2019, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, 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:

Assemblywoman Heidi Swank, Chair
Assemblywoman Shannon Bilbray-Axelrod, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Maggie Carlton
Assemblyman John Ellison
Assemblyman Ozzie Fumo
Assemblywoman Alexis Hansen
Assemblywoman Sarah Peters
Assemblyman Greg Smith
Assemblywoman Robin L. Titus
Assemblyman Howard Watts
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jann Stinnesbeck, Committee Policy Analyst
Allan Amburn, Committee Counsel
Nancy Davis, Committee Secretary
Alejandra Medina, Committee Assistant



OTHERS PRESENT:

Will Adler, representing Silver State Government Relations; and Scientists for
Consumer Safety
Leo M. Drozdoff, representing Western States Hemp

Chair Swank:

[Roll was called. Rules and protocol of the Committee were reviewed.] Today we will hear Senate Bill 209 (2nd Reprint). Mr. Adler will be presenting the bill on Senator Harris' behalf. We have identified that there are some conflicts between this bill and Senate Bill 347, which has already been enrolled. We will also address those conflicts today.

Senate Bill 209 (2nd Reprint): Revises provisions relating to hemp. (BDR 49-584)

Will Adler, representing Silver State Government Relations; and Scientists for Consumer Safety:

I will be presenting Senate Bill 209 (2nd Reprint). I will first go through the concept of the bill and then the details. Senate Bill 209 (2nd Reprint) started off as a bill that would originally test all hemp products as if they were medical marijuana products. Hemp and marijuana are both cannabis products, but are not the same. Hemp is mostly grown outdoors in a large agricultural fashion; marijuana is grown indoors in smaller batches. The bill has gone through a long history of changes, and it has become a program where we will be testing agricultural hemp products in the field through the State Department of Agriculture. This bill will separate cannabidiol (CBD) products and products that claim to have hemp or CBD in them for human consumption for an additional separate test that is based upon the labelling and what is in the product. This is a big problem across the country because many products are now being branded as CBD or containing hemp, but there is no federal testing of those products, and there is no state testing of those products.

We saw this happen in Utah last year where a trucking company was threatening a lawsuit because many of its members had been taking a CBD product—they were told it was a CBD product—yet half of their employees failed a drug test because there was tetrahydrocannabinol (THC) in the product. Without the labelling and testing of these products, many are actually considered to be marijuana products because they have more than 0.3 percent THC. The other problem is, there is no regulation on the pesticides used on the plants or where these products are made. Many of them are made out of this country, such as Ukraine, China, and other places. The raw components are shipped here and then turned into CBD products for consumption by the general public.

This bill attempts to add in a labelling and testing component for the Department of Health and Human Services (DHHS) to then require regulations around the labelling and testing of CBD products.

There are two parts to the bill, the first dealing with the State Department of Agriculture, and the second dealing with DHHS's jurisdiction with regulations around the CBD product.

Chair Swank:

I would like Mr. Amburn to walk us through the changes that we will make to ensure there will be no conflict with Senate Bill 347.

Allan Amburn, Committee Counsel:

The conceptual amendment would make four major changes [there was no written amendment]. The first change is on pages two and three of S.B. 209 (R2). Essentially, sections 2, 3, and 4 will be deleted. The reason for this is because S.B. 347 repeals those provisions. On pages 5 and 6 of S.B. 209 (R2), section 12, subsection 2, will be deleted to conform to the deletion that occurred with S.B. 347.

The language in section 12, subsection 3, is going to be amended. The language will be copied from S.B. 347. It will say, "A grower or producer shall, before harvesting, submit a sample of each crop to the Department or an 'independent testing' laboratory approved by the Department to determine whether the crop has a THC concentration that exceeds the maximum THC concentration established by federal law for hemp. The Department may adopt regulations relating to such testing which include, without limitation." Paragraphs (a) and (b) will still apply. We are adding the words "independent testing" before the word "laboratory" to ensure that we are referring to the laboratory that is defined in section 12.

The final change is on the last page of the bill, section 18, which is the effective date. This will say that section 13.5, which is the section dealing with the DHHS, will become effective upon passage and approval for the adoption of regulations and performing other administrative tasks, and it becomes effective July 1, 2020, for all other purposes. All the other provisions of this bill will become effective on July 1, 2019. This is to conform to S.B. 347 which becomes effective on July 1, 2019.

Chair Swank:

This has all been worked out with the agencies and Senator Harris. Are there any questions?

Assemblywoman Titus:

How many different species of hemp are there?

Will Adler:

Cannabis sativa is both hemp and marijuana. The only distinction between marijuana and hemp is the hemp test must show below 0.3 percent THC. That standard is also a moving target because now it is in the Agriculture Improvement Act of 2018, commonly known as the farm bill, which is why in this bill we say 0.3 percent or what the federal government allows. Specifically, in Nevada, we started out with an original pilot program where we imported 12 strains of hemp from Canada and a couple of strains from Ukraine. Hemp, being a grass species, can interbreed almost immediately. For example, when I first started doing marijuana lobbying in 2013, there was something like 300 verified strains of marijuana—there are now over 3,000 strains of marijuana. It is not so much how many species, but how many genuses. The overarching genus is *Cannabis sativa*, which is the tall straight stalk of bamboo hemp. Marijuana, the bushier short plant, is *Cannabis indica*.

Assemblywoman Titus:

Your comment about this being like a grass and grasses can intermingle and then you get a hybrid is why we need regulations. There has been thought out there that if you have one genus of hemp in a field and you plant another one with higher THC, they will cross-pollinate. Is that correct?

Will Adler:

That is correct, it is called the "downwind effect." It is possible to get a spiked hemp crop. That would not develop in the hemp as it is growing, it would be in the seed bank that grows the next year. What we do is designate seed crop versus harvest crop in our hemp program in Nevada to try to mitigate that problem. If you are doing seeding, you have to have a plan on how you will do the harvesting and collecting of the seed after harvest. Most hemp is harvested before it goes to seed. Even if it does get pollinated, that crop still has to be tested.

Assemblywoman Titus:

We heard that when testing the crop, the State Department of Agriculture must do the testing before the crop can be sold. I want to ensure that this covers an additional management of control. It is not just the crop at the time of harvest that they need to manage, but also the seed production. There are many facets to the hemp production and control that these bills really need to mirror each other and not conflict with each other.

Will Adler:

The recommended changes are structured so the bills do not conflict with one another. We do have a standardized national method for seed banking in the United States. We can now transfer different hemp strains that are verified as clean between states. Before, we imported seeds from other countries and it was sort of hit or miss as to whether they would test below the limit. We are getting to the point with the federal farm bill where we can finally directly trade between states' seed banks.

Chair Swank:

For clarification, Nevada does not actually have 0.3 percent as a standard; we just refer to the federal standard, correct?

Will Adler:

That has been the federal standard for quite a while. We did refer to it in previous language. Now we are saying 0.3 percent or the most lenient of the federal standard because the thought is they might loosen it to 1 percent or 1.5 percent. We do not want to tie our state laws to 0.3 percent if the federal standard will be raised.

Assemblywoman Peters:

I am wondering about the laboratories and if we have the infrastructure to take on the additional testing.

Will Adler:

Under the current hemp program, the State Department of Agriculture goes into the field to do field sampling of the crop. The testing must be done 15 days before harvesting. The farmer would have to declare the harvest date and request the testing be done before that date. The biggest issue is getting testers out to the crops. Much of the hemp growing is done in Elko County, Douglas County, and White Pine County. The State Department of Agriculture can do the testing initially or designate an independent testing laboratory to assist them in the testing, if there is a timeline issue. The hemp grower will pay the independent laboratory to do the testing.

Assemblyman Fumo:

I have a comment for Mr. Adler. I just want to thank you for your expertise in this area. Nobody in this building in the last two sessions that I have been here has more knowledge on marijuana. I know that before it became legal, some people experimented, and it is clear that you have done full-blown research.

Will Adler:

You really have to get into the weeds on some subjects. Sometimes there is a passion that drives you more than anything else. I actually have a science background and a botany background, so I feel like I am leaning on University of Nevada, Reno and the fine professors more than anything.

Chair Swank:

Is there anyone here to testify in support for S.B. 209 (R2)?

Will Adler:

We are in full support of S.B. 209 (R2).

Leo M. Drozdoff, representing Western States Hemp:

As you have heard, hemp is now a legal product at the federal and state level courtesy of the farm bill that was passed in December 2018. We have worked extensively with Senator Harris as well as Mr. Adler, the State Department of Agriculture, and DHHS to ensure that S.B. 209 (R2) is going to do what it is intended to do, which is provide consumer protection and safety in a way that is going to work with this federal and state legal product. We are in support of this bill; we think it does exactly what it is supposed to do. It is important to point out that should the federal standard change, this bill will still be effective.

Chair Swank:

Is there anyone else who would like to testify in support? [There was no one.] Is there anyone who would like to testify in opposition? [There was no one.] Is there anyone who would like to testify as neutral? Seeing no one, I will close the hearing on S.B. 209 (R2). We will now move into a work session for S.B. 209 (R2). The Committee will be voting on the amended version as explained by Mr. Amburn earlier with those changes. I will accept a motion to amend and do pass Senate Bill 209 (2nd Reprint).

ASSEMBLYMAN FUMO MADE A MOTION TO AMEND AND DO PASS
SENATE BILL 209 (2ND REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion? Seeing none, we will vote.

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblyman Fumo. Is there anyone here for public comment? Seeing no one, this meeting is adjourned [at 3:37 p.m.].

RESPECTFULLY SUBMITTED:

Nancy Davis
Committee Secretary

APPROVED BY:

Assemblywoman Heidi Swank, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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