

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

**Eighty-First Session  
April 2, 2021**

The Committee on Judiciary was called to order by Chairman Steve Yeager at 8:05 a.m. on Friday, April 2, 2021, Online. 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/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Steve Yeager, Chairman  
Assemblywoman Rochelle T. Nguyen, Vice Chairwoman  
Assemblywoman Shannon Bilbray-Axelrod  
Assemblywoman Lesley E. Cohen  
Assemblywoman Cecelia González  
Assemblywoman Alexis Hansen  
Assemblywoman Melissa Hardy  
Assemblywoman Heidi Kasama  
Assemblywoman Elaine Marzola  
Assemblyman C.H. Miller  
Assemblyman P.K. O'Neill  
Assemblyman David Orentlicher  
Assemblywoman Shondra Summers-Armstrong  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Lisa Krasner (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Diane C. Thornton, Committee Policy Analyst  
Ashlee Kalina, Assistant Committee Policy Analyst  
Bradley A. Wilkinson, Committee Counsel  
Bonnie Borda Hoffecker, Committee Manager



Traci Dory, Committee Secretary  
Melissa Loomis, Committee Assistant

**OTHERS PRESENT:**

Scot Rutledge, representing Chamber of Cannabis, Las Vegas, Nevada  
Cristina Ulman, President, Chamber of Cannabis, Las Vegas, Nevada  
Nicole Buffong, Nevada State Director, Minorities for Medical Marijuana; and  
Director of Medical Voices, Chamber of Cannabis, Las Vegas, Nevada  
Christina Thomas, Director, Veterans Voices, Chamber of Cannabis, Las Vegas,  
Nevada  
John Hudak, Private Citizen, Washington, D.C.  
Christopher Sayegh, Executive Chef and CEO, The Herbal Chef, Los Angeles,  
California  
Briana Padilla, Director of Communications, Chamber of Cannabis, Las Vegas,  
Nevada  
Mark Cohen, Cofounder and CEO, Bud's Place HQF; and Bud's Place Franchising  
LLC  
Teddy Retta, Policy Director, Cannabis Equity and Inclusion Community  
Dani Baranowski, Vice President, Chamber of Cannabis, Las Vegas, Nevada; and  
Lead Sales and Operations Specialist, State Flower Cannabis and Valhalla  
Confections  
Katree Saunders, Private Citizen, Las Vegas, Nevada  
Chris Anderson, representing The Apothecary Shoppe  
Timothy Eli Addo, Founder and Executive Director, Cannabinoid Wellness  
Tyler Klimas, Executive Director, Cannabis Compliance Board  
Alex Ortiz, representing Nevada Association of Counties; Washoe County; and Clark  
County  
Arielle Edwards, representing City of North Las Vegas  
Layke Martin, Executive Director, Nevada Dispensary Association  
Teresa Hayes, Health Program Manager, Environmental Health Section, Division of  
Public and Behavioral Health, Department of Health and Human Services  
Annemarie Grant, Private Citizen, Quincy, Massachusetts

**Chairman Yeager:**

[Roll was called. Committee protocol and rules were explained.] We have one bill on the agenda this morning, and I will be helping to present that bill. At this time, I will turn the virtual gavel over to Vice Chairwoman Nguyen.

[Assemblywoman Nguyen assumed the Chair.]

**Vice Chairwoman Nguyen:**

I will open the hearing on Assembly Bill 341.

**Assembly Bill 341: Provides for the licensure and regulation of cannabis consumption lounges. (BDR 56-583)**

**Assemblyman Steve Yeager, Assembly District No. 9:**

It is an honor to present Assembly Bill 341 to you this morning. I intend to make fairly brief introductory remarks, and then I will turn it over to some other people we have on Zoom with us. First, Scot Rutledge will take you through the bill and amendment [[Exhibit C](#)], which you can find on the Nevada Electronic Legislative Information System. Then we will hear from Cristina Ulman, Nicole Buffong, Christina Thomas, John Hudak, and Chris Sayegh before taking any questions. I know that sounds like a lot of people to present, but I think we will be able to get this done in about half an hour before we get to questions. Additionally, as you might expect, there are many people who would like to testify on this bill.

Assembly Bill 341 takes on the somewhat vexing issue of public consumption of cannabis. Ever since Nevada voters approved adult-use cannabis, we have struggled with the idea of public consumption. The voter initiative expressly outlawed public consumption. That might have made sense then, but it does not now. More than 40 million tourists visit Las Vegas every year, and there are certainly many more who visit other parts of the state. Many of those are interested in trying cannabis, but there is nowhere they can legally do so. They cannot bring it into their hotel room, and they cannot consume it outside. As a result, many of them end up breaking the law unless they happen to know somebody who lives in Nevada and can provide a space for consumption. But it is not just the tourists. There are locals who have nowhere to consume as well. Perhaps they rent and are forbidden from consuming by their landlord. Perhaps they live in subsidized housing where federal restrictions would apply, or perhaps they just do not want to consume in their homes for personal reasons. Where can they go? Nowhere.

Assembly Bill 341 remedies this problem by providing for public consumption at well-regulated venues, whether associated with an existing dispensary or a stand-alone establishment. I think it would be fair to say that A.B. 341 ultimately decriminalizes consumption by finally providing us with a public policy that allows for it. Assembly Bill 341 is also an economic development measure in that it will result in additional revenue for the state while also providing new and exciting business opportunities, especially for those who have been shut out of the industry to this point, including those who have been adversely impacted by the war on drugs. Thus, social equity is a big driver for this bill. You will be hearing about that today from some of the other speakers.

Additionally, you will hear about the various provisions that will go into the proper regulation of these businesses, from safe consumption protocols, employee training to mitigate the risks associated with overconsumption, and how these businesses can provide an opportunity to educate and inform novice cannabis consumers. You will also hear some exciting testimony this morning about what might be in store for Nevada in this area. The possibilities are really limitless, which speaks to the intent of this legislation. The goal is not to define what is possible with these business models but to provide operational requirements and safeguards that will prove to be the foundation for a well-regulated cannabis

consumption lounge. This bill has been a long time in coming, and it has been a team effort with participation from way too many people for me to name right now. The bottom line is that we simply cannot wait another two years to get this right. The time is now, and I hope you will support A.B. 341. With your permission, Vice Chairwoman Nguyen, I would like to hand it over to Mr. Rutledge, who has been working furiously on this legislation for a very long time. He will take you through the bill and amendment and then we will have some additional speakers after that.

**Scot Rutledge, representing Chamber of Cannabis, Las Vegas, Nevada:**

I want to take you through the bill this morning and walk you through the amendment [[Exhibit C](#)]. I would also like to note that this is still a work in progress. There are a couple of amendments that we have yet to finalize, as we are working with a couple of agencies and organizations. We plan on having additional amendments, but what we present today is a good start.

The bill is essentially creating safe and well-regulated places for the public to be able to consume cannabis. I do not think anyone is a stranger to the fact that you can smell that smell just about anywhere if you are traveling in southern Nevada and different parts of northern Nevada. Obviously, a big part of that is our tourism. Visitors come here, purchase cannabis, and we have not provided anywhere for them to safely consume it. These lounges will give us the opportunity to not only direct visitors to these venues, but they will also provide a safe place for locals to consume, especially locals who are unable to consume at home.

Section 2 designates these businesses as cannabis consumption lounges. Sections 3 and 5 designate two types of consumption lounges. There is a retail consumption lounge defined in section 5, which basically means a lounge that is attached to an existing cannabis retail store. Section 3 defines an independent cannabis consumption lounge to mean a business at which the consumption of cannabis or cannabis products is allowed but is not attached to an adult-use cannabis store. Existing law prohibits a person from engaging in the business of an adult-use cannabis establishment unless they have been issued an adult-use cannabis establishment license.

Section 7 addresses that licensing. Section 10 prohibits the Cannabis Compliance Board (CCB) from issuing an adult-use cannabis establishment license or a retail cannabis consumption lounge license unless that applicant holds an adult-use cannabis establishment license or an adult-use cannabis retail store and the location of the proposed retail cannabis consumption lounge is attached or immediately adjacent to that retail store. Sections 10 and 14 exempt proposed retail cannabis lounges from certain restrictions relating to the location of an adult-use cannabis establishment.

Section 11 requires the CCB to adopt regulations establishing criteria to determine whether an applicant for the issuance or renewal of an adult-use cannabis establishment license, retail cannabis lounge, or an independent cannabis lounge qualifies as a social equity applicant, which is defined by section 9 of the bill—generally as an applicant that has been adversely

affected by previous laws that criminalize activity relating to cannabis. Section 12 requires the CCB to adopt regulations establishing criteria of merit and scoring guidelines to be used in evaluating applications for such licenses and requires the CCB to give an additional positive weight to social equity applicants' applications. Section 17 requires the CCB to establish fees for the issuance and renewals of such licenses as well as reduce fees for social equity applicants.

Section 16 makes a conforming change to reflect the addition of the requirements of the section. Existing law also prohibits the CCB from issuing more than a certain number of adult-use cannabis establishment licenses. Section 15—which we will go through in a minute—was amended out of the bill, and we will discuss why.

Sections 22 and 24 set forth certain requirements and restrictions relating to the operation. Section 23 authorizes a lounge to engage in certain activities. Section 20 requires the CCB to adopt regulations concerning these lounges. Section 25 authorizes a lounge to obtain cannabis or cannabis products from adult-use cannabis retail stores. It also authorizes a retail cannabis consumption lounge to prepare and sell ready-to-consume cannabis products. You will be hearing a little about that from one of our presenters, Mr. Chris Sayegh. Section 4 defines ready-to-consume cannabis product to mean an adult-use cannabis edible product that is presented as a foodstuff or beverage and is intended for immediate consumption. Section 28 requires the CCB to adopt regulations establishing requirements for the preparation and sale of those products.

Sections 19 and 30 provide certain requirements for cannabis products established under existing law that do not apply to ready-to-consume cannabis products, things like labeling, et cetera. Section 26 requires an independent cannabis lounge to allow cannabis or cannabis products to be delivered. It also prohibits with certain exceptions an independent cannabis lounge from acquiring or selling cannabis. Section 27 authorizes an independent consumption lounge to submit a request to the CCB to sell cannabis or cannabis products and if the CCB approves such a request, it authorizes the independent lounge to do a few things. We are going to talk a little about the independent cannabis lounge model and why we want to allow that flexibility.

Section 34 applies to the excise tax of retail sales of cannabis. Sections 31 and 33 make conforming changes to reflect the imposition of such a tax. Sections 18 and 19 revise provisions of existing law prohibiting the consumption of cannabis and cannabis products in a public place or in a cannabis establishment for the purpose of authorizing a person to engage in such activities in a lounge. Section 36 exempts a cannabis lounge's activities or complying to those authorized under the provision of this bill and the application of this provision. Definitions are, of course, included. We make more conforming changes, et cetera.

When the bill was first drafted, it was based on a policy outline that was provided from several months of conversations amongst various stakeholders. We were ultimately trying to provide for two license types. Initially, we were calling them "retail attached" and

"permissive use." "Permissive use" for the independent lounge essentially meant that the owner would have some flexibility in the type of business they wanted to open. We all know there is a cost associated with the inventory controls that go along with selling cannabis—the point of sale system related to it, other security measures, et cetera. They wanted flexibility for it, for someone who is entering into this industry and wanted to open up an independent cannabis lounge but may not want to start with selling cannabis. This bill would also allow the delivery of cannabis products to an independent lounge, directing the CCB to provide regulations. The same goes for allowing your customers to bring cannabis in with them and developing regulations around that. In the statute, we clearly explain that those products have to come from a licensed retail store in a sealed package. Again, this gives flexibility for the independent lounge concept.

The amendments [[Exhibit C](#)] were also a product of conversations with a number of other interested parties, including cannabis lobbyists, agencies, et cetera. We are hoping the next amendment will finalize that process. We are still in the midst of trying to get some clarification around a few items. With that being said, we have some proposed amendment language. In section 9, we wanted to explain that a social equity applicant would only apply to an independent cannabis lounge, not a retail cannabis consumption lounge [page 1, [Exhibit C](#)]. Based on some input from another organization working on another piece of legislation that addresses social equity applicants, we removed the part of the definition that says "or on the geographic area in which the applicant will operate." We really want social equity applicants to be about the individuals applying and not people in a geographic area. Of course, the CCB will go through the promulgation of regulations on this, and we may see more texture to social equity applicants, but for the statute, this is how we would like it stated.

Section 10 removes the last part of subsection 2, which basically has to do with part of the zoning discussion. Section 11, "The Board shall adopt regulations establishing criteria to be used by the Board for determining whether an applicant for the issuance or renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge qualifies as a social equity applicant . . . ." That goes back to the change in section 9.

In section 12, we wanted to address the idea of not allowing monopolies to take place in this new industry with these new licenses. In addition to adding the conforming changes in subsection 3, paragraph (b), "Provide an additional positive weight to social equity applicants" would apply to an independent cannabis consumption lounge license [page 2, [Exhibit C](#)]. In section 12, subsection 4, we wanted to state that "The board shall not issue more than one cannabis consumption lounge license in the same county to an ownership group, individual, or an individual with an ownership stake in a group." That essentially means that if you are a retailer who would like to open a lounge, you get to open up one lounge, even if you have five locations. This could be changed in the future, but as far as launching the program, we wanted to make sure that no one has an overarching competitive advantage in being able to open up more than one venue. The same would be true for independent lounge owners. We did not want to see someone try to come into this marketplace and open a chain of consumption lounges.

We struck section 15 from the bill because that also related to anti-monopolistic practices. We think that section 12, subsection 4 gets to that point better. Section 20, subsection 9 includes more clarifying and enabling language on the CCB setting forth rules on procedures and requirements for employee training on consumption of single-use cannabis and ready-to-consume cannabis products, which then conforms with section 22 [page 3, [Exhibit C](#)]. We wanted to be sure that inside these consumption lounges, as opposed to it being a free-for-all for the type of cannabis that can be purchased, we work with the CCB to define single-use cannabis products so we can limit the types of products that are consumed in these venues. We will define single-use cannabis and ready-to-consume cannabis products in the regulatory process. You will see those terms pop up. Be assured that we will get into a more detailed description of those regulations.

In section 24, we added that you cannot remove cannabis products that are purchased at a lounge [page 4, [Exhibit C](#)]. It is the same concept as a bar. These products are intended to be consumed on-site and not to be taken home. This essentially eliminates the possibility of these venues becoming de facto retail stores. That is not the goal. These are meant to be cannabis bars where you purchase your product, consume it, and leave. This is also why we need to address the issue of cannabis waste in these venues. Again, the CCB will be promulgating regulations as it relates to how to safely handle it.

Section 25 discusses that a retail cannabis lounge may obtain those products and sell them and that they are selling single-use. Section 26 does the same for an independent cannabis consumption lounge. We wanted to make it the same for both lounge types in terms of requiring that they get to sell the same types of products and that they acquire their products in the same fashion. We are still working on language for section 26, and we expect an amendment around it.

Section 26 is enabling language similar to section 25 in terms of being able to purchase and sell. Section 27 focuses on an independent lounge and the application process by which they will go through requesting permission from the CCB if they choose to sell cannabis [page 5, [Exhibit C](#)]. Section 28 includes the term "safe handling" in subsection 2 and, for conforming purposes, added "single-use" for cannabis products in subsection 4. Under section 37, we wanted to include section 9, which provides the same type of liability protection for a cannabis lounge as it does for a bar or a restaurant that serves alcohol [pages 6 and 7, [Exhibit C](#)]. We added that and used the same statute for alcohol to apply to cannabis.

[[Exhibit D](#) was submitted by Mr. Rutledge, but not discussed. It will become part of the record.]

**Cristina Ulman, President, Chamber of Cannabis, Las Vegas, Nevada:**

I have been a proud resident of Nevada for over 12 years, and I am a graduate of the University of Nevada, Las Vegas, William F. Harrah College of Hospitality. I have been privileged to work in the industry for over 13 years and build an incredible life in Las Vegas. Like so many residents and tourists, I thrive off the fun, innovation, and excitement that our city has to offer, not just as a resident, but as a leader in the cannabis industry and



community. For the past two and a half years, I have been the brand manager of one of the top-selling cannabis brands in Nevada, Old Pal, and I recognized early on the opportunity to help shape a market that we could be proud of as both Nevadans and passionate cannabis leaders.

Last fall, my colleagues and I were inspired to start the Chamber of Cannabis, a nonprofit that unifies professionals who strive to build a more inclusive industry. We focus on strengthening commerce, restoring justice, and positively impacting our community so our association can ensure Nevada will lead the nation in best practices. We see the clear opportunity Nevada has to create a safe place for consumers to use cannabis and not be criminalized. We also recognize the opportunity to boost tourism and economic growth after a devastating 2020. Cannabis consumers in the industry are eager to take the next step to cannabis commerce. Not only have we shattered stereotypes and stigmas so often associated with cannabis, but we have set up a high bar on how the plant can change so many lives for the better, including many who are not believers.

Concerning the two new license types for cannabis consumption, both existing retail and independent businesses will be able to apply, and both would operate almost identically with a few exceptions. First, both license types would be allowed to sell cannabis and even create new products on-site in the form of ready-to-consume infused food and beverages. Second, independent cannabis consumption lounges would have the ability to choose whether or not to sell cannabis products in their business model. If they opt to not sell cannabis, regulations would be put in place to allow for delivery of cannabis to their customers from a licensed retail cannabis store. They may also choose to have their customers bring legal cannabis into their venue in a sealed package from a licensed retail cannabis store. The goal is to provide flexibility in order to reduce operational cost, which might be considered for social equity applicants or entrepreneurs who are not sure if they actually want to sell cannabis but still want to participate in the industry. We ask you to consider what we think is good public policy that decriminalizes consumption and provides new opportunities in a more inclusive and diverse industry.

**Nicole Buffong, Nevada State Director, Minorities for Medical Marijuana; and Director of Medical Voices, Chamber of Cannabis, Las Vegas, Nevada:**

Personally, I am a cannabis patient, and that is the reason I moved to Nevada. Professionally, I am a cannabis advocate and community educator [[Exhibit E](#)]. I am here today representing both of these nonprofits in support of A.B. 341. Both of these organizations have memberships that are diverse and represent all aspects of Nevada's cannabis industry focused on strengthening commerce and diversity while advocating for social equity, medical cannabis users' rights, and cannabis law reform. We would like to thank Assemblyman Yeager for sponsoring this piece of critical cannabis legislation.

Nevada's cannabis sector is still a relatively new industry, but it has unfortunately repeated many of the same failures of other industries regarding social equity. Without intentional policy to drive inclusion, diversity, and equity in ownership at the executive level, leadership will remain lacking. One issue to consider in the future scoring of social equity applicants



should be the opportunity for these applicants to amend and revise any deficiencies in their application if they fail to meet a minimum threshold. While we recognize that this should be a function of the regulatory process, we think it is important to mention this on the record during this hearing. I would also point to an article published by the Pew Charitable Trust in January of this year that highlights many of the challenges in successfully implementing a social equity licensing process [[Exhibit F](#)].

In Nevada, per the initial demographic report published by the CCB in January 2021, the portion of owners, senior managers, boards of directors, and executive board members are disproportionately overrepresented by white Americans, and underrepresented by Latino Americans, African Americans, and Asian Americans.

Nevada, through this initial step of creating new cannabis license classifications, has a unique opportunity to create intentional pathways for diversity through ownership, employment, upward mobility into management positions, supply chain vendor procurement, and community reinvestment. This is an important first step to bring social equity applicants to the marketplace. Social use lounges will build a new sector of diverse owners and operators. These new licensees will help drive more minority business owners, which is critical in creating generational wealth within disadvantaged communities in Nevada.

We are confident that these new, diverse groups of operators will have the creative vision to build lounges that are experiential and fun, but we believe some will also focus on the health-conscious consumer. We understand that training staff who work at these facilities to recognize overconsumption will be a necessary component, and we look forward to the future opportunity to work with the CCB in promulgating regulations that will ensure safe consumption and the mitigation of risks.

While we have more work to do over the next few years, including the potential for further economic empowerment policy efforts, [A.B. 341](#) is an important first step in changing the trajectory for communities of color in Nevada. We strongly support this bill and will work with the Legislature and the CCB to ensure its success.

**Christina Thomas, Director, Veterans Voices, Chamber of Cannabis, Las Vegas, Nevada:**

I am an Air Force veteran, the Director of Veterans Voices for the Chamber of Cannabis, and the Chair of Southern Nevada Veterans Advocacy Council formed under the United States Department of Veterans Affairs. I am also a small business owner and a holistic entrepreneur certified in mind and body medicine, and a medical-certified cannabis consultant through Pacific College of Health and Science. Most importantly, I am a wife, mother, advocate for my veteran peers, and a miracle medical cannabis patient. I am here to testify in support of [A.B. 341](#).

Based on most of the conversations you will hear regarding cannabis consumption lounges, many of the lounges will be used for recreational consumption similar to a bar or lounge, which I absolutely support because cannabis consumers deserve a safe place to consume

socially without fear of breaking the law or paying a fine. I also see another opportunity for some of these licenses to be used to provide our community with health. As a survivor of military trauma and serving those who live through their trauma, it is imperative that I give voice to their needs. One of those opportunities is the creation of a cannabis wellness center that will be an option under the independent lounge licenses found in A.B. 341. These businesses could be modeled after a number of health center models that exist today, such as yoga studios, mind-body centers, rehabilitation centers, massage therapy, and other wellness practices.

It is my hope that individuals who are looking for a way to have a safe consumption experience with regulated cannabis products for the benefit of their health and wellness can find this under these new license types. As a certified medical cannabis consultant, I work with patients all over the world who currently must navigate without the ability to try their products due to their lack of safe consumption venues. Many of my clients who visit have no other choice but to learn at my private residence or NuWu Cannabis Marketplace, which has a recreational business model that may not be considered a comfortable place that is conducive to their healing process. With patients here in Nevada, I have had success providing them with a private residence and safe space for them to work on their healing and wellness, which includes my recommendations on which cannabis products they can have and should use. This is also added for those whom we have asked to have education in these facilities. It has been a very rewarding experience to see trauma victims work through their process and come out on the other side feeling whole with a renewed faith in life and able to trust others. Veterans and other trauma patients, whether locals or tourists, need safe, verified access to their plant medicine and deserve compassionate holistic care in safe places.

My own journey to learn about cannabis plant medicine was difficult for many reasons due to my illness, especially when it came to trying new products with proper guidance. It would have been much easier to have had a space to visit that understood cannabis, offered advice on methods of use, and even provided regulated products with certified analysis. Additionally, as a minority woman and a disabled veteran, even with the financial freedom to start my own business, I could not afford and did not have the political connections to get a license in the early rounds of licensing in Nevada. We must find better ways to be more inclusive to veterans, disabled members of the community, BIPOC [Black, Indigenous and people of color] communities, and those who are disenfranchised by the war on drugs. I think we can all agree that this is important, and this is something that needs to happen. Additionally, as a minority woman and a disabled veteran, I think that if I do not speak out, we should at least be able to look to others and find out what we need. I think we can all agree that Nevada must do better when it comes to social equity, diversity, and inclusion across many industries. As for A.B. 341, I see it as a great first step towards achieving these goals that will positively affect my community's socioeconomic status through these new opportunities in the cannabis industry. I appreciate all of you and your hard work thus far. It is important. I can speak for all of those who are veterans that we truly appreciate all of your hard work. Thank you for your time and consideration. Bless in peace and wellness to all of you. I appreciate you.

**John Hudak, Private Citizen, Washington, D.C.:**

I am a senior fellow in Governance Studies and deputy director of the Center for Effective Public Management at the Brookings Institution. I am also a senior fellow at the Brookings Mountain West program at the University of Nevada, Las Vegas. In many ways, I consider Nevada my home away from home as I spend a significant amount of time in the state teaching some of Nevada's future leaders and conducting research on issues relevant to the state, including cannabis policy, immigration, medical education, and federal grants policy. Before I begin, I need to note that my testimony for the record today represents my own views and is not an institutional position of the Brookings Institute.

Assembly Bill 341 is an important piece of legislation that would bring cannabis consumption lounges to the state. I will discuss with you today two general areas where such policy will have a benefit: first, meeting consumer demand in the state of Nevada; and second, addressing issues of social and racial equity in the state's cannabis policies. There is a serious demand for commercial locations in which cannabis can be used safely, securely, discretely, and legally. As Assemblyman Yeager noted in his opening remarks, that demand is not simply from tourists; the demand is significant for residents of Nevada as well. In addition, we know that policies around use that are woven into the cannabis system in Nevada are not designed to be discriminatory, but they are discriminatory in practice. There is a racial impact as people of color, young people, new Americans, and legal immigrants are much more likely to rent than whites are. While that area of cannabis is not designed to be discriminatory, it does have those effects by biasing against those people and groups exactly. Providing lounges ensures greater equity in access for individuals across the state of Nevada, whether they are residents or tourists, who seek to use cannabis in a responsible and legal way and in a way that does not create additional challenges for them.

In addition to that, it would not be the first jurisdiction to implement such establishments to meet consumer demand, be it residential demand or tourist demand. Other states and municipalities have either approved cannabis consumption lounges or some version of the same. Those policies are not untested choices made in legalization's early days that jurisdictions are now seeking to reverse. Quite the contrary, they are choices being made as more states choose to reform their laws, including some of the eight states that have approved adult-use legalization in just the past five months across the United States.

In touching on social justice and racial equity, I would like to build on some of the great comments from Ms. Buffong in her testimony earlier. More important than market demand in the state are these issues precisely in social and racial justice and equity that are inherently tied to cannabis consumption lounge policy and the design and implementation of that policy. As I noted above, the demographics of renting versus home ownership inject race, age, and other status-based aspects to this conversation. However, those issues do not end there. As designed, A.B. 341 would use the category of independent consumption lounges as an opportunity for the cannabis industry to be more inclusive and to provide additional ownership in management opportunities to people of color, women, new Americans, first-time entrepreneurs, and to people directly impacted by the war on drugs. The social equity applicant category among independent lounges recognizes that most existing licensees

in Nevada do not fall into the category of people eligible under the social equity heading. The social equity prioritization for licensure of independent lounges also presents additional opportunities for those applicants. Because these lounges will have fewer capital costs, startup costs, and relatively lower license fees than other types of cannabis businesses, this policy has the opportunity to benefit the precise individuals the social equity category seeks to boost. It also ensures not just entry into the cannabis industry in cannabis ownership space, but also the ability to succeed and to thrive.

Next, in relation to licensure, cannabis consumption lounges present an opportunity for the state to right some of the wrongs involved in the early realms of licensure for the cannabis industry. It has become clear that the first round of licensing in the state could have been more equitable and that the system left out a lot of prospective business owners who could have boosted the diversity of the ownership class in cannabis. That lack of diversity happened in part because of the licensing process itself and in part because of the barriers to entry into the system as designed. Licensing cannabis consumption lounges offers those same individuals who were left out initially a renewed opportunity. If Assembly Bill 341 passes, regulators must be permitted to—and have the legal authority to—promulgate regulations that seek to level the playing field for independent cannabis consumption lounges. As I noted above, there would be some advantages for existing ownership to those who choose to open retail consumption lounges. The CCB must ensure that regulations allow fair pricing for independent lounges and work tirelessly to ensure that there are not structural market disadvantages for independent consumption lounges that make it difficult or impossible for them to compete.

The last thing this policy is designed to do is to create two categories of businesses: retail lounges that succeed, and independent lounges that are destined to fail. Designed regulation and oversight are key. In that effort, to provide the tools for independent lounges is particularly important, given the goal of using independent lounge licensure as a means of boosting diversity in the industry. Nevada cannot afford to design a system that provides unlimited opportunity to retail lounges in disproportionately white male and wealthy owners of those operations while setting up to fail independent lounges and the potentially diverse owners of those businesses.

To conclude, like any area of cannabis policy, the passage of A.B. 341 is just the first step toward ensuring a policy that achieves the goals that its sponsors on this Committee and public supporters desire. Throughout the legislative and regulatory processes, officials must ask themselves whether the policy is set to benefit the broadest swath of Nevadans, cannabis consumers and potential business owners alike. In areas where the deck is stacked against those harmed most directly by the drug war, against people of color and against young people and women, flexibility must be provided in the policy to change course. Assembly Bill 341 has the chance to spur opportunity in a time of serious economic loss into a diversifying industry that is disproportionately white and male-owned.

**Christopher Sayegh, Executive Chef and CEO, The Herbal Chef, Los Angeles, California:**

I want to give a quick thank you to everyone else. It is incredible to hear some of the other presenters give such an honest and true portrayal of what everyone is doing in this industry. I have been a chef and entrepreneur in the hospitality space for the past two decades, and I appreciate the opportunity to present before you on behalf of Assemblyman Yeager's A.B. 341. It is my hope that I can provide the Committee with some useful information as you consider the merits of this legislation through my particular skill set and my business proceedings over the past five years since incorporating.

I am very humbled to say that I have received global recognition for my work in the niche area of cannabis hospitality. Before cannabis hospitality, my background was in microcell biology out of the University of California, Santa Cruz. Over the years, I have worked with esteemed organizations such as the National Restaurant Association, the New England Food Show, the American Culinary Federation, and Hospitality New Zealand, amongst many others in the hospitality space. In 2019, I was hired to create the dosing standards for the Netflix show called *Cooked with Cannabis* as well. My work with the National Restaurant Association has been especially rewarding, and I was recently invited to curate and oversee the Cannabis Showcase for their annual show starting in 2020 but now pushed to 2022. I am currently working on a book with Simon & Schuster that I hope will inspire and educate more people to think about the possibilities of cooking with cannabis on a global scale as the book will be translated into many languages.

Regarding section 28 of the bill, I would like to speak on the topic of ready-to-consume cannabis. I have a business that focuses specifically on in-home private dining as well as events in the cannabis space. This is coming with years of experience within this exact niche that we are discussing. The proper way to cook with cannabis is to understand the process and, more importantly, the quality of the substance. It is important to start with quality, regulated product that has been lab-tested. That is one of the most important parts because the experience is only as good as the starting material. In our findings, we see that the majority of people—50 percent—enjoy 10 milligrams at a given time. There are about 10 percent who do not want any, and the other percentage is made up of any range from 15 milligrams to 150 milligrams. We have collected this data from thousands of dinners and tens of thousands of guests held around the United States, as well as surveys taken around the globe. The way in which the operator infuses the food or baked goods can be uniform if controlled by the state. However, I believe that this will hurt the creativity of the industry in the long run as we saw in California. I was a part of that legislative process for the West Hollywood on-site consumption lounges and saw it veer from what we had originally proposed into what it is now and how the legislation is now currently changing to a more acceptable means. I believe the state should mainly be concerned with the end product dosage, meaning, if the dosage is ordered by a consumer that is 15 milligrams, then the state should be concerned solely that the end product is within a 5 percent to 10 percent variance of that order dosage. We have been able to hire regional chefs with my company and create our specific standard operating procedure (SOP), relying on a universal method of dosing.

All of us have different tolerance levels and, to us, that is the pinnacle of cannabis hospitality: allowing one to have informed consent.

I also believe there should be a necessary standard operating procedure for cannabis hospitality. One thing to think about as you plan your regulations is reservations. Course serving is a great way to titrate and that is currently what my company offers in three tiers of offerings. Essentially, there is one that is the family style, as we dub it, with certain protocols. The next two are with coursed-out meals, keeping the doses low and adding up to the tolerance level specified by the individual and the individual having to be informed and educated prior to choosing that dosage. We can always add more, but we cannot take it away, similar to salt. As any great chef knows, you have to season things properly. Observing cannabis consumption and changes in behavior are also important in identifying overconsumption and are part of our current SOPs. There are many SOPs necessary for cannabis hospitality operation. This ranges from the initial order of the THC percentage to the customer, to the labeling of the dishes, to the timing of which the dosage comes in, which means that you can titrate it over a longer period of time and have a certain effect for the individual, or you can put it all into one dish and that will have a certain effect for the individual. We advocate for the former. Every establishment should have the ability to create any type of cuisine that the operator chooses.

The main component of concern is the informed consent of the consumer. If the consumer says they want a certain amount of THC, the operator now has the duty to oblige, and a failure to do so is negligent at best, in my opinion. Here are some of the line items from our SOPs, not indicating all of them, but I will go over a few that will get the ball rolling, but I would want to elaborate more on as this process continues.

The first is educating the consumer. We have a picture guide and subsequent verbal explanation to the guests who are attending any one of our private or public events. Then we have our services director go through and take the orders of each individual person, creating a guest label for the evening with the dosage, allergies, and anything else that we need to know about the individual and their seat number as well. The expeditor is the only person who touches the cannabis, so there is only one designated person controlling the flow of dosage from our kitchen to our guest, and they communicate with both the kitchen and front-of-house staff in order to make it as smooth as possible. We do not allow switching of seats. If there is a switching of seats, there are certain protocols that we have to follow for that. We incorporate full-spectrum extracts, or we have to incorporate CBD into the meal as well. As we all know, the science behind cannabis has been coming up with some incredible new findings over the years, and it is important to recognize that a full-spectrum extract has more longevity than any other isolate that is currently on the market. We, as operators, should be able to inform our guests about what the true nature of the cannabis plant and plant medicines including the actual full spectrum and why it is more important to use that than using isolated extract. Our staff is trained on that as well.

In addition, we have to train our staff on cannabis hospitality, which means understanding first and foremost the totality of what it means for cannabis hospitality in addition to

recognizing overdosing, recognizing someone who comes in already intoxicated, or any number of situations in which we would have to deal with in this scenario.

In closing, I would like to thank Vice Chairwoman Nguyen and the Committee for allowing me to present today and to discuss these topics. I would like to thank Assemblyman Yeager for inviting me to participate with my expertise as part of this historical bill presentation, one that I believe is the future of our industry. I am happy to answer any questions from the Committee as well.

**Vice Chairwoman Nguyen:**

Assemblyman Yeager, do you have any follow-up remarks, or are you ready take questions?

**Assemblyman Yeager:**

I would like to thank the Committee and Vice Chairwoman Nguyen for the time to talk about the bill and hopefully provide you the exciting opportunities for the industry. I hope that what you heard in the presentation is that this has been pretty well thought-out. We still have some progress to make, and I think you will hear some of that through the questions and testimony, but I am excited about what this could mean for our state. We are happy to answer questions the Committee members have.

**Vice Chairwoman Nguyen:**

I love that our state has become not just an entertainment and gaming destination. At least since I moved here in 1999, there were a lot of chain restaurants and it was a smaller restaurant community. I love that we have become a foodie destination. In our own Committee, we have Assemblywoman Alexis Hansen, who has a foodie-like blog on Instagram. I love that we not only offer Michelin-starred restaurants, but we have more and more local restaurants that are creative with their cooking and thriving in the community.

I know there are states across the country, California particularly, that have consumption lounge-like licensing that allow these restaurants to thrive. I see this as a way to attract and promote our cannabis chefs and restaurateurs, mixologists, and foodies in the state of Nevada. Is that how you see some of these independent lounges being able to work within that model?

**Scot Rutledge:**

The ultimate goal with creating the lounge concept—whether it be retail-attached or independent—is to allow for flexibility, ideas, and creativity. We know that the Legislature needs to set some very firm rules about how these businesses should operate, the guidelines that are necessary, and then the CCB will promulgate the necessary regulations to ensure we have safe consumption. By doing this, we are not creating a public safety issue or nuisance. Cannabis consumption without a legal, well-regulated place to go is a nuisance in our community, whether it is in your hotels, sidewalks, parking lots, et cetera.

I have toured quite a few facilities over the past three years in different states. Some were what I would almost describe as an airport smoking lounge, which is probably the last place



most people want to spend their time consuming cannabis, to the point where you were not even allowed to bring in food or beverage, maybe a bottle of water. It was literally a place to get your fix and leave. We have seen some other models where they have tried to allow just for people to bring their own cannabis in. While that can work, if you allow for certain creativity, we also think that the ability to sell cannabis in these venues is important. That leads to the comment you were making in the question about the ready-to-consume food products. This would also include beverages.

I know a lot of people—if you were on Instagram during the pandemic, it was like an interesting sea change. First, a lot of people run to the liquor store to buy as much alcohol as they could to begin the pandemic, and then realize somewhere along the way they probably need to stop drinking so much, and then it became more about these different types of mocktails. It was interesting to see how people were reacting to things. Quite frankly, over the last two years, we have seen an explosion in new nonalcoholic beverages.

One of the great things about THC science right now is that they have created products that can be added to these beverages in very low doses to give you a different effect, but to create the same sort of feeling as when you are drinking alcohol. Infused beverages and infused cooking are definitely part of the future of this industry.

I would like to turn it over to Mr. Sayegh for a moment to speak about some of his experiences and other markets that he has worked in. We definitely recognize there is a huge opportunity to put Nevada on the map as a cannabis cuisine destination.

**Christopher Sayegh:**

This is exactly the point you brought up. There is a whole community of people who particularly love food. We eat it three times a day. What I found in my work is that what we are creating here and the journey that we are trying to elaborate through plant medicine, which has always been a part of human history, comes through really well with food. It transcends any race, religion, sex, or language barriers that we are currently dealing with and allows us to open up the conversation literally around the world, which is what I have been able to go—fortunately and gratefully—and see firsthand in my experience with being essential with my business from New Zealand to Spain to Italy to Canada to South America to North America. Everywhere in the world that I have been fortunate enough to speak at, there has been a huge community of people who are very interested in this. I think the majority are interested in learning the whole process about this, but I think hospitality and cannabis and psychedelics in a more general sense, go hand in hand with hospitality. It is the nature of nurturing one another, and cannabis plays a vital role in that entire process.

I can speak for hours on what I have seen with my company, including in Los Angeles and now in Miami and Colorado, how the numbers have dramatically risen and the inquiries have dramatically risen and the number of emails that we get per day from people wanting to learn this industry in the hospitality realm. I think this is going to be the largest portion of the cannabis industry moving forward outside of just straight consumption.

**Assemblywoman Bilbray-Axelrod:**

My concern is how this lines up with the provisions of the Nevada Clean Indoor Air Act. I am wondering about ventilation systems, even stand-alone. I remember when I was working at The Smith Center for the Performing Arts and walked next to Willie Nelson's trailer and was high for the rest of the day. Not joking. How do we address those issues?

**Scot Rutledge:**

A big part of the CCB's role in regulation of these businesses is going to be looking at the issue of indoor air quality and air movement. We know it is possible to create a better indoor air environment through air movement and in addition to the filtration systems that exist today. It is definitely something that will be discussed and implemented through the CCB regulations. I will be happy to have someone from the CCB speak to this.

I can also tell you that with these venues, some will absolutely include the smoking of cannabis, but a number may choose not to. They may want it to be an infused-cannabis dining experience. They may not want to allow people who smoke cannabis throughout the venue. Maybe there is a smoking area. In speaking with a representative from Clark County yesterday and in my past conversations with people at the City of Las Vegas, I do not think we should include anything in this legislation that prohibits outdoor consumption. We want to maintain nonvisibility, so it is not visible to the public that this consumption is taking place. I imagine that in a situation where you might have a rooftop or a patio area, allowing that outdoor consumption can also be part of a business plan. These venues are designed for people 21 or older. Anyone who is choosing to visit these venues knows and expects that cannabis is being consumed and that cannabis smoke is going to be there. I definitely understand the need to protect the employees who are working in the facilities. That is the primary impetus behind the air filtration systems. I think we can answer a lot of these questions and address them through the regulatory process.

**Assemblywoman Cohen:**

I would like to ask about the social equity applicant portion. I understand that social equity in this field has a lot to do with criminalization in past years. I always thought that it included some financial aspects. I know there was testimony about how this is a good way to get into the field. How do communities of lower income not just get into the field as far as having jobs, but as far as getting licenses?

**Scot Rutledge:**

I will point to the flexibility in the independent cannabis lounge license type if you would like to open up a venue where permissive use takes place because you do not have the budget to open up a venue that is going to require inventory controls and all the other aspects of selling cannabis or touching the plant. We wanted to allow that flexibility. We also did not want to set it up so that that venue would only ever be what we might call a permissive use venue where product would be delivered to. Once a business is up and running and they have other revenue streams that they have designed in this business—that question gets asked often. How are these businesses going to make money? For some of these businesses, the consumption of cannabis is secondary to the primary purpose. If you can run a business that

makes money—coffee shop or what have you—but then allow your guests to come in and consume, and through the process of being a successful business through its operational revenues use those dollars to expand your business model to sell cannabis, that is possible in this legislation. As we are going through the regulatory process, there has already been a discussion with the CCB about the reduction or elimination of certain fees.

Initially, with cannabis establishment licenses there is also a question over the requirement of liquidity. That is not expressly deleted in this legislation because we believe that any business that is going to apply, especially for a privileged license, will need some operational cash flow on the front end, but I do not think we need to define that liquidity in the hundreds of thousands of dollars as we have in the past. I think we can set that at a much lower level. That is based on what we hope will be robust and very informative conversations around what we can actually do through the regulatory process to assist social equity applicants, and beyond even financial means with expertise, et cetera. We are still currently in conversations with other parties about the social equity component of this legislation, and I believe we will be back with additional language and an amendment to further extrapolate on it.

**Assemblywoman Kasama:**

Can you help me have a realistic view of what this might look like in our communities? If the casino allowed it on one of their rooftops, could we have an open-air section cordoned off? Or in a convention hall, could we have an area cordoned off or enclosed if the establishment allowed it? Could we have a section on the sidewalk on the Strip that is cordoned off for this? Could you give me a big picture of what this might look like to our communities?

**Scot Rutledge:**

I think there might be a little confusion here. This is not meant for public consumption. This is not meant to be something where you walk over to a corded area like a smoking section. These are brick-and-mortar businesses. The intention is to go in and have a cannabis experience that is curated both from the perspective of the sale to the education that takes place. In the case of an independent lounge where the product may be delivered, there is still a transaction, which can be limited. Someone is bringing product in. Again, it is about talking with them about the product they are bringing in and making sure it meets the restrictions or requirements for bringing that product into the venue.

As far as something on the Strip or in the gaming corridor, the bill explicitly prohibits these types of businesses from being located within 1,500 feet of an unrestricted gaming license. There is a provision to allow some of the existing retail stores that might find themselves within that buffer that have been in existence before that new setback was created in Assembly Bill 533 of the 80th Session to allow them to have an attached retail venue. An independent lounge would not be able to locate within that 1,500 feet.

Part of the solution with tourism is that we do want to have venues that are located around the corridor—nearish to the gaming industry. Obviously, that 1,500-foot buffer provides some restrictions and will eliminate some locations that while we might think from a

commonsense perspective are ideal in respect and honor to the gaming industry has requested in this, and we want to make sure that we protect what they are doing as well. I see these as destinations versus a place that as you are walking down the street you say, Oh, there is the smoking area. That is not the intention here. These are destinations.

You asked the question about how the consumer would know where to go. This will allow retailers at the point of sale to inform these consumers, their customers, more explicitly around our consumption laws in Nevada. You cannot consume this in your hotel room, on the casino floor, or on a public sidewalk. You may consume this at a venue. If they do not have a venue attached to the retail location, they could provide information about other venues that are nearby. The goal really is to now kind of flip the script a little bit, instead of avoiding that conversation with our cannabis consumers, be able to educate them about where it is permissive.

**Assemblywoman Hansen:**

My question is regarding some of the discussion about infusing the products into food. I would like to find out if we have established an impairment standard. Certainly, it is a concern if we have stand-alone lounges or even adjacent to dispensaries. What is the impairment standard when they leave? How do we measure it? If it is in food, does food now enter the category of possibly impairing us when we leave an establishment and drive our cars?

**Scot Rutledge:**

I would like to ask Mr. Sayegh to speak to this, but before doing so, I want to make one point clear. The education and training component that is going to be required for those agents who work within these businesses is probably going to far exceed what we currently have in the industry today. We are actually monitoring consumption. Today, a cannabis consumer buys a product at a retail store, and they may have a conversation with a budtender about what might happen, but it really depends on the individual and there are a number of factors to consider.

**Vice Chairwoman Nguyen:**

I am also consulting with legal counsel about liability. I do not believe we have dram shop liability for alcohol consumption, so I am checking with them as well, Assemblywoman Hansen.

**Christopher Sayegh:**

One thing that we have continually been a part of is essentially having the ability—when we have someone reserve a seat or two or however many they are booking out—to offer a ride share. We have a partnership with Lyft where we can discount their ride to and from. We realize this is a special-case scenario. This is not going to apply to absolutely every establishment.

Pinpointing a level of impairment would only be possible through the education of our staff. There is no possible way to create a standard within what somebody is considered impaired

because the individuality of how cannabis—specifically the psychoactive THC effects. Everybody is so variable from person to person. Somebody could get 100 milligrams and feel completely fine while another person can have 10 milligrams and be completely floored. There is no standard in the industry in that way because of that specific issue that has consistently arisen in any of the research done through consumption. All of it boils down to the SOPs and the education of the staff and the consumer. When we are putting forward that consumption lounge or area, designated consumption restaurants or bars, et cetera, there is only one way to actually monitor anything, and that is going to come through with how our servers are interacting with the guests. If there is a guest who comes in inebriated, that is a cause for us in our personal business. One of our SOPs is that if someone comes in already inebriated, we do just put in CBD in their meal. That way, they can still enjoy everything with the group that they are with and do not feel left out; however, we recognize there is a cut-off limit in which if they continue to consume THC, alcohol acts as a catalyst for the metabolism of THC. Therefore, we would be doing ourselves and them a disservice by offering them cannabis in an already sketchy situation.

In answer to Assemblywoman Hansen's question if we are having to worry about our food being infused and if we can drive after a meal, the whole point is to have an educated consumer base and an educated staff. Everyone has free will and, of course, if they want to go to a bar and have a few beverages, it is within their right to do that. The only time the staff is liable is if they see someone is completely inebriated and they do not do anything to prevent it. I would say that a lot of the situations which we have already faced with bars and current legislation within the alcohol industry would pass over into the cannabis industry.

**Vice Chairwoman Nguyen:**

I heard back from our legal staff, but I think I can go to Assemblyman Yeager to point out where he is with the amended language.

**Assemblyman Yeager:**

I would like to clarify in terms of how we treat liability with respect to people who are serving products and operating the venues. We are looking to treat it exactly the same as we do with alcohol. In the amendment that Mr. Rutledge went through, it is the very last two pages of the amendment [pages 6 and 7, [Exhibit C](#)]. We took the existing statute that protects alcohol establishments and translated it to cannabis establishments. What that means essentially is that it is up to the individual to be responsible. Of course, there is an educational component, and I would expect the CCB to have some regulations around education informing the consumers about transportation options. I think you can think of it much like we do with bars. We have some level of expectation that consumers are going to be responsible adults. There have been a number of campaigns over the years for designated drivers. I think that would apply here, but there would not be a risk of liability on people owning and serving the products, much like we do with alcohol.

**Assemblyman Orentlicher:**

I find the concept of consumption lounges very appealing. I recall testimony from an expert on the cannabis event bill saying that one of the important reasons to support it—namely,

cannabis events—is that in other states the cannabis lounge concept has not lived up to its promise and it has not been appealing to consumers of cannabis. Could we get some clarity on this different presentation about the value and benefits of consumption lounges?

**Scot Rutledge:**

I am familiar with the presenter from that hearing on Assembly Bill 322 [Assembly Committee on Revenue, March 25, 2021]. We worked closely together in 2019 on the City of Las Vegas ordinance for a social use venue license. Andrew Mievre is correct. What they have done in other markets did not work. As I mentioned before, I went to San Francisco and visited one of their social use venues—there are two lounges. You go into a retail store, you buy cannabis there, and they essentially have an airport smoking lounge in which to consume. You are not allowed to take any food or beverages. You consume your cannabis, and you leave. Most people would rather buy the cannabis and go to where they like to consume, whether it be home, the park, or wherever. In Denver, they had a lot of challenges with the way they drafted Initiative 300 and other attempts at cannabis consumption legislation. I believe their new cannabis hospitality law is much improved. I am hearing from my colleagues in the Colorado cannabis marketplace, and they are very excited about what that is going to provide in terms of venues where people will want to attend.

I know there has been a difference in communication around the idea of events. They definitely are something that occur on a regular basis, and having regulated cannabis consumption events are definitely something that we support. We talked about even what that might look like in this legislation, understanding there was another bill that Assemblyman Miller was working on, and we decided to focus on the lounges. Let us say somebody wants to open up a venue that is for live music. Live entertainment is allowed in this bill, so now you have a live music venue where either cannabis can be purchased because you chose to sell it or you could potentially work with one of these vendors where they would do the event inside that venue. The point is, we want flexibility in this licensing because the creativity that is out there and the things I have been hearing from various entrepreneurs over the last three years is truly incredible. If there has ever been a community—I am going to be a little southern Nevada-centric—Las Vegas has demonstrated time and time again that they are willing to take risks and do interesting things. We have the world watching us.

I would like to see this bill done in such a way that other states and other markets take our exacting standards and regulations, but also look at the entrepreneurial spirit that will happen around this industry and then mimic what we do. It is correct that other places have tried to do lounge venues and have not been successful. We think Assemblyman Yeager's bill, designed as such, will change that conversation on what these lounges can be.

**Assemblywoman Hardy:**

I would like a little more clarification about the training of employees about single-use cannabis products, recognizing impairment or overconsumption, and how to handle a consumer that recognizes it. I am thinking it is similar to what people get with a TAM [Techniques of Alcohol Management] card, and you have to get education, and the card

shows that you received that training. Are there currently training programs already, or is that something the CCB would develop?

**Scot Rutledge:**

There are some programs that exist today. I imagine that through the CCB's process of promulgating these regulations, we may point to some of those specific serve smart programs. I think something that could come out of this is actually an opportunity for entrepreneurs to develop those types of education training programs based on the exacting regulations we expect from the CCB. While we do not have that program here in Nevada, I know it has existed in a couple of other markets. I would like to see a Nevada-designed program. I see Ms. Buffong nodding her head yes because this is something she and her organization have been working on nationally. I think we should have a Nevada-created program that will be based on the regulations that the CCB promulgates.

**Assemblywoman Hardy:**

That is a component I think is really important. We keep hearing that there is not a standard and it affects people differently. How do you recognize that? For someone who has not been around it very much or not at all, I think it is essential to recognize that in someone and then know what to do about it. I would also like to clarify if they are allowed to have alcohol served in the lounges.

**Scot Rutledge:**

No, they are not. Currently, a CCB regulation does not allow alcohol to be included in any cannabis products or served. Because this is a cannabis establishment license, you cannot mix those licenses. This was discussed somewhat in 2019 when the City of Las Vegas was looking to do their ordinance because they were not going to be regulated by the state and, therefore, not cannabis establishment licenses. It would have allowed for that flexibility, but because these will be licensed by the CCB, no alcohol is allowed to be served, consumed, or on the premises at these venues.

**Assemblywoman Summers-Armstrong:**

This is a very interesting topic. My question is concerning what was alluded to by Assemblywoman Cohen, which is social equity. I would like us to have legislation that is not aspirational but is intentional to heal and fix the wrongs that have happened in the past. I am very unclear from your presentation how permissive use venues are going to be able to allow an owner to earn enough capital to get a full license. Am I understanding that those licenses are a million dollars or more? I am very unclear as to how that is going to be accomplished and that concerns me very much. Would you speak to that?

**Scot Rutledge:**

I will address the last part first. There is no cost for these licenses established yet. The CCB will establish the fees. We are setting forth in this legislation to provide a reduced fee for this license type. Secondly, in terms of the type of business someone would like to open, to be very clear, an independent cannabis lounge can do the exact same things as a retail cannabis lounge. The difference we are providing for with an independent cannabis lounge



is this: if you are a social equity applicant and your access to capital is limited but you would like to place a marker in this business and industry and open up a lounge where you may not initially choose to sell cannabis because the costs related to it are so high, that is outside of licensing. That is just the cost of doing the business. You would be able to open your business and have other revenue streams. These can be restaurants, comedy clubs, et cetera. It is up to the individual business plan. Once they are operational, maybe they are charging a cover fee or doing some other way to add a revenue stream for that business. This is the idea that you are working with an applicant who does not have the access to capital to do the whole thing initially, but through the operation of a venue that now has become known, not just here in the community, but potentially nationally as a cannabis lounge in southern Nevada or northern Nevada that people want to attend. People understand that in that venue, cannabis is delivered or that they bring it with them, but they are spending money otherwise. Now all of a sudden they have developed a core business, at which point they can use operational revenues to go after that license. Nothing prohibits that business owner from applying to the CCB for the ability to sell cannabis at the independent cannabis lounge. We need to look at some additional language around social equity applicants—to not just provide for those reductions in fees, but truly incentivize those applicants to be part of this industry. It is a work in progress for sure, but I know that we can get there.

**Assemblywoman Summers-Armstrong:**

Has there been any discussion about setting aside some of the fees that are paid from the existing, fully licensed cannabis dispensaries to go into some type of a fund to help the social equity applicants to be able to start their businesses and to be able to sell from the gate? Your model for no sale or bring in does not appear to be an intentional model. It seems aspirational and, to me, destined to fail.

**Scot Rutledge:**

Any independent cannabis lounge has the ability to sell from day one. The idea of allowing that flexibility comes down to having the resources to provide for all those additional costs as it relates to touching the plant. As far as a fund, yes, there have been discussions certainly. We would need to make some changes: for example, how cannabis tax revenue is distributed. I know that one of the Chamber of Cannabis's goals is to see an equity fund created. We have had conversations with Assemblyman Yeager about this. If it is something that this body would like to see happen, we could have that conversation, whether it be part of this legislation or perhaps have the CCB to look at it. I think if it is not going to happen this session, then it could go through the CCB, their workshops, and new advisory panel that has been created. I think this conversation about creating a fund like that to assist the social equity applicants to get into this industry would receive broad support, certainly from my client and the other presenters who have helped present this bill today.

As far as in this bill, I would say it is not aspirational as an independent lounge to begin selling cannabis. You have the ability to do that from the jump. It is just a question of whether you choose to do that or not. Again, it is just a matter of adding some flexibility for those applicants.

**Assemblyman O'Neill:**

In Carson City, we have had problems with a company opening up and conducting business with neighbors from several hundred yards away complaining about the odors from the business that the company is conducting. I am talking about a quarter-mile or better. In the places where they have established these cannabis usage lounges, you talked about how they would try to protect their employees from being high. How do you go about cleaning the air into your heating, ventilating, and air conditioning to your exhaust system so neighborhoods are not infused with the secondhand smoke in a practical way, not hypothetically where it is going to be regulated? How will they actually do that?

**Scot Rutledge:**

I would first say that there is a lot of discussion around secondhand cannabis smoke and the effects it can have on individuals. Obviously, the primary concern is at the point of consumption. We need to make sure we are ventilating those venues. As far as eliminating what we might consider more of a nuisance odor, I do not know if it has been proven it is a hazard, but the smell itself can certainly be a nuisance. There are ventilation systems being used right now by cannabis businesses to address ambient cannabis odor at cultivation sites where cannabis exists in very large quantities. When you think of a retail store and the amount of inventory that is packaged, it is not openly airing out or in the process of growing or being cured. The ambient odor that takes place around cannabis during cultivation is a lot different than the ambient smell of cannabis when it is in a retail store. Now, obviously, we are adding to that consumption—the smoking of cannabis. I think we have all smelled it. We smell it on our public sidewalks, we smell it in the hotels, and we smell it everywhere. I would say in the local ordinances, they could address this issue of nuisance odor. I had a conversation with someone in Clark County yesterday about this very issue. I think it is something that can be done. If you do not allow outdoor consumption at a local level, that is certainly one way to address it. I also think that it is finding the balance between whether we want people to consume this indoors or do we want to allow it outdoors. These are conversations that I think should take place through the regulatory process and at the local level.

**Vice Chairwoman Nguyen:**

At this time, I will begin testimony on A.B. 341. If we can do it, I will allow for some additional questions after hearing some of the testimony. I will open it for testimony in support.

**Briana Padilla, Director of Communications, Chamber of Cannabis, Las Vegas, Nevada:**

I am submitting my support for A.B. 341, as I believe it is a crucial first step in decriminalizing the adult use of legal weed. The legalization of cannabis in 2017 created a huge gap that left our tourist and non-homeowning residents essentially criminalized for the consumption of a legal substance, one which many turn to for medical reasons. As a cannabis professional community advocate who regularly engages with the public, I can tell you that a legal lounge-type model is long overdue in our state. While it is only the first step in what will likely be a long process guided by the CCB and its committees, the proposed bill

represents the most viable and actionable options for the establishment of these lounge licenses while acknowledging that policy does not exist in a vacuum. In the creation of these types of consumption lounge models, we are allowing for the development of a new, more accessible model of cannabis license while addressing the concerns of stakeholders and community members alike. I see possibilities and potential for this bill and others like it to improve access to my community through the creation of licenses with different and more accessible thresholds of ownership. While any kind of cannabis lounge is and should be considered a privileged license, we must ensure that the privilege is not only extended to the wealthy, the whites, and the properties. We must give community members, especially those harmed by the war on drugs, the opportunity to establish themselves and provide them a fair opportunity to compete in an industry rife with inequity and establish their businesses with a flexible and realistic path for growth. While there are still amendments to be made to this bill, I believe A.B. 341 is a crucial and necessary first step towards this future. With our state still reeling from the impact of a pandemic and facing an inevitable influx of visitors, the time to create these licenses is now.

**Mark Cohen, Cofounder and CEO, Bud's Place HQF; and Bud's Place Franchising LLC:**

I am a resident of Las Vegas and cofounder and CEO of Bud's Place HQF and Bud's Place Franchising LLC. Both companies are headquartered in Las Vegas, and Bud's Place Franchising is a franchisor of social cannabis consumption lounges and the only cannabis-related franchisor that has been permitted to join the International Franchise Association. We would like to start by thanking Assemblyman Yeager for putting together a very complete and well-conceived bill related to consumption lounges. He recognized many of the potential issues and complexities of our business while addressing the reasons why these types of establishments are needed by both the residents of Nevada and the tourists that we try to attract from other states and other countries.

The bill recognizes that Nevada needs consumption lounges as safe places for residents and tourists to consume cannabis away from the casinos and hotels. Knowing there is a safe place to consume will increase cannabis sales in our dispensaries and create destinations for the tourists and the locals. As written, the bill offers flexibility of business plans and opportunities for social equity. However, we would like to bring up some concerns we have, specifically regarding section 22, discussing the regulations about sealed containers of cannabis being brought into the establishment and a greeter or employee trying to enforce those rules. We understand and agree with all of the basic concepts and intentions of this section, such as reduced impact of the black market, adherence to possession rules, and to delineate the air safety needs. By the way, we are proud to say that our business model goes above and beyond the air quality standards noted in the bill.

Here are some possible concerns about the implementation of this section as it is written.

**Vice Chairwoman Nguyen:**

Sir, you are at your two minutes. If you have concerns with the bill as written, including the amendment, then it will have to be opposition testimony. Do you support the bill and amendments as written?

**Mark Cohen:**

Yes, we support the bill as it is because there is nothing else.

**Teddy Retta, Policy Director, Cannabis Equity and Inclusion Community:**

We are in support of A.B. 341 and would like to thank Assemblyman Yeager for bringing this bill forward. Equity in the cannabis industry has been a long time coming. This piece of legislation takes an important step to ensuring the Black and Brown communities have the same access to safely consume cannabis and to own cannabis consumption lounges. We look forward to continuing to work with the bill sponsors of A.B. 341. Thank you for your consideration of this bill.

**Dani Baranowski, Vice President, Chamber of Cannabis, Las Vegas, Nevada; and Lead Sales and Operations Specialist, State Flower Cannabis and Valhalla Confections:**

I am here to testify in support of A.B. 341. I would like to thank Assemblyman Yeager for sponsoring the legislation. He has encouraged us to get involved and has been open to our ideas and concepts for legislation. We have enjoyed working with him over the past year, and we are proud to be here to support him in this effort.

In 2010, I was charged with a cannabis felony. It was a difficult time, as I am sure it is for so many others who have been criminalized by the sale policies of the cannabis prohibition. But I have also had the privilege and opportunity to have my record expunged, which has allowed me to pursue a career in the cannabis industry. I truly consider myself lucky to have found a career in cannabis. It has become my passion and my purpose. My group of friends in Las Vegas are some of the best women I know. They are mothers, business leaders, entrepreneurs, athletes, community volunteers and, of course, civically minded. We all have one thing in common. We choose to consume cannabis because we enjoy the way it makes us feel. It is our intoxicant of choice, but without any venues or spaces to legally consume, we put ourselves at risk to be penalized when we decide to get together in a public place and consume. We do not do this in protest or because we get some thrill from breaking the law. We simply believe it is more fun and enjoyable when we consume socially together. We see the bigger picture ahead of Nevada by allowing consumption lounges. We know that if we are often thinking about the opportunities that await us, well, we cannot be the only ones. Nevada has undergone a painful year, and this bill would allow for revitalization of small businesses spurring on our economic recovery and provide new opportunities for Nevadans. If new licenses will allow more women entrepreneurs the opportunity to participate in the emerging cannabis market, hopefully providing some much-needed feminization, style, and sophistication to what has become an overwhelmingly male-centered marketplace, and that is going to be good for Nevada's cannabis industry as roughly half of cannabis consumers are women. Thank you for the opportunity to testify today.

**Katree Saunders, Private Citizen, Las Vegas, Nevada:**

I have been disenfranchised by the war on drugs, specifically not only at a federal level, but also at the state level. In 2011, I got indicted under Operation "Chronic Problem." I was set up by an undercover Drug Enforcement Administration officer who posed as a sick patient when I worked at Nevada Compassionate Care. A few months prior, I had the opportunity to meet former President Barack Obama at a health care reform rally where he said he was not prosecuting medical cannabis patients. A few months later I got prosecuted for a very small amount. I ended up getting probation and a \$100 fine because we did not want to snitch on any of the 800 patients that we had just signed up on Nevada's medical cannabis program because there were no laws for distribution or consumption at that time.

A pathway to ownership should also include dispensaries, cultivation, and lounges. When I reached out to Tick Segerblom in regard to speaking on this subject, he told me that the Nevada State Legislature was responsible and they are the ones that made the law to exclude felons from working in the industry. After I got out of prison and helped build an industry and made over \$100 million and my wrist now pops out of place, I am disbarred from working in the industry due to my felony. I think this bill would help open a pathway to ownership for people who have been disenfranchised by the war on drugs, but also needs to be addressed real ownership like they are doing in other states as far as cultivation, labs, and dispensaries. We should not . . .

**Vice Chairwoman Nguyen:**

You are at two minutes; if I can have you go ahead and wrap up.

**Katree Saunders:**

I can send my testimony in. Tick Segerblom said it is called capitalism. Dispensary licenses are given out by the Legislature and the Governor. They do not worry about who deserves them. He told me that I was a nobody because I did not have Black Lives Matter behind me.

**Vice Chairwoman Nguyen:**

I am going to have to ask you to submit the remainder of your comments in writing.

**Chris Anderson, representing The Apothecary Shoppe:**

I appreciate the participation of everyone on this issue. I am glad we were able to be intimately involved in the drafting of this legislation. I support it as amended in Assemblyman Yeager's most recent amendment. This is a balanced, careful approach to implementing a safe place for people to use cannabis in Nevada. I know it is going to be a long process; the Cannabis Compliance Board is going to go through a lot of careful consideration in the regulatory process. Local governments will then have their input in terms of how to zone and allow these licensees to move forward. I think this is a very measured and careful approach to allowing cannabis consumption lounges, which we obviously desperately need because there are a lot of people who really have no place to consume cannabis in Nevada at the moment.

**Vice Chairwoman Nguyen:**

Is there anyone else who would like to provide support testimony? [There was no one.]  
Is there anyone who would like to provide opposition testimony?

**Timothy Eli Addo, Founder and Executive Director, Cannabinoid Wellness:**

I am speaking in opposition primarily because this bill does not include any pathway to ownership for minorities as what the social equity basically standards are supposed to. I think this is something that should not be used under the guise of social equity. I think everything that has been amended in this bill is intended for, and I do not think we should put it under any umbrella of social equity. Real social equity means for people like me who basically have contributed to this industry and we are breeders of these brains that you have in these stores, where at one point genetics and these genetics were worked on by people like myself. People like me were basically cast out of the industry. To say that all these licensee [unintelligible] holders basically did not in terms of [unintelligible] comments that this bill and to bear in mind that it is to help the social equity applicants who cannot raise capital. The point of this is that each and every licensee at this point had to raise money to be able to establish the business that they have right now. We should be given the same equal opportunity, and I think that this is a very disgraceful act, and we should have a sit-down. This is something that has been passed without the notice of the community. I know the community will not stand behind this, just like [unintelligible]. Also, with *Nevada Revised Statutes* (NRS) Chapter 453A the reasons I was not able to basically—we were not able to sell. Remember that. Let us not forget that.

**Vice Chairwoman Nguyen:**

You are right at two minutes. I would encourage you to put any of your opposition testimony in writing and submit it.

**Timothy Eli Addo:**

We were not allowed to sell. Let us not forget that we have no other choice but to take a judiciary act right now if this bill does not include real pathways to economic sustainability for us that basically helped build this industry.

[[Exhibit G](#) was submitted in opposition to A.B. 341 but not discussed. It will become a part of the record.]

**Vice Chairwoman Nguyen:**

Is there anyone else who would like to provide opposition testimony? [There was no one.]  
Is there anyone who would like to provide neutral testimony? I believe we have some people on Zoom. Mr. Klimas, are you providing neutral testimony or just available for questions?

**Tyler Klimas, Executive Director, Cannabis Compliance Board:**

I am just here for any questions.

**Alex Ortiz, representing Nevada Association of Counties; Washoe County; and Clark County:**

Collectively, we are all in neutral on A.B. 341 as proposed to be amended. I would like to thank the sponsors, Assemblyman Yeager and Scot Rutledge, for hearing our concerns and working to address them in a future amendment. I would like to mention the importance of the local licensing and approval process for cannabis establishments, and it is included in this bill for consumption lounges. We look forward to continuing to work with Assemblyman Yeager on this legislation.

**Arielle Edwards, representing City of North Las Vegas:**

We are in neutral and would like to thank Assemblyman Yeager for bringing A.B. 341 forward and working with us on the amendment language. We look forward to continued conversations.

**Layke Martin, Executive Director, Nevada Dispensary Association:**

We appreciate the opportunity to testify in neutral. We would like to thank Assemblyman Yeager, Scot Rutledge, and the Chamber of Cannabis for their work on developing this new license type which will create opportunities and increase diversity in the cannabis industry. We are grateful for their continued willingness to work with the Nevada Dispensary Association as this concept and the bill have evolved. We also wanted to highlight that the bill's proponents have made clear that education and training of employees working in these new establishments is very important. The Nevada Dispensary Association currently provides substantial educational programming in all areas of the cannabis industry from compliance to recordkeeping, security, human resources, employee onboarding, plant science, et cetera, and the Nevada Dispensary Association can be a partner in developing training to educate employees in this new area.

**Teresa Hayes, Health Program Manager, Environmental Health Section, Division of Public and Behavioral Health, Department of Health and Human Services:**

I am here to answer any questions you may have this morning.

**Vice Chairwoman Nguyen:**

Is there any other neutral testimony? [There was none.] I will open it up for more questions from Committee members.

**Assemblywoman Kasama:**

My question has to do with defining the social equity applicant. I see that the CCB is going to be set up and they are going to establish guidelines for what a social equity applicant is. Is there some idea what that will look like? Could that be somebody who is a felon or has a misdemeanor with cannabis possession that may have had another crime attached, such as a burglary or assault? Is there some idea how that might look?

**Assemblyman Yeager:**

There will still be exclusions in the law for certain types of felony convictions to get into this industry. I do not have that at the tip of my fingers, but I will get that for you. It might be



worthwhile to have Mr. Klimas talk about how he would envision the CCB process of coming up with adding more detail to the language that we have in the bill with the caveat that we are still working on some of that language.

**Tyler Klimas:**

Social equity, inclusion, and diversity is laid out in the public policy that created the Cannabis Compliance Board in A.B. 533 of the 80th Session. Part of our charge as the Board was always going to—the role of the Cannabis Advisory Commission, which is the 12-member commission that makes recommendations to the board—study this. I put on the record previously that one of the first actions when the commission begins to meet in June or July this year is going to be to create a subcommittee on diversity, equity, and inclusion. That is going to bring in the right voices to discuss these issues and make recommendations and define not only the social equity applicant, but what is the social equity direction that the CCB and the state need to take to ensure that we are focusing on diversity and inclusion. This is part of a larger goal and charge that the CCB is moving forward with anyway and part of that will be, if this bill goes forward, to define what we need to define as part of this legislation.

**Assemblywoman Kasama:**

I understand that, but mine is more a question of criminal convictions in the past. Perhaps I need to look at A.B. 533 of the 80th Session. Is it criminal convictions in the past that are strictly possession of drugs? Or if there is criminal possession or criminal activities with drugs, but other things associated with it? Would that be excluded, or do you have an idea about that?

**Tyler Klimas:**

Currently, there are exclusions. There is the category A felony, which is listed in statute, or two or more felonies are excluded. That is something—although listed in statute now—our advisory commission was going to study if there are any changes that may need to be recommended. We will be looking at that regardless if this bill passes or not.

**Assemblywoman Summers-Armstrong:**

Is there any discussion being had on the limits of licenses for lounges for current dispensary owners? My concern is that if you are trying to allow this new category of a lounge license and every dispensary got one, that is going to limit who could come into the market as a lounge licensee, which would then go into proximity, how many feet apart they could be, and whether or not the municipality is going to allow so many in their communities. I am concerned about that. Quite frankly, they would have the advantage, both financially because they are already existing, and because they had the benefit and advantage when they received their initial licenses for the dispensary. That is concerning when we are talking about social justice and equity. Is that even going to allow space for these smaller people to come in if the dispensaries already have a foothold?

**Tyler Klimas:**

The CCB shares all of your concerns on equity, diversity, and inclusion in the industry. I would defer to the bill's sponsor of what they envision. I believe they had mentioned something early on in this amendment about a limit on the number of lounges that an already existing owner can have.

**Assemblyman Yeager:**

I will send that to Mr. Rutledge, who I think has the provision you are talking about.

**Scot Rutledge:**

We amended into the bill section 12, subsection 4 [page 2, [Exhibit C](#)]: "The board shall not issue more than one cannabis consumption lounge license in the same county to an ownership group, individual, or an individual with an ownership stake in a group." The idea was if you have five dispensaries that you own, you are not going to open up five lounges. You are going to pick one of those locations to colocate your lounge. The same would apply on the independent side that someone could not come in and open up eight or nine lounges. They can only open up one. We definitely want to continue to work on this.

I had a conversation with the American Civil Liberties Union of Nevada this week, and there are others that I am communicating with about how we might address this, both in statute and how this would impact local ordinances. Obviously, we know where the CCB stands and what their directive is. While we appreciate the neutral testimony from Mr. Ortiz, we want to ensure that local ordinances represent the spirit and intent of what we are trying to accomplish in terms of allowing for these licenses to be given and spread out, not just to retailers or those with the necessary resources today, but how we allow for social equity applicants to get into this industry.

**Assemblywoman Hansen:**

With the stand-alone lounges, we know that the dispensary licensing fees are exorbitantly high and the process was flawed. I know there are changes being made, and I know this has been a big job for you to tackle, Mr. Klimas. I appreciate your work. Addressing the equity issue, do we have any indication that people are going to be driven out of that market because the licensing fees are so high?

**Tyler Klimas:**

It allows the Board to promulgate the regulations to set whatever fee the Board feels is adequate for this kind of license, whether it be this adjacent model or an independent. However, I believe the bill will also allow, if not direct, the Board to consider reduced fees for what would be a potential social equity applicant once that is defined. It is not determined as we sit here today from what I can tell with the bill, but it is something that the Board would consider and set at a future date.

**Assemblywoman Hansen:**

Assemblyman Orentlicher brought up that perhaps these lounges have not been in demand or successful. Is this more business-driven? We are approaching this because there is a lot of

business opportunity, but there is not necessarily the consumer demand. I did not hear a lot of that in the testimony. It seems like a lot of businesses are interested, but I did not hear a lot of testimony about consumers and lounges.

**Scot Rutledge:**

I would direct this to John Hudak if he is still available. I know he had some thoughts on consumer demand.

**John Hudak:**

We have a situation in which states have gone down this road in the past with little success because either market demand was not there or, more likely, the establishments were not meeting market demand in the places where they were desired. What we know about Nevada in particular is that there are enormous groups of individuals who can be disenfranchised from the use of legal cannabis because of their housing situation. That exists in other areas as well. In other parts of the country, there may be more or less permissiveness about the use of cannabis in domiciles that maybe are not owned or there is greater willingness of individuals to just skirt the rules. What is unique about Nevada—and one of the reasons why I began working on this issue of social consumption lounges in the state in particular—is because the significant tourist base in the state lends itself to these types of lounges. We know that there are firm rules in place in Nevada, like in other states, about the use of cannabis products that are nonedibles in hotel rooms, casinos, and elsewhere. That obviously creates challenges for tourists seeking to use the substance in a legal way. At the same time, in a very basic way, we know that visitors come to the state to engage in activities that they perhaps do not engage in elsewhere at home or in other states. By setting up these types of lounges, it can funnel the tourism demand into them in a fairly unique way that is not necessarily present in other tourism markets around the country. I think the concerns about what has happened in other states are legitimate concerns, but the tourism model in particular for the state of Nevada adds to what is an existing resident base demand for these types of establishments in the state.

**Vice Chairwoman Nguyen:**

I know this is a complex topic. I would encourage you to reach out to the bill sponsor in answering any further questions you might have.

**Assemblyman O'Neill:**

I want to make sure this bill still gives the local governments—cities and counties—the authority to deny such businesses.

**Assemblyman Yeager:**

You are correct. Local government would have a play in this. They would have to approve the zoning location of the place. Simply stated, if you do not want consumption spaces in your area, then the governing board or commission would be allowed to say no.

**Vice Chairwoman Nguyen:**

Are there any other questions? [There were none.] I will turn the time over to Assemblyman Yeager for any concluding remarks.

**Assemblyman Yeager:**

My only regret is that we did not have a joint hearing with the Senate Judiciary Committee this morning. I would like to allow Mr. Rutledge the opportunity to provide concluding remarks.

**Scot Rutledge:**

We appreciate the time and opportunity to present what we think is a critical piece of public policy for the state of Nevada. As has been stated before, our policy of, "Where may I consume this cannabis I purchased legally?" and the answer being, "Not here." "What about there?" "Not there either." That is not going to work anymore. We wanted to be thoughtful and allow for more opportunity with this type of licensing. We admit we are not exactly where we want to be with the language in the bill. We understand that the CCB has a directive, and we are trying to focus as much of the real details of this legislation to the regulatory process, but I do understand some of the concerns that have been raised today around social equity applicants. I want the Committee to know that we are still working on it and hope to strengthen that part of the bill. I hope you saw that with some of the presenters today on this bill that the Chamber of Cannabis represents a very diverse group of individuals and companies that work in the cannabis industry in Nevada. When they asked me to advise them in this process, I was more than happy to start off in the role, and we are happy to be representing them here at the Legislature. I have been so impressed with their ideas, passion, and commitment to a number of meeting ideas in what we should be doing with this legislation. Thank you for allowing us to participate in this presentation today.

**Assemblyman Yeager:**

I think I was pretty vocal that I was fairly disappointed last session that we were not able to figure this issue out. There were a lot of reasons we were not able to do it, but here we are, two years later. I cannot say thank you enough to those who you heard from, including Mr. Rutledge, because we began talking about this issue years ago and over the interim I had a lot of people approach me and say, Can we do consumption lounges? I had one question for those people, which was, How do we do it? What does it look like? I need ideas. As you heard today, this is a tricky issue with a lot of competing interests at play. Many people who reached out to me said, Yes, yes, I have some ideas, I will get those to you, and I never got anything until the Chamber of Cannabis and Mr. Rutledge pledged to help. That is exactly what you see in front of you. I know Mr. Rutledge has been working legislator-like hours over the past few months to get this bill ready. I know that because I have had conversations and email exchanges with him well into the night. There is still work to be done, and I feel we are heading in the right direction. I have full confidence that we can get this right, and we will continue working on this bill. I would encourage any of you here today that if you heard something that does not sound right, or if you have suggestions or additional questions, I will make myself available. Mr. Rutledge will be happy to answer questions as well, and I thank

you for your consideration. I think the time is now for us to do this and do it right. I ask for your support for A.B. 341.

**Vice Chairwoman Nguyen:**

I will close the hearing on A.B. 341. I will turn it back over to Chairman Yeager to conclude our meeting.

[Assemblyman Yeager reassumed the Chair.]

**Chairman Yeager:**

That is the only bill on our agenda, and I will now open the meeting for public comment.

**Annemarie Grant, Private Citizen, Quincy, Massachusetts:**

My brother, Thomas Purdy, was killed by Reno police and Washoe County Sheriff's Office, asphyxiated to death during a mental health crisis. The family of Las Vegas Metropolitan Police Department (LVMPD) homicide victim, Joseph Michael Justin, is demanding immediate resignation of Captain Nichole Splinter, the immediate termination of former LVMPD Officer Timothy Nicothodes's medical retirement, and the immediate return of Joseph Justin's belongings to his family. On August 22, 2007, Joseph Justin was identified as a burglary suspect and apprehended by Officers Splinter and Nicothodes. Within 45 seconds, Justin was gunned down. Witnesses on scene stated they never saw Justin with a firearm in his hand. Officer Splinter, who shot first, claimed she saw Justin hold a pistol to his temple and then point the gun at her, prompting her to shoot. Nicothodes followed her and fired. Justin was shot in the leg and back and died from his wounds. Splinter is currently captain and bureau commander of the Office of Internal Oversight and Constitutional Policing, which oversees internal investigations of police homicides. We believe police should not be able to investigate themselves, but since they do investigations, should not be led by someone who is already taken someone from the community.

As taxpayers, we pay for officers' pensions, and in the spirit of fairness and integrity, we do not believe we should have to pay for the pensions of officers who commit crimes. The Las Vegas Metropolitan Police Department had 13 years to return Justin's belongings to his family, yet all they have received is an identification card. The family has been demanding the immediate return of his belongings so they can have some closure and continued healing. Please support bills that promote transparency and accountability.

**Timothy Eli Addo, Founder and Executive Director, Cannabinoid Wellness:**

I want to make another comment on social equity. The main issue is I had started as an applicant. I want to include for the record that *Nevada Revised Statutes* Chapter 453A made it impossible to sell any cannabis to patients at that time because it started as a medical establishment. As a medical patient at that time, I also grew and the genetics that we provided for our friends, family, and patients, these genetics that are currently right now in these shops. We sold and then we built new licenses right from the very beginning. After they received their licenses, they had no idea what to do next, how to establish, what kind of commercial buildings do I get. We literally built this from nothing. It is common error, and

we worked on it. But unfortunately, we were marginalized from this because we did not have the capital. I sold to my friends and partners in which they were able to establish capital to basically form their businesses. I was not able to even grab my banking account. After I was basically funded by the U.S. [unintelligible] Foundation with my nonprofit organization at that time. I have systematically watched our system grow from the very ashes from what it was after an idea and just taken ballots and signatures from that all the way up and it has evolved [unintelligible] communications when it comes to establishing this industry and I keep watching.

**Chairman Yeager:**

Mr. Eli Addo, could you please wrap up your comments?

**Timothy Eli Addo:**

I am willing and ready to speak on issues that we need to address and move on and be able to make a correct pathway for people who were marginalized in this industry who have the experience to provide in this industry. That is what we have done from the very beginning. I believe we should be able to still be financially stable and also provide our experience with this industry because we do everything but still do not have the capital.

**Katree Saunders, Private Citizen, Las Vegas, Nevada:**

I would like to thank you for your time and reiterate what Mr. Eli Addo said. We have been here from the beginning and then disenfranchised and systematically left out, and we still have helped build an industry. We are just asking to have a seat at the table, to sit down to speak to legislation and to get our viewpoint so that we can come to terms about what real social equity looks like in the state of Nevada. It includes ownership of dispensaries, labs, cultivation, as well as lounges. We should not be left out of that discussion to build sustainable generational wealth; these things are needed just as they are in every other state with social equity. We can sit down with other lawmakers from Massachusetts and California who actually had these regulations put into place for social equity applicants. I think that would be helpful. I would like to sit down this week in regard to this. Thank you for your time.

**Chairman Yeager:**

Is there any other public comment? [There was none.] Is there anything else from Committee members? [There was nothing.] This has been a very long week in the Assembly Committee on Judiciary, and I would like to thank all of you. Our work is not yet done. Next week is likely to be just as busy if not busier than this week. We have agendas out for Monday through Thursday. There will be 8 a.m. starts each of those days, and we

will have anywhere from two to three bills scheduled at the moment. Just so everyone knows, I do anticipate having a meeting on Friday. It will likely be a work session with several meetings. We will try to process bills as we can throughout the week. The meeting is adjourned [at 10:39 a.m.].

RESPECTFULLY SUBMITTED:

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Traci Dory  
Committee Secretary

APPROVED BY:

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Assemblyman Steve Yeager, Chairman

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed amendment to [Assembly Bill 341](#), submitted and presented by Scot Rutledge, representing Chamber of Cannabis, Las Vegas, Nevada.

[Exhibit D](#) is a letter and supporting documents dated April 2, 2021, submitted by Scot Rutledge, representing Chamber of Cannabis, Las Vegas, Nevada, in support of [Assembly Bill 341](#).

[Exhibit E](#) is written testimony dated April 2, 2021, submitted by Nicole Buffong, Nevada State Director, Minorities for Medical Marijuana; and Director of Medical Voices, Chamber of Cannabis, Las Vegas, Nevada, in support of [Assembly Bill 341](#).

[Exhibit F](#) is an article titled, "Black-Owned Pot Businesses Remain Rare Despite Diversity Efforts," presented by Nicole Buffong, Nevada State Director, Minorities for Medical Marijuana; and Director of Medical Voices, Chamber of Cannabis, Las Vegas, Nevada.

[Exhibit G](#) is a letter submitted by Leighton Koehler, General Counsel, Planet 13 Holdings, Inc., in opposition to [Assembly Bill 341](#).