

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

**Eighty-First Session  
May 12, 2021**

The Committee on Natural Resources was called to order by Chair Howard Watts at 4:01 p.m. on Wednesday, May 12, 2021, Online and in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Howard Watts, Chair  
Assemblywoman Lesley E. Cohen, Vice Chair  
Assemblywoman Natha C. Anderson  
Assemblywoman Annie Black  
Assemblywoman Tracy Brown-May  
Assemblywoman Maggie Carlton  
Assemblyman John Ellison  
Assemblywoman Cecelia González  
Assemblywoman Alexis Hansen  
Assemblywoman Susie Martinez  
Assemblywoman Robin L. Titus  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Senator Pete Goicoechea, Senate District No. 19

**STAFF MEMBERS PRESENT:**

Jann Stinnesbeck, Committee Policy Analyst  
Allan Amburn, Committee Counsel  
Devon Kajatt, Committee Manager  
Nancy Davis, Committee Secretary  
Trinity Thom, Committee Assistant



**OTHERS PRESENT:**

Joseph Guild, representing Nevada Cattlemen's Association  
Jennifer Ott, Director, State Department of Agriculture  
Donna Bath, Director, Community Relations and Special Projects, Silver Lion Farms,  
Ely, Nevada  
Teresa Hayes, Program Manager, Environmental Health Section, Division of Public  
and Behavioral Health, Department of Health and Human Services  
Ashley Jeppson, Administrator, Division of Plant Industry, State Department of  
Agriculture

**Chair Watts:**

[Roll was taken. Committee rules and protocol were reviewed.] We will start today's meeting with our work session, beginning with Senate Bill 33 (1st Reprint).

**Senate Bill 33 (1st Reprint): Revises certain provisions relating to natural resource management. (BDR 47-312)**

**Jann Stinnesbeck, Committee Policy Analyst:**

As Legislative Counsel Bureau staff, I can neither support nor oppose any proposal that comes before the Committee. Senate Bill 33 (1st Reprint) was heard in this Committee on May 3, 2021 [[Exhibit C](#)]. This bill makes various changes relating to natural resource management. Among other things, the bill:

- Expands the types of vegetation and areas where vegetation is located that the State Forester Firewarden is responsible for conserving, protecting, and enhancing;
- Expands the identified uses for which the State Forester Firewarden may distribute conservation plant materials on public and private property;
- Adds rangelands to the state-owned and privately-owned lands for which the State Forester Firewarden must supervise or coordinate all forestry and watershed work;
- Requires the State Fire Marshal to cooperate with the State Forester Firewarden concerning certain mitigation activities; and
- Repeals the State Forester Firewarden's authority to enforce regulations relating to the reduction of brush, dense undergrowth, and other vegetation around and adjacent to a structure that is in a fire-hazardous forested area.

The City of Henderson and the City of Las Vegas proposed an amendment, which makes the following change: revises the time frame for which the International Wildland-Urban Interface Code must be adopted to two years. The proposed amendment is included in this work session document [page 2, [Exhibit C](#)].

**Chair Watts:**

Are there any questions? Seeing none, I will accept a motion to amend and do pass.

ASSEMBLYWOMAN TITUS MOVED TO AMEND AND DO PASS  
SENATE BILL 33 (1ST REPRINT).

ASSEMBLYMAN ELLISON SECONDED THE MOTION.

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Hansen. The next work session is for Senate Bill 54 (1st Reprint).

**Senate Bill 54 (1st Reprint): Revises provisions relating to the State Board of Agriculture. (BDR 50-263)**

**Jann Stinnesbeck, Committee Policy Analyst:**

Senate Bill 54 (1st Reprint) was heard in this Committee on May 3, 2021 [[Exhibit D](#)]. This bill revises and expands the membership of the State Board of Agriculture, State Department of Agriculture, from 11 to 13 members to allow for the cumulative new members as follows: a member engaged in livestock production; a member who is a licensed veterinarian with experience in a mixed-animal or large-animal practice; a member working in the field of supplemental nutrition distribution; a member engaged in food manufacturing or animal processing; and two members engaged in growing crops, at least one of which is a specialty crop harvested by mechanical cultivation. The bill makes conforming changes relating to the number of members that constitute a quorum, continuing membership of certain members, and appointment of other members to staggered terms.

The State Department of Agriculture along with the Nevada Cattlemen's Association proposed an amendment which makes the following changes: revises the number of members engaged in range or semirange cattle production from one to two; removes the member who is actively engaged in livestock production; and removes the reference to a crop harvested by mechanical cultivation. The proposed amendment is included in this work session document [page 2, [Exhibit D](#)].

**Chair Watts:**

Are there any questions?

**Assemblywoman Hansen:**

I know that a lot of work has gone into this, and there have been a lot of concerns. I want to ensure that I am understanding the amendment correctly. How did we get the acceptance of and amendment from the Nevada Cattlemen's Association?

**Chair Watts:**

Just for clarification, the amendment was provided by the State Department of Agriculture. Mr. Guild, would you like to provide some clarification?

**Joseph Guild, representing Nevada Cattlemen's Association:**

I saw a potential need to bring a semirange and range cattle producer back onto the Board. Section 2, subsection 1, paragraph (b), of the bill states, "One member who is actively engaged in livestock production." In my opinion, that did not reflect the importance and nature of range cattle production to the state of Nevada. I asked Chair Watts for permission to circulate a proposed amendment; he gave me that permission, and I appreciate that. You all received a memo from me with the proposed amendment and my rationale for doing that. I also sent the amendment to Director Ott, State Department of Agriculture. We had a conversation and Director Ott agreed to the amendment. I have to tell you publicly, that I appreciated her cooperation, understanding, and willingness to come to a compromise that satisfies many different interests, including hers. The Board has the balance necessary. It has the additions that will move the Board into a more broad-based look at agriculture with the addition of a nutritionist and a manufacturer of agricultural products. Like anything in this legislative process, it takes time, effort, and the ability to listen to each other and to create something that might be beneficial to all. To reiterate, thank you for allowing me to do this, and thanks to Director Ott for a good conversation and a good start on a relationship.

**Jennifer Ott, Director, State Department of Agriculture:**

I would like to thank Mr. Guild for reaching out and having a great conversation. I appreciate his providing a solution. I worked with some folks, he worked with some folks, and I think that is the way the process is supposed to work.

**Assemblywoman Hansen:**

Thank you both for working through this and helping those of us who had concerns get to the comfort level that we can now support it.

**Assemblyman Ellison:**

I think the amendment is important; it put another seat at the table to listen and bring everyone together. I think this is a good start.

**Assemblyman Wheeler:**

I was a definite no on this bill when I first heard it. I want to thank you, Chair Watts, Director Ott, and Mr. Guild for getting together and getting some representation of the Nevada Cattlemen's Association back on the Board. I still believe they are underrepresented, but this is something we can live with and I will be voting yes.

**Assemblywoman Titus:**

I want to go on record of acknowledging something I said during the hearing that we all need to pay attention to. The State Department of Agriculture is not the Department of Agriculture that my grandparents knew. As we have evolved as a state and as the needs of nutrition and food services and all of those things have evolved, it is important to

acknowledge that. I appreciate that aspect of the Department, but it is also critical that we do not lose sight of our history. The very fact that our Director was willing to have that negotiation with the important critical things that most of us hold dear—the history of the state, the cattlemen that still exist, and the agriculture that we knew, combined with the knowledge of our future—I think is very critical. It is that kind of negotiation that I truly appreciate. Thank you to all the people who have been involved in this process.

[Also received but not mentioned is [Exhibit E](#).]

**Chair Watts:**

Are there any other questions? Seeing none, I will accept a motion to amend and do pass S.B. 54 (R1).

ASSEMBLYWOMAN GONZÁLEZ MOVED TO AMEND AND DO PASS  
SENATE BILL 54 (1ST REPRINT).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

Is there any discussion of the motion?

**Assemblywoman Carlton:**

I would like to point out that sometimes it takes two houses to deal with these membership issues. That is why we have a two-house system. Every bill has two different chances to get through, and memberships on commissions are very contentious issues.

**Chair Watts:**

Indeed, they are. I will briefly echo the satisfaction coming from many others at the point we have reached now when it comes to this bill. I appreciate everyone's willingness to work on it and get it to the place that it is in. Is there any other discussion on the motion? Seeing none, we will vote.

THE MOTION PASSED UNANIMOUSLY.

I will take the floor statement. Next up is Senate Bill 125 (1st Reprint).

**Senate Bill 125 (1st Reprint): Revises provisions related to falconry. (BDR 45-158)**

**Jann Stinnesbeck, Committee Policy Analyst:**

Senate Bill 125 (1st Reprint) was heard in this Committee on May 10, 2021 [[Exhibit F](#)]. This bill authorizes a person who is licensed as a master falconer and who meets certain federal conditions to possess a golden eagle under certain circumstances. The Board of Wildlife Commissioners of the Department of Wildlife (NDOW) may adopt regulations that authorize certain persons to transport, transfer, possess, or use a golden eagle in falconry, and such

persons must first obtain an eagle permit from NDOW. The Commission must adopt regulations that impose civil penalties against a person who violates various prohibitions against tampering with bald eagles and golden eagles.

**Chair Watts:**

Are there any questions?

**Assemblyman Wheeler:**

I was wondering about this bill, then I saw a video of a golden eagle taking an alligator out of a pond so I will be voting for it now.

**Chair Watts:**

Are there any other questions? Seeing none, I will accept a motion to do pass S.B. 125 (R1).

ASSEMBLYMAN WHEELER MADE A MOTION TO DO PASS  
SENATE BILL 125 (1ST REPRINT).

ASSEMBLYWOMAN BROWN-MAY SECONDED MOTION.

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Black. Next up on our work session is Senate Bill 370 (1st Reprint).

**Senate Bill 370 (1st Reprint): Revises provisions relating to food policy. (BDR 50-824)**

**Jann Stinnesbeck, Committee Policy Analyst:**

Senate Bill 370 (1st Reprint) was heard in this Committee on May 10, 2021 [[Exhibit G](#)]. This bill requires the director of the State Department of Agriculture to establish the Home Feeds Nevada Agriculture Food Purchase Program to supplement the supply of nutritious food that is available to persons through food banks and certain other providers in Nevada. The director is further required to develop a procedure through which the director may purchase nutritious foods that are grown, produced, or processed in Nevada for distribution to food banks. The Nutritious Food Purchase Account is established in the State General Fund for deposit of any money obtained by the director for the Program. Each food bank must submit a quarterly report to the director concerning: the amount of nutritious food that was distributed by the food bank; and the manner of such distribution. The director must submit an annual written report containing certain information to the Council on Food Security in the Division of Public and Behavioral Health of the Department of Health and Human Services.

**Chair Watts:**

Are there any questions? Seeing none, I will accept a motion to do pass S.B. 370 (R1).

ASSEMBLYWOMAN CARLTON MADE A MOTION TO DO PASS  
SENATE BILL 370 (1ST REPRINT).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Carlton. We will move on to the work session for Senate Bill 406 (1st Reprint).

**Senate Bill 406 (1st Reprint): Revises provisions relating to wildlife. (BDR 45-1089)**

**Jann Stinnesbeck, Committee Policy Analyst:**

Senate Bill 406 (1st Reprint) was heard in this Committee on May 5, 2021, [[Exhibit H](#)]. This bill authorizes the Department of Wildlife to designate a paper or electronic form for a tag that is to be attached to a species of wildlife before the holder of a tag takes possession of the species. The holder of an electronic tag must validate it before transporting the wildlife. The bill removes the requirement that any person 65 years of age or older must have continuously resided in the state for the five years immediately preceding the date of the application to qualify for an annual resident specialty combination hunting and fishing license.

The Department proposed an amendment, which makes the following changes: provides that an unanticipated emergency event is the unanticipated spread of a communicable disease; extreme drought conditions; a wildfire; or any other similar unanticipated event that puts wildlife, wildlife habitat, or human life at risk. The amendment also exempts the initial \$250,000 received by the Department as a gift, donation, bequest, or device, or combination thereof, for an unanticipated emergency event from the approval requirements; and requires the Department, as soon as practicable, to submit a report regarding the gift donation, bequest, or device to the Board of Wildlife Commissioners within the Department of Wildlife and the Interim Finance Committee. The amendment is included in this work session document [pages 2 through 10, [Exhibit H](#)].

**Chair Watts:**

Are there any questions? Seeing none, I will accept a motion to amend and do pass.

ASSEMBLYWOMAN COHEN MADE A MOTION TO AMEND AND DO  
PASS SENATE BILL 406 (1ST REPRINT).

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? Hearing none, we will vote.

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Titus. We will not be taking action on Senate Bill 344 (1st Reprint).

**Senate Bill 344 (1st Reprint): Enacts provisions relating to the importation, possession, sale, transfer and breeding of dangerous wild animals. (BDR 50-871)**

[Senate Bill 344 (1st Reprint) was included in the work session but was not considered.]

**Chair Watts:**

That closes our work session. We will be hearing two bills today. I will open the hearing on Senate Bill 114 (1st Reprint).

**Senate Bill 114 (1st Reprint): Authorizes food that contains certain components of hemp to be produced or sold at certain food establishments under certain circumstances. (BDR 49-65)**

**Senator Pete Goicoechea, Senate District No. 19:**

Senate Bill 114 (1st Reprint) is an attempt to establish a market, processing, and the facilities that we need to support the growing hemp industry in this state. It can be a huge cash drop. We have a number of farms in southern Nevada, eastern Nevada, and even right here in the western side of the state that are growing hemp. We are struggling to establish a marketplace. With me today is Donna Bath with Silver Lion Farms in White Pine County. She will explain the industry to you and how big a process it is in eastern Nevada; how much acreage they have and the cost and values. I will then walk you through the bill.

**Donna Bath, Director, Community Relations and Special Projects, Silver Lion Farms, Ely, Nevada:**

Silver Lion Farms is a 3,000-acre premium organic CBD ingredient supplier located near Ely, Nevada, in White Pine County. I am offering comments today in support of S.B. 114 (R1). The intent of this bill is to authorize food that contains hemp at the federal legal limit to be produced or sold at food establishments under certain conditions in Nevada.

The global CBD market was valued at \$2.8 billion in 2020 and is expected to expand at a compound annual growth rate of approximately 21.2 percent from 2021 to 2028. Due to its healing properties, the demand for CBD for health and wellness purposes is very high, which is the major factor driving the market growth. In addition, the rising acceptance and use of products due to government approvals is a major factor expected to boost production for CBD-infused products.

Given the intense consumer demand and commercial interest in hemp-infused products, I would regretfully submit that Nevada is currently missing a very large manufacturing economic opportunity. There are approximately 16 states that have already passed legislation similar to S.B. 114 (R1) and are currently enjoying the economic benefit of companies that were interested in adding legal-limit CBD to their established food products, and are now manufacturing and selling safe, CBD-infused products in their states.



Existing Nevada law prohibits a person from selling a commodity or product containing hemp that is intended for human consumption unless it has been tested and labeled in accordance with requirements established by the Department of Health and Human Services (DHHS). Section 2 of the bill would require the Department to adopt needed regulations that identify contaminants of commodities or food products that contain hemp and prescribe tolerances for such contaminants.

Currently in Nevada, many food items that claim to contain CBD are being purchased online and from many Nevada retail establishments. These items are being manufactured outside the state of Nevada and seem to be operating in a legal gray area. A 2017 University of Pennsylvania study found that nearly 70 percent of the CBD products sold online either contained more or less of the compound than their labels stated. The proposed regulations in S.B. 114 (R1) would go a long way in ensuring consumer and product safety in Nevada.

On February 4, 2021, a bipartisan group of federal lawmakers reintroduced H.R. 841, which is the Hemp and Hemp-Derived CBD Consumer Protection and Market Stabilization Act of 2021. This is the third piece of cannabis legislation to be filed so far in the 117th Congress. The Act is identical to a bill that died in Congress last year. The intent of H.R. 841 is to make hemp, cannabidiol derived from hemp, and any other ingredient derived from hemp lawful for use under the Federal Food, Drug, and Cosmetic Act as a dietary ingredient in a dietary supplement, and for any other purpose.

We are very encouraged by the fact that this federal legislation was reintroduced so early in the new Congress and feel strongly that the passage of S.B. 114 (R1) would position Nevada early to reap the economic benefits of the expanding market for hemp-infused food products and industries once it is passed federally.

Manufacturers that are very interested in enhancing their products with CBD in order to meet the growing hemp-infused product demand are going to locate in states that allow them to do so legally. Unfortunately, Nevada is currently missing this opportunity. I am happy to answer any questions.

**Senator Goicoechea:**

This bill was patterned after a piece of legislation that came out of the state of Virginia. What we are looking to do with this is to get hemp approved. We had an amendment from DHHS that incorporated seed and hemp oil as well. I am not going to read you the bill, but it defines hemp, hemp components, and what are considered to be hemp products. Section 2, subsection 3, paragraph (b), says, "Identify contaminants of the commodities or products described in subsection 1 which are foods that contain an approved hemp component, as defined in section 3 of this act, and prescribe tolerances for such contaminants." It also defines "food." A person who holds a permit pursuant to *Nevada Revised Statutes* (NRS) 446.875 and operates a food establishment, with the passage of this bill, would be able to put hemp products or commodities that were grown in the state of

Nevada into their foods. As Ms. Bath said, you can go into stores and everywhere you look there are products with CBD. You can buy hemp gummies, hemp gum, et cetera, that are not legal for us to produce in this state. Our growers are missing a huge piece of that.

Section 4, subsection 2, states, "A food shall not be deemed to be adulterated solely because it contains an approved hemp component." In 2018, the Food and Drug Administration (FDA) adopted federal guidelines that allow for this. In the state of Nevada, we have never brought this legislation forward.

This is not a lengthy bill. We did run into some issues with DHHS. I want to thank Margot Chappel, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services; she was very instrumental in changing some of the stuff and finally removing the fiscal note, which was huge. The fact is that they do have to establish, by regulation, and clear the path for us to now incorporate hemp into food products. Clearly this is all under the threshold that hemp has to be 0.3 percent THC or less. I believe this bill and the one you will be hearing next work hand in hand. I will stand for any questions.

**Chair Watts:**

Are there any questions for the presenters?

**Assemblyman Ellison:**

There are currently several states that do put hemp in food products. Can you tell us what states actually grow, produce, and sell in their states?

**Donna Bath:**

There are currently 16 states that allow this, including Montana and Oregon. We took our legislation pattern after Virginia. Virginia has a head start. More states are jumping on board. During last session, the Legislature passed NRS 439.532, which basically gave us permission, but what we are missing right now are the regulations to be able to do this. Currently, in Nevada, it is illegal for anyone to manufacture and sell CBD. By having the regulations in place, that will open up the Nevada market and make anyone who wants to sell the products follow the same regulations that manufacturers in Nevada would have to follow. I have a box of gummies that I brought with me. They are manufactured in Oregon and are being sold in Ely. Senator Goicoechea is correct; you can go anywhere in downtown Carson City and buy CBD products. However, I would submit that they are under the gray area of the law because there are no regulations that mandate what the ingredients are or what the percentage of CBD is. You may be buying snake oil for all you know. There is nothing in Nevada right now that regulates that industry. Because it is such a growing industry and the market is booming, I see this as a huge economic loss for Nevada—for us not to have those regulations and put everyone on the same level playing field.

**Assemblyman Ellison:**

Is there anyone out there right now asking to use this product?

**Donna Bath:**

We are a producer of the ingredient. We are not a manufacturer. We do not intend to manufacture any of the products; we produce the ingredient. We have a large demand for our product, but again, that demand is outside of Nevada because it is not legal to produce hemp products for human consumption in Nevada. If that market opens up, I see that market not just for our farm, but for farms across the state, and to be able to bring manufacturers to the state of Nevada to capitalize on this billion-dollar industry that is growing by 21 percent between now and 2028.

**Senator Goicoechea:**

What you need to understand is, these products are being sold in the state today without regulation. I know some have been tested and claim to have CBD oil in them, but when you do the test, some products have no CBD oil; there could be olive oil in them. If we are going to deal with the industry and the hemp products, we need to establish the regulations which are required in this bill.

**Assemblyman Wheeler:**

How many of these CBD products are currently coming from overseas?

**Donna Bath:**

There is a large amount coming from China; most of those sales are being done on the Internet. We all know you can get anything you want on the Internet. Hopefully, this bill, if passed, will put regulations that are going to at least guarantee that if you are buying a bottle of CBD oil, you know that you are getting CBD oil and not olive oil, or other things that you do not want in your body. These products need to be identified and have the correct percentage of CBD in the product.

**Assemblywoman Hansen:**

My 14-year-old pug is a huge fan of CBD oil; it really has made a difference. I think I am getting the real deal, but I would certainly rather buy locally and support locally. I love this bill. I know in 2019 there was a lot of legislation around hemp and dealing with it legislatively. How did we miss this component, or was it deliberate because there was some pushback?

**Senator Goicoechea:**

I think we ventured with the bill last session, but could not get any legs under it. Also, we have been waiting all this time for FDA approval. This just continues to piecemeal along. Now, the FDA and the State Department of Agriculture have, in fact, set guidelines for hemp and hemp production. We are gradually getting there. I think the next bill you are hearing will further enhance that, especially on the growers' side. I believe this is the first step to ensure that we can make it legal to process and incorporate the use of Nevada-grown products. The reason we did not get there last session is there were a lot of moving parts and everyone was trying to make sure we did not overstep federal law.

**Assemblywoman Cohen:**

I know that hemp is different than cannabis, and you may not want the same regulations as those coming from the Cannabis Compliance Board, but is there any overlap that is intended? For example, what needs to be on the packaging with warnings for parents to see?

**Donna Bath:**

*Nevada Revised Statutes* 439.532, which was passed in 2019, lays out what was missing. I cannot answer why the regulations were not done last session, but they were not. We are correcting that. We are looking for packaging, and our goal for this is to ensure the consumer knows what they are getting. You are correct that hemp is not the same as cannabis, it is a derivative. In order to be considered hemp, it has to contain less than 0.3 percent THC. There are heavy guidelines on testing already in place through the State Department of Agriculture (NDA). Hemp growers have to be registered, certified, and pay all the fees, doing all the things that have to be done in the cannabis world, and cannabis is legal for medical purposes. With hemp, we are looking to have it infused in food and animal products for consumption. I guess the answer to your question is yes, there will be regulations set by NDA, and some of them do mirror what is being done for cannabis, such as packaging, certifications, testing, et cetera; all of that is very similar to what has to be done with cannabis.

**Chair Watts:**

Are there any more questions? Seeing none, I will open up for anyone wishing to offer support on S.B. 114 (R1). Hearing no one, is there anyone in opposition? Hearing no one, is there anyone in neutral?

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

I am happy to answer any questions you may have today regarding this bill.

**Chair Watts:**

Are there any questions? Seeing none, thank you for making yourself available. Is there anyone else wishing to provide testimony in neutral? Seeing no one, I will close testimony on S.B. 114 (R1). Are there any closing remarks?

**Senator Goicoechea:**

Thank you for hearing the bill. I hope you will support it; it is a good bill for a good industry.

**Chair Watts:**

With that I will close the hearing on S.B. 114 (R1). Pursuant to Assembly Standing Rule No. 57, I have been given authorization by the Speaker to waive the 24-hour period before work sessioning a bill. I would like to open the work session on Senate Bill 114 (1st Reprint). Are there any questions from the members? Seeing none, I will accept a motion to do pass.

ASSEMBLYWOMAN TITUS MADE A MOTION TO DO PASS  
SENATE BILL 114 (1ST REPRINT).

ASSEMBLYMAN ELLISON SECONDED THE MOTION.

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

THE MOTION PASSED. (ASSEMBLYWOMAN CARLTON WAS  
ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblywoman Titus. I will now move on to our next bill hearing, which is Senate Bill 63 (1st Reprint).

**Senate Bill 63 (1st Reprint): Revises provisions relating to hemp. (BDR 49-264)**

**Ashley Jeppson, Administrator, Division of Plant Industry, State Department of Agriculture:**

I will start by giving a little context with *Nevada Revised Statutes* Chapter 557. This statute is specific to the registration of hemp. In order to grow hemp in any state, it has to be done so through the approval of the United States Department of Agriculture (USDA). Specifically, the State Department of Agriculture (NDA) handles that: folks register with us, and we ensure they are in federal compliance, which has to do with the THC. It is a cannabis crop, just like marijuana. The only way to tell the difference between hemp and marijuana is to do a chemical analysis to actually evaluate the THC. With that, most of what we have in this bill is getting our statute up to standard with the *Code of Federal Regulations*. There have been regulations rolled out fairly recently, so we are trying to get up to par.

Section 1, specifically, was an amendment that I would like to give a little context on. This had to do with NDA being able to accept fingerprints in order for us to do Federal Bureau of Investigation (FBI) background checks. That is a requirement of FBI background checks for the federal program. We did have the statutory authority to require that as a condition of licensure; however, the challenge was that in order for NDA to actually help with this process and be able to successfully complete the background checks, we needed to have statutory authority specifically as listed that would allow us to receive and specify in statute what the condition of licensure was for. That is the first thing you will see that has been added in section 1.

In section 1.5, language was added through an amendment involving crop remediation. This was actually a fairly new addition to the federal requirements that would allow for a crop that exceeded the federal limit for THC to be remediated as opposed to being disposed of. We wanted to ensure that standard was available for producers with our goals to meet minimum federal standards, but not exceed them.

Section 2 is updating the Department being named specifically as the authorized sampling agent. Initially, when this statute was developed, the program was still in its infancy. As it

has evolved, it has been clarified from USDA that the expectation is that sampling is performed either by the NDA or an authorized sampling agent. As a result, statute needed to be updated as a grower cannot submit a sample to the laboratory to determine actual compliance.

Section 3 has to do with ensuring that false information is not provided on the application and making sure that all applicable laws are followed. A portion of that is making sure it is up to standards with the federal language. Also something the Department encountered specifically is concern from county commissioners from rural government agencies pertaining to folks being authorized to grow hemp who did not have appropriate water rights, or the building was not situated to allow for them to produce, or that it was a general violation of their ordinances. Some counties have limitations involving cannabis production. In order to work with these agencies, we are trying to make it a very streamlined process by including the language to ensure that folks are doing those checks before they submit their application and communication has taken place within the appropriate county, so we are not issuing licenses that conflict with local ordinance issues. I believe that covers most of the bill, and I am happy to answer any questions.

**Chair Watts:**

We do have some questions, starting with Assemblyman Ellison.

**Assemblyman Ellison:**

I was shocked when I read that fingerprinting had to be done. I do not understand why that is necessary.

**Ashley Jeppson:**

There are requirements involving the drug-related history for someone applying to grow hemp. Being that the crops look exactly like marijuana, this ensures that performance history would not pose threats of black market marijuana. That is a big part of the intent within that requirement; we are reflecting federal requirements. That was a big part of the reason why: we have seen hemp being produced which was actually marijuana. It is a potential opportunity for black market marijuana.

**Assemblywoman Cohen:**

In section 1.5, subsection 2 and subsection 3, there is mention of the determination of the THC concentration exceeding the maximum, but it says you can attempt to remediate. How do you remediate a crop?

**Ashley Jeppson:**

The USDA has guidelines specific to that. The THC is concentrated in the flower. One of the more common practices that we anticipate seeing is they can chop up the entire crop and homogenize it. We can then resample, with the stems, stalks, and roots being included, which could likely reduce the amount of THC, and it would have to be sold in that form. If we retested it and it met the THC threshold, that would be considered remediation. Another option would be to cut off the flowers and sell the stalks as another form of marketability.

**Chair Watts:**

Are there any additional questions? Seeing none, I will open up to anyone wishing to offer testimony in support of S.B. 63 (R1). Hearing no one, is there anyone in opposition? Hearing no one, is there anyone in neutral? Hearing no one, are there any closing remarks?

**Ashley Jeppson:**

Thank you for your time.

**Chair Watts:**

I will close the hearing on S.B. 63 (R1) and take a brief recess [at 4:59 p.m.]. The Committee will come back to order [at 5:06 p.m.]. I am going to open a work session on Senate Bill 63 (1st Reprint). Are there any questions? Seeing none, I will accept a motion to do pass.

ASSEMBLYWOMAN MARTINEZ MADE A MOTION TO DO PASS  
SENATE BILL 63 (1ST REPRINT).

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

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

THE MOTION PASSED. (ASSEMBLYMEN CARLTON AND ELLISON  
WERE ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblywoman Cohen. That brings us to the last item on the agenda, which is public comment. Is there anyone wishing to provide public comment? Hearing no one, we may have a work session on Friday, May 14, 2021. This meeting is adjourned [at 5:08 p.m.].

RESPECTFULLY SUBMITTED:

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Nancy Davis  
Committee Secretary

APPROVED BY:

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Assemblyman Howard Watts, Chair

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is the Work Session Document for Senate Bill 33 (1st Reprint), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document for Senate Bill 54 (1st Reprint), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is a letter dated May 11, 2021, submitted by Martin Paris, Executive Director, Nevada Cattlemen's Association, in support of Senate Bill 54 (1st Reprint).

[Exhibit F](#) is the Work Session Document for Senate Bill 125 (1st Reprint), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit G](#) is the Work Session Document for Senate Bill 370 (1st Reprint), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit H](#) is the Work Session Document for Senate Bill 406 (1st Reprint), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.