

**MINUTES OF THE  
SENATE COMMITTEE ON NATURAL RESOURCES**

**Eighty-first Session  
March 9, 2021**

The Senate Committee on Natural Resources was called to order by Chair Fabian Donate at 3:34 p.m. on Tuesday, March 9, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Fabian Donate, Chair  
Senator Melanie Scheible, Vice Chair  
Senator Chris Brooks  
Senator Pete Goicoechea  
Senator Ira Hansen

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst  
Christine Miner, Committee Secretary

**OTHERS PRESENT:**

Jake Tibbitts, Natural Resources Manager, Eureka County  
Rachel Buzzetti, Secretary, Nevada Outfitters and Guides Association  
Henry Krenka, Owner, Hidden Lake Outfitters; President, Nevada Outfitters and Guides Association  
Colby Prout, Natural Resources Manager, Nevada Association of Counties  
Mitch Buzzetti  
Michael Jurad, Owner, Mountain Man Outfitters  
Danny Riddle  
Larry Johnson, President, Coalition for Nevada's Wildlife  
Tiffany East, Chair, Board of Wildlife Commissioners, Department of Wildlife  
Jeff Dixon, Nevada State Director, Humane Society of the United States  
Fred Voltz  
Staci Baker, DVM  
Caron Tayloe  
Stephanie Myers  
Patrick Donnelly, Nevada State Director, Center for Biological Diversity

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Jacquie Chandler, Executive Director, Sustainable Tahoe  
Kyle Davis, Coalition for Nevada's Wildlife  
Donna Bath, Director of Community Relations and Special Projects, Silver Lion Farms  
Gian Khalsa, Owner, President, Silver Lion Farms  
Adrienne Snow, Owner, Business Development Manager, Western States Hemp  
Steve Walker, Eureka County, Nevada  
Joelle Gutman Dodson, Washoe County Health District  
Margot Chappel, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services

CHAIR DONATE:

We will not be discussing Senate Bill (S.B.) 34 for the work session as agendized. We will open the work session on S.B. 98.

**SENATE BILL 34**: Makes various changes relating to agriculture. (BDR 50-330)

**SENATE BILL 98**: Makes various changes to provisions relating to the Carson Water Subconservancy District. (BDR S-579)

JENNIFER RUEDY (Policy Analyst):

I will read the summary of the bill from the work session document ([Exhibit B](#)).

CHAIR DONATE:

I will entertain a motion to do pass S.B. 98.

SENATOR SCHEIBLE MOVED TO DO PASS S.B. 98.

SENATOR GOICOCHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

\* \* \* \* \*

CHAIR DONATE:

We will open the hearing on S.B. 78.

**SENATE BILL 78**: Revises the membership of the Board of Wildlife Commissioners. (BDR 45-107)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

Senate Bill 78 seeks to give guides and outfitters representation on the Board of Wildlife Commissioners also referred to as the Wildlife Commission. This pertains to decisions made impacting the outfitter industry. The Wildlife Commission and Department of Wildlife (NDOW) made a number of decisions which impacted local governments on a broad spectrum pertaining to mitigation and impacting rural governments. It became apparent, when working on the bill, there were many issues, and this triggered the proposed amendment ([Exhibit C](#)), which we will work from for this hearing.

I will explain the rationale for expanding the Board of Wildlife Commissioners as stated in S.B. 78 and the proposed amendment [Exhibit C](#). A couple of decades ago, the county advisory boards to manage wildlife (CAB) were engaged with NDOW in the administration and selection of the Board of Wildlife Commissioners. They were strongly engaged in the management of wildlife in Nevada. The process has become somewhat political over the years. Those being appointed to the Board of Wildlife Commissioners tend not to be the best suited for wildlife management.

Section 2, subsection 2 of [Exhibit C](#) proposes CABs to nominate qualified individuals within the respective counties for appointments to the Commission. Local CABs will submit endorsed or not endorsed lists as requested by the Governor to make appointments of qualified individuals to the Board of Wildlife Commissioners.

The existing Board consists of 3 members from a county with a population of 700,000 or more; 2 members from a county with a population of 100,000 or more but less than 700,000; and 1 member from a county whose population is less than 100,000. It was difficult to add new members from Elko County when the ranching or farming representative came from that jurisdiction. Statute did not allow another representative from that county to sit on the Commission. The makeup of the Board consists of 3 members from Clark County, 2 from Washoe County and 4 from the other 15 counties.

The intent of the bill is to expand the Board to allow rural counties at least two representatives. There are multiple funds flowing through the NDOW budget and most of that oversight is provided by the Wildlife Commission. Due to the small amount of general funds in NDOW's budget, the Legislature does not give it much scrutiny. Expanding the Commission will allow interested

parties impacted by the duties of NDOW to have oversight on how the funds and business of NDOW are handled by the Wildlife Commission.

SENATOR SCHEIBLE:

Why add another member who is a master guide, rather than having one of the five members outlined in section 2, subsection 3, paragraph (g) of the proposed amendment [Exhibit C](#), be a master guide?

SENATOR GOICOECHEA:

Are you suggesting leaving the master guide position as stated in section 2, subsection 3, paragraph (d) wide open?

SENATOR SCHEIBLE:

No, I am suggesting instead of adding a master guide in addition to the five members in hunting and fishing in paragraph (g), allow one of those five members to be a master guide.

SENATOR GOICOECHEA:

We could put that language in if you would like. Presently, there is a subguide on the Wildlife Commission, but not a master guide. Master guides could qualify for one of the five slots because they hold hunting licenses in three of the last four years. Guides and outfitters have struggled for representation, and that is the reason to add a seat on the Board. The outfitter and guides industry is larger than just the average weekend hunter.

SENATOR SCHEIBLE:

I do not understand why five hunters plus the master guide instead of five hunters including a master guide is necessary. If it is more of an industry, and the Board is supposed to be the body that utilizes science to regulate animal populations, would it be a conflict of interest to put someone who has a financial stake in those decisions in a decision-making position?

SENATOR GOICOECHEA:

The majority of the Board members are hunters.

SENATOR SCHEIBLE:

Do they gain financially from the decisions made by the Board?

SENATOR GOICOECHEA:

Guides and outfitters in the rural areas are more than hunter guides. Their guiding includes fishing and photography trips. People in the rural areas have a closer connection to the habitat and species than the average person. The guides and outfitters are well suited to sit on the Wildlife Commission.

If I am a person in the livestock industry, I am aware the deer herds are declining rapidly. The person does not benefit from the decline, but knows the situation and recognizes trends in habitat and wildlife. Representation by the guides and outfitters can bring expertise to the Commission because being in the wild is their livelihood. This is in addition to the other five members engaged in farming, ranching and conservation.

SENATOR HANSEN:

Photography of wild horses, fishing trips and animal sightings in summer are growing nonhunting activities in Nevada. Guiding is not exclusive to hunting.

The Department of Wildlife is funded primarily by revenue generated by the sale of hunting and fishing licenses, hunting tags and funds from the Pitman-Robertson Act. The funds from the Pitman-Robertson Act are generated by people interested in outdoor pursuits. We should be careful when discussing financial gains of individuals because the entire Department of Wildlife is funded primarily by outdoor activities.

In 1947, the State Fish and Game Commission increased its membership to 17 elected members, one from each county in Nevada. This is the origin of the Board of Wildlife Commissioners. The interests of the counties contributed greatly to the Commission and that process has eroded over the years. The CABs from all counties have limited or no input in the decisions made by the Wildlife Commission. The change from heavy levels of civilian involvement to domination by professional biologists at NDOW is dramatic. This is the historical perspective. I am prompted to share this after hearing concerns of guides having possible financial ties to wildlife; this is true for everyone in NDOW.

CHAIR DONATE:

The Senate Committee on Natural Resources has received letters in opposition and support expressing the concept of instituting term limits for members of the Board of Wildlife Commissioners. Has this topic been expressed to you? Would you respond to that concern?

SENATOR GOICOECHEA:

It is a reasonable concern, though I have not been approached with the topic. Some of the members have been on the Board of Wildlife Commissioners for a long time.

The proposed amendment [Exhibit C](#) allows CABs to once again nominate individuals to the Board. Statute allows the nomination; unfortunately, it is not happening. Although statute allows for it, the proposed amendment should accomplish our intent for the Governor to choose members of the Board of Wildlife Commissioners from the submitted CAB nominations. Strong people have been nominated by CABs for the Wildlife Commission, but lack enough political connections for membership.

Regarding managing species, habitat and wildlife, CABs clearly know the sportsmen with expertise from all walks of life. The CABs should play a bigger role in the oversight of NDOW.

With the amount of funds going to NDOW, more oversight is needed by those making the decisions about Nevada's habitat and species by those who are engaged and knowledgeable.

JAKE TIBBITTS (Natural Resources Manager, Eureka County):

Eureka County worked with Senator Goicoechea on the proposed amendment to [S.B. 78](#), [Exhibit C](#). I will read from my written testimony explaining the intent of the proposed amendment and the important roles of CABs in the management of wildlife and their relationships with the Board of Wildlife Commissioners ([Exhibit D](#)).

RACHEL BUZZETTI (Secretary, Nevada Outfitters and Guides Association):

I am the secretary of the Nevada Outfitters and Guides Association and my husband and I own and operate an outfitting business in northeastern Nevada. [Senate Bill 78](#) is an important bill for Nevada guides and sportsmen. It proposes to expand the Board of Wildlife Commissioners by two members, one being a master guide. This will increase oversight and transparency needed for the Wildlife Commission and NDOW.

The Wildlife Commission has made policies and regulations financially affecting the guide industry. In 2004, the Commission removed the second draw opportunity for nonresident hunters. In 2018, the Commission changed the

draw system. Outfitters are no longer able to receive the saleable list of successful applicants receiving hunting tags. The marketing list allowed guides to mail brochures to the successful sportsmen. This decision cost Nevada outfitters at least \$500,000 in lost revenue.

During the 2019 Legislative Session, the Nevada Outfitters and Guides Association was unsuccessful in its proposal to create legislation for an advisory board to deal with guide industry issues.

It seems plausible to add a licensed master guide to the Commission to assist in making decisions affecting the guide industry. Master guides are a knowledgeable resource on wildlife. Guides are in the field throughout the year. They hunt multiple species including antelope, elk, goat, sheep and deer. Guides work long hours scouting, preparing camps, saddling horses, preparing equipment and hunting. This ensures sportsmen safe and exciting outdoor experiences. Besides hunting trips, guides provide trail rides, photography expeditions, fishing and overnight camp trips.

The primary source of income for a guide is during the hunting season. Guides need to be fiscally viable. A voice on the Commission would avoid adverse decisions made for the industry. Expanding the Board of Wildlife Commissioners by two members will ensure diversity, transparency and sufficient oversight. The amount of State and federal funding received by the Commission justifies this oversight.

The proposed amendment, [Exhibit C](#), addresses the number of members from a region who can serve and be appointed to the Commission. These proposals ensure grassroots participation and knowledgeable members to serve as assets in making wildlife management decisions. A guide who spends considerable time in the wild scouting, watching and hunting multiple species is a reasonable choice for a seat on the Board of Wildlife Commissioners.

Supporting S.B. 78 supports grassroots participation, less handpicked politically connected individuals and transparency and oversight which are critical to maintaining a financially sound Commission and Department.

HENRY KRENKA (Owner, Hidden Lake Outfitters; President, Nevada Outfitters and Guides Association):

For forty years, I have been owner and operator of Hidden Lake Outfitters. I am president of the Nevada Outfitters and Guides Association. Senate Bill 78 will expand and diversify the Wildlife Commission by two members. The policies of the Wildlife Commission affect outfitters and guides. There needs to be more oversight and transparency of the Commission so policies being made can be debated by those affected. The Commission is designed to manage wildlife. Adding members whose livelihood and primary interests is wildlife benefits the Commission. The Commission consists of members whose primary interests are ranching, farming, conservation, general public and sportsmen. There is no member on the Commission whose primary living comes from wildlife—the name of the Commission. I support S.B. 78.

COLBY PROUT (Natural Resources Manager, Nevada Association of Counties):

The members of the Nevada Association of Counties (NACO) include all 17 counties of Nevada. The members of NACO support S.B. 78 and the proposed amendment, Exhibit C. County advisory boards to manage wildlife hold local knowledge and expertise and can assist this and future governors in making appointments to the Board of Wildlife Commissioners. The recommendations and approvals of the 17 CABs will help the State craft and best implement cogent, thoughtful and consistent policies more easily implemented by NDOW.

Section 2, subsection 2 of the proposed amendment, Exhibit C, outlines the process to ensure local knowledge and expertise find representation on the Board of Wildlife Commissioners. This process will help leverage local knowledge and experience and help bolster the State's wildlife management policies.

MITCH BUZZETTI:

I have been a licensed guide and outfitter for 24 years. I have seen NDOW and the Wildlife Commission attempt to degrade the guiding industry with unreasonable regulations. For example, the second draw and the saleable lists were eliminated. Often, politics is used to intervene in the livelihood of the guiding industry. It does not appear to be about managing wildlife. Some of the decisions of the Commission are politically motivated and hamper my ability to do business and make a living.

I support S.B. 78 to put a licensed master guide on the Commission. The Wildlife Commission has set tough regulations for 20 years, and with difficult economic times, small businesses suffer. The Commission will soon meet with intentions to simplify regulations, but when it comes to the guiding industry, more regulations will be added and continue to hamper my ability to put clients into the guided draw.

The intentions of the Commission are not always based on science. I am a member of the Elko County Advisory Board to Manage Wildlife, and I have seen NDOW and the Wildlife Commission disregard recommendations frequently brought forward by Elko County. Elko County is the largest county in Nevada with the largest mule deer herd in the State and houses many species of wildlife. I have taken offense to some opposition comments. Remember, these interests may well be vested in the policies of a flawed system.

MICHAEL JURAD (Owner, Mountain Man Outfitters):

I have been on the Humboldt County Advisory Board to Manage Wildlife for 20 years. Historically, the Board of Wildlife Commissioners listened to CABs; this has not been the case for years. County advisory boards to manage wildlife nominate persons to be on the Wildlife Commission. Recently, the Wildlife Commission and NDOW made decisions severely impacting the outfitting and guides industry. One example is a regulation to eliminate the chance for outfitters to apply for a second draw if they were unsuccessful on the first draw. Access to the saleable lists for outfitters and master guides was eliminated. These decisions have financially handicapped my business.

Increased tag quotas are continually pushed by the Commission despite feedback from area biologists, outfitters, guides, CABs and sportsmen and women. There are many examples of excess deer, elk, and pronghorn antelope tag quotas. I spend more than 200 days per year in the wild. I made offers to members of the Commission to visit the fields with me to show what I am seeing and not seeing. No one has taken me up on these offers. The decline in wildlife populations and degrading habitat are serious issues. I push for less quota tags for a quality versus quantity hunt.

When outfitters and guides meet, I recuse myself from any vote to eliminate a conflict of interest. This should be no different for a master guide, farmer or rancher on the Wildlife Commission. Members get elk incentive plans and damaged compensation tags; there is no difference.

The outfitters and guide industry has been severely handicapped and the industry is suffering. I do not want two decades and over \$100,000 invested, my life and soul, to go down the drain. I do not want to be part of the generation responsible for the loss of any species, and this is where we are heading. It is a problem that needs to be solved for the next generation of outfitters and guides.

DANNY RIDDLE:

I will read from my submitted letter outlining three points for why I am in favor of S.B. 78 ([Exhibit E](#)).

LARRY JOHNSON (President, Coalition for Nevada's Wildlife)

The Coalition for Nevada's Wildlife opposes S.B. 78. The Wildlife Commission and the CAB system function well. It allows public input on every issue. The Department of Wildlife has the most democratic organization of any department in Nevada. There are over 100 master guides in the State, many of whom are nonresidents. Guides do not deserve this degree of representation and would need to abstain from many important votes due to financial conflicts of interest. There is a licensed subguide on the Commission. Guides can apply for the sportsman positions on the Board. Wildlife management and decisions should be made on the basis of science, not on the basis of local political interests.

Regarding the elimination of saleable lists of successful tag holders, several *Nevada Revised Statutes* (NRS) prohibit the issuance of such lists due to privacy requirements. It is an invalid complaint. All applications contain boxes to check stating "I want my name made public," or "I want my name kept private."

TIFFANY EAST (Chair, Board of Wildlife Commissioners, Department of Wildlife):

The Legislative Committee of the Wildlife Commission opposes S.B. 78. The full Commission will vote on this and other bills at its March 19, 2021, meeting. Over the years, attempts to change the composition of the Wildlife Commission have failed; it has a clear mission. The Commission is a nine member Governor-appointed Board. It is responsible for establishing broad policy, setting regulations, establishing hunting and fishing seasons and quotas and receiving input on wildlife and voting matters. There is no oversight of NDOW regarding personnel issues or budgetary items. For 15 years, NDOW has been subject to a series of 27 audits ranging in type from law enforcement to fiscal and grant compliance.

Senate Bill 78 attempts to add two positions to the Commission, a master guide and an elected official. Any of Nevada's more than 100 licensed master guides can apply for a seat on the Commission. Legally, adding to the Wildlife Commission creates conflicts that will require considerable abstention from voting on regulations, season dates and quotas. Nonresident guided hunts alone provide a substantial income, a minimum of \$1 million annually, to the outfitters. Commissioners do not gain from this.

About 92 percent of Nevada's sportsmen opted out of the saleable lists for privacy reasons. During the 2019 Legislative Session, the Commission agreed to the amendment for an advisory board, but the bill was killed before a vote.

Commission members represent 4 counties with fewer than 100,000 residents. The change to afford 2 representatives from the same county of 100,000 counters the argument for more rural representation.

Fourteen of Nevada's 17 counties have active CABs. They often tell the Commission how difficult it is to find members and engage the public to provide input to the Commission. I am open to working through many of the guides and outfitters concerns.

JEFF DIXON (Nevada State Director, Humane Society of the United States):  
The Humane Society of the United States opposes S.B. 78 on behalf of its Nevada members and volunteers. The Humane Society rejects the idea that a person licensed with hunting tags from NDOW or who paid a tax for the Pitman-Robertson fund deserves a say in wildlife policy.

The Board of Wildlife Commissioners is heavily skewed toward serving the interests of a small share of Nevadans who hunt and fish and otherwise prefer lethal methods of wildlife management. The majority of the nine seats are designated for members who hunt, fish or both. The proposed expansion to include a licensed guide would maintain a lethal recreation majority.

America's Wildlife Value project found that 44 percent of Nevadans hold a mutualist orientation, meaning wildlife is part of our social network and we should live in harmony. This is twice the share of traditionalists who believe wildlife should be used and managed for human benefit. The closest mutualists get to representation on the Commission is one member of the general public whose share shrinks with the proposed expansion from a 9-to-1 ratio to an

11-to-1 ratio and correspondingly increases recreation ratios relative to the general public from a 5-to-1 ratio to a 6-to-1 ratio. Senate Bill 78 entrenches existing inequities.

Although not proposing an amendment, the Humane Society of the United States recommends an alternative composition to the Commission that proportionally represents Nevada's mutualist values and nonlethal recreational interests. The Commission should include representation for ethicists, wildlife watchers and other nonconsumptive users rather than more members from the well-represented interests as proposed in S.B. 78.

FRED VOLTZ:

Proposed S.B. 78 disenfranchises most Nevadans. It perpetuates overrepresentation of hunters and rural residents while excluding majority interests in preserving our wildlife. Why are wildlife hunters presumed to be wildlife experts? Why do rural residents exclusively possess superior knowledge of the needs of wildlife? Why should buying an NDOW license be a prerequisite to Commission or CAB appointments? Guidelines in statute for CABs are mired in thinking from 1930 when the rural areas comprised 70 percent of Nevada's population. Today, 89 percent of Nevadans live in Clark and Washoe Counties and Carson City. It appears their perspectives are inadequately represented and routinely ignored.

The CABs need similar reform in who qualifies for an appointment. They lack the objectivity to nominate Commissioners. The misnomer that NDOW's small number of licensees pays the bills is contradicted by most of NDOW's money coming from nonhunting federal taxpayers. A study done by the U.S. Department of the Interior proves wildlife watcher funds eclipse wildlife hunter funds. The funds from licensing fees does not cover the loss of value to the public when its wildlife is permanently severed from the land.

STACI BAKER, DVM:

I oppose S.B. 78. This bill caters to special interest groups. Hunting guides are a minority. Eagle tourism is on the rise. Hunting guides contribute low revenue to the economy of Nevada and lack formal education or training. Nevada is experiencing a declining population of wildlife and an imbalance between apex predators and nonpredators. We live in an era of unprecedented extinction. The hunting industry is dying; we are not in 1947. What legacy will hunters leave to feed their families in the next few decades with less animal populations?

According to NRS 501.105, The Wildlife Commission "shall establish policies and adopt regulations necessary to the preservation, protection, management and restoration of wildlife and its habitat." The makeup of the Commission is predominately prohunter male representatives. Absent are wildlife and natural resource advocates. Conservationists are needed to work in concert with hunters to assure everyone can enjoy the resources still available in Nevada.

Urban sprawl is a problem and is changing our State. The vast majority of Nevadans oppose hunting.

CARON TAYLOE:

The current and proposed makeup of the Board of Wildlife Commissioners does not reflect the demographic of the hundreds of thousands of people who engage in wildlife watching. The decisions of the Wildlife Commission do not reflect the values and contributions of those who fund and conserve wildlife in nonconsumptive ways.

Senate Bill 78 does little to balance and diversify the Commission nor does it enhance wildlife. Recent articles in the *Las Vegas Review-Journal* and *Nevada Current* show that wildlife watchers contribute to the economy of Nevada. A survey by the U.S. Fish and Wildlife Service shows nonconsumptive recreation revenue in the U.S. at \$75.9 billion. Funding of wildlife from the Pittman-Robertson Act and the Dingell-Johnson Act include wildlife watchers who purchase handguns, ammunition, archery products, boats and fuel. Federal excise tax transfers are not all hunter-sourced. It is time to end the false narrative that wildlife watchers cannot have a voice in wildlife conservation due to funds. Wildlife watchers contribute financially to the economy and wildlife in Nevada. I do not support S.B. 78, and changes to the Commission should start with creating positions based on current data and demographics.

STEPHANIE MYERS:

For 20 years, I have attended almost every Wildlife Commission meeting. The composition of the Commission has been lopsided. Senate Bill 78 does not begin to address this imbalance. The decision making of the Commission does not reflect the needs and values of the State and does not include the 95 percent of Nevadans who comprise the nonhunting community. The public seat is just one of nine positions on the Commission. Wildlife watchers and others who love wildlife bring millions of dollars to the State.

PATRICK DONNELLY (Nevada State Director, Center for Biological Diversity):  
The Center for Biological Diversity opposes S.B. 78. The makeup of the Board of Wildlife Commissioners is out of sync with Nevada's population. It consists primarily of hunters, farmers and rural people who do not represent all Nevadans' views on wildlife. The bill will exacerbate problems with the composition of the Wildlife Commission.

Other areas not represented on the Commission could include ecotourism, indigenous communities or scientists. Why is the Commission made up of hunters in a State of many people who do not hunt? The composition of the Board of Wildlife Commissioners needs to be completely overhauled, not to enhance the power of entrenched interests which control it.

JACQUIE CHANDLER (Executive Director, Sustainable Tahoe):  
The mission of Sustainable Tahoe is to accelerate the adoption of geotourism in the Lake Tahoe Watershed. Sustainable Tahoe opposes S.B. 78. This bill amplifies the one voice which is less than 5 percent of Nevadans. The public was 95 percent against the bear hunt, but it was put forward regardless. There was no representation of the voices at large. The Board should be reordered to reflect the views of Nevadans who want to load cameras, not guns. Wildlife resources are limited.

KYLE DAVIS (Coalition for Nevada's Wildlife):  
The Coalition for Nevada's Wildlife opposes S.B. 78. The process for electing the Board of Wildlife Commissioners is not broken. The Wildlife Commission hears input from CABs from every county in the State. The CABs are appointed by county commissioners. Every member of the public has the opportunity to provide comments at meetings of the Wildlife Commission.

The Wildlife Commission has State representation from those with experience and responsibility to wildlife. Testimony indicates the desire of people to change the makeup of the Commission because they disagree with some of its decisions. Sportsmen and women also have complaints about some decisions the Commission has made over the years; it is part of the public process.

The Coalition for Nevada's Wildlife supports the scientific management of wildlife. This management has brought Nevada's game populations back from the brink of extinction. The members of the Wildlife Commission do an excellent job of managing our wildlife according to science for continued healthy wildlife

populations. Many of the finest conservationists in Nevada serve and have served on the Commission. The members of the Commission take their jobs seriously and feel a strong responsibility to a healthy wildlife population.

SENATOR GOICOECHEA:

The language in S.B. 78 and the process whereby CABs nominate members of the Wildlife Commission is an accountable process.

For those wanting more representation on the Commission, it happens through the ballot box with local county commissions. They appoint the CABs and that is the way to make a difference in the process; the appointment is contingent on CAB nominations.

CHAIR DONATE:

As of 3:15 p.m. today, there were 44 in support and 64 against S.B. 78 from the Opinions application on the Nevada Legislature website. We received 3 letters in support and 16 letters in opposition of S.B. 78. We will now close the hearing on S.B. 78. We will open the hearing on S.B. 114.

**SENATE BILL 114**: Authorizes food that contains hemp to be produced or sold at a food establishment under certain circumstances. (BDR 49-65)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

Senate Bill 114 is patterned after a bill passed by the members of the Virginia General Assembly. We will refer primarily to the Proposed Amendment 3123 to S.B. 114 ([Exhibit F](#)). The bill seeks to make the use of hemp in food products or any industrial product legal when the U.S. Food and Drug Administration (FDA) or U.S. Department of Agriculture (USDA) pass federal regulations pertaining to this subject. The intent is to poise Nevada for the position of providing marketing for the growing hemp industry. There is significant acreage dedicated to hemp production and growers of hemp are looking for clarification in law and the ability to use its products. In an attempt to avoid a fiscal note and clarify this is not about food establishments, the Proposed Amendment 3123 [Exhibit F](#) was created. It clarifies the goal of allowing hemp or a hemp commodity or product using hemp be allowed by producers in Nevada.

Hemp products with cannabidiol (CBD) oil produced out of state are sold on the shelves of Nevada. Without the change in law provided by S.B. 114, Nevada prohibits the use of hemp in production.

DONNA BATH (Director of Community Relations and Special Projects, Silver Lion Farms):

I will read my written comments ([Exhibit G](#)) presenting S.B. 114 outlining the background and intent of the bill and the Proposed Amendment 3123 [Exhibit F](#).

GIAN KHALSA (President and Owner, Silver Lion Farms):

I support S.B. 114. Silver Lion Farms is an organic hemp farm and ingredient supply company. Silver Lion Farms has invested nearly \$100 million in Nevada's hemp agriculture and created thousands of jobs over the last three years in Ely, Nevada.

Hemp is a new economy that is legal in all 50 states. Nevada is in a strong position to take advantage of the good paying agricultural, extraction, construction and manufacturing jobs. Senate Bill 114 addresses the manufacturing jobs and the downline industries hemp resources can generate.

The intent of the bill is to authorize products containing hemp and hemp extracts to be manufactured and sold at food and other establishments under certain conditions in Nevada.

This is truly a jobs and economic bill for the State. It allows for manufacturers and food establishments to produce and sell food and beverage products made with CBD and hemp extracts. Approximately 16 U.S. states have passed legislation similar to S.B. 114. Nevada is missing a large opportunity.

The food and beverage industry is a large market for Nevada-grown hemp, agriculture and manufacturing businesses. It has the ability to bring many new downline hemp and CBD consumer products and manufacturing jobs to the State. It makes sense to take advantage of hemp agriculture by making new products here in Nevada. Nevada sells products made from CBD, but does not allow manufacturing of products with hemp. Nevada should be taking advantage of its natural resources by manufacturing those products and selling them in Nevada to create much needed revenue.

The passage of S.B. 114 will help position Nevada to take full advantage of the economic benefits of the expanding market for hemp-infused food products and industries created from what Silver Lion Farms is growing on its 3,000 acres.

The largest consumer manufacturing companies in the country are interested in enhancing their products with CBD and manufacturing them in states that allow it. Soon, every food, snack, beverage, pet product, beauty product, supplement and medicines, analgesic tropicals for pain and inflammation will be seen containing CBD and hemp extracts as the industry continues to expand.

Why not create these hemp products in Nevada with all the hemp resources being developed? We should attract as many hemp jobs to our State as possible. It is a new industry and a new source of revenue.

Manufacturers are going to locate in states that support their companies. I am grateful for the hemp policies in Nevada and the support I have received from local and State officials. Senate Bill 114 is a positive step forward for participation in this amazing opportunity to expand in this high-dollar industry.

SENATOR BROOKS:

In section 2, subsection 3, paragraph (b) of the Proposed Amendment 3123, [Exhibit F](#), about identifying contaminants and correctly labeling products appears to have generated a fiscal note. In the products you currently manufacture, is there a required labeling process from the Department of Health and Human Services (DHHS)?

MR. KHALSA:

There will be, but DHHS has not issued the requirements. It is mentioned in the bill, but labeling requirements have not materialized. Hemp is just another ingredient, like adding echinacea, ginseng or caffeine to a product. Current requirements involve having a third-party lab test to verify no pesticides, heavy metals or contaminants are in the product. All hemp manufacturers who create the CBD ingredient and sell it to food manufacturers supply a Certificate of Analysis showing the product has been approved. This is similar to any agricultural product.

SENATOR GOICOECHEA:

I have conferred with DHHS about the fiscal note it generated. At the point when the federal government incorporates the guidelines, DHHS is concerned it will be in the middle. Senate Bill 114 seeks for Nevada to be poised with regulations in place when the federal requirements are instituted. Without the federal requirements in place, the concerns of DHHS are for testing and licensing.

CHAIR DONATE:

There is a need for stringent requirements on labeling from a public health standpoint.

ADRIENNE SNOW (Owner, Business Development Manager, Western States Hemp):

Since the inception of the 2016 hemp program, there have been a number of issues that have taken Nevada from being an industry leader to being put in a noncompetitive position pertaining to manufacturing CBD and hemp-derived products.

In 2019, the nationwide market was flooded with supplies of hemp biomass due to the number of hemp growers attempting to farm new crops following the passage of the USDA Agricultural Improvement Act of 2018. This oversupply resulted in a massive price drop for the fledgling commodity. Companies like Western States Hemp with the means and willingness to produce a number of retail products for which there was high demand were not allowed to do so. The moratorium existing in Nevada to manufacture CBD and hemp-derived goods consumed orally inhibited businesses.

Nevada legally sells an array of edibles containing CBD. As a business owner who has paid a massive price to pave the way in the industry, it is extremely disheartening to see reetailed goods made outside of Nevada given precedence over the businesses trying to maintain and pay taxes in the State.

Nevada laws monetarily inhibit and punish farmers and businesses. Two years ago, a pharmaceutical scientist specializing in liquid technology for the delivery of CBD approached Western States Hemp about setting up operations in Fallon with a plan of deriving CBD directly from our farm exclusively. Because of the manufacturing moratorium of CBD containing foods and drinks, this company was forced to find an operating location outside of Nevada. Last month, in a joint venture product, this team launched a line of canned drinks realized gross sales of \$3 million in just 2 weeks. This company still wants to set up operations in Nevada, but can only do so if S.B. 114 is supported.

STEVE WALKER (Eureka County, Nevada):

Eureka County supports the S.B. 114 and its Proposed Amendment 3123, [Exhibit F](#). It would provide opportunity for increased crop choices in the agricultural economy of Eureka County.

JOELLE GUTMAN DODSON (Washoe County Health District):

The Environmental Health Services of Washoe County Health District (WCHD) is opposed to S.B. 114. Its food protection program strives to maintain the highest levels of food safety in Washoe County for locals and visitors. Staff conduct annual inspections of food establishments including restaurants, food manufacturers, temporary food establishments and mobile food operations to determine compliance with food safety and regulation practices. Our food regulations mirror the FDA food codes and are founded on scientifically sound technical and legal basis for regulating the retail food industry.

Washoe County Health District has been in communication with the bill sponsor, and it is our understanding that the bill is intended to allow hemp products, including CBD, as a food additive if and when the FDA approves this nationally. The Washoe County Health District supports this intention. Senate Bill 114 as written and with the Proposed Amendment 3123, [Exhibit F](#), would ask WCHD to permit an additive not on an approved additive list to food manufactured and served in its jurisdiction. There is limited independent research on the health and safety of this product as a food additive, including the appropriate quantities allowed per serving.

Additional research, training and staff would be necessary for WCHD to meet the requirements of the bill. It would also require the updating of existing food regulations, which is a public process. Estimated costs could be \$155,000 annually. A fiscal note was not submitted because WCHD has been waiting for the intent of the bill at this hearing.

We encourage an amendment to the bill allowing hemp as an approved food additive in Nevada once the FDA has approved it at the national level.

MARGOT CHAPPEL (Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services):

The Division of Public and Behavioral Health attached the fiscal note on S.B. 114 to implement the bill as written. The Division does not have a similar program.

SENATOR GOICOECHEA:

I thought we could make this bill passage contingent on the change in FDA regulations, and it would be acceptable to the Washoe County Health District.

MS. BATH:

Silver Lion Farms has been in contact with its federal delegation and is encouraged by the movement of the federal legislation. More should be known by the second quarter of 2021. There are 16 U.S. states putting forward legislation within the legal limits of hemp. The labeling requirements are organic and a strict labeling policy is followed. Businesses in other states are positioning themselves for the passage of federal legislation.

Silver Lion Farms is not a manufacturer, it provides product. It seems unfair for manufacturers in Nevada to be unable to attract industry to their jurisdictions. How do we make this a fair playing field for Nevada businesses if the companies from other states are able to sell their products in Nevada? I prefer to see Nevada take control and regulate hemp-infused products for those inside and outside of the State. All businesses should go through the same regulation requirements as a manufacturer in Nevada. This would put Nevada businesses on a level playing field. Customers in Nevada consume hemp products, but Nevada manufacturers are being stunted with the inability to take advantage of the same opportunities as other states who export their products to Nevada.

SENATOR GOICOCHEA:

I will continue to work with interested parties to achieve a middle ground and attempt to move forward with the bill.

CHAIR DONATE:

We will close the hearing on S.B. 114.

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CHAIR DONATE:

Having no further business, we will adjourn this meeting at 5:29 p.m.

RESPECTFULLY SUBMITTED:

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Christine Miner,  
Committee Secretary

APPROVED BY:

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Senator Fabian Donate, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Begins on Page</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
S.B. 98	B	1	Jennifer Ruedy	Work Session Document
S.B. 78	C	1	Senator Pete Goicoechea	Proposed Amendment
S.B. 78	D	1	Jake Tibbitts / Eureka County	Written Testimony
S.B. 78	E	1	Danny Riddle	Letter in Support
S.B. 114	F	1	Senator Pete Goicoechea	Proposed Amendment 3123
S.B. 114	G	1	Donna Bath / Silver Lion Farms	Written Comments