MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS

Eighty-Second Session April 13, 2023

The Committee on Legislative Operations and Elections was called to order by Chair Michelle Gorelow at 4:09 p.m. on Thursday, April 13, 2023, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [Exhibit A], the Attendance Roster [Exhibit B], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Michelle Gorelow, Chair Assemblywoman Brittney Miller, Vice Chair Assemblyman Rich DeLong Assemblywoman Jill Dickman Assemblyman Reuben D'Silva Assemblywoman Cecelia González Assemblyman Brian Hibbetts Assemblyman Richard McArthur Assemblyman Cameron (C.H.) Miller Assemblywoman Daniele Monroe-Moreno Assemblywoman Sabra Newby Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Haley Proehl, Committee Policy Analyst Bryan Fernley, Committee Counsel Shuruk Ismail, Committee Manager



> Kristi Howard, Committee Secretary Garrett Kingen, Committee Assistant

OTHERS PRESENT:

Athar Haseebullah, Executive Director, American Civil Liberties Union of Nevada Bryan Wachter, Senior Vice President, Retail Association of Nevada Will Adler, representing Sierra Cannabis Coalition

Daniel Stewart, representing Pisos

Hana Fahmi, representing Nevada Public Health Association

Isaac Hardy, representing Urban Consortium

Briana Padilla, Executive Director, Chamber of Cannabis

Hadhinah Felice, Board Member, Chamber of Cannabis

Patty Belanger, Private Citizen, Las Vegas, Nevada

Jason Greninger, Chief Executive Officer, Atlas Alchemy

Will Pregman, Director of Communications, Battle Born Progress

Oscar Williams, Private Citizen, Reno, Nevada

Joy Trushenski, Private Citizen, Carson City, Nevada

Chair Gorelow:

[Roll was called. Rules and protocol were explained.] We are going to start with a hearing on <u>Assembly Joint Resolution 8</u>. We also have a work session on our agenda today. With that, let us get started. As I mentioned, we are going to start with <u>A.J.R. 8</u>. When the presenters are ready, you may begin.

<u>Assembly Joint Resolution 8</u>: Urges the Congress of the United States to deschedule marijuana as a schedule I controlled substance. (BDR R-615)

Assemblywoman Brittney Miller, Assembly District No. 5:

I am presenting today along with Assemblyman Reuben D'Silva, and Athar Haseebullah, Executive Director of the American Civil Liberties Union of Nevada. We are here to present Assembly Joint Resolution 8, which urges Congress to deschedule marijuana as a schedule I controlled substance. Assembly Joint Resolution 8 builds upon decades of Nevada law and reflects the will of the people in the majority of states across the country. The people of Nevada have enshrined the right to use both medicinal and recreational cannabis in our *Nevada Constitution*. It has been legalized for medical use in 37 other states and for recreational use in 20 other states. Despite widespread support for legalization, cannabis remains a schedule I controlled substance. Federal scheduling places state legal cannabis businesses in a difficult position.

What most people do not realize about me is that I also have a banking background. I was a trainer for two major banks, both here in Nevada and back in Michigan. As a trainer, I actually trained on all of the state—and more importantly, federal—regulations pertaining to banking. I can personally attest to the challenges that we have when it comes to the schedule I classification of marijuana. What happens is this burden is pressed upon

businesses specifically. Cannabis is still federally illegal. Therefore, distributors are locked out of traditional banking and financial institutions that understandably are unwilling to risk criminal prosecution. Businesses lose out on the many services and protections offered by the banking institutions that could really simplify their efforts. This means that a cannabis business is forced to operate with large amounts of cash on hand which creates a variety of safety risks for employees, owners, and consumers.

It is time for our booming cannabis industry to be freed from the burdens of outdated laws based more on narrative than facts. It is time for Congress to support the will of the people, if not the states. So far this session, there have been many bills presented that include the use of cannabis and hemp. Our businesses are medical facilities, those in agriculture and farming. Those who work with animals are demonstrating that there are multiple ways to use cannabis and hemp to further assist Nevadans. This resolution urges Congress to remove cannabis from the list of schedule I controlled substances, which would allow Nevada businesses to operate with greater safety and financial security. At this time, I would like to turn it over to my copresenter, Assemblyman D'Silva.

Assemblyman Reuben D'Silva, Assembly District No. 28:

Thank you, distinguished colleagues, for allowing us to present this bill before you today. This is a pressing issue, and it is hampering an industry that is rapidly growing in our state. I remember back in 2016 knocking on doors to get that ballot initiative passed, and we are still a long way from really allowing this industry to thrive, not just here in our state but at the national level.

One of the most important things here is the fact that cannabis is a schedule I controlled substance. I want to get to my written remarks before we get to the technical aspects of this bill. Under the Controlled Substances Act, schedule I drugs are those which have no accepted medical use and a high potential for abuse. Despite medical research that has confirmed cannabis's many beneficial medical uses, it is still classified as a schedule I substance. Assembly Joint Resolution 8 urges Congress to correct that error and remove cannabis from schedule I. In states where cannabis is legalized for medical use, cannabis is prescribed to treat a wide variety of debilitating medical conditions, including cancer, multiple sclerosis, HIV/AIDS, epilepsy, and glaucoma. Despite widespread medical use and low potential for abuse, patients are unable to receive prescription health insurance coverage for medical marijuana due to federal scheduling. Without health insurance coverage, costs are astronomical. In order to purchase medical marijuana, patients must first obtain a state medical marijuana registry card which can cost as much as \$350 and must be renewed regularly. Once the card is obtained, monthly costs for medical marijuana range from \$50 to \$1,500. Assembly Joint Resolution 8 urges Congress to acknowledge the medicinal value of cannabis by removing it from schedule I. This in turn should allow patients to receive prescription health insurance coverage for medical marijuana, helping relieve the financial burden placed on patients. At this time, I want to invite Mr. Haseebullah to go into the more technical specificities and aspects of this bill.

Athar Haseebullah, Executive Director, American Civil Liberties Union of Nevada:

As executive director for the American Civil Liberties Union (ACLU) of Nevada as well as a civil rights lawyer, I am very familiar with cannabis policy both at the statewide level and at the national level. I am going to go over the technical specifics of this resolution. I will also mention there is finally, on my end, only one amendment [Exhibit C] in place as I know of right now, which is to add a slew of bipartisan cosponsors. Since I submitted this proposed amendment yesterday, there have been seven additional cosponsors who have expressed a desire to sign on. Again, we think this is a very bipartisan-smart approach, and I will go through what this looks like.

As Assemblyman D'Silva mentioned, schedule I substances at the federal level are defined as substances with a high potential for abuse and having no currently accepted medical use. Assembly Joint Resolution 8 seeks to shift Congress and urge Congress to support legislation removing cannabis from the schedule I list. The schedule I controlled substances list contains the most significant, severe drugs that are out there. Heroin is on schedule I. When we looked at schedule II where there is some medical value, what drugs are on schedule II? Fentanyl, methamphetamine, cocaine, and Xanax are all on schedule II. What are the barriers for being on schedule I? You cannot bank normally.

We have cleared up many misperceptions, and I am showing up today to congratulate Nevada on being a leader in a space and not finishing last. We are actually one of the pioneer states in the country that have shifted away from this. Three decades ago in 1998 as mentioned in the resolution, Nevada had back-to-back ballot initiatives that subsequently inscribed the medical value associated with cannabis into Article 4 of the *Nevada Constitution*. As a constitutionalist, we put that forward, first and foremost. This has already been determined to be the will of the voters. Regardless of people's personal decisions or views on cannabis, whether or not it has medical value has been fully enshrined into the *Nevada Constitution*.

During the last year, the ACLU brought forth litigation around this issue at the state level. Cannabis is not on the schedule I list in the state of Nevada, but it is on the schedule I list federally, and that single barrier has forced businesses to operate in a cash capacity. You are talking about tens of millions of dollars that are being forced to be utilized in the cash capacity. Nobody really has an understanding or justification as to why methamphetamine, cocaine, and fentanyl are on schedule II and cannabis is on schedule I, but everybody has theories, right? It is clear that it has become an issue.

This resolution in and of itself is straightforward and it reads as is. The reason why we encourage you to support it is because there is a series of states that are now doing this across the country as the cannabis marketplace has opened up to make sure that it is pulled off schedule I, in part because of the banking aspect, but also in part because of the medical value that has already been determined by most states to exist. The overwhelming majority of states now have either provision in place for recreational cannabis use, but more importantly for medical cannabis use, which is something that is the precursor to falling within the definition of schedule I.

Again, I am happy to share the names of the additional cosponsors from this morning. I can also send that via email, but it has really run the gamut. If there are other folks who are willing to come on, it sends a powerful message. Does Congress actually have to do this? No. However, if multiple states are currently engaged in pushing resolutions like this, it creates more momentum for doing it. Delaware is an example, since our language quite clearly mirrors most of their language. The other thing is that this makes Nevada's position clear. It does not impact the actual law here in the state of Nevada, but it makes the position clear that cannabis has medical value and we are seeking its pull from schedule I at the federal level so that our banks can open up, so that we do not have to continue to have businesses operating with heavy amounts of cash, or placing money in whatever capacity they need to, whatever mechanism they can, to have it transported elsewhere to be able to bank. This creates a more consistent environment.

The one thing that has come up in questions pretty consistently is, Does the resolution specifically bar Congress or does it appear that Congress should not move it to another schedule? In Nevada we did not need to put it on another schedule because there is a comprehensive regulatory regime that is associated with cannabis. Nevada's Cannabis Compliance Board now is dealing with it, so it is not treated in the same fashion. That has not been done at the federal level but maybe they will do it at the federal level. That is up to them to decide, right? But at the minimum, removing it from schedule I will allow the banking apparatus and other elements there to be able to open up so that things become normalized in that regard. With that, I am happy to answer any questions.

Assemblywoman Brittney Miller:

Can I just stress something before we go into the questions? When we say large amounts of cash, I want you to imagine your local liquor store, convenience store, your 7-Eleven or gas station, or something like that. What if all of their transactions in business had to be conducted by cash only? I mean, most of us do not even carry cash. We use credit cards, right? Most of us do not even write checks anymore to pay bills. But imagine if every transaction for that business that week was done in cash, and then that physical cash had to be transported somewhere by someone to a specific place, and it was not going to the bank. I will not go into more detail about this because I do not want to put people more at risk. I already understand how vulnerable this is, so the last thing I want to do is tell the public or give anyone any kind of ideas. It is a serious issue—if anything, just for the actual safety of everyone involved in this business. Those who work there, those who have to transport it, those whom the money is delivered to, have to count it and be accountable for it. We all appreciate our banks and financial institutions because of the safety, security, and protection they offer us. That is what we want to offer to our legitimate cannabis businesses as well. With that, I believe we are open for questions.

Chair Gorelow:

Thank you very much for the presentation. Committee members, are there any questions?

Assemblywoman Dickman:

I have a comment and a question. I do not think it is any big secret that I was not in favor of legalizing recreational marijuana, but the people have spoken. It is a legitimate business, and the money issue and the fact that they have to deal in cash, is huge. The other thing I never really thought of was what you brought up about the fact that it cannot be paid for by insurance for medical use. I mean, that is just wrong because I know it works for a lot of people. Is the only way we can get those things to happen is by taking it off schedule I?

Athar Haseebullah:

Yes. And in the state of Nevada, cannabis is not only not on schedule I based on the court order that we had, but also not on any schedule because it is regulated by the Cannabis Compliance Board (CCB), so there is a regime in place. It becomes an issue at the federal level. When you have preemption on certain issues, it still poses challenges on that front because we run into conflicts between state law and federal law. I think a lot of times what many people in our space do is we tend to focus on criminal justice reform issues and people being convicted and incarcerated under certain issues, right? Sometimes that happens at the federal level as well, but one thing that is not focused on is the other elements. The number of federal charges pursuant to or versus state charges when it comes down to cannabis under scheduling status is minor, but the impact that it has on other elements, including banking and insurance reimbursements on something medical, is rather more vast. From that standpoint, just from the definition, the fact is that our state has already codified the medicinal value of cannabis, as have dozens of states at this point. It really makes very little sense for its maintenance on the schedule I list, particularly as we are having conversations about the impact of a schedule II substance within this very building right now.

Assemblyman D'Silva:

I think an excellent example of this, and it really hinges upon the actual resolution here urging Congress itself to deschedule cannabis or remove it from schedule I, is the fact that one of our biggest health care providers, the Department of Veterans Affairs, cannot utilize cannabis for medicinal purposes. That is because it is a federally controlled substance. There is a ton of data out there, a ton of research that this could be a huge boon for vets, particularly those who are suffering from things like post-traumatic stress disorder. The sole barrier for that has been the fact that this is a schedule I substance. That is not even mentioning all the other federally provided health care apparatuses that we have in place. That is just one example of how this simple inhibition is hampering not just the growth of an industry, but also the actual allocations of health care benefits. That is another thing that I would point out to you specifically regarding health care and medicinal purposes.

Assemblywoman Dickman:

I really appreciate your getting those things on the record, and that is why I am one of those names on that amendment.

Assemblywoman Newby:

I am not yet on this bill, but I would like to be added if I could. I was reading over the supporting documents on this bill, and there was a letter in support of A.J.R. 8 from

Kevin Dick from the Washoe County Health District [Exhibit D]. He goes into a discussion of prescribing marijuana and insurance coverage as well. At the end, he writes, "Without a schedule change insurance companies cannot cover treatment," which we talked about, "or medications, and the effective medicine is not accessible at pharmacies." What I am wondering is, if it is off the schedule I, if this works, then can doctors prescribe it, not just recommend it? And can individuals have it covered by their insurance? Does that mean that it would possibly move to pharmacies in terms of distribution outside of our regulatory setup that we have?

Athar Haseebullah:

This is unlikely in the state of Nevada. The reason why is because, as I mentioned, when the CCB came into place and there was the advent of recreational cannabis in the state of Nevada, there was a shift away from pharmaceutical intervention in that way. One thing that has happened is that inpatient facilities or hospital settings, for instance, could end up modifying that, especially if they are subject to a public contract. Oftentimes what ends up happening is that there is interference with a public contract in large part because there is still a federal prohibition where cannabis is still listed as a schedule I at the federal level. At the state level there has been a shift beyond that, and we recognize enforcement has not necessarily come down in that same exact manner. As it stands right now, it is unlikely for pharmacies within Nevada to carry it. It may end up happening. It is something probably for them to discuss, but it has actually been intervened upon.

The bigger issue becomes when we look at states that have not yet legalized medical cannabis, and there are a few of them left. What do they do? Normally they would end up going through the process of having it in a pharmacy, and especially a state that does not or has not yet considered recreational cannabis where dispensaries are not available. The only opportunity to receive it would either be through a pharmacy at that point in those states, or alternatively to purchase it through some other means that may not necessarily be lawful and may not be regulated in the same manner.

Assemblywoman Brittney Miller:

I will add to that regarding those "other means." I think that Nevadans and especially veterans—I do not want to speak for veterans when I have a veteran right next to me—but it continues to be consistent what he said about veterans who would prefer that they use this instead of all of the pharmaceuticals for certain issues they have. Remember when we are looking at things federally, "other means" may be doctors in the state who would prefer to prescribe cannabis for certain issues. If you are in a state and yet it is available in how many other states, they are not even able to order it over the Internet at that point. This way everyone would also have that freedom too. That is why it is so important, again, if there are still states where it has not been legalized, to make it accessible to everyone, including doctors and patients who would want to utilize it.

Assemblywoman Monroe-Moreno:

This, as you said, will not force Congress to make any changes, but it is encouraging them. Do you know of any other legislative bodies that are doing the same thing and sending a message to Congress to do this?

Athar Haseebullah:

Yes, Delaware is currently considering a mirroring legislation. There are a couple of other states that are not yet that far along in their session, or they have full-time legislative sessions where they are working through that. Nevada is a pioneer in this space right now. We are also the first state to fully deschedulize cannabis. It can be a court order but rooted in the same principles that the actual definition for schedule I requires that a substance have no medical value for use and treatment. Our voters in this state three decades ago made that clear by way of referendum, and it has been enshrined in the *Nevada Constitution*. These other states that are considering it now, the hope would be that as we continue to take steps, our timeline is sort of similar right now to Delaware's. It starts to create the momentum and bandwidth there.

The other thing is that it becomes a powerful tool for Congress to look at and ask where the state falls on an issue. I know sometimes resolutions in this building do not always get viewed with the same sort of credibility unless it is modifying the *Nevada Constitution*. This is a powerful way of actually demonstrating the power behind a resolution, because it gives the official position of the State of Nevada through the Legislature to share that this is what we want Congress to be able to do so our banks can open up and we can have normalcy and the other elements we have just spoken about.

Assemblywoman Monroe-Moreno:

I am not going to ask you to identify them individually, but have you had conversations with our federal delegation members to see if they are in support of this resolution?

Athar Haseebullah:

I have, or their staffs. I recognize that they are also busy. Those who have responded to me, without naming them, have said, yes, they were encouraging of it. They did support it. Obviously, one of the things we were mindful of was, they do not necessarily need it, but it does provide them some level of cover to go back and say, Hey, this is what my constituents want, and someone from an Assembly district or Senate district across the state of Nevada has suggested this is what we wanted. Again, from our vantage point at the ACLU's end, you are a representative body, and you represent different stakeholders based on different population size. It becomes more powerful to have each of these communities really share that this is what we want, is off schedule I.

Again, to go in a different direction, but the biggest thing from our vantage point is the schedule I element. If it was just up to the ACLU, we would have said, Let us make the argument to just deschedule as a whole. But we also recognize there are other elements Congress may want to consider. We do not know what those are and that might end up being what happens, but there is no possible way that anyone can reconcile what the definitions are

currently for cannabis versus what the definition is for schedule I—any attempt to reconcile it unless they say that the *Nevada Constitution* is entirely incorrect, the voters were incorrect, and our science is incorrect.

Chair Gorelow:

It does not say what we want to deschedule it to. You mentioned schedule II was fentanyl, methamphetamines, and some pretty scary things to even be in II. In your crystal ball, where would you see this actually going or where would you like to see it going?

Athar Haseebullah:

If I had my crystal ball, this would be descheduled completely because it has been utilized in many states at this point in a business capacity, which is kind of inconsistent. It is not treated in the same way as a scheduled substance by most states at this point, right? Regardless of whether it falls on their state scheduling order, it is not treated that way, which is why we are treating it in a different fashion. Our position is if they pull it off schedule I, it is not asking for rescheduling; it is asking for descheduling from schedule I specifically. It is not saying add it to schedule II, schedule III, or schedule IV. It is not saying what they should do afterwards. Assembly Joint Resolution 8 is just making a declaration that the notion that it remains on schedule I is incorrect. Any legislation that pulls it off schedule I is what should happen and what ought to happen based on the conflicting language and standards associated with that definition versus the actual implications of reality with respect to the use of cannabis in 2023.

Assemblyman DeLong:

This resolution makes a lot of sense, particularly from the business aspect. Having those dispensaries operating in cash does not make any sense. For them not to have banking opportunities or other financial instruments available is discouraging business in the state, which is not good. I would like to be added to the list.

Athar Haseebullah:

I am keeping a running tab. I think we are up to 30 individuals now.

Assemblywoman Brittney Miller:

I think we have 63 spots available total.

Assemblyman D'Silva:

You are absolutely right, Assemblyman DeLong. It is inhibiting business in big ways. Before Assemblywoman Miller resurrected this bill, and I want to thank her for bringing this bill back, we were having several conversations with many stakeholders, including the State Board of Pharmacy folks who were even apprehensive about having this conversation. But the stake of the Board's entire argument was the fact that at the federal level, this was something that was a schedule I substance. The mere fact of removing that from schedule I will prevent that argument. The marijuana control act with Senator Cory Booker as the

sponsor is another way to prohibit that sort of an argument to be made. This will allow us to make this a bankable substance and allow monies that have been accrued through the cannabis industry to be spread more evenly throughout the country.

One more point I want to make is the fact that when it comes to the idea of resolutions, that is one of the greatest ways we as a state can show the federal government that in our own little corner of the country, we are making an official statement that this is the official status of this state. This is our official belief, and it is something we should be able to convey to the federal government. Hopefully, if we pass this resolution and all 63 members of the Legislature have signed on to it, we will be making a very strong statement.

Assemblywoman Brittney Miller:

This session I have seen so many innovative, different forms of legislation come forward to use cannabis and marijuana that I would not have thought of. I know we are not supposed to link one piece of legislation to another, but just the innovative ways that cannabis can be used: for animals, for agriculture, for all different types of activities, as well as medicinal. Again, the question always comes up, What about the feds? We should not have to continue to worry about the feds when the people of Nevada have spoken. I think this eliminates all of that fear and allows freedom to move forward with all other types of innovative ideas and strategies.

Assemblywoman González:

I always laugh when people talk about checks because I never had to write a check before I ran for office. In the conversation nationally, I feel like everywhere I go we are in a coin shortage, or it is cashless. I think that nationally we are moving away from just dollars in general. How would this impact the way we collect taxes? How does that work? Does it make it more streamlined? What does that look like?

Athar Haseebullah:

With respect to tax collection in the state, when you are operating cash businesses it becomes challenging from an accounting perspective. From our vantage point, this may give the ability to make sure that is more sound. I have spoken to a slew of different owners of cannabis, in either dispensary facilities or cultivation facilities, about the way they handle their money. They should be able, at this point, to open up a bank account like anyone else. We are talking about an \$8 billion industry at a minimum, and probably far larger than many other segments as a whole. Despite that, they find themselves in positions where each of these businesses is now forced to divert extraordinary resources to better understanding what the collection process might look like, not only for the income they are receiving and attempting to bank, but how they are managing their taxes, how they are keeping their books, and what the end result ends up looking like in terms of how they are reporting back.

And thank you for being cosponsors. I will apologize to the Committee. I tried my best to keep track of everyone who came on as a cosponsor, so if I missed anybody, chalk it up to our heart. I think we had most everybody who had responded from the Committee

specifically, and the rest of the Legislature to come in as a cosponsor. If I got anything wrong, I am sure Assemblywoman Brittney Miller here will tap me momentarily and tell me I was wrong.

Chair Gorelow:

Would you like us to do a hand count?

Athar Haseebullah:

That would be lovely. I did not want to ask, but I appreciate your asking.

Chair Gorelow:

Would anyone else like to sign up to cosponsor <u>Assembly Joint Resolution 8</u>? Put your hand up if you want to be on. [Chair Gorelow and Assemblymen DeLong, Dickman, González, Cameron (C.H.) Miller, Monroe-Moreno, Newby, and Yeager raised their hands.]

Committee members, are there any other questions or comments?

Assemblywoman Brittney Miller:

I would like to say that I have been in this building, and it is weird to think that now we are the veterans and in our fourth session. We are Nevadans. We try to work together. We try to meet where we can on many, many issues, but this truly has become such a bipartisan initiative and effort. I just really want to tell our colleagues who have a different letter in front of their political party, thank you so much, because again, it really is putting Nevadans first, business first, and operating as one state as well. We are all here to represent one state, and I really appreciate it.

Chair Gorelow:

With that, we will go on to testimony in support for Assembly Joint Resolution 8.

Bryan Wachter, Senior Vice President, Retail Association of Nevada:

We represent many businesses, especially in the marijuana industry, but also a lot of businesses that do business with the federal government. When you are doing business with the federal government, they require you to follow the rules that the federal government has. It has made it challenging for several of our businesses to have this dichotomy with state law and federal law. We appreciate your using your authority as a Legislature to request that Congress make some changes and deschedule it. We are very supportive of the effort and we urge its support.

Will Adler, representing Sierra Cannabis Coalition:

Assembly Joint Resolution 8 takes the right stance in asking Congress to do the same thing that the majority of Nevadans did in decriminalizing cannabis. Legalization is a long-overdue topic when it comes to the federal government, and the descheduling of it has been a sluggish one when it comes to what happens in federal politics. Many cannabis businesses and employers suffer to this day with a bifurcated legal status of cannabis being legal at the state level but illegal federally. That has a lot of implications for the business

owners and the employees who work in our businesses. Today, yes, you might be able to get some banking or some access to a bank account, but you cannot actually get a loan or actually do a good depository system with your employees today. This has impacted a lot of our employees getting a mortgage because they have to claim cannabis as their primary income source. A lot of banks will not actually bank them a loan for their future and getting a house because it is still federally illegal. It is a complex issue that does have a long and tepid history, but Sierra Cannabis Coalition would like to have you support A.J.R. 8 and what it would do for streamlining the legality of cannabis.

Daniel Stewart, representing Pisos:

I am here on behalf of Pisos, which is a licensed medicinal and recreational cannabis company. I urge strong support for this measure. I have represented a lot of different cannabis companies and companies that do business with cannabis companies that are regularly trying to figure out how to navigate this quagmire. I can go on with the horror stories, things like payroll companies absconding with millions in cash without paying any of the employment taxes on the employees who they thought they were going to because the money was in cash. I know people who have used the federal government to launder their money. They will overpay their taxes and then get a refund; now they have a check that is clean, and they go and take it to the bank account. Whatever your feelings on legalized cannabis, operating under this fiction helps no one and it puts a lot of people in very serious jeopardy. Thank you very much to the sponsors and everyone who has added their names to this. This is a great effort.

Hana Fahmi, representing Nevada Public Health Association:

I am here today on behalf of Nevada Public Health Association. From a public health perspective, descheduling marijuana would allow for increased regulation oversight by standardizing doses and the sales of the product. It will also allow for research to be conducted at the federal level which can tell us more about how marijuana impacts the body and the brains of people who are using the substances. Nevada Public Health Association urges the Committee's passage of this measure.

Isaac Hardy, representing Urban Consortium:

I am representing the Urban Consortium, which is made up of Reno, Sparks, Las Vegas, Henderson, and North Las Vegas. I will keep it brief. We are in support of $\underline{A.J.R.~8}$, and we urge the Committee's support as well.

Chair Gorelow:

Is there anyone else in Carson City who would like to come to the table in support? Seeing no one else, we will go to Las Vegas for testimony in support of <u>A.J.R. 8</u>.

Briana Padilla, Executive Director, Chamber of Cannabis:

I am here for you today in my official capacity as the executive director of the Chamber of Cannabis, Nevada's largest and most diverse business trade organization for the cannabis industry, to convey our strong support of <u>A.J.R. 8</u>. Comprised of more than 62 businesses and 400 industry professionals, the Chamber creates a more conscientious, inclusive, and

thriving industry by moving commerce forward, restoring justice, and positively impacting our community. <u>Assembly Joint Resolution 8</u> does exactly that by calling for the descheduling of cannabis.

As we all know by now through scientific, anecdotal, personal, and economic examples, cannabis is far from a dangerous drug with no medical use. Instead, we have seen our industry and this plant not just change hearts and minds, we have seen them heal hearts and minds; in some instances, quite literally. By legalizing cannabis in Nevada not just once but multiple times through the passing of medical and recreational cannabis, dispensary delivery, and most recently, consumption lounges, Nevadans have spoken. What these laws all prove is one thing: Nevadans demand and deserve access to a safe, well-regulated, and competitive cannabis industry.

By passing A.J.R. 8, you affirm the status quo that our citizenry has already called for and you put the onus on our federal government to do the same. It is high time the cannabis industry and the tens of thousands of patients, professionals, and community members who support it received the same protections, benefits, and resources that every other industry gets. While the war on drugs has failed, it will never be over until we see the cannabis plant fully decriminalized through descheduling. I have also submitted a letter [Exhibit E] to the Committee on behalf of our organization supporting this crucial piece of legislation. [Additional written testimony was also submitted, Exhibit F.]

Hadhinah Felice, Board Member, Chamber of Cannabis:

I am a board member of the Chamber of Cannabis and a patient myself. I am testifying in support of A.J.R. 8. I, too, was there knocking on the door for people to vote to legalize recreational cannabis in 2016. Medical cannabis has been shown to have a wide range of benefits for patients suffering from a variety of medical conditions including chronic pain, anxiety, and epilepsy. However, despite growing evidence of its medical potential, the federal government still classifies cannabis as a schedule I drug, making it difficult for researchers to conduct studies and for patients to access it. Allowing medical cannabis research and investments would enable further exploration of the medical potential of cannabis, and, most importantly, to develop new treatments for patients like me.

Descheduling cannabis in Nevada would remove unnecessary legal barriers. The state has already established a thriving cannabis industry with a well-regulated market for both medical and adult use. Descheduling cannabis would allow for greater growth in the industry, creating more jobs, and generating tax revenue for the state. Cannabis does not belong in schedule I drugs.

Patty Belanger, Private Citizen, Las Vegas, Nevada:

I am a cannabis patient, but first and foremost I am a certified health educator, certified wellness educator, and am certified in kinesiology. I am an author in nursing magazines for cannabis. I have been fighting, with a patient-to-patient group, and I now also represent an integrated practitioners association. I want to redirect all of our attention back to how this became a schedule I, which was a deception and manipulation by the lobbyists for lumber

and textile industries. The cannabinoid system that we have in our body was taken out of the medical books and medical training curriculums. If you are going to go back to what is originally honest, that would be that it never belonged as a schedule I to begin with. It is an herb from the ground. In Exodus in the Bible, it was actually in the anointing oils. I was actually producing a documentary called *Divine Compassionate Medicine*.

I myself came from an absolutely horrific childhood. If I had known that this was medicine all the 23 years that I believed the propaganda against it, my parenting would have been different. Things for my children would have been different. Because I was diagnosed with post-traumatic stress disorder and attention deficit hyperactivity disorder and drugged my whole childhood, that destroyed my immune system. I have overcome lupus, goiters, and Graves' disease. I have survived two heart attacks. I am 60 years old and have never dyed my hair because I have dealt with my health all naturally from the earth, and this is from the earth. It is from God. It does not belong in any federal government's hands in any way.

Jason Greninger, Chief Executive Officer, Atlas Alchemy:

We are also a member of the Chamber of Cannabis. It was a pleasure meeting all our legislators in Carson City on Monday with our Chamber of Cannabis. I want to thank you all for such a wonderful reception and opportunity to communicate about our cannabis industry. As requested by some members, I sent all of you an amalgam of hundreds of peer-reviewed experimental data on our endocannabinoid system and cannabis [Exhibit G]. The link was to *Physical Review*, the source for peer review data.

In summary, we have an endogenous cannabinoid system that makes 150 endogenous cannabinoid keys. Your body uses these keys to manage equilibriums throughout your body, including diet, sleep, stress, pain, anxiety, sugar, and more. All our cell membranes have up to 37 types of receptors for these cannabinoid keys. Many of you have heard of CB1 or CB2 receptor in school. That "C" stands for cannabinoid. These keys are considered retroactive neurotransmitters, which means they create change in the nucleus of the cell, out. We make our own endogenous THC and it is called anandamide. "Ananda" means bliss. Cannabis makes 144 known phytocannabinoids and they are true mimics of our own endogenous keys for cellular equilibrium. Only seven plants are known to make cannabinoids.

We have an incredible opportunity to help Nevada to unlock the door to that library first and be the example, leading the industry in adult and medical use, and lead the industry in understanding how these molecules can help and harm us humans. The schedule I prevents that research and funding for that research. I support <u>A.J.R. 8</u> and thank you for your time and consideration. I am happy to answer any questions you have on endocannabinoid systems or deep medical questions regarding receptor processes.

Chair Gorelow:

Is there anybody else in Las Vegas who would like to testify in support of <u>A.J.R. 8</u>? Seeing no one, we will move to callers in support.

Will Pregman, Director of Communications, Battle Born Progress:

We are absolutely in support of the resolution. Simply ditto previous remarks related to the economic and health benefits that cannabis offers. Please pass the resolution.

Oscar Williams, Private Citizen, Reno, Nevada

I am in support of this proposal because this is an old discussion. I am a little older than some people in the room; back when I was in college, I actually had a debate class about legalizing marijuana. I took the pro stance, and it came down to this one main fact. I have actually thought about it repeatedly since. It comes down to one main fact: you can go to the store, you can buy aspirin, take a bunch of aspirin, and die. In Nevada you can now go to a dispensary, buy marijuana, and consume all you want, but you are not going to die. Yes, marijuana is treated like fentanyl, and it is just simply misclassified. There are so many medical benefits and things that we do not know, and it has been impugned because it has been classified in such a way for whatever reason. Here we have an opportunity to encourage the change that is long due.

Exhibit H was submitted but not discussed and will now become part of the record.]

Chair Gorelow:

Since there are no other callers in support at this time, we will close testimony in support of A.J.R. 8. We will now open testimony in opposition to Assembly Joint Resolution 8.

Joy Trushenski, Private Citizen, Carson City, Nevada:

I oppose <u>A.J.R. 8</u> because the Centers for Disease Control and Prevention's website gives harmful side effects of marijuana eating and smoking; lung cancer is one. Smoking it can cause disorientation, mental deterioration, lethargy, anxiety, depression leading to suicide, hallucinations, and addiction. Long-term use can cause schizophrenia. Also using marijuana can lead to a progression to more addictive drugs. Now, I have supported medical use of marijuana as directed by a doctor, but I have always opposed recreational use because there are these harmful effects that everybody ignores but they are real. I ask you to reconsider your support of <u>A.J.R. 8</u>. It is more. You should think of it—not so much about the money but about the people. Sometimes people choose the wrong thing. When it passed and became legalized, I think that was the wrong move. I know I am in the minority, but I thought I would express my opinions today.

Chair Gorelow:

Is there anyone else in opposition to <u>A.J.R. 8</u> in Carson City? Seeing no one, we will go to Las Vegas. Is there anyone in Las Vegas who would like to testify in opposition to <u>A.J.R. 8</u>? Seeing no one in Las Vegas, we will go to callers in opposition. [There were none.]

We will close testimony in opposition and move to testimony in neutral. Seeing no one in Carson City or Las Vegas, we will move to callers in neutral. [There were none.]

Would the sponsors of Assembly Joint Resolution 8 like to make some final comments?

Assemblywoman Brittney Miller:

We really appreciate this and all of the comments and the questions that highlight just how necessary this is. I personally want to thank everyone, especially those of you who have a different letter in front of your political name. I think that when Americans and Nevadans really look at what is going on in political institutions and especially in the legislative bodies, what they really want is for us to be working together and not to let letters and titles divide us. They use the term, "working across the aisle."

Nevada is able to stand up as an example of a beacon on so many issues. I know we cannot always, but we really want to demonstrate our bipartisanship and to let Nevadans know that we are up here working together, working across the aisle, working for good policy, working to represent their will and their demand.

We are now up to 37 signers. I believe I caught four more during the presentation. That speaks to the willingness and the partnership that we have as legislators here. I thank you and I urge you to support <u>Assembly Joint Resolution 8</u>.

Assemblyman D'Silva:

Thank you for listening to the presentation. Do not panic; it is organic. I urge your support.

Chair Gorelow:

Thank you both very much. I am going to go to Assemblyman Yeager, as Speaker, and see if he would like to waive the 24-hour rule.

Assemblyman Yeager:

Given that we are one day away from our committee passage deadline, I am willing to waive Joint Standing Rule No. 57.4, which requires a 24-hour waiting period between introduction and final passage. You have my permission, if you would like, to work session this matter.

Assemblywoman Brittney Miller:

I am sorry for being so out of decorum right now, but I wanted to let you know that a third amendment of signers [Exhibit C] was sent to you so that you would have all the amendments in order to work session the bill.

Chair Gorelow:

Let us take just a brief recess while I confer with my Committee members. [Recessed at 5:09 p.m.] [Reconvened at 5:11 p.m.] I will close the hearing on <u>Assembly Joint Resolution 8</u> and open the work session on <u>Assembly Joint Resolution 8</u>.

<u>Assembly Joint Resolution 8</u>: Urges the Congress of the United States to deschedule marijuana as a schedule I controlled substance. (BDR R-615)

Chair Gorelow:

I am going to ask for a motion to accept the third amendment [Exhibit C] which should have additional sponsors. It looks like the list of sponsors includes the original sponsors,

Assemblymen D'Silva and Brittney Miller. Additional sponsors include Assemblymen Yeager, Monroe-Moreno, Cameron (C.H.) Miller, Gallant, O'Neill, González, Dickman, Mosca, Brown-May, Carter, Anderson, Orentlicher, Torres, Peters, Nguyen, La Rue Hatch, Thomas, Summers-Armstrong, Cohen, Taylor, Considine, Newby, DeLong, Gorelow, and Watts. Additional sponsors include Senators Nguyen, Hammond, Spearman, Doñate, Harris, Ohrenschall, Flores, Stone, and Neal.

Did I miss anyone? Please add Assemblyman McArthur too.

Brian Fernley, Committee Counsel:

As the Legal Division, Legislative Counsel Bureau, is preparing the amendment, if other members who have not had a chance to be added and want to be added, we can add that through drafting of the amendment, if that is the Committee's desire.

Chair Gorelow:

Do I have a motion to amend and do pass <u>Assembly Joint Resolution 8</u>?

ASSEMBLYWOMAN MONROE-MORENO MADE A MOTION TO AMEND AND DO PASS ASSEMBLY JOINT RESOLUTION 8.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Committee members, is there any further discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblyman D'Silva. With that, we will move on to the rest of our work session. Ms. Proehl will walk us though the work sessions, starting with Assembly Bill 66.

Assembly Bill 66: Revises provisions relating to ethics in government. (BDR 23-264)

Haley Proehl, Committee Policy Analyst:

As nonpartisan staff I can neither advocate for or against any measure that comes before you today. The first measure that comes before you in work session today is <u>Assembly Bill 66</u>.

[Read from Exhibit I.] Assembly Bill 66 was heard by this Committee on February 21, 2023. The measure makes various changes to the administrative functions and procedural operations of the Commission on Ethics. The measure addresses matters relating to requests for advisory opinions, "cooling-off" periods, ethical standards of conduct, ethics complaints, and the application of Nevada's Open Meeting Law (OML) to the activities of the Commission.

The measure distinguishes between rendering a decision and issuing a written opinion and provides extra time to the Commission for issuing written opinions. In addition, the Commission may request additional information needed to issue an advisory opinion from the requester and his or her legal counsel. Certain materials and hearings are confidential and exempt from the OML. However, the Commission may hold an open hearing upon the waiver of confidentiality and must take final action on an ethics complaint in a public meeting. Additionally, the measure sets a two-year statute of limitations on past conduct for the purpose of advisory opinion jurisdiction.

The measure revises the filing of ethics complaints, including permitting certain extensions for investigations and issuing opinions as well as setting forth the circumstances under which a complaint may be dismissed. Assembly Bill 66 clarifies the participation of a subject in an investigation and enhances the protections of the identity of a person who files an ethics complaint, including a person serving as a witness. Finally, the measure revises existing standards of conduct relating to cooling-off provisions, misuse of government resources, disclosures and abstentions, and government contracts.

There are two amendments for this measure. There are documents attached for both.

The first [pages 2-6, <u>Exhibit I</u>] comes from the Commission on Ethics in response to concerns from the City of Henderson regarding expanding cooling-off requirements with respect to vendors of government agencies. The amendment proposes to: (1) clarify that the Chair may not extend the Commission's two-year statute of limitations; (2) narrow the contract activity that triggers a cooling-off requirement; and (3) allow the Commission to consider the contract amount compared to the agency's total budget or the vendor's total revenue when determining the level of seriousness of an ethics violation.

The second amendment [page 7, Exhibit I], proposed by this Committee is based on an amendment to the 2021 version of this bill, which is Assembly Bill 65 of the 81st Session. The amendment would create a new chapter on legislative ethics in Title 17 of Nevada Revised Statutes and enact separate ethics provisions for the Legislative Branch. The document that is associated with the second amendment [page 7] provides a little bit of information about Assembly Bill 65 of the 81st Session, which is also available on the Nevada Electronic Legislative Information System (NELIS). There is also an additional exhibit [Exhibit J] provided with this meeting on NELIS, which is an excerpt of minutes from a meeting in 2021 that discussed the amendment to A.B. 65 of the 81st Session. It provides a little more detail and information on exactly what the amendment does.

Chair Gorelow:

Committee members, are there any questions or comments? Seeing none, I will entertain a motion to amend and do pass Assembly Bill 66.

ASSEMBLYMAN CAMERON (C.H.) MILLER MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 66.

ASSEMBLYMAN DELONG SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Yeager:

I appreciate the second amendment, the one that aligns with what this body did in 2021. I realized the fate of that bill was a governor's veto, but I still believe that process was more justified that the Legislative Branch would have its own say over ethical matters that come before its body. I think that is an important recognition of the separation of powers. With that amendment, I will be supporting the measure. I would not have been supporting it without that amendment that showed up similar to 2021. I just wanted to put that on the record, and hopefully the bill will be met more favorably this time should it get through our house, through the Senate, and over to the Office of the Governor.

Chair Gorelow:

Are there any other comments? [There were none.]

THE MOTION PASSED UNANIMOUSLY.

I am going to assign the floor statement to Assemblywoman Newby. The next bill we will do a work session on is Assembly Bill 190.

Assembly Bill 190: Revises provisions relating to elections. (BDR 24-293)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit K.] Assembly Bill 190 was heard in this Committee on March 30, 2023. It requires title companies and certain apartment associations and property management companies to distribute voter registration forms to persons who complete a real estate transaction or sign a lease at the time of closing or at the signing of the lease. The Secretary of State must prescribe by regulation the content of and instructions for completing such voter registration forms, which must allow a person to register to vote, update his or her voter registration, or cancel his or her voter registration.

Assemblywoman Kasama proposed the attached amendment [pages 2-3, Exhibit K], which eliminates the requirement for a title company and certain apartment associations and property management companies to distribute voter registration forms and instead provides that any title company, apartment association, or property management company may distribute such voter registration forms.

Chair Gorelow:

Committee members, are there any questions? Seeing none, I will entertain a motion to amend and do pass Assembly Bill 190.

ASSEMBLYMAN HIBBETTS MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 190.

ASSEMBLYMAN D'SILVA SECONDED THE MOTION.

Committee members, is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYWOMAN BRITTNEY MILLER VOTED NO.)

I will assign the floor statement to Assemblywoman Heidi Kasama. The next bill we have on our work session is <u>Assembly Bill 242</u>.

Assembly Bill 242: Revises provisions relating to elections. (BDR 24-365)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit L.] Assembly Bill 242 was heard in this Committee on April 11, 2023. The measure requires the use of a mechanical voting system when voting in person at a polling place and repeals certain provisions relating to paper ballots and the discretionary use of mechanical voting systems. Additionally, the bill requires each polling place, with certain exceptions, to provide at least two—an increase of one—voting booths that are specifically designed, designated, and equipped for elderly voters or voters with disabilities. County and city clerks and election board officers must be trained in using such accessible voting booths and specially equipped voting devices so they may assist the voters who use these booths.

The Office of the Secretary of State proposed the attached amendment [page 2, <u>Exhibit L</u>] which does the following:

- Allows for the use of ballot marking devices that are already approved for use by the United States Election Assistance Commission and have been certified for use by the Secretary of State;
- Requires ballot tabulation by mechanical devices only; and
- Incorporates mail ballots into the definition of a mechanical voting system.

Chair Gorelow:

Committee members, are there any questions? Seeing none, I will entertain a motion to amend and do pass <u>Assembly Bill 242</u>.

ASSEMBLYMAN YEAGER MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 242.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DELONG, DICKMAN, HIBBETTS, AND MCARTHUR VOTED NO.)

I will assign the floor statement to Assemblywoman González. We will move on to the work session on Assembly Bill 246.

Assembly Bill 246: Revises provisions governing elections. (BDR 24-821)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit M.] Assembly Bill 246 was heard in this Committee on March 28, 2023. I think I will just focus on the amendment [pages 3-35, Exhibit M] since it did substantially change the bill.

The amendment is from All Voting Is Local and One APIA Nevada, and which, among other things, does the following:

- Revises the threshold of determination for providing voting materials in a certain language to 5,000 voting-age citizens of a limited-English proficient (LEP) minority group;
- Provides that once the state has a population of at least 20,000 voting-age citizens who are members of an LEP minority group and who speak a single language, then the Secretary of State shall fund and help administer the statewide provision of voting materials in that language;
- Removes the requirement for a county or city with 3,500 or more registered voters to provide a toll-free telephone number for translation services relating to an election, and instead provides that any county may provide such a number;
- Clarifies that the language translation requirements of the bill also apply to Nevada's Effective Absentee System for Elections;
- Requires the Secretary of State to review population data on a biennial, rather than annual, basis and to notify local election officials of any new language translation requirements in their jurisdiction; and
- Revises the membership of the Language Access Advisory Committee to include the registrar of voters or his or her designee from Clark and Washoe Counties and a county clerk appointed by the Secretary of State.

Chair Gorelow:

Committee members, are there any questions? Seeing none, I will entertain a motion to amend and do pass <u>Assembly Bill 246</u>.

ASSEMBLYWOMAN BRITTNEY MILLER MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 246.

ASSEMBLYWOMAN GONZÁLEZ SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DELONG, DICKMAN, HIBBETTS, AND MCARTHUR VOTED NO.)

I will assign the floor statement to Assemblywoman Selena Torres. Our next work session bill is <u>Assembly Bill 286</u>.

Assembly Bill 286: Makes various changes relating to elections. (BDR 24-530)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit N.] Assembly Bill 286 was heard in this Committee on April 4, 2023. Again, I am going to focus on the amendment since it did make substantial changes.

The amendment [pages 2 through 8, <u>Exhibit N</u>] was proposed by Assemblywoman Brittney Miller, which does the following:

- Removes language establishing polling places and ballot drop boxes in county jails, local jails, and certain juvenile facilities; and provisions allowing a family member to deliver a prisoner's mail ballot, and instead provides that county clerks and facility administrators shall coordinate to establish procedures for in-person voting and the collection and security of absentee ballots;
- Strikes all references to juvenile facilities and replaces the term "prisoner" with "individual in the custody of a county or city jail" or a similar variation of the phrase as applicable;
- Provides that access to voting through Effective Absentee System for Elections or by absentee ballot for individuals in the custody of a county or city jail must be available for early voting periods in addition to Election Day;
- Clarifies that the ability of an elector in the custody of a county or city jail to request a form to register to vote shall not be limited to any specific schedule;
- Clarifies that a county or city jail shall not open a voted and sealed absentee ballot under any circumstance; and
- Prohibits campaigning or electioneering on or near the premises in which the votes
 are cast and provides that an elector in the custody of a county or local jail shall
 vote free of coercion or intimidation.

Chair Gorelow:

Thank you very much. Members, are there any questions?

Assemblyman Hibbetts:

This question is for Legal Counsel in consultation with the bill sponsor. I just want to confirm that in looking at the amendment, change number 20 [page 6] that says delete sections 10 through 14, and then change number 22 that says delete section 16, does not delete the existing law that is currently there, but deletes the original proposed change to the law and does not affect the current existing law.

Brian Fernley, Committee Counsel:

Yes, that is correct. That amendment would just remove the changes to existing law from the bill; existing law would remain unchanged in this case.

Assemblyman Hibbetts:

I appreciate getting that on the record.

Chair Gorelow:

Committee members, are there any other questions? Seeing none, I will entertain a motion to amend and do pass <u>Assembly Bill 286</u>.

ASSEMBLYWOMAN GONZÁLEZ MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 286.

ASSEMBLYMAN D'SILVA SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Brittney Miller. Our next work session bill is <u>Assembly Bill 394</u>.

Assembly Bill 394: Revises provisions governing elections. (BDR 24-776)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit O.] Assembly Bill 394 was heard in this Committee on April 6, 2023. The measure requires the Secretary of State to adopt by regulation a procedure to be used if the abstract or certification of results for any election is not timely prepared or transmitted and provides that ballots may only be counted once except as otherwise required during an audit or recount. There are no amendments.

Chair Gorelow:

Committee members, are there any questions? Seeing none, I will entertain a motion to do pass Assembly Bill 394.

ASSEMBLYWOMAN BRITTNEY MILLER MADE A MOTION TO DO PASS ASSEMBLY BILL 394.

ASSEMBLYMAN CAMERON (C.H.) MILLER SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DELONG, DICKMAN, HIBBETTS, AND MCARTHUR VOTED NO.)

I will assign the floor statement to Assemblyman Cameron (C.H.) Miller. Moving on, we will go to the work session on <u>Assembly Bill 399</u>.

Assembly Bill 399: Creates the Subcommittee on Education Accountability of the Interim Finance Committee. (BDR 17-1043)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit P.] Assembly Bill 399 was heard in this Committee on March 30, 2023. It creates the Subcommittee on Education Accountability of the Interim Finance Committee, which must meet at least once every six months to discuss, evaluate, and make recommendations relating to accountability in public education in this state to improve educational achievement and outcomes for pupils. In addition to studying certain topics, the Subcommittee may also conduct investigations in connection to its duties and compel the attendance of certain individuals at a meeting.

The Subcommittee consists of five members of the Assembly and three members of the Senate to be appointed by the Speaker of the Assembly and Majority Leader of the Senate, respectively. The Chair of the Interim Finance Committee (IFC) shall appoint the Chair and Vice Chair of the Subcommittee. Additionally, the bill provides that a joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance that has agenda items similar to the objectives and functions of the Subcommittee constitutes a meeting for the Subcommittee.

Assemblyman Yeager proposed the following conceptual amendments to the bill:

- 1. Amend subsection 5 of section 3 to include "any member of the State Board of Education or a local school district board of trustees" to the list of those whose attendance can be compelled at a meeting; and
- 2. Amend the effective date to be upon passage and approval so that the Chair of the IFC has maximum flexibility as to when to appoint the members of the Subcommittee.

Chair Gorelow:

Committee members, are there any questions? Seeing none, I will entertain a motion to amend and do pass Assembly Bill 399.

ASSEMBLYMAN D'SILVA MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 399.

ASSEMBLYWOMAN BRITTNEY MILLER SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Brittney Miller. Next, we will go on to the work session for Assembly Joint Resolution 5.

<u>Assembly Joint Resolution 5</u>: Proposes to amend the Nevada Constitution to revise provisions relating to lotteries and the sale of lottery tickets. (BDR C-986)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit Q.] Assembly Joint Resolution 5 was heard in this Committee on April 4, 2023. The measure proposes to amend the *Nevada Constitution* to authorize the Legislature to provide by law for the operation and regulation of lotteries, including, without limitation, the sale of lottery tickets. The proposed constitutional amendment includes language clarifying that: (1) the Legislature shall not pass any laws which grant a special charter or similar governing document to any person or entity to operate a lottery or sell lottery tickets; (2) political subdivisions of the State shall not operate a lottery or sell lottery tickets; and (3) the operation of any charitable lotteries must comply with existing provisions in the *Nevada Constitution* governing charitable lotteries. There are no amendments for this measure.

Chair Gorelow:

Committee members, are there any questions?

Assemblywoman Dickman:

It is not a question, but a comment. I just think that the lottery this would create would be in direct competition with our bricks-and-mortar gaming industry that provides lots of jobs, many of them very good-paying jobs. This is the same gaming industry that pays most of the taxes in our state. The other thing I would say is from what I have seen with lotteries in my experience over many, many years, we had a lottery in Michigan, it usually turns out to be some sort of a voluntary tax on poor people. Those are just some of the reasons I will be opposing.

Assemblywoman Newby:

I had a question that came up recently about lottery tickets. The language I see specifies lottery tickets, which to me says something that is physical, like a ticket. The concern that was brought to me was that there would be a fully online, virtual possibility, and my read of this is that no, this is for sale of physical tickets and not of fully virtual online lottery.

Brian Fernley, Committee Counsel:

The language of the resolution as currently drafted says that the Legislature may provide by law for the operation and regulation of lotteries, including without limitation, authorizing lottery tickets to be sold. That reference to lottery tickets is not a limiting thing; it is an example. It could include other methods of doing a lottery because it does say "including without limitation," authorizing lottery tickets so there are other things that could be authorized other than selling lottery tickets.

Chair Gorelow:

I will ask to elaborate, because this would pass here this year, pass another time, then go to the voters, then that current Legislature would be making those rules.

Brian Fernley:

Correct. If it was passed by the Legislature in 2023 and 2025 it would go to the voters after that. And then subsequently, the Legislature would establish, by law, how the lottery is operated and regulated. And one specific example of those things is authorizing the sale of lottery tickets, but there could be any number of other things that could be authorized.

Assemblyman Cameron (C.H.) Miller:

I just wanted to reiterate that this enables the State to create a lottery if it so chooses to. It does not establish a lottery in the form of online or tickets or any of that. It just allows the State to move forward if the people of Nevada so choose.

Chair Gorelow:

Committee members, are there any other questions or comments? Seeing none, I will entertain a motion to do pass <u>Assembly Joint Resolution 5</u>.

ASSEMBLYWOMAN BRITTNEY MILLER MADE A MOTION TO DO PASS ASSEMBLY JOINT RESOLUTION 5.

ASSEMBLYMAN D'SILVA SECONDED THE MOTION.

Is there discussion on the motion?

Assemblyman Yeager:

I heard the comments from Committee members, and I just wanted to reiterate that we are all elected here to do what we think is right and do what is right for our constituents. In this particular instance, we are not the ones deciding whether there would be a lottery or not. This is the first step of a process that would ultimately take it to all of Nevada's voters.

When I think about that, I think about the ballot questions that we have now. We have arguments for, we have arguments against, that are printed and written for folks to look at. For those of you who serve on the Legislative Commission, one of the duties we have is to bless that language when it goes to the voters. I think these arguments that we have heard, if this were to pass this session and next session, also go to the voters.

Ultimately, it is the voters of Nevada who will decide whether we want to remove this prohibition from our *Nevada Constitution* or not. I am supportive because I am willing to put that trust in the voters to decide what they think is best. We do not always agree, our voters do not always agree, but we know that after the outcome of that election, we are going to know whether the voters, by a majority, want this to come out of the *Nevada Constitution* or not. There would still be a lot of work to be done to set up a lottery if the voters went in that direction, but I feel comfortable giving this question to the voters and therefore I will be supporting the resolution.

Assemblywoman Dickman:

Just to respond to the comment, I used to feel that way too about if it is going to the people, that is great. But have we seen what has happened in campaigns with ballot initiatives? There is so much money put into them to influence the people and they are not honest all the time. That is just a comment.

Assemblywoman Monroe-Moreno:

I was not going to say anything, but after that last comment from my colleague, I have to. We trust the voters to vote for us, right? We trust when they go to the polls that we have done our job, we have listened to them, they have heard us, and they make a choice between who is on that ballot to come to Carson City to represent them.

In response to a comment that was made earlier, I cannot tell you how much I appreciate our casino and resort industry. They are the backbone of the state of Nevada. We are a hospitality state. That is not going to change by having a lottery. We have people who go to casinos and gamble, go to a show, and still make the drive across the border to buy a \$5 ticket when the Powerball is huge.

The reason I signed on as a cosponsor of this legislation is because the constituents in my district and throughout the state asked for it. My job as a legislator is to be their voice in Carson City. Putting this to a vote of the people is what we should do. I am not making the decision; my cosponsor is not making the decision. It is putting it to a vote of the people and if the people say no, then it is a dead issue. I trusted the voters to vote for me and I trust them to make a decision on this ballot.

Chair Gorelow:

Committee members, is there any other discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DELONG, DICKMAN, HIBBETTS, AND MCARTHUR VOTED NO.)

I will assign the floor statement to Assemblyman Cameron (C.H.) Miller. Next, we will have the work session on Assembly Joint Resolution 6.

<u>Assembly Joint Resolution 6</u>: Proposes to amend the Nevada Constitution to adopt the National Popular Vote Compact. (BDR C-389)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit R.] Assembly Joint Resolution 6 was heard in this Committee on April 6, 2023. It proposes to amend the *Nevada Constitution* to adopt the National Popular Vote Compact, which, if effective through adoption by states cumulatively possessing a majority of the electoral votes, requires the chief election official of Nevada to determine which slate of candidates for President and Vice President wins the national popular vote and provides that the nominees for presidential elector whose slate of candidates for President and Vice President is the national popular vote winner become the presidential electors.

The Compact requires the presidential electors in this State to mark their presidential elector ballots for the national popular vote winner, unless there is a tie in the national popular vote, in which case the presidential electors in this state shall mark their presidential elector ballots for the winner of the popular vote in Nevada. The amendment to the *Nevada Constitution* proposed by this resolution also provides that Nevada may withdraw from and rejoin the Compact through statute, though the Compact prohibits withdrawal from the Compact within six months before the end of a President's term and before a President or Vice President is qualified to serve the next term. There were no amendments.

Chair Gorelow:

Mr. Fernley has some comments.

Brian Fernley, Committee Counsel:

There were some comments made during the hearings about potential constitutional issues with this proposal and I just wanted to address those for the Committee. The arguments were made under two potential clauses of the *United States Constitution*. The first one is the Electors Clause, Article II, Section 1, Clause 2, which states that the appointment of presidential electors by the state requires that "Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors equal to the whole Number of Senators and Representatives to which the State may be entitled" That refers to an act of the Legislature to govern the manner of appointment of electors, but there is a similar clause of the *United States Constitution* which directs that the election of senators and representatives is conducted in the manner prescribed by the legislature of each state. Looking at those two provisions, the United States Supreme Court has held that an act of the Legislature really means a legislative action, meaning an action to make a law. In this case, it would be the voters of the state making a law. Therefore, it would be a legislative action consistent with the Elector's Clause of the *United States Constitution*.

The other argument was made under the compact clause of the *United States Constitution*, in Article I, Section 10, Clause 3, which prohibits states from entering into compacts with other states without the consent of Congress. The issue that was presented was whether the National Popular Vote Compact would require an act of Congress to become effective. Well, the United States Supreme Court has held that the only interstate compacts that are subject to the clause are those that would enhance state power to the detriment of federal supremacy. According to the Court, the test is whether a particular compact enhances state power with respect to the federal government. And as I mentioned before, the *United States Constitution* expressly delegates to the states through legislative action by the Legislature or through the voters the manner of selecting presidential electors. Any agreement among the states about how those states select their presidential electors cannot enhance state power because that is already a state power. It is the Legal Division's view that these changes through the *Nevada Constitution* would be defensible.

Chair Gorelow:

Members, are there any questions? Seeing none, I will entertain a motion to do pass <u>Assembly Joint Resolution 6</u>.

ASSEMBLYWOMAN MONROE-MORENO MADE A MOTION TO DO PASS ASSEMBLY JOINT RESOLUTION 6.

ASSEMBLYWOMAN BRITTNEY MILLER SECONDED THE MOTION.

Committee members, are there any discussions on the motion?

Assemblyman Yeager:

This is an exciting agenda in Legislative Operations and Elections. Much like the last resolution, what I would say on this is I think opinions on this topic are varied, very strong, and passionate. Those of us who were here last session remember that this was a very interesting vote on the Assembly floor. I do not remember what it was on the Senate floor, but I like this resolution because again, we are giving it to the people of Nevada, right? We have an electoral college. It has its own history. We do not need to relive that. We talked about why it was established at the hearing. I think it is time to ask our voters, do we want to be part of this Compact or not?

What I particularly like about the way this resolution is crafted is that it gives statutory authority to be able to withdraw from the Compact. If it were a question of putting it in the *Nevada Constitution* and we would be locked in for all time and all eternity, I would probably be in opposition to that because I think we would have to see how this would work. The ability for future legislatures to come forward and say this is not right for the state gives me quite a bit of comfort. I look forward to supporting this and again, letting our voters decide this very, very important question. We are sent here to do their work, but sometimes questions rise to the magnitude where we have to give it to the voters. Hopefully this will go to the voters in the near future and we will enact their will, whatever that may be.

Assemblyman DeLong:

It is actually a legal question brought up by Assemblyman Yeager's comments. It brings up the concept if this is passed and then the future Legislature passes a bill to remove it or to leave the Compact, usually, the bill has to go to the Governor for either approval or veto, but the *U.S. Constitution* gives that power to the state legislatures. Is there a conflict there?

Brian Fernley:

No, I do not believe so. The proposed constitutional amendment would authorize the Legislature "by law" to withdraw from the Compact. Saying that it is "by law" would require passage by both houses of the Legislature and the signature of the Governor in order to withdraw from the Compact. It would require both a bill enacted by the Legislature and the Governor's signature to withdraw from the Compact.

Assemblyman DeLong:

Are we not giving some of our authority to the Governor with regards to whether or not we are determining how we are dealing with our electors?

Brian Fernley:

No. As I was mentioning in the U.S. Supreme Court cases, it refers to the "lawmaking power" and the "lawmaking power" is actions by the Legislature and signatures by the Governor. It is consistent with the U.S. Constitution in that it is the exercise of the lawmaking power in the states, which is passage by the Legislature and signature by the Governor.

Chair Gorelow:

Committee members, is there any other discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DELONG, DICKMAN, HIBBETTS, AND MCARTHUR VOTED NO.)

I will assign the floor statement to Assemblyman Howard Watts. We are going on to our last work session bill, <u>Assembly Concurrent Resolution 3</u>.

Assembly Concurrent Resolution 3: Directs the Joint Interim Standing Committee on Growth and Infrastructure to conduct a study of the laws administered by the Nevada Transportation Authority and the Taxicab Authority. (BDR R-897)

Haley Proehl, Committee Policy Analyst:

[Read from Exhibit S.] Assembly Concurrent Resolution 3 was heard in this Committee on March 16, 2023. The measure directs the Joint Interim Standing Committee on Growth and Infrastructure to conduct a study during the 2023-2024 Interim of the laws administered by the Nevada Transportation Authority and the Taxicab Authority and to report the findings and any recommendations to the 83rd Session of the Legislature. There are no amendments for this measure.

Chair Gorelow:

Committee members, are there any questions? Seeing none, I will entertain a motion to adopt <u>Assembly Concurrent Resolution 3</u>.

ASSEMBLYWOMAN BRITTNEY MILLER MADE A MOTION TO ADOPT ASSEMBLY CONCURRENT RESOLUTION 3.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Committee members, is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will give the floor statement to Assemblyman D'Silva.

With that, we will close out our work session and move on to our next agenda item, which is public comment. [Public comment was heard.] I am just so glad to hear you guys laughing for a change and working together across the aisle. I want to see more of that. We need to have strong parties that get along.

Committee members, does anyone have any final comment or words? [There were none.] With that, we are adjourned [at 5:55 p.m.].

	RESPECTFULLY SUBMITTED:
	Kristi Howard
	Committee Secretary
APPROVED BY:	
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Assemblywoman Michelle Gorelow, Chair	
DATE:	_

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is a proposed amendment to <u>Assembly Joint Resolution 8</u>, submitted and presented by Athar Haseebullah, Executive Director, American Civil Liberties Union of Nevada.

<u>Exhibit D</u> is a letter dated April 7, 2023, submitted by Kevin Dick, District Health Officer, Washoe County Health District, in support of <u>Assembly Joint Resolution 8</u>.

<u>Exhibit E</u> is written testimony submitted by Briana Padilla, Executive Director, Chamber of Cannabis, in support of <u>Assembly Joint Resolution 8</u>.

Exhibit F is a letter submitted by Abigail Kaufmann, Secretary, Board of Directors, Chamber of Cannabis, in support of <u>Assembly Joint Resolution 8</u>.

Exhibit G is an informational document regarding the endocannabinoid system and cannabis, submitted by Jason Greninger, Chief Executive Officer, Atlas Alchemy.

Exhibit H is a packet of letters in support of Assembly Joint Resolution 8.

<u>Exhibit I</u> is the Work Session Document for <u>Assembly Bill 66</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit J is a document titled, "Excerpt: Minutes of the Assembly Committee on Ways and Means, Amendment No. 777 to Assembly Bill 65," dated May 28, 2021, prepared by Kevin C. Powers, General Counsel, Legislative Counsel Bureau, and submitted by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit K is the Work Session Document for <u>Assembly Bill 190</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit L</u> is the Work Session Document for <u>Assembly Bill 242</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit M is the Work Session Document for <u>Assembly Bill 246</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit N is the Work Session Document for <u>Assembly Bill 286</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit O</u> is the Work Session Document for <u>Assembly Bill 394</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit P is the Work Session Document for <u>Assembly Bill 399</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit Q is the Work Session Document for <u>Assembly Joint Resolution 5</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit R is the Work Session Document for Assembly Joint Resolution 6, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit S</u> is the Work Session Document for <u>Assembly Concurrent Resolution 3</u>, submitted and presented by Haley Proehl, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.