

**MINUTES OF THE  
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Eighty-third Session  
March 5, 2025**

The Senate Committee on Commerce and Labor was called to order by Chair Julie Pazina at 8:00 a.m. on Wednesday, March 5, 2025, in Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 5 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. [Exhibit A](#) is the agenda. [Exhibit B](#) is the attendance roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Julie Pazina, Chair  
Senator Skip Daly, Vice Chair  
Senator Melanie Scheible  
Senator Roberta Lange  
Senator Edgar Flores  
Senator John Ellison  
Senator Lori Rogich  
Senator John C. Steinbeck

**GUEST LEGISLATORS PRESENT:**

Senator Rochelle Nguyen, Senatorial District No. 3

**STAFF MEMBERS PRESENT:**

Patrick Ashton, Committee Policy Analyst  
Jeff Koelemay, Committee Counsel  
Madison Zajac, Committee Secretary

**OTHERS PRESENT:**

Will Adler, Green Thumb Industries  
Glenn Miller  
David Vaillencourt, Founder and CEO, The GMP Collective; Vice-Chair,  
Committee D37 on Cannabis - ASTM International  
Layke Martin, Executive Director, Nevada Cannabis Association

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Mackenzie Warren Kay, Deep Roots Harvest  
Brett Scolari, Thrive Cannabis Marketplace; Cura Cannabis Solutions  
Chris Anderson, E Management Group LLC  
Brandon Wiegand, Treasurer, Nevada Cannabis Association; Chief Operating  
Officer, Jardín Premium Cannabis Dispensary  
Alec Garcia, Managing Partner, 374 Labs  
Alisa Nave-Worth, Planet 13  
Vicki Higgins, Vice President, Coalition for Patient Rights  
Abad Angel Piza  
Julie Monteiro, President, Coalition for Patient Rights  
A'Esha Goins

CHAIR PAZINA:

We are going to get started with our two bill draft request (BDR) introductions today.

**BILL DRAFT REQUEST 42-518**: Establishes certain requirements relating to areas in which the risk of fire is high. (Later introduced as Senate Bill 288.)

**BILL DRAFT REQUEST 28-949**: Revises provisions relating to public works. (Later introduced as Senate Bill 287.)

CHAIR PAZINA:

Do I have a motion to introduce BDR 42-518 and BDR 28-949?

SENATOR FLORES MOVED TO INTRODUCE BDR 42-518 and BDR 28-949.

SENATOR ELLISON SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR LANGE WAS EXCUSED FOR THE VOTE.)

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CHAIR PAZINA:

We are going to start with our first bill hearing on Senate Bill (S.B.) 157 and then we will move on to the work session.

**SENATE BILL 157**: Revises provisions relating to the testing of cannabis and cannabis products. (BDR 56-962)

SENATOR EDGAR FLORES (Senatorial District No. 2):

I have the honor of presenting Senate Bill 157. I am joined by a group of experts, advocates and individuals who have been devoted to trying to implement this legislation that we are talking about today. They've tried different mechanisms, but, unfortunately, they haven't been successful because the conversation was ignored altogether.

Now we find ourselves before this committee to try to help the industry while adhering to minimum standards of safety and quality as well as making sure that we are protecting everybody's health. These are all very important values to us. If it's okay with you, Madam Chair, I would like to remove myself and hand this presentation over to Mr. Will Adler and some of our experts who will be best situated to answer any questions you may have.

WILL ADLER (Green Thumb Industries):

I really do think Senator Flores summarized it pretty nicely with the introduction of the bill. But I did provide a document (Exhibit C) to the committee that lays out the history of our attempts to address this regulatory concern through the Cannabis Compliance Board (CCB). We tried workshops, petitions and going directly to the Board but sadly, that just did not work out.

There were several attempts, and most of them were stymied with some regulatory concerns. But these are some subjects that we have been actually trying to bring up since about 2016. The cannabis lot size was regulated as sort of an arbitrary number and really a placeholder back in the day because we didn't have any federal standards or any other state standards to point to. That is why Nevada chose the maximum of a five-pound lot for testing.

We did say we want to be the gold standard, keeping testing standards as stringent as possible. We have kept those, and ever since that day, we have had the single most stringent testing of cannabis in the world. But I am proud to say that this bill does not try to cheapen nor reduce the rigorousness of any of the tests. We just isolated the exact thing we have been asking for at the CCB regulatory level, which was the broadening of the definition of a "cannabis lot."

Under the Nevada Cannabis Compliance Regulations, cannabis lots are defined as, “5 pounds (2,268 grams) or less.” Today, we wish to have this conversation, but to do so, we had to bring forth S.B. 157. To go through this and explain some of the history a little bit more, as well as the science behind the change, I would like to introduce Dr. Glenn Miller.

But in order to get to this language, we actually took the last state that had a five-pound lot, which was Washington State. We went through about a year-and-a-half process to create some regulations around what the new standard shall be progressing forward. We have worked on evolving the language, going from 5 to 10, 10 to 20 pounds. But, the goal is to have progressively larger sample sizes along the way.

This is existing regulatory language in Washington State around their cannabis testing lot sizes. We used that as the base because we felt like that was a very good scientific standard to grow from. But we are Nevada, not Washington State. So, we are here to present this bill for you today.

GLENN MILLER:

Since 1978, I have been on the faculty in the College of Agriculture at the University of Nevada, Reno. I taught courses in environmental analytical chemistry, food science, contaminant distribution and environmental toxicology.

Ten years ago, I was on the original Independent Laboratory Advisory Committee. The staff—I think appropriately—made some suggestions, but I don’t think they had much technical background. So they said, “We pass this regulation, what do you think of it?” And we often said, “It doesn’t work.” We went through the whole process of figuring out how to make it more streamlined.

I think I was on the board for three years before I left. But the program I was working on dealt with the analytical labs. They had concerns about how you measure these things or if it’s really required that you measure everything? But one of the main issues was the lot size, and there was no real standard for how big of a lot size we should have.

It was because of the stringency that the staff had used to create a very rigorous—sometimes inappropriately rigorous—testing system, they made the 5-pound lot the maximum. We thought this was too small, but we did not argue

strongly about it because we were mostly interested in whether they could actually do the analysis.

Senate Bill 157 is timely according to a well-justified report. There is no basis for having a 5-pound lot. Nevada is an outlier right now. The problem with all of this is if you require these extensive analytical tests on products that are only 5 pounds, it raises the cost and it encourages people to buy from illegal sources that are not regulated. And I can almost guarantee they're not ever tested. In fact, there was somebody—I think in north Reno—that had 20 or 30 boxes of joints that they were selling. I suspect that none of that was under regulation.

So the higher price for regulated versus unregulated encourages people to buy the cheaper product. Consequently, the risk is increased dramatically by the increased cost of doing the analytical work. I guess that is the primary reason why I am here. If we all want to have a product that does not have contaminants, how do you regulate that and keep people from buying the illegal product?

One of the ways of doing it is increasing the lot size from 5- to 25- to 40- to 50-pounds of product. Appropriately doing that, you will catch the people who are trying to skim by the regulations. This is simply because of the way you sample the 50 pounds of material. You can get a good idea of whether anyone was using any products that were illegal.

I think there's a document I have seen that Nevada is an outlier right now, and it requires no more than 5 pounds. So every 5 pounds gets tested, and it makes no sense. What S.B. 157 does is increase the lot size and consequently, the legislation will—over time—make the product less expensive. There's no reason to have the five-pound law.

I will not read all the comments I have on my letter ([Exhibit D](#)), but it is fairly clear that I have been involved with and made comments to the CCB on this issue. However, it just has not worked. I think this legislation is important because it will reduce the cost of regulated cannabis species.

All of the evidence that we have shows that increasing the 5-pound lot to a 20- or 50-pound lot will not increase the risk. That's the sole issue here; reducing the cost but not increasing the risk. So I encourage you to look at this

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favorably. It is good legislation, and it will help to reduce the cost of some of these things and make compliance more likely.

DAVID VAILLENCOURT (Founder and CEO, The GMP Collective; Vice-Chair, Committee D37 on Cannabis, ASTM International):

I am here to explain why the five-pound lot limit on cannabis flower, which is the strictest in the nation, is an outlier. It has become outdated, costly and does not provide any safety benefits. I will also explain how adopting ASTM science-based sampling standards will better protect consumers and reduce these unnecessary costs.

So first, I just want to briefly talk about ASTM International because it is central to the solution. The group is a 125-year-old nonprofit standards organization that creates rigorous guidelines trusted and used by regulators, consumers and commercial companies worldwide. From roller coasters to railroads; to medical devices that are implanted in our bodies—to the helmets that professional sports players or your grandkids may use—there's an ASTM standard behind those things to keep consumers safe.

Does anybody have a highlighter on them? Pull it out and look and you'll see a little circle with AP on it and below that, it will say, "Conforms to ASTM D-4236 nontoxic." So if your child, grandchild, somebody you care about puts that in their mouth, you know that they are not going to end up in the hospital because of toxins. This is an ASTM standard that they conform to.

So these standards are proven to make our world a safer place. In fact, our federal government has written over 3,000 ASTM standards into the Code of Federal Regulations. There are over 90 industries that trust these standards to make the marketplace work.

In 2017, after multiple requests from states and other regulatory bodies, ASTM's Board of Directors authorized the formation of the Committee D37 on Cannabis to address the problems that we're here facing today. As we all know, when cannabis was initially regulated, there was no data; there were no standards. So we were all having to just take a shot in the dark and do our best to protect public health and safety.

Here we are ten years later; we have 600 volunteer members across 30 countries, including many members of the CCB—whose engagement I am

very grateful for—as well as a lot of other state regulators, public health experts and international bodies like Health Canada. All of these groups work together to shape these consensus standards.

So why do we have the smallest limit in the nation, which is 5 pounds? As pointed out, back in 2013, two states became the first in the nation to legalize adult use: Colorado and Washington. Washington took the approach of commissioning a research organization called Bottleneck Analysis Corporation (BOTEK) to conduct a study on batch sizes and other testing protocols. They came up with—based on their limited study—that 5 pounds would effectively protect consumer health and safety.

That was the initial and only research done to date on this that I am aware of. Fast-forward a decade and the story has changed. We've got almost 40 states with medical and adult-use programs, and we have an entire country—our neighbors to the north—Canada that has had an adult-use program since 2018.

Health Canada does not have any limits on batch sizes, and they have some pretty large operators that produce massive grows on the scale of hundreds of pounds. So there's no data showing that capping batch sizes does anything to help consumer health. We have reviewed the data from Health Canada along with any public health data that is available, and there's no correlation between recalls or adverse events and batch sizes.

There are other issues that need to be addressed around lab fraud, but that is a story for another day. That said, you may be surprised to learn that cannabis is tested more thoroughly than every other product that we consume and take for granted: food, pharmaceuticals and dietary supplements. Our farmers do not test every truck bed of lettuce that comes out of the field. Most foods rely on what is known as process controls, rather than strict per-batch testing.

No other industry uses regulated caps and batch sizes to ensure safety. Rather they focus on strong sampling methods, robust quality standards and not arbitrary weight limits. Here in Nevada, the CCB is already leading the nation by adopting ASTM's cannabis sampling and lab validation standards. Yet that 5-pound cap still remains in place, driving up cost and forcing producers to conduct extra testing and paperwork, further increasing the cost.

Meanwhile, Nevada and almost every other state suffers from intoxicating hemp and other unregulated products that are pervasive. These are not regulated; they are not tested to any stringent standards at all. There have been multiple studies—the FDA has cited many others—where these products are laced with contaminants on the orders of magnitude 10 to 100 times higher than what is allowed in current regulated cannabis products.

Specifically, the ASTM standard on sampling cannabis flower—which is known as D8334—goes a long way in solving this problem. It incorporates best practices from the European Medicines Agency, U.S. Pharmacopeia and other botanical medicine research organizations. It lays out clear protocols on how much sample to prepare, which parts of the lot—regardless of lot size—to sample so that we are not cherry-picking.

Also it ensures that as the lot size increases—from 5- to 10- to 20- to 50-pound lots—the number of samples scale too. Nevada already has this in regulation; the minimum limit that you have to sample in order to have a representative sample of the lot is around 0.5 percent. So the increase in the sample size commensurate with lot size, combined with requiring sampling from those different parts of the containers, ensures that if there is localized contamination, it does not get diluted and missed.

So my urge here is to support this bill and to test smarter, not harder. By eliminating Nevada's 5-pound limit and continuing to embrace ASTM International's consensus-based science-driven standards, we will protect public health and safety, reduce unnecessary financial burdens, and keep our State at the forefront of safe and responsible cannabis regulation.

MR. ADLER:

Just to wrap up our formal presentation of S.B. 157, I would like to point the Committee's eyes to the support letter ([Exhibit E](#)) produced by Tiffany Newbern-Johnson from Green Thumb Industries. Her letter is pretty extensive on the differences in markets across the United States. Then they produced a nice one-page document ([Exhibit F](#)) that does a good graphic of the U.S. to make it easier to see where Nevada is at compared to other states.

Do we see products being recalled, quality concerns or lacking consumer safety standards in these other states? No, we do not. We don't have any big

headlines about mass poisonings, but they do test at a higher poundage during their cannabis lab safety tests.

CHAIR PAZINA:

I have one question. Moving from 5 pounds to 50 pounds—and I am by no means an expert in cannabis—but it just seems like a large jump?

MR. ADLER:

As I referenced earlier, the language in the bill today is just regulatory language that was adopted by Washington State. They were also at a 5-pound cannabis lot size for testing. They went through one of the longest processes to come to these regulatory standards that are in the bill today.

Again, they are Washington State regulatory standards, and they do sort of have a higher limit. That 50-pound lot size—as you referenced—is addressing Washington State's realities where they have a lot of outdoor growing. They do see these larger harvests happening all at once. So, that isn't maybe perfectly tuned to the Nevada standards that we see or the realities of indoor growing, because Nevada is 100 percent indoor-grown products.

When you go to the cannabis dispensaries, those products that you are buying are all grown inside. I would say, maybe the standard 5 to 50 isn't quite as relevant to Nevada, but it is existing regulatory framework we used to show the consistent growth in the test size. They did a very good job with that, so I thought that was a great standard to implement here. This may appear like a big jump, but we have seen in other states that started with 5 pounds increase the lot size and end up with this language.

MR. MILLER:

To comment on some of the issues that exist, there are insect problems like mites for indoor growers. But one of the biggest problems is the use of fungicides to control diseases. In illegal grows, fungicides are used extensively to make the cannabis look good. That is where a lot of the hits were taken when it was analyzed some years ago.

But those will be found in a 50-pound lot the way the analytical set up is done right now. You are going to be able to see those concentrations in almost any of the analytical scans that are in place. In my mind, there's no increased risk because of the way it is subsampled.

If you end up having a big hit of a contaminant, you lose 50 pounds rather than 5. So there's a lot of concern from the growers that if people actually do something illegal and try to hide it, that they would lose 50 pounds of product rather than 5. So it is self-healing. Same thing with food, we do not measure concentrations in food; it's like 1 or 2 percent at most. This way the contaminants in cannabis would still be determined, just in a more cost-effective manner. So there's still a lot of analytical work that would be done on the product, and there would not be any significant risk increase from this product.

SENATOR ROGICH:

I appreciate you explaining the flexibility in testing size and stating that it will not impair the mandatory testing, ensuring that cannabis products meet safety and quality standards and ultimately reducing the risk to consumers.

SENATOR ELLISON:

I have got a couple of questions. Number one, how many growers are in Nevada?

MR. ADLER:

That might be a question best answered by the CCB. I know the initial number, but the number that are now operational is probably around 100 growers producing some sort of cannabis flower. But I don't know the exact number off the top of my head. Maybe the Cannabis Advisory Commission has a fresher number.

SENATOR ELLISON:

You know, we have growers here that are pretty well following every inch of the law because they are being watched. But the problem we got is that it's coming across the border laced with all the bad stuff. So, I think this is a lot to be asking of these growers when they are already being watched and protected. That is my biggest fear.

MR. ADLER:

Yes, this is not changing the existing testing that that is required today. In fact, we are actually sort of ratifying the regulations that are stated for ASTM International standards. We're actually trying to codify that into law today to make sure that it's the same testing standards. But we are actually loosening up some of the man-hours and the labor cost of getting this same test done.

Now, you might have a harvest that comes out to 5 pounds, which is very rare; usually it's about 11 to 17 pounds. But it is a single strain grown in a single room harvested on the same day. Today we are trying to lower the burden on the cultivator because they don't have to subdivide that into 5-pound lots. Instead, they can test all the product grown on the same day, so it will hopefully ease up some of that burden you spoke of.

MR. VAILLENCOURT:

I think there are really good points being made here. With illicit products still being brought into Nevada—just like in any other state—it poses a major risk. There was just a report from California that was commissioned, revealing that something like 80 percent of the illicit market there still exports products outside of the state, and those are not tested. So that is what regulated operators are having to compete with.

When you look at the security requirements, there are security cameras in every corner of the room. When you go and do a tour, there's nowhere that you can hide in an operation. These are very sophisticated operations; they understand what they're doing. They're not bringing in pesticides that are illegal; they know that they would be caught. I think the risk, as we have seen, is incredibly low.

And to your point, I think 5 to 50 sounds really scary, rightfully so. But we have to remember that five was essentially arbitrary; it was picked out of a hat. Honestly, the question ought to be, should we be putting limits on the value and what is the point of that?

It allows us to turn to the industry and ask, "Can you control a 20- or 40- or even 80-pound batch harvest? What can you control consistently?" It puts the onus back on them with robust protocols to ensure that representative sampling will protect and catch any impurities that that show up.

SENATOR LANGE:

My question is, in the states that—I think you said Washington—increased their amount, have they noticed any increase in discrepancies?

MR. VAILLENCOURT:

That's a good question. To my knowledge, they have not. Correct me if I'm wrong, but Washington State increased the batch size to a maximum of

50 pounds. They saw no issues and it's been over two-and-a-half years since then.

Then Colorado, for example, has never had limits. They actually have what is known as a reduced testing allowance, where if you pass—I believe—six tests in the first 30 or 40 days, then you only test one batch per month for the entire year. So they're not testing every batch, which could be argued on both sides, but it is more in line with the process for food, dietary supplements and pharmaceuticals, known as skip lot testing. So when you see recalls come out of the state, oftentimes it is because those products weren't tested for every batch and they had poor practices. But Colorado isn't even testing every lot, let alone having any limits.

LAYKE MARTIN (Executive Director, Nevada Cannabis Association):

The Nevada Cannabis Association (NCA) is the trade association for Nevada's licensed cannabis businesses. And we are grateful to Senator Flores, Will Adler, Green Thumb Industries and everyone who has worked on this bill. It has been a primary issue for our members for several years.

Our members include everyone from small cultivators to large multistate businesses. Across the board, they've found that batching larger harvests into these tiny lots is inefficient and costly. We believe that this bill puts forward a way to increase the lot sizes to be comparable to what other states are already doing.

Further, we would be doing it safely by incorporating the ASTM standards that have been adopted nationally and have been adopted by the CCB already. They have been incorporated into the latest version of the regulations. So we have that representative sampling in place, and now we are just looking to increase the lot sizes using a sliding scale, exactly as Washington has done.

That would allow smaller cultivators to continue to test smaller lots, and it gives the guidance for the representative sampling for those smaller lots. Medium-sized cultivators can test larger lots—they can take down a 25-pound harvest and test that all together—which is something they can't do now. Right now, they'd have to take down a 25-pound harvest, put it into tiny batches and then test all of those separately and pay the full testing costs for each.

Then for larger multistate operators or cultivators who are producing a lot of product, they can test 50-pound lots. Again, the guidance is there for them to be able to do so safely. So we think this is smart policy. We really appreciate Senator Flores for bringing it forth, and we urge your support.

MACKENZIE WARREN KAY (Deep Roots Harvest):

Deep Roots Harvest is very much in support of the sliding scale for lot test sizes. As you heard from the NCA, S.B. 157 will not upend safety. It is okay that Nevada started small and grew from there; sometimes it is good to be an outlier. In this instance, I think there's probably room for improvement, particularly given the challenges this industry is facing. It is important to be innovative and see areas of opportunity where we can help the industry.

You heard it a bit in the presentation, but I am going to rattle off a bunch of steps that illustrate how S.B. 157 will help. Currently, when a cultivator harvests a room that is identically grown, fertilized and treated, that room needs to be split into numerous lots. That's extremely labor-intensive and costly from the sorting and handling to metric tags, labeling, manifesting and ultimately retailing.

This then leads to more inventory management, product intake and reconciliation. So this comes at a great time. We certainly appreciate Senator Flores for bringing the bill. Deep Roots Harvest urges your support.

BRETT SCOLARI (Thrive Cannabis Marketplace; Cura Cannabis Solutions):

Thank you to Senator Flores, Mr. Adler and all the presenters—we support this bill. As it has been pointed out, S.B. 157 will maintain the safety of the products and the testing standards but give cultivators flexibility as harvests and yields are different. They'll have the flexibility for their operations. So we appreciate it and urge your support.

CHRIS ANDERSON (E Management Group LLC):

I am going to save your time and just ditto the comments that the other folks in support made.

BRANDON WIEGAND (Treasurer, Nevada Cannabis Association; Chief Operating Officer, Jardín Premium Cannabis Dispensary):

I am in support of this bill and would urge everyone to support it. We wanted to thank Senator Flores and Will Adler for bringing this bill forward. This truly

comes—as everyone has said—at a crucial time. The industry is struggling. We are looking for ways to be more operationally efficient, but the amount of regulatory complexity that comes from testing lot sizes at 5 pounds causes a lot of labor issues for us—not only a lot of complexity but a lot of risk when it comes to compliance.

For us, managing all these different lot sizes creates issues when we have to divide and organize them into individual lots, rather than just a SKU. And if the incorrect product gets pulled or sold, that creates regulatory risk and compliance issues. So, this is a way that I think we can more effectively operate.

It does not change any of the testing standards. I think it keeps the safety standard that was originally put in place and has us continuing to aim for that bar. I would urge your support.

ALEC GARCIA (Managing Partner, 374 Labs):

I would urge the Committee not to move forward with this bill until it has been more thoroughly vetted. It was brought up earlier in some of the support testimony regarding the CCB Board and their vetting of this bill. This has been brought up to the CCB Board in 2016, 2022, 2023 and 2024. Despite some of the claims that were made earlier, it has been vetted to some extent.

I know the CCB Board has provided pricing structures looking at cost-per-testing versus the safety that is inherent with the services that we provide to protect consumers and patients in Nevada. So, I do not think it is fair to say that the CCB Board and staff have not looked at this issue. I think the crux of it is that they may not have gotten the response that they wanted from the CCB Board. So now they are looking to circumvent that process by coming to this committee instead.

I think that this is a very complex issue that requires more vetting. Safe product only comes from understanding standards, sampling, homogenization, number of test points in a batch, how labs are regulated and how we ensure that nothing is missed in the analytical process. So it's a little more complex than just moving a number from 5 to 50, and I think that merits additional conversation.

Additionally, one of the main talking points of changing the limit from 5 to 50 pounds really only benefits the largest multistate operators that have

tremendous batch sizes. As we look to work with in-state and disadvantaged businesses, a 50-pound lot size is a death sentence for a lot of those facilities. I can tell you right now as a laboratory when I fail 5 pounds, my clients feel it.

CHAIR PAZINA:

We're a little over two minutes. So if you want to go ahead and finish up and then make sure that you also give your comments to the Committee Secretary so that we can keep them on the record.

MR. GARCIA:

We have some additional information. I was the only laboratory up in the north that was able to make it today. But BOTEK did an analysis on lot size in both 2013 and 2023. Similarly, the University of Nevada, Las Vegas Cannabis Policy Institute said in their recent letter that any change to lot size should be thoroughly vetted prior to moving forward [*sic*]. With that, I will let you guys talk a little bit more but thank you for your time.

SENATOR FLORES:

Thank you again, Madam Chair and members of the Committee, for allowing us to present this. Very briefly, I just wanted to make it clear that we are open to engaging in any conversations pertaining to safety, consumer protection, quality—whatever it may be. We are 100 percent willing to work with anybody.

But I also think it is slightly unfair to suggest that we have not engaged in meaningful dialogue. We are not coming up with 50 arbitrarily; we have looked at other states, we have looked at best practices. There's been a number of states that have engaged in this very conversation, and we have yet to hear from a single state that changing the lot size has in any way hurt the quality of the product.

We are 100 percent committed to ensuring that we have the gold standard and that we prioritize quality and safety above all else. But unless somebody comes to the table and can explain how this—in any way—will negatively impact any of those standards, it would be unfair to suggest that this bill has not been thoroughly vetted. And if I may, Madam Chair, I would just like to allow for our expert to very quickly engage in that conversation.

MR. VALLIENCOURT:

In terms of vetting, we need to think this through correctly. That's where I go back to ASTM and how that standard took over 24 months to get passed, going through multiple rounds of balloting. The consensus process is the most stringent procedure you can go through, which is why highlighters are safe and we can trust that trains won't fall off the tracks.

So, I think to say that it has not been properly vetted would be an inaccurate statement. We have ten years of data now and our work over the years—since 2022 or 2016 I believe—trying to raise these lot-size limits. I just want to make sure that is on the record around the robustness of the vetting process to get here today.

MR. ADLER:

I just wanted to ditto the comments from my copresenters. We are very open to having dialogue and continuing to work on this bill to make sure it grows into something functional and can represent what the cannabis industry in Nevada needs. As it was said before, the 5-pound lot was kind of a placeholder, but we are here to grow into whatever testing needs to become for the future of Nevada's cannabis industry.

CHAIR PAZINA:

We are going to move into our work session today and start with S.B. 93.

**SENATE BILL 93**: Establishes certain labor standards for the award of grants of federal money by a state agency for certain purposes. (BDR 18-556)

PATRICK ASHTON (Policy Analyst):

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

CHAIR PAZINA:

With all that, I'll entertain a motion on S.B. 93.

SENATOR FLORES MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 93.

SENATOR SCHEIBLE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR LANGE WAS EXCUSED FOR THE VOTE. SENATORS ELLISON, ROGICH AND STEINBECK VOTED NO.)

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CHAIR PAZINA:  
All right, S.B. 193 is next up.

**SENATE BILL 193**: Establishes a pilot program to reduce interest rates on mortgage loans to certain eligible families. (BDR 25-42)

MR. ASHTON:  
Again, I will read the work session document ([Exhibit H](#)) describing the bill and its amendments.

CHAIR PAZINA:  
So, I will entertain a motion to amend and do pass [as amended] S.B. 193.

SENATOR DALY MOVED TO AMEND AND DO PASS AS AMENDED S.B. 193.

SENATOR FLORES SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PAZINA:  
With that, we are going to move into our hearing on S.B. 168.

**SENATE BILL 168**: Revises provisions relating to cannabis. (BDR 56-553)

SENATOR ROCHELLE NGUYEN (Senatorial District No. 3):  
It is my honor to be here to present S.B. 168. As you all know, Nevada's cannabis industry is only ten years old. Sometimes I think we forget about that. We think about the industry, and it feels like it's been here forever, but it is still—what I would consider—in its infancy. The agency that regulates the industry, the Cannabis Compliance Board, is less than five years old.

Last session, I sponsored two bills that would add more consistency and transparency regarding how the CCB regulates the cannabis industry. What I said then, I say now: this is a young industry and a young regulatory board; we are learning and developing as we go. I would hope that we can continue to be on the forefront of leading this industry nationwide and I am proud to be a part of this growth and evolution.

As I said during those last hearings: while I am fortunate enough to be in the Legislature, I will probably be sitting at this table every year, trying to streamline this industry to make it more efficient. I want this industry to have the predictability that other businesses experience, as well as being able to adjust to our changing market.

So that brings us to the bill I am presenting here today, which is S.B. 168. It addresses two issues: the CCB administrative holds and increased packaging sizes. Hopefully the committee has had the opportunity to see the three conceptual amendments ([Exhibit I](#), [Exhibit J](#) and [Exhibit K](#)) that I provided. I will be operating off of those. They're not substantial, but I think they do make this a better bill.

Administrative holds are when the CCB freezes products in a seed-to-sale tracking system. When the CCB issues a hold on products, they can't be sold or transferred. Products must be taken down from shelves, removed from customers' online orders and pulled out of trucks delivering to stores across the State.

Depending on the scope of the hold, this could be anywhere from tens of thousands of dollars or millions of dollars' worth of products. The hold itself doesn't freeze the product from being sold by a store. So it becomes a huge scramble to pull all these products off the floor and online in order to prevent it being sold or creating a compliance violation.

Just to be clear, administrative holds are not recalls. They are there essentially to pause while the CCB investigates whether an issue exists. I know that under the current leadership and the new administration at the CCB, they have really made significant strides and efforts to work with the industry in order to streamline some of these processes.

However—with that being said—sometimes these pauses can last for many, many months. During that period, products are sitting in the backroom storage, taking up space and then, in a lot of cases, they're expiring. Like I said, these are not recalls, these are just holds pending an investigation.

There have been many cases where the CCB completes its investigation, releases the hold, but the products have expired during that period when the hold was in place. So the product turns out to be fine. There are no safety issues, it's okay to sell, but now it is expired and can't be sold. This is costing producers hundreds of thousands, if not millions of dollars.

In addition to the cost, a lot of times, these are still emerging industries. These are still what I would consider small businesses. They are trying to compete with an illicit market, they are trying to compete with—quite honestly—really high taxation in this area that's taxed at many different levels. And now they are put in a position where they have not potentially been able to sell a product for countless months that turned out to be safe and fine.

Senate Bill 168 brings in balance. There is a need for the CCB to be able to place an item on an administrative hold, but also add some checks and balances so those holds are not indefinite. It also requires the CCB to provide more information about the reason for that hold. There's some cleanup language also that we did not include in the last legislative session that I think is important. It increases packaging sizes to correspond with the increase in daily purchase limits that we passed during the last legislative session.

With that, I will walk through the two sections of the bill, and I will start with section 1. It directs the CCB to adopt regulations setting forth procedures for administrative holds. The hold must be for a failure to satisfy a statutory requirement or something that constitutes a substantial hazard to public health. The CCB must advise the establishment whose product is subject to the hold at the time it is issued, and the hold must terminate within 14 days, unless the Board—after a notice and a hearing—extends that hold order.

I will say as far as those 14 days are concerned, I have been in talks with the CCB and I think to comply with open meeting laws, it may be extended to 30 days or somewhere in between 14 and 30 days. Just to make full recognition that there's some change. At the end of the day, that still puts some process in here.

But during the last legislative session, we created a situation where the CCB came back under the authority of the Administrative Procedure Act. So any of these regulations and the adoption of them would then have to go to the Legislative Commission for them to approve and make sure that these are well within the intent.

Finally, a person shall not transfer, move or disturb—that's meant to be distribute—the cannabis for which a hold order has been issued. And again, we have some amendments changing disturb to distribute. I saw it all throughout the bill and thought it was typo. As it turns out, that was the actual legal term of art that we use, and it is our intention to move that to distribute instead of disturb.

Section 2 revises packaging limits, again to reflect the increase in daily purchase limits that this Legislature passed last session. It increases the package size from 1 ounce to 2.5 ounces of usable flower cannabis. For cannabis concentrates, it would increase from 1/8 of an ounce to 3,500 mg of concentrated cannabis.

Other categories of products increase to correspond with the increase in daily purchase limits. The limits on the amount of THC in capsules of cannabis would increase from 800 mg to 1,000 mg per package. Similarly, the limit in topical products would increase from 800 to 2,500 mg of THC per package.

We do have an amendment, [Exhibit I](#), from Amanda Connor, a cannabis compliance attorney, that I will walk through. And again, this changes the language from disturb to distribute. I am sure you have all had the opportunity to read it, and I do know Amanda Connor is here if you have any specific questions about what that amendment does.

I do have another amendment, [Exhibit J](#), from Alisa Nave-Worth of Cornerstone Government Affairs. This concerns how infused pre-rolls would fall under the category of flower packaging limits as they are made of and tested as infused or enhanced flower. There's a significant issue currently with the existing regulations as pre-rolls are tested as enhanced flower—which comes with a percentage of THC—but falls under the any other package grouping with a limit of 800 mg because of the lack of limit for infused pre-rolls. So our intention is to clarify those specific types of things.

I am not going to lie; this is always fun that I know so much about something that I do not really use. It is always interesting to see the intricacies of the regulatory structure we put into the *Nevada Revised Statutes* (NRS) to protect consumers. But also, I can see what we need to do to improve that.

Finally, there is an amendment, [Exhibit K](#), here prepared by Sala Consulting for E Management Group. This came from my neighbor who has been bringing me legislative ideas since the last session; that led to two bills, changes within the CCB as well as bringing them under the APA. So, she has again brought me another suggested change.

This has some more information when it comes to administrative holds, distribution and some of the more science-backed processes that we can use to make sure that consumers are safe, and the industry is protected from overreach. There are quite a few changes there, but I know that Chris Anderson is here and can answer any questions that you might have about the specific details of that bill.

With that, I will turn this back over to you. I believe there was one other amendment that was provided. Unfortunately, it is not friendly at this time. I believe probably everyone on this Committee received it, but it was something that was brought to me last minute. After speaking with the other stakeholders on this bill, we didn't want to get into something that at this point would have perhaps disrupted the momentum and the work that we have been doing on this during the interim. So it is not considered friendly at this time, but these three amendments are. And so, I would open myself up to any questions you might have.

CHAIR PAZINA:

Just so the Committee knows, I believe the amendment that Senator Nguyen was referring to will be posted as an opposition testimony on this particular bill, but some of it was copyrighted and so not all of it can be uploaded due to copyrights.

SENATOR ROGICH:

I applaud the partnership between the operators and the regulators, which is a cornerstone of this system. This collaboration helps address challenges, adapt to evolving needs and uphold the integrity of the industry. Also, it ensures that the cannabis products meet the highest safety and quality standards. With that

being said, could you give an example of what would constitute a substantial hazard to the public health? It is language in section 1, subsection 2, paragraph (a)?

SENATOR NGUYEN:

Part of the reason that I am most proud of some of the legislation that I passed alongside Senator Titus last session was that it brought a lot of this under the Legislative Commission. So any of the rulemaking, regulatory structure and the procedure as a whole that we are requiring the CCB to promulgate will have to come back to the Legislative Commission. As the Legislative Commission stands, it is an even split of Republicans and Democrats. It is all Legislators, and they will have to review these procedures in addition to the legislative intent that is in here.

I would love for the Commission to figure out how they can work with the industry in order to create these regulations and ultimately decide whether or not this rulemaking and regulatory structure is what we intended as a legislative body. I do not know what that looks like, but I imagine they would look at other states and how they've defined this. They may even look at other industries.

Right now, the procedure that we have is not even in alignment with pharmaceutical or food industries and how they do recalls and pull products from shelves. So I would imagine they would look at some of those other industries that are regulated in this manner and come up with how that is defined.

SENATOR DALY:

My only note that I had here was what is the problem we are trying to solve? Throughout your presentation, I was kind of going, what are we doing? But I think I got that. But my only question is you mentioned the 14-day hold time and trying not to have the product expire. Can you explain that a little more? Maybe the CCB knows what the holdup is on the open meeting law. We do not want to violate that.

Would the Board have to schedule a hearing and provide the notice or would the establishment? I am just trying to understand that and see if we can figure out a way to speed it up.

SENATOR NGUYEN:

If we have someone from the CCB, I do not know, they would probably be in the best position to answer that. I do not know if they are online, or they are here in person.

SENATOR DALY:

We can follow up later.

SENATOR NGUYEN:

I can tell you that it was brought to my attention by the Executive Director of the CCB about some concerns that they had about providing the notice. I will tell you right now, sometimes they can handle these things in hours and sometimes this problem takes months and months and months. I mean there's clearly a lack of due process right now.

At this point, a person doing an inspection can unilaterally create that administrative hold. It does not even have to go back to the CCB at this point. There are people in the field who are able to put a hold and potentially put a group out of business because currently there are no deadlines within the regulation.

One of the things that I was reminded of was the indication that the notice would have to go out on the very day that the administrative hold was placed. This just gives them a little bit of flexibility. I know the industry is happy with it being days rather than countless months as has become the case. But I can get you more details on that as well.

SENATOR DALY:

It is not a big deal. I just wanted the opportunity to get a little more detail into what we are getting—because as I recall—it is only going to be if they need to extend it. So they got the 14 days to work through it and either release the hold or not, and then they are going to know pretty quickly if they have to extend it, and if their 14 days runs out...

I understand that they may need a little more flexibility if the hold is going to have to go longer in order to do all the proper notices. But I think the pressure will be on, so they need to do the work. You don't have to come back to me. I was just hoping to maybe get some clarification here today, but I have confidence in you.

SENATOR NGUYEN:

I apologize, I actually meant to contact the CCB to see if they would be present to be able to answer any questions—obviously in neutral—regarding some of the issues that they face. But I will follow up if anyone else has any specific questions that they might be able to answer that I am not able to.

CHAIR PAZINA:

You could not be held at fault if they are not present in Las Vegas today.

MR. ADLER:

We are in full support of S.B. 168. As mentioned by Senator Daly earlier, specifically section 1, subsection, 2, paragraph (c), it does actually list a number of days that administrative hold can be held for until there's some further communication from the CCB because this has gone on for multiple holds and multiple scenarios.

One specifically was here in Carson City. In the first quarter of 2020, a product was put on an administrative hold, and it took until the first quarter of 2021 for it to be resolved. I remember this because I actually asked them to allow us to destroy the product because it had been held so long that most of it had expired and was taking up shelf space as it was actually physically taped to the shelf in the vaults. They literally do not have a date today that they have to respond after holding. So as stated by Senator Nguyen, any day would be an appropriate day. As long as it is not months, we would love that. We support S.B. 168.

MS. WARREN KAY:

We're here in support of S.B. 168. Senator Nguyen has been a tremendous ally for this industry. She dedicates a lot of time during the interim educating herself and understanding how she can bring tweaks. I think S.B. 168 is a great work product example of those efforts.

Deep Roots is particularly supportive of the increase in packaging sizes. Consumer demand trends are moving toward the larger concentrate unit sizes, and the existing regulations are quite limiting. As Senator Nguyen pointed out, Nevada has not necessarily kept pace with its own laws. So S.B. 168 is a great bill and we urge your support.

MS. MARTIN:

We again want to let you know of our support for S.B. 168 and the amendments proposed by Senator Nguyen. As Senator Nguyen stated, holds are a temporary pause so that the CCB can investigate. They are short of a recall. We need to balance both the need for the CCB to investigate with the timeline, so the product doesn't expire while it's sitting on hold, only to later be released.

We also support package size increases. These naturally follow the daily purchase limit increases from last session and reflect consumer demand for larger size products and better value. So we appreciate Senator Nguyen bringing this bill and we hope you will support.

MR. ANDERSON:

We'd like to thank the sponsor Senator Nguyen for bringing this bill forward and also for accepting our amendment on the bill. I think this is a no-brainer update to the industry's laws that will help operators as well as the Board. I want to thank the Board, particularly director James Humm, Michael Miles and Kara Cronkhite for their collaboration on this. I also want to thank your Committee Manager, Terri Miller, for her help. She really gave me an assist yesterday. We urge your support on S.B. 168.

CHAIR PAZINA:

Yes, Ms. Terri Miller is exceptional. We appreciate all the work she does.

MR. SCOLARI:

We echo all the comments. Senator Nguyen worked on these updates to the industry for the past several sessions, and Cura Cannabis Solutions and Thrive Cannabis sincerely appreciate it.

In regard to the holds, I have had the unfortunate experience of dealing with administrative holds over the last few years. When there are millions of dollars and thousands of pounds of products at stake, alongside countless jobs on the line, this bill will put a process in place to quickly resolve these issues.

ALISA NAVE-WORTH (Planet 13):

We echo the sentiments that have been said by others in the industry. We thank Senator Nguyen for her leadership as well as the amendment clarifying the regulation regarding infused pre-rolls that we have suggested.

MR. WIEGAND:

I will keep it brief and just ditto the feedback. We are in full support and urge your support as well.

VICKI HIGGINS (Vice President, Coalition for Patient Rights):

I would say that this is in neutral. We were asking for an amendment for protections for patients. It should have a third section stating that the Committee on Health and Human Services should be in charge of this program. It should be brought back from the Nevada Department of Taxation.

The right to grow cannabis needs to be protected for patients who are actual medical cannabis patients. The fees need to be adjusted or evaluated; it's just too much. The amount on hand should be evaluated for medical cannabis patients also.

Unfortunately, the industry has been prioritized throughout the sessions. We were unavailable to be there in the last session to protect patients. This session, we are having a hard time getting a BDR and we are hoping to insert this into the bill.

We do support the bill as it stands. Well, not as it stands. We would like to see proper labeling when irradiation is used.

ABAD ANGEL PIZA:

I do not represent anybody; I speak for myself. When I heard them say "distribute," that was a word in the past that was used to attack the medical marijuana community when we would share our cannabis as patients. It did a great job at destroying the community that we had here. All I am asking you guys to do is to not attack medical marijuana patients with this language just to secure your industry.

I understand that you guys all have businesses. I understand all of that. But when you are criminalizing people—who are not criminals—and militarizing or using the police as a strong-arm tactic in order to do business; to me, that is simply a criminal organization-style of business.

So, I am just asking you guys to keep in mind that there are still patients who were grandfathered in, and that it is not for sale. We just want to ensure that

we are taking care of each other in order to maintain homeostasis or comfort levels with each other. And I do not think we should be attacked for that.

JULIE MONTEIRO (President, Coalition for Patient Rights):

I want to first apologize to the Eighty-third Session for being quote “unfriendly” in the way in which the Coalition for Patient Rights (CPR) presented the amendment. We did exactly what we were instructed to do and now it feels that this is another tactic to exclude patients from having a voice this Eighty-third Session. This has been occurring for years, as patients are again being left out yet another session. We have been trying to get a BDR; however, we’ve been stonewalled. Why?

Shame on you all: the Legislators, the industry greed and the powers that be who are supporting this bill who continue to block patient rights. If there is further direction needed, please let me and the patients know. But I personally am here to be of service, to do this right and be “friendly”—a proverbial term that I am now learning—as I continue serving patients through my work within these legislative channels.

I would like to officially on record ask that the Committee submit the CPR’s three [opposition] exhibits that were emailed prior to the 24-hour requirement. This is our actual God-given right. In addition, CPR printed 20 copies of the exhibits—as the rules require—for submission for the Committee today. This consists of one amendment letter ([Exhibit L](#)), a proposal for the existing bill ([Exhibit M](#)), and the white paper policy document ([Exhibit N](#) contains copyrighted material. Original is available upon request from the Research Library.). Everyone in the room should read that white paper for the fact that it is a result of evidence-based science.

I am here today to discuss S.B. 168 as an opportunity for the medical cannabis patients in Nevada to receive the proper protections that they deserve and have deserved. This has been a problem since 2001, when the medical cannabis program was voted into Nevada by the people. Here we are, 25 years later and the Nevada medical marijuana patients are still trying to change the laws so they can properly heal without becoming criminals with Nevada’s archaic laws. The State is creating felons instead of patients healing their complex disease state. Nevada is proud to have grown the cannabis industry to what it is today. Yet patients are continuing to die. Remember Cindy Brown? While the profits rise in the millions ...

CHAIR PAZINA:

Ms. Monteiro, we actually have hit the two-minute limit, and it is well over that, closer to three. I wanted to give you a little more time to speak. But if you would like to finish up any comments that you make and send anything else to the email located on the agenda, we would love to make sure that those are posted.

MS. MONTEIRO:

Fabulous, and with that, will you all please add the amendments to S.B. 168 in honor of Cindy Brown, Mike Higgins, Primo and all the other Nevada patients who have come and testified to this honorable Nevada Legislature. Thank you all for the extra time. Thank you, Senator Nguyen, for trying to guide me. We are here to be the change for patients in an industry that is too loud.

SENATOR NGUYEN:

If I could just briefly address some of the opposition testimony. I want to continue to encourage those individuals that called in and came down to the building to continue to engage in the legislative process. I know that I have talked to them about possibly amending how that process goes when you are unable to get a BDR.

Unfortunately—I think for most people—it is a learning curve to figure out some of the vernacular that we use in this legislative process. Things like friendly and unfriendly amendments, where you testify and when you're supposed to testify, in public comment, opposition, neutral or support.

So I would just encourage all those individuals to continue to reach out. I will continue to work with them, if not on this bill, then in future legislative sessions. We continuously work to make the legislative process more accessible to the average Nevadan, trying to make a difference for their own communities. With that, I would encourage your support of S.B. 168 and thank you for your time.

CHAIR PAZINA:

Now we will close the hearing on S.B. 168 and we will move to the next item on our agenda, which is public comment.

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A'ESHA GOINS:

I have been in the cannabis industry for 12 years because I was there in the beginning when regulations were created to begin the business of cannabis. Over time, I have watched the evolution of regulations and more people getting involved. My heart just goes out to the medical constituents, especially for a friend that we did lose a year-and-a-half ago, Miss Cindy Brown, and I wanted to go on record just saying her name so that she knows the fight continues on her behalf, thank you.

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CHAIR PAZINA:

That concludes our meeting for today. We are adjourned at 9:43 am.

RESPECTFULLY SUBMITTED:

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Madison Zajac,  
Committee Secretary

APPROVED BY:

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Senator Julie Pazina, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Introduced on Minute Report Page No.</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
S.B. 157	C	3	Will Adler / Green Thumb Industries	Document: Meeting History
S.B. 157	D	5	Glenn Miller	Support Letter
S.B. 157	E	8	Will Adler / Green Thumb Industries	Support Letter prepared by Tiffany Newbern-Johnson
S.B. 157	F	8	Will Adler / Green Thumb Industries	Batch Size and Consumer Safety Document
S.B. 93	G	16	Patrick Ashton	Work Session Document
S.B. 193	H	17	Patrick Ashton	Work Session Document
S.B. 168	I	18	Senator Rochelle Nguyen	Connor & Connor PLLC Proposed Amendment
S.B. 168	J	18	Senator Rochelle Nguyen	Cornerstone Proposed Conceptual Amendment
S.B. 168	K	18	Senator Rochelle Nguyen	E Management Group LLC Proposed Amendment
S.B. 168	L	27	Julie Monteiro / Coalition for Patient Rights	Written Opposition Letter
S.B. 168	M	27	Julie Monteiro / Coalition for Patient Rights	Written Opposition Letter
S.B. 168	N	27	Julie Monteiro / Coalition for Patient Rights	White Paper