



CONNOR & CONNOR PLLC
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August 15, 2017

Reference No. 100.157

Via Email Only

Jorge Pupo, Executive Deputy Director
State of Nevada
Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706
jpupo@tax.state.nv.us

Re: Requested Revisions to Proposed Regulations

Dear Mr. Pupo,

I am writing this letter to you regarding the proposed regulations on behalf of the Nevada Cannabis Coalition. This letter is to follow up on the letter dated August 9, 2017 regarding proposed changes. Thank you for taking the time to consider the following requested revisions, in addition to the previous revisions suggested in the letter dated August 9, 2017, to the proposed regulations that will be issued under Nevada Administrative Code 453D.

The NCC appreciates the Department's consideration of the following edits:

1) TESTING

In order to avoid interruption of the single stream of medical and retail marijuana, which could jeopardize the continued existence of the medical program, please consider the following language:

Nothing in this section or chapter requires a designation of a product as medical marijuana or a retail marijuana product. Marijuana or marijuana products that pass the tests required in this section may be sold as medical or retail marijuana or marijuana products.

Alternatively, please consider the following language:

The testing requirements become effective upon adoption of the same tests under Chapter 453A of the Nevada Administrative Code.

2) MONOPOLY PROVISIONS

To prevent monopolistic practices, the Department shall ensure, in county whose population is 100,000 or more, that it does not issue, to any person, group of persons or entity, the greater of:

- (a) One retail marijuana store license; or*
- (b) More than 10 percent of the retail store licenses allocable in the county **or within the municipality located within that county.***

3) PRODUCTION

Sec. () Maximum allowable quantity of marijuana products to be sold to a costumer. (NRS 453D.())¹

¹ Please note the section referred to above comes from the draft for Operations for Retail Stores. A slightly different version is in the Operations of Marijuana Establishments draft which purportedly only applies to edible marijuana products. This section is listed below with the suggested edits. Please note these two sections currently conflict as the section below allows an ounce of flower AND one-eighth of an ounce of concentrate.

Sec. () Maximum allowable quantity of ~~edible~~-marijuana products **to be sold to a customer . (NRS 453D.())**

For the purposes of NRS 453D.(), the maximum allowable quantity of ~~edible~~ marijuana products ~~is an amount that~~ allowed to be sold to a costumer is:

- 1. ~~Is equivalent to~~ one ounce of usable marijuana other than concentrated marijuana; ~~and~~*
 - 2. One-eighth of an ounce of concentrate that is the equivalent: ~~of 1750 mg of THC;~~*
 - a. 1750 mg of THC for edible marijuana products;*
 - b. 3500 mg of THC for all concentrate that is not an edible marijuana product; or*
 - c. A combination of the two not to exceed the allowable limits.*
- Or*
- 3. A combination of the two not to exceed the allowable limits.*

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For the purposes of NRS 453D.(), the maximum allowable quantity of marijuana products allowed to be sold to a customer is:

- 1. One ounce of usable marijuana other than concentrated marijuana;*
 - 2. One-eighth of an ounce of concentrate that is the equivalent: ~~of 1750 mg of THC;~~*
 - a. 1750 mg of THC for edible marijuana products;*
 - b. 3500 mg of THC for all concentrate that is not an edible marijuana product; or*
 - c. A combination of the two not to exceed the allowable limits.*
- or*
- 3. A combination of the two not to exceed the allowable limits.*

4) ADVERTISING AND PACKAGING

To allow retail stores to package onsite, the following changes are suggested:

Sec. () Maximum unit size; minimum requirements for font and size of label. (NRS 453D. ())

1. ~~Any marijuana establishment that packages marijuana and marijuana products must~~ Any retail marijuana store must ensure that all marijuana and marijuana products are individually packaged, labeled and sealed ~~the marijuana or marijuana products~~ in unit sizes such that no single unit contains more than an one ounce of usable marijuana;

The following edits are suggested to the advertising sections as the approval of all advertising including websites, social media, and blogs is unduly burdensome and unrealistic given the time sensitive nature of these medias:

Sec. () Approval process. (NRS 453D. ())

Approval is required of the Department of any marijuana establishment name, logo, sign, advertisement or package before it is used by the marijuana establishment. The Department may require up to 30 days for approval.

1. Marijuana establishments ~~owners~~ with conditional licenses must submit electronic files of proposed names, logos, signs, ~~website, social media~~, radio and television ads, ~~print~~ advertisements or packaging on a form prescribed by the Department to be considered as a part of their pre-opening inspection findings, and/or whenever new designs are created.
2. The submitted artwork will be reviewed by the Department to evaluate compliance with the advertising guidelines. The Department will supply a form to the establishment indicating its recommendation to approve or deny the proposed artwork.
3. If the proposed artwork is not recommended, the reason for the recommended denial of any portion of the submission will be indicated on the form, including feedback and reasons for the decision.
4. ~~The Department has final say on approvals and denials for the names, logos, signs, website, social media, radio and television ads, advertisements and packaging. Appeals of the Department's final decision are not permitted.~~
5. The following guidelines will be used to evaluate marijuana establishment names, logos, signs advertisements and packaging:
 - a. Are not presented in packaging that contains an image of a cartoon character, mascot, action figure balloon or toy, except that such an item may appear in the logo of the marijuana product manufacturing facility which produced the product.
 - b. Are not packaged in a manner which is modeled after a brand of products primarily consumed by or marketed to children.
 - c. Does not appear to be a lollipop or ice cream.
 - d. Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature cartoon or artistic rendering,
 - e. ~~Overall design of any submission should be tasteful and respectful. The look should contain no reference to or perception of being high in nature. Shall be professional in nature. Shall not depict consumption of the product or a real or fictional person, animal, character, mascot or cartoon possessing the product.~~
 - f. Typography selections shall include using clean fonts (sans serif), and avoiding script, ~~decorative or gimmicky~~ fonts. It is preferred that a maximum of two fonts and three colors are used in the design.
 - g. Acceptable words or referenced include, but are not limited to: green; wellness; compassion; health; patient; therapy; care; garden; nature; marijuana; and cannabis.
 - h. ~~Designers~~ shall avoid making unfounded claims or promises or using the word "cure."
 - i. ~~Designers~~ shall avoid using marijuana slang such a high, bud, pot, weed, grass, joint, doobie, 420.
 - j. All logos submitted for approval must also be used on business cards, letterhead, and any other types of stationary used by the marijuana establishment, ~~as well as any advertisements purchases by the marijuana establishment.~~ Different logos, other than those approved by the Department, will not be permitted.

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The NCC appreciates consideration of these suggested edits in addition to the edits suggested in the letter dated August 9, 2017 to the regulations for retail marijuana facilities. The NCC appreciates the opportunity to comment throughout the process. The NCC looks forward to working with the Department to ensure is a highly-regulated and successful industry in the state. If you should have any questions or would like additional clarification, please do not hesitate to contact me.

Sincerely,

CONNOR & CONNOR PLLC

By: 
AMANDA N. CONNOR, ESQ.

cc: Deonne Contine, Executive Director (*Via Email Only:* contine@tax.state.nv.us)
Dept. of Taxation Marijuana Program (*Via Email Only:* marijuana@tax.state.nv.us)