1. Working group name:

Labs Working Group

2. Individual sponsor(s):

Darryl Johnson - Ace Analytical
Shane Johnson - Silver State Trading
Alec Garcia - 374 Labs
David Grenz - Nevada Department of Agriculture
Ed Alexander - Common Sense Botanicals

3. Describe the recommendation:

The goal of this recommendation is to ensure that the process used to create edibles produces a homogeneous product that consumers can rely on. The homogeneity testing of a production run will require testing of multiple units of a single production run to ensure the manufacturer’s process is validated. The subsequent testing of single units or serving of a product run will serve as a spot check. This recommendation should be implemented through an NDA policy.

1. Edible product approval and homogeneity testing
   a. Product pre-approval by NDA and potency homogeneity verified by an independent third party laboratory
   b. Production Kitchen: SOP for edible manufacturing process: each different product
c. Demonstrate process produces homogeneous product: allow specific requirements to be defined at a later time
d. Periodic validation checks as determined by NDA
e. Changes in recipe, production run size and/or equipment must be pre-approved by NDA and may require a revalidation of the process and production run homogeneity testing
f. Considerations:
   i. Production run size will differ
   ii. Edible matrix will impact homogeneity: some products will require more extensive homogeneity testing than others

2. Production Run Testing
   a. 1 serving size (or unit) will be analyzed from each production run for testing
   b. Variation is the difference between ITL measured concentration and producer’s expected serving size dosage
      i. NDA to establish allowable variation including weight and homogeneity between the ITL results and the intended dosage

4. Which guiding principle(s) does this recommendation support?
Guiding Principle 1 – Promote the health, safety, and well-being of Nevada’s communities

Guiding Principle 2 - Be responsive to the needs and issues of consumers, non-consumers, local governments and the industry

Guiding Principle 6 - Establish regulations that are clear and practical, so that interactions between law enforcement, consumers, and licensees are predictable and understandable

Guiding Principle 7 - Take action that is faithful to the text of Question 2

5. What provision(s) of Question 2 does this recommendation apply to?

Section 2, subsection (g): Marijuana sold in the state will be tested and labeled

Section 3, subsection 15: “Marijuana testing facility” means an entity licensed to test marijuana and marijuana products, including for potency and contaminants

6. What issue(s) does the recommendation resolve?

Establishes practical guidelines for standardization of edible cannabis product approval, testing, and reporting.

7. Was there dissent in the group regarding this recommendation? If yes, please provide a summary of the dissenting opinion regarding the recommendation.

No dissent

8. What action(s) will be necessary to adopt the recommendation? Will statute, policy, regulations, etc. need to be addressed?

Department of Taxation to adapt DPBH regulations.

9. Additional information (cost of implementation, priority according to the recommendations, etc.).

The recommendation will add cost to facilities that manufacturer edible cannabis products. Initial validation testing of the process will require homogeneity testing within a production run prior to an edible product being approval for sale. Following approval, testing of a serving will be required during state-mandated safety testing. This should not add cost since the unit is already undergoing potency testing.
1. Working group name:

   Laboratory Working Group

2. Individual sponsor(s):

   Ed Alexander - Common Sense Botanicals
   Lynn Hettrick - Nevada Department of Agriculture
   Alec Garcia - 374 Labs
   Shane Johnson - Silver State Trading

3. Describe the recommendation:

   The recommendation is to empower local and state jurisdictions to license and regulate ancillary businesses.

   “Ancillary Business” defined. Any person or business that has not received a registration certificate under NRS 453A nor has been licensed as a marijuana establishment under NRS 453D that directly profits from onsite adult use consumption of marijuana or marijuana infused products.

   It is the opinion of this working group that additional local and state fees will unduly burden licensed marijuana cultivation, production, retail, and laboratory related businesses, as these entities already must obtain State and Local licenses under NRS 453. It is the recommendation of the working group to allow state and local officials to create licensing and fee structures for those Ancillary Businesses where adult use consumption is permitted.

   ● State and Local jurisdictions shall have the ability to license, regulate, and collect fees from ancillary marijuana related businesses.
   ● Ancillary businesses might include but are not limited to: Adult Use consumption facilities, any business which allows on site use or consumption of marijuana, spa’s, social clubs, music venues, etc.
   ● Ancillary businesses should not include: businesses that do not directly profit from the sale or use of Marijuana but might provide products or services to the industry. Garden Centers, or Grow Shops, Paraphernalia/Smoke Shops. Etc
   ● Licensing fees shall be consistent with other limited licensing types, these fees should not impact local jurisdictions ability to obtain a percentage of revenue generated through adult use taxation.
   ● Licensing shall be consistent with current local and state law which may require business licenses, special use permits, etc.
   ● State of Nevada Department of Taxation shall provide reasonable effort to identify what
Ancillary Marijuana Business Licensing - Recommendation

percentage of Adult use excise and other tax revenue will be allocated to local jurisdictions based on the city, and or county from which the revenue is generated.

- Standardized Educational materials pertaining to Adult Use Consumption shall be adopted and prominently displayed in facilities which sell or allow the use of marijuana.
- Smoking/vaping/consumption of marijuana shall be similar to rules and regulations for smoking/vaping/consumption of tobacco, and or alcohol.

4. Which guiding principle(s) does this recommendation support?  Promote Health, safety, and well-being of Nevada’s communities. Provides efficient and effective regulation that is clear and reasonable and not unduly burdensome.

  Guiding Principle 2 - Be responsive to the needs and issues of consumers, non-consumers, local governments and the industry

  Guiding Principle 6 - Establish regulations that are clear and practical, so that interactions between law enforcement, consumers, and licensees are predictable and understandable

5. What provision(s) of Question 2 does this recommendation apply to?

  Sec. 2 Preamble

6. What issue(s) does the recommendation resolve?

  Provides a means by which Local and State regulators can license and regulate Adult Use Ancillary Businesses

7. Was there dissent in the group regarding this recommendation?  If yes, please provide a summary of the dissenting opinion regarding the recommendation.

  No dissent

8. What action(s) will be necessary to adopt the recommendation?  Will statute, policy, regulations, etc. need to be addressed?

  Statute, Policy, and Regulations will need to be developed by the State of Nevada as well as Local Jurisdictions as necessary to insure public health and safety.

9. Additional information (cost of implementation, priority according to the recommendations, etc).

  None
1. **Working group name:**

   Labs Working Group

2. **Individual sponsor(s):**

   - Darryl Johnson - Ace Analytical
   - Shane Johnson - Silver State Trading
   - Alec Garcia - 374 Labs
   - David Grenz - Nevada Department of Agriculture
   - Ed Alexander - Common Sense Botanicals
   - Ben Chew - MM Labs

3. **Describe the recommendation:**

   The goal of this recommendation is to provide information and clarification to the industry and the recreational consumer on the serving size and labeling of edible products. Per previous recommendations accepted by the Task Force regarding a 10mg serving, we feel it is critical to specify how 10mg of THC is calculated. An allowable variation in milligrams of d9-THC per serving will be determined by the Department.

   Cannabis contains the following most common forms of THC:
   
   - THCA and d9-THC.
   - d9-THC is the psychoactive cannabinoid that produces the “High.” THCA is the non-psychoactive cannabinoid.
   - THCA can be decarboxylated to the psychoactive form d9-THC by heating or burning.

   The recommendation is that edibles be labeled using d9-THC milligrams.

   It is also recommended that edibles be limited to one serving per individually wrapped unit of 10mg d9-THC per serving for consumer safety.

4. **Which guiding principle(s) does this recommendation support?**

   - **Guiding Principle 1 –** Promote the health, safety, and well-being of Nevada’s communities
   - **Guiding Principle 2 -** Be responsive to the needs and issues of consumers, non-consumers, local governments and the industry
   - **Guiding Principle 6 -** Establish regulations that are clear and practical, so that interactions between law enforcement, consumers, and licensees are predictable and understandable
Guiding Principle 7 - Take action that is faithful to the text of Question 2

5. What provision(s) of Question 2 does this recommendation apply to?

   Section 2, subsection (g): Marijuana sold in the state will be tested and labeled

   Section 3, subsection 15: “Marijuana testing facility” means an entity licensed to test marijuana and marijuana products, including for potency and contaminants

6. What issue(s) does the recommendation resolve?

   Establishes practical guidelines for standardization of edible cannabis product approval, testing, and reporting.

7. Was there dissent in the group regarding this recommendation? If yes, please provide a summary of the dissenting opinion regarding the recommendation.

   Sarah Chapman dissented that edibles be limited to one serving per individually wrapped unit of 10mg.

8. What action(s) will be necessary to adopt the recommendation? Will statute, policy, regulations, etc. need to be addressed?

   Adopt NAC pursuant to bills passed during the legislative session.

9. Additional information (cost of implementation, priority according to the recommendations, etc.).

   Labeling by d9-THC does not add any additional cost and ensures consumers get what they are expecting. Requiring each 10mg servings to be individually wrapped could add additional time and cost to the production facility. Multiple individual wrapped 10mg servings could be sold inside a single package.