

NEVADA TAX COMMISSION MEETING  
MINUTES  
(TELEPHONIC MEETING)

Nevada Department of Taxation  
1550 E. College Parkway  
Carson City, Nevada 89706

September 9, 2019  
11:30 a.m.

Members Present Telephonically:

James DeVold, Chairman  
George Kelesis, Commissioner  
Ann Bersi, Commissioner  
Francine Lipman, Commissioner  
Tony Wren, Commissioner  
Craig Witt, Commissioner  
Randy Brown, Commissioner  
Sharon Rigby, Commissioner

Chairman DeVold called the meeting to order at 11:30 a.m.

I. Public Comment.

Aaron Katz (Present Telephonically) - Taxpayer, Resident, Property Owner and Aggrieved Party. Mr. Katz submitted written public comment. Prior to contacting the Department with issues that Mr. Katz and others have in Incline Village, Mr. Katz stated he had reached out to the Executive Director asking for a meeting. Mr. Katz stated he did not receive a response. As a result, on March 14, 2019, Mr. Katz wrote to Commissioner Lipman asking for assistance, and as a result, it was forwarded to the Chairman. On March 28, 2019, Mr. Katz stated he received an email from Jennifer Crandell, Office of the Attorney General. Mr. Katz understood that it was being referred to the Director and they would address the issues. One of the issues was the Executive Director's failure to determine if IVGID is an enterprise district. Mr. Katz stated he subsequently filed a formal request to this affect and did not receive a response within four (4) months, even though he should have received one within thirty (30) days. As a result, Mr. Katz filed a formal appeal to the Commission for the Executive Director's refusal to determine if IVGID is an enterprise district. Mr. Katz stated he did not receive a response to the appeal. Mr. Katz asked that the Commission add this matter to the next meeting agenda. On August 30th, Mr. Katz received a response from the Office of the Attorney General. Mr. Katz stated that he plans to appeal this as well and asked that this matter also be determined at the next Tax Commission meeting. Mr. Katz asked that the Commission direct staff to adopt regulations providing for the public standing to request that the Department and the Executive Director satisfy their duties under NRS and NAC. When the Executive Director refuses to perform her duties mandated by statute, and the Department refuses to exercise general supervision over the entire regulatory system of the State, the Commission, which is the head of the Department, must interpret this appeal and request. Mr. Katz thanked the Commission for its consideration.

Chairman DeVold stated that he spoke with the Executive Director, Melanie Young, regarding this matter and the matter has been turned over to Peter Keegan, Deputy Attorney General for review.

Mona Lisa Samuelson (Present Telephonically) submitted and read her written public comment to be added to the record.

As the medical cannabis community's dedicated patient representative, I've attended most of these regulatory meeting to try and summons the help needed to fix the incredibly alarming situation we face regarding the safety of the cannabis being produced in Nevada. I am sad to report patients haven't been granted the help we've needed because Nevada's legislators are playing favor exclusively to business related efforts which means consumer safety has gone purposely ignored. Patients are livid after all these years because we STILL cannot consume what is being commercially manufactured, and we're upset that as the state grows fat from cannabis tax money, our basic needs are going completely denied. It's all part of the public record through the Independent Laboratory Advisory Committee meetings how the public is being sold tainted products and synthetic cannabinoids in order to meet a growing corporate agenda and NO ONE is stepping up to do anything about it. Medical cannabis patients demand an accounting of product safety which is why I've come before the Legislative Commission many times to consistently deliver the same message I bring you now.

Nevada owes its cannabis consumers factual assurances regarding both product and environmental safety!

So far, these things have NOT been properly addressed and patients want to see the state allocate funding for much needed toxicology testing to research the pesticides, and better understand cannabis plant pathology in order to ensure Nevada's cultivators and producers follow sustainable, healthful methodologies. And it absolutely must not go unmentioned that the entire cannabis industry suffers from serious lab testing issues surrounding pesticides, accidental synthesis, and the monetary pressure to keep the truth hidden when it means affecting current profit margins. This is why medical patients remain desperately in need of legislative protection and yet we're NOT being helped. Instead, we are systematically being locked out!

Furthermore, I take great offense to how this meeting is being conducted exclusively in Carson City, and open to the public only via telephone call-in number. Let me comment you on doing a superb job of blocking out your constituents' participation and you should know it doesn't go unnoticed. It certainly won't go unmentioned by me because this is the kind of treatment your medical cannabis patients have faced all along. We want it put onto public record every chance we get, that we have been begging for help because some type of assistance should be forth coming from our regulators, but it has not. Patients were systematically tossed-aside and have gone completely ignored.

We want it noted all over public record that our Legislative Commission and the Council Bureau have consistently heard the truthful warnings and heartfelt pleas from our vulnerable medical patients about the very serious issues we've faced over the years. You've certainly heard the concerns regarding our most serious testing issues at every regulatory public comment I could physically make it to, and you've all received many emails from me throughout the regulatory process so our needs are NOT an unknown surprise. But for all intents and purposes, the regulators in the great state of Nevada have chosen to turn a blind eye to the truth so a few rich men could go about their business without question. Apparently, that suits this council just fine but your medical cannabis patients find the silent apathy dubious, unethical, morally wrong, and some of you ought to be ashamed of yourselves for NOT doing your job in looking out for Nevadans.

II. CONSENT CALENDAR:

A. Consideration for Adoption of Permanent Regulation LCB File No. R026-19:

- 1) Adoption of a regulation relating to marijuana; revising provisions governing the distribution of money by the Department of Taxation to reimburse local governments for the costs associated with carrying out certain provisions of law relating to marijuana; and providing other matters relating thereto. LCB File No. R026-19.

Shellie Hughes, Chief Deputy Executive Director, presented LCB File No. R026-19 to the Commission. This Regulation was originally approved by the Commission on October 1, 2018 as Temporary Regulation T002-18. The temporary regulation has now expired. We now ask that you adopt a substantially identical regulation, as allowed by NRS 233B.063. The Department has not received any negative feedback on the current language. There has been a request to strike the word “town”. Currently there are not any towns that issue business licenses or approve the operation of an establishment. With the recent passage of AB533 Section 198, which is effective July 1, 2020, a town will lose this ability all together. Removing the word “town” from the language should have no impact. Ms. Hughes asked for the Commission’s approval of R026-19, with the removal of the word “town” from the language.

Commissioner Lipman asked if removing the word “town” would have any impact.

Ms. Hughes stated that a town can have a marijuana establishment within its jurisdiction, although they will not have licensing authority.

Commissioner Rigby asked about the \$3.5M that is distributed. While the number of communities and localities increases, the entities receiving it will receive less money each year. Is there any indication that the distribution amount will be increased over time as it grows?

Ms. Hughes believes that the Legislature will have to address this. It is correct that as more establishments become operational the distribution amount will decrease.

George Kelesis moved to approve and adopt LCB026-19, with removing the word “town” from 3(b), 3(b)(1) and 3(b)(2). Commissioner Bersi seconds the motion. All in favor. Motion carries.

III. Next Meeting Date: October 7, 2019

IV. Public Comment.

Mona Lisa Samuelson, your communities’ Medical Marijuana Patient Lobbyist. We have serious issues and we do not have anyone fighting for us. We have tried to find legislative assistance because unless you have the money, it is very hard to get legislative help. We need help. It shouldn’t be up to your most vulnerable, the sick and the dying to find the help that we need. We have not yet seen our big pot recall, and this is just the very first of what should be much more coming. As a patient lobbyist, I want to inform you that at the April 2018 ILAC meeting, we saw evidence and heard testimony from our own scientists in Nevada, a medical patient’s worst nightmare has come true, that we are now being sold synthetic cannabinoids and tainted product as a matter of common industry practice. The data presented at the ILAC meeting showed how the labs in Nevada are misinterpreting other chemicals for Delta 8 THC compounds. The industry put out some media hype in regard to Delta 8 THC to make us take a controversial product off of the shelves to recover costs. We have no regard for public safety. We finally have a recall and Ms. Samuelson stated she is under the impression that it has something to do with erroneous testing of yeasts and molds. Ms. Samuelson stated that she has been fighting ILAC to get the erroneous testing for aspergillus. We need to find help for our patients. Please reach out. We don’t have anyone. In the years to come, it will show that our representation was really quite questionable. Thank you.

V. Items for Future Agendas.

No items were discussed.

VI. Meeting adjourned at 11:58 a.m.