MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON JUDICIARY

Eighty-Second Session March 15, 2023

The Committee on Judiciary was called to order by Chair Brittney Miller at 8 a.m. on Wednesday, March 15, 2023, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Brittney Miller, Chair
Assemblywoman Elaine Marzola, Vice Chair
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Lesley E. Cohen
Assemblywoman Venicia Considine
Assemblywoman Danielle Gallant
Assemblyman Ken Gray
Assemblywoman Alexis Hansen
Assemblywoman Melissa Hardy
Assemblywoman Selena La Rue Hatch
Assemblywoman Erica Mosca
Assemblywoman Sabra Newby
Assemblyman David Orentlicher
Assemblywoman Shondra Summers-Armstrong
Assemblyman Toby Yurek

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Cameron (C.H.) Miller, Assembly District No. 7



STAFF MEMBERS PRESENT:

Diane C. Thornton, Committee Policy Analyst Devon Kajatt, Committee Manager Traci Dory, Committee Secretary Ashley Torres, Committee Assistant

OTHERS PRESENT:

A'Esha Goins, representing Cannabis Equity and Inclusion Community Nevada Chandler Cooks, Private Citizen, Las Vegas, Nevada

Asia Duncan, President, Cannabis Equity and Inclusion Community Nevada

Quentin Savwoir, Vice President, Cannabis Equity and Inclusion Community Nevada

Nicole Buffong, National Community Program Director, Minorities for Medical Marijuana

Bri Padilla, Executive Director, Chamber of Cannabis

Abraham Lee, Private Citizen, Las Vegas, Nevada

Shwa Laytart, Private Citizen, Las Vegas, Nevada

Esther Badiata, representing Planet 13 Holdings; and Jardin Premium Cannabis Dispensary

Christopher M. Ries, Detective, Las Vegas Metropolitan Police Department

Jason Walker, Sergeant, Administrative Division, Legislative Liaison, Washoe County Sheriff's Office

Warren Hardy, representing Nevada Urban Consortium

Will Adler, representing Sierra Cannabis Coalition

Jeffrey S. Rogan, representing Clark County

Liz Ortenburger, CEO, SafeNest

William Horne, representing SafeNest

Tracy Harig, Private Citizen, Reno, Nevada

Serena Evans, Policy Director, Nevada Coalition to End Domestic and Sexual Violence

Adam Cate, Deputy District Attorney, Washoe County District Attorney's Office; and representing Nevada District Attorneys Association

Nicole Reilly, Ombudsman, Office of Ombudsman for Victims of Domestic Violence, Sexual Assault and Human Trafficking, Office of the Attorney General

Chair Miller:

[Roll was called. Committee protocol was explained.] Today, we have two bill hearings. We will begin with <u>Assembly Bill 253</u>, presented by Assemblyman C.H. Miller. I will open the hearing on <u>Assembly Bill 253</u>.

Assembly Bill 253: Provides for the licensure and regulation of certain events at which the sale and consumption of cannabis or cannabis products is allowed. (BDR 56-152)

Assemblyman Cameron (C.H.) Miller, Assembly District No. 7:

I have Ms. Goins with me this morning to help present the bill. <u>Assembly Bill 253</u> is a bill that will offer a twofold solution to issues with cannabis consumption at events. First, we all know there is a ton of illicit consumption at events. I do not know if you have been to one recently, but it is in the air all the time. Quite often, it reminds me of that saying, Come on, everyone is doing it, but the truth of the matter is everyone is not doing it. Everyone at an event is not consuming cannabis. Everyone does not want to smell the smoke or the smells of different things all the time, all over the place. This bill aims to direct consumption to a controlled atmosphere, a controlled and monitored place, so that we can alleviate that.

When we stood up the cannabis industry in 2019 and set out to take the title of being the gold standard in yet another emerging industry, it was done without the consideration of providing equitable and attainable wealth-building opportunities for the folks who had been most affected by the war on drugs and policies that targeted cannabis consumers, ultimately creating generational poverty cycles. Maya Angelou once said, "I did then what I knew how to do. Now that I know better, I do better." Doing better is what we are all elected to do for our state.

In 2021, with the approval of cannabis lounges, we began attacking the public consumption problem that we had and the social equity disparity by creating social equity licenses in the cannabis lounge sector. Now we must continue to take steps forward, which is what brings us here today for A.B. 253. It is an opportunity for our state to once again do better. Now, while lounges give folks a designated space to consume socially, the mobile cannabis concierge, if you will, will bring us to a solution to events where people are also illicitly consuming cannabis, creating, as I mentioned, a controlled and monitored atmosphere to continue supporting our blossoming industry that we decided to bring in and we are continuing to incubate and to grow with great success.

Additionally, this bill creates a real path to course correction as it relates to providing an attainable and equitable opportunity for the folks most affected by poor drug policies, overlooked by the initial opportunity, and least likely to have a million-plus dollars and the means to get a real shot in a legitimate cannabis business. Why? Because the bar to entry is much lower in this model, in this opportunity, in this particular new license. Yes, there will be fees and startup costs, but due to the temporary nature of events, it will be much lower than standing up a brick-and-mortar lounge or having, as I mentioned, \$1 million plus just to even talk about any other part of our industry right now.

<u>Assembly Bill 253</u> will address consumption at cannabis events, providing a designated area. Chair, with your permission, I am going to pass it over to Ms. Goins, who will give some remarks and walk us through the bill.

A'Esha Goins, representing Cannabis Equity and Inclusion Community Nevada:

In the 81st Session, social equity was defined for the first time with the cannabis consumption lounge bill. <u>Assembly Bill 253</u> will further promote equity in the cannabis industry by designating temporary cannabis events to have portable cannabis vendor licenses or "concierge" licenses with priority given to social equity applicants. The industry's largest question has been, Why more cannabis licenses? Angela Y. Davis once said, "I am no longer accepting the things I cannot change. I am changing the things I cannot accept."

The cannabis industry is a rapidly growing market, and legalizing more licenses would provide a significant economic boost for the state. By allowing more licenses, Nevada will create new jobs and generate tax revenue that would further fund essential services like education. Secondly, offering priority to social equity applicants will help to promote diversity and inclusivity within the cannabis industry. By encouraging a more diverse range of business owners, Nevada can foster innovation and creativity. Additionally, allowing more licenses and prioritizing social equity applicants can help to reduce the prevalence of the unlicensed cannabis market by providing legal and regulated options. Nevada can create a safer and more secure environment for both consumers and businesses. I will now walk you through the bill.

The intent of this bill is to establish the portable cannabis vendor license. You will see a lot of deleted language in the amendment [Exhibit C], because originally, we wanted to have some other unique licenses. My client decided that it made more sense to simplify this and idealize what temporary cannabis events are, what they could be, and also qualify portable cannabis vendors. The existing law provides for licensure and regulation of persons and establishments involved in the cannabis industry in the state by the Cannabis Compliance Board. This bill provides for the licensure and regulation of events at which the sale of cannabis or cannabis products and the consumption of cannabis or cannabis products by persons 21 years of age or older is allowed. I will be referring to the new proposed numbers in the proposed conceptual amendment [Exhibit C], as a lot of language in the original bill has been stricken.

Section 4 designates such events as temporary cannabis events. Section 10 prohibits a person other than a portable cannabis vendor from selling cannabis or cannabis products at a temporary cannabis event and sets forth certain requirements for such sales. It is important to point out that the intent of this bill is to have cannabis vendors at events. The reason why they are called "cannabis events" is because the person holding the event would have to get approval to have a cannabis vendor at the event.

Section 11 imposes certain requirements and restrictions on a portable vendor relating to the operations of a temporary cannabis event. Section 12 establishes requirements for licensure as a portable cannabis vendor, which is defined by section 2 to mean a business that is licensed by the Board and purchases cannabis or cannabis products from an adult cannabis retail store and sells such cannabis or cannabis products at a temporary cannabis event. The reason why this is important to point out is because portable cannabis vendors will be in

alignment with the way consumption lounges are purchasing right now. Consumption lounges will be purchasing through retail stores and so will the portable cannabis vendors.

Section 13 requires a portable cannabis vendor who participates in a temporary cannabis event to purchase all cannabis or cannabis products for resale at temporary cannabis events from an adult-use cannabis retail store. Existing law defines "social equity applicant" to mean, in general, an applicant for the issuance or renewal of an adult-use cannabis establishment license for an [independent cannabis consumption lounge who has been adversely affected by] previous laws which criminalized activity relating to cannabis.

Section 16 expands the definition of "social equity applicant" to include an applicant for the issuance or renewal of a portable cannabis vendor license who has been adversely affected by previous laws which criminalized activity relating to cannabis.

Section 19 requires the Board to adopt regulations establishing criteria for determining whether such an applicant qualifies as a social equity applicant. Section 14 requires the Board to give priority to a social equity applicant in processing applications for a portable cannabis vendor license. I want to point out that when the consumption lounges were released, priority was also given to social equity applicants, and we are staying consistent in that. Existing law imposes an excise tax on each retail sale of cannabis or cannabis products by an adult-use cannabis retail store or cannabis consumption lounge. Section 30 applies the excise tax to retail sales of cannabis or cannabis products by a portable cannabis vendor. Again, this is consistent with what is already happening in the consumption lounge.

Section 28 makes conforming changes to reflect the imposition of this excise tax on the retail sales of cannabis or cannabis products by a portable cannabis vendor. Section 21 requires the Board to adopt regulations establishing fees associated with a portable cannabis vendor license. The fees in this bill have been pushed back to the Cannabis Compliance Board. There is not an actual licensing fee established. That is being left to the Cannabis Compliance Board to establish. Section 21 similarly authorizes the Board to establish reduced fees for the initial issuance of renewal of a portable cannabis vendor license for social equity applicants.

My apologies that these have been renumbered so they bounce back and forth. Section 6 includes a portable cannabis vendor within the definition of "cannabis establishment." This is designating that as an actual license. Right now, all of the other licenses that are being issued through the Cannabis Compliance Board are called cannabis establishments. These licenses would be as well.

Section 8 authorizes the Board to [adopt regulations providing policies and procedures under which the Board is authorized to] waive any requirements applicable to a cannabis establishment that the Board determines are not appropriate for a portable cannabis vendor.

Section 23 requires the Board to adopt regulations concerning the safe and healthful operations of temporary cannabis events. When the Cannabis Compliance Board created

regulations for the consumption lounge, they put it together with health requirements. This would also be consistent with that.

Section 15 provides that a license or permit issued by the Board pursuant to the provisions of this bill is a revocable privilege. Sections 17 and 18 prohibit the issuance of a medical cannabis establishment license or an adult-use cannabis establishment license, respectively, if any of the [persons proposed to be owners, officers or board members of the] establishment have previously served in such a position for a cannabis establishment that has had a license or permit issued by the Board revoked. We want to make sure that the persons who are applying for this are qualified to apply.

Section 20 specifies that such regulations must set forth procedures and requirements for the transfer of a portable cannabis vendor license that is held by a social equity applicant. Section 22 revises provisions of existing laws that prohibit a person from selling or advertising the sale of cannabis or cannabis products for the purpose of authorizing the holder of a portable cannabis vendor license to engage in such activities. We wanted to make sure that the cannabis vendor is only popping up or doing vending at events. The intent of this bill is that events are qualified through the Cannabis Compliance Board and that vendors are only vending at those events that have been qualified through the Cannabis Compliance Board.

Sections 24, 26, and 27 revise the provisions for the purposes of authorizing a person to consume cannabis or cannabis products in an area designated for that activity at a temporary cannabis event. Existing law prohibits a person from opening or maintaining a place for the purpose of unlawfully selling, giving away, or using any controlled substance.

Section 32 exempts a portable cannabis vendor whose activities are confined to those authorized under the provisions of this bill from the application of this provision. Section 4 defines words and terms applicable to the provisions of this bill. Sections 5 and 29 make conforming changes to indicate the proper placement of new provisions in the *Nevada Revised Statutes*. Section 31 makes a conforming change to reflect the addition of the provisions of section 21.

I also want to point out that there is language that allows jurisdictions the right of refusal for any temporary cannabis event. I want to say that this is a conceptual amendment [Exhibit C] and my apologies that it has been sent out at the nineteenth hour. We have been working on it every day, all night. I know the stakeholders have received this amendment also at the last minute, and they have questions and concerns. We intend to work diligently with the industry to make sure that it shows up the way everyone is comfortable with. I want to point out that this state is event-driven and consumption is happening. This bill's intent is to provide an answer to that along with curbing what seems to be an issue in our marketplace, and that is the illicit market. This is to provide a pathway—an equitable and affordable pathway—to those social equity applicants so that they also can be involved in the industry.

I want to also point out that "temporary events" are not defined fully. We are allowing the Cannabis Compliance Board to qualify what events should and could have a vendor, but it is not the intent of this bill to define what type of events qualify or not. With that, I am open for questions.

Chair Miller:

Are there any questions from Committee members?

Assemblywoman Bilbray-Axelrod:

I know you said that you are going to leave this to the Cannabis Compliance Board, but I am trying to wrap my head around what this is going to look like. I am going to give you a few things and maybe you can put in the parameters. Do you have a minimum or maximum size? Do you see this happening in a private home? What do you do with the leftover products? Will there be infused food? I am just trying to understand what ideally you are looking for.

A'Esha Goins:

We envision that the size of event would not be anything less than 150 persons. This is not intended for private homes. This is intended for events where it is in the best interest of the portable cannabis vendor to be at a larger event because then they could actually make the sales. That is the intention. The leftover product, I am going to lean in to say this has been a concern and maybe one of the answers is they cannot have certain types of products. They can only have another type of product so that it can be destroyed directly after. That is something I am hoping the Cannabis Advisory Commission can workshop and come up with an answer for.

Assemblywoman La Rue Hatch:

Thank you for speaking to the illicit use at these events because I think it is absolutely happening. I think any of us who go to events, we see smoke in the air, and those of us who have young children are not excited about them getting exposed to that. I wanted to speak to that part where you are saying this will help that issue. How can we ensure that it will be consumed in these confined spaces? Because I think right now it is being consumed publicly, frequently, and our security or law enforcement at these events are already stretched very thin. I am concerned that if we are adding more product that that will exacerbate the problem. Can you speak to how it will control that?

A'Esha Goins:

The intent is to have the consumption confined to one area. At most events right now, the consumption is everywhere and everyone is consuming. These temporary events first have to be over the age of 21—it would not in essence be a circus—and then they would have cannabis vendors. It would have to be a 21-or-over event. The consumption would be designated to an area that would be defined between the event and the Cannabis Compliance Board.

Assemblywoman La Rue Hatch:

I think that is very helpful because I was anticipating this would be any community event, and then a cannabis organizer can apply for a permit. I appreciate that. If it is confined to one area, obviously, if it is outdoors, the smoke will not be confined to one area. Are you envisioning that they have to have an enclosed space, or how will you monitor that?

A'Esha Goins:

I believe there are a few models of cannabis vendors that would be available, and I believe that in the intent of this bill, each vendor will have the opportunity to create the way they want to vend, and each event will have the opportunity to choose the vendor and the way they want—or have been required—for that event to be vended. In some instances, a vendor may choose to have, say, a bus that is a portable cannabis bus. Then in another instance, the portable cannabis vendor may just vend in some other aspect that has been regulated as an okay vending area. For each event, the qualifications would be different, and each vendor will have the opportunity to design their vending business the way that has been established through the Cannabis Compliance Board's regulations.

Assemblyman Miller:

I would add to that, the local jurisdictions would also be able to shape how they would foresee permitting a cannabis event in their jurisdiction.

Assemblywoman Hardy:

This is an area I am not very familiar with and I am learning about. Basically, this bill is asking for a portable cannabis vendor license and would allow temporary cannabis events. Are these events currently happening? I am still not clear about what event we are talking about. You are at Sunset Park for some other festival and there is this event going on at the same time; you did mention that local jurisdictions would have to approve the event, that there is a process. It just seems really vague to me as to what we are specifically talking about doing. How are we going to ensure people are 21? How are we going to ensure they are contained in this space during the event? If you could go through, are we having these now? What exactly are these going to look like?

A'Esha Goins:

That is an excellent question. I am going to walk through an event process. Yes, it would be events that are happening now, and hopefully this will attract new events. Conceptually, let us say one of the events is an over-21 event like Burning Man. Burning Man would not qualify because it is held on federal land. I am going to use that concept of an event. It would be a 21-or-over event. That event would then ask the Cannabis Compliance Board, could they have a vendor cannabis license in the same way that events have to go to the jurisdiction to ask for a liquor license. It would happen the same way except for we would have an extra regulatory body because of the Cannabis Compliance Board. The event would submit a request to the Cannabis Compliance Board, and the Cannabis Compliance Board would then say yes or no. That event would still be required to go to their jurisdiction to also get approval. None of these events would be happening overnight. It would not be like today an event wants to have cannabis vendors, and then tomorrow they can have them

because of the processes that would be in place. That event would have to declare that they are 21 and over, and I am sure that the Cannabis Compliance Board can regulate how they can prove that. What would happen is, the licensed vendors who have been regulated through the Cannabis Compliance Board and have been licensed would then have an opportunity to submit bids to that event, or that event could choose the portable cannabis vendors whom they would choose to do business with. I hope that answers your questions.

Assemblywoman Mosca:

I appreciate the focus on social equity. Looking at section 11, it says it is confined to one area. What are the thoughts on making sure people are not driving? That is one thing that I hear a lot from constituents when it comes to cannabis. Are there other states or is there a model that is already doing what we are looking at?

A'Esha Goins:

Currently, when the event is happening, I would lean in to say that the Cannabis Compliance Board could absolutely regulate what time that vendor could stop. Same thing with liquor—there is a timeline during an event that you notice liquor can no longer do sales. I am sure during the regulation process the Cannabis Compliance Board will consider that. Also, as it relates to being confined to one area, was that the question?

Assemblywoman Mosca:

That actually answered my question of what we are thinking of. Are there other states that are doing this?

A'Esha Goins:

This actually was modeled after something that was potentially happening in California. It never actually came to fruition, but there were regulations and guidelines that were proposed in California. It did not happen. This gives Nevada a unique opportunity, again, to be leading in compliance as it relates to consumption for cannabis.

Assemblywoman Gallant:

I like the idea. I think you are on the right track, but I am trying to, in my head, see how we will get rid of the illegal consumption and selling. When I look at the bill in section 19, page 11, where it talks about the vendor who "participates in a temporary cannabis event shall purchase all cannabis or cannabis products for resale at the temporary cannabis event from an adult-use cannabis retail store," are you looking at a 12 percent cannabis or cultivation tax? Is the vendor going to be paying sales tax plus the cannabis tax? They are going to bring it to the event and the consumer will be charged the sales tax and the cannabis tax? So that is three times, which makes things very expensive. I have been going to concerts and events for a very long time, and back in the day when you were younger, you did not have as much money, you did everything you could to cut costs. Can you tell me how that is actually going to make this affordable?

A'Esha Goins:

The idea is the license would be affordable. I want to make sure that I am stressing that the license would be affordable. The Cannabis Compliance Board has that situation, and the industry has the situation that you pointed out. It is an issue that also would be occurring for consumption lounges. I have also been to festivals and events, and everything at those events is overpriced. Everything is always on demand and although no one can be certain that all the consumption will be safe or all consumption will come from the portable cannabis vendor, what we can say is, we can curb that by having that available and having that offered. Having the opportunity to have a license is where we curb the marketplace where it is unlicensed sales. When we create opportunities, we minimize the spaces where unlawful sales are being done. That is what the intent of this new license is for, to curb some of the unlicensed marketplace.

Assemblywoman Gallant:

Taking a look at the cost, how I foresee this is that it seems like you are going to reduce the illegality for those that have higher socioeconomic status, and for those who do not, there could be this disparate impact of being in a situation where they are going to do something illegal, and then, obviously, police are good at catching on to that. My concern is that you are going to have the lower-income people having higher rates of infractions. I know that that was a big one.

Assemblyman Miller:

I think I understood what you are saying. What you have is, you have folks who may be operating in the illicit market now who want to have an opportunity to be legit, who want to have an opportunity to actually stand up a real business. This gives them an opportunity to do that. Those same folks are less likely to risk their legitimate business that they wanted to stand up by still operating the previous business, the illicit market. We start to see a transition there.

There are other things that have to be addressed as it relates to the cost, even as it relates to the consumption lounges and what the price is going to be for the consumer there. That is a significant concern for our social spaces that are designated for cannabis consumption and sales. If you buy liquor at an event, you pay a premium, much more than if you had it at home or bought it at a liquor store. When we go to events, that does not necessarily stop us from purchasing at the event either. We know it is designated. We know we do not have to take a risk bringing in our own stuff. This provides that opportunity for folks to go to a place without having to risk bringing what they should not be bringing into an event and getting turned away at the door, or having any of those embarrassing things that happen and that stop people from bringing alcohol into events where they sell alcohol. It gives a designated location and space to say, you want to go consume, go over here, consume in this space, it is safe, it is controlled, it is the right place to do it, and then go back and enjoy the rest of the event.

I do not think it is a hundred percent complete solution, but it starts to move us in the right direction, and it starts to give folks who are participating in the illicit sales that are currently

happening right now, it starts to give them a path towards operating and standing up a legit business. The more legit business opportunities we have for folks, the less likely they are going to risk their legitimacy, their family legacy, their generational wealth, what they can pass down legitimately to their children. They are going to risk that less than continuing to exacerbate the illicit market; at least that is my belief.

Assemblywoman Newby:

I like the concept of this bill. It seems to me you are trying to attack two issues. One is the consumption at the events and the other is the equity. It seems like the equity is spot on, but the consumption problem it is also trying to deal with, I have concerns about this bill actually effectuating that change. If we are talking about events that are only over 21, then it seems like you are not getting to sporting events or most concerts where there would be people under 21 there. I was wondering if you thought of expanding that beyond just events that are 21 and over. Part two of that is, when I think about the venues where some of these events are going to be held, many of them are on gaming properties where there is still not the ability to consume. I am wondering if there has been any discussion about that in those particular venues tied to a gaming property to allow this to happen in those venues.

A'Esha Goins:

As it relates to over-21 events, I think there is a chance that the events will designate themselves as over-21 events to be able to have cannabis vendors. I think we will see a trend that events want to have cannabis vendors, they want safe consumption, and they will do that to events. That does not mean that all events will do that. There also is an opportunity that events that are not over 21 will designate areas specifically for over-21 activities, and then that would qualify a cannabis vendor to be in that space, only consuming in that space, and maybe that vendor would be a closed vendor. I think the trend is more likely that—I am hoping that is the intent of this bill—we see events come into this city and into this state that want to have safe consumption and that they qualify to have safe consumption so that they can offer that to their consumers.

Also, we have considered gaming events, but I want to just point out, in this bill we are not qualifying events. We are allowing the Cannabis Compliance Board to qualify those events. To your point, gaming events have their own discretion of how they want to do business, and no one is asking them to change that, to change the way they operate, and this bill's intent is not to qualify that. If by chance the gaming decides what they want and the cannabis decides what that regulation will look like, that is between those two parties, but that is not the intent of this bill. The intent of this bill is to allow the Cannabis Compliance Board to qualify those events and then allow jurisdictions their right to qualify those events. That is the intent of this bill.

Assemblyman Miller:

I would just add to that, when we look at large-scale events that may have folks who are not 21, I do not think that is where we are starting right now. If that is something that the Board, the legislative body, decided to move towards in the future, I think that would be something for another time. The reason that we would start right now at 21 and over, very clearly there,

is because we need to troubleshoot as well. We need to make sure we know exactly what is happening. Until you have that all the way figured out, in a safe adult environment where folks are making the personal choice to be either at an event where there is cannabis consumption, even though it is designated or not—versus children—we want to make sure that we know exactly what is happening and how it would impact an event where children may be on the other side of the building or other side of the space. As of right now, the focus is to be at 21-and-over events, and we could consider other things in the future.

Assemblywoman Cohen:

I know you both have been working on this very hard for at least a couple of years. The vendor is going to be purchasing from the retail store. What happens if they do not sell all of their products at the event? Are they able to retain it and sell it? How long can they retain it for? Is there any concern about their trying to sell it on the black market; what are the guarantees about what happens with the leftover product?

A'Esha Goins:

The Cannabis Compliance Board will regulate that, but it is not the intent for the vendors to store product. More than likely, they would either have to sell it all or it would be destroyed. That is not an uncommon practice to have to sell what you have, to get rid of what you have, at events. They would have to sell it all or it would be destroyed. That is what I think is in the best interests of health. Again, the Cannabis Compliance Board would be putting those regulations together.

Assemblyman Orentlicher:

I would like you to elaborate some more on events because I am not sure I fully understand. I know it is complicated, and you indicated that you are going to leave part of it to the Cannabis Compliance Board. I want to get a little clarification on a couple of things. One is the 21 and over. As you said, Assemblyman, your vision is to start with events that are only open to 21 or older. But when I look at the new section 11 on page 11, it does not seem to have that restriction. It seems to focus on whether the area is limited to 21. I would appreciate clarification. The other is, what if you are a musical hall that has different performers every night. Could that turn into a series of temporary events?

Assemblyman Miller:

I will start with the first part of your question. A lot within this bill is given to the Board to figure out the regulations and to create the structure. That is intentional—that is the primary reason, to give flexibility to adjustments that may need to be made that do not require statutory change every single time as we are standing this up. It allows the industry to be a bit more nimble in the roll out and how it needs to look and be shaped. My intent is to start with 21-and-over events as designated areas, because as we have mentioned before about moving forward into another space or another time, where we figured out how it could work in events where it is just a designated area. That gives the Board the flexibility to start to move into that to even test it if they so choose. I will pass it over to Ms. Goins.

A'Esha Goins:

As it relates to a series of events, the intent is, that would not be possible because each event would have to go through the series of being approved. What you are asking is, if there is a show and that show has a residency, can a portable cannabis vendor vend at this residency? Well, that event would have to qualify each individual time as a temporary cannabis event. I do not think that it is likely that a series or a residency would qualify because each event would have to qualify. That is a lot of red tape to have to go through to qualify that series.

Assemblyman Orentlicher:

I wonder if it would make sense to put some of the intent in statute. If the idea is for the first few years, whatever you think, it should only be a 21-or-older event; then once we have worked out the glitches, move beyond that. Should that kind of intent be in the statute to say the Cannabis Compliance Board, for the first two years or three years, only 21 or older events, and then after that, you can move to 21-and-older areas within an event? Does that make sense to do something like?

Assemblyman Miller:

It is certainly something to consider. I would also lean to, an event or an area could be an area within a venue and does not mean that the entire venue is the cannabis event. But yes, that is definitely something that could be considered.

Assemblyman Yurek:

I really appreciate how you laid out how Nevada is leading the nation in this particular industry. I have been appreciative of Nevada's cautious approach. They have controlled the number of licenses for both retail and now consumption lounges, and I do not see anything in here that necessarily limits either the duration or the number of these events. I am concerned and wonder if you can address that concern. Without such a cap, does this then become the exception to this policy that we have had of cautiously rolling this out? In other words, are we going to have tons of portable vendors out now, undermining this cautious approach in the limited number of licenses that we have, where now it is everywhere? We have opened up the box and it has gone wild. Can you address that?

A'Esha Goins:

I think it is going to be exactly what Nevada is used to in rolling out cautiously, because each event would have to qualify for a vendor, which then gives the Cannabis Compliance Board an opportunity to monitor that event and also monitor that vendor. The idea that there is going to be a whole lot of events and then there is going to be a whole lot of portable cannabis vendors, that may be true for a weekend, but that is not going to be true in consistency. There may be a weekend where three 21-and-over, temporary events qualified through the jurisdiction and through the Cannabis Compliance Board to have portable cannabis vendors. Those portable cannabis vendors would be doing business at those three events. That still offers the Cannabis Compliance Board an opportunity to watch those vendors, watch that event, take that information, and then come back and assess how that worked. Each time it gives the state an opportunity to actually trial and error every single event, every single time, versus when these licenses are up, and the Cannabis Compliance

Board and the jurisdictions had to watch those, it was complex because it was in that moment, it was already running, and every single time, they did not want to close them; they did not want to put the operator at risk.

With this, it is going to be different because at that event, the vendor will vend, and when they are finished, the Cannabis Compliance Board can assess how that vendor vended, what happened with the event, and also reach out to both in that moment and have the opportunity to not allow the vendor to vend again if it did not go right. Or they can dialogue in compliance what could have been done better and what the proprietor could have done better. I think this is exactly the way Nevada has done this industry—allow for assessment and allow for opportunity to actually assure that these licenses are not all over the place.

I want to also point out that you are right, there is not a number of vendors that will be given licenses. That has been left up to the Cannabis Compliance Board, but the temporary events could potentially say how many vendor licenses will be necessary in the state. As it stands, no, there is not a cap, but if the 21-and-over events grow, which we hope that they do for this state, then the need for vendors also will grow. That is why there has not been a cap.

Assemblyman Miller:

Also, the jurisdictions would be able to limit the number of events they have in their jurisdictions.

Assemblywoman Marzola:

Is there a limit to the event duration? For example, we have a lot of residencies here. Say this event takes two or three months, will the license last two or three months?

A'Esha Goins:

I hate to put so much onus on the Cannabis Compliance Board; however, the intent is that this bill is not qualifying which events can have portable vendors and which could not. However, it was not the intent that a residency can have a portable cannabis vendor. It is for events only, and I do not consider a residency an event. It also is the intent that these are large events because the portable cannabis vendor needs to make sales. It is not in the best interest of the portable vendor to be at an event where they are not making money. There needs to be larger events, and that means that what those larger events look like usually are not residencies. No, this does not qualify that. However, the need for a vendor should qualify those events. I am using as an example the beer and wine vendors. Typically, beer and wine vendors do big events because that is where they are going to make a profit. When there is a residency, that residency usually has already booked whoever is doing that and that person is within that residency. It is all one contract. The intent is to be portable, not to be standing. I hope that answers the question.

Assemblywoman Marzola:

It does. Take the three-month threshold away or even the residency. If an event lasts two weeks or a month, the permit will last for two weeks or a month. Is that correct? I am trying to just figure out how long the licenses are, or is it based on how long the event is?

Assemblyman Miller:

You are asking about multiple-day events similar to Life is Beautiful, which would not qualify because it is not a 21-and-over event at this moment. The way that would look is, within the application process, they would have to designate the duration of their event, how long they are applying for the permit. The local jurisdiction or the Board could define how long one permit can last. If there is an event that is three or four days, is that one permit or is it a multiple-day permit? I would imagine that in the conversation in the regulation process, a designated event would be something like a one-time thing that maybe happens once a year or something like that. I would give the Board and the local jurisdiction the brevity to define an event for their jurisdiction.

Assemblywoman Gallant:

This is more of a comment, and I want to see if this is something you would be open to in terms of expanding on this. In the spirit of protecting the very population that you want to prosper under this new regulation, I think it would be in their best interest to create guidelines and regulations that the Board would oversee instead of giving them carte blanche to create those regulations due to the fact that boards tend to regulate, and it can move into a punitive area. I am wondering if that is something you would be willing to sit down with stakeholders and really hash out so that we can protect these mobile vendors.

A'Esha Goins:

That is a great point. I also want to point out that the Cannabis Compliance Board has just completed regulations for the cannabis consumption lounge, and the idea is those regulations could be in some ways fitted for the portable cannabis vendor versus starting from scratch trying to establish regulations for a new license. I am a baby of the industry. I am a pioneer in the industry. And yes, you are correct, giving that much authority to a regulatory body absolutely could double back, but that is the importance of the Cannabis Advisory Commission. The Cannabis Advisory Commission advises the Cannabis Compliance Board on how the regulations could look, and those on that Board are people from the community, from the industry, and from specific specialties having to relate to the industry. What would happen is, just like what happened with the consumption lounge, the Advisory Commission could advise on how they believe, in their special purview, these licenses should look. Then the Cannabis Compliance Board would take those requests and advice to construct the regulations for the licensing. Yes, the Board puts the regulations together, but it is under the advisement of the Cannabis Advisory Commission, which comprises members who have related specialties, ideals, and professions.

Assemblywoman La Rue Hatch:

Thank you for withstanding all of our many questions today. I definitely would like to echo my colleagues. I think there needs to be some clarity on many issues. I totally appreciate that you want to leave it up to some jurisdictions and to the Board. I think there are some guardrails we would like to see. I would like to see that clarity on it being 21-plus events. I would like clarity on the events at the same location, not just residencies, but for example, a concert hall, where it is a different band every night; that is a different event, but it could mean that there is a vendor there every single day. We also need clarity on the length of

time, as we have events in Reno that are months long. I would like to know the limit on those. What happens if there are events happening in the same location? As an example, we have a very large park and in one section, we could have this children's event, and then the other section somehow, we could have this other 21-plus event. Are there going to be restrictions on having it in the same place and time of a non-21-plus event?

A'Esha Goins:

I will actually take that under advisement. I think the possibility of having two events in the same area is not in the intent of this bill. As I go back and talk to stakeholders, because again, we are still in conversation with stakeholders, I will bring that up and offer some qualifying language to that.

Chair Miller:

I want to make sure we have a clear distinction of all the licensing here. First of all, I appreciate the amended language. We are saying the portable business gets a license and that license comes through the county like any other business license, and that is a permanent license to operate permanently. They are not going event to event, asking for a license. This is your permanent business license like any business. Then the actual event is granting another license per event for this portable cannabis business to come onsite and operate. Is that correct?

A'Esha Goins:

I do not want to use the word "licensing" for the event. What I would say is they would be granted permission or some kind of certification of approval. But yes, there is an approval process to qualify a temporary event and then there is the licensing that is hard for the portable cannabis vendor. Yes.

Chair Miller:

In that case, is it being granted specifically through the event, or does the event then have to get permission or go through a mechanism from the county or the city?

A'Esha Goins:

The event has to go through jurisdictional approval. They are not carte blanche to do an event just because the Cannabis Compliance Board has said okay. They still must get approval from the jurisdiction.

Chair Miller:

So then in that case, if we do have a situation at Sunset Park or Craig Ranch where there are multiple events during that same time happening at that same park, then the county or the city could literally say no, you cannot, because the children's event is happening simultaneously.

A'Esha Goins:

Yes, Chair. That is correct. The idea is that there is a series of approvals for temporary events. I am hoping that once the Cannabis Compliance Board says yes, the jurisdictions would catch whether or not there was a youth event at that same area. Yes, that is correct.

Chair Miller:

The event is just saying whether or not they are willing to let the business come and operate and participate, but the actual allowance is still coming from our municipalities.

A'Esha Goins:

Yes, Chair. That is correct.

Chair Miller:

With that, I will open it up for testimony in support of Assembly Bill 253.

Chandler Cooks, Private Citizen, Las Vegas, Nevada:

As an advocate for social justice, I urge you to support A.B. 253. This bill has important implications for social equity as it provides opportunities for small businesses and entrepreneurs from diverse communities to participate in the Nevada cannabis market. The war on drugs has disproportionately impacted communities of color, and it is our responsibility to work towards equitable policies that promote social justice and equality. By supporting A.B. 253, you support the growth of a diverse and inclusive industry that benefits all members of our community and can reduce the stigma surrounding it and promote responsible consumption. One of the key benefits of this bill is that it will create a regulated and legal framework for cannabis events which will help to eliminate the risk associated with underground events and unregulated sales. By establishing clear rules and regulations for cannabis sales and consumption at events, this bill will promote public safety and reduce the likelihood of illegal consumption.

Moreover, it will ensure that the state benefits from economic activity generated by these events which can help to fund vital social programs, and most importantly, children's education. Think about the potential benefits for local businesses and tourism. Local events and festivals, which attract thousands of visitors to our state, could benefit from regulated cannabis sales, adding to the overall economic growth of our state and opening up new revenue streams and opportunities for brand exposure. Furthermore, this bill will help to level the playing field for cannabis businesses by providing a framework for fair and equitable licensing and regulation of events. This can help prevent larger, well-established businesses from monopolizing the market and allow smaller businesses to compete on a more equal footing. I ask you to support this bill and embrace the opportunities it brings. Let us work together towards a future where cannabis is normalized, regulated, and used responsibly, and where social justice and economic growth go hand in hand.

Chair Miller:

If there is anyone wishing to call in and testify in support, please do so.

Asia Duncan, President, Cannabis Equity and Inclusion Community Nevada:

I am writing to express support for the mobile cannabis concierge bill, <u>A.B. 253</u> [Exhibit D]. This bill will allow mobile cannabis vendors to curate events and introduce a new license category promoting small businesses. I believe this bill will benefit both the cannabis industry and consumers. The mobile cannabis concierge bill will provide a unique opportunity for small businesses to thrive in the cannabis industry. It will allow for mobile cannabis vendors to operate at events such as weddings, parties, and festivals, providing a new and exciting experience for consumers. This will create a more diverse and competitive market which will ultimately benefit consumers by providing them with a wider range of options and products.

I believe this bill will provide a safer environment for consumers. By allowing cannabis mobile vendors to operate at events, consumers will have access to a more controlled and regulated environment. The bill provides guidelines for mobile vendors to follow, including requirements for age verification, product labeling, and packaging. This will ensure that consumers are receiving quality products that are safe and properly labeled. Furthermore, the mobile cannabis concierge bill will generate revenue for the state. By creating a new license category, the state will be able to collect additional fees and taxes from mobile vendors. This revenue can be used to fund education, public safety, and other essential services.

In conclusion, I urge you to support the mobile cannabis concierge bill. This bill will promote small business growth, provide consumers with a wider range of options, create a safer environment—

Chair Miller:

Ms. Duncan, could you please submit your testimony in writing as well. We were having a little difficulty hearing it and we want to make sure for the minutes that it is accurate for the record. There was a little connection issue. Could you email that to us?

Asia Duncan:

Yes, I have.

Quentin Savwoir, Vice President, Cannabis Equity and Inclusion Community Nevada:

I am speaking to you today in my capacity as a core team member and vice president of the Cannabis Equity and Inclusion Community, urging strong support of <u>Assembly Bill 253</u>. I remember all too well, and many of you do as well, how tenuous and stressful the 32nd Special Session was. It was during that time that the pandemic was wreaking havoc all across our country, and our state was in a tremendous shortfall due to the Strip being closed for as long as it was. <u>Assembly Bill 253</u> is the type of innovative solution that combats the history of prejudice and racism, not only in our state, but in our country. You will also recall that it was in that special session that we declared racism a public health crisis in this state.

This bill is chock-full of wins for everyone. It creates new revenue streams for the state, as previously mentioned by Mr. Cooks, and in a state like Nevada that constantly needs money to support our populace and ongoing social safety net programming, this would be incredibly

smart for us, not to mention the extreme focus on social equity and the lower barrier of entry for folks to enter the industry. Ten, twenty, thirty years ago, a little bit of cannabis would disrupt families and disrupt neighborhoods. Now it is a multibillion-dollar industry, and we are just saying that all folks deserve a piece of that pie.

Lastly, I just want to state, before the opposition comes on, that more licenses do not impede on the existing licensees. There is enough money and enough cannabis to go around for everyone to enjoy. Before the opposition comes on and articulates that this threatens their business, it just makes the marketplace and the economy for this stronger and richer, and we would strongly encourage your support.

Nicole Buffong, National Community Program Director, Minorities for Medical Marijuana:

We are an international nonprofit organization with 27 chapters nationwide and 4 chapters internationally. As an advocacy organization, our core pillars are in alignment with social equity and social justice for those most negatively impacted by the prohibition of cannabis. We support <u>Assembly Bill 253</u>, because we support opportunity for more people from this vulnerable community to be included in the creation of this new portable cannabis vendor license type, which is creating a new license type that allows for the sale and consumption at special events under safe and secure conditions.

Bri Padilla, Executive Director, Chamber of Cannabis:

The Chamber of Cannabis is Nevada's largest and most diverse 501(c)(6) business trade organization comprising 62 businesses and 400 industry professionals. The Chamber works to create a more conscientious, inclusive, and driving industry by moving commerce forward, restoring justice, and positively impacting our community. We fully support and see the need for growing the cannabis industry more inclusively as well as creating a new license type that will allow for the safe and legal sale and consumption of cannabis at special events of all sizes. Through A.B. 253, the state would gain another opportunity to earn significant tax revenues from cannabis events and take one more step forward in leading the nation in creating sensible cannabis policy that evolves with consumer behavior. We look forward to working with the bill sponsors and strengthening the language to create a viable and sustainable business model.

Abraham Lee, Private Citizen, Las Vegas, Nevada:

I am calling in to testify for you to pass the bill. Especially with cannabis, it should have the same kind of rights that alcohol does—not necessarily rights, but especially with cannabis and how it is legalized now, the part where we have to really lay out the proper infrastructure and foundation is super important. If you are not even allowed to smoke weed or especially in private events, then how do brands that come from out of state expect to expand? I am in support of the bill.

Shwa Laytart, Private Citizen, Las Vegas, Nevada:

I am a resident and business owner in Las Vegas. I am also a journalist who, since 2015, specialized in covering all aspects of the cannabis industry. Along with my wife, I also

owned a cannabis company during the medical years in California. My cannabis activism began in the early '90s when I helped gather signatures for the first cannabis bill. I have seen this industry grow from a seedling.

One of the reasons we all wanted cannabis to be legalized was to help the communities and our citizens who live within it. Grassroots cannabis has developed a whole new industry that has created jobs in an extremely difficult market as well as taxes for the cities and states that have legalized the plant. This has happened while other industries have closed down. Thriving businesses come with a thriving community, that is, unless the profits are being taken from the community by the corporations. Many cannabis corporations are no longer owned by local mom-and-pop companies and Nevada entrepreneurs, but instead by companies out of state and in many cases, completely out of the country. These dollars are being taken from our communities and where they could be helped most to rebuild and sustain our neighborhoods.

With <u>Assembly Bill 253</u>, we have the opportunity to recreate businesses for mom-and-pop companies and Nevada entrepreneurs. These boutique businesses will help keep the cannabis profits in our state and in our communities. Small, locally owned businesses create a sustainable economy which turns into a productive and vibrant community. The whole reason we wanted cannabis to be legalized was to help our communities and the businesses. <u>Assembly Bill 253</u> will do just that. Thank you for your time.

[Exhibit E, Exhibit F, and Exhibit G were not discussed during the hearing but were submitted in support of Assembly Bill 253 and will become part of the record.]

Chair Miller:

Is there anyone else who would like to testify in support? [There was no one.] Is there anyone who would like to testify in opposition?

Esther Badiata, representing Planet 13 Holdings; and Jardin Premium Cannabis Dispensary:

I am here to testify in opposition to <u>A.B. 253</u> as introduced [<u>Exhibit H</u>]. This legislation is virtually identical to a piece of legislation, <u>Assembly Bill 322 of 81st Session</u>, which was not approved by the Committee two years ago. As a firm that has experience with evaluating and drafting cannabis event policy, we have several grave concerns about A.B. 253.

First, it would create three new license types, thereby diluting the integrity of current licensed operations which are already under significant financial pressure from declining sales and illegal market competition. Adding so many new businesses is likely to undermine public safety, the industry, and our new consumption lounge businesses.

Second, this regime would create unlimited de facto dispensaries to compete with the jobs, capital investment, and quality experiences created by our existing dispensaries.

Lastly, the proposed structure would create obstacles for event companies and cannabis licensees to build successful experiences by forcing a third-party cannabis event organizer licensee into our business arrangements. While we generally understand the need for licensed cannabis sales and consumption to compete with illegal sales prevalent at events, for these reasons we cannot endorse <u>A.B. 253</u>, and we ask the Committee to join us in not supporting this proposal.

Christopher M. Ries, Detective, Las Vegas Metropolitan Police Department:

We oppose <u>A.B. 253</u>. During the last legislative session, cannabis consumption lounges were authorized. To date, however, there have been zero lounges opened. To allow cannabis consumption at temporary events without knowing the successes and pitfalls, and without any data or experience with consumption lounges in Nevada, would be irresponsible. Even further, during the interim, the Cannabis Compliance Board had several hearings on a proposal of a similar nature. Significant concerns were raised in the subcommittees and no decision was made. We should wait for lessons learned from consumption lounges before opening more public spaces where marijuana can be consumed.

It is understood that mixing alcohol and marijuana is dangerous. It intensifies the drug's effects and is extremely unsafe, especially behind the wheel of a car. Polysubstance use has been a contributing factor in many DUI fatalities and accidents. In the bill there is no prohibition for any event to allow consumption of both marijuana and alcohol. We understand that there will be separate areas within the event, but we all know in practice it would be tremendously difficult to stop polysubstance use. Unfortunately, we were unable to meet with the bill's sponsor prior to the hearing, but we look forward to the opportunity to discuss these and other issues with Assemblyman Miller. But at this time, we are opposed.

Jason Walker, Sergeant, Administrative Division, Legislative Liaison, Washoe County Sheriff's Office:

We are in opposition to <u>A.B. 253</u>. It is my opinion this could possibly do additional legal marijuana activity in the form of pop-ups in the area of these large events. We are currently struggling with consumption lounges. We do not have a standard in place for dosing, signs of overconsumption. The training programs are just not here yet. There was a reference to alcohol; marijuana is not alcohol. We do not have the studies over the years to determine how persons metabolize marijuana yet. We currently run into underage drinking issues at larger events. This may lead to underage consumption as well. I appreciate Assemblyman Miller's stating this needs to go through troubleshooting. I agree with that statement. This may be something we can get to in the future, but I believe it is still too early. I say we start with the consumption lounges.

Warren Hardy, representing Nevada Urban Consortium:

The Nevada Urban Consortium is made up of the cities of Las Vegas, Henderson, Reno, Sparks, and North Las Vegas. I had hoped to be here in neutral. I did have an opportunity to speak with Assemblyman Miller, and I want to thank him for being open and having conversations with us regarding our concerns as well as Ms. Goins. Our concerns revolve around a question that you asked, Chair, and that I think was clarified on the record a number

of times: that local governments will still have the authority and the ability to control these events. These events are local government events. I know I have spoken with Assemblyman Miller; he acknowledges that, he recognized that, and I think he said six times on the record that was the intent. Unfortunately, it did not make its way into the amendment. Under the rules of the Committee, I have to be here in opposition. We look forward to working with Assemblyman Miller to get that language included and being able to move to neutral on this bill. I want to thank you, Chair, for your clarifying comments on the record and also Assemblyman Miller for being so clear on the record.

Chair Miller:

Not seeing anyone approach here in Carson City, can you please open the lines for opposition testimony? [There was none.] Is there anyone who would like to testify in the neutral position?

Will Adler, representing Sierra Cannabis Coalition:

The longstanding opinion of Sierra Cannabis Coalition is we need the most opportunities we can have in the great strides for economic diversity in the cannabis space and additional venues for sales and a direct venue to actually compete with the black market in some of their spaces. It could be a great opportunity, but as it is written today and some of the concerns as structured would be around, generally, the idea of having the Cannabis Compliance Board being the arbiter of these licenses and of how this would roll out. Far more specification would be needed in this bill on how the licensing would be done, when it would be done, and the intent of where it would be structured, if we were to have support around this. In the past, we have seen the Board fail to even license lounges until just recently.

Other issues abound with this; the interaction with local government raises direct concerns because the current relationship the cannabis industry has with our local governments is one of great understanding; it is a relationship that took a long time to build because we invested a lot of time, effort, and money into our facilities to make sure they are of the highest security and structure. We do want to ensure that level of assurance goes forward through this bill. The intent of it and what it wishes to do is something we do support, because competition with the illicit market is something that is needed.

Jeffrey S. Rogan, representing Clark County:

We are neutral on the original bill primarily because we believe that section 14, subsection 2, paragraph (h) did allow for local jurisdictions to do the kind of regulation that Chair Miller was talking about, that Assemblyman Miller mentioned throughout his testimony. Unfortunately, it has been deleted from this amendment. We have concerns that we need to address with Assemblyman Miller. Based upon his testimony today, we believe we can come to some accommodation. We do have the same concerns that the Nevada Urban Consortium spoke about on the record a moment ago, and we are happy to work with Assemblyman Miller.

Chair Miller:

Is there anyone else who would like to testify in the neutral position? [There was no one.] I would invite the presenters back to the table for any concluding remarks.

A'Esha Goins:

The unlicensed market, or more commonly referred to as "illicit market," is a symptom of the regulated, licensed marketplace. By offering equitable pathways to the industry and legalizing more cannabis licenses, we can relieve that symptom and provide significant economic and social benefits for Nevada. By promoting diversity and inclusivity, Nevada can create a more just and equitable industry, and that is the true Nevada way.

I do want to point out that I appreciate the time that the Committee and the Chair have offered us today, and it absolutely was an oversight that the language for the jurisdictions was not in this bill. We have been working up to this morning; it was just a miss, and so my apologies. I look forward to working and conversing with the stakeholders to make this bill as firm and pleasing as it possibly can be without losing the intent of the bill.

Assemblyman Miller:

Thank you all for your time this morning. My door, my phone, and my Zoom are open and available for everyone who needs to have a conversation to get this bill to the right place. I look forward to speaking with you all.

Chair Miller:

With that, I will close the hearing on <u>Assembly Bill 253</u>. Our next bill today is <u>Assembly Bill 257</u>, presented by Assemblywoman Summers-Armstrong.

[Assemblywoman Marzola assumed the Chair.]

Vice Chair Marzola:

Assemblywoman Summers-Armstrong, you may proceed when you are ready.

Assembly Bill 257: Revises provisions relating to forensic medical examinations of certain victims of certain crimes. (BDR 16-839)

Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6:

With me today to present this bill are Liz Ortenburger of SafeNest and Mr. William Horne, who is working with SafeNest to bring this bill forward. We have been hearing a lot lately about domestic violence. Almost every week, we have had a presentation about the explosion of domestic violence incidents in our state and our poor ranking nationally for domestic violence incidences. This bill is very simple and straightforward. Its purpose is to allow victims of domestic violence access to a specialized examination for strangulation, which is an act that is often a precursor to more severe domestic violence behavior.

Ms. Ortenburger will give you a brief summary of some of the statistics that she faces with her organization, SafeNest, what they see, and then we will go through the bill.

Liz Ortenburger, CEO, SafeNest:

Since 2011, strangulation has been recognized as a precursor to homicide. Women who are strangled once inside a domestic violence relationship have a 750 percent higher likelihood of being murdered. That is on the first strangulation. That percentage goes up each time they are strangled. On average, women do not contact 911 until they have been strangled five times. Some data to share with you: 68.2 percent of mass shooters have domestic violence on their record—80 percent of those have a known strangulation; 80 percent of cop killers have domestic violence on their record, and while it is a small sample size of research in a growing area, it is believed that of that, 80 percent have strangulation [page 1, Exhibit I]. Most frighteningly though, when there are children in the household, when mom is being strangled, 9 percent of the time the children are being strangled as well, and we are not asking, as a society, if the children are being strangled.

The short-term health effects of strangulation both on minors and adults is loss of memory, loss of hair, petechiae in the eye, stroke-like symptoms and loss in the face [page 2, Exhibit J]. Longer-term effects can include death, embolisms, and blood clots. Prosecution without a forensic exam becomes very difficult in strangulation. In fact, 50 percent of strangulations, even lethal strangulations, have no visible signs. We need the forensic exams to be added and accessible for victims. Assembly Bill 257 does this by including the legislation alongside rape kits so that a survivor has no cost to get a strangulation exam. We know that strangulation is a lethal offense. We know that because we have removed it from a police officer's ability to provide it to a perpetrator, someone that they are trying to subdue. We need to make sure that women who are surviving domestic violence have access to exams so that we can designate, inside domestic violence, who needs to be behind bars.

[Exhibit K was not discussed during the hearing but was submitted in support of Assembly Bill 257 and will become part of the record.]

Assemblywoman Summers-Armstrong:

At this point, I will go through the bill. Section 1, subsection 1 changes the language to require a county in whose jurisdiction the domestic violence battery by strangulation was committed would pay for the cost of this forensic examination. Section 1, subsection 2 provides that such costs must not be charged directly to the victim. As a point of context, we did some research on the cost of these examinations which range between \$500 to \$1,500, and often the victim will need to have a series of examinations, and so it can become quite costly. We are trying to minimize the financial trauma that is associated with this act.

Section 2 of the bill would authorize the compensation officer to order the payment of that examination. Section 3 of this bill creates conforming changes to indicate the proper placement of this section in the *Nevada Revised Statutes*. It is very simple and straightforward. We did not want to get too broad in this but we do have an amendment [Exhibit L] we submitted yesterday. Mr. Horne will go through the amendment with you.

William Horne, representing SafeNest:

The proposed amendment submitted on Nevada Electronic Legislative Information System amends section 1, subsection 2 to add a new paragraph (c): "A county may seek reimbursement of costs incurred from a strangulation examination from the State, subject to appropriation made by the Legislature." Initially, we were seeking to access funds from the Victims of Crime program for the cost reimbursement by the counties. However, federally, there is language that prohibits that because as the bill was drafted, it was getting evidence for investigation and prosecution of a crime. However, the primary purpose of the legislation first is the health and care of the victim presenting with this. The funds in that account are depleted significantly, particularly since COVID-19, et cetera. There are efforts to create a couple of other accounts, and we have had discussions with the chair of the Assembly Committee on Ways and Means on funding these accounts. These monies will be there, and they would be state monies, State General Fund monies, and not federal dollars that would be used to reimburse. That is going to be another component that we have had discussions with the Chair as recently as yesterday.

Section 1, subsection 4, paragraph (b) was amended to read, "'Strangulation forensic medical examination' means an examination conducted by a health care provider for the purpose of assessing of victims health care needs and coordinate treatment of any injuries incurred during the assault." We also added a paragraph (c), which says that collection of evidence is permitted still in the potential use of criminal investigation and prosecution. As I stated before, the rationale is not being able to use federal funds; however, this bill is not to preclude being able to get evidence and use it in an investigation. It is just not the primary purpose.

We did not want to overly wordsmith this. I know the Legislative Counsel Bureau's Legal Division will put it in its proper form, but there are probably going to be some additional conforming changes that are going to need to be done. Those are the recommended amendments.

[Assemblywoman Miller reassumed the Chair.]

Chair Miller:

Do you anticipate what those additional changes will be, or are you just saying it is what is in the proposed amendment [Exhibit L]?

William Horne:

I do not anticipate additional changes. For instance, section 1, subsection 4, paragraph (c) may not necessarily need to be there as a stand-alone paragraph. As it is changed in the statute, the Legal Division will make additional conforming changes.

Chair Miller:

Thank you for clarifying that—a few technical changes, not necessarily conceptual or content changes?

William Horne:

That is correct.

Assemblywoman Summers-Armstrong:

We are ready to receive questions if you have any, but we thank you very much for your time.

Assemblyman Gray:

Section 1, subsection 3 says, "The filing of a report with the appropriate law enforcement agency must not be a prerequisite to qualify for a strangulation forensic medical examination pursuant to this section." How, therefore, is a victim supposed to get that reimbursed, or how is the county supposed to get billed if there is no law enforcement interaction?

Assemblywoman Summers-Armstrong:

I think the comments from Mr. Horne clarify that for us. This examination cannot be solely for the purpose of prosecution. We have to, first of all, center the victim in everything that we are doing here. I think SafeNest has a very clear history of doing that. There are long-term effects from the strangulation of a person, and I would like Ms. Ortenburger to reiterate that, and that has to be first and foremost. Then we can talk about any evidence gathered later.

Liz Ortenburger:

We have on average 80 victims a month who present with strangulation. Only about half of them have law enforcement contact. How that logistically works is, we get them to University Medical Center (UMC), or they go to UMC of their own accord. It is not a qualifier to get the exam that you need a law enforcement interaction. We, of course, encourage that for all of the medical effects. It really is similar. Anyone that has, unfortunately, experienced a stroke with an elder family member, it is very similar to the symptoms that you can see and the lifetime effects that you can see from a stroke.

Assemblywoman La Rue Hatch:

I appreciate that you are such an advocate for the women and children and victims of these. I think this is an important bill. Obviously, strangulation is a huge issue, and I am glad we are addressing it. Are there other features of domestic violence that require an examination that we should also be looking at to cover those examinations for these victims?

Assemblywoman Summers-Armstrong:

I would like to defer to Ms. Ortenburger as she can speak to you in more detail about the sexual assault nurse examinations [SANE] which I think will be helpful.

Liz Ortenburger:

There are always other exams that we could be doing, but strangulation has really been called out very vehemently as the number-one red flag. We look for co-occurrence of a firearm in the home, recent job loss, a history of substance abuse, and other things on the record, but there is nothing that matches strangulation as an indicator of homicide to that extent. A point

of clarification I want to make, strangulation is often not the means of the final homicide. It is typically with a firearm in the state of Nevada; last I checked 80 percent of our domestic violence homicides were with a firearm. It is the strangulation on the record that provides that red flag.

Chair Miller:

Thank you. I would like to clarify that because I believe the Assemblywoman was asking not just about conditions, but specifically about physical exams on patients.

Liz Ortenburger:

Yes, the forensic nurse exam also includes a SANE exam. That is the rape exam. We have six forensic examiners in the state, and they are tasked with doing all the strangulation and all of the sexual assault rape kits within the state.

Chair Miller:

We know, for instance, if a child goes into a hospital and when we are looking for exams, if there is physical abuse on children, there are many different tests—everything, even leading to neglect—that demonstrate physically if there are certain neglects going on in the home. Are there other physical tests that give us signs other than just rape or sexual assault or strangulation?

Liz Ortenburger:

There is nothing that has the uniform certification and understanding such as the SANE exam and the strangulation exam.

Assemblywoman Hardy:

You mentioned if they are taken to UMC—sometimes law enforcement, if they have the victim, they will take them to a hospital—would this also apply if the victim themself goes to a standing emergency room or their doctor? Is it only one place they can go that gets this exam or could it happen later? As you mentioned, Ms. Ortenburger, sometimes you do not even see the physical, visible signs of it, but if a victim says they were strangled, can they get this exam? Where can they get this exam? If a victim has insurance, would they still have to pay for it through their insurance or would this apply and there would be no cost?

Liz Ortenburger:

I will speak to Clark County because I am not a hundred percent sure of Washoe County. In order to get a forensic exam, you have to go to UMC. What will often happen is, you may present at your local clinic, local hospital, to your doctor, and they may do an initial exam, but none of that will fall under the guidelines of a forensic exam. They have got to get to UMC and have that forensic exam in order for it to be admissible as evidence. For the purposes of their health, of course, they would be able to do that with their private physician, but that would not be covered under this bill in terms of costs that can be reimbursed.

Assemblywoman Hardy:

What about insurance?

Liz Ortenburger:

Within the guidelines of their insurance, if they present at UMC, that is still what we are working on, and it probably will be talked about in the Assembly Committee on Ways and Means. We have talked about, can we bill Medicaid; can we bill insurance; what does that look like? There is some background work that needs to be done on what the financial mechanisms would be to pay for the exam. The clarity is that there will be no charge to the survivor.

Assemblywoman Mosca:

I was thinking about from a statewide perspective, in the rurals or other places where they might not be able to go have these exams, would it be virtual, or how are we thinking about that?

Liz Ortenburger:

We have a separate bill talking about teleSANE and doing strangulation exams through telehealth. It is the same restrictions we are under now for the same exams. If you are in a rural area with no provider, or quite frankly, in Clark County with 2.4 million people with one examiner, it does create a backlog. We are seeking to remedy that with a different bill. But yes, right now, you have to go where that forensic nurse is.

Assemblywoman Cohen:

I have a question slightly outside the bill, but in your conversation with Assemblywoman Hardy, it made me think of something. Do you feel our health care providers are getting enough education to make the referrals and know to send people to UMC when they are seeing signs, or do they even know what those signs are?

Liz Ortenburger:

We know that emergency room doctors receive some information around strangulation within their training. SafeNest is seeking to increase that education statewide. We will be bringing in the Training Institute on Strangulation Prevention to do a barrage of trainings. Reno Police Department had them come in late 2022 for that same reason. It will be a constant education in the state in order to elevate everyone's understanding of what this looks like, and I will echo that with the pediatric piece. Social workers and child protective services have to be asking if the children are being strangled. It is larger than this bill, but that education is critical.

Chair Miller:

Seeing no further questions, I will open it up to testimony in support of <u>Assembly Bill 257</u>.

Tracy Harig, Private Citizen, Reno, Nevada:

I am a nurse practitioner in Reno, a doctoral candidate, and community adjunct faculty member of the University of Nevada, Reno, for both the nursing and the medical school. I have been a nurse for 15 years here in northern Nevada, and my background is trauma and emergency medicine as well as family practice and orthopedics. I would like to testify in support of this bill and offer a bit of a nursing perspective to this narrative [Exhibit M].

In primary care, I had a patient who presented to the emergency department after she was assaulted by her partner. She blacked out so she could not really give a good account of what had happened. Thankfully, she started to develop some erythema around her neck, and a CT scan was ordered. This not only found the carotid injury that subsequently needed to be repaired, but also her silent stage 2 thyroid cancer that she had no idea was going on behind the scenes.

I think it is important to understand that in many cases in strangulation, there are no external signs even though significant vessel damage may be present. Small blood clots form that can trigger strokes up to six weeks later. Patients may not even understand or know that they have been strangled because of the anoxic brain injury that occurs during strangulation and that results in amnesia. If anyone has ever seen anyone who has hit their head mountain biking and that sort of lifelong not remembering of what happened in the incident, this happens in strangulation as well.

This is why evidence-based strangulation exams are so crucial and that is why it is a separate exam and is very similar to that evidence-based sexual assault exam. They come under the same purview, if you will. Hopefully, that clarifies some of the questions you may have had earlier. Thank you so much for your consideration.

Serena Evans, Policy Director, Nevada Coalition to End Domestic and Sexual Violence:

I want to express my gratitude to Assemblywoman Summers-Armstrong and SafeNest for their work in bringing this vital legislation to life. Nonfatal strangulation is a powerful form of abuse used by perpetrators to send a clear message, inflict fear, and maintain power and control. Shockingly, nearly one in ten victim survivors of intimate partner violence have been strangled by their partner. As Ms. Ortenburger mentioned before, those who have experienced nonfatal strangulation have an increased risk of homicide by 750 percent and are at high risk for traumatic brain injuries and other medical complications.

Currently, victim survivors of strangulation are left on their own to receive appropriate medical care and pay for their medical examinations out of pocket. Due to the cost burden and lack of education around the issue, many individuals go without the necessary medical services and are unaware of the extreme risks associated with their strangulation. Additionally, law enforcement does not have extensive training and cannot provide the appropriate medical care and necessary medical examinations on scene.

To hold perpetrators accountable for nonfatal strangulation, a proper and robust exam with forensic evidence is essential, and the burden of payment should not fall on victim survivors. Nonfatal strangulation is intended to send a clear message and is often a precursor for much more intense and dangerous abuse. We owe it to victim survivors to have forensic medical examinations for nonfatal strangulation easily accessible and free of charge. For too long the burden has been put upon the victim survivors, and it is time that Nevada put systemic supports into place to intervene and respond to strangulation.

Adam Cate, Deputy District Attorney, Washoe County District Attorney's Office; and representing Nevada District Attorneys Association:

We are in support of the bill.

Nicole Reilly, Ombudsman, Office of Ombudsman for Victims of Domestic Violence, Sexual Assault and Human Trafficking, Office of the Attorney General:

We are in support of this much-needed service.

Christopher M. Ries, Detective, Las Vegas Metropolitan Police Department:

We support <u>A.B. 257</u>. We feel this will alleviate any cost concern and will get treatment and care to those victims.

Jason Walker, Sergeant, Administrative Division, Legislative Liaison, Washoe County Sheriff's Office:

I would like to recognize Assemblywoman Summers-Armstrong for bringing <u>Assembly</u> <u>Bill 257</u>, a victim-centered bill, forward. We are in support.

Chair Miller:

Not seeing any additional people approach here in Carson City nor in Las Vegas, please open the lines for anyone that would like to testify in support. [There was no one.] Is there anyone who would like to testify in opposition? [There was no one.] Is there anyone who would like to testify in the neutral position? [There was no one.] I would invite the presenters back to the table for any concluding remarks.

Liz Ortenburger:

Nevada's ranking is seventh-most dangerous place in the country for women being murdered by men. This is the first of long-needed steps in fixing that so that we can be fiftieth.

William Horne:

I was very happy to see there was no opposition thus far on this bill. As noted by Assemblywoman Summers-Armstrong, when I was a member of this body, I am the one who brought the strangulation bill to make it a felony. I am glad to see this type of progress, and it is personally important to me as well.

Assemblywoman Summers-Armstrong:

We appreciate your listening so attentively and your thoughtful questions. I think it is just evident from what you heard today that we have an epidemic in this state. We have a problem with violence and problems with interpersonal relationships. I think it goes to a deeper problem of social and emotional interactions. I think we are trying our best with this bill to provide some solace and help for victims. We have a deeper problem that needs to be addressed. This bill is one small step, and we are grateful that you are attentively listening, and we do seek your support.

Chair Miller:

I will formally close the hearing on <u>Assembly Bill 257</u>. I will open it for public comment. [There was none.] I will close public comment. Thank you, members, for all your work today in the Committee. I will see you all back at 8 a.m. tomorrow. This meeting is adjourned [at 10:03 a.m.].

	RESPECTFULLY SUBMITTED:
	Traci Dory Committee Secretary
APPROVED BY:	•
Assemblywoman Brittney Miller, Chair	
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is a proposed amendment to <u>Assembly Bill 253</u>, submitted by Assemblyman Cameron (C.H.) Miller, Assembly District No. 7, and presented by A'Esha Goins, representing Cannabis Equity and Inclusion Community Nevada.

<u>Exhibit D</u> is written testimony presented by Asia Duncan, President, Cannabis Equity and Inclusion Community Nevada, in support of <u>Assembly Bill 253</u>.

<u>Exhibit E</u> is an email dated March 15, 2023, submitted by Ashley Dodson, President, Cannabis Equity and Inclusion Community Nevada in support of <u>Assembly Bill 253</u>.

Exhibit F is an email dated March 15, 2023, submitted by Avery Scott, in support of Assembly Bill 253.

Exhibit G is an email dated March 15, 2023, submitted by Jordon Herring, in support of Assembly Bill 253.

Exhibit H is a letter dated March 14, 2023, signed by Esther Badiata, representing Planet 13 Holdings; and Jardin Premium Cannabis Dispensary, in opposition to <u>Assembly Bill 253</u>.

<u>Exhibit I</u> is a document regarding Strangulation in Nevada, dated December 22, 2022, written and submitted by Liz Ortenburger, CEO, SafeNest, in support of <u>Assembly Bill 257</u>.

<u>Exhibit J</u> is a copy of an infographic titled, "Strangulation in Intimate Partner Violence," published by the Training Institute on Strangulation, submitted by Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6, in support of <u>Assembly Bill 257</u>.

Exhibit K is a copy of an article titled, "On the Edge of Homicide: Strangulation as a Prelude," by Gael B. Strack and Casey Gwinn, published in *Criminal Justice*, Volume 26, Number 3, Fall 2011, submitted by Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6, in support of <u>Assembly Bill 257</u>.

<u>Exhibit L</u> is a proposed amendment to <u>Assembly Bill 257</u>, submitted by Assemblywoman Shondra Summers-Armstrong, Assembly District No. 6; and presented by William Horne, representing SafeNest.

Exhibit M is written testimony presented by Tracy Harig, Private Citizen, Reno, Nevada, in support of Assembly Bill 257.