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DEPARTMENT OF AGRICULTURE

405 South 21st Street
Sparks, Nevada 89431

MEMORANDUM

TO: Nevada Department of Agriculture Offices
State Capitol Building
State Library and Archives
Dennis Belcourt – AG’s Office

FROM: Jennifer Ott, Division Administrator – 775-353-3729
jott@agri.nv.gov Fax Number 775-353-3661

SUBJECT: Posting of Agenda for Workshop Scheduled for: Wednesday, March 7, 2018 at 8:30AM

DATE: February 12, 2018

I have attached a copy of the agenda for the Nevada Department of Agriculture Workshop that will be held on; Wednesday, March 7, 2018 at 8:30AM.

Please post the agenda for NAC 557 before 9:00am on February 28, 2018, per *open meeting law* and return this memo to my attention, signed with the date of posting, as I need this for our files.

We appreciate your assistance in this posting.

Thank you.

Distribution: State Capitol Building
State Library and Archives
Dennis Belcourt – AG’s Office
Sparks Office – Nevada Department of Agriculture
Las Vegas Office – Nevada Department of Agriculture
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Consumer Equitability – Department of Agriculture

OFFICE: _____

SIGNATURE: _____

DATE & TIME OF POST: _____

**PROPOSED REGULATION OF THE
NEVADA DEPARTMENT OF AGRICULTURE**

LCB File No.

DIVISION OF PLANT INDUSTRY

NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON PROPOSED REGULATION

The Nevada Department of Agriculture, 405 South 21st Street, Sparks, Nevada, 89431, is proposing the Amendment of regulations pertaining to chapter NAC 557, of Nevada Administrative Code. A workshop has been set for; Wednesday, March 7, 2018 at 8:30AM

Nevada Department of Agriculture
405 South 21st Street
Sparks, Nevada, 89431

The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations:

Of the Nevada Administrative Code to enact NRS SB396 (2017).

A copy of all materials relating to the proposal may be obtained at the workshop or by contacting:

Megan Zich
Plant Industry Division
Nevada Department of Agriculture
405 South 21st Street
Sparks, NV 89431
775-353-3670
Mzich@agri.nv.gov

A reasonable fee for copying may be charged.

This Notice of Workshop to Solicit Comments on Proposed Regulation has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Nevada Department of Agriculture
405 South 21st Street
Sparks, NV 89431

Nevada Department of Agriculture
2300 E. St Louis Avenue
Las Vegas, NV 89104

Nevada Department of Agriculture
4780 E. Idaho Street
Elko, NV 89801

State Capitol Building
Nevada State Library and Archives, 100 N. Stewart Street, Carson City, NV
Dennis Belcourt – AG’s Office
LCB website: www.leg.state.nv.us
Nevada Public Notice website: www.notice.nv.gov
Nevada Department of Agriculture Website: www.agri.nv.gov

MEETING NOTICE AND AGENDA

Public Hearing
Notice of Workshop

LOCATION: Nevada Department of Agriculture
405 S. 21st Street
Sparks, NV 89431
Phone: 775-353-3601

Video-conference to: Nevada Department of Agriculture
2300 E. St Louis Avenue
Las Vegas, NV 89104
Phone 702-668-4590

Nevada Department of Agriculture
4780 E. Idaho St.
Elko, NV 89801
Phone: 775-738-8076

DATE AND TIME: Wednesday, March 7, 2018 at 8:30AM

Public comment will be taken on the intent to adopt a regulation. The purpose is to solicit public comments from interested persons on the following proposed regulation: NAC 557, a regulation relating to enact NRS SB396 (2017) and providing other matters properly relating thereto.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify The Dept. of Agriculture in writing at 405 S. 21st Street, Sparks, NV 89431 or contact Jerri Conrad at 775-353-3619.

Copies of both the State of Nevada Board of Agriculture Agenda with supporting documentation and Open Meeting Minutes are available, at no charge, for inspection at the Dept. of Agriculture 405 S. 21st Street, Sparks, NV, 89431 or Dept. of Agriculture website at <http://agri.nv.gov/>. For additional information contact Jerri Conrad at 775-353-3619.

Notice of this meeting was posted on or before 9:00 a.m. on the third working day before the meeting at the following locations: Nevada Department of Agriculture, 405 S. 21st Street, Sparks, NV 89431, Nevada Department of Agriculture, 2150 Frazer Ave., Sparks, NV 89431, Nevada Department of Agriculture, 4780 E. Idaho Street, Elko, NV 89801, Nevada Department of Agriculture, 2300 E. St Louis Avenue, Las Vegas, NV 89104, State of Nevada Capital Building, Carson City NV, State Library and Archives, Carson City

NAC 557: NV SB 396 – Industrial Hemp Plant Industry

Sec (6) A person must register as a grower or a producer and obtain a producer's certificate pursuant to NRS 576.128.

Sec (7) A handler must register with the Department pursuant to NRS Chapter 557.

- (a) Only a handler registered with the Department may process industrial hemp. Process means the processing, compounding or conversion of industrial hemp into hemp commodities or products of agricultural hemp seed.
- (b) A registered handler may transfer industrial hemp commodities or products to another registered handler or sell industrial hemp commodities or products to a retailer.
- (c) Handlers who are producing products or commodities from industrial hemp for human consumption must make these products in a kitchen that has approval of local health department and that meets the standards for commercial kitchens and food safety guidelines.

Sec (8) (a) Dry weight is defined as material possessing 15.00% or less moisture.

Sec (8) (a) Industrial hemp must be inspected and tested by the Department and verified to contain a THC concentration of not more than 0.3% on a dry weight basis. For inspecting a site used for growing or cultivating industrial hemp:

- (a) A fee of not more than \$50.00 per hour for each hour an inspector spends conducting the inspection, including the time spent traveling to and from the site; and
- (b) The mileage allowance established by the State Board of Examiners for state officers and employees pursuant to subsection 3 of NRS 281.160 for the inspector's travel to and from the site.
- (c) For sampling and analysis of industrial hemp pursuant to this chapter, a fee in the amount of the actual costs to the Department for sampling and analyses, as approximated by the Department.

Sec (8) (2) "Commodities or Products" means items processed by a registered handler which contain industrial hemp or which contain chemical compounds derived from industrial hemp, including CBD derived from industrial hemp.

- (a) CBD is defined as cannabidiol, which is derived from the plant *Cannabis sativa* L.

Sec (12) (7) A grower must register with the Department pursuant to NRS Chapter 557.

- (a) The Department will issue a grower's registration certificate upon payment of a non-refundable annual fee of \$500.00, and;
 - a. A \$5.00 per acre fee, and/or
 - b. A \$0.33 per 1,000.00 sq. ft. fee.

Sec (12) (7) A producer must register with the Department pursuant to NRS Chapter 557.

- (b) The Department will only issue producer's registration certificates for industrial hemp seed production to actively licensed industrial hemp growers.

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- (c) The Department will issue a producer's registration certificate upon payment of a non-refundable annual fee of \$100.00, and;
- a. A \$5.00 per acre fee, and/or
 - b. A \$0.33 per 1,000.00 sq. ft. fee.

Sec (12) (7) A handler must register with the Department pursuant to NRS Chapter 557.

- (a) The Department will issue a handler's registration certificate upon payment of a non-refundable annual fee of \$1,000.00.

Sec (16) (1) Person's registered with the Department shall;

- (a) Establish and maintain chain of custody documentation, and
- (b) Keep records for not less than 2 years.
 - a. If a sale occurs, Chain of custody records shall include, but are not limited to:
 - i. Buyer; and
 - ii. Seller; and
 - iii. Quantities (ie. Yield Data); and
 - iv. Varieties; and
 - v. Dates of transfers; and
 - vi. Type of product sold; and
 - vii. Certification IDs of parties involved with transaction.

- (c) Persons registered with the Department will report chain of custody transfers of raw material and/or extracts monthly.

Sec (17) (1) A grower or producer must provide the Department with the location of the cultivation site, and, if the property is not owned by the grower or producer, a notarized acknowledgement from the property owner that the grower/producer will be cultivating industrial hemp.

Sec (17) (3) A grower, producer or handler who retains industrial hemp seed for future use must keep a record of:

- (a) Harvest date; and
- (b) Variety; and
- (c) Quantity; and
- (d) Disposition.

Sec (18) (2) (b) A producer of industrial hemp seed is required to label agricultural hemp seed pursuant to NRS 587.015 to 587.123.

Sec (18) (3) A list of eligible agricultural hemp seed producers will be provided by the Department at the request of any interested party.

Sec (19) (1) An independent testing laboratory that receives a sample of industrial hemp pursuant to this section shall report its results to the Department.



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- (a) Any laboratory, with a valid business registration, issued by the Secretary of State pursuant to NRS 76.100, that has the capacity to administer tests on industrial hemp can handle the product without a Department-issued license.

Sec (19) (2) Commodities or products submitted for testing must be derived from industrial hemp which complied with the 2014 Federal Farm Bill standard of 0.3% THC or less at the time of harvest and must be accompanied by appropriate chain of custody documentation and a Department-issued registration certificate.

- (a) Products that exceed 0.3% THC may not be sold pursuant to NAC 557 and shall be destroyed or admitted into the recreation marijuana program with explicit approval from the Nevada Department of Taxation.

Sec (19) (2) Commercial Animal Feed

- (a) All products derived from industrial hemp that are intended to be used as commercial animal feed must comply with standards established by the Association of American Feed Controls Officials (AAFCO).

Sec (19) (2) Required Quality Assurance Tests:

- (a) Each independent testing laboratory must use the general body of required quality assurance tests for hemp-based products that are intended for human consumption set forth in this section. Such tests may include moisture content, potency analysis, foreign matter inspection, microbial screening, pesticide and other chemical residue, and metals screening and residual solvent levels. An independent testing laboratory may request additional sample material in excess of the amounts listed in the table set forth in this section for purposes of completing required quality assurance tests.
- (b) The test required pursuant to subsection 1 and the tolerance limits of products required for the required testing of each type of hemp or hemp-based product by an independent testing laboratory are as follows:

Product	Tests Required	Tolerance Limit
<i>Usable Hemp and crude collected resins, as received, excluding wet hemp</i>	<ol style="list-style-type: none"> 1. <i>Moisture content</i> 2. <i>Potency analysis</i> 3. <i>Terpene analysis</i> 4. <i>Foreign matter inspection</i> 5. <i>Mycotoxin screening</i> 6. <i>Heavy metal screening</i> 7. <i>Pesticide residue analysis</i> 8. <i>Herbicide screening</i> 9. <i>Growth regulator screening</i> 10. <i>Total yeast and mold</i> 11. <i>Total Enterobacteriaceae</i> 12. <i>Salmonella</i> 13. <i>Pathogenic E. coli</i> 	<i>See tolerances established in NRS 453D.200 and NAC 557**</i>



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	<ul style="list-style-type: none"> 14. <i>Aspergillus fumigatus</i> 15. <i>Aspergillus flavus</i> 16. <i>Aspergillus terreus</i> 17. <i>Aspergillus niger</i> 18. <i>Total coliform</i> 	
<p><i>Wet hemp, as received, which is destined for extraction</i></p>	<ul style="list-style-type: none"> 1. <i>Potency analysis</i> 2. <i>Terpene analysis</i> 3. <i>Foreign matter inspection</i> 4. <i>Mycotoxin screening</i> 5. <i>Heavy metal screening</i> 6. <i>Pesticide residue analysis</i> 7. <i>Herbicide screening</i> 8. <i>Growth regulator screening</i> 9. <i>Total yeast and mold</i> 10. <i>Total Enterobacteriaceae</i> 11. <i>Salmonella</i> 12. <i>Pathogenic E. coli</i> 13. <i>Aspergillus fumigatus</i> 14. <i>Aspergillus flavus</i> 15. <i>Aspergillus terreus</i> 16. <i>Aspergillus niger</i> 17. <i>Total coliform</i> 	<p><i>See tolerances established in NRS 453D.200 and NAC 557**</i></p>
<p><i>Extract of hemp (nonsolvent) like infused dairy butter, or oils or fats derived from natural sources, including concentrated hemp extracted with CO2</i></p>	<ul style="list-style-type: none"> 1. <i>Potency analysis</i> 2. <i>Terpene analysis</i> 3. <i>Foreign matter inspection</i> 4. <i>Mycotoxin screening</i> 5. <i>Heavy metal screening</i> 6. <i>Pesticide residue analysis</i> 7. <i>Total yeast and mold</i> 8. <i>Total Enterobacteriaceae</i> 9. <i>Salmonella</i> 10. <i>Pathogenic E. coli</i> 11. <i>Aspergillus fumigatus</i> 12. <i>Aspergillus flavus</i> 13. <i>Aspergillus terreus</i> 14. <i>Aspergillus niger</i> 	<p><i>See tolerances established in NRS 453D.200 and NAC 557**</i></p>
<p><i>Extract of hemp (solvent-based) made with any approved solvent, including concentrated hemp extracted by means other than CO2</i></p>	<ul style="list-style-type: none"> 1. <i>Potency analysis</i> 2. <i>Terpene analysis</i> 3. <i>Foreign matter inspection</i> 4. <i>Mycotoxin screening</i> 5. <i>Residual solvent test</i> 6. <i>Heavy metal screening</i> 7. <i>Pesticide residue analysis</i> 	<p><i>See tolerances established in NRS 453D.200 and NAC 557**</i></p>

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	8. <i>Total yeast and mold</i> 9. <i>Total Enterobacteriaceae</i> 10. <i>Salmonella</i> 11. <i>Pathogenic E. coli</i> 12. <i>Aspergillus fumigatus</i> 13. <i>Aspergillus flavus</i> 14. <i>Aspergillus terreus</i> 15. <i>Aspergillus niger</i>	
<i>Edible hemp product, including a product which contains concentrated hemp</i>	1. <i>Potency analysis</i> 2. <i>Terpene analysis</i> 3. <i>Foreign matter inspection</i> 4. <i>Total Enterobacteriaceae</i> 5. <i>Salmonella</i> 6. <i>Pathogenic E. coli</i> 7. <i>Total aerobic count</i>	<i>See tolerances established in NRS 453D.200 and NAC 557**</i>
<i>Liquid hemp product including, without limitation, soda or tonic, including a product which contains concentrated hemp</i>	1. <i>Potency analysis</i> 2. <i>Terpene analysis</i> 3. <i>Foreign matter inspection</i> 4. <i>Total Enterobacteriaceae</i> 5. <i>Salmonella</i> 6. <i>Pathogenic E. coli</i> 7. <i>Total aerobic count</i>	<i>See tolerances established in NRS 453D.200 and NAC 557**</i>
<i>Topical hemp product, including a product which contains concentrated hemp</i>	1. <i>Potency analysis</i>	<i>See tolerances established in NAC 557**</i>

(c) A sample size for usable hemp shall be:

a. 10 grams or more.

(d) A sample size for a production run must be:

a. 1% of the product weight, not to exceed 25 units or 300 grams.

(e) All samples must be homogenized prior to testing.

(f) A hemp establishment shall not submit wet hemp to a independent testing laboratory for testing unless the wet hemp is destined for extraction and weighed within two hours of harvest.

(g) As used in this section, “as received” means the unaltered state in which a sample was collected, without any processing or conditioning, which accounts for all mass, including moisture content.

Sec (19) (3) Sample Sizes Required for Testing.

(a) Industrial hemp, extracts of industrial hemp, a commodity or a product manufactured from industrial hemp and sold by a grower or a handler and intended for human consumption must be tested pursuant to this chapter. The testing must be conducted prior



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to offering industrial hemp, an extract of industrial hemp or the commodity or product for retail sale using the following sample sizes:

- a. For usable hemp sold at retail, the testing must be conducted on:
 - i. A batch of 50 kilos or less.
- b. For extracts of hemp sold pursuant to section 24 of this regulation or at retail, the testing must be conducted on:
 - i. A batch of 10 kilos or less.
- c. For products sold at retail and intended for direct human consumption, including but not limited to, edible or topical products, the testing must be conducted on:
 - i. 2 units from a single production run.

Sec (19) (3) Sample Testing; disposal of samples; standards; laboratory test results; grounds for disciplinary action.

(a) Immediately before packaging:

- a. Raw hemp for sale to a medical marijuana dispensary, facility for the production of edible hemp products or hemp-infused products or another cultivation facility, a cultivation facility shall segregate all harvested hemp into homogenized batches and select a random sample from each batch for testing by an independent testing laboratory. The independent testing laboratory must collect the samples unless the cultivation facility designates a person responsible for segregating all harvested hemp into homogenized batches pursuant to this subsection in accordance with the standards set forth by the laboratory and the cultivation facility to ensure a random, homogenized sample. If the cultivation facility designates a person to segregate homogenized batches, the cultivation facility must file an attestation with the Department as to the manner in which each random, homogenized sample is selected for testing.
- b. Edible hemp products or hemp-infused products, a facility for the production of edible hemp products or hemp-infused products shall select a random sample from each batch for testing by an independent testing laboratory. The independent testing laboratory must collect the samples unless the facility for the production of edible hemp products or hemp-infused products designates a person responsible for identifying the samples in accordance with the standards set forth by the laboratory and the facility for the production of edible hemp products or hemp-infused products. If the facility for the production of edible hemp products or hemp-infused products designates a person to collect the samples, the facility shall file an attestation with the Department as to the manner in which each sample is selected for testing.

(b) An independent testing laboratory that receives a sample pursuant to this section shall test the sample for cannabinoids, terpenoids, microbial contaminants, mycotoxins, heavy metals and pesticide chemical residue, residual solvents levels and for purposes of conducting an active ingredient analysis, as specified in the policy manual for independent testing laboratories created by the Division Public and Behavioral Health/Tax.

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- (c) From the time that a batch has been homogenized for sample testing and eventual packaging and sale to a medical marijuana dispensary, facility for the production of edible hemp products or hemp-infused products or, if applicable, another cultivation facility until the independent testing laboratory provides the results from its tests and analysis, the facility which provided the sample shall segregate and withhold from use the entire batch, except the samples that have been removed for testing. During this period of segregation, the facility which provided the sample shall maintain the batch in a secure, cool and dry location so as to prevent the hemp from becoming contaminated or losing its efficacy. Under no circumstances shall the facility which provided the sample sell the hemp or edible hemp products or hemp-infused products, as applicable, to a medical marijuana dispensary, facility for the production of edible hemp products or hemp-infused products or, if applicable, another cultivation facility before the time that the independent testing laboratory has completed its testing and analysis and provided those results, in writing, to the facility which provided the sample.
- (d) An independent testing laboratory shall immediately return or dispose of any sample received pursuant to this section upon the completion of any testing, use or research. If an independent testing laboratory disposes of a sample received pursuant to this section, the laboratory shall document the disposal of the sample using its inventory control system.
- (e) If a sample provided to an independent testing laboratory pursuant to this section does not pass the microbial, mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test based on the standards of the Department of Taxation, the facility which provided the sample shall dispose of the entire batch from which the sample was taken and document the disposal of the batch using its inventory control system or market the batch for use in commodities or products not intended for human consumption.
- (f) For the purposes of the microbial test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the standards set forth in Table 9 of the *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control* monograph hereby adopted by reference.
- (g) Pesticides for use in the cultivation and production of hemp, edible hemp products and hemp-infused products to be sold or used in this State, shall be:
 - a. Appropriately labeled for use on hemp by the EPA; or
 - b. Approved for use by the Department.
- (h) For the purposes of the pesticide chemical residue test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the most stringent acceptable standard for an approved pesticide chemical residue in any food item as set forth in Subpart C of 40 C.F.R. Part 180.
- (i) If a sample provided to an independent testing laboratory pursuant to this section passes the microbial, mycotoxin, heavy metal, pesticide chemical residue and residual solvents levels tests, the independent testing laboratory shall release the entire batch for immediate manufacturing, packaging and labeling for sale to a medical marijuana dispensary, a facility for the production of edible hemp products or hemp-infused products, a retail facility or, if applicable, another cultivation facility.



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Sec 24 (8) Hemp Extracts; Extract testing requirements.

- (a) A facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary may acquire an extract of industrial hemp from a grower or a handler registered by the State Department of Agriculture pursuant to sections 6 and 7 of this chapter. A facility for the production of edible marijuana products or marijuana-infused products may use an extract of industrial hemp to manufacture edible marijuana products, marijuana-infused products, edible extract of industrial hemp products and extract of industrial hemp-infused products. A medical marijuana dispensary may dispense edible extract of industrial hemp products and extract of industrial hemp-infused products.
- (b) Any extract of industrial hemp acquired pursuant to this section must be tested pursuant to sections 19 to 24, inclusive, of this regulation.
- (c) Handlers not licensed by the Nevada Department of Taxation Marijuana Establishment program may produce products and commodities made from Industrial hemp. These products or commodities cannot exceed 0.3% THC. Final product testing done by a certified independent laboratory must be submitted to NDA.
- (d) Handlers who are Licensed by the Nevada Department of Taxation Marijuana Establishment program may produce products and commodities that exceed 0.3% and are subject to the rules and regulation of NDOT.

Sec (25) (g) Industrial Hemp Product Label Requirements

- (a) All hemp-based products that are intended for human consumption must be labeled according to the following requirements:
 - a. The date on which the product was packaged;
 - b. The date on which final testing occurred;
 - c. The potency levels illustrating that the product complies with tolerances;
 - d. If the product is perishable, the expiration date; and
 - e. The total quantity contained within packaging.
- (b) All hemp-based products that are intended for sale, but not intended for consumption must be labeled according to the following requirements:
 - a. The date on which the product was packaged;
 - b. The date on which final testing occurred; and
 - c. The potency levels illustrating that the product complies with tolerances.

What about processing hemp for animal feed? Requirements? Will need to register commercial feed product pursuant to NRS 587.841-587.899.

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233B.0608

(NAC Development: SB 396)

1. A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

- The NDA has spoken with the industrial hemp industry and interested parties. They support the clarifications proposed in this regulation. Information was available on the website of the Department of Agriculture, www.agri.nv.gov and posted at the following locations:

Nevada Department of
Agriculture
405 South 21st Street
Sparks, NV 89431

Nevada Department of
Agriculture
2300 East St. Louis Ave.
Las Vegas, NV 89104

Nevada Department of
Agriculture
4780 East Idaho St.
Elko, NV 89801

2. The manner in which the analyses was conducted.

- No analyses was conducted because the changes are permissive and allow growers to source new opportunities to sell industrial hemp derived material, cultivate seed as well as begin processing industrial hemp.

3. The estimated economic effect of the proposed regulation on the small businesses it is to regulate, including, without limitation:

- The economic effect is positive for those who choose to grow industrial under the confines of this program.
- (a) Adverse and beneficial effects; and**
 - There are no adverse effects. Hemp growers will benefit by enhancing profitability, seeking processing opportunities, and creating seed varieties that perform better in Nevada.
- (b) Direct and indirect effects.**
 - The direct effect is that hemp growers will benefit by enhancing profitability, creation of processing facilities and creating seed varieties that perform better in Nevada. There are no negative indirect effects.

4. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

- Does not apply, the regulation is permissive and supported by industry.

5. The estimated cost to the agency for enforcement of the proposed regulation.

- There is no significant cost to the agency.

6. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

- The fees are minimal and will offset costs to the Department.

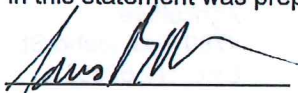
7. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

➤ The proposed regulation is not more stringent or duplicative of other regulations.

8. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.

➤ This regulation is permissive and is supported by industry.

I certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of this proposed regulation on small businesses and that the information contained in this statement was prepared properly and is accurate.



James R. Barbee
Director
Nevada Department of Agriculture

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY

NRS 233B.0608(1)

Determination of Necessity

(NAC Development: SB 396)

1. Background

Revision of Nevada Administrative Code, Chapter 557 pursuant to Nevada Senate Bill 396. The Department is creating regulations to enforce the provisions expressed with NV SB 396. The Department has rigorously evaluated SB 396 and is instilling NAC requirements based upon language requirements and industry standards/desires.

2. Description of solicitation showing a concerted effort. NRS233B.0608(1)

The Department solicited comments via email notifications as well as through a mandatory public workshop. The workshop announcement was hosted online at agri.nv.gov in order to publicly advertise this meeting.

3. Does this regulation impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? NRS 233B.0608(1)

No
 Yes

4. How was that conclusion reached? NRS 233B.0608(3)

Changes associated with these NAC 557 amendments are permissive and allow growers, producers, and handlers to source new opportunities to sell industrial hemp-derived material, cultivate seed, as well as begin processing industrial hemp.

I certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of this proposed regulation on small businesses and that the information contained in this statement was prepared properly and is accurate. (NRS 233B.0608 (3))



James R. Barbee

Director

Nevada Department of Agriculture

