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Office of the Governor

May 31, 2017

The Honorable Aaron Ford
Nevada State Senate Majority Leader
401 South Carson Street
Carson City, NV 89701

RE: Senate Bill 416 of the 79th Legislative Session

Dear Leader Ford:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill 416 ("SB 416"), which is entitled:

AN ACT relating to marijuana; authorizing a medical marijuana establishment, an association of medical marijuana establishments or a joint committee consisting of representatives of a labor organization and medical marijuana establishments to propose and enter into an agreement to carry out a program of apprenticeship for medical marijuana establishment agents; and providing other matters properly related thereto.

SB416 is not without merit to the extent that the bill contemplates standardized training for workers in Nevada's medical marijuana dispensaries. Nevertheless, SB416 raises broader workforce policy implications, particularly with regard to Nevada's workforce development investment system and the role that apprenticeship programs will play in training workers for 21st century occupations. Moreover, it is unclear that SB416's provisions are consistent with federal regulations governing approval of apprenticeship programs.

To date, California is the only state in the country that has approved medical marijuana apprenticeship programs, and those programs have been operating for a relatively short period of time. Federal regulations, however, require that states "ensure that the registration of apprenticeship programs occurs only in occupations in high-growth and high-demand industries." (29 CFR §29.13(6)). The short history of marijuana-related training programs reflects the infancy of this industry and weighs against a determination that the industry is high-growth or high-demand, as required by federal regulations. There is simply an insufficient amount of information or data to justify certification of training programs for marijuana-related professions,

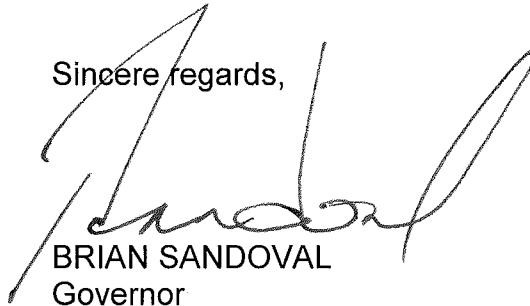
particularly given the role of the federal government in overseeing state apprenticeship programs.

The U.S. Department of Labor ultimately has jurisdiction over certification and regulation of apprenticeship programs. While Nevada has chosen to establish a State Apprenticeship Agency which plays a role in approving state programs, this agency must be accredited by the federal government, and millions of dollars in federal funds are awarded to Nevada each year to support apprenticeship programs. Pursuant to federal regulations regarding apprenticeship programs, "All proposed modifications, in legislation, regulations, policies and/or operational procedures planned or anticipated by a State Apprenticeship Agency," must be submitted to the federal Office of Apprenticeship for review, and the federal Office of Apprenticeship must concur in any such proposal. (29 CFR § 29.13(9)). Nothing has been presented to demonstrate that the federal Office of Apprenticeship has provided the concurrence required by federal regulations with regard to the changes proposed by SB416.

Apprenticeship programs will play an invaluable role in training Nevada's workforce for a 21st century economy. The significance of these programs is reflected in SB516, which my administration introduced in an effort to enhance and expand apprenticeship programs throughout Nevada. While innovation with regard to apprenticeship programs is unquestionably important, SB416 threatens to do more harm than good by authorizing the State to certify apprenticeship programs within an industry for which the federal government has not signaled clear approval.

For these reasons I veto SB416 and return it without my signature or approval.

Sincere regards,



BRIAN SANDOVAL
Governor

Enclosure

cc: *The Honorable Mark Hutchison, President of the Senate (without enclosure)*
The Honorable Jason Frierson, Speaker of the Nevada Assembly (without enclosure)
The Honorable Barbara Cegavske, Nevada Secretary of State (without enclosure)
Claire J. Clift, Secretary of the Senate (without enclosure)
Susan Furlong, Chief Clerk of the Assembly (without enclosure)
Brenda Erdoes, Esq., Legislative Counsel (without enclosure)