



Community Development Department

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180 – Hearing Impaired: 711

MEMORANDUM **LATE MATERIAL**

Board of Supervisors Meeting of July 20, 2017
MEETING DATE 7/20/17

TO: Board of Supervisors **ITEM #** Item #17D

FROM: Susan Pansky, AICP
Special Projects Planner

DATE: July 18, 2017

SUBJECT: **Marijuana Temporary Business License Ordinance Second Reading**
LATE MATERIAL

Attached, please find a revised version of the Business License ordinance for second reading regarding temporary licenses for marijuana facilities in Carson City.

This version contains slight revisions in Subsection 1 to state that a “person” who is the holder of a medical marijuana registration certificate may apply for a temporary business license, rather than a “medical marijuana establishment” that is a holder of a medical marijuana establishment registration certificate may apply. The purpose for this revision is to clarify, based on the definition of “medical marijuana establishment” under Subsection 6, that medical marijuana dispensaries are not eligible to apply for temporary licenses under this ordinance.

If you have any questions, please contact Susan Pansky at (775) 283-7076 or spansky@carson.org.

attachment

Summary: An ordinance establishing provisions for the issuance of a temporary business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor.

BILL NO. _____

ORDINANCE NO. 2017-_____

AN ORDINANCE RELATING TO BUSINESS LICENSING; AMENDING TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04, BUSINESS LICENSE, BY ADDING THERETO A NEW SECTION 4.04.125 ESTABLISHING PROVISIONS FOR THE ISSUANCE OF A TEMPORARY BUSINESS LICENSE TO OPERATE AS A MARIJUANA CULTIVATION FACILITY, MARIJUANA PRODUCT MANUFACTURING FACILITY OR MARIJUANA DISTRIBUTOR; AND PROVIDING OTHER MATTERS PROPERLY RELATED THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), is hereby amended by adding thereto a new section as follows (**bold, underlined** text is added, ~~stricken~~ text is deleted):

4.04.125 – Temporary business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor.

1. A person who is the holder of a medical marijuana establishment registration certificate may, on a form and in the manner prescribed by the Business License Division, apply for a temporary business license to operate as:

a. A marijuana cultivation facility, if the person is operating at the time of the application as a cultivation facility as that term is defined in NRS 453A.056; or

b. A marijuana product manufacturing facility, if the person is operating at the time of the application as a facility for the production of edible marijuana products or marijuana-infused products as that term is defined in NRS 453A.105.

2. A person who submits an application pursuant to subsection 1 must:

a. Provide proof satisfactory to the Business Licensing Division that he or she has submitted an application to the Department of Taxation for a license to operate as a marijuana cultivation facility or marijuana product manufacturing facility, as applicable, the approval of which is pending and has not been denied by the Department of Taxation;

b. Be in good standing as a medical marijuana establishment pursuant to regulations adopted by the Nevada Tax Commission; and

c. Not be in violation of any applicable provision of NRS, NAC or CCMC.

3. A person may, on a form and in the manner prescribed by the Business License Division, apply for a temporary business license to operate as a marijuana distributor. A person who submits an application pursuant to this subsection must:

a. Provide proof satisfactory to the Business Licensing Division that he or she has submitted an application to the Department of Taxation for a license to operate as a marijuana distributor, the approval of which is pending and has not been denied by the Department of Taxation; and

b. Not be in violation of any applicable provision of NRS, NAC or CCMC.

4. Notwithstanding any other provision of CCMC, the Business License Division will:

a. Charge to and collect from the holder of a temporary business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor issued pursuant to this section a fee of three percent (3.0%) of the gross revenue of the facility or distributor, due and payable not later than ten (10) days after the last day of each calendar quarter. For the purposes of verifying the gross revenue of a facility or distributor pursuant to this subsection, written documentation of such revenue must be submitted to the Business License Division every calendar quarter and:

(1) Be in the form of a financial statement that is signed by a certified public accountant and which indicates the gross revenue of the immediately preceding calendar quarter; and

(2) Include a complete and accurate copy of any written documentation relating to verification of revenue for purposes of state taxation that the facility or distributor is required to provide to the Department of Taxation in compliance with regulations adopted by the Nevada Tax Commission.

b. Charge and collect any other fee that is prescribed by this chapter and which is applicable to the holder of a temporary business license issued pursuant to this section.

c. Exempt from the square footage fees set forth in CCMC 4.04.031 and the fees for employees set forth in CCMC 4.04.04 the holder of a temporary business license issued pursuant to this section.

5. The Business License Division may:

a. Prorate the fees described in subsection 4 by subtracting from those fees, as applicable, the amount the holder of a temporary business license issued pursuant to this section has previously paid for a license as a medical marijuana

establishment within the same period of time for which a fee required by this section is due and payable.

b. Enter the premises of a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor at any time during regular business hours and without notice to examine, audit and inspect books and records maintained by such a facility or distributor for the purposes of determining the proper payment of any fees required by this chapter and compliance with any applicable provision of NRS, NAC or CCMC. The holder of a temporary business license issued pursuant to this section shall maintain at its business location adequate and accurate books and records at all times.

6. A temporary business license issued pursuant to this section:

- a. Expires by limitation on April 1, 2018; and
- b. Is a revocable privilege and the holder of such a license does not acquire thereby any vested right.

7. As used in this section:

a. "Marijuana" has the meaning ascribed to it in subsection 8 of NRS 453D.030 and means all parts of any plant of the genus *Cannabis*, whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include:

- (1) The mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems except the resin extracted therefrom, fiber, oil or cake, the sterilized seed of the plant which is incapable of germination; or
- (2) The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.

b. "Marijuana cultivation facility" has the meaning ascribed to it in subsection 9 of NRS 453D.030 and means an entity licensed to cultivate, process and package marijuana, to have marijuana tested by a marijuana testing facility as that term is defined in subsection 15 of NRS 453D.030 and to sell marijuana to a retail marijuana store as that term is defined in subsection 18 of NRS 453D.030, to a marijuana product manufacturing facility and to other marijuana cultivation facilities, but not to consumers.

c. "Marijuana distributor" has the meaning ascribed to it in subsection 10 of NRS 453D.030 and means a person licensed to transport marijuana from a marijuana establishment to another marijuana establishment.

d. "Marijuana establishment" has the meaning ascribed to it in subsection 11 of NRS 453D.030 and means a marijuana cultivation facility, marijuana testing

facility as that term is defined in subsection 15 of NRS 453D.030, marijuana product manufacturing facility, marijuana distributor or retail marijuana store as that term is defined in subsection 18 of NRS 453D.030.

e. "Marijuana product manufacturing facility" has the meaning ascribed to it subsection 12 of NRS 453D.030 and means an entity licensed to purchase marijuana, manufacture, process and package marijuana and marijuana products as that term is defined in subsection 13 of NRS 453D.030, and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores as that term is defined in subsection 18 of NRS 453D.030, but not to consumers.

f. "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116 and means:

- (1) An independent testing laboratory;
- (2) A cultivation facility;
- (3) A facility for the production of edible marijuana products or marijuana-infused products; or
- (4) A medical marijuana dispensary.

g. "Medical marijuana establishment registration certificate" has the meaning ascribed to it in NRS 453A.119 and means a registration certificate that is issued by the Division of Public and Behavioral Health of the Department of Health and Human Services pursuant to NRS 453A.322 to authorize the operation of a medical marijuana establishment.

SECTION II:

That no other provisions of Title 4 of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on _____, 2017.

PROPOSED BY Supervisor _____

PASSED _____, 2017.

VOTE:

AYES: _____

NAYS: _____

ABSENT: _____

ROBERT L. CROWELL, Mayor

ATTEST:

SUSAN MERRIWETHER, Clerk-Recorder

This ordinance shall be in force and effect from and after the _____ day of the month of
_____ of the year 2017.