1. Working group name:

*Laboratory Working Group*

1. Individual sponsor(s):

*Shane Johnson- Silver State Trading*

*Alec Garcia- 374 Labs*

*Lynn Hettrick - Nevada Department of Agriculture*

*Ed Alexander- Common Sense Botanicals*

1. Describe the recommendation:

*The recommendation is to empower local and state jurisdictions to license and regulate ancillary businesses.*

*“Ancillary Business” defined.  Any person or business that has not received a registration certificate under NRS 453A nor has been licensed as a marijuana establishment under NRS 453D that directly profits from the sale or use of marijuana or marijuana infused products.*

*It is the opinion of this working group that additional local and state fees will unduly burden licensed marijuana cultivation, production, retail, and laboratory related businesses, as these entities already must obtain State and Local licenses under NRS 453. It is the recommendation of the working group to allow state and local officials to create licensing and fee structures for those Ancillary Businesses where adult use consumption is permitted.*

* *State and Local jurisdictions shall have the ability to license, regulate, and collect fees from ancillary marijuana related businesses.*
* *Ancillary businesses might include but are not limited to: Adult Use consumption facilities, any business which allows on site use or consumption of marijuana, spa’s, social clubs, music venues, etc.*
* *Ancillary businesses should not include: businesses that do not directly profit from the sale or use of Marijuana but might provide products or services to the industry. Garden Centers, or Grow Shops, Paraphernalia/Smoke Shops. Etc*
* *Licensing fees shall be consistent with other limited licensing types, these fees should not impact local jurisdictions ability to obtain a percentage of revenue generated through adult use taxation.*
* *Licensing shall be consistent with current local and state law which may require business licenses, special use permits, etc.*
* *State of Nevada Department of Taxation shall provide reasonable effort to identify what percentage of Adult use excise and other tax revenue will be allocated to local jurisdictions based on the city, and or county from which the revenue is generated.*
* *Standardized Educational materials pertaining to Adult Use Consumption shall be adopted and prominently displayed in facilities which sell or allow the use of marijuana.*
* *Smoking/vaping/consumption of marijuana shall be similar to rules and regulations for smoking/vaping/consumption of tobacco, and or alcohol.*

1. Which guiding principle(s) does this recommendation support? Promote Health, safety, and well-being of Nevada’s communities. Provides efficient and effective regulation that is clear and reasonable and not unduly burdensome.

*Guiding Principle 2 - Be responsive to the needs and issues of consumers, non-consumers, local governments and the industry*

*Guiding Principle 6 - Establish regulations that are clear and practical, so that interactions between law enforcement, consumers, and licensees are predictable and understandable*

1. What provision(s) of Question 2 does this recommendation apply to?

*Sec. 2 Preamble*

1. What issue(s) does the recommendation resolve?

*Provides a means by which Local and State regulators can license and regulate Adult Use Ancillary Businesses*

1. Was there dissent in the group regarding this recommendation? If yes, please provide a summary of the dissenting opinion regarding the recommendation.

*No dissent*

1. What action(s) will be necessary to adopt the recommendation? Will statute, policy, regulations, etc. need to be addressed?

*Statute, Policy, and Regulations will need to be developed by the State of Nevada as well as Local Jurisdictions as necessary to insure public health and safety.*

1. Additional information (cost of implementation, priority according to the recommendations, etc).

*None*