1. Working group name:

*Transportation, Storage and Disposal*

1. Individual sponsor(s):

*Kurt Brown: Capital Beverage*

*Margaret Arquilla: West Coast Wine & Spirits*

1. Describe the recommendation:

*MARIJUANA DISTRIBUTOR - APPLICATION REQUIREMENTS*

*Pursuant to the Initiative Petition passed by majority vote on November 8th, 2016 Section. 2. “The people of the State of Nevada proclaim that marijuana should be regulated in a manner similar to alcohol” the application for marijuana distributor guidelines are as follows:*

*The Department shall accept marijuana distributor license applications from individuals/entities meeting the following criteria as stated in NRS 453D.210:*

*(a) Current liquor wholesaler dealers licensed pursuant to NRS 369;*

*(b) Liquor wholesale dealers pursuant to NRS 369 that are operating and in good standing as defined herein;*

*(1) All licenses, certificates and fees are current and paid;*

*(2) No registration certificate suspension within 1 year of the date of the application;*

*(3) The applicant is not delinquent in the payment of any tax administered by the Department or is not in default on a payment required pursuant to a written agreement with the Department; or is not otherwise liable to the Department for the payment of money;*

*(4) No open citations for illegal activity or criminal conduct;*

*(5) Plans of correction are complete and on time*

*(c) Departments shall accept the licensing requirements associated with acquiring an Alcohol Wholesale license as described in NRS 369.190 application for license to issue a temporary marijuana distributor license in a timely manner in order to adopt the early start program date of July 1, 2017;*

*(d) Departments shall allow current Wholesale Alcohol Distributors licensed pursuant to NRS 369. to apply for the marijuana distributor’s license under a “Wholly Owned Subsidiary” to avoid any licensing conflicts and conform to the Initiative Petition Section. 2. passed by the voters of Nevada and meet the July 1, 2017 early start date;*

*(e) After all requirements for the temporary marijuana distribution license have been met the department will issue the permanent license in a timely manner;*

*An application submitted for a marijuana distributor license from an applicant must be submitted on a form prescribed by the Department pursuant to NRS 453D.210 and must include:*

*(a) A one-time, nonrefundable application fee of $\_\_\_\_\_\_; plus a $\_\_\_\_\_\_ license fee; and*

*(b) The name of the proposed marijuana distributor, as reflected in the articles of incorporation or other documents filed with the Secretary of State;*

*(c) The type of business organization of the applicant, such as individual, corporation, partnership, limited-liability company, association or cooperative, joint venture or any other business organization;*

*(d) Confirmation that the applicant has registered with the Secretary of State as the appropriate type of business, and the articles of incorporation, articles of organization or partnership or joint venture documents of the applicant;*

*(e) The physical address where the proposed marijuana distributor;*

 *(f) The mailing address of the applicant;*

*(g) The telephone number of the applicant;*

*(h) The electronic mail address of the applicant;*

*(i) An attestation that the information provided to the Department to apply for the marijuana distributor license is true and correct according to the information known by the affiant at the time of signing;*

*(j) The signature of a natural person for the proposed marijuana distributor and the date on which the person signed the application;*

*(k) Documentation from a financial institution in this State, or any other state or the District of Columbia, which demonstrates:*

*(1) That the applicant has liquid assets in the amount of $100,000 which demonstrates the applicant is in a financial condition to operate as a distributor. The funds should be unencumbered and able to be converted within 30 days after a request to liquidate such assets; and*

*(2) The source of those liquid assets. 9*

*(l) A description of the proposed organizational structure of the proposed marijuana distributor, including, without limitation:*

*(1) An organizational chart showing all owners, officers and board members of the proposed marijuana distributor; and*

*(2) A list of all owners, officers and board members of the proposed marijuana distributor that contains the following information for each person:*

*(a) The title of the person;*

*(b) A short description of the role the person will serve in for the organization and his or her responsibilities;*

*(c) Whether the person has served or is currently serving as an owner, officer or board member of a medical marijuana establishment;*

*(d) Whether the person has served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked or suspended;*

*(e) Whether the person has previously had a medical marijuana establishment agent registration card revoked; (f) Whether the person is a law enforcement officer;*

*(g) Whether the person is currently an employee or contractor of the Department;*

*(h) Whether the person has an ownership or financial investment interest in a medical marijuana establishment;*

*(i) A signed copy of the Request and Consent to Release Application Form for a Marijuana Distributor License;*

*(j) A complete set of fingerprints and written permission of the owner, officer or board member authorizing either the Department or the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;*

*(k) If required, authorization for the Department to obtain account information from the Division regarding fingerprints and background checks.*

*(l) A signed copy of the Child Support Verification Form; and*

*(m) The completed Driver Verification Form (m) For each owner, officer and board member of the proposed marijuana distributor:*

*(1) An attestation signed and dated by the owner, officer or board member that he or she has not been convicted of an excluded felony offense,*

*(2) An attestation signed and dated by the owner, officer or board member that he or she has not served as an owner, officer, or board member for a medical marijuana establishment that has had its registration certificate suspended or revoked;*

*(3) That the information provided to support the application for a marijuana distributor license is true and correct;*

*(4) A narrative description, not to exceed 750 words, demonstrating:*

*(a) Any previous experience at operating other businesses or nonprofit organizations; and*

*(b) Qualifications that are directly and demonstrably related to the operation of a marijuana establishment; and*

 *(n) A financial plan which includes, without limitation:*

*(1) Financial statements showing the resources of the applicant; (2) If the applicant is relying on money from an owner, officer or board member, evidence that the person has unconditionally committed such money to the use of the applicant in the event the Department awards a distributor license to the applicant and the applicant obtains the necessary approvals from local governments to operate; and*

*(3) Proof that the applicant has adequate money to cover all expenses and costs of the first year of operation.*

*(o) Evidence that the applicant has a plan to staff, educate and manage the proposed marijuana distributor on a daily basis, which must include, without limitation:*

*(1) A detailed budget for the proposed marijuana distributor, including preopening, construction and first year operating expenses;*

*(2) An operations manual that demonstrates compliance with NRS 453D and this chapter;*

*(3) An education plan which must include, without limitation, providing educational materials to the staff of the proposed marijuana distributor; and*

*(4) An indication from the proposed marijuana distributor that it is aware that it must comply with all local government enacted zoning restrictions and be in compliance with NRS 453D.210 prior to issuance of a marijuana distributor license.*

1. Which guiding principle(s) does this recommendation support?

*Guiding Principle 4 - Propose efficient and effective regulation that is clear and reasonable and not unduly burdensome*

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

*Section 5.*

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

*The recommendation regulatory structure and administrative codes specific to licensed distributors.*

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

*TBD*

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

*Administrative codes would need to be adopted similar in content to those found in NRS 453A and NAC 453A for recreational marijuana.*

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

*To be determined*