1. Working group name:

*Transportation, Storage and Disposal*

1. Individual sponsor(s):

*Brett Scolari, Tryke Companies*

1. Describe the recommendation:

*MARIJUANA DISTRIBUTOR - APPLICATION REQUIREMENTS*

*Pursuant to that certain Industry Notice dated March 28, 2017, the Department of Taxation, pursuant to NRS 453D.210(3), has determined that an insufficient number of marijuana distributors will result from limiting the license type to only liquor wholesalers.*

*The Department shall accept distributor applications from individuals meeting the following criteria:*

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

*(b) Medical marijuana establishments that hold a registration certificate pursuant to NRS 453A.322(5) and are operating and in good standing as defined herein; and*

*(c) Applicants who are currently in the business of transporting medical marijuana and whose employees hold valid agent cards pursuant to NRS 453A.332(a) . For the applicant and each person who is proposed to be an owner, officer or board member of the entity that is currently in the business of transporting medical marijuana must comply with the provisions set forth in NRS 453A.322 and NRS 453.332 regarding fingerprinting and background checks.*

*A medical marijuana establishment is in “good standing” if it is in compliance with NRS 453A and NAC 453A, including but not limited to the following:*

*(a) For all medical marijuana establishments:*

*(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 citations for illegal activity or criminal conduct; and*

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

*(b) If a medical marijuana establishment registration certificate is provisional it is not in good standing.*

*An application submitted for a marijuana distributor license from an applicant who does not have a medical marijuana establishment registration certificate 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 will be located and the physical address of any co-owned or otherwise affiliated marijuana establishments; (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 that demonstrate 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*

*(5) A resume.*

*(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 12 in compliance with NRS 453D.210 prior to issuance of a marijuana distributor license.*

 *An application submitted for a marijuana distributor license from an applicant that has a medical marijuana establishment registration certificate 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;*

*(b) The name of the marijuana establishment, as reflected on the registration certificate issued pursuant to NRS 453A and in the articles of incorporation or other documents filed with the Secretary of State;*

*(c) The physical address where the marijuana establishment will be located and the physical address of any co-owned or otherwise affiliated marijuana establishments; (f) The mailing address of the applicant;*

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

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

*(f) Authorization for the Department to review the records of the Division necessary to determine if the applicant is in good standing under its medical marijuana establishment registration;*

*(g) An attestation that the applicant is properly zoned in compliance NRS 453D.210(5)(a)-(c) and NRS 453D.210(5)(e);*

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

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

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

*Upon receipt of the application by the Department, the Department shall approve the issuance of a marijuana distrbutor license if:*

*(a) The applicant is operating and in good standing under its medical marijuana establishment registration certificate as set forth herein; and*

*(b) The applicant is in compliance with NRS 453D.210 (5)(a)-(f).*

*The Department will not issue a marijuana distributor license until the Department completes an inspection of the marijuana distributor. Such an inspection may require more than one visit to the marijuana distributor.*

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.*

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

*To be determined*