1. Working group name:

*Transportation, Storage and Disposal*

1. Individual sponsor(s):

*Brett Scolari, Tryke Companies*

*Tim Conder, Blackbird Logistics*

1. Describe the recommendation:

*MARIJUANA DISTRIBUTOR - APPLICATION REQUIREMENTS*

*The Department shall accept marijuana distributor applications from individuals/entities meeting at least one of the following criteria:*

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

*(b) A Medical Marijuana Establishment that holds a registration certificate pursuant to NRS 453A.322(5);*

*(c) A Marijuana Establishment licensed pursuant to NRS 453D as one of the following license types:*

*(i) A Marijuana Cultivation Facility as defined in NRS 453D.030(9);*

*(ii) A Marijuana Product Manufacturing Facility as defined in NRS 453D.030(12); or*

*(iii) A Retail Marijuana Store as defined in NRS 453D.030(18); and*

*(d) 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.*

*The Department of Taxation shall adopt regulations similar in content to NRS 453A and NAC 453A where applicable in order to establish application requirements and approval of marijuana distributors in accordance with the applicable provisions of Section 5 of the “Initiative to Regulate and Tax Marijuana” to include:*

*1(a)   Procedures for the issuance, renewal, suspension, and revocation of a license to operate a marijuana establishment (NAC 453A.300 to 453A318, inclusive; 453A.324 to 453A.332, inclusive);*

*1(b)    Qualifications for licensure that are directly and demonstrably related to the operation of a marijuana establishment (NAC 453A.306);*

*1(c)     Requirements for the security of marijuana establishments (NAC 453A.420);*

*1(g)    Requirements for record keeping by marijuana establishments (NAC 453A.414);*

*1(h)    Reasonable restrictions on signage, marketing, display, and advertising (NAC 453A.402);*

*1(i)      Procedures for the collection of fees imposed by SECTION 1 to SECTION 18, inclusive, of this act (NAC 453A.352);*

*1(j)      Procedures and requirements to enable the transfer of a license for a marijuana establishment to another qualified person and to enable a licensee to move the location of its establishment to another suitable location (NRS 453A.334 and 453A.350);*

*1(k)  Civil penalties for the failure to comply with any regulation adopted pursuant to this section or for any violation of the provisions of SECTION 13 of this act (NAC 453A.350 – no civil penalty currently exists, only suspension or revocation).*

*2. The Department shall approve or deny applications for licenses pursuant to SECTION 9 of this act (NAC 453A.332).*

*3.      The Department may by motion or on complaint, after investigation, notice of the specific violation, and an opportunity for a hearing, pursuant to the provisions of* [*Chapter 233B of NRS*](https://www.leg.state.nv.us/nrs/NRS-233B.html)*, suspend, revoke, or fine a licensee for the violation of SECTION 1 to SECTION 18, inclusive, of this act or for a violation of a regulation adopted by the Department pursuant to this section (NAC 453A.330).*

*4.      The Department may immediately suspend the license of any marijuana establishment if the marijuana establishment knowingly sells, delivers, or otherwise transfers marijuana in violation of SECTION 1 to SECTION 18, inclusive, of this act, or knowingly purchases marijuana from any person not licensed pursuant to SECTION 1 to SECTION 18, inclusive, of this act or to* [*Chapter 453A of NRS [Medical Marijuana Law]*](https://leg.state.nv.us/nrs/NRS-453A.html)*. The Department must provide an opportunity for a hearing pursuant to the provisions of* [*NRS 233B.121*](https://www.leg.state.nv.us/nrs/NRS-233B.html#NRS233BSec121) *within a reasonable time from a suspension pursuant to this subsection (NAC 453A.332).*

*6.      The Department shall conduct a background check of each prospective owner, officer, and board member of a marijuana establishment license applicant (NRS 453A.322).*

*7.      The Department shall inspect marijuana establishments as necessary to enforce SECTION 1 to SECTION 18, inclusive, of this act or the regulations adopted pursuant to this section (NAC 453A.322).*

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.

*Dissent Written By Kurt Brown & Margaret Arquilla:*

*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 recommendation put forth by majority vote of the group is in direct conflict with the spirit & language of the Petition.*

*In addition the recommendation is in direct conflict with the Initiative Petition Section.5. That states: “these regulations must not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable”. Their application recommendation put forth creates additional burdens and shows bias against current liquor distributors in applying & operating as marijuana distributors.*

*Lastly based upon the makeup of the 11 person working group (that includes only 2 alcohol distributors), with many of those presently involved in the medical marijuana transportation business and members of the department of taxation who have made determinations unfavorable for current licensed alcohol distributors, no other outcome could be foreseen.*

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*