1. Working group name:

*Transportation, Storage and Disposal*

1. Individual sponsor(s):

*Joe Pollock, Deputy Administrator, Division of Public and Behavioral Health*

*Brett Scolari, Tryke Companies*

*Kurt Brown, Capital Beverages*

1. Describe the recommendation:

*The Department of Taxation shall adopt regulations similar in content to NRS 453A and NAC 453A that establish application 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)    Procedures and requirements to enable a dual licensee to operate medical marijuana establishments and marijuana establishments at the same location (NRS 453A.350);*

*1(m)  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.

*No dissent*

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*