1. Working group name:

*Operations - Production/ Manufacturing*

1. Individual sponsor(s):

*Anna Thornley – Department of Taxation*

*Bryan Hyun – Owner/Operator – The Grove*

*Jake Ward – Pure Tonic Concentrates*

1. Describe the recommendation:

*All marijuana facilities will have internal inventory control systems and movement of all controlled substances between facilities will be closely monitored per regulation. It has been proposed that a centralized seed-to-sale system also be put into effect by the Department which would centrally monitor all inventory in the State. This data would potentially be used to not only track inventory but also for tracking business transactions so that fair market values may be established per NRS 453D.*

*Since inventory control systems are a very important part of how the industry interfaces with regulators, it is recommended that the Department work closely with industry to decide whether a centralized seed-to-sale inventory tracking system is necessary. If the system is deemed necessary, then the Department should work closely with industry to design and implement the system.*

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

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

*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?

* *NRS 453D.200 (c) Requirements for the security of marijuana establishments;*
* *NRS 453D.200 (d) Requirements to prevent the sale or diversion of marijuana and marijuana products to persons under 21 years of age*
* *NRS 453D.200 (g) Requirements for record keeping by marijuana establishments*
* *NRS 453D.200 (l) Procedures to establish the fair market value at wholesale of marijuana*

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

*This recommendation resolves the issue of implementing an inventory control system which is robust enough to allow for the gathering of pertinent data, but not redundant or unduly burdensome on the industry.*

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?

*The Department will have to reach out to industry to gain some knowledge as to how inventory and transactions are currently tracked and industry will have to learn more about the needs of the Department as final regulations are drafted. Inventory control systems are a very important part of how the industry interfaces with regulators.*

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

*None*