1. Working group name:

Transportation, Storage and Disposal

1. Individual sponsor(s):

*Shellie Hughes – Department of Taxation, Chief Deputy Director*

*Kurt Brown – Capital Beverage, Inc.*

*Tim Conder – Blackbird Transportation*

1. Describe the recommendation:

*The Transportation, Storage and Disposal Group recommends the following for the Operational Requirements for Licensed Marijuana Distributors:*

*1. To transport marijuana and marijuana products, a marijuana establishment, including vertically integrated licensed marijuana establishments, must have a marijuana distributor’s license with the exception of delivery of marijuana and marijuana products by a licensed marijuana retail store to a consumer, transport of marijuana and marijuana products for testing by a licensed marijuana testing facility, or transport of medical marijuana. Delivery requirements by a licensed marijuana retail store to a consumer will be covered in another recommendation.*

*2. There is no limit on the amount or weight of marijuana and marijuana product that is being transported by a licensed marijuana distributor.*

*3. Licensed marijuana distributors may enter into service agreements/contracts with licensed marijuana establishments for the transport of marijuana and marijuana products which may include such requirements as insurance coverage, including third party and employee theft, and climate control.*

*4. Licensed marijuana distributors can transport marijuana and marijuana product from multiple marijuana establishments but cannot transport marijuana with any other product.*

*5. Only an employee of the licensed marijuana distributor with a valid agent card issued by the Department of Taxation can transport marijuana and marijuana product and occupy the transporting vehicle. The driver and occupant transporting marijuana and marijuana products must carry their valid agent card when transporting or have direct access to a digital copy.*

*6. All drivers and occupants transporting marijuana and marijuana products for a licensed marijuana distributor must be 21 years or older.*

*7. All drivers of a licensed marijuana distributor must have a valid driver’s license and carry in the vehicle valid driver’s insurance at the limits required by the State of Nevada. All drivers must be bonded in an amount sufficient to cover any claim that could be brought.*

*8. Any vehicle assigned for the purposes of transporting marijuana and marijuana products shall be considered an extension of the licensed premises. The Department will issue an identification card for each vehicle included on the distributor application and this card is to be kept in the vehicle at all times. Transport vehicles are subject to inspection by the Department. If a licensed marijuana distributor wants to use a vehicle not listed on the marijuana distributor’s application, it must notify the Department and provide any information about the vehicle that is requested by the Department so that the Department can provide a vehicle identification card for that vehicle.*

*9. A licensed marijuana distributor can us any vehicle to transport as long as the marijuana is in a lockbox or locked cargo area. Live plants can be transported in a fully enclosed, windowless locked trailer or secured area inside body/compartment of a locked van or truck not within view from the outside. If the value of the marijuana and marijuana products being transported is in excess of $10,000, the transporting vehicle must be equipped with a car alarm with sound or have two marijuana establishment employees with agent cards involved in the transportation unless the licensed marijuana distributor is vertically integrated and will be transporting the product between its own establishments.*

*10. Transporting vehicle cannot have any advertising or markings related to marijuana.*

*11. All marijuana and marijuana product when transported by vehicle must be transported in sealed packages and containers and remain unopened during transport. All marijuana and marijuana product must be tagged with a unique identified tag as required by the Department and remain tagged during transport whether or not that transportation is by vehicle.*

*12. Licensed marijuana distributor’s facilities must meet the same requirements required for other marijuana establishment licenses, if applicable, including but not limited to, proper zoning, enclosed and locked premises, climate control, an inventory control system, and security. All licensed premises are subject to inspection by the Department. The physical address of all facilities must be submitted to the Department on the application for a marijuana distributor’s license. A licensed marijuana distributor must notify the Department if it moves its facilities.*

*13. Transportation hours should be reasonable as to allow for delivery to a marijuana establishment during operating hours. If transportation occurs by vehicle, the licensed marijuana distributor transporting marijuana and marijuana products must only travel to and from licensed marijuana establishments and must not make any unnecessary stops that are not disclosed in the trip plan and shipping manifest. The transporting vehicle may make fuel stops as necessary and keep a list of designated fuel stops along the route that can be submitted to the Department upon request. If the transport vehicle is stopped at an unlicensed location, is involved in a traffic accident, or the vehicle breaks down and scheduled travel is interrupted for more than 2 hours, the distributor must notify the Department of the interruption.*

*14. If a licensed marijuana distributor is transported by vehicle, all marijuana and marijuana product should be inventoried and accounted for and loaded into transporting vehicle within view of existing video surveillance systems prior to leaving origination location.*

*15. A licensed marijuana distributor may use the seed-to-sale tracking system or another tracking system approved by the Department to create shipping manifests documenting the transport of marijuana and marijuana products between non-vertically integrated marijuana establishments or record the transfer of marijuana and marijuana products between vertically integrated marijuana establishments into the tracking system. A paper manifest is to be kept with product at all times or there must be access to a digital copy, unless the licensed marijuana distributor is transporting marijuana and marijuana products between vertically integrated marijuana establishments.*

1. *For non-vertically integrated marijuana establishments, when the licensed marijuana establishment receives marijuana and marijuana products, it must ensure that the marijuana and marijuana products received are described in the manifest, match the product batch and lot numbers on the invoice or purchase order and record receipt in the tracking system.*
2. *For vertically integrated marijuana establishments, when the licensed marijuana establishment receives marijuana and marijuana products, it must record the receipt in the tracking system.*

*16. The manifest or trip plan created must include the type of marijuana being transported along the with unique ID tag information and amount and/or weight, name of transporter and contact information, information about the transporting vehicle contained in the vehicle identification card issued by the Department, date and times of departure and expected delivery, and name of licensed marijuana establishment receiving the marijuana and marijuana product and contact information for that establishment.*

*17. A licensed marijuana distributor can only transport marijuana and marijuana products between licensed marijuana establishments. If the licensed marijuana distributor also holds other marijuana establishment licenses that are located on the same premises, such as a marijuana cultivation facility and a marijuana product manufacturing facility, the licensed marijuana distributor may transport marijuana and/or marijuana products between those facilities located on the same premises. A licensed marijuana distributor cannot purchase or sell marijuana and marijuana products from a licensed marijuana establishment.*

*18. A licensed marijuana distributor is responsible for the marijuana and marijuana product once it takes control of the product and leaves the premises of the marijuana establishment.*

*19. A licensed marijuana distributor may only transport marijuana and marijuana products within Nevada.*

*20. A licensed marijuana distributor must report any vehicle accident that occurs during transportation and report any loss or theft of marijuana and marijuana products that occurs during transportation to the Department and law enforcement. A licensed marijuana distributor must retain all documentation of the reports for 5 years and provide to the Department upon request.*

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

*Guiding Principle 1 - Be responsive to the needs and issues of consumers, non-consumers, local governments and the industry*

*Guiding Principle 2 - Ensure that youth are protected from the risks associated with marijuana, including preventing the diversion of marijuana to anyone under the age of 21*

*Guiding Principle 3 - Propose efficient and effective regulation that is clear and reasonable and not unduly burdensome*

*Guiding Principle 4 - Establish regulations that are clear and practical, so that interactions between law enforcement (at the local, state and federal levels), consumers, and licensees are predictable and understandable*

*Guiding Principle 7 - Take action that is faithful to the text of Question 2*

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

*NRS 453D.120 (4): Possess marijuana and marijuana products and transfer and transport marijuana and marijuana products between marijuana establishments, if the person transporting the marijuana and marijuana products has a current, valid license to operate as a marijuana distributor or is acting in his or her capacity as an agent of a marijuana distributor.*

*NRS 453D.200 (1) (c), (d), (g), and (h): 1.   Not later than January 1, 2018, the Department shall adopt all regulations necessary or convenient to carry out the provisions of this chapter. The regulations must not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impracticable. The regulations shall include: (c) Requirements for the security of marijuana establishments; (d) Requirements to prevent the sale or diversion of marijuana and marijuana products to persons under 21 years of age; (g) Requirements for record keeping by marijuana establishments; and (h) Reasonable restrictions on signage, marketing, display, and advertising.*

*NRS 453D.300 (1) & (5)   In addition to requirements established by rule pursuant to* [*NRS 453D.200*](https://www.leg.state.nv.us/NRS/NRS-453D.html#NRS453DSec200)*:*

*1.   Marijuana establishments shall:*

*(a)  Secure every entrance to the establishment so that access to areas containing marijuana is restricted to persons authorized to possess marijuana;*

*(b)  Secure the inventory and equipment of the marijuana establishment during and after operating hours to deter and prevent theft of marijuana;*

*(c) Determine the criminal history of any person before the person works or volunteers at the marijuana establishment and prevent any person who has been convicted of an excluded felony offense or who is not 21 years of age or older from working or volunteering for the marijuana establishment.*

*5.   A marijuana establishment is subject to reasonable inspection by the Department, and a person who holds a marijuana establishment license must make himself or herself, or an agent thereof, available and present for any inspection required by the Department. The Department shall make reasonable accommodations so that ordinary business is not interrupted and safety and security procedures are not compromised by the inspection.*

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

*Operational requirements for licensed marijuana distributors*

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

*Group discussion to occur on March 29, 2017 regarding the Temporary Regulations for the Regulation of Marijuana*

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

*These recommendations should only need to be addressed in regulation.*

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

*None*