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:*

***I. LICENSING REQUIREMENTS***

***Marijuana Distributors***

1. *To transport marijuana and marijuana products, an entity must have a marijuana distributor’s license with the exception of:*
   1. *Delivery of marijuana and marijuana products by a licensed marijuana retail store to a consumer (see definition of Marijuana Distributor, NRS 453D.030 (10));*
   2. *Transporting of marijuana and marijuana products for testing by a licensed marijuana testing facility pursuant to NRS 453D.120 (5);*
   3. *Transporting of marijuana and marijuana products by a licensed marijuana cultivation facility or a licensed marijuana product manufacturing facility to or from a licensed marijuana testing facility, licensed marijuana cultivation facility or a licensed marijuana product manufacturing facility pursuant to NRS 453D.120(2) & (3); or*
   4. *Transporting of medical marijuana (NRS 453A.362(4)).*
2. *Licensed marijuana distributors may enter into service agreements or 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.*
3. *A licensed marijuana distributor must use an inventory tracking system that is in compliance with the Department* *similar to what is required in NRS 453A.356.*
4. *A licensed marijuana distributor cannot purchase or sell marijuana and marijuana products unless they also hold another marijuana establishment license that allows for the purchase and sale of marijuana and marijuana products.*

***Employees***

1. *Employees of licensed marijuana distributors, including drivers and occupants transporting marijuana and marijuana products, must be 21 years of age or older and must obtain a valid agent card issued by the Department of Taxation (Department).*
2. *While engaged in the transportation of marijuana and marijuana products, any person that occupies a transport vehicle when it is loaded with marijuana must have their physical agent card in their possession.*
3. *All drivers must 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, or disclose to all parties that their drivers are not bonded.*
4. *Agent cardholders and the licensed marijuana distributor they work for are responsible for the marijuana and marijuana product once it takes control of the product and leaves the premises of the marijuana establishment.*

***II. LOAD RESTRICTIONS***

1. *There is no load limit on the amount or weight of marijuana and marijuana products that is being transported by a licensed marijuana distributor.* *Limitations are addressed through other regulations (DOT, Insurance coverage etc.)*
2. *When transporting by vehicle, marijuana and marijuana product must be 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 so that they are not visible to the outside.*
3. *If the value of the marijuana and marijuana products being transported by vehicle is in excess of $10,000 (the insured value per the shipping manifest), the transporting vehicle must be equipped with a car alarm with sound or have two of the marijuana distributor’s employees with agent cards involved in the transportation.*
4. *All marijuana and marijuana product must be tagged for purposes of inventory tracking with a unique identifying label as required by the Department and remain tagged during transport.* *This unique identifying label should be similar to the label required in NRS 453A.360(4).*
5. *All marijuana and marijuana product when transported by vehicle must be transported in sealed packages and containers and remain unopened during transport.*
6. *All marijuana and marijuana product transported by vehicle should be inventoried and accounted for in the inventory tracking system. Loading and unloading of marijuana and marijuana products from the transporting vehicle must be within view of existing video surveillance systems prior to leaving origination location.* *Security requirements should be similar to those in NAC 453A.420.*

***III. VEHICLE REQUIREMENTS***

1. *Licensed marijuana distributors that will be transporting the product between its own licensed establishments that are contained within the same building, are contiguous or are located within 500 feet of each other are not required to transport by vehicle.*
2. *A licensed marijuana distributor can use any vehicle that meets the vehicle requirements in NRS Chapter 484D and sections 3-5 below, to transport marijuana and marijuana products.*
3. *Licensed marijuana distributors must obtain approval from the Department for each vehicle it is intending to use for distribution of marijuana and marijuana products. The Department will issue an identification card containing information as determined by the Department for each vehicle and this card is to be kept in the vehicle at all times.*
4. *Licensed marijuana distributor’s transporting vehicles cannot have any advertising or markings related to marijuana.*
5. *Licensed marijuana distributor’s transport vehicles are subject to inspection by the Department, similar to inspection procedures in 453A.*

***IV. TRANSPORTATION REQUIREMENTS***

1. *Licensed marijuana distributors can transport marijuana and marijuana product from multiple licensed marijuana establishments but cannot transport marijuana with any other product unless that product is merchandise, packaging or promotional items directly related to the product being transported.*
2. *Transportation hours should be reasonable as to allow for delivery to a licensed marijuana establishment during operating hours.*
3. *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.*
4. *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 by means determined by the Department.*
5. *A licensed marijuana distributor may use the inventory tracking system approved by the Department to create shipping manifests documenting the transport of marijuana and marijuana products between marijuana establishments that are not co-located. A paper manifest or digital copy is to be kept with product at all times unless the licensed marijuana distributor is transporting marijuana and marijuana products between co-located marijuana establishments.* 
   1. *For licensed marijuana establishments that are not co-located, 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 run, batch and/or lot numbers on the invoice or purchase order and record receipt in the tracking system.*
   2. *For co-located licensed marijuana establishments, when the licensed marijuana establishment receives marijuana and marijuana products, it must record the receipt in the tracking system.*
6. *The manifest or trip plan created must include:*
   1. *The type of marijuana being transported along the information contained on the unique identifying label;*
   2. *Amount and/or weight of marijuana and marijuana products being transported;*
   3. *Name of transporter and contact information;*
   4. *Information about the transporting vehicle contained in the vehicle identification card issued by the Department;*
   5. *Date and times of departure and expected delivery; and*
   6. *Name of licensed marijuana establishment receiving the marijuana and marijuana product and contact information for that establishment.*
7. *A licensed marijuana distributor may only transport marijuana and marijuana products within Nevada.*

***V. OTHER REQUIREMENTS***

1. *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.*
2. *A licensed marijuana distributor must retain all reports for 5 years and provide to the Department upon request.*
3. 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.

*No Dissent*

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

*Most of these recommendations should only need to be addressed in regulation. A statute may be needed if we want to include a marijuana distributor’s license for transportation of medical marijuana.*

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

*None*