1. Working group name:

*Production/Manufacturing Working Group*

1. Individual sponsor(s):

*Anna Thornley, Department of Taxation*

*Jennifer Lazovich, Kaempfer Crowell*

*Chad Westom, DPBH*

1. Describe the recommendation:

 *Proposal to streamline and ensure consistent inspection requirements of recreational establishments by the same State agency.*

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

 *Guiding Principal 4 - propose efficient and effective regulation that is clear and reasonable and not unduly burdensome.*

*Guiding Principal 6 - 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.*

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

*Requirements concerning operations of marijuana establishments.*

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

 *The recommendation provides that the same State agency should be in charge of inspecting both medical and recreational operations so that there is a single point for inspection and enforcement.*

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 if the programs are merged under the Department of Taxation. If the medical and recreational marijuana programs are not merged under the Department of Taxation, Anna Thornley has noted a concern about the feasibility of there being a single agency performing State inspections.*

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

*A regulation should be adopted stating that both the medical and recreational marijuana establishments shall be inspected by the same state agency to ensure consistency and efficiencies between state and marijuana operations. If the medical and recreational marijuana programs are combined into the Department of Taxation, then we suggest the following changes be made to NAC 453A.320 and NAC 453A.322.*

***NAC 453A.320  Health and safety inspections of establishments. (***[*NRS 453A.370*](https://www.leg.state.nv.us/NRS/NRS-453A.html#NRS453ASec370)***)***

*1.  The Department may, at any time it determines an inspection is needed, conduct an investigation into the premises, facilities, qualifications of personnel, methods of operation, policies and purposes of any marijuana establishment and of any person proposing to engage in the operation of a ~~medical~~ marijuana establishment. An inspection of a facility may include, without limitation, investigation of standards for safety from fire on behalf of the Department by the local fire protection agency. If a local fire protection agency is not available, the State Fire Marshal may conduct the inspection after the ~~medical~~ marijuana establishment pays the appropriate fee to the State Fire Marshal for such inspection.*

*2.  The Department will not issue a ~~medical~~ marijuana establishment registration certificate until the Department completes an inspection of the ~~medical~~ marijuana establishment. Such an inspection may require more than one visit to the ~~medical~~ marijuana establishment.*

*3.  ~~In addition to complying with the provisions of~~* [*~~chapter 372A~~*](https://www.leg.state.nv.us/NRS/NRS-372A.html#NRS372A) *~~of NRS and~~* [*~~chapter 372A~~*](https://www.leg.state.nv.us/NAC/NAC-372A.html#NAC372A) *~~of NAC governing the imposition of an excise tax on medical marijuana establishments,~~ ~~a medical~~ A marijuana establishment may not operate until it has been issued a ~~medical~~ marijuana establishment registration certificate from the Department.*

*4.  TheDepartment will not issue a ~~medical~~ marijuana establishment registration certificate until it has received a satisfactory report of full compliance with and completion of all applicable public safety inspections required by state and local jurisdictions, including, without limitation, fire, building, health and air quality inspections, except as otherwise provided in subsection 3 of* [*NAC 453A.426*](https://www.leg.state.nv.us/NAC/NAC-453A.html#NAC453ASec426)*.*

*(Added to NAC by Div. of Pub. & Behavioral Health by R004-14, 3-28-2014, eff. 4-1-2014)*

***NAC 453A.322  Inspections of establishments. (***[*NRS 453A.370*](https://www.leg.state.nv.us/NRS/NRS-453A.html#NRS453ASec370)***)***

*1.  Submission of an application for a ~~medical~~ marijuana establishment registration certificate constitutes permission for entry to and reasonable inspection of the ~~medical~~ marijuana establishment by the Department~~Division~~, with or without notice. An inspector conducting an inspection pursuant to this section does not need to be accompanied during the inspection.*

*2.  The Department may, upon receipt of a complaint against a ~~medical~~ marijuana establishment, except for a complaint concerning the cost of services, a complaint concerning the efficacy of ~~medical~~ marijuana or a complaint related to customer service issues, conduct an investigation during the operating hours of the ~~medical~~ marijuana establishment, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation, policies, procedures and records of that ~~medical~~ marijuana establishment or any other ~~medical~~ marijuana establishment which may have information pertinent to the complaint.*

*3.  TheDepartment may enter and inspect any building or premises at any time, with or without notice, to:*

*(a) Secure compliance with any provision of this chapter or* [*chapter 453A*](https://www.leg.state.nv.us/NRS/NRS-453A.html#NRS453A) *of NRS;*

*(b) Prevent a violation of any provision of this chapter or* [*chapter 453A*](https://www.leg.state.nv.us/NRS/NRS-453A.html#NRS453A) *of NRS; or*

*(c) Conduct an unannounced inspection of a ~~medical~~ marijuana establishment in response to an allegation of noncompliance with this chapter or* [*chapter 453A*](https://www.leg.state.nv.us/NRS/NRS-453A.html#NRS453A) *of NRS.*

*4.  The Department will enter and inspect at least annually, with or without notice, each building or the premises of a ~~medical~~ marijuana establishment to ensure compliance with the standards for health and sanitation.*

*5.  The Department will enter and inspect, with or without notice, any building or premises operated by a ~~medical~~ marijuana establishment within 72 hours after the Department is notified that the ~~medical~~ marijuana establishment is operating without a ~~medical~~ marijuana establishment registration certificate.*

*(Added to NAC by Div. of Pub. & Behavioral Health by R004-14, 3-28-2014, eff. 4-1-2014)*

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

 *It would be more cost effective to have one agency conduct inspections of both medical and recreational marijuana facilities.  This will ensure cost efficiencies for the state as well as consistency in application of inspections for operators of both medical and recreational marijuana operations.*