1. Working group name:

*Operations- Retail Establishment*

1. Individual sponsor(s):

*Andrew Jolley, President, Nevada Dispensary Association*

1. Describe the recommendation:

*The Operations- Retail Establishment working group recommends that to the degree possible, dual licensed medical marijuana establishments (MMEs) and recreational marijuana establishments (RMEs) should not be required to segregate inventory into medical and recreational products. Although some segregation and delineation may be required based on current tax structures, the working group recommends that to the degree possible, all marijuana products should be inventoried and handled the same way until the point of sale.*

*These recommendations are based on the following propositions:*

* *Segregating inventory into medical and recreational products would lead to operational inefficiencies and will ultimately increase the cost to patients and consumers;*
* *The Nevada medical marijuana program leads the nation in its inventory and tracking standards;*
* *The Nevada medical marijuana program has been successful in protecting patient and public health and safety;*
* *Colorado operators and regulators have advised Nevada legislators to avoid the inefficiencies and confusion that results from unnecessarily segregating product inventory; and*
* *Products can be designated as a medical or recreational purchase at the point of sale for tax and reporting purposes.*
1. Which guiding principle(s) does this recommendation support?

*Efficient inventory management promotes the guiding principle to be responsive to the needs and issues of consumers, non-consumers, local governments, and the industry. The measure would also promote efficient and effective regulations that are clear and reasonable and not unduly burdensome.*

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

*This recommendation applies to Initiative Petition 1 (“IP1”), Section 5, which bestows the responsibility for regulating recreational marijuana in the Department of Taxation. Section 13.1.b requires MREs to “Secure the inventory and equipment of the marijuana establishment during and after operating hours to deter and prevent theft of marijuana.” Allowing products to be stored together and not requiring unnecessary segregation and delineation will assist MREs to operate more efficiently and to better secure inventory.*

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

*Allowing products to be stored together and not requiring unnecessary segregation and delineation will assist MREs to operate more efficiently and to better secure inventory.*

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

*No.*

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

*This recommendation can be taken by Department of Taxation as a general guideline when promulgating regulations that will affect inventory management. Additionally, in the event that tax structures for medical and recreational products become normalized, this recommendation can be implemented to apply to all or most products in dual licensed facilities.*

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

*The intent of this recommendation is to save money.*

\*Submit to**kelly@quantummark.com**and**mkretch@quantummark.com**when completed and ready for presentation to the Task Force