1. Working group name:

*Taxation/Revenue/Regulatory Structure Working Group*

1. Individual sponsor(s):

*John Ritter, Advisory Board Member for TGIG, LLC (A.K.A. "The Grove")*

*David Goldwater, Inyo Fine Cannabis Dispensary*

1. Describe the recommendation:

*The Taxation/Revenue/Regulatory Structure Working Group recommends that the following changes relative to recreational marijuana establishment licensee ownership issues be made from the current medical marijuana establishment rules.*

*a) Require only owners with 5% or more cumulatively (please see below for a definition of cumulatively), directors and officers of the company(s) holding the license(s) to be fingerprinted, be required to undergo a background check and resubmit a new application for license renewal. [IN ORDER TO MAKE MEDICAL CONSISTENT NEED TO CHANGE 453A.332 PARAGRPH 5]*

*b) Require all owners, regardless of ownership, to be fingerprinted, be required to undergo a background check and resubmit a new application only every five years whether for a renewal or not.*

*c) Only require owners with 5% or more ownership cumulatively, directors and officers of the company(s) holding the license(s) and employees of the company to obtain agent registration cards.*

*[FOR MEDICAL: Officers and Board members must obtain agent cards under 453A.410 (2) (a). An owner with less than 5% interest, that is not an officer or board member, does not need to obtain an agent card pursuant to NAC 453A.302.]*

*d) For the purposes of signing ownership transfers, applications and any other appropriate legal or regulatory documentation, the Department shall look to the governing documents of the company that holds the license to assess who has approval rights and signatory authority. If the documents require a vote to establish that authority then the Department shall have the right to request documentation evidencing that a vote has taken place.*

*[NOT SURE WHY THIS IS CURRENTLY REQUIRED BY DPBH - WHETHER STATUTORILY OR REGULATORILY?]*

*"Cumulative" shall mean the cumulative ownership any particular natural person holds in any Nevada company(s) that owns licensed recreational marijuana establishments.*

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?

*Section 2 (b) of IP1 states that "Business owners are subject to a review by the State of Nevada to confirm that the business owners … are suitable to produce or sell marijuana;"*

*Section 5 paragraph 1 of IP1 states that "The regulations must not prohibit the operation of marijuana establishments, either expressly or through regulations that make their operation unreasonably impractical."*

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

*To allow companies that own marijuana establishment licenses in which there are multiple owners that own less than 5%, in some cases far less, to be able to operate practically and efficiently. To allow companies that own marijuana establishment licenses to function based on their governing documents as companies are allowed to do in other industries.*

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?

 *There would need to be adoption of a regulation to address this recommendation.*

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

*None*