1. Working group name:

*Operations- Retail Establishment*

1. Individual sponsor(s):

*Riana Durrett, Executive Director, Nevada Dispensary Association*

1. Describe the recommendation:

*The Operations- Retail Establishment working group recommends that the Department of Taxation (“Department”) apply the medical marijuana program regulations to the retail marijuana program, with certain exceptions. Nevada’s medical marijuana program is exemplary in many areas and the medical marijuana regulations should be adopted and applied to recreational marijuana, with the exceptions identified and discussed below. The exceptions below pertain to dispensaries as other working groups are expected to address the regulations that pertain to their designated subject matter.*

*The regulations promulgated under IP1 should be codified in a separate sub-chapter, for example, NAC 453D.*

1. ***Application to Operate Establishment***

*NAC 453A.304 to NAC 453A.332 provide the requirements for applying for and renewing a*

*license to operate a medical marijuana establishment. These requirements would need to be revised to reflect the mandates under IP1, including the provisions for dual licensure.*

1. ***Entry and Identification of Patients/Customers***

*Under NAC 453A.406, a person must be a patient or primary caregiver to be on the premises of a dispensary, other than registered agents and properly authorized visitors.*

*NAC 453D should only limit persons under 21 years of age from entering a dispensary. Those persons should be limited to the retail/customer area and not allow access to restricted areas, unless they are a properly authorized visitor who is accompanied and monitored by a registered agent at all times. NAC 453D should adopt the same provisions as NAC453A with regards to visitor access, visitor identification, visitor logs, etc.*

*NAC 453D should specify that any person can enter the dispensary by showing proof they are 21 years of age or proof they are a patient or caregiver. However, persons entering the dispensary who wish to go beyond the customer/retail area of the dispensary must be a registered agent, properly authorized visitor, or law enforcement or regulator.*

*Any dispensary that allows entry of those under 21 years of age that is not properly authorized shall be subject to disciplinary action ranging from a fine to revocation, depending on the culpability of the dispensary.*

1. ***Patient Records***

*NAC 453A.452 sets forth the requirements pertaining to patient records and requiring*

*documentation for denial of sales to a patient. NAC453D should eliminate this requirement.*

1. ***Tracking Sales***

*Under NAC 453A.412, a dispensary agent must verify patient identification, offer education*

*materials, verify purchase would not exceed patient’s 2.5 ounce limit, verify the validity of the patient card, and enter the patients identification, purchase amount, and information about the dispensary into the on-line portal and inventory control system.*

*NAC 453D should eliminate each of these requirements. NAC453D should only impose the 1-ounce*

*purchase limit, but not require a customer to show any identifying information, other than proof that the person is over 21 years of age and it should not require the dispensary to document any information provided by the customer.*

1. ***Obtaining Products and Transfers Between Establishments***

*NAC 453A.414 limits which MME type may acquire and provide marijuana to and from another MME Type. For example, a dispensary may not obtain marijuana from another dispensary.*

 *NAC 453D should not contain any limits on which establishment may acquire marijuana from which establishment type or which establishment type can transport to another establishment type.. NAC453D should include provisions for documenting products legally obtained from persons legally authorized to cultivate marijuana pursuant to IP1. NAC453D should extend the documentation required for receiving marijuana from a medical marijuana establishment under NAC453A.414(c) to require the same documentation in the retail marijuana program. Similarly, the same documentation should be required when providing marijuana as required under NAC453.414(e). Similarly, the documentation required when acquiring and selling edible marijuana, infused marijuana, and concentrated cannabis should also be required when acquiring or selling those products in the retail market.*

1. ***Labeling***

*Under NAC453A.510, the dispensary must affix a label to each product that includes various information, such as patient name. Under IP1, the Department should revise the requirements for labeling retail marijuana to reflect the provision in IP1 that precludes the Department from tracking customer information.*

*Further, the Department should require dispensaries to include label information with each purchase, but it should not require each dispensary to “affix” the label to the product. Dispensaries have faced unnecessary challenges from the requirement to “affix” the label because some products are too small for a label. The dispensary should be required to provide the label information with the purchase, just as prescription drug information is often provided in a separate booklet with the purchase of the prescription.*

*Further modifications to the labeling requirements should be addressed in a separate recommendation.*

1. ***Purchase limits***

*NAC 453A.412 requires verification of patient purchase limits and requires dispensaries to only sell within those limits. Any limits under NAC453D would be 1 ounce of marijuana or 1/8th of an ounce of concentrated cannabis, per IP1, but the dispensary is not required to track purchase amounts as they are under the medical marijuana program.*

1. ***Transportation and Distribution***

*NAC 453A.416 sets forth the requirements when transporting medical marijuana.*

*This section needs to be revised to allow delivery from a marijuana dispensary to persons over 21 years of age. The regulation should be revised to require verification of the customer’s age, but no other information should be required or documented, other than for consensual marketing purposes.*

1. ***Training***

*Training is currently addressed under NAC 453A.336. The same training should be required*

*under NAC 453, but should be expanded. Further training requirements will be proposed in a separate recommendation.*

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

*This recommendation promotes 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 vests the responsibility for regulating recreational marijuana in the Department of Taxation and allows for a “dual license” of retail and medical establishments.*

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

*The sponsor of this recommendation and leaders in the medical marijuana industry, including legislators and regulators, strongly recommend that the Department adopt the medical marijuana regulations to regulate the retail marijuana market, with specific exceptions and adaptations. The medical marijuana regulations lead the nation in testing, tracking, safety, etc. However, not all of the current regulations are compatible or consistent with IP1 and thus some must be revised to comport with IP1. The regulations that pertain to dispensaries that must be revised to comport with IP1 are addressed above.*

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?

*The Department will need to promulgate regulations pertaining to the retail marijuana program, as mandated by IP1. The Department should adopt the same regulations that apply to the medical marijuana, with specific exceptions. The exceptions that apply to dispensaries are discussed above.*

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

*Not known*

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