City of Carson City Agenda Report

Agenda Date Requested: September 18, 2014 Date Submitted: September 9, 2014 Time Requested: One Hour To: Mayor and Board of Supervisors From: Community Development – Planning Division Subject Title: For Possible Action: To provide direction to staff regarding an ordinance amending Title 4, Licenses and Business Regulations, Chapter 4.04, Business Licenses to address fees and regulations for Medical Marijuana Establishments in Carson City. (Lee Plemel and Susan Dorr Pansky) Summary: Staff has begun to prepare an ordinance to amend Title 4, Licenses and Business Regulations, Chapter 4.04, Business Licenses for consideration by the Board of Supervisors in October 2014. Staff has so far only incorporated proposed Business License fees into the ordinance and requests direction from the Board on the proposed fees, as well as additional regulations for Medical Marijuana Establishment Business Licenses that should be included in the ordinance. Type of Action Requested: Resolution Ordinance Other (No Action) ▼ Formal Action/Motion Does This Action Require a Business Impact Statement: \(\subseteq \text{Yes} \quad \mathbb{N} \text{No} \) Recommended Board Action: (No action required. The Board may, by motion, provide direction to staff regarding certain regulations for Medical Marijuana Establishment Business Licenses to assist staff in preparing an appropriate ordinance amendment to bring back for review and action.) Explanation for Recommended Board Action: Staff needs direction from the Board on the proposed Medical Marijuana Establishment Business License fees as well as direction on additional regulations to include in the ordinance for Medical Marijuana Establishments. See the attached draft ordinance with changes that have been proposed thus far. Applicable Statute, Code, Policy, Rule or Regulation: CCMC 4.04 Business Licenses Fiscal Impact: N/A Explanation of Impact: N/A

Alternatives:

Funding Source: N/A

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Supporting Material:

- 1) Draft Ordinance Amending Chapter 4.04, Business Licenses
- 2) List of Business License Fees for Medical Marijuana Establishments in other NV jurisdictions

Prepared By	: Susan Dorr Pansky, Planning Ma	nager		
Reviewed By:	(Community Development Director) (City Manager) (District Attorney & Office) (Finance Director)		Date:	3/14 5/16/
Board Actio	n Taken:			
Motion:		1)		Aye/Nay
	(Vote Recor	rded By)		

ORDINANCE NO. 2014-

BILL NO.

AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04, BUSINESS LICENSE, SECTION 4.04.005, DEFINITIONS, BY ADDING DEFINITIONS FOR MEDICAL MARIJUANA ESTABLISHMENTS; AND SECTIONS 4.04.020, 4.04.031, AND 4.04.040 BY ADDING FEES FOR MEDICAL MARIJUANA ESTABLISHMENTS AND EXEMPTING MEDICAL MARIJUANA ESTABLISHMENTS FROM CERTAIN FEES, AND OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, Senate Bill 374, commonly referred to as the "Medical Marijuana Act," was adopted by the Nevada Legislature during its 77th regular session in 2013 (SB 374) and was approved by the Governor on June 12, 2013; and

WHEREAS, state regulations to facilitate the implementation of SB 374 were finalized by the Nevada Division of Public and Behavioral Health (Division) on April 1, 2014; and

WHEREAS, delta-9-tetrahydrocannabinol or THC, the primary active ingredient in marijuana, has been found to have medicinal benefits; and

WHEREAS, despite Nevada's decriminalization pertinent to medical marijuana pursuant to Senate Bill 374 of the 77th Regular Session 2013 (SB 374), marijuana remains a Schedule I controlled substance under the federal Controlled Substances Act (CSA) (<u>Pub.L. 91–513</u>, 84 <u>Stat. 1236</u>, enacted October 27, 1970, codified at <u>21 U.S.C. § 801</u> et. seq.); and

WHEREAS, a Schedule I controlled substance under the CSA is defined as a drug that has a high potential for abuse (21 U.S.C. § 812); and

WHEREAS, regardless of such recognized danger, proponents of medical marijuana argue it is a safe and effective treatment for the symptoms of cancer, AIDS, multiple sclerosis, pain, glaucoma, epilepsy, and other conditions; and

WHEREAS, opponents of medical marijuana argue it lacks FDA-approval, is addictive, may lead to harder drug use, interferes with fertility, impairs driving ability, may injure the lungs, immune system, and/or brain, increases heart rate and anxiety, is considered to be a front for drug legalization and recreational use, and is unnecessary given the availability of other medication including Marinol (synthetic form of THC); and

WHEREAS, of paramount importance to Carson City is the protection of its citizens' health and, thus, to keep its citizens from being exposed to the risks associated with easier access to marijuana; and

WHEREAS, medical marijuana, despite purported benefits to legitimate patients, may rob its users of free will and interfere with users' abilities to make informed and rational decisions; and

WHEREAS, despite purported medicinal benefits, marijuana has adverse effects in the form of increased health care costs, increased violence associated with drug usage, neglect of children, and other third party effects; and

WHEREAS, decriminalizing medical marijuana may send the message to children that usage of medical marijuana is no different than the usage of any other prescribed medication they may find in the home; and

WHEREAS, the ease of access to marijuana, medical or otherwise, will also mean children will have easier access to this drug; and

WHEREAS, despite the restrictions and regulations of MMEs in Nevada, there will be abuse causing interference with other aspects of life, just like with any prescription drug, necessitating addiction treatment in some cases; and

WHEREAS, despite arguments that decriminalizing medical marijuana will raise tax revenue, the adverse effects to health, safety and welfare of citizens cannot be ignored and any revenue gained must be offset by resultant social costs; and

WHEREAS, for example, for every \$1 in alcohol and tobacco taxes raised there are \$10 paid out on the resulting social costs (see Sabet, Baker Institute Bolg, Rice University, Marijuana: A case against legalization (September 25, 2012); and

WHEREAS, currently the Carson City Municipal Code (CCMC), including portions pertinent to zoning, special use permits, building permits and business licenses, does not allow for MMEs as contemplated by SB 374; and

WHEREAS, upon utilizing an equitable standard, section 2.260 of the Carson City Charter (Charter) gives Carson City the power to fix, impose and collect a license tax for revenue or for regulation, or both, upon MMEs doing business here; and

WHEREAS, sections 10 at subsections 3(a)(5) and section 11.5 of SB 374 acknowledges Carson City's right to issue business licenses to such MMEs; and

WHEREAS, when a power to license is given the intendment must be that regulation is the object and, indisputably, Carson City may regulate its licensees; and

WHEREAS, section 10.5 of SB 374 specifically acknowledges Carson City's right to regulate in the areas of zoning, land use and signage pertinent to MMEs; and

WHEREAS, in light of the foregoing, Carson City may regulate MMEs doing business here, provided that in doing so it does nothing inconsistent with state law; and

WHEREAS, the fees for the issuance of a business license taxes or fees to be exacted from MMEs doing business here have been arrived at using an equitable standard in light of the costs associated with such businesses, including an increase in criminal justice costs.

THEREFORE, THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

Section I: Title 4, Chapter 4.04, Section 4.04.005 of the Carson City Municipal Code is hereby amended as follows (added text is **underlined** and deleted text is [stricken]):

4.04.005 - Definitions.

As used in this title, unless the context requires otherwise, the following words shall have the meaning as set forth in this chapter:

- 1. "Advertise" means to call attention to a product, service or business so as to promote sales. Business cards used as identification and invoices are not to be considered advertising.
- 2. "Billboards and off-premise signs" means all businesses that own billboards or off-premise signs (as defined in CCMC Title 18) for advertisement.
- 3. "Block Party" means an event in a residential neighborhood intended primarily for residents only, may not be advertised outside of the affected area, and that may involve a street closure.
- 4. "Board" means the board of supervisors of Carson City.
- 5. "Business" or "doing business" means, except as provided herein, all professions, trades, occupations and callings carried on for profit, and in addition includes labor unions, labor organizations and trade unions; however, "business" does not include the rental of three (3) or less residential units.
- "Commercial rentals" means any leased nonresidential office unit or units.
- 7. "Contract office business" means a person doing business in Carson City without employees in Carson City by using the services of a shared resident office staff in Carson City.
- 8. "Contractor" means a person required by the state of Nevada Contractors Board to have a license as a contractor, whether the person is a general or subcontractor.
- 9. "Event Organizer" means any person who conducts, manages, promotes, organizes, aids, or solicits attendance at a special event or block party with or without compensation.
- 10. "Garage sale" means the occasional and casual sale of personal property open to the

public and held on the seller's own residential premises and includes a "lawn sale," "yard sale," "attic sale," "rummage sale" and other similar sales.

- 11. "Hobby-Supplemental income business" means any activity conducted as a hobby, or to supplement one's income, if the gross income derived from such activity does not exceed three thousand five hundred dollars (\$3,500.00) per year.
- 12. "Home occupation business" means a person, excluding contractors conducting business out of a residence and whose business complies with the home occupation regulations of Title 18 of the CCMC.
- 13. "Independent contractor" means a person who contracts to do a piece of work according to his or her own methods and is subject to an employer's control only as to the final result of the work. Examples are, but not limited to: all real estate agents, insurance agents, stockbrokers, hairdressers, and shoe shiners. Employees of licensees are not independent contractors for the purposes of this chapter.
- 14. "Medical Marijuana Cultivation" means a business having the meaning ascribed in State law, registered with the State of Nevada, which acquires, possesses, cultivates, delivers, transfers, transports, supplies, or sells marijuana and related supplies to Medical Marijuana Dispensaries, Medical Marijuana Production Facilities, or other Medical Marijuana Cultivation Facilities.
- 15. "Medical Marijuana Dispensary" means a business having the meaning ascribed in State law, registered with the State of Nevada, which acquires, possesses, delivers, transfers, transports, supplies, sells, or dispenses marijuana or related supplies and educational materials to the holder of a valid State registry identification card.
- 16. "Medical Marijuana Production" means a business having the meaning ascribed in State law, registered with the State of Nevada, for the production of edible marijuana products or marijuana-infused products and acquires, possesses, manufactures, delivers, transfers, transports, supplies, or sells edible marijuana products or marijuana-infused products to Medical Marijuana Dispensaries.
- [44]17. "Out-of-town business" means a person, excluding a contractor, conducting business in Carson City without a physical address in Carson City.
- [45]18. "Person" means a corporation, association, syndicate, partnership, club, trust, independent contractor or natural person but does not include employees of businesses licensed under this chapter unless an employee is an owner of the business.
- [46]19. "Premises" means actual space of a particular business which would include surrounding sidewalks and designated parking.
- [47]20. "Professional" means one whose practice of a profession requires advanced education and a license from a state licensing agency, board, commission or court.
- [48]21. "Nonprofit organization" means all institutions, corporations, organizations or associations that are for charitable, eleemosynary or civic purposes and whose donations or receipts received are not used for the private gain of any person.
- [49]22. "Short-term" means conducting business in Carson City for a period of 60 days

or less.

- [20]23. "Special Event" means any indoor or outdoor activity taking place on private or public property for a period up to five consecutive days which is open to the public whether or not a fee is charged for admission, entrance, or other participation and is not the primary licensed nature of the business and/or includes vendors. This term includes but is not limited to:
 - Events which require the closure of one or more streets, right-of-ways, or portions thereof.
 - Events involving entertainment, food, liquor, beverage, or merchandise for sale.
 - Activities promoted as a festival, trade show, craft show, car show, motorcycle rally, concert, or parade.
 - Any organized event conducted by a person(s) for a common or collective use/purpose or benefit which reasonably requires the provision of city public safety services in response thereto or in support thereof.
- [24]24. "Vending businesses" means all businesses that provide coin operated machines or honor trays to the public or to another business.

Section II: Title 4, Chapter 4.04, Section 4.04.020 of the Carson City Municipal Code is hereby amended as follows:

4.04.020 - Fees and exemptions from fees.

- 1. Upon application for a new business license, the applicant shall pay a nonrefundable \$25.00 application fee to cover the costs of the review and processing of the application.
- 2. Unless otherwise provided herein, the following nonrefundable periodic fees are imposed on the following kinds of business licenses:

Independent contractors	\$42.60 per year
Out of town businesses-	\$79.90 per year
Contract office business	\$95.90 per year
Home occupation	\$63.85 per year
business	
Hobby-Supplemental	\$26.60 per year
income business	
Contractors	\$78.75 per year
All other business	\$63.85 per year
Short-term business	\$22.70 per day or \$113.50 per month
licenses	
Special Event Permit	\$53.25 per day plus \$2.15 per vendor per day
Medical Marijuana	0-2,499 sq. ft: \$75,000 per year
<u>Dispensary</u>	2,500-4,999 sq. ft: \$100,000 per year
	5,000 or more sq. ft: \$125,000 per year

Medical Marijuana Cultivation Facility	0-5,999 sq. ft: \$75,000 per year 6,000-14,999 sq. ft: \$100,000 per year 15,000 or more sq. ft: \$125,000 per year
Medical Marijuana Production Facility	\$100,000 per year

3. Unless otherwise provided herein, the following fees area imposed on the following kinds of business licenses in addition to any other fees specified:

Commercial rentals (leased bldgs or suites)	\$0.55 per thousand square foot, annually
Billboard and off- premises signs	\$426.60 per year per side
Devices operated by coin, token or currency:	
Amusement devices (movie/game rental kiosks)	\$13.10 per device annually
Vending machines (food, candy, drinks, cigarettes, etc.)	\$6.20 per machine annually

- 4. In addition to the business license fee, apartments, storage units, RV parks, motels, hotels, trailer parks, promotional businesses and rental businesses (excluding commercial rentals which are charged annually by the square foot) shall be charged an additional \$2.15 per rental unit per year.
- 5. Except as otherwise provided herein, no business license fee is imposed on any institution, corporation, organization or association organized for charitable, eleemosynary, or civic purposes. No part of any receipts received by any such institution, corporation, organization or association may be used for the private gain of any person except employees. Such a person shall pay \$21.70 per day plus \$2.15 per vendor per day for special events.
- 6. The fee for on-going special events held in Carson City, held pursuant to all permits required by the CCMC, is \$319.14 per 4 month period or any part thereof.
- 7. A person who holds a special event within a permanent structure on the premises for which he or she holds a license is not subject to the \$53.25 per day special event fee but shall pay the \$2.15 per day per vendor fee in addition to the full-year license.

Section III: Title 4, Chapter 4.04, Section 4.04.031 of the Carson City Municipal Code is hereby amended as follows:

4.04.031 - Square footage fees.

The following additional fees shall be assessed on the total square footage of each business:

0 sq. ft. to 1999 sq. ft.	\$13.00
2000 sq. ft. to 2999 sq. ft.	\$32.25
3000 sq. ft. to 4999 sq. ft.	\$64.70
5000 sq. ft. to 7499 sq. ft.	\$96.90
7500 sq. ft. to 9999 sq. ft.	\$129.45
10,000 sq. ft. to 24,999 sq. ft.	\$194.65
25,000 or more sq. ft.	\$259.20

2. The fees imposed by this section do not apply to: contract office businesses, home occupation businesses, hobby-supplemental income businesses, short-term businesses, special events, independent contractors, out-of-town businesses, [er] contractors, unless the contractor has a commercial location with more than 1999 square feet, or Medical Marijuana Dispensaries, Cultivation Facilities, or Production Facilities.

Section IV: Title 4, Chapter 4.04, Section 4.04.040 of the Carson City Municipal Code is hereby amended as follows:

4.04.040 - Fees for employees.

1. The following additional fees shall be assessed based on the average number of full time equivalent employees who may reasonably be anticipated to be employed during the license period including the proprietor:

Up to and including the first 100 employees	\$6.15 per employee
Over 100 employees	\$2.85 per employee

- 2. For contractors the fees imposed pursuant to this section shall include only those who support the contracting business and does not include seasonal construction workers.
- 3. The fees imposed by this section do not apply to: contract office businesses, home occupation businesses with no employees, hobby-supplemental income businesses, short-term businesses, special events, independent contractors, [and] out-of-town businesses, or Medical

Marijuana Dispensaries, Cultivation Facilities, or Production Facilities.

SECTION V:

No other provisions of Title 4 of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on	, 2014.
PROPOSED BY Super	visor
PASSED	, 2014.
VOTE:	
AYES:	
NAYS:	
ABSENT:	
	ROBERT L. CROWELL, Mayor
ATTEST:	, ,
ALAN GLOVER, Clerk-Recorder	
	fect from and after theday of the month of

MEDICAL MARIJUANA BUSINESS LICENSE FEES

Section I below provides fee estimates for Medical Marijuana Establishments throughout the state of Nevada based on \$1 million dollars of first year revenue. The specific fees and percentages that these estimates are based on are outlined in Section II.

SECTION I

CARSON CITY - PROPOSED

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	\$25	\$25	\$25	\$25
Annual Flat Fee			\$100,000	
0-2,499 sq. ft.	\$75,000	\$75,000	N/A	N/A
2,500-4,999 sq. ft.	\$100,000	\$100,000	N/A	N/A
5,000 sq. ft or more	\$125,000	\$125,000	N/A	N/A
Annual Adjustable				
Fee*	\$0	\$0	\$0	\$120.70**
Total First Year			\$100,025	
0-2,499 sq. ft.	\$75,025	\$75,025	N/A	
2,500-4,999 sq. ft.	\$100,025	\$100,025	N/A	
5,000 sq. ft or more	\$125,025	\$125,025	N/A	\$145.70

^{*} Adjustable depending on square footage and number of employees

CITY OF LAS VEGAS

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	\$5,000	\$5,000	\$5,000	\$5,000
Annual Flat Fee	\$75,000	\$20,000*	\$25,000	\$10,000
Total First Year	\$80,000	\$25,000	\$30,000	\$15,000

^{*}Initial 5,000 sq. ft. = \$20,000, plus an additional \$10,000 for each 5,000 sq. ft. or portion thereof

CITY OF HENDERSON

	Class I*	Class II**	Class III***	Laboratory
Origination Fee	\$10,000	\$10,000	\$10,000	\$10,000
Indemnification				
Fee	\$25,000	\$25,000	\$25,000	\$25,000
Annual Flat Fee	\$60,000	\$80,000	\$100,000	\$15,000
Annual Gross				
Revenue Fee	\$60,000	\$60,000	\$60,000	\$1,140
Total First Year	\$155,000	\$175,000	\$195,000	\$51,140

^{*}Class I = Cultivation and Dispensary in same location

^{**} Estimate based on 2,500 sq. ft. facility and four employees

^{*}Class II = Cultivation, Production and Dispensary in same location

^{*}Class III = Cultivation, Production and Dispensary at one or more locations but not more than one at each location

CITY OF NORTH LAS VEGAS

INSIDE APEX OVERLAY DISTRICT*

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	N/A	\$30,000	\$25,000	N/A
Annual Flat Fee	N/A	\$0	\$0	N/A
Annual Gross				•
Revenue Fee	N/A	\$20,000	\$20,000	N/A
Total First Year	N/A	\$50,000	\$45,000	N/A

^{*}Apex Overlay District is an Industrial Park District in North Las Vegas

OUTSIDE APEX OVERLAY DISTRICT*

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	\$0	\$0	\$0	\$10,000
Annual Flat Fee	\$60,000	\$30,000	\$25,000	\$0
Annual Gross				
Revenue Fee	\$50,000	\$30,000	\$40,000	\$1,140
Total First Year	\$110,000	\$60,000	\$65,000	\$11,140

^{*}Apex Overlay District is an Industrial Park District in North Las Vegas

CLARK COUNTY

	Dispensary	Cultivation	Production	Laboratory
Origination Fee*	\$1,500	\$1,500	\$1,500	\$1,500
Annual Gross				
Revenue Fee	\$30,000	\$30,000	\$30,000	\$1,140
Annual Delivery				
Fee**	\$1,000	\$1,000	\$1,000	N/A
Total First Year	\$32,500	\$32,500	\$32,500	\$2,640

^{*\$1,500} for first application fee, \$500 for each additional application if more than one application for same location and ownership entity

NYE COUNTY

	Dispensary	Cultivation	Production	Laboratory
First Year Flat				
Fee*	\$15,000	\$5,000	\$5,000	\$2,500
Total First Year	\$15,000	\$5,000	\$5,000	\$2,500

^{*}Annual renewal is half of first year flat fee

WASHOE COUNTY

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	\$75.00	\$75.00	\$75.00	\$75.00
Annual Gross				
Revenue Fee	\$345.00	\$345.00	\$345.00	\$345.00
Total First Year	\$420.00	\$420.00	\$420.00	\$420.00

^{**}Applies if product is delivered between facilities with common ownership where not sales transaction takes place

CITY OF RENO

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	\$40,000	\$40,000	\$40,000	\$40,000
Annual Flat Fee	\$20,000	\$20,000	\$20,000	\$20,000
Total First Year	\$60,000	\$60,000	\$70,000	\$60,000

CITY OF SPARKS

	Dispensary	Cultivation	Production	Laboratory
Origination Fee	\$0	\$0	\$0	\$0
Annual Flat Fee	\$5,000	\$3,000	\$3,000	Unknown
Annual Gross				
Revenue Fee	\$495	\$99	\$99	Unknown
Total First Year	\$5,495	\$3,099	\$3,099	Unknown

SECTION II

CARSON CITY - PROPOSED

Origination Fee: \$25.00

Annual Flat Fee Dispensary:

0-2,499 sq. ft: \$75,000 2,500-4,999 sq. ft.: \$100,000 5,000 sq. ft. or more: \$125,000

Cultivation:

0-2,499 sq. ft: \$75,000 2,500-4,999 sq. ft.: \$100,000 5,000 sq. ft. or more: \$125,000

Production: \$100,000

Laboratory: Standard Business License Fees

CITY OF LAS VEGAS

Origination Fee: \$5,000

Annual Fee

Dispensary: \$75,000

Cultivation: \$20,000 for first 5,000sf, \$10,000 for each additional 5,000sf or portion thereof

Production: \$25,000 Laboratory: \$10,000

Semi-Annual Gross Revenue Fee

5% - Cultivation 7% - Production

CITY OF HENDERSON

Origination Fee: \$10,000

Indemnification Fee: \$25,000

Annual Flat Fee

Class I (Cultivation & Dispensary in same location): \$60,000

Class II (Cultivation, Production & Dispensary in same location): \$80,000

Class III (Cultivation, Production, Dispensary at one or more locations but not more than one at each

location): \$100,000 Laboratory: \$15,000

Monthly Gross Revenue Fee

Class I: 6% gross revenue Class II: 6% gross revenue Class III: 6% gross revenue

Laboratory: Standard business license gross revenue fee

CITY OF NORTH LAS VEGAS

Origination Fee

Cultivation Facility (Apex Overlay District): \$30,000 Production Facility (Apex Overlay District): \$25,000

Laboratory: \$10,000

Annual Flat Fee

Dispensary: \$60,000

Cultivation Facility: \$30,000 Production Facility: \$25,000

Annual Gross Revenue Fee

Dispensary: 5% gross revenue

Cultivation Facility (Apex Overlay District): 2% gross revenue, no annual fee*
Cultivation Facility: 3% gross revenue with 1% increase every other year (cap 6%)*
Production Facility (Apex Overlay District): 2% gross revenue, no annual fee
Production Facility: 4% gross revenue with 1% increase every other year (cap 6%)

Laboratory: Standard business license gross revenue fee

CLARK COUNTY

Origination Fee: \$1,500 per application plus \$500 for each additional application if more than one application for same location and ownership entity

Quarterly Gross Revenue Fee

Dispensary, Cultivation or Production: 1% gross revenue for operations with revenue up to

\$150,000 per year

Dispensary, Cultivation or Production: 2% gross revenue for operations with revenue between

\$150,000 and \$400,000 per year

Dispensary, Cultivation or Production: 3% gross revenue for operations with revenue over \$400,000

per year

Laboratory: Standard business license gross revenue fee

Quarterly Delivery Fee

\$250.00 per establishment if they delivery product between facilities with common ownership where no sales transaction takes place

NYE COUNTY

Dispensary:

\$15,000 initial fee \$7,500 annual renewal

Cultivation:

\$5,000 initial fee

\$2,500 annual renewal

^{*}For vertically integrated operations, cultivation gross revenue percentage will be based on 50% of retail sales

Production:

\$5,000 initial fee \$2,500 annual renewal

Laboratory:

\$2,500 initial fee \$1,250 annual renewal

WASHOE COUNTY

Origination Fee: \$75.00

Annual Gross Revenue Fee: Standard business license gross revenue fee

CITY OF RENO

Origination Fee: \$40,000

Quarterly Flat Fee: \$5,000

CITY OF SPARKS

Annual Flat Fee

Dispensary: \$5,000 Cultivation: \$3,000 Production: \$3,000

Quarterly Gross Revenue Fee

Dispensary: \$5 for every \$1,000 in gross revenue over \$10,000 Cultivation: \$1 for every \$1,000 in gross revenue over \$10,000 Production: \$1 for every \$1,000 in gross revenue over \$10,000