



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** October 5, 2017

**Staff Contact:** Lee Plemel, Community Development Director

**Agenda Title:** For Possible Action: To adopt Bill No. 125, on second reading, Ordinance No. \_\_\_\_, an ordinance relating to marijuana; amending Title 4 (Licenses and Business Regulations) to establish various provisions for the issuance of a business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor or marijuana retail store; to repeal various other provisions relating to the issuance of a temporary business license to operate as a marijuana establishment; and to repeal provisions establishing a moratorium on the acceptance of applications for a business license to operate as a marijuana establishment. (Lee Plemel, lplemel@carson.org)

**Staff Summary:** The Board of Supervisors gave direction to staff to draft regulations for recreational marijuana establishments or “marijuana establishments” that generally follow the current zoning regulations for medical marijuana establishments. The proposed ordinance would implement business license fees in accordance with those permitted by SB 487 enacted by the 2017 Nevada Legislature, which would be 3% of all gross revenues collected by marijuana establishments. The proposed ordinance would amend the applicable sections of Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses).

**Agenda Action:** Ordinance - Second Reading

**Time Requested:** 15 minutes

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## **Proposed Motion**

I move to adopt Bill No. 125, on second reading, Ordinance No. \_\_\_\_, an ordinance relating to marijuana; amending Title 4 (Licenses and Business Regulations) to establish various provisions for the issuance of a business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor or marijuana retail store; to repeal various other provisions relating to the issuance of a temporary business license to operate as a marijuana establishment; and to repeal provisions establishing a moratorium on the acceptance of applications for a business license to operate as a marijuana establishment.

## **Board's Strategic Goal**

N/A

## **Previous Action**

July 6, 2017: The Board of Supervisors gave direction to staff to draft zoning and business license regulations that generally follow existing medical marijuana establishment regulations and implement a 3% gross revenue business license fee on all marijuana establishments.

August 3, 2017: The Board of Supervisors reviewed and approved a Business Impact Statement for the proposed ordinance.

August 3, 2017: The Board of Supervisors introduced the ordinance, on first reading.

September 21, 2017: The Board of Supervisors re-introduced the ordinance concurrently with the re-introduction of the Title 18 ordinance related to marijuana establishments.

## **Background/Issues & Analysis**

The Nevada Tax Commission adopted temporary regulations on May 8, 2017, that allow Medical Marijuana Establishments (MMEs) currently operating in good standing to apply for temporary licenses to sell recreational or "retail" marijuana starting on July 1, 2017, in accordance with the provisions of SB 487 adopted during the 2017 Nevada Legislature. These regulations also allowed wholesale liquor distributors to apply for temporary licenses to distribute wholesale marijuana products to retail marijuana stores. Final State regulations consistent with the temporary regulations are scheduled to be adopted to allow additional marijuana establishments to apply by early 2018.

At the direction of the Board of Supervisors, staff has drafted zoning and business license regulations for Marijuana Establishments that generally follow the existing regulations for Medical Marijuana Establishments. The proposed business license regulations in the attached ordinance amending Title 4, Section 4.04 (Business License) include the following:

- New definitions for Marijuana Establishments, including Marijuana Distributors, which are established and defined by the Regulation and Taxation of Marijuana Act and are licensed to transport marijuana between MEs.
- Establishes business license fees for all Medical Marijuana Establishments and Marijuana Establishments at 3% of the businesses' gross revenues, as allowed by SB 487 adopted in the 2017 Nevada Legislature.
- Makes provisions for collecting and verifying the business license fees.
- Makes other non-substantive technical and clerical amendments.

Refer to the attached ordinance for the details on the proposed business license regulations related to MEs and MMEs.

Contact Lee Plemel at lplemel@carson.org or 283-7075 if you have questions regarding this item.

## **Attachments:**

1) Proposed Ordinance

## **Applicable Statute, Code, Policy, Rule or Regulation**

CCMC Section 4.04, NRS 453D, SB 487, LCB File No. T002-17

## **Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: N/A

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: The business license fees are anticipated to generate revenues that would exceed the flat fees as currently required for Medical Marijuana Establishments.

## **Alternatives**

- 1) Modify the proposed ordinance and send it back to staff for first reading.
- 2) Do not adopt the proposed ordinance.

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

Summary: An ordinance establishing various provisions for the issuance of a business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility, marijuana distributor or marijuana retail store.

BILL NO. 125

ORDINANCE NO. 2017-\_\_

AN ORDINANCE RELATING TO MARIJUANA; AMENDING TITLE 4 (LICENSES AND BUSINESS REGULATIONS) OF THE CARSON CITY MUNICIPAL CODE TO ESTABLISH VARIOUS PROVISIONS FOR THE ISSUANCE OF A BUSINESS LICENSE TO OPERATE AS A MARIJUANA CULTIVATION FACILITY, MARIJUANA PRODUCT MANUFACTURING FACILITY, MARIJUANA DISTRIBUTOR OR MARIJUANA RETAIL STORE; TO REPEAL VARIOUS OTHER PROVISIONS RELATING TO THE ISSUANCE OF A TEMPORARY BUSINESS LICENSE TO OPERATE AS A MARIJUANA ESTABLISHMENT; TO REPEAL PROVISIONS ESTABLISHING A MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR A BUSINESS LICENSE TO OPERATE AS A MARIJUANA ESTABLISHMENT; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), Section 4.04.005 (Definitions) is hereby amended (**bold, underlined** text is added, ~~{stricken}~~ text is deleted) as follows:

**4.04.005 - Definitions.**

As used in this title, unless the context requires otherwise, the ~~following~~ words **shall and terms defined in this section** have the ~~[meaning as set forth in this chapter]~~ **meanings ascribed to them as follows:**

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.
6. "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. "Marijuana" has the meaning ascribed to it in subsection 8 of NRS 453D.030 and means all parts of any plant of the genus *Cannabis*, whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include:**

**a. The mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems except the resin extracted therefrom, fiber, oil or cake, the sterilized seed of the plant which is incapable of germination; or**

**b. The weight of any other ingredient combined with marijuana to prepare**

topical or oral administrations, food, drink or other products.

15. “Marijuana Cultivation Facility” has the meaning ascribed to it in subsection 9 of NRS 453D.030 and means an entity licensed to cultivate, process and package marijuana, to have marijuana tested by a marijuana testing facility and to sell marijuana to a retail marijuana store, to a marijuana product manufacturing facility and to other marijuana cultivation facilities, but not to consumers.

16. “Marijuana Distributor” has the meaning ascribed to it in subsection 10 of NRS 453D.030 and means an entity licensed to transport marijuana from a marijuana establishment to another marijuana establishment.

17. “Marijuana Establishment” has the meaning ascribed to it in subsection 11 of NRS 453.030D and means a marijuana cultivation facility, marijuana testing facility, marijuana product manufacturing facility, marijuana distributor or retail marijuana store.

18. “Marijuana Product Manufacturing Facility” has the meaning ascribed to it subsection 12 of NRS 453D.030 and means an entity licensed to purchase marijuana, manufacture, process and package marijuana and marijuana products, and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

19. “Marijuana Products” has the meaning ascribed to it in subsection 13 of NRS 453D.030 and means products comprised of marijuana or concentrated marijuana and other ingredients that are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

20. “Marijuana Retail Store” or “Retail Marijuana Store” has the meaning ascribed to “retail marijuana store” in subsection 18 of NRS 453D.030 and means an entity licensed to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities and retail marijuana stores, and to sell marijuana and marijuana products to consumers.

21. “Marijuana Testing Facility” has the meaning ascribed to it subsection 15 of NRS 453D.030 and means an entity licensed to test marijuana and marijuana products, including for potency and contaminants.

[14] 22. “Medical Marijuana Cultivation Facility” [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.] has the meaning ascribed to the term “cultivation facility” in NRS 453A.056 and means a business that:

(a) Is registered with the Department of Taxation pursuant to NRS 453A.322; and

**(b) Acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells marijuana and related supplies to:**

**(i) Medical Marijuana Dispensaries;**

**(ii) Facilities for the production of edible marijuana products or marijuana-infused products as that term is defined in NRS 443A.105; or**

**(iii) Other cultivation facilities as that term is defined in NRS 453A.056.**

[45] **23. “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.] has the meaning ascribed to it in NRS 453A.115 and means a business that:**

**(a) Is registered with the Department of Taxation pursuant to NRS 453A.322; and**

**(b) Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card as that term is defined in NRS 453A.140.**

**24. “Medical Marijuana Establishment” means:**

**(a) A Medical Marijuana Testing Facility;**

**(b) A Medical Marijuana Cultivation Facility; or**

**(c) A Medical Marijuana Dispensary.**

[46] **25. “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.] Product Manufacturing Facility” has the meaning ascribed to the term “facility for the production of edible marijuana products or marijuana-infused products” in NRS 453A.105 and means a business that:**

**(a) Is registered with the Department of Taxation pursuant to NRS 453A.322; and**

**(b) Acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible marijuana products or marijuana-infused products to medical marijuana dispensaries.**

[47] **26. “Medical Marijuana Testing Laboratory” [means a business having the meaning ascribed in State law, registered with the State of Nevada, which tests marijuana, edible marijuana products, and marijuana-infused products.] has the meaning ascribed to the term “independent testing laboratory” in NRS 453A.107.**

[18] **27.** "Out-of-town business" means a person, excluding a contractor, conducting business in Carson City without a physical address in Carson City.

[19] **28.** "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.

[20] **29.** "Premises" means actual space of a particular business which would include surrounding sidewalks and designated parking.

[21] **30.** "Professional" means one whose practice of a profession requires advanced education and a license from a state licensing agency, board, commission or court.

[22] **31.** "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.

[23] **32.** "Short-term" means conducting business in Carson City for a period of 60 days or less.

[24] **33.** "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:

[•] **(a)** Events which require the closure of one or more streets, right-of-ways, or portions thereof.

[•] **(b)** Events involving entertainment, food, liquor, beverage, or merchandise for sale.

[•] **(c)** Activities promoted as a festival, trade show, craft show, car show, motorcycle rally, concert, or parade.

[•] **(d)** 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.

[25] **34.** "Vending businesses" means all businesses that provide coin operated machines or honor trays to the public or to another business.

## SECTION II:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), Section 4.04.020 (Fees and exemptions from fees), is hereby amended (added text is **underlined** and deleted text is [~~stricken~~]) as follows:

### **4.04.020 - Fees and exemptions from fees.**

1. **A person may apply for a business license pursuant to CCMC 4.04.010 by submitting**



**to the Business License Division an application on a form and in the manner prescribed by the Business License Division.**

**2. [Upon application] Except as otherwise provided in subsection 5, a person who applies for a new business license[, the applicant shall] pursuant to subsection 1 must pay a nonrefundable [\$25.00] application fee [to cover the costs of the review and processing of the application,] of \$25.00, due and payable at the time the application is submitted.**

**[2.] 3. [Unless] Except as otherwise provided [herein the following nonrefundable periodic,] in this Title, a business license fee [fees are imposed on the following kinds of business licenses] must be paid by the holder of a business license issued under this Title in the amounts set forth below for the particular category of business, as applicable:**

Independent contractors	\$42.60 per year
<del>{Out of town}</del> <b><u>Out-of-town</u></b> businesses	\$79.90 per year
Contract office business	\$95.90 per year
Home occupation business	\$63.85 per year
Hobby-Supplemental income business	\$26.60 per year
Contractors	\$78.75 per year
All other <del>[business]</del> <b><u>businesses</u></b>	\$63.85 per year
Short-term business licenses	\$22.70 per day or \$113.50 per month
Special Event <del>[Permit]</del>	\$53.25 per day <del>[plus]</del> <b><u>, in addition to \$2.15 per vendor per day, except as otherwise provided in subsection 5, 6 and 7</u></b>
Medical Marijuana Dispensary, <b><u>Marijuana Retail Store, or a business that is jointly located within the same premises and operates as both, subject to the limitations set forth in CCMC 4.04.130</u></b>	<del>[\$25,000 per year]</del> <b><u>Three percent (3%) of the gross revenue, as calculated in accordance with subsection 8</u></b>
Medical Marijuana Cultivation <b><u>Facility, Marijuana Cultivation Facility, or a business that is jointly located within the same premises and operates as both, subject to the limitations set forth in</u></b>	<del>[\$20,000 per year]</del> <b><u>Three percent (3%) of the gross revenue, as calculated in accordance with subsection 8</u></b>

<b>CCMC 4.04.130</b>	
Medical Marijuana [Production] <b>Product Manufacturing Facility, Marijuana Product Manufacturing Facility, or a business that is jointly located within the same premises and operates as both, subject to the limitations set forth in CCMC 4.04.130</b>	[\$15,000 per year] <b>Three percent (3%) of the gross revenue, as calculated in accordance with subsection 8</b>
Medical Marijuana Testing <b>Facility [Laboratory], Marijuana Testing Facility, or a business that is jointly located within the same premises and operates as both, subject to the limitations set forth in CCMC 4.04.130</b>	[\$5,000 per year] <b>Three percent (3%) of the gross revenue, as calculated in accordance with subsection 8</b>
<b>Marijuana Distributor, subject to the limitations set forth in CCMC 4.04.130</b>	<b>Three percent (3%) of the gross revenue, as calculated in accordance with subsection 8</b>

[3-] **4.** [Unless] **Except as** otherwise provided [herein, the following fees area imposed on the following kinds of business licenses in addition to any other fees specified] **in this Title, the holder of a business license issued under this Title must pay the following additional fees in the amounts set forth below, as applicable:**

Commercial rentals [(-] <b>including, without limitation,</b> leased [bldgs or] <b>buildings and individual suites(-)]</b>	\$0.55 per <b>year per</b> thousand square foot[(-, annually)]
Billboard and [off-premises] <b>off- premise</b> signs	\$426.60 per year per side
[Devices operated-	

by coin, token or currency:}	
Amusement devices [(movie/game} ], <b><u>including, without limitation, movie or game rental kiosks[}]</u></b>	\$13.10 per <b><u>year per</u></b> device [annually]
Vending machines [(for items, <b><u>including, without limitation,</u></b> food, candy, drinks[}] <b><u>and</u></b> cigarettes[ <del> or etc.)}]</del>	\$6.20 per <b><u>year per</u></b> machine [annually]

[4.] **5.** 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]~~ **any other fee required by this Title, the holder of a business license issued under this Title must pay an additional fee of \$2.15 per [rental] year per room, as defined in CCMC 4.08.070, or unit, [per year.] as applicable, that is leased or rented as:**

- (a) An apartment.**
- (b) A storage unit.**
- (c) A recreational vehicle park.**
- (d) A motels or hotel.**
- (e) A trailer park.**
- (f) A promotional businesses.**
- (g) A rental business as defined in CCMC 4.08.070.**

[5.] **6.** [~~Except as otherwise provided herein, no] **A** business license fee [~~is imposed on any] **is not required to be paid by an** institution, corporation, organization or association **that is** organized for **a** charitable, eleemosynary[ ~~or civic~~ [~~purposes. No part of any receipts received by any such] **purpose if the** institution, corporation, organization or association [~~may be used for the private] **does not expend or otherwise use any portion of its receipts for the private benefit or** gain of any [~~person except employees.] **individual other than for the payment of wages, salaries and benefits of employees.** Such [~~a person shall] **an institution, corporation, organization or association is also eligible to pay a discounted rate of** \$21.70 per day [~~plus], **in addition to** \$2.15 per vendor per day, for special events.~~~~~~~~~~~~~~

[6.] **7.** [~~The fee for on-going special events held in Carson City, held pursuant to all permits required by the CCMC, is] **A person who holds a special event that is intended to continue for an extended duration must pay a fee of** \$319.14 per [~~4-month period or any part thereof.]~~~~

**four (4) month period for the special event.**

[7-] **8.** A person who holds a special event within a permanent structure on the premises for which he or she holds a **business** license [is not subject to the \$53.25 per day special event] **may, in lieu of the** fee [but shall pay the] **set forth in subsection 2, pay a fee of** \$2.15 per day per vendor [fee in addition to the full-year license] **for the special event.**

**9. The business license fee required by this section for a medical marijuana establishment or marijuana establishment is due and payable not later than ten (10) days after the last day of each calendar quarter. For the purposes of verifying the gross revenue of a medical marijuana establishment or marijuana establishment pursuant to this subsection, written documentation of such revenue must be submitted to the Business License Division concurrently with the quarterly fee and must:**

**(a) Be in the form of a financial statement that is signed by a certified public accountant and which indicates the gross revenue of the immediately preceding calendar quarter; and**

**(b) Include a complete and accurate copy of any written documentation relating to verification of revenue for purposes of state taxation that the facility or distributor is required to provide to the applicable state agency.**

**SECTION III:**

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), Section 4.04.031 (Square Footage Fees) is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

**4.04.031 - Square footage fees.**

1. [~~The following additional fees shall be assessed~~] **Except as otherwise provided in this section, the holder of a business license issued under this Title must pay a square footage fee. The square footage fee required by this section is in addition to any other fee that is required by this Title and is based** on the total square footage of [~~each~~] **the area of the building in which the** business **is located as set forth below:**

0 sq. ft. to 1999 sq. ft.	\$13.00 <b><u>per year</u></b>
2000 sq. ft. to 2999 sq. ft.	\$32.25 <b><u>per year</u></b>
3000 sq. ft. to 4999 sq. ft.	\$64.70 <b><u>per year</u></b>
5000 sq. ft. to 7499 sq. ft.	\$96.90 <b><u>per year</u></b>
7500 sq. ft. to 9999 sq. ft.	\$129.45 <b><u>per year</u></b>

10,000 sq. ft. to 24,999 sq. ft.	\$194.65 <b><u>per year</u></b>
25,000 or more sq. ft.	\$259.20 <b><u>per year</u></b>

2. The [~~fees imposed by this section do~~] **fees described in subsection 1 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, contractors, unless the contractor has a commercial location with more than 1999 square feet, or Medical Marijuana Dispensaries, Cultivation Facilities, Production Facilities or Testing Laboratories.~~]

**(a) A contract office business.**

**(b) A home occupation business.**

**(c) A hobby-supplemental income business.**

**(d) A short-term business.**

**(e) A special event.**

**(f) An independent contractor.**

**(g) An out-of-town business.**

**(h) A contractor, unless the contractor occupies a commercial location that is greater than 1999 square feet.**

**(i) A Medical Marijuana Establishment.**

**(j) A Marijuana Establishment.**

**SECTION IV:**

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), Section 4.04.040 (Fees for Employees), is hereby amended (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

**4.04.040 - Fees for employees.**

1. [~~The following additional fees shall be assessed~~] **Except as otherwise provided in this section, the holder of a business license issued under this Title must pay an additional fee based on the average number of full time equivalent employees [who may], including the holder,** reasonably [~~be~~] anticipated to be employed during the [~~license~~] period [~~including the proprietor~~] **of time for which the business license is issued as set forth below:**

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~~ **For purposes of subsection 1, an employee does not include a** seasonal construction ~~[workers]~~ **worker.**

3. The ~~[fees imposed by this section do]~~ **fees described in subsection 1 do** not apply to: ~~[contract office businesses, home occupation businesses with no employees, hobby supplemental income businesses, short term businesses, special events, independent contractors, out-of-town businesses, contractors, unless the contractor has a commercial location with more than 1999 square feet, or Medical Marijuana Dispensaries, Cultivation Facilities, Production Facilities or Testing Laboratories.]~~

**(a) A contract office business.**

**(b) A home occupation business that does not have an employee.**

**(c) A hobby-supplemental income business.**

**(d) A short-term business.**

**(e) A special event.**

**(f) An independent contractor.**

**(g) An out-of-town business.**

**(h) A contractor, unless the contractor occupies a commercial location that is greater than 1999 square feet.**

**(i) A Medical Marijuana Establishment.**

**(j) A Marijuana Establishment.**

## SECTION V:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), Section 4.04.072 (Payment of Fees and Penalties), is hereby amended (**bold, underlined** text is added, ~~[stricken]~~ text is deleted) as follows:

### **4.04.072 - Payment of fees and penalties.**

1. ~~[All business license fees are delinquent]~~ **A business license fee, other than a business license fee for a Medical Marijuana Establishment or a Marijuana Establishment, that is required to be paid annually under this Title is delinquent if it is** not paid on or before January ~~[15<sup>th</sup>]~~ **15** of each year **the fee is due.** **A person who does not pay a required fee on or before the date required by this subsection or any other provision of this Title will be assessed a late penalty in the amount of 25 percent** ~~[late penalty shall be added to the fees due if the fees are paid after the due date]~~ **of the amount of the fee due.**
2. In addition to ~~[making use of the process described in CCMC 4.04.210]~~ **any other right or authority granted by the provisions of CCMC,** the Business License Division may administratively revoke the business license of any person ~~[who has not paid any required fees by the due date]~~ **whose business license fee is delinquent.** The Business License Division shall revoke the ~~[licenses of all delinquent businesses]~~ **the business license of a person whose business license fee if delinquent by** 4 weeks

~~[after the due date. Any]~~ **or more.** A revocation **of license** under this section may be appealed ~~[by the license holder to the]~~ **to the** board by ~~[submitting]~~ **the submission of** a written appeal to the Business License Division ~~[within]~~ **not more than 15 days after** ~~[of]~~ the date of the revocation. ~~[The]~~ **If an appeal is submitted within the time provided by this subsection, the** Business License Division shall ~~[thereafter arrange for the appeal to be scheduled for a hearing]~~ **fix a day and time for the appeal to be heard** at a public meeting of the board ~~[within]~~ **not more than 30 days** ~~[of]~~ **after the date on which** the ~~[filing of the]~~ appeal **was submitted.**

## SECTION VI:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), Section 4.04.120 (Medical Marijuana Establishments – Application for License and Additional Regulations) is hereby amended (**bold, underlined** text is added, ~~stricken~~ text is deleted) as follows:

### **4.04.120 – Medical Marijuana and Marijuana Establishments – application for license and additional regulations**

- ~~[Since]~~ **Because** the use, cultivation, distribution, production, possession and transportation of marijuana remains ~~[illegal]~~ **unlawful** under ~~[Federal]~~ **federal law and regulations**, and **because** marijuana remains classified as a Class I controlled substance by both ~~[Nevada and Federal]~~ **state and federal** law, ~~[those]~~ **any person who owns, operates, is employed by or is otherwise** involved ~~[with]~~ **in a** Medical Marijuana ~~[Establishments]~~ **Establishment or Marijuana Establishment** may ~~[still]~~ be prosecuted under the Federal Controlled Substance Act ~~[("CSA")]~~ **and related federal law and regulations** regardless of whether the Medical Marijuana Establishment **or Marijuana Establishment** is in compliance with state law or ~~[has received a license to operate a Medical Marijuana Establishment in Carson City]~~ **the provisions of this Title**. This section is intended to implement **the provisions of** NRS **Chapters 453A and 453D**, and to establish criteria for the issuance of licenses that are a prerequisite ~~[for the]~~ **to** exemption from state prosecution **as** provided for in NRS **Chapters 453 A and 453D**. A **business** license issued pursuant to this ~~[section]~~ **Title** does not ~~[provide any exception]~~ **establish any** defense or immunity ~~[to any person in regard to any]~~ **for any person from** potential criminal liability ~~[the person may have]~~ **under federal law or regulation** for the **cultivation, distribution,** production, ~~[distribution or]~~ possession **or transportation** of marijuana ~~[under Federal law]~~. Carson City does not have the authority ~~[to]~~, and nothing in this ~~[section is intended to,]~~ **Title shall be construed as any authority of Carson City, to** authorize, promote, condone ~~[or aid]~~ **, facilitate or assist in** the **cultivation, distribution,** production, ~~[distribution or]~~ possession **or transportation** of marijuana in violation of any ~~[application law, including, without limitation, the CSA]~~ **provision of federal law or regulation.**
- By **voluntarily applying for and** accepting a **business license issued in accordance with this Title to operate a** Medical Marijuana Establishment~~[ license issued pursuant to this code, the licensee]~~ **or Marijuana Establishment, the holder of the business license**

and ~~[its]~~ **any other** owners, managers, agents, employees ~~[and]~~ , affiliates, **heirs and assigns of the Medical Marijuana Establishment or Marijuana Establishment for which the license is issued:**

- a. Waive and ~~[releases]~~ **release** Carson City, its officers, elected officials, employees, attorneys and agents from any liability from injuries, damages or ~~[liabilities]~~ **any other liability** of any kind that ~~[result]~~ **results** from any arrest, ~~[of]~~ prosecution ~~[of establishment owners, operators, employees, clients or customers for a violation of state, or federal laws, rules]~~ or regulations.
  - b. Jointly and severally agree to indemnify, defend and hold harmless Carson City, and any of its elected or appointed officers, agents, employees or attorneys from any and all claims, demands, actions, damages, decrees, judgments, attorney fees, costs and expenses which may be asserted against Carson City, or such elected or appointed officers, **agents**, employees or attorneys arising out of or in any manner connected with the Medical Marijuana Establishment **or Marijuana Establishment** that is the subject of ~~[the]~~ **a** license **issued under this Title**, including, without limitation, any injury, loss or damage, including claims arising from bodily injury, personal injury, sickness, disease, death, property loss ~~[of damage]~~ or any other loss of any kind whatsoever arising therefrom. ~~[The licensee's]~~ **This** duty to defend and indemnify Carson City hereunder shall apply regardless of ~~[Carson City's active or passive]~~ **any** fault **of Carson City in the issuance of a license**. The ~~[licensee's]~~ duty to defend Carson City is absolute and shall arise as soon as any demand or claim is asserted against Carson City and is not ~~[conditions]~~ **conditioned** upon a finding of ~~[fault of the licensee]~~ **any fault of the holder of the license**. Carson City is entitled to ~~[choose]~~ **select** the attorney ~~[assigned]~~ to defend against the claims and the ~~[licensee]~~ **holder of the license** shall immediately pay all ~~[defense]~~ fees and costs charged by the attorney selected by Carson City.
3. **A Except as otherwise provided in this subsection, a separate application and business license is required for each Medical Marijuana Establishment [registration certificate for operation within Carson City. A person or entity operating more than one type of Medical Marijuana Establishment must apply for and receive a separate license for each type of Medical Marijuana Establishment they seek to operate within Carson City.] The issuance of a single business license is allowed for a Marijuana Establishment to be jointly located within the same premises of an existing Medical Marijuana Establishment if the Marijuana Establishment is intended to operate in the same type of activity as the Medical Marijuana Establishment.**
4. The license requirements set forth in this section shall be in addition to, and not in lieu of, ~~[those]~~ **the** requirements ~~[outlined in Section]~~ **set forth in CCMC 4.04.110 [above,]** and any other ~~[licensing and permitting]~~ requirements ~~[imposed]~~ by any other law, ~~[code or ordinance]~~ **regulation or provision of CCMC** not **otherwise** specifically addressed in this chapter. Each application for a **business license to operate as a** Medical Marijuana Establishment ~~[business license shall]~~ **or Marijuana Establishment must** include:



- a. A complete and accurate copy of the application and all accompanying documents filed with the ~~[Division of Public and Behavioral Health of the Department of Health and Human Services of the State of Nevada]~~ **applicable state agency** pursuant to **NRS Chapter 453A.322 or NRS Chapter 453D.** ~~[to apply for a Medical Marijuana Establishment certificate.]~~
- b. A **complete and accurate** copy of ~~[the provisional registration certificate issued by the Division of Public and Behavioral Health of the Department of Health and Human Services]~~ **any required approval issued by the applicable state agency** ~~[of the State of Nevada for operation of]~~ **to operate as** a Medical Marijuana Establishment **or Marijuana Establishment.**
- c. A **complete and accurate** copy of the ~~[Special Use Permit]~~ Notice of Decision **for the Special Use Permit, along** with **any and all** conditions of approval, **issued by the** ~~[from the Community Development Department,]~~ **Planning Division of the Community Development Department** pursuant to **this** Title ~~[18.04 Use Districts, Sections 18.04.135, 18.04.140 and 18.04.150 and Title 18.16 Development Standards, Division 1.20]~~ **for the operation of a** Medical Marijuana ~~[Establishments. This shall]~~ **Establishment or Marijuana Establishment, which must** also include a letter ~~[outlining]~~ **identifying** each condition of approval with a **corresponding** response addressing how each condition has been satisfied.
- d. A completed, signed and notarized acknowledgment statement from the ~~[licensee]~~ **holder of the business license** and the ~~[property]~~ owner **of the real property in which the Medical Marijuana Establishment or Marijuana Establishment will be located, attesting** that the ~~[licensee,]~~ **holder of the license** and the owner of the **real** property ~~[upon which the Medical Marijuana Establishment is located,]~~ **is aware of, has read and** understands **the** applicable federal laws, **and regulations and** any guidance or directives issued by the U.S. Department of Justice, the laws of the State of Nevada and the laws and regulations of Carson City ~~[applicable thereto]~~ concerning the operation of a Medical Marijuana Establishment **or a Marijuana Establishment.** The ~~[written]~~ statement ~~[shall]~~ **required by this section must** also acknowledge that any violation of any laws of the State of Nevada or of Carson City, or any activity in violation of any guidance or directives issued by the U.S. Department of Justice, in such place of business, or in connection therewith, or the commencement of any legal proceeding relating to such ~~[medical marijuana]~~ establishment by federal authorities, may render the ~~[permit]~~ **Special Use Permit** and ~~[such]~~ **business** license subject to immediate suspension or revocation.
- e. A completed, signed and notarized acknowledgment statement from the ~~[licensee that the licensee,]~~ **holder of the business license** and ~~[its]~~ **any other** owners, managers, agents and employees ~~[and]~~ affiliates, **heirs and assigns** jointly and severally ~~[agree]~~ **agreeing** to indemnify, defend and hold harmless Carson City, and any of its elected or appointed officers, agents, employees or attorneys from any and all claims, demands, actions, damages, decrees, judgments, attorney fees,

costs and expenses which may be asserted against Carson City, or such elected or appointed officers, agents, employees or attorneys arising out of or in any manner connected with the Medical Marijuana Establishment or Marijuana Establishment that is the subject of the business license, including, without limitation, any injury, loss or damage, including claims arising from bodily injury, personal injury, sickness, disease, death, property loss [~~of damage~~] or any other loss of any kind whatsoever arising therefrom. [~~The licensee's~~] This duty to defend and indemnify Carson City hereunder shall apply regardless of [~~Carson City's active or passive~~] any fault of Carson City. The [~~licensee's~~] duty to defend Carson City is absolute and shall arise as soon as any demand or claim is asserted against Carson City and is not [~~conditions~~] conditioned upon a finding of fault of the [~~licensee~~] holder of the license. Carson City is entitled to [~~choose~~] select the attorney assigned to defend against the claims and the [~~licensee~~] holder of the license shall immediately pay all [~~defense~~] fees and costs charged by the attorney selected by Carson City.

- f. The names of [~~all owners with at least~~] every person who owns a minimum of five (5) percent interest in the [business] Medical Marijuana Establishment or Marijuana Establishment, along with the percentage of each person's ownership listed. [~~This list will be a part of the standard business license~~] The information required by this application [and will be subject to public record review.] may not be waived.
5. [~~Confidential Information. The records~~] Any record regarding a Medical Marijuana Establishment or Marijuana Establishment that is received by Carson City [~~are~~] is confidential to the same extent that [~~such records~~] the record would be deemed confidential if it had been provided to the [~~Division of Public and Behavioral Health of the Department of Health and Human Services~~] the applicable state agency [~~of the State of Nevada~~] pursuant to NRS [~~453A.700 and Section 134 and 135 of the regulations outlined in LCB File No. R004-14 effective April 1, 2014~~] Chapter 453A or NRS Chapter 453D. [~~and any subsequent amendments or supplements thereto. Such confidential records are not subject to subpoena, discovery, or subject to inspection by the general public to the same extent, and with the same exceptions as provided in NRS 453A.700 and Section 134 and 135 of the regulations outlined in LCM File No. R004-14 effective April 1, 2014 and any subsequent amendments or supplements thereto. Notwithstanding this section, Carson City may release the confidential information to the Division of Public and Behavioral Health of the Department of Health and Human Services~~] To the extent not prohibited by law, Carson City may share any such record as required or necessary with the applicable state agency [~~of the State of Nevada,~~] and with the employees of Carson City to perform official duties [~~of Carson City,~~] and [~~to~~] with any local, state or federal law enforcement [~~agencies~~] agency as required [~~to perform~~] for law enforcement [~~responsibilities of such agencies~~] purposes.
6. [~~Immediate revocation of business license, without hearing. In addition to the provisions of Title 18 of this code, the~~] A business license for a Medical Marijuana Establishment [~~shall~~] or Marijuana Establishment will be immediately revoked [~~upon~~] if one or more of the following [~~events occurring~~] circumstances occur: [~~There is no hearing before the~~

Board of Supervisors for immediate revocation pursuant to this subsection. Immediate revocation pursuant to this subsection is subject to judicial review.}]

- a. [~~Notification~~] **Receipt of notice by the Business License Division** that the [~~Division of Public and Behavioral Health of the Department of Health and Human Services of the State of Nevada~~] **applicable state agency** has surrendered, suspended or revoked [~~the registration certification~~] **the applicable state approval** for [a] **the Medical Marijuana Establishment or Marijuana Establishment**;
- b. [~~Failure~~] **Receipt of notice by the Business License Division that the holder of the business licenses has failed** to maintain a valid and current [~~Division of Public and Behavioral Health of the Department of Health and Human Services of the State of Nevada registration certificate~~] **approval by the applicable state agency**.

#### SECTION VII:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), is hereby amended by adding thereto a new Section 4.04.130 (Additional Limitations Upon Marijuana Establishment License) (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

**A business license that is issued to a Marijuana Establishment under the provisions of this Title is a revocable privilege and the holder of such a license does not acquire thereby any vested right.**

#### SECTION VIII:

That Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), is hereby amended by adding thereto a new Section 4.04.135 (Books and Records of Medical Marijuana Establishments and Marijuana Establishments) (**bold, underlined** text is added, [~~stricken~~] text is deleted) as follows:

**1. The holder of a business license to operate a Medical Marijuana Establishment or Marijuana Establishment shall maintain at its business location adequate and accurate books and records at all times.**

**2. An employee of the Business License Division or its designee may enter the premises of a Medical Marijuana Establishment or Marijuana Establishment at any time during regular business hours and without notice to examine, audit and inspect books and records for the purpose of determining the proper payment of any fees required by this Title and compliance with any applicable provision of NRS, NAC or CCMC.**

#### SECTION IX:

That Section I of Ordinance No. 2017-17, which amended Title 4 (Licenses and Business Regulations), Chapter 4.04 (Business Licenses), by adding thereto a new Section 4.04.125 (Temporary business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor) is hereby repealed:

~~[4.04.125—Temporary business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor.~~

- ~~1.—A medical marijuana establishment that is the holder of a medical marijuana establishment registration certificate may, on a form and in the manner prescribed by the Business License Division, apply for a temporary business license to operate as a marijuana cultivation facility or marijuana product manufacturing facility if the medical marijuana establishment:
  - ~~a.—Provides proof satisfactory to the Business Licensing Division that it has submitted an application to the Department of Taxation for a license to operate as a marijuana establishment, the approval of which is pending and has not been denied by the Department of Taxation;~~
  - ~~b.—Is not in violation of any applicable provision of NRS, NAC or CCMC; and~~
  - ~~c.—Is in good standing as a medical marijuana establishment pursuant to regulations adopted by the Nevada Tax Commission.~~~~
- ~~2.—A person may, on a form and in the manner prescribed by the Business License Division, apply for a temporary business license to operate as a marijuana distributor if the person:
  - ~~a.—Provides proof satisfactory to the Business Licensing Division that it has submitted an application to the Department of Taxation for a license to operate as a marijuana distributor, the approval of which is pending and has not been denied by the Department of Taxation; and~~
  - ~~b.—Is not in violation of any applicable provision of NRS, NAC or CCMC.~~~~
- ~~3.—Notwithstanding any other provision of CCMC, the Business License Division will:
  - ~~a.—Charge to and collect from the holder of a temporary business license to operate as a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor issued pursuant to this section a fee of three percent (3.0%) of the gross revenue of the facility or distributor, due and payable not later than ten (10) days after the last day of each calendar quarter. For the purposes of verifying the gross revenue of a facility or distributor pursuant to this subsection, written documentation of such revenue must be submitted to the Business License Division every calendar quarter and:~~~~

- ~~(1) Be in the form of a financial statement that is signed by a certified public accountant and which indicates the gross revenue of the immediately preceding calendar quarter; and~~
  - ~~(2) Include a complete and accurate copy of any written documentation relating to verification of revenue for purposes of state taxation that the facility or distributor is required to provide to the Department of Taxation in compliance with regulations adopted by the Nevada Tax Commission.~~
- ~~b. Charge and collect any other fee that is prescribed by this chapter and which is applicable to the holder of a temporary business license issued pursuant to this section.~~
- ~~c. Exempt from the square footage fees set forth in CCMC 4.04.031 and the fees for employees set forth in CCMC 4.04.04 the holder of a temporary business license issued pursuant to this section.~~
4. The Business License Division may:
  - ~~a. Prorate the fees described in subsection 3 by subtracting from those fees, as applicable, the amount the holder of a temporary business license issued pursuant to this section has previously paid for a license as a medical marijuana establishment within the same period of time for which a fee required by this section is due and payable.~~
  - ~~b. Enter the premises of a marijuana cultivation facility, marijuana product manufacturing facility or marijuana distributor at any time during regular business hours and without notice to examine, audit and inspect books and records maintained by such a facility or distributor for the purposes of determining the proper payment of any fees required by this chapter and compliance with any applicable provision of NRS, NAC or CCMC. The holder of a temporary business license issued pursuant to this section shall maintain at its business location adequate and accurate books and records at all times.~~
5. A temporary business license issued pursuant to this section:
  - ~~a. Expires by limitation on April 1, 2018; and~~
  - ~~b. Is a revocable privilege and the holder of such a license does not acquire thereby any vested right.~~
6. As used in this section:
  - ~~a. "Marijuana" has the meaning ascribed to it in subsection 8 of NRS 453D.030 and means all parts of any plant of the genus *Cannabis*, whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound,~~

~~manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include:~~

- ~~(1) — The mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems except the resin extracted therefrom, fiber, oil or cake, the sterilized seed of the plant which is incapable of germination; or~~
- ~~(2) — The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.~~

~~b. — “Marijuana cultivation facility” has the meaning ascribed to it in subsection 9 of NRS 453D.030 and means an entity licensed to cultivate, process and package marijuana, to have marijuana tested by a marijuana testing facility as that term is defined in subsection 15 of NRS 453D.030 and to sell marijuana to a retail marijuana store as that term is defined in subsection 18 of NRS 453D.030, to a marijuana product manufacturing facility and to other marijuana cultivation facilities, but not to consumers.~~

~~e. — “Marijuana distributor” has the meaning ascribed to it in subsection 10 of NRS 453D.030 and means a person licensed to transport marijuana from a marijuana establishment to another marijuana establishment.~~

~~d. — “Marijuana establishment” has the meaning ascribed to it in subsection 11 of NRS 453.030D and means a marijuana cultivation facility, marijuana testing facility as that term is defined in subsection 15 of NRS 453D.030, marijuana product manufacturing facility, marijuana distributor or retail marijuana store as that term is defined in subsection 18 of NRS 453D.030.~~

~~e. — “Marijuana product manufacturing facility” has the meaning ascribed to it subsection 12 of NRS 453D.030 and means an entity licensed to purchase marijuana, manufacture, process and package marijuana and marijuana products as that term is defined in subsection 13 of NRS 453D.030, and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores as that term is defined in subsection 18 of NRS 453D.030, but not to consumers.~~

~~f. — “Medical marijuana establishment” has the meaning ascribed to it in NRS 453A.116 and means:~~

- ~~1. — An independent testing laboratory;~~
- ~~2. — A cultivation facility;~~
- ~~3. — A facility for the production of edible marijuana products or marijuana-infused products; or~~

4. ~~— A medical marijuana dispensary.~~

g. ~~— “Medical marijuana establishment registration certificate” has the meaning ascribed to it in NRS 453A.119 and means a registration certificate that is issued by the Division of Public and Behavioral Health of the Department of Health and Human Services pursuant to NRS 453A.322 to authorize the operation of a medical marijuana establishment.]~~

#### SECTION X:

That Ordinance No. 2017-3, which established a moratorium on the acceptance of any applications to operate as Marijuana Establishment, hereby repealed.

~~[SECTION 1: A moratorium is hereby declared on all new marijuana establishments, including those contemplated by the Regulation and Taxation of Marijuana Act passed by Nevada voters during the November 8, 2016 general election, as well as any new Medical Marijuana Establishments that do not hold a valid provisional certificate issued by the State of Nevada as of the effective date of the moratorium, prohibiting Carson City acceptance and consideration of any and all land use applications, business license applications, building permit applications and any other applications or requests to operate or otherwise license or permit such marijuana establishments.~~

~~— SECTION 2: This moratorium excludes the processing of land use applications, business license applications, building permit applications and any other applications or requests to operate or otherwise license or permit any Medical Marijuana Establishment for which the applicant already holds a valid provisional certificate issued by the State of Nevada for such Medical Marijuana Establishment at the time this moratorium becomes effective. These exclusions also allow the transfer of ownership or location of any Medical Marijuana Establishment for which the applicant already holds a valid provisional certificate issued by the State of Nevada at the time this moratorium becomes effective.~~

~~— SECTION 3: This moratorium shall commence upon the adoption of this ordinance by the Carson City Board of Supervisors, and shall terminate at the close of business 180 calendar days from the date of the effective date of this ordinance and commencement of the moratorium, unless: 1) earlier terminated by the Carson City Board of Supervisors; or 2) an extension of this moratorium is approved by the Carson City Board of Supervisors at a public meeting. One extension, of a period of no greater than 60 days, is contemplated hereby and such an extension may be accomplished by a resolution with a simple majority vote of the Carson City Board of Supervisors, without the need for adopting a new ordinance.~~

~~— SECTION 4: The Carson City Board of Supervisors declares this moratorium for the following reasons:~~

~~— A. The “Regulation and Taxation of Marijuana Act,” was passed by Nevada voters during the general election on November 8, 2016, becoming effective on January 1, 2017; and~~

~~\_\_\_\_\_ B. Provisions of the Regulation and Taxation of Marijuana Act (Sec. 5) require the Nevada Department of Taxation (“Department”) to adopt regulations for the consideration of applications and the issuance of licenses to allow the operations of “marijuana establishments,” herein also known as “Recreational Marijuana Establishments” (“RMEs” or “RME”), in the State of Nevada, including in Carson City, not later than 12 months after the effective date of the Act; and~~

~~\_\_\_\_\_ C. The Regulation and Taxation of Marijuana Act requires the Department to approve a license for an RME provided that, among other things, “The locality in which the proposed marijuana establishment will be located does not affirm to the Department that the proposed marijuana establishment will be in violation of zoning or land use rules adopted by the locality” (Act, Sec. 10[5][e]); and~~

~~\_\_\_\_\_ D. The Regulation and Taxation of Marijuana Act allows up to four “retail marijuana stores” in a county with a population of more than 55,000 and less than 100,000 (Act, Sec. 10[5][d]), which includes Carson City, and the Act has no limit on the number of marijuana cultivation or marijuana product manufacturing facilities that would be allowed within any given county; and~~

~~\_\_\_\_\_ E. The Regulation and Taxation of Marijuana Act gives applicants holding existing State certificates to operate a Medical Marijuana Establishment (“MME” or “MME’s”) first priority to apply for and obtain a license to operate a RME; and~~

~~\_\_\_\_\_ F. State certificates have already been issued for MMEs in Carson City for two Dispensaries, three Cultivation facilities, one Production facility, and three combination Cultivation and Production facilities; and~~

~~\_\_\_\_\_ G. The Carson City Municipal Code (“CCMC”), including portions pertinent to zoning, currently does not allow for RMEs as contemplated by the Regulation and Taxation of Marijuana Act, nor does the CCMC, as it pertains to business licensing, allow for the issuance of any business license for any RME, and because these uses and business are not permitted to operate in Carson City, no building permits can be issued specifically for the construction of structures for any RME; and~~

~~\_\_\_\_\_ H. As some potential applicants for state RME certificates might attempt to assert to Carson City that such a use is contemplated by the CCMC, the Carson City Board of Supervisors desires to make clear that the current version of the CCMC does not permit any of the RMEs as contemplated by the Regulation and Taxation of Marijuana Act, and the Carson City Board of Supervisors desires that representatives of Carson City not accept any land use applications, business license applications, building permit applications or any other application or request to operate or otherwise license or permit any RME; and~~

~~I. The Carson City Board of Supervisors desires that additional applications for MMEs not be approved while regulations for RMEs are being considered so that the City can make a comprehensive evaluation of City regulations for all marijuana facilities; and~~



~~J. The Carson City Board of Supervisors understands that there are numerous arguments for and against the use, regulation and taxation of the sale of marijuana; and~~

~~——— K. Because Carson City's Board of Supervisors must either decide to regulate RMEs and/or prohibit some or all RMEs within its jurisdiction, and this challenge presents very complicated and difficult issues from both a policy and legal perspective; and~~

~~——— L. Because the Department currently does not have proposed regulations concerning the certification and operation of RMEs and the products to be produced and sold by these RMEs; and~~

~~——— M. Because the Carson City Board of Supervisors desires to take a responsible amount of time to thoughtfully consider the policy and legal implications of permitting RMEs to exist within the boundaries of Carson City; and~~

~~——— N. The Carson City Board of Supervisors desires to declare this moratorium as provided in Sections 1, 2 and 3 above, to prohibit staff acceptance and consideration of any and all land use applications, business license applications, building permit applications and any other application or request to operate or otherwise license or permit any new marijuana establishments, including those contemplated by the Regulation and Taxation of Marijuana Act passed by Nevada voters during the November 8, 2016 general election, as well as any new Medical Marijuana Establishments that do not hold a valid provisional certificate issued by the State of Nevada as of the effective date of the moratorium, for a period of 180 days, in order to permit the Department to adopt final regulations for RMEs by their December 31, 2017 deadline, and to permit the Carson City Board of Supervisors to responsibly consider the policy and legal implications of the Regulation and Taxation of Marijuana Act and the Department regulations and to provide amendments to the CCMC to address the policy and legal implications of RMEs in Carson City.~~

~~——— SECTION 5: If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this ordinance, or any part hereof, is for any reason determined to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance. The Carson City Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.~~

~~——— SECTION 6: No other provisions of the CCMC are affected hereby, except that all ordinances or parts of ordinances or sections, subsections, phrases, sentences, clauses or paragraphs contained in the CCMC in conflict herewith are hereby repealed.]~~

SECTION XI:

**Notwithstanding any other provision of this ordinance, the Business Licensing Division:**

**1. Shall not issue a business license to any person to operate a Retail Marijuana Store before January 1, 2018; and**

**2. May conduct any preparatory or administrative task for the purpose of carrying out the provisions of this ordinance, including, without limitation, the creation, acceptance, processing or review of a business license application to operate a Retail Marijuana Store.**

SECTION XII:

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

PROPOSED on \_\_\_\_\_, 2017.

PROPOSED BY Supervisor \_\_\_\_\_

PASSED \_\_\_\_\_, 2017.

VOTE:

AYES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAYS:

\_\_\_\_\_  
\_\_\_\_\_

ABSENT:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

\_\_\_\_\_  
SUSAN MERRIWETHER, Clerk-Recorder

This ordinance shall be in force and effect from and after the \_\_\_\_\_ day of the month of \_\_\_\_\_ of the year 2017.