

## **ORDINANCE NO. 2671**

**AN ORDINANCE OF THE CITY OF NORTH LAS VEGAS AMENDING TITLE 5 OF THE NORTH LAS VEGAS MUNICIPAL CODE (BUSINESS LICENSES AND REGULATIONS) BY ADDING NEW CHAPTER 5.29 (MEDICAL MARIJUANA ESTABLISHMENTS); TO PROVIDE BUSINESS LICENSE REGULATIONS FOR MEDICAL MARIJUANA ESTABLISHMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.**

THE CITY COUNCIL OF THE CITY OF NORTH LAS VEGAS DOES ORDAIN:

### **5.29.010 Findings; Purpose and Intent**

A. The North Las Vegas City Council finds:

1. The Constitution of the State of Nevada Article 4, Section 38 directs the State of Nevada legislature to provide for, among other things, the authorization of appropriate methods to supply marijuana to patients authorized to use it for medical purposes;

2. The 2013 Nevada Legislature enacted Senate Bill 374 (Chapter 457, Statutes of Nevada 2013) significantly amending NRS Chapters 372A (Tax on Controlled Substances) and Chapter 453A (Medical Use of Marijuana) to provide for exemption from criminal prosecution and the certification, taxation and regulation of medical marijuana establishments by the Nevada Division of Public and Behavioral Health of the Department of Health and Human Services (the Division);

3. The use, cultivation, distribution, production, possession and transportation of marijuana remains illegal under Federal law, and marijuana remains classified as a “controlled substance” by both Nevada and Federal law;

4. This City Council does not have the authority to, and nothing in this Chapter is intended to, authorize, promote, condone or aid the production, distribution or possession of medical marijuana in violation of any applicable law;

5. The City Council intends to regulate the use, acquisition, cultivation, production, and distribution of medical marijuana in a manner that is consistent with the Nevada Constitution and NRS Chapter 453A. The regulations are intended to apply to all medical marijuana operations in the city by any medical marijuana business permitted under the state law. Medical marijuana cultivation and production can have an impact on health, safety, and community resources, and this Chapter is intended to permit medical marijuana establishments where it will have a minimal impact;

6. To the extent that medical marijuana establishments are registered and authorized by

the State of Nevada to operate in the corporate limits of the city, this Council desires to provide for their licensing and regulation to protect the public health, safety and general welfare of the citizens of the city;

7. This chapter is to be construed to protect the public over medical marijuana business interests. Operation of a medical marijuana business is a revocable privilege and not a right in the city. There is no property right for an individual or business to have medical marijuana in the city; and

8. Medical marijuana is a heavily regulated industry in the city, and the city has a zero tolerance policy for violations of this chapter.

B. The purpose of this chapter is to protect the public health, safety, and welfare of the residents and patients of the city by prescribing the manner in which medical marijuana businesses can be conducted in the city. Further, the purpose of this chapter is to:

1. Provide for a means of cultivation, production, and distribution of marijuana to patients who qualify to obtain, possess, and use marijuana for medical purposes.

2. Protect public health and safety through reasonable limitations on business operations as they relate to noise, air and water quality, food safety, neighborhood and patient safety, security for the business and its personnel, and other health and safety concerns.

3. Impose fees to cover the cost to the city of licensing medical marijuana businesses in an amount sufficient for the city to recover its costs of the licensing program.

4. Adopt a mechanism for monitoring compliance with the provisions of this chapter.

5. Create regulations that address the particular needs of the patients and residents of the city and coordinate with laws that may be enacted by the state regarding medical marijuana.

#### **5.29.020      Definitions**

Unless the context otherwise requires, the scope of all words in this Chapter shall be liberally construed in order to effectuate the purpose of this Chapter, and, in particular, the following words shall have the meaning ascribed to them as follows:

“Apex Overlay District” has the meaning ascribed to it in Title 17.16.050.F, of the North Las Vegas Municipal Code.

"Cannabis" or "marijuana" have the same meaning, and as may be amended, as defined by Nevada Revised Statutes Chapter 453A.

"Cultivation facility" has the meaning ascribed to it in NRS 453A.056, and means a business that is registered under NRS 453A.322 and acquires, possesses, cultivates, delivers, transfers,

transports, supplies or sells marijuana and related supplies to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or other cultivation facilities.

“Department” has the meaning of the Department of Community Development and Compliance of the City of North Las Vegas.

"Designated primary caregiver" has the meaning ascribed to it in NRS 453A.080.

“Director” has the meaning of the Director of Community Development and Compliance Department of the City of North Las Vegas, Nevada or his or her designee.

"Edible marijuana products" has the meaning ascribed to it in NRS 453A.101 and means products that contain marijuana or an extract thereof and are intended for human consumption by oral ingestion; and are presented in the form of foodstuffs, extracts, oils, tinctures and other similar products.

"Independent testing laboratory" has the meaning ascribed to it in NRS 435A.107 and is a business certified under NRS 453A.368 which provides independent testing of marijuana, edible marijuana products and marijuana-infused products that are to be sold in the State.

“Key employee” has the meaning of any executive, manager, employee, agent, officer, or director, having the power to exercise significant influence or control over decisions concerning any part of the operation of the business or a manager charged with the day-to-day operations of the business.

"Medical marijuana" has the meaning ascribed to it in NRS 453.096 and as used in accordance with NRS 453A.120.

"Marijuana infused products" has the meaning ascribed to it in NRS 453A.112 and means products that are infused with marijuana or an extract thereof; and are intended for use or consumption by humans through means other than inhalation or oral ingestion. The term includes, without limitation, topical products, ointments, oils and tinctures.

"Medical marijuana dispensary" has the meaning ascribed to it in NRS 453A.115, and means a business that is registered under NRS 453A.322 and which acquires, possesses, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card.

"Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116 and means any establishment licensed under this Chapter and in possession of a valid registration certificate under NRS 453A and may include a medical marijuana dispensary, medical marijuana production facility, cultivation facility or independent testing laboratory.

"Medical marijuana production facility" has the meaning ascribed to a "facility for the production of edible marijuana products or marijuana-infused products" in NRS 453A.105 and

means a business which acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells at wholesale edible marijuana products or marijuana-infused products to medical marijuana dispensaries.

"Ownership interest" means any principal, person, beneficial owner, and individual persons holding any ownership or financial interest for each business entity including all businesses organized under or governed by Title 7 of the Nevada Revised Statutes including but not limited to private corporations, publicly-traded corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations ("Business Entities"). Ownership interest in the context of publicly traded corporations shall include all corporate officers and members of any board of directors, and also includes individuals with five percent or more ownership or financial interest in the publicly traded corporation. To the extent that a Business Entity has an ownership interest in a medical marijuana establishment, the term "ownership interest" shall also include all individuals with an ownership interest in such Business Entity. It is the intent of this Chapter that all individuals with a direct or indirect ownership interest in a medical marijuana establishment be disclosed and be subject to the requirements of this Chapter.

"Paraphernalia" has the meaning ascribed to it in NRS 453A.125.

"Registration certificate" means a certificate issued pursuant to NRS 453A.322 by the State regulating authority. In accordance with subsection 3 of NRS 453A.326, any registration certificate issued by the State regulating authority is provisional until such time as the establishment is in compliance with all applicable City ordinances and rules, and the City has issued a business license for the operation of the establishment.

"Registry identification card" has the meaning ascribed to it in NRS 453A.140.

"State regulating authority" means The Division of Public and Behavioral Health of the Department of Health and Human Services of the State of Nevada and/or any other agency assigned to administer NRS 453A.

#### **5.29.030 Unlawful Acts.**

A. It shall be unlawful for any person to operate any marijuana establishment in the City without a valid registration certificate duly issued by the State regulating authority, and a license issued pursuant to this Chapter and operating in compliance with any and all applicable state laws and the North Las Vegas Municipal Code.

B. It shall be unlawful for any person to provide marijuana, edible marijuana products or marijuana infused products to a medical marijuana establishment within the City without a registration certification duly issued by the State regulating authority and a license issued by the City.

C. Except for sales pursuant to NRS 453A.352(5), it shall be unlawful for any licensed medical marijuana establishment located within the City to accept for sale any marijuana, edible

marijuana products or any marijuana infused products from any person who has not obtained a registration certificate from the State regulating authority, or who is not duly licensed under this Chapter for the provision of such products.

D. It shall be unlawful for a person to engage in any form of business or commerce involving the cultivation, processing, manufacturing, storage, sale, distribution, transportation or consumption of marijuana other than those forms of businesses and commerce that are expressly contemplated by NRS 453A and any administrative rules duly adopted by the State regulating authority.

E. It shall be unlawful for any medical marijuana dispensary to sell medical marijuana without complying with State requirements concerning use of the electronic verification system maintained by the State regulating authority, including authenticating the validity of the medical marijuana registry identification card with the State electronic verification system.

#### **5.29.040 License - Application Process**

A. The Director shall:

1. Reject and not process any applications that are incomplete.
2. Reject and not process any application for which any person or entity with an ownership interest if the applicant has been previously issued a license pursuant to this Chapter, or has had an ownership interest in another previous licensee, and such license has been revoked for non-payment of fees within the last five years.
3. Reject and not process any application for which any person or entity with an ownership interest in the applicant has been previously issued a license pursuant to this Chapter, or has had an ownership interest in another previous licensee, and such license has been revoked for disciplinary action within the last ten years.
4. Reject and not process any applications that are submitted by applicants where one or more individuals or entities with an ownership interest has been found unsuitable to hold a privilege license within the city or been subject to disciplinary action in any jurisdiction.

B. Acceptance of a business license application is not a commitment that such a license to operate a business will be granted.

C. A business license application for a medical marijuana establishment shall be deemed incomplete unless it is submitted with: 1) a completed application for the appropriate land use approval, and 2) a completed business license application.

D. A business license for any Medical Marijuana Establishment shall not be issued until the applicant has received a provisional registration certificate issued pursuant to Nevada Administrative Code 453A.

- E. The City Council shall issue no more licenses for dispensaries than allowed by state law.

#### **5.29.050 License – Application Contents**

A separate application must be submitted for each license for a medical marijuana establishment. The application for each medical marijuana establishment license must include:

- A. A complete application on forms prescribed by the Director for the applicant and each person with an ownership interest in the proposed medical marijuana establishment.
- B. Evidence of the amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada and its political subdivisions within the last five (5) years by the Owner or Operator or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment.
- C. A one-time, nonrefundable business license application fee of \$5,000.00. If an applicant submits applications at the same time for more than one medical marijuana establishment, the application fee for any additional applications shall be \$2,500.00.
- D. A complete Conditional or Special Use Permit application, all applicable fees pursuant to NLVMC Chapters 2 and 17, and all required accompanying documents.
- E. A complete description of the products and services to be produced or sold by the medical marijuana establishment.
- F. A complete and accurate copy of the application and all accompanying documents to be filed pursuant to NRS 453A.322 including, but not limited to:
  - 1. All proposals for operations, business plans, attestations, financial documentation, and required tax reports;
  - 2. All documents detailing proposed organizational structure, all narratives, and resumes;
  - 3. All documentation required concerning the adequacy of the proposed building and construction plans with supporting details in the form specified by the City Building Official and the payment of all required review and inspection fees;
  - 4. All testing, transportation, policy and operations manuals, financial plan, and an environmental plan.
- G. A water conservation and a waste water disposal plan.

H. A security plan, including a depiction of the location and configuration of security cameras, indicating how the applicant intends to comply with the requirements related to monitoring and securing the licensed premises as required by this Chapter.

I. An accounting plan that includes how sales and inventory will be tracked on a daily, weekly, and monthly basis, and how this information will be stored and safeguarded.

J. An advertising plan.

K. A copy of all contracts, proposed contracts for consulting, management, renting or leasing the premises for the proposed medical marijuana establishment, including written documentation stating that the property owner of the proposed location for the establishment is fully aware of the property's intended use or a copy of the deed to such property showing ownership vested in the applicant;

L. A written statement acknowledging that the applicant understands applicable federal laws, 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 the City applicable thereto concerning the operation of a medical marijuana establishment. The written statement shall also acknowledge that any violation of any laws or regulations of the State of Nevada or of the 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 license subject to immediate suspension or revocation.

M. A written statement to the Director that the applicant will hold harmless, indemnify, and defend the City against all claims and litigation arising from the issuance of a license, including any claims and litigation arising from the establishment, operation, or ownership of the medical marijuana establishment, and that a bond to secure such obligation in the amount of \$250,000 will be provided prior to the issuance of any license.

N. An acknowledgement that the applicant is seeking a privileged license, and understands that each person with an ownership interest must be found suitable to hold such license by the City Council prior to the issuance of any license; that the applicant understands and acknowledges that the burden of proving qualifications to receive such a license is at all times on the applicant; that the granting of a license for a medical marijuana establishment is at the discretion of the City Council; and that the applicant agrees to abide by the decision.

#### **5.29.060 Director Review.**

A. The Director shall complete a review of all submitted applications for a medical marijuana establishment business licenses to determine whether the application is complete. An application shall be deemed complete by the Director only when it contains each of the following:

1. Proof of compliance with all submittal requirements of NRS 453A and any other regulation or requirement of the State regulating authority;
2. All plans, contracts and other documents as required in this section;
3. Proof that the proposed location for the medical marijuana establishment is consistent with the requirements of NLVMC Title 17;
4. All application fees have been paid;
5. All waivers, acknowledgements, and statements are properly signed and acknowledged by the applicant and every principal and person with an ownership interest; and
6. Each person with an ownership interest has filed complete applications and each individual has submitted to fingerprinting as required by this Title.

B. The Director shall reject and return to the applicant any application that is incomplete or otherwise fails to meet the criteria established in this Chapter, in NRS 453A, or the regulations of the State regulating authority. License application fees are non-refundable, and shall not be refunded in the event of rejection or withdrawal of an application.

C. The Director shall review all complete medical marijuana establishment business license applications that satisfy the applicable criteria, and may refer such applications in part, or in whole, to other City departments or the North Las Vegas Police Department for investigation, review and comment, as the Director deems appropriate.

D. The submission of an application for a license constitutes permission for the Director to inspect or cause to be inspected each proposed location for a medical marijuana establishment, and allows the Director to call for and conduct interviews. The Director shall require an inspection by the North Las Vegas Fire Department and the Building Official. Applicants shall pay all related inspection fees that may be required.

#### **5.29.070 Medical Marijuana Establishment - Licenses**

A. Applications for licenses must comply with Chapter 5 and will not be forwarded to City Council for approval until the City receives a provisional registration certificate issued by the State, and all fees including but not limited to inspection and background investigation fees, are paid.

B. The City Council may issue licenses for the following types of medical marijuana establishments:

1. **Medical Marijuana Dispensary.** A medical marijuana dispensary license allows the licensee to acquire, possess, supply and sell or dispense usable marijuana, edible marijuana products, marijuana infused products, and marijuana paraphernalia exclusively to state regulating authority-designated medical marijuana registry card holders.

2. **Cultivation Facility.** A cultivation facility license allows the licensee to acquire, possess, cultivate, deliver, transfer, transport, supply and sell wholesale marijuana and related



supplies to a medical marijuana dispensary, medical marijuana production facility, or to other cultivation facilities only.

3. Independent Testing Laboratory. An independent testing laboratory license allows the licensee to independently test marijuana, edible marijuana products and marijuana-infused products that are to be sold at medical marijuana establishments operating in accordance with the requirements of NRS 453A.

4. Medical Marijuana Production Facility. A medical marijuana production facility license allows the licensee to acquire, process, manufacture, deliver, transfer, transport, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana dispensaries only.

C. A medical marijuana establishment license applicant may not exercise any of the privileges of a medical marijuana establishment license until the City Council approves the license and suitability of each person with an ownership interest in the medical marijuana establishment, and final pre-operational inspections has been conducted and all applicable inspections and license fees are paid.

D. Licenses shall expire one year from the date of issuance, and a licensee must apply for Annual Review pursuant to NLVMC 5.29.150.

E. A medical marijuana establishment licensee shall provide and maintain at all times and at its own expense a certificate of insurance at amounts and terms approved by the Finance Director prior to issuance or renewal of a license. Any failure to maintain insurance or provide proof of insurance is ground for the Director to suspend the license.

F. The minimum amount which may be required by the City shall be \$1,000,000 per occurrence, \$2,000,000 general aggregate for bodily injury and property damage arising out of licensed activities and \$1,000,000 products and completed operations aggregate, Commercial Automobile Coverage in a minimum of \$1,000,000 and excess liability in a minimum of \$3,000,000.

G. Additional insured: The City shall be named as an additional insured on all general liability, umbrella, and excess insurance policies as City, its elected officials, officers, agents, employees and volunteers are included as additional insured. All policies shall be primary over any other valid and collectible insurance.

I. Prior to issuance or renewal of a license, medical marijuana establishment licensees shall provide a surety bond as set forth in this section. The bond must be at the licensee's own expense and remain in force throughout the term of the license. The bond must cover licensee's obligation, for itself and its agents, employees, subcontractors, and the agents and employees of any subcontractors, to, indemnify, defend, and hold harmless the City, and any of its elected or appointed officers, agents, or employees, from any and all claims, demands, actions, damages, decrees, judgments, attorney fees, costs, and expenses which the City, or such elected or appointed officers or employees, may suffer, or which may be recovered from, or obtainable against the City, or such elected or appointed officers or employees, as a result of, by reason of, or arising out of the use of the license, or the exercise by the licensee of any or all of the rights, privileges, permission, and authority conferred herein, or as a result of any alleged act or omission on the part of the licensee in performing or failing to perform any of its obligations. Such surety bond shall be in the amount of \$250,000.

J. Prior to the issuance or renewal of a license, medical marijuana establishment licensees shall file, and must maintain, a bond from a surety company qualified and authorized to do surety business in the State of Nevada in the penal sum of \$50,000. Such bond must be conditioned to be paid to the City for all license fees and penalties owing against such license.

K. Upon the issuance of a provisional medical marijuana registration certificate by the State regulating authority and receipt of a complete license application, the Director shall forward the application to the City Council. The Director shall not issue a temporary license for a medical marijuana establishment.

#### **5.29.080 Council Action on Business Licenses**

A. The City Council may approve, deny or take such other action with respect to such applications as it considered appropriate. The burden of showing the qualifications, acceptability or fitness for such license and the location is upon the applicant.

B. City Council shall act to approve, deny, or take such other action with respect to the business license application not more than 60 days from the date the Director both accepts an application, and receives a provisional registration certificate issued by the State.

C. The City Council may not approve more licenses for dispensaries than allowed by State law.

D. The City Council shall deny any license if the license will not be in the best interest of the welfare, health, or safety of the City.

#### **5.29.090 Medical Marijuana Establishments - General Requirements and Restrictions.**

A. Each medical marijuana establishment licensee shall operate only in compliance with all State regulations all City regulations, and the plans, procedures and policies submitted with the permit and approved by the Director, and any restrictions imposed in connection with issuance of the license.

B. At least one key employee shall be on the premises of a dispensary at all times during the hours of operation.

C. A medical marijuana establishment may not allow the use, smoking, ingestion or consumption of any marijuana, edible marijuana, or marijuana-infused product on the licensed premises.

D. Any person or premises licensed as a medical marijuana establishment shall comply with all City ordinances and be in compliance with the State regulating authority.

E. Material that is misleading, deceptive or false, as evidenced either by the content of the advertising material or by the medium or the manner, in which the advertising is disseminated, is designed to appeal to minors or promote the use of marijuana is prohibited.

F. The presence of minors, under the age of 18, on the premises of a medical marijuana establishment is prohibited unless the minor is a qualified patient on the premises of a dispensary and is accompanied by his or her parent or legal guardian. No licensee shall cause, permit or allow, either by act or by failure to act, the violation of this subsection.

G. Medical marijuana, edible marijuana products, and/or marijuana-infused products may only be transported by a licensed medical marijuana establishment. Transportation must meet all requirements of the state regulating authority. Product must be placed in unmarked, non-transparent transportation containers.

1. All required transportation logs must be in the vehicle and made available to law enforcement at any time the log is inspected. Each driver must identify to any law enforcement officer that the product contained within the vehicle is medical marijuana, edible marijuana products or marijuana-infused products from a licensed medical marijuana establishment and must present a state agent registration card, the route the vehicle was authorized to travel and the actual travel log for inspection.

H. Each licensee shall obtain a building inspection from the Building Official prior to renewal of any license.

I. Any closure either temporary or permanent must be noticed in writing to the Director 15 days prior to such closure, unless an emergency requires the closure of such facility which must be reported to the Director within 24-hours of such closure.

J. A medical marijuana establishment licensee shall give the City access to its accounting procedures to track and record all sales for audit purposes. The City must have access to such records.

1. If an annual audit is required by the state regulating authority, the licensee shall submit the audit report to the City within 90 days of the completion of the audit. All reports or evaluations submitted hereunder shall be confidential and shall not be available for public inspection, except as may be required under State or federal law.

2. In compliance with all State and Federal privacy laws, the licensee shall allow the Director or a designee unrestricted access to all financial documents, books, records, facilities, and all audio and video surveillance pertaining to the facilities. Any information obtained pursuant to this section or any statement filed by the licensee shall be deemed confidential in character and shall not be subject to public inspection or as determined by State and Federal privacy laws.

K. The Department may, upon receipt of a complaint against a medical marijuana establishment, except for a complaint concerning the cost of services, conduct an investigation, with or without notice, into the premises, facilities, qualifications of personnel, methods of operation, policies, procedures and records of that establishment or any other establishment which may have information pertinent to the complaint.

L. The Department may enter and inspect any building or premises at any time, with or without notice, to:

1. Secure compliance with any provision of chapter 453A of NRS or this Title;

Prevent a violation of any provision of chapter 453A of NRS or this Title;

3. Conduct an unannounced inspection of an establishment in response to an allegation of noncompliance with chapter 453A or NRS or this Title.

#### **5.29.100 Security Requirements.**

Each medical marijuana establishment must submit, maintain and follow a security plan approved by the Director and the Chief of Police. Any proposed modification to an approved security plan must be submitted to the Director and the Chief of Police for approval. Any security plan must meet all the criteria established by the State regulating authority and the following minimum requirements:

A. Each licensed premises must have a security system which monitors all perimeter entry points, windows, and controlled areas by a centrally monitored alarm company properly licensed with the City, and whose agents are properly licensed and registered under applicable laws.

B. A 24 hour surveillance system is required to monitor the interior and exterior of a medical marijuana establishment, a live feed of which must be accessible to the North Las Vegas Police Department and the Department at all times, and in real-time.

1. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards. All recorded images must be stored for a minimum of 60 calendar days.

2. The surveillance system's data storage device must be secured on-site in a lock box, cabinet, closet, or secured in another manner to protect from employee or third-party tampering or criminal theft.

3. A sign must be posted in any customer areas that the customer is under video surveillance.

C. The medical marijuana establishment licensee shall be responsible for ensuring compliance with all local and state regulations regarding the facility and must monitor parking areas and outdoor areas of the licensed premises for loitering, unlawful sale of medical marijuana by customers, and consumption of medical marijuana.

D. Any theft of items containing marijuana or the observance of any unauthorized transactions of medical marijuana on the licensed premises must be reported to the North Las Vegas Police Department and the Director in written communication within 24 hours of occurrence.

E. A sign shall be posted at the entrance to the location containing the name and functioning telephone number of a 24-hour on-call member engaged in the management of a medical marijuana establishment who shall receive, log, and respond to complaints and other inquiries.

F. In addition to complying with all requirements set by the State regulating authority, any licensed cultivation facility shall secure the cultivation facility with full video surveillance capable of clearly identifying any activities occurring within twenty (20) feet of the exterior of the building and any parking, fenced, or loading areas. A motion detection lighting system may be employed to illuminate the gate area in low light conditions.

G. In addition to complying with all requirements set by the State regulating authority, any licensed medical marijuana production facility shall ensure all production, transport, delivery, shipping, labeling and packaging areas have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet.

H. In addition to complying with all requirements set by the State regulating authority, any licensed medical marijuana dispensary shall contain the following areas, separated and segregated, and consistent with the following specific criteria:

1. Waiting area containing only one entrance for the public, which is visible immediately from one fixed staffed security station. The entire waiting area must also be monitored by surveillance cameras.

2. Consultation room where medical marijuana products are viewed for purchase, which must be:

a. Separated and segregated from any waiting area;

b. Any windows or viewing areas displaying medical marijuana products or rooms used for consultation must be obscured from the public right of way or waiting area;

c. Any customer allowed to enter any room where medical marijuana, edible marijuana products, or marijuana infused products are viewed for purchase is required to be accompanied by an employee of the establishment;

d. Only sample products may be viewed for purchase in such a room; samples may be shown to customers outside of nontransparent packaging.

e. Customers may not remove any medical marijuana, edible marijuana products, or marijuana infused products from the consultation room.

3. All medical marijuana, edible marijuana products, or marijuana infused products, during non-business hours, must be stored in a separated and secured area.

a. The area must meet the Building Official's standards for odor control;

b. The area must be under surveillance by the camera system at all times.

c. One area may store both product and legal tender, however separate storage devices must be maintained and both must be under video surveillance.

4. All medical marijuana, edible marijuana products, or marijuana infused products must be placed in an opaque bag or cover that does not allow the product to be visible from outside of the bag or cover and closed by the attendant of the dispensary prior to transfer to a customer.

#### **5.29.110 Cultivation Facility.**

A. A cultivation facility must meet all odor control regulations established by the Department. Within 24-hours of any complaints concerning odors, a cultivation facility shall respond to the complaints and file with the Director and the Building Official all action taken to address odor complaints. The Building Official, upon determination of the existence of detectable odor from any cultivation facility, may require additional measures by the facility to control such odor and a timeframe for the implementation of such measures at any cultivation facility. Failure to complete required improvements within the timeframe specified by the Building Official is grounds for suspension of the license by the Director.

B. Any medical marijuana that is transported to a medical marijuana dispensary must be packaged for retail sale in tamper evident containers and placed in unmarked, non-transparent transportation containers.

C. Any medical marijuana that is transported to a medical marijuana production facility must meet all State regulating authority standards.

D. Prior to accepting any plant materials into the cultivation facility for the first time, the cultivation facility shall notify the Department to conduct a pre-operational inspection and shall pay all related inspection fees.

#### **5.29.120 Independent Testing Laboratories.**

In addition to any other requirement set forth herein, Independent Testing Laboratories must submit a registration certificate from the State regulating authority, must maintain all state laboratory licenses required to test substances such as medical marijuana, and provide a copy of such licenses and approvals at the time of licensing.

#### **5.29.130 Medical Marijuana Production Facility.**

A. Inspections. The Department will conduct a pre-operational inspection at all medical marijuana production facilities to determine whether the facilities comply with the approved building and construction plans and any other requirements of this Chapter. The licensee is responsible for the costs of all inspections.

B. Products and Labeling. Products sold at City-licensed medical marijuana dispensaries must meet the following:

1. No infused products may be added to alcoholic beverages as defined by NRS 202.015;

No product shall have the appearance or packaging of candies, characters, shapes or other like products which are commonly marketed to children;

3. Packaging must be opaque. Products must not be visible from or depicted on the packaging;

4. Labels must be simple in appearance without pictures or depictions of objects, such as toys, characters, pictures of children, or cartoon characters or any other depiction which are commonly marketed to children.

5. Labels must comply with the labeling requirements established by NRS 453A.360, as may be amended, and any regulations by the State regulating authority;

6. Any edible marijuana products or marijuana infused products that are transported to a licensed medical marijuana dispensary must be packaged for retail sale in tamper evident containers and placed in unmarked, non-transparent transportation containers; and

7. The maximum number of servings in any one single unit of marijuana-infused product meant to be eaten or swallowed is ten servings of no more than ten milligrams of active THC per serving. THC is defined in NRS 453A.155. A single unit of marijuana-infused extract for inhalation cannot exceed one gram.

#### **5.29.140 Medical Marijuana Dispensary – Requirements and Limitation.**

Each licensed medical marijuana dispensary shall comply with the following requirements:

A. Prices for all products shall be prominently posted in the waiting area in a location and manner readily visible to prospective and actual clients. Prices shall not be posted on the exterior of the licensed premises.

B. All edible marijuana products and marijuana infused products offered for sale at licensed dispensaries shall meet the requirements, restrictions and labeling of edible marijuana products and marijuana infused products in accordance with NLVMC 5.29.130.

C. Any dispensary that sells edible marijuana products or marijuana infused products must display a placard that states the following:

1. Edible Marijuana and Marijuana Infused Products: There may be health risks associated with consumption of edible marijuana products or marijuana infused products.

2. Edible products and marijuana infused products contain marijuana or active compounds of marijuana.
3. Should not be used by women who are pregnant or breast feeding.
4. When eaten or swallowed, the intoxicating effects of this product can be delayed two or more hours.
5. Follow all recommended dosage and serving guidelines and recommendations.
6. “KEEP OUT OF REACH OF CHILDREN”

The placard shall be no smaller than 8 inches tall by 12 inches wide, with font size letters no smaller than 48. The placard shall be clearly visible and readable by customers and shall be written in English and Spanish.

D. A medical marijuana dispensary is not allowed to sell gifts, novelties or participate in ancillary business sales activity within a medical marijuana dispensary with the exception of the following;

1. Paraphernalia as defined by NRS453A.125.

Ancillary services which are services approved in the educational plan by the State regulating authority, and which also must be approved for an ancillary license by the City.

E. A dispensary may locate one automatic teller machine for access to patients only for the dispensing of money if the person operating the machine has been approved by the Director and the business is licensed to operate such by the City. Money and legal tender may not be stored onsite except as detailed in the approved security plan.

F. The following activities to promote the use of marijuana are prohibited:

1. The giving of free samples or free product to any person, employee or customer;  
No employee shall be paid for services in the form of marijuana product;
3. Reward programs, customer loyalty programs, promotional activities that result in free product;
4. No novelty merchandise may be produced or allowed to have any approved logo or business name to be used on such merchandise;
5. The display of any product in any manner visible to the general public from the right of way or outside of the facility.



G. The following activities are prohibited for all licensed medical marijuana dispensaries:

1. A drive-thru or walk-up window for transactions or product transfer.

A dispensary shall not dispense or distribute, sell, transfer or in any other way provide marijuana, edible marijuana products or marijuana infused products other than by direct, face-to face, in-person transaction with the holder of a registry identification card or designated primary caregiver at the licensed facility. Marijuana shall not be provided by any other means of delivery including, without limitation:

- a. Internet sales.

- b. Except as otherwise permitted under this Chapter, the transport, mail or private delivery of product.

H. Dispensaries must inform each customer either by signage, written receipt or on product labeling that it is illegal to re-sell medical marijuana, edible marijuana products or marijuana infused products to any person.

I. The Dispensary shall provide the Director, the North Las Police Department and all neighbors located within fifty (50) feet of the premises with the name, phone number, and facsimile number of an on-site community relations staff person to whom one can provide notice if there are operating problems associated with the Dispensary.

K. No advertising, materials or postings within the waiting areas may advertise locations, devices or activities promoting the consumption of marijuana or other facilities selling or purporting to provide locations for the private or public consumption of marijuana.

L. Medical marijuana, edible marijuana products and/or marijuana infused products shall be obtained from licensed medical marijuana establishments within Clark County if an adequate supply is available from licensed medical marijuana establishments located within Clark County.

M. A medical marijuana dispensary must maintain an electronic verification system in accordance with the requirements of the State regulating authority, which must be used to record data required by the State regulating authority and to validate each registry identification card presented and the allowed amount of medical marijuana to be dispensed.

#### **5.29.150 Annual Review of License.**

A. Each licensee must submit to a review of the issued license annually.

B. Documentation required for the annual review must be submitted at least 60 days prior to the expiration of the license.

C. Documentation for the annual review must be provided on a form approved by the Director and accompanied by:

1. A new license application per this Chapter;  
A nonrefundable application renewal fee of \$1,000.00;
3. List of all ownership or affidavit testifying that no changes have occurred;
4. Signed affidavits from each principal attesting to the fact that there have not been any arrests or convictions of a crime in any jurisdiction and they have not had disciplinary action taken against them or an associated business where a business license is held;
5. If changes are requested, a detailed proposal for changes to any of the plans or documents approved with the initial license or previous renewal, including the sign plan, security plan, environmental plan, operational plan, or building plans;
6. A copy of all current and proposed contracts for consulting, management, renting or leasing;
7. A copy of all contracts with any other medical marijuana establishments; and
8. A statement certifying and attesting that no changes have occurred in the ownership, operations or original application with the exception of those specifically noted in the renewal application.

D. The Director may review and approve a renewal of the license based on a determination that no material changes have been made to the original application. All changes in ownership or location must be referred to the City Council as a new permit application during a posted request for medical marijuana compliance permits.

E. The Director may deny renewal of a license based on the failure or refusal of a licensee to carry out the policies and procedures or comply with the plans and statements provided to the Department with the application for the license.

F. The Director may deny renewal of a license if the establishment is not in compliance with this Chapter or has any unpaid fees.

#### **5.29.160 Closure or Bankruptcy of a Medical Marijuana Establishment.**

A. Prior to the issuance of a license or the renewal of a license, each applicant must file with the Director a plan for the disposal, maintenance or transfer of all plant material, products and usable medical marijuana for implementation due to any of the following conditions:

1. Closure of the medical marijuana establishment, revocation or nonrenewal of the registration certificate issued by the State, or revocation or nonrenewal of a license granted pursuant to this Chapter.

2. The appointment of an administrator, receiver, trustee, or assignee in the event of the receivership, bankruptcy, or assignment for benefit of creditors of any licensee.

B. The plan must include:

1. The Director must be notified within ten (10) days of such appointment to act pursuant to Paragraph (2) of Subsection (A) above.

2. That business must cease all sales of medical marijuana products including wholesale, edible or infused products and dispensary sales until such time as a new certificate has been issued by the State regulating authority and a license has been granted by the City.

3. An inspection prior to the transfer of any materials to be disposed of or transferred to another licensed medical marijuana establishment.

4. The plan must be executable within ten (10) days and approved by the Director.

C. When the matter is resolved, the true party(ies) of interest may apply for a new license once certified by the state.

#### **5.29.170 Disposal of Medical Marijuana.**

Medical marijuana and any waste including wastewater must be stored, secured and managed in accordance with applicable state statutes and regulations and this Chapter and state approved disposal plan. A medical marijuana establishment must dispose of medical marijuana that is not usable marijuana within ten (10) calendar days of expiration of use. Medical marijuana waste must be made unusable prior to leaving a licensed medical marijuana facility.

A. Wastes that must be rendered unusable prior to disposal include, but are not limited to:

1. Marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.

2. Solid marijuana sample plant waste possessed by third-party laboratories certified by the State regulating authority for quality assurance that must be disposed of.

B. The allowable method to render marijuana plant waste unusable is by grinding and incorporating the marijuana plant waste with non-consumable solid waste or other ground materials so the resulting mixture is at least fifty percent non-marijuana waste by volume. Other methods to render marijuana waste unusable must be approved by the State regulating authority.

C. Marijuana waste rendered unusable following an approved method in the facility disposal plan may be delivered to a franchised or licensed solid waste facility for final disposition.

D. Disposal cannot include medical marijuana product including plant material entering the City wastewater collection system, storm drain system or any unsecured rubbish disposal system.

E. A medical marijuana establishment shall not transfer, share, give, sell or deliver any unused medical marijuana in the establishment's possession to any other person, regardless of whether they are licensed as a medical marijuana establishment.

F. A medical marijuana establishment shall not dispose of medical marijuana in any manner other than permitted under this Chapter.

#### **5.29.180 Work Card and Agent Registration Card Requirements.**

Each employee, whether a full- or part-time employee, independent contractor, or volunteer who works in a medical marijuana establishment business or facility shall obtain prior to the commencement of work and keep in force during the term of employment, a work card issued pursuant to NLVMC Chapter 5.42. A complete and accurate list of all employees and volunteers, each of whom must have a valid medical marijuana establishment agent registration card and work card issued pursuant to NLVMC Chapter 5.42, must be kept onsite and available for inspection at all times. The list must contain the current employment status, position and title of each employee and volunteer, and work shift.

It shall be a condition of the license to inform the City of any change in the employment status of a registered employee or volunteer who serves in a management position or as a key employee within ten (10) days of the effective date of the change in employment status. A change of employment status includes termination, leave of absence, and promotion to a management position or key employee.

#### **5.29.190 Confidential Information.**

The confidentiality of records regarding medical marijuana establishments shall be in accordance with Federal and State law. The duty to disclose any particular record as a public record shall be in accordance with State law.

#### **5.29.200 Disciplinary Actions, Suspension and Revocation of Licenses.**

All licenses authorized and issued under the provisions of this Chapter may be subject to immediate suspension by the Director, if the Director finds that:

A. A licensee has violated, or permitted, allowed or caused a violation of any provision of this Chapter, any regulation issued pursuant to this Chapter, any condition of approval imposed upon the issuance of the permit or license, or any State law or regulation relating to the operation;

B. If the State registration certificate has been surrendered, suspended or revoked;

C. Based on ascertainable facts, the operation substantially aggravates the crime problems in the City, makes law enforcement unduly difficult, or is detrimental to the public health, safety or welfare of the City;

D. A licensee has made any fraudulent statements as to a material fact on an application form, as to any other information presented as part of the application process, or in connection with any other information required to be submitted to the Director pursuant to this Chapter;

E. A licensee knowingly commits any act which would have constituted grounds for denial of an application for a license;

F. Licensee has failed either to file the required reports or annual review documentation or to furnish such information as may be reasonably required by the Director under the authority vested in the Director by the terms of the provisions relating to the specific license;

G. Any fact or condition exists which, if it had existed or been known to exist at the time of the application for such compliance permit or license, would have warranted the Director to recommend denial of the permit or license;

H. The licensee has failed to maintain the premises in compliance with the requirements of the building official or the fire chief or any environmental or health department.

I. Any act or omission committed by any employee, agent, or independent contractor that occurs in the course of his or her employment, agency, or contract with the licensee shall be imputed to the licensee for the purposing of imposing any civil penalty, suspension, or revocation on the licensee.

J. In the event of any condition that justifies suspension of a license, the Director shall have the discretion to recommend to the City Council that the license be revoked, or other penalty imposed.

K. In the event of the suspension of any license, the Director shall provide written notice by certified mail addressed to the licensee and the building owner at the addresses of record. Notice shall also be sent to the state regulating authority.

L. Failure to immediately suspend all business operations to the public or other medical marijuana establishments shall require the Director to post the property as closed by order of the Director, and shall be grounds for revocation of a license. Staff of a licensed cultivation facility is permitted to be onsite during the appeal process to maintain the needs of the plants for a cultivation facility.

M. A licensee may appeal any suspension, nonrenewal or other penalty to the City Council. Any suspension or other penalty shall be effective pending completion of any appeal. All appeals will be processed per NLVMC Chapter 5.02.445.

**5.29.210 Cultivation Limit.**

The Council may enter into agreements with other local governments to restrict cultivation to a regional location or a regional limit based on square feet of building space that may be licensed for the cultivation of medical marijuana to supply licensed dispensaries within the City.

**5.29.220 Construction**

Except as otherwise specifically provided herein, this Chapter incorporates the requirements and procedures set forth in NRS 453A and NAC 453A. In the event of any conflict between the provisions of this Chapter and the provisions of NRS 453A and NAC 453A, or any other applicable State or local law, the more restrictive provision shall control.

PASSED AND ADOPTED THIS 16th day of July, 2014.

AYES: Mayor Lee, Mayor Pro Tempore Wood, Council Members Goynes-Brown, Wagner, and Barron

NAYS: (None)

ABSENT: (None)

APPROVED:

/s/ John J. Lee  
JOHN J. LEE, MAYOR

ATTEST:

/s/ Barbara A. Andolina  
BARBARA A. ANDOLINA, CITY CLERK