BILL NO. 2017-02

ORDINANCE #183

AN ORDINANCE AMENDING THE CITY OF CALIENTE MUNICIPAL CODE TO ADD A NEW CHAPTER PERTAINING TO MARIJUANA ESTABLISHEMENTS; SETTING FORTH THE PROCEDURES, REGULATIONS AND REQUIREMENTS FOR THE ISSUANCE OF MARIJUANA ESTABLISHMENT LICENSES; ESTABLISHING FEES AND TAXES REQUIRED FOR SUCH LICENSES; SETTING FORTH THE PROVISIONS FOR RENEWAL OF SUCH LICENSES AND OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, in 2013, the Nevada legislature passed law now codified as Nevada Revised Statute 453A allowing medical marijuana establishments within the state of Nevada.

WHEREAS, In November 2016, the people of the state of Nevada approved Ballot Question #2 legalizing the use of marijuana for persons 21 years of age or older, and

WHEREAS, now codified in Nevada Revised Statutes 453D, which allows recreational marijuana establishments and sales within the state of Nevada and

WHEREAS, NRS 453A and 453D require such marijuana establishments to comply with all local business licensing requirements, local land use and code requirements;

WHEREAS, regulation and licensing of all marijuana establishments is necessary to protect the safety and welfare of the patients and citizens of the City of Caliente; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CALIENTE AS FOLLOWS:

SECTION 1: Title ___ of the Municipal Code of the City of Caliente, Nevada is hereby amended to include new provisions for Medical Marijuana Regulations and Licenses, a copy of which is attached hereto as Exhibit A, and for Recreational Marijuana Regulations and Licenses, a copy of which is attached hereto as Exhibit B.

SECTION 2: If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall in no way affect remaining provisions of this ordinance.

Section 3: All ordinances, parts or ordinances or chapters, sections or paragraphs contained in the Caliente Municipal Code in conflict herewith are hereby repealed.

Section 4: The City Council finds this ordinance is not likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business, or is otherwise is exempt from Nevada Revised Statutes 234.

Section 5: This ordinance shall become effective upon passage, approval and publication.

Section 6: The provisions of the ordinance shall be liberally construed to effectively carry out its purpose in the interest of the public health safety, welfare and convenience.

Section 7: The City Clerk is instructed and authorized to publish the title to this ordinance as provided by law.

PASSED, ADOPTED, AND APPROVED THIS 4th DAY OF January, 2018.

ATTEST

By: George T. Rowe
George T. Rowe, Mayor

By: Kelli Haluzak
Kelli Haluzak, City Clerk

APPROVED AS TO FORM:

By:
Dylan Frehner, City Attorney

aye votes - Councilman Jones + Councilman Rowe + Mayor Rowe
nay vote - Councilman Christensen
absent - Councilman Ahlstrom

EXHIBIT A

MEDICAL MARIJUANA REGULATIONS AND LICENSES

Section 1: FINDINGS:

Section 2: DEFINITIONS:

Section 3: LICENSE REQUIREMENT AND TERM OF LICENSE:

Section 4: LAND USE AND LOCATION REQUIREMENTS; CONFORMANCE WITH CHAPTER 15 OF THIS CODE:

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Section 16: RENEWAL OF BUSINESS LICENSE; LATE PAYMENT; PENALTY; REINSTATEMENT:

Section 17: CONSENT TO INSPECTIONS:

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Section 20: DISPOSAL OF MEDICAL MARIJUANA WASTE:

Section 21: VIOLATION; PENALTY:

Section 1: FINDINGS:

A. The city of Caliente City Council finds:

1. In 2013, the Nevada legislature passed, and the governor signed into law, senate bill 374, now codified in Nevada Revised Statutes 453A, which allows medical marijuana establishments within the state of Nevada; and requires such establishments to comply with all local business licensing requirements, local land use, and code requirements;
2. Federal law and related regulations classify marijuana as a Schedule I controlled substance and prohibit its cultivation, possession, dispensing, and use, among other things, for medical reasons or otherwise. This chapter is intended to implement Nevada Revised Statutes 453A and to establish criteria for the issuance of licenses that are a prerequisite for the exemption from state prosecution provided for in Nevada Revised Statutes 453A;
3. Nevada law allows the city to enact regulations to protect and promote the public health, safety and general welfare of the citizens of the city;
4. The operation of a medical marijuana establishment is a revocable privilege[1] and there is no property right for individuals or businesses to operate medical marijuana establishments within the corporate limits of the city. To the extent that medical marijuana establishments are registered and authorized by the state, the purpose of this chapter is to license and regulate them within the corporate limits of the city to protect the public interests over medical marijuana business interests;
5. Nothing in this chapter shall be construed to confer any legitimate claim of entitlement to any benefit which might otherwise devolve upon any licensee or any person approved for suitability;
6. Nothing in this chapter is intended to authorize or make legal any act that federal or state law does not permit or sanction or assist in any violation of any federal or state law. This chapter is intended to implement Nevada Revised Statutes 453A and to establish criteria for the issuance of licenses that are a prerequisite for the exemption from state prosecution provided for in Nevada Revised Statutes 453A;
7. Federal law makes it unlawful to cultivate, possess, distribute, or dispense marijuana. However, on August 29, 2013, the United States Department of Justice ("DOJ") issued a memorandum advising that the DOJ would allow enforcement of state laws that authorize marijuana production, distribution, and possession to be handled primarily by state and local law enforcement regulatory bodies as long as the state and local governments enact laws that implement "strong and effective regulatory enforcement systems" to address the federal government's identified enforcement priorities. The following enforcement priorities were specified by the DOJ as being particularly important to the federal government:
   a. Preventing the distribution of marijuana to minors;
   b. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
   c. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
   d. Preventing state authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
   e. Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
   f. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
   g. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
   h. Preventing marijuana possession or use on federal property.

Section 2: DEFINITIONS:

Unless the context otherwise requires the plain meaning shall be applied to all words not specifically defined in this chapter. The following words shall be defined as follows:

CANNABIS OR MARIJUANA: Shall have the same meaning, and as may be amended, as defined by Nevada Revised Statutes chapter 453A.

CITY: The City of Caliente, Nevada, a municipal corporation.

COMMUNITY FACILITY: Any of the following: a facility that provides daycare to children, a public park, a playground, a public swimming pool, a center or facility which provides recreational opportunities or services to children or adolescents, a church, synagogue, or other building, structure or place used for religious worship or other religious purposes.

CONVICTED: A finding of guilt as an adult offender by a jury or trial court, whether said finding is appealed or not. A person so convicted shall be deemed convicted until such finding is overturned by a court of competent jurisdiction or by pardon.

CULTIVATION FACILITY: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.056.

DESIGNATED PRIMARY CAREGIVER: Shall have the same meaning as ascribed to it in Nevada Revised Statutes 453A.080.

EDIBLE MARIJUANA PRODUCTS: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.101.

FINDING OF SUITABILITY: Means that after investigation, a person is found to comply with the requirements of this title which are prerequisite to involvement with a privilege license. This title authorizes the City Council to require that certain persons who are directly or indirectly involved with privilege licenses be found suitable for such involvement so long as that relationship continues. A finding of suitability relates only to the specific involvement for which it is made. If the nature of the involvement changes from that for which the applicant is found suitable, or if, in the judgment of the city council, new information concerning the applicant's suitability has become available, the applicant may be made to submit themselves for a new determination of suitability.

INDEPENDENT TESTING LABORATORY: Shall have the same meaning ascribed to it in Nevada Revised Statutes 435A.107.

JUVENILE: Any person less than twenty-one (21) years of age.

KEY EMPLOYEE: Any executive, manager, employee, agent, officer, or director of a medical marijuana establishment having the power to exercise significant influence or control over decisions concerning any part of the operations of the business or a manager charged with the day to day operations of the

business.

MARIJUANA INFUSED PRODUCTS: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.112.

MEDICAL MARIJUANA: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453.096 and as used in accordance with Nevada Revised Statutes 453A.120.

MEDICAL MARIJUANA DISPENSARY: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.115.

MEDICAL MARIJUANA ESTABLISHMENT: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.116.

MEDICAL MARIJUANA PRODUCTION FACILITY: Shall have the same meaning ascribed to a facility for the production of edible marijuana products or marijuana infused products in Nevada Revised Statutes 453A.105.

NEVADA REVISED STATUTES (NRS): The current codified laws of the state of Nevada.

OWNERSHIP INTEREST: 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 (5%) 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: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.125.

QUARTER OR CALENDAR QUARTER: A period of three (3) consecutive months commencing on January 1, April 1, July 1, or October 1, in any year.

REGISTRATION CERTIFICATE: A certificate issued pursuant to Nevada Revised Statutes 453A.322 by the state regulating authority. In accordance with subsection 3 of Nevada Revised Statutes 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: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.140.

STATE REGULATING AUTHORITY: 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 Nevada Revised Statutes 453A.

UNUSABLE MARIJUANA: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.160. (Ord. 485, 8-5-2014, eff. 8-26-2014)

Section 3: LICENSE REQUIREMENT AND TERM OF LICENSE:

A medical marijuana establishment business license is a revocable privilege, and the holder of such a license does not acquire thereby any vested right. No license under this chapter can be assigned or transferred except with the approval of the city council and must follow all Nevada division of public and behavioral health policies and procedures for transferring of ownership. A medical marijuana establishment business must comply at all times with all applicable laws, regulations or licensing requirements in the conduct of the business.

A. License Required:

1. 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 Nevada Revised Statutes 453A and any administrative rules duly adopted by the state regulating authority and without first making application and securing a medical marijuana establishment license to do so from the City of Caliente.

2. It shall be unlawful for any person to operate any medical 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 this code.

3. 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 certificate duly issued by the state regulating authority and a license issued by the city.

4. Except for sales pursuant to Nevada Revised Statutes 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.

5. A license is required for each medical marijuana establishment registration certificate an individual holds to operate in each location where that activity is to occur as required under this chapter.

6. A person operating more than one type of medical marijuana establishment in the same location must have a separate license for each type of medical marijuana establishment registration certificate.

7. The license requirement set forth in this chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state or local law.

8. A license issued pursuant to this section does not provide any exception, defense or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution or possession of marijuana.

B. Posting License; Failure As Grounds For Revocation: All licenses issued for medical marijuana establishments shall be posted in a conspicuous place in order that they may be readily available for inspection by authorized state and city officials. Failure to comply with the provisions of this subsection shall constitute grounds for revocation of any such license so not posted.

C. Location Transfer: A medical marijuana establishment business license may not be transferred to a new location within the city unless it is in accordance with this chapter and Title 15 requirements and approved by City Council. The new location shall be inspected and approved by the fire department and the building and zoning department to ensure safety and compliance with applicable city ordinances and regulations.

D. License; Corporation, Partnership, Limited Liability Company; Changes In Membership: In the case of a corporate licensee, any and all changes in the officers of such corporation must be reported to the business license official within thirty (30) days of such change. Such new officers shall be required to qualify for a license as required in this chapter. Any new manager of a corporate licensee shall be required to qualify for a license as required in this chapter. In the case of a partnership or limited liability company, any change in ownership of the partnership or limited liability company must be reported to the business license official within thirty (30) days of such change. Any new partners or managers shall be required to qualify for a license as required in this chapter.

E. Notice Of Change To Key Employee: It shall be a condition of the license to inform the business license official 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.

F. Limitation Of Sales: Medical marijuana dispensaries are prohibited from offering for sale items other than products defined in this chapter as "medical marijuana", "edible marijuana products", or "marijuana infused products" and "paraphernalia". Any paraphernalia offered for sale must be designed for individual use only. A medical marijuana dispensary is limited to ten percent (10%) of the retail space for paraphernalia, not to include the lobby area.

G. Transportation Of Marijuana Products: Transportation must meet all requirements of the state regulating authority. Product must be placed in unmarked, nontransparent transportation containers. All required transportation logs must be in the vehicle and made available to law enforcement upon being stopped by a law enforcement officer within the city, each driver must identify to the officer that the product contained within the vehicle is medical marijuana, edible marijuana products or marijuana infused products, as the case may be, from a licensed medical marijuana establishment and must present to the officer a state agent registration card, the route the vehicle was authorized to travel and the actual travel log.

Section 4: LAND USE AND LOCATION REQUIREMENTS; CONFORMANCE WITH TITLE 15 OF THIS CODE:

A. No medical marijuana establishment license will be issued unless the location is within an area zoned as agricultural or industrial in accordance with Chapter 15 of this code.

B. Approval of a location or of a use permit pursuant to Chapter 15 of this code does not guarantee or constitute approval of any medical marijuana establishment license.

Section 5: HOURS OF OPERATION:

It shall be unlawful for any person to sell medical marijuana at a licensed medical marijuana dispensary at any time other than between the hours of eight o'clock (8:00) A.M. and nine o'clock (9:00) P.M. daily.

Section 6: FACILITIES NOT LOCATED WITHIN THE CITY JURISDICTION:

Marijuana Testing Establishments and Marijuana Distribution Establishments located outside the City of Caliente, but which have obtained business licenses in a jurisdiction other than the city, need not apply for a City of Caliente license to only provide testing of marijuana, or medical marijuana and/or merely deliver marijuana or medical marijuana products to a marijuana or medical marijuana establishment located within the city.

Section 7: LICENSE CLASSIFICATION:

A. 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 cardholders.

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 marijuana dispensary, 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 Nevada Revised Statutes 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.

Section 8: LICENSE APPLICATION PROCEDURE AND FEES:

Each application for a medical marijuana establishment business license must include, without limitation:

A. Completed Application: A complete medical marijuana application:

1. The mailing address of the applicant;

2. The applicant's date of birth;

3. The name, address, telephone number and date of birth of the proposed key employee;

4. The telephone number of the applicant, including cell phone number;

5. If applying for a medical marijuana dispensary license, the proposed hours of operation;

6. The e-mail address of the applicant;

7. An attestation that the information provided to the city to apply for the medical marijuana establishment license is true and correct according to the information known by the applicant at the time of signing; and

8. The signature of the natural person for the proposed medical marijuana establishment;

B. Application Fee: Onetime, nonrefundable application fee of five thousand dollars ($5,000.00);

C. Type Of License: Whether the applicant is applying for a medical marijuana establishment license for an independent testing laboratory, cultivation facility, a facility for production of edible marijuana products, marijuana infused products, or a medical marijuana dispensary;

D. Name Of Establishment: The name of the proposed medical marijuana establishment, as reflected in the articles of incorporation or other documents filed with the secretary of state;

E. Type Of Business Organization: The type of business organization of the applicant, such as individual, corporation, partnership, limited liability company, association or cooperative, joint venture or any other business organization. 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;

F. List Of Persons Receiving Registration Card: A list of persons associated with the medical marijuana establishment who have received, or will request, a medical marijuana establishment agent registration card from the state regulating authority;

G. Other Ownership Interests: The name and physical address of any other medical marijuana establishment within the city which any owner, officer, manager or director has ownership interest in, a contractual relationship with or is otherwise associated with;

H. Information Of Providing Facility Or Laboratory: The name and location of the off-site medical marijuana cultivation facility providing the medical marijuana, if applicable. The name and location of the medical marijuana testing laboratory providing laboratory services, if applicable;

I. Address Of Establishment And Owners: The physical address where the proposed medical marijuana establishment will be located and the physical address of any owner, co-owner, or person otherwise affiliated with the medical marijuana establishment;

J. Description Of Products: A complete description of the products and services to be produced or sold by the medical marijuana establishment;

K. Accompanying Documents: A complete and accurate copy of the application and all accompanying documents to be filed with the state regulating authority pursuant to Nevada Revised Statutes 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, operations manuals, financial plan, environmental plan, and procedures manual to ensure the use of adequate security measures;

L. Sign And Advertising Plan: A sign and advertising plan including all proposed interior signage;

M. Floor Plan: The floor plan of the establishment;

N. Copy Of Contracts: 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;

O. Statement Acknowledging Federal Laws: 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 such license subject to immediate suspension or revocation;

P. Statement Holding City Harmless; Bond: A written statement to the business license official 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 a bond to secure such

obligation in the amount of two hundred fifty thousand dollars ($250,000.00) will be provided prior to the issuance of any license;

Q. Suitability Of Persons Holding Ownership Interest: An acknowledgment that the applicant is seeking a privilege 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 permit or license is at all times on the applicant; that the granting of a medical marijuana establishment license is at the discretion of the City Council; and that the applicant agrees to abide by the decision;

R. Fingerprint-Based Background Checks: All applicants applying for a medical marijuana establishment license with the City of Caliente are required to provide the City of Caliente with a full set of fingerprints. Fingerprinting shall be completed at the Lincoln County Sheriff's Office. In all cases where the applicant for medical marijuana is a firm, partnership, association or corporation, all the members, principal officers, directors, stockholders, and/or managers shall present themselves to the Lincoln County Sheriff's Office for fingerprinting. Fingerprint data will be used to conduct state and national criminal records checks. Upon receipt of the fingerprint data, the Lincoln County Sheriff's Office is authorized to transmit the fingerprint data to the Nevada Department of Public Safety to conduct state criminal records checks. The Nevada Department of Public Safety is authorized to exchange this fingerprint data with the Federal Bureau of Investigation to conduct national criminal records checks. The results of the state and national criminal checks will be disseminated to the Lincoln County Sheriff's Office. Upon completion of the investigation, the Lincoln County Sheriff's Office shall prepare and submit a report containing findings and a recommendation of approval or disapproval to the city council. This provision is enacted pursuant to Nevada Revised Statutes 239B.010(1)(a) and Public Law 92-544;

S. Investigation Fees:

1. Fees Enumerated:

a. Investigation And Fingerprinting Fee: Each application for a license filed pursuant to this chapter shall be accompanied by an investigation and fingerprinting fee of two hundred fifty dollars ($250.00) per person to be investigated. This fee is nonrefundable and is in addition to other fees collected pursuant to this title;

b. Actual Cost: In addition to the fees required to accompany the application, the applicant shall be required to pay the city the actual cost incurred by the city or its designated agent to complete the necessary investigations;

T. Confidentiality Required: All information, other than the criminal history information, of a confidential nature supplied under the terms of this chapter shall be maintained by the business license officer, in a confidential file, to be opened for inspection only by city officials and law enforcement officers; provided, however, the applicant may waive the requirements of this subsection.

Section 9: SECURITY REQUIREMENTS:

To prevent unauthorized access to the marijuana, each medical marijuana establishment must submit, maintain, and follow a security plan that includes customer, building and product security measures. The 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. Immediate automatic or electronic notification to alert the Lincoln County Sheriff's Office of an unauthorized breach of security at the medical marijuana establishment in the interior of each building of the establishment;

C. 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 Of Standards And Technology standards;

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

E. At least one 19-inch, or greater call-up monitor;

F. A video printer capable of immediately producing a clear still photo from any video camera image;

G. Video cameras with a recording resolution of at least 704x480 or the equivalent providing coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building, capable of identifying any activity occurring in or adjacent to the building;

H. A video camera at each point of sale location allowing for the identification of any person who holds a valid state registry identification card or his or her designated primary caregiver purchasing medical marijuana;

I. A video camera in each grow room capable of identifying any activity occurring within the grow room in low light conditions;

J. A method for storing video recordings from the video cameras for at least thirty (30) calendar days from the date recorded;

K. Sufficient battery backup for video cameras and recording equipment to support at least five (5) minutes of recording in the event of a power outage;

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

M. The establishment 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;

N. 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 Lincoln County Sheriff's Office;

O. 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 feet (20') 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;

P. In addition to complying with all requirements set by the state regulating authority, any licensed medical marijuana dispensary shall have a lobby waiting area at the entrance to the dispensary to receive clients, and a separate and secure designated area for dispensing medical marijuana to patients or designated primary caregivers with a valid state registry card. The primary entrance and exit shall be separated and shall be located and maintained clear of barriers, landscaping and similar obstruction so that it is clearly visible from the public street, sidewalk, or site parking area.

Q. All medical marijuana, edible marijuana products, or marijuana infused products, during nonbusiness hours, must be stored in a separated and secured area.

1. The area must meet the building official's standards for odor control and the Southern Nevada Health District regulations.

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

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

Section 10: PRELIMINARY FINDING; CITY COUNCIL ACTION ON APPLICATION; DENIAL OF BUSINESS LICENSE:

Concurrently with Chapter 15 of this code, unified development code approval process, the business license official shall upon completion of the preliminary finding of suitability refer the application to the City Council for consideration.

A. Preliminary Finding Of Suitability: The preliminary finding of suitability will be based on the information submitted to the business license official as outlined in this chapter.

B. Notification Of Denial; Registration Certificate Required: Applicants found unsuitable by the license official shall be notified in writing within ten (10) business days after the close of the application period. All applicants that satisfy the preliminary finding of suitability will move forward to the City Council for the preliminary approval. At the conclusion of the state provisional certification process all applicants that have received a provisional medical marijuana establishment registration certificate and a ranking by the Nevada Division of Public and Behavioral Health will be submitted to the City Council for final approval.

C. City Council Action: City Council shall consider the following criteria that will include, but not be limited to, the following:

1. Ranking provided by the Nevada Division of Public and Behavioral Health;

2. Information regarding any bankruptcy proceedings involving owners or board members;

3. The identity, character, and background of the applicant, capacity, capitalization;

4. Operational plan, organizational structure, environmental sustainability and mitigation plans, interior floor plans of the buildings, odor control systems and suitability of the building for the use proposed, site plan as to parking, traffic movement and aesthetics;

5. Impact on the surrounding neighborhood; the type and degree of security and facilities and any other factors that in his or her discretion are deemed necessary to the safety, peace, order and welfare of the public.

D. Other Inspections: All applicants selected by the City Council must satisfy all required building, fire inspection criteria, and applicable food safety inspections by the Southern Nevada Health District before commencing operations.

E. Denial: The following persons are declared not to be qualified to hold a medical marijuana establishment license under the provisions of this chapter:

1. A person who does not possess, or who does not have a reputation for possessing a good moral character;

2. A person under the age of twenty-one (21) years;

3. A person who has been convicted of a felony;

4. A person who has been convicted of a crime involving moral turpitude which includes, but is not limited to: possession of a controlled substance, theft, fraud, falsification in official matters, offenses against privacy, lewdness, voyeurism, or violent or aggravated conduct involving persons or property;

5. A person who is currently on parole or probation to any court, penal institution, or governmental entity, including being under house arrest or subject to a tracking device;

6. A person who has been incarcerated in a federal or state prison;

7. A person who illegally resides in the United States;

8. A person who at the time of renewal of any license issued under this chapter, would not be eligible for such license upon a first application;

9. A partnership, limited partnership, association or limited liability company, unless all the partners, managers and members of such partnership, limited partnership, association or limited liability company required to submit to a background investigation under the provisions of this chapter are found to be suitable;

10. A corporation, if any principal officer required to submit to a background investigation under the provisions of this chapter is not found suitable;

11. A person who does not beneficially own the premises for which a license is sought or does not have a lease or provisional lease thereon for the full period for which the license is to be used.

No license shall be issued to any person who has violated any provision of this chapter, this title, or the act, or who has violated any provision of a license to sell medical marijuana issued by the city or any other governmental agency, or who has had such a license revoked. (Ord. 485, 8-5-2014, eff. 8-26-2014)

Section 11: COMMENCEMENT; NONOPERATIONAL STATUS OF BUSINESS:

The licensee must commence operation of the business within ninety (90) days after the license has been approved by the state regulating authority and may not discontinue operation of the business for more than a three (3) month period without City Council approval. The City Council may approve nonoperational status of the business beyond the initial three (3) month period in time increments not to exceed one year but in no event shall the City Council approve any nonoperational status beyond a maximum of one year. A license shall be automatically revoked at the expiration of the time periods provided by this section unless City Council approval has been granted pursuant to this section. All license fees must be paid notwithstanding the licensee's nonoperational status. (Ord. 485, 8-5-2014, eff. 8-26-2014)

Section 12: ON SITE USE PROHIBITED:

No medical marijuana shall be smoked, ingested, or otherwise consumed on the premises of any medical marijuana establishment.

Section 13: AGE LIMITATION:

No person under the age of twenty-one (21) years of age shall be allowed in a medical marijuana establishment unless the person holds a valid registry identification card or is accompanied by a parent or guardian.

Section 14: JUVENILE EMPLOYEE:

It shall be unlawful for any business licensed under this chapter to employ a juvenile.

Section 15: FEES:

Medical marijuana establishment licenses, are not prorated, are fixed, and established, and must be paid in advance to the business license department by all persons receiving such licenses as follows:

A. Origination Fees: Origination license fees are imposed for the following and are payable prior to the issuance of the recreational marijuana establishment license:

License Category	**Origination Fee**
Dispensary	$20,000
Cultivation Facility	$20,000
Production Facility	$20,000

Other Marijuana Establishments	$10,000

B. License taxes:

License Category	Quarterly Revenue Taxes
Dispensary	3% of the Gross Sales
Cultivation	3% of the Gross Sales
Production Facility	3% of the Gross Sales
Other Marijuana Establishment	3% of the Gross Sales

C. Dual License: A new applicant wishing to apply for a dual license shall be subject to the fees as follows:

License Category	**Origination Fee**
Dispensary	$30,000
Cultivation Facility	$30,000
Production Facility	$30,000
Other Marijuana Establishments	$15,000

D. Fees Nonrefundable: License fees are nonrefundable.

Section 16: RENEWAL OF BUSINESS LICENSE; LATE PAYMENT; PENALTY; REINSTATEMENT:

A. Renewal Notification:

1. All applications for renewal of a city medical marijuana establishment business license shall be notified, before the due date, of each license fee required, however, the failure to notify any lawful business shall not be held to waive the payment of the business license fee; nor is the actual receipt of such notice required.

2. All applications for renewal of a city medical marijuana establishment business license shall be accompanied by a copy of the renewed medical establishment registration certificate from the state regulating authority.

B. File Renewal Application: Every medical marijuana establishment license shall file, together with the license fees and taxes required by section 15 of this chapter, an application for renewal which shall be certified by the licensee, manager or officer thereof. The application for renewal shall contain an accurate report of all gross revenue for the preceding quarter.

C. Certification: The form shall include the following certification:

I, (name of certifier), certify and declare under the penalties of perjury that I am the owner, partner, (president, treasurer, other {describe}) of the business named above, that this is a true, correct and complete report to the best of my knowledge, information and belief, and that this

application and report is made with the knowledge and consent of all other individuals named on the medical marijuana establishment license.

Signed: Dated: Title:

I hereby certify that there has been no unreported change in ownership, management or location of the medical marijuana establishment license, during the license period; and that the establishment has a valid state license which has not been revoked or suspended, conditioned or limited during the licensing period. I further certify there have been no revenues that have not been reported as required by law or ordinance of the State of Nevada, Lincoln County, or the City of Caliente.

Signed: Dated: Title:

D. Renewal Processing Fee: The licensee shall pay, in addition to all other fees, a license renewal processing fee of one hundred dollars ($100.00).

E. Late Renewal Fee; Penalty: Medical marijuana establishment licenses are delinquent if not paid by the due date, a penalty of twenty five percent (25%) of the amount due or two hundred dollars ($200.00) whichever is greater is assessed if such amount is not paid by the fifteenth day after the due date. If payment is not made by the fifteenth day, the penalty increases to fifty percent (50%) of the fee due or four hundred dollars ($400.00) whichever is greater is assessed.

F. Reinstatement: License fees not paid within thirty (30) days after the due date are automatically revoked. Any such license shall not be reinstated until a fifty percent (50%) penalty fee and a twenty five percent (25%) reinstatement fee shall have been paid.

G. No License Issuance: No license shall be issued until all penalties have been paid in full.

Section 17: CONSENT TO INSPECTIONS:

The applicant or licensee shall consent to any and all reasonable inspections of the medical marijuana establishment business operations and premises with or without notice for the purpose of ascertaining such compliance with the laws and regulations of the city and state in areas of health, fire prevention, safety, and consumer protection, together with such examination of the business books and records as may be necessary to ascertain the basis for determining the payment of fees.

Section 18: REVOCATION OF LICENSES, SUSPENSION, CANCELLATION; NOTICE OF HEARING PROCEDURE:

A. Events Causing Revocation: All medical marijuana establishment business licenses may be revoked if one or more of the following events occur, but is not limited to the following:

1. 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 license, or any state law or regulation relating to operation;

2. If the state registration certificate has been surrendered, suspended or revoked;

3. 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;

4. A licensee has made 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 business license office;

5. The licensee has failed to maintain the premises in compliance with the requirements of the building, fire, health, and environmental agencies;

6. Having committed a felony offense;

7. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient;

8. 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 suspension or revocation of the license.

B. City Council May Revoke, Suspend Or Cancel: The city council at any regular or at any special meeting convened and held for that purpose upon a show cause order for any willful violation or omission of this chapter may revoke, suspend, or cancel the medical marijuana establishment licenses by a majority vote. If a license is revoked, suspended, or canceled pursuant to this provision, it shall be unlawful for the licensee to maintain or conduct such business under the license, or at all. Upon such revocation, suspension or cancellation, no refund of any portion of the license fee shall be made to the licensee and the licensee shall immediately cease all business at all places under such license.

C. Notice Of Hearing; Hearing Procedures: Notice and the procedure of a hearing scheduled for the purposes set forth in this chapter shall be in accordance with the provisions of Chapter 7.

Section 19: ACTION UPON SUSPENSION, REVOCATION OR CLOSURE:

A. In the event of a suspension, revocation or closure of any license, the establishment shall not remove any marijuana from the premises except under the supervision of the police department and must dispose of it in a manner and location approved by the state regulating authority and/or the police department.

B. In the event that the medical marijuana establishment is closing either temporarily, or permanently, the establishment shall notify the business license official of the closing fifteen (15) days before the medical marijuana establishment is closed and in the case of an emergency, the establishment must notify the business license official within twenty four (24) hours of such closure.

Section 20: DISPOSAL OF MEDICAL MARIJUANA WASTE:

A. Disposal of waste must meet all state and federal guidelines. Waste must be maintained in a secure location until removal from the location. All waste must be deposited at the disposal site operated by the city or its authorized contractor.

B. Medical marijuana and any waste including wastewater must be stored, secured and managed in accordance with applicable state statutes and regulations and with a 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.

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

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

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

2. 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 (50%) non-marijuana waste by volume. Other methods to render marijuana waste unusable must be approved by the state regulating authority before implementing.

3. 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.

4. Disposal cannot include medical marijuana product including plant material entering the city wastewater collection system, storm drain system or any unsecure rubbish disposal system.

5. 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.

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

Section 21: VIOLATION; PENALTY:

Any person violating any of the terms, conditions or provisions of this chapter shall be deemed guilty of a misdemeanor. Upon conviction thereof such person shall be punished by a fine not to exceed the maximum allowable under Nevada Revised Statutes, or by imprisonment in the city jail for a term not to exceed six (6) months, or by both such fine and imprisonment. Such conviction shall also subject the permittee or licensee to have his permit or license revoked. Thereafter, any person adjudged guilty of a violation of this chapter or any of the terms, conditions or provisions thereof may, in the discretion of the city council, be denied a permit or license. Each violation or instance of noncompliance shall be

considered a separate and distinct offense. Further, each day of continued violation or noncompliance shall be considered as a separate offense. (Ord. 485, 8-5-2014, eff. 8-26-2014)

Footnotes - Click any footnote link to go back to its reference.

Footnote 1: NRS 453A.320.

EXHIBIT B

RECREATIONAL MARIJUANA REGULATIONS AND LICENSES

Section 1: FINDINGS

Section 2: DEFINTIONS

Section 3: LICENSE REQUIREMENT AND TERM OF LICENSE

Section 4: LAND USE AND LOCATION REQUIREMENTS; CONFORMANCE WITH TITLE 15 OF THIS CODE

Section 5: HOURS OF OPERATION

Section 6: FACILITIES NOT LOCATED WITHIN THE CITY JURISDICTION

Section 7: LICENSE CLASSIFICATION

Section 8: LICENSE APPLICATION PRODEDURE AND FEES

Section 9: SECURITY REQUIREMENTS

Section 10: PRELIMINARY FINDING; CITY COUNCIL ACTION ON APPLICATION; DENIAL OF BUSINESS LICENSE

Section 11: COMMENCEMENT; NONOPERATIONAL STATUS OF BUSINESS

Section 12: ON-SITE USE PROHIBITED

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Section 14: JUVENILE EMPLOYEE

Section 15: FEES AND TAXES

Section 16: RENEWAL OF BUSINESS LICENSE; LATE PAYMENT; PENALTY; REINSTATEMENT

Section 17: CONSENT TO INSPECTIONS

Section 18: REVOCATION OF LICENSES, SUSPENSION, CANCELLATION; NOTICE OF HEARING PROCEDURE

Section 19: ACTION UPON SUSPENSION, REVOCATION OR CLOSURE

Section 20: DISPOSAL OF MARIJUANA WASTE

Section 21: VIOLATION; PENALTY

Section 1: FINDINGS

A. The City of Caliente Finds that:

1. In 2016, the people of the state of Nevada approved Ballot Question #2 legalizing the use of marijuana for persons 21 years of age or older, now codified in Nevada Revised Statutes 453D, which allows recreational marijuana establishments and sales within the state of Nevada and requires such establishments to comply with all local business licensing requirements, local land use and code requirements;
2. Federal law and related regulations classify marijuana as a Schedule I controlled substance and prohibit its cultivation, possession, dispensing, and use, among other things, for medical reasons or otherwise. This chapter is intended to implement Nevada Revised Statutes 453D and to establish criteria for the issuance of licenses that are a prerequisite for the exemption from state prosecution provided for in Nevada Revised Statutes 453D;
3. Nevada law allows the city to enact regulations to protect and promote the public health, safety and general welfare of the citizens of the city;
4. The operation of a marijuana establishment is a revocable privilege[1] and there is no property right for individuals or businesses to operate marijuana establishments within the corporate limits of the city. To the extent that marijuana establishments are registered and authorized by the state, the purpose of this chapter is to license and regulate them within the corporate limits of the city to protect the public interests over marijuana business interests;
5. Nothing in this chapter shall be construed to confer any legitimate claim of entitlement to any benefit which might otherwise devolve upon any licensee or any person approved for suitability;
6. Nothing in this chapter is intended to authorize or make legal any act that federal or state law does not permit or sanction or assist in any violation of any federal or state law. This chapter is intended to implement Nevada Revised Statutes 453D and to establish criteria for the issuance of licenses that are a prerequisite for the exemption from state prosecution provided for in Nevada Revised Statutes 453D;
7. Federal law makes it unlawful to cultivate, possess, distribute, or dispense marijuana. However, on August 29, 2013, the United States Department of Justice ("DOJ") issued a memorandum advising that the DOJ would allow enforcement of state laws that authorize marijuana production, distribution, and possession to be handled primarily by state and local law enforcement regulatory bodies as long as the state and local governments enact laws that implement "strong and effective regulatory enforcement systems" to address the federal government's identified enforcement priorities. The following enforcement priorities were specified by the DOJ as being particularly important to the federal government:

   a. Preventing the distribution of marijuana to minors;

   b. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;

   c. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;

   d. Preventing state authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

   e. Preventing violence and the use of firearms in the cultivation and distribution of marijuana;

f. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
g. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
h. Preventing marijuana possession or use on federal property.

Section 2: DEFINTIONS

CANNABIS OR MARIJUANA: "Marijuana" has the meaning ascribed to it in NRS 453D.030.

CITY: The City of Caliente, Nevada, a municipal corporation.

COMMUNITY FACILITY: Any of the following: a facility that provides daycare to children, a public park, a playground, a public swimming pool, a center or facility which provides recreational opportunities or services to children or adolescents, a church, synagogue, or other building, structure or place used for religious worship or other religious purposes.

CONVICTED: A finding of guilt as an adult offender by a jury or trial court, whether said finding is appealed or not. A person so convicted shall be deemed convicted until such finding is overturned by a court of competent jurisdiction or by pardon.

CULTIVATION FACILITY: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453D.030.

DEPARTMENT: The Department of Taxation.

DIVISION: the Division of Public and Behavioral Health of the Department of Health and Human Services.

DUAL LICENSEE: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453D.030.

EDIBLE MARIJUANA PRODUCTS: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.101

FINDING OF SUITABILITY: Means that after investigation, a person is found to comply with the requirements of this title which are prerequisite to involvement with a privileged license. This title authorizes the City Council to require that certain persons who are directly or indirectly involved with privileged licenses be found suitable for such involvement so long as that relationship continues. A finding of suitability relates only to the specific involvement for which it is made. If the nature of the involvement changes from that for which the applicant is found suitable, or if, in the judgment of the city council, new information concerning the applicant's suitability has become available, the applicant may be made to submit themselves for a new determination of suitability.

MARIJUANA TESTING LABORATORY: Shall have the same meaning ascribed to it in Nevada Revised Statutes 435D.030.

JUVENILE: Any person less than twenty-one (21) years of age.

KEY EMPLOYEE: Any executive, manager, employee, agent, officer, or director of a marijuana establishment having the power to exercise significant influence or control over decisions concerning any part of the operations of the business or a manager charged with the day to day operations of the business.

MARIJUANA DISTRIBUTOR: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453D.030.

MARIJUANA ESTABLISHMENT: A marijuana cultivation facility, a marijuana testing facility, marijuana product manufacturing facility, a marijuana distributor, or a retail marijuana store.

MARIJUANA PRODUCTS: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453D.030

NEVADA REVISED STATUTES (NRS): The current codified laws of the state of Nevada.

OWNERSHIP INTEREST: 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 (5%) or more ownership or financial interest in the publicly traded corporation. To the extent that a business entity has an ownership interest in a 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 marijuana establishment be disclosed and be subject to the requirements of this chapter.

PARAPHERNALIA: Shall have the same meaning ascribed to it in Nevada Revised Statutes 453A.125.

PUBLIC PLACE: Shall have the same meaning ascribed to it in Nevada Revised Statues 453D.030.

QUARTER OR CALENDAR QUARTER: A period of three (3) consecutive months commencing on January 1, April 1, July 1, or October 1, in any year.

RETAIL MARIJUANA STORE: Shall have the same means ascribed to it in Nevada Revised Statutes 453D.030.

Section 3: LICENSE REQUIREMENT AND TERM OF LICENSE:

A recreational marijuana establishment business license is a revocable privilege and the holder of such a license does not acquire thereby any vested right. No license under this chapter can be assigned or transferred except with the approval of the City Council and must follow all Nevada Department of Taxation policies and procedures for transferring of ownership. A recreational marijuana establishment business must comply at all times with all applicable laws, regulations or licensing requirements in the conduct of the business.

A. License Required:

1. 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 Nevada Revised Statutes 453A and 453D and any administrative rules duly adopted by the state regulating authority, without first making application and securing a marijuana establishment license to do so from the City of Caliente.

2. 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 this code.

3. It shall be unlawful for any person to provide marijuana, edible marijuana products or marijuana infused products to a marijuana establishment within the City without a registration certificate duly issued by the state regulating authority and a license issued by the City, except as otherwise provided in provisions of City Code governing Medical Marijuana.

4. Except for sales pursuant to Nevada Revised Statutes 453A.352(5), it shall be unlawful for any licensed 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, except as provided in the City Code governing medical marijuana.

5. A license is required for each marijuana establishment registration certificate an individual holds to operate in each location where that activity is to occur as required under this chapter.

6. A person operating more than one type of marijuana establishment in the same location must have a separate license for each type of marijuana establishment registration certificate.

7. The license requirement set forth in this chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state or local law.

8. A license issued pursuant to this section does not provide any exception, defense or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution or possession of marijuana.

B. Posting License; Failure As Grounds For Revocation: All licenses issued for medical marijuana establishments shall be posted in a conspicuous place in order that they may be readily available for inspection by authorized state and city officials. Failure to comply with the provisions of this subsection shall constitute grounds for revocation of any such license so not posted.

C. Location Transfer: A marijuana establishment business license may not be transferred to a new location within the city unless it is in accordance with this chapter and Chapter 15 requirements and approved by City Council. The new location shall be inspected and approved by the fire department and the building and zoning department to ensure safety and compliance with applicable city ordinances and regulations.

D. License; Corporation, Partnership, Limited Liability Company; Changes In Membership: In the case of a corporate licensee, any and all changes in the officers of such corporation must be reported to the business license official within thirty (30) days of such change. Such new officers shall be required to qualify for a license as required in this chapter. Any new manager of a corporate licensee shall be required to qualify for a license as required in this chapter. In the case of a partnership or limited liability company, any change in ownership of the partnership or limited liability company must be reported to the business license official within thirty (30) days of such change. Any new partners or managers shall be required to qualify for a license as required in this chapter.

E. Notice Of Change To Key Employee: It shall be a condition of the license to inform the business license official 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.

F. Transportation Of Marijuana Products: Transportation must meet all requirements of the state regulating authority. Product must be placed in unmarked, nontransparent transportation containers. All required transportation logs must be in the vehicle and made available to law enforcement upon being stopped by a law enforcement officer within the city, each driver must identify to the officer that the product contained within the vehicle is marijuana, edible marijuana products or marijuana infused products, as the case may be, from a licensed marijuana establishment and must present to the officer a state agent registration card, the route the vehicle was authorized to travel and the actual travel log.

Section 4: LAND USE AND LOCATION REQUIREMENTS; CONFORMANCE WITH TITLE 15 OF THIS CODE:

A. No marijuana establishment license will be issued unless the location is within an area zoned as agricultural or industrial in accordance with Chapter 15 of this code.

B. Approval of a location or of a use permit pursuant to Chapter 15 of this code does not guarantee or constitute approval of any marijuana establishment license.

Section 5: HOURS OF OPERATION:

It shall be unlawful for any person to sell marijuana at a licensed marijuana dispensary at any time other than between the hours of eight o'clock (8:00) A.M. and nine o'clock (9:00) P.M. daily.

Section 6: FACILITIES NOT LOCATED WITHIN THE CITY JURISDICTION:

Marijuana Testing Establishments and Marijuana Distribution Establishments located outside the City of Caliente, but which have obtained business licenses in a jurisdiction other than the city, need not apply for a City of Caliente license to only provide testing of marijuana, or medical marijuana and/or merely deliver marijuana or medical marijuana products to a marijuana or medical marijuana establishment located within the city.

Section 7: LICENSE CLASSIFICATION:

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

1. Retail Marijuana Store: A retail marijuana license allows the licensee to acquire, possess, supply and sell or dispense usable marijuana, edible marijuana products, marijuana infused products, and marijuana paraphernalia.

2. Marijuana 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 marijuana dispensary, marijuana production facility, or to other cultivation facilities only.

3. Marijuana Testing Facility: Marijuana testing facility license allows the licensee to test marijuana, edible marijuana products and marijuana infused products that are to be sold at marijuana establishments operating in accordance with the requirements of Nevada Revised Statutes 453D.

4. Marijuana Product Manufacturing Facility: A marijuana product manufacturing 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.

5. Marijuana Distributor: A marijuana distributor license allows the licensee to transport marijuana from a marijuana establishment to another marijuana establishment.

Section 8: LICENSE APPLICATION PROCEDURE AND FEES:

Each application for a marijuana establishment business license must include, without limitation:

A. Completed Application: A complete marijuana application:

1. The mailing address of the applicant;

2. The applicant's date of birth;

3. The name, address, telephone number and date of birth of the proposed key employee;

4. The telephone number of the applicant, including cell phone number;

5. If applying for a marijuana dispensary license, the proposed hours of operation;

6. The e-mail address of the applicant;

7. An attestation that the information provided to the city to apply for the marijuana establishment license is true and correct according to the information known by the applicant at the time of signing; and

8. The signature of the natural person for the proposed marijuana establishment;

B. Application Fee: Onetime, nonrefundable application fee of five thousand dollars ($5,000.00);

C. Type Of License: Which type of marijuana establishment the applicant is applying for (i.e. retail marijuana store, marijuana product manufacturing facility, marijuana distributor, marijuana cultivation facility, marijuana testing facility, etc.)

D. Name Of Establishment: The name of the proposed marijuana establishment, as reflected in the articles of incorporation or other documents filed with the Secretary of State;

E. Type Of Business Organization: The type of business organization of the applicant, such as individual, corporation, partnership, limited liability company, association or cooperative, joint venture or any other business organization. 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;

F. Other Ownership Interests: The name and physical address of any other medical marijuana establishment within the city which any owner, officer, manager or director has ownership interest in, a contractual relationship with or is otherwise associated with;

G. Information Of Providing Facility Or Laboratory: The name and location of the offsite marijuana cultivation facility providing the marijuana, if applicable. The name and location of the marijuana testing laboratory providing laboratory services, if applicable;

H. Address Of Establishment And Owners: The physical address where the proposed marijuana establishment will be located and the physical address of any owner, co-owner, or person otherwise affiliated with the marijuana establishment;

I. Description Of Products: A description of the nature of the products and services to be produced or sold by the marijuana establishment;

J. Accompanying Documents: A complete and accurate copy of the application and all accompanying documents to be filed with the state regulating authority pursuant to Nevada Revised Statutes 453D 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, operations manuals, financial plan, environmental plan, and procedures manual to ensure the use of adequate security measures;

K. Sign And Advertising Plan: A sign and advertising plan including all proposed interior signage, must meet all requirements pursuant to Title 15;

L. Floor Plan: The floor plan of the establishment;

M. Copy Of Contracts: A copy of all contracts, proposed contracts for consulting, management, renting or leasing the premises for the proposed 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;

N. Statement Acknowledging Federal Laws: 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 marijuana establishment by federal authorities, may render such license subject to immediate suspension or revocation;

O. Statement Holding City Harmless; Bond: A written statement to the business license official 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 marijuana establishment, and a bond to secure such obligation in the amount of two hundred fifty thousand dollars ($250,000.00) will be provided prior to the issuance of any license;

P. Suitability Of Persons Holding Ownership Interest: An acknowledgment 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 permit or license is at all times on the applicant; that the granting of a marijuana establishment license is at the discretion of the city council; and that the applicant agrees to abide by the decision;

Q. Fingerprint Based Background Checks: All applicants applying for a marijuana establishment license with the City of Caliente are required to provide the City of Caliente with a full set of fingerprints. Fingerprinting shall be completed at the Lincoln County Sheriff’s Office. In all cases where the applicant for marijuana is a firm, partnership, association or corporation, all the members, principal officers, directors, stockholders, and/or managers shall present themselves to the Lincoln County

Sheriff's Office for fingerprinting. Fingerprint data will be used to conduct state and national criminal records checks. Upon receipt of the fingerprint data, the Lincoln County Sheriff's Office is authorized to transmit the fingerprint data to the Nevada Department of Public Safety to conduct state criminal records checks. The Nevada Department of Public Safety is authorized to exchange this fingerprint data with the Federal Bureau of Investigation to conduct national criminal records checks. The results of the state and national criminal checks will be disseminated to the Lincoln County Sheriff's Office. Upon completion of the investigation, the Lincoln County Sheriff's Office shall prepare and submit a report containing findings and a recommendation of approval or disapproval to the City Council. This provision is enacted pursuant to Nevada Revised Statutes 239B.010(1)(a) and public law 92-544;

R. Investigation Fees:

1. Fees Enumerated:

a. Investigation And Fingerprinting Fee: Each application for a license filed pursuant to this chapter shall be accompanied by an investigation and fingerprinting fee of two hundred fifty dollars ($250.00) per person to be investigated. This fee is nonrefundable and is in addition to other fees collected pursuant to this title;

T. Confidentiality Required: Information of a confidential nature acquired under the terms of this article shall be maintained by the business license official, in a confidential file, available only to city officials and law enforcement officers; provided, however, that such application constitutes a waiver of confidentiality and privacy as to those matters disclosed by the investigation and by such waiver permits the interrogation of the applicant at any meeting of the city council concerning any matters contained in the application or information obtained in the course of an investigation concerning suitability for licensing.

Section 9: SECURITY REQUIREMENTS:

To prevent unauthorized access to the marijuana, each marijuana establishment must submit, maintain, and follow a security plan that includes customer, building and product security measures. The 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. Immediate automatic or electronic notification to alert the Lincoln County Sheriff's Office of an unauthorized breach of security at the marijuana establishment in the interior of each building of the establishment;

C. 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 of Standards And Technology standards;

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

E. At least one 19-inch, or greater call-up monitor;

F. A video printer capable of immediately producing a clear still photo from any video camera image;

G. Video cameras with a recording resolution of at least 704x480 or the equivalent providing coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building, capable of identifying any activity occurring in or adjacent to the building;

H. A video camera at each point of sale location allowing for the identification of any person who holds a valid state registry identification card or his or her designated primary caregiver purchasing marijuana;

I. A video camera in each grow room capable of identifying any activity occurring within the grow room in low light conditions;

J. A method for storing video recordings from the video cameras for at least thirty (30) calendar days from the date recorded;

K. Sufficient battery backup for video cameras and recording equipment to support at least five (5) minutes of recording in the event of a power outage;

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

M. The establishment 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 marijuana by customers, and consumption of marijuana;

N. Any theft of items containing marijuana or the observance of any unauthorized transactions of marijuana on the licensed premises must be reported to the Lincoln County Sheriff’s Office;

O. 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 feet (20') 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;

P. In addition to complying with all requirements set by the state regulating authority, any licensed marijuana dispensary shall have a lobby waiting area at the entrance to the dispensary to receive clients, and a separate and secure designated area for dispensing marijuana to customers. The primary entrance and exit shall be separated and shall be located and maintained clear of barriers, landscaping and similar obstruction so that it is clearly visible from the public street, sidewalk, or site parking area.

Q. All marijuana, edible marijuana products, or marijuana infused products, during nonbusiness hours, must be stored in a separated and secured area.

1. The area must meet the building official's standards for odor control and the Southern Nevada Health District regulations.

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

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

Section 10: PRELIMINARY FINDING; CITY COUNCIL ACTION ON APPLICATION; DENIAL OF BUSINESS LICENSE:

Concurrently with Chapter 15 of this code, unified development code approval process, the business license official shall upon completion of the preliminary finding of suitability refer the application to the City Council for consideration.

A. Preliminary Finding Of Suitability: The preliminary finding of suitability will be based on the information submitted to the business license official as outlined in this Chapter.

B. Notification Of Denial; Registration Certificate Required: Applicants found unsuitable by the license official shall be notified in writing within ten (10) business days of the close of the background investigation. All applicants that satisfy the preliminary finding of suitability will move forward to the city council for the preliminary approval. At the conclusion of the state provisional certification process all applicants that have received a provisional marijuana establishment registration certificate and a ranking by the Nevada Department of Taxation will be submitted to the City Council for final approval.

C. City Council Action: City Council shall consider the following criteria that will include, but not be limited to, the following:

1. Ranking provided by the state regulating authority;

2. Information regarding any bankruptcy proceedings involving owners or board members;

3. The identity, character, and background of the applicant, capacity, capitalization;

4. Operational plan, organizational structure, environmental sustainability and mitigation plans, interior floor plans of the buildings, odor control systems and suitability of the building for the use proposed, site plan as to parking, traffic movement and aesthetics;

5. Impact on the surrounding neighborhood; the type and degree of security and facilities and any other factors that in his or her discretion are deemed necessary to the safety, peace, order and welfare of the public.

D. Other Inspections: All applicants selected by the City Council must satisfy all required building, fire inspection criteria, and applicable food safety inspections by the Southern Nevada Health District before commencing operations, and any other applicable agency.

E. Denial: The following persons are declared not to be qualified to hold a marijuana establishment license under the provisions of this chapter:

1. A person who does not possess, or who does not have a reputation for possessing a good moral character;

2. A person under the age of twenty-one (21) years;

3. A person who has been convicted of a felony;

4. A person who has been convicted of a crime involving moral turpitude which includes, but is not limited to: possession of a controlled substance, theft, fraud, falsification in official matters, offenses against privacy, lewdness, voyeurism, or violent or aggravated conduct involving persons or property;

5. A person who is currently on parole or probation to any court, penal institution, or governmental entity, including being under house arrest or subject to a tracking device;

6. A person who has been incarcerated in a federal or state prison;

7. A person who illegally resides in the United States;

8. A person who at the time of renewal of any license issued under this chapter, would not be eligible for such license upon a first application;

9. A partnership, limited partnership, association or limited liability company, unless all the partners, managers and members of such partnership, limited partnership, association or limited liability company required to submit to a background investigation under the provisions of this chapter are found to be suitable;

10. A corporation, if any principal officer required to submit to a background investigation under the provisions of this chapter is not found suitable;

11. A person who does not beneficially own the premises for which a license is sought or does not have a lease or provisional lease thereon for the full period for which the license is to be used.

No license shall be issued to any person who has violated any provision of this chapter, this title, or the act, or who has violated any provision of a license to sell marijuana issued by the city or any other governmental agency, or who has had such a license revoked.

Section 11: COMMENCEMENT; NONOPERATIONAL STATUS OF BUSINESS:

The licensee must commence operation of the business within ninety (90) days after the license has been approved by the state regulating authority and may not discontinue operation of the business for more than a three (3) month period without City Council approval. The City Council may approve nonoperational status of the business beyond the initial three (3) month period in time increments not to exceed one year but in no event shall the city council approve any nonoperational status beyond a maximum of one year. A license shall be automatically revoked at the expiration of the time periods

provided by this section unless city council approval has been granted pursuant to this section. All license taxes must be paid notwithstanding the licensee's nonoperational status.

Section 12: ON SITE USE PROHIBITED:

No marijuana shall be smoked, ingested, or otherwise consumed on the premises of any marijuana establishment nor in a public place, unless otherwise provided in NRS.

Section 13: AGE LIMITATION:

No person under the age of twenty-one (21) years of age shall be allowed in a recreational marijuana establishment, unless a medical and recreational facility are one, then the person under 21 years of age must be a valid medical marijuana cardholder or be accompanied by a parent or guardian.

Section 14: JUVENILE EMPLOYEE:

It shall be unlawful for any business licensed under this chapter to employ a juvenile.

Section 15: Fees and Taxes

Recreational marijuana establishment license fees and taxes, are not prorated, are fixed and established, and must be paid in advance to the business license department by all persons receiving such licenses as follows:

A. Origination Fees: Origination license fees are imposed for the following and are payable prior to the issuance of the recreational marijuana establishment license:

License Category	**Origination Fee**
Dispensary	$20,000
Cultivation Facility	$20,000
Production Facility	$20,000
Other Marijuana Establishments	$10,000

B. License taxes:

License Category	Quarterly Revenue Taxes
Dispensary	3% of the Gross Sales
Cultivation	3% of the Gross Sales
Production Facility	3% of the Gross Sales
Other Marijuana Establishment	3% of the Gross Sales

C. Dual License: A new applicant wishing to apply for a dual license shall be subject to the fees as follows:

License Category	**Origination Fee**
Dispensary	$30,000

Cultivation Facility	$30,000
Production Facility	$30,000
Other Marijuana Establishments	$15,000

Section 16: RENEWAL OF BUSINESS LICENSE; LATE PAYMENT; PENALTY; REINSTATEMENT:

A. Renewal Notification:

1. All applications for renewal of a city recreational marijuana establishment business license shall be notified, before the due date, of each license tax required, however, the failure to notify any lawful business shall not be held to waive the payment of the business license tax; nor is the actual receipt of such notice required.

2. All applications for renewal of a city recreational marijuana establishment business license shall be accompanied by a copy of the renewed establishment registration certificate from the state regulating authority.

B. File Renewal Application: Every recreational marijuana establishment license shall file, together with the license fees and taxes required by section 16 of this chapter, an application for renewal which shall be certified by the licensee, manager or officer thereof. The application for renewal shall contain an accurate report of all gross revenue for the preceding quarter.

C. Certification: The form shall include the following certification:

I, (name of certifier), certify and declare under the penalties of perjury that I am the owner, partner, (president, treasurer, other {describe}) of the business named above, that this is a true, correct and complete report to the best of my knowledge, information and belief, and that this application and report is made with the knowledge and consent of all other individuals named on the marijuana establishment license.

Signed: Dated: Title:

I hereby certify that there has been no unreported change in ownership, management or location of the marijuana establishment license, during the license period; and that the establishment has a valid state license which has not been revoked or suspended, conditioned or limited during the licensing period. I further certify there have been no revenues that have not been reported as required by law or ordinance of the State of Nevada, Lincoln County, or the City of Caliente.

Signed: Dated: Title:

D. Renewal Processing Fee: The licensee shall pay, in addition to all other fees, a license renewal processing fee of one hundred dollars ($100.00).

E. Late Renewal Fee; Penalty: Marijuana establishment licenses are delinquent if not paid by the due date, a penalty of twenty five percent (25%) of the amount due or two hundred dollars ($200.00) whichever is greater is assessed if such amount is not paid by the fifteenth day after the due date. If payment is not made by the fifteenth day, the penalty increases to fifty percent (50%) of the fee due or four hundred dollars ($400.00) whichever is greater is assessed.

F. Reinstatement: License fees not paid within thirty (30) days after the due date are automatically revoked. Any such license shall not be reinstated until a fifty percent (50%) penalty fee and a twenty five percent (25%) reinstatement fee shall have been paid.

G. No License Issuance: No license shall be issued until all penalties have been paid in full.

Section 17: CONSENT TO INSPECTIONS:

The applicant or licensee shall consent to any and all reasonable inspections of the recreational marijuana establishment business operations and premises with or without notice for the purpose of ascertaining such compliance with the laws and regulations of the city and state in areas of health, fire prevention, safety, and consumer protection, together with such examination of the business books and records as may be necessary to ascertain the basis for determining the payment of fees.

Section 18: REVOCATION OF LICENSES, SUSPENSION, CANCELLATION; NOTICE OF HEARING PROCEDURE:

A. Events Causing Revocation: All recreational marijuana establishment business licenses may be revoked if one or more of the following events occur, but is not limited to the following:

1. 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 license, or any state law or regulation relating to operation;

2. If the state registration certificate has been surrendered, suspended or revoked;

3. 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;

4. A licensee has made 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 business license office;

5. The licensee has failed to maintain the premises in compliance with the requirements of the building, fire, health, and environmental agencies;

6. Having committed a felony offense;

7. Dispensing, delivering or otherwise transferring marijuana to a person other than a person 21 years or older, a marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient;

8. 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 suspension or revocation of the license.

B. City Council May Revoke, Suspend Or Cancel: The city council at any regular or at any special meeting convened and held for that purpose upon a show cause order for any willful violation or omission of this chapter may revoke, suspend, or cancel the recreational marijuana establishment licenses by a majority vote. If a license is revoked, suspended, or canceled pursuant to this provision, it shall be unlawful for the licensee to maintain or conduct such business under the license, or at all. Upon such revocation, suspension or cancellation, no refund of any portion of the license fee shall be made to the licensee and the licensee shall immediately cease all business at all places under such license.

C. Notice Of Hearing; Hearing Procedures: Notice and the procedure of a hearing scheduled for the purposes set forth in this chapter shall be in accordance with the provisions of Chapter 7 of this Code.

Section 19: ACTION UPON SUSPENSION, REVOCATION OR CLOSURE:

A. In the event of a suspension, revocation or closure of any license, the establishment shall not remove any marijuana from the premises except under the supervision of the Lincoln County Sheriff's Office and must dispose of it in a manner and location approved by the state regulating authority and/or the police department.

B. In the event that the recreational marijuana establishment is closing either temporarily, or permanently, the establishment shall notify the business license official of the closing fifteen (15) days before the recreational marijuana establishment is closed and in the case of an emergency, the establishment must notify the business license official within twenty four (24) hours of such closure.

Section 20: DISPOSAL OF RECREATIONAL MARIJUANA WASTE:

A. Disposal of waste must meet all state and federal guidelines. Waste must be maintained in a secure location until removal from the location. All waste must be deposited at the disposal site operated by the City or its authorized contractor.

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

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

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

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

2. 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 (50%) non-marijuana waste by volume. Other methods to render marijuana waste unusable must be approved by the state regulating authority before implementing.

3. 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.

4. Disposal cannot include marijuana product including plant material entering the city wastewater collection system, storm drain system or any unsecure rubbish disposal system.

5. A recreational 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.

6. A marijuana establishment shall not dispose of marijuana in any manner other than permitted under this chapter.

Section 21: VIOLATION; PENALTY:

Any person violating any of the terms, conditions or provisions of this chapter shall be deemed guilty of a misdemeanor. Upon conviction thereof such person shall be punished by a fine not to exceed the maximum allowable under Nevada Revised Statutes, or by imprisonment in the Lincoln County Jail for a term not to exceed six (6) months, or by both such fine and imprisonment. Such conviction shall also subject the permittee or licensee to have his permit or license revoked. Thereafter, any person adjudged guilty of a violation of this chapter or any of the terms, conditions or provisions thereof may, in the discretion of the city council, be denied a permit or license. Each violation or instance of noncompliance shall be considered a separate and distinct offense. Further, each day of continued violation or noncompliance shall be considered as a separate offense.

Footnotes - Click any footnote link to go back to its reference.

Footnote 1: NRS 453A.320.