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PROPOSED FIRST AMENDMENT

BILL NO. 2018-20

ORDINANCE NO. _____

AN ORDINANCE TO AMEND LVMC 6.95.090 TO GENERALLY LIMIT THE AVAILABILITY OF BUSINESS LICENSES FOR RETAIL MARIJUANA STORES TO THOSE THAT WILL BE OPERATED IN CONJUNCTION WITH A MEDICAL MARIJUANA DISPENSARY AT THE SAME LOCATION AND WITH THE SAME OWNERSHIP, BUT TO PROVIDE ALTERNATIVELY FOR THE ESTABLISHMENT OF STANDARDS FOR RETAIL MARIJUANA STORES THAT WILL NOT BE SO OPERATED IF NEW MEDICAL MARIJUANA DISPENSARY LICENSES ARE NOT AVAILABLE, AND TO PROVIDE FOR OTHER RELATED MATTERS.

Sponsored by: Councilman Bob Coffin

Summary: Amends LVMC 6.95.090 to generally limit the availability of business licenses for retail marijuana stores to those that will be operated in conjunction with a medical marijuana dispensary at the same location and with the same ownership, but to provide alternatively for the establishment of standards for retail marijuana stores that will not be so operated if new medical marijuana dispensary licenses are not available.

THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: Ordinance No. 6620 and Title 6, Chapter 95, Section 90, of the Municipal Code of the City of Las Vegas, Nevada, 1983 Edition, are hereby amended so that LVMC 6.95.090 reads as follows:

6.95.090: (A) Following action by the State regulating authority issuing a provisional medical marijuana establishment registration certificate, the City Council shall evaluate whether to grant any proposed medical marijuana establishment that received a medical marijuana compliance permit a medical marijuana-related business license. Following action by the State regulating authority issuing a license for a marijuana establishment, the City Council shall evaluate whether to grant any proposed marijuana establishment a business license to operate a marijuana establishment, taking into account any compliance permit that may have been required and issued.

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

Submitted at Meeting
Date 9/4/2018 Item 3
by Staff

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

5 (2) Cultivation Facility. A cultivation facility license allows the licensee to
6 acquire, possess, cultivate, package, label, deliver, transfer, transport, supply and sell wholesale marijuana
7 and related supplies to a medical marijuana dispensary, medical marijuana production facility, or to other
8 cultivation facilities only.

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

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

16 (5) Marijuana Cultivation Facility. A marijuana production facility license
17 allows the licensee to cultivate, process, and package marijuana, to have marijuana tested by a marijuana
18 testing facility, and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities,
19 and to other marijuana cultivation facilities, but not to consumers.

20 (6) Marijuana Distributor. A marijuana distributor license allows a licensee to
21 transport marijuana from a marijuana establishment to another marijuana establishment.

22 (7) Marijuana Product Manufacturing Facility. A marijuana product
23 manufacturing license allows the licensee to purchase marijuana, manufacture, process, and package
24 marijuana and marijuana products, and sell marijuana and marijuana products to other marijuana product
25 manufacturing facilities and to retail marijuana stores, but not to consumers.

26 (8) Marijuana Testing Facility. A marijuana testing facility license allows the

1 licensee to test marijuana and marijuana products, including for potency and contaminants.

2 (9) Retail Marijuana Store. A retail marijuana store license authorizes the
3 licensee to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana
4 products from marijuana product manufacturing facilities and retail marijuana stores, and to sell marijuana
5 and marijuana products to consumers. Notwithstanding anything in this Chapter to the contrary, no
6 application for a retail marijuana store may be approved unless:

7 (a) The retail marijuana store will be operated in conjunction with an
8 approved medical marijuana dispensary at the same location and the license will be held by the same person
9 or entity that holds the license for the medical marijuana dispensary; or

10 (b) If no new medical marijuana dispensary licenses allocated by the
11 State regulating authority are available that can be operated in conjunction with the retail marijuana store,
12 the retail marijuana store is operated in conformance with the provisions of LVMC 6.95.160(J).

13 (10) Dual Use Marijuana Business. See LVMC 6.95.270.

14 (C) An applicant for a license under this Section may not exercise any of the privileges
15 of such a license until the final pre-operational inspections have been conducted and all applicable inspection
16 and license fees are paid.

17 (D) A licensee shall provide and maintain at all times and at its own expense a certificate
18 of insurance at amounts and terms approved by the Director prior to issuance or renewal of a license. Any
19 failure to maintain insurance or provide proof of insurance is grounds for the Director to suspend the license.

20 (1) As determined appropriate by the Director, the minimum coverage amounts
21 which may be required shall be as follows:

22 (a) Cultivation Facility, Marijuana Cultivation Facility, Production
23 Facility, or Marijuana Product Manufacturing Facility: Liability coverage for products and completed
24 operations (one million dollars per occurrence, two million dollars aggregate); commercial automobile
25 coverage (one million dollars per occurrence); and excess liability coverage (one million dollars).

26 (b) Medical Marijuana Dispensary or Retail Marijuana Store: General

1 liability (one million dollars per occurrence, with two million dollars aggregate, for bodily injury and property
2 damage arising out of licensed activities); liability coverage for products and completed operations (one
3 million dollars per occurrence, with two million dollars aggregate); professional liability coverage (one
4 million dollars per occurrence); and excess liability coverage (one million dollars).

5 (c) Independent Testing Laboratory or Marijuana Testing Facility:
6 Professional liability coverage (one million dollars per occurrence), and excess liability coverage (one million
7 dollars).

8 (d) Marijuana Distributor: No minimum coverage required by
9 ordinance, with required coverage, if any, to be determined by the Director.

10 (2) All required general liability and excess liability policies shall name the City
11 and its elected officials, officers, agents, employees and volunteers as additional insureds. All policies shall
12 be primary over any other valid and collectible insurance.

13 (E) Prior to the issuance or renewal of a license, the applicant or licensee for a cultivation
14 facility, a marijuana cultivation facility, a medical marijuana production facility, or a marijuana product
15 manufacturing facility shall provide a surety bond as set forth in this section. The bond must be at the
16 applicant or licensee's own expense and remain in force throughout the term of the license. The bond must
17 cover the licensee's obligation, for itself and its agents, employees, subcontractors, and the agents and
18 employees of any subcontractors, to indemnify, defend, and hold harmless the City, and any of its elected or
19 appointed officers, agents, or employees, from any and all claims, demands, actions, damages, decrees,
20 judgments, attorney fees, costs, and expenses which the City, or such elected or appointed officers or
21 employees, may suffer, or which may be recovered from, or obtainable against the City, or such elected or
22 appointed officers or employees, as a result of, by reason of, or arising out of the use of the license, or the
23 exercise by the licensee of any or all of the rights, privileges, permission, and authority conferred herein, or
24 as a result of any alleged act or omission on the part of the licensee in performing or failing to perform any
25 of its obligations. Such surety bond shall be in the amount of two hundred fifty thousand dollars, or such
26 lesser amount as the City may deem appropriate in particular cases.

1 (F) Upon approval by the City Council of a compliance permit (if required) and the
2 issuance of a provisional medical marijuana registration certificate or a license by the State regulating
3 authority, the Director shall process a license application pursuant to LVMC Chapter 6.06.

4 SECTION 2: Ordinance No. 6620 and Title 6, Chapter 95, Section 90, of the Municipal
5 Code of the City of Las Vegas, Nevada, 1983 Edition, are hereby amended so that LVMC 6.95.160 reads as
6 follows:

7 **6.95.160:** [Each] Except as otherwise specified, each licensed medical marijuana dispensary and retail
8 marijuana store shall comply with the following requirements:

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

12 (B) All edible marijuana products and marijuana infused products offered for sale at
13 licensed medical marijuana dispensaries or retail marijuana stores shall comply with the applicable packaging
14 and labeling requirements established by NRS Chapters 453A and 453D, as well as regulations promulgated
15 thereunder.

16 (C) Any dispensary or retail marijuana store that sells edible marijuana products or
17 marijuana infused products must display a placard that states the following:

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

20 (2) Edible products and marijuana infused products contain marijuana or active
21 compounds of marijuana.

22 (3) Should not be used by women who are pregnant or breast feeding.

23 (4) When eaten or swallowed, the intoxicating effects of this product can be
24 delayed two or more hours.

25 (5) Follow all recommended dosage and serving guidelines and
26 recommendations.

1 (6) "KEEP OUT OF REACH OF CHILDREN."

2 The placard shall be no smaller than eight inches tall by twelve inches wide, with font size letters no smaller
3 than forty-eight points. The placard shall be clearly visible and readable by customers and shall be written in
4 English.

5 (D) A medical marijuana dispensary or retail marijuana store is allowed to participate in
6 ancillary business activity within the dispensary or store if the ancillary business activity is:

7 (1) The sale of paraphernalia.

8 (2) The ancillary sale of related retail merchandise, which may be approved by
9 the Department without the need for City Council approval.

10 (3) Other ancillary activities as approved by the City Council and subject to any
11 conditions the Council may impose.

12 (E) A medical marijuana dispensary or retail marijuana store may locate one or more
13 automatic teller machines for access by patients and customers only for the dispensing of money if the person
14 operating the machine has been approved by the Director under LVMC 6.06.125 and the business is licensed
15 to operate such by the City. Money and legal tender may not be stored onsite except as detailed in the
16 approved security plan.

17 (F) The display of any product in any manner visible to the general public from the right-
18 of-way or outside of the facility is prohibited.

19 (G) Except as otherwise provided in Subsection (H), all sales and distribution of
20 marijuana, edible marijuana products or marijuana infused products by a licensed medical marijuana
21 dispensary or retail marijuana store shall occur only upon the licensed premises, and no such items or
22 products may be provided by delivery to a location off the premises of the medical marijuana dispensary or
23 retail marijuana store, including by mail delivery or by private transportation.

24 (H) Off-site transportation, sale or delivery of marijuana, marijuana products or
25 marijuana infused products by a medical marijuana dispensary or a retail marijuana store is permitted in
26 accordance with applicable regulations of the State regulating authority.

1 (I) Within a medical marijuana dispensary, no advertising, materials or postings within
2 the waiting areas may advertise locations, devices or activities promoting the consumption of marijuana or
3 other facilities selling or purporting to provide locations for the private or public consumption of marijuana.

4 (J) A retail marijuana store that is not operated in conjunction with a medical marijuana
5 dispensary and does not operate as a dual use marijuana business shall:

6 (1) Design the store so that areas where product is dispensed are not visible to
7 persons outside the store.

8 (2) Provide priority service to holders of valid registry identification cards.

9 (3) Offer for sale marijuana products that contain high levels of cannabidiol
10 (CBD).

11 (4) Provide educational information to customers, upon request, regarding the
12 availability of different types of marijuana and marijuana products and their purported medical effects.

13 SECTION 3: If any section, subsection, subdivision, paragraph, sentence, clause or phrase
14 in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by
15 any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the
16 remaining portions of this ordinance or any part thereof. The City Council of the City of Las Vegas hereby
17 declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase
18 thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs,
19 sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

20 SECTION 4: Whenever in this ordinance any act is prohibited or is made or declared to
21 be unlawful or an offense or a misdemeanor, or whenever in this ordinance the doing of any act is required
22 or the failure to do any act is made or declared to be unlawful or an offense or a misdemeanor, the doing of
23 such prohibited act or the failure to do any such required act shall constitute a misdemeanor and upon
24 conviction thereof, shall be punished by a fine of not more than \$1,000.00 or by imprisonment for a term of
25 not more than six months, or by any combination of such fine and imprisonment. Any day of any violation
26 of this ordinance shall constitute a separate offense.

SECTION 5: All ordinances or parts of ordinances or sections, subsections, phrases, sentences, clauses or paragraphs contained in the Municipal Code of the City of Las Vegas, Nevada, 1983 Edition, in conflict herewith are hereby repealed.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2018.

APPROVED:

By CAROLYN G. GOODMAN, Mayor

ATTEST:

LUANN D. HOLMES, MMC
City Clerk

APPROVED AS TO FORM:

Val Steed, _____ Date
Deputy City Attorney

1 The above and foregoing ordinance was first proposed and read by title to the City Council on the ____ day
2 of _____, 2018, and referred to a committee for recommendation, the committee being
3 composed of the following members _____;
4 thereafter the said committee reported favorably on said ordinance on the ____ day of
5 _____, 2018, which was a _____ meeting of said Council; that at said
6 _____ meeting, the proposed ordinance was read by title to the City Council as
7 amended and adopted by the following vote:

8 VOTING "AYE": _____

9 VOTING "NAY": _____

10 ABSENT: _____

11 APPROVED:

12
13 By _____
CAROLYN G. GOODMAN, Mayor

14 ATTEST:

15 _____
16 LUANN D. HOLMES, MMC
City Clerk

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September 4, 2018

Clerk
City of Las Vegas Nevada
495 S. Main Street
Las Vegas, NV 89101

RE: Bill No. 2018-20 Hearing Date 9/4/2018

Dear Council Members,

I stand in opposition to the above stated bill. As an entrepreneur of over 30 in the Las Vegas valley who has created thousands of jobs during the course of my career I easily identify the proposed bill as a job killer. It serves no greater public purpose to limit access to a legal product enjoyed throughout our community by creating artificial barriers to progress within the Marijuana industry.

In fact a wider variety of marijuana venues competing for market share will only serve the best interest of consumers. As the products consumed by both medical and retail cannabis users are identical, everyone benefits when prices drop. In a world of free enterprise the opportunity to market and compete for the business of cannabis consumers is a value the council should uphold.

At this time my public company is participating in the Nevada State marijuana licensing process. My proposed Las Vegas city limits facility if it meets both State and local approval will create 46 jobs with my company, and an additional 6 positions with the contracted security firm. Projected wages total \$1.6 million a year, with a construction budget of over \$700,000 to open the doors. The surrounding blighted area will be stimulated at no cost to taxpayers. Clearly the benefit of business expansion in the community outweighs any perceived risks.

The opportunity to vertically integrate my existing product line produced at the Green Leaf Farms local cultivation facility offers a greater degree of job security for my employees presently engaged in this business. At this time I employ over 42 workers in the fields of marketing, business management, and cultivation.

Submitted At Meeting MARK BRADLEY

Date 9/4/18 Item 3

I am committed to improving the lives of others through responsible use of marijuana. My dispensaries once approved will actively support medical patients including to honor the priority service many depend on at dispensaries due to their health limitations. If added as a requirement of the business licensing and zoning process my business would enthusiastically participate.

In the end limiting options for marijuana consumers will raise prices in Las Vegas. My organization is committed to fair competition in a responsibly regulated market. Such a climate is the most effective mechanism to ensure that patients receive quality products at affordable prices.

Thank you for your time and careful consideration of this issue. Please feel free to call on me at any time to work together in a way that ensures fairness for all businesses in the marijuana marketplace.



Mark Bradley
CEO, Green Leaf Farms Holdings
Players Network