

ORDINANCE NO. 2845

AN ORDINANCE AMENDING TITLE 5 OF THE MUNICIPAL CODE, RELATED TO MEDICAL MARIJUANA ESTABLISHMENTS; BY AMENDING SECTION 5.29 (MEDICAL MARIJUANA ESTABLISHMENTS); AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

NOW THEREFORE, the City Council of the City of North Las Vegas does ordain:

SECTION 1: Title 5, Chapter 5.29, Section 010, Subsection A of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.010 - Findings; purpose and intent.

A. The North Las Vegas City Council finds:

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

SECTION 2: Title 5, Chapter 5.29, Section 020 of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.020 - Definitions.

~~["Cross-Jurisdictional Medical Marijuana Establishment License" has the meaning of a medical marijuana cultivation facility, an independent testing laboratory or a medical marijuana production facility which has obtained a business license in a jurisdiction other than the City of North Las Vegas to provide testing or medical marijuana and/or products to dispensaries, cultivation, or production facilities located within the City of North Las Vegas.]~~

"Director" has the meaning of the Director of ~~[Community Development and Compliance]~~ Land Development and Community Services Department of the City of North Las Vegas, Nevada or his or her designee.

"Medical marijuana support business" has the meaning of a business that provides goods or services to a medical marijuana establishment and receives at least fifty percent of its annual revenue from licensed medical marijuana establishments.

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

SECTION 3: Title 5, Chapter 5.29, Section 060, Subsection B and Subsection F of the North Las Vegas Municipal Code are hereby amended as follows:

5.29.060 - Director review.

- A. The director shall complete a review of all submitted applications for a medical marijuana establishment business license to determine whether the application is complete. An application shall be deemed complete by the director only when it contains each of the following:
1. Proof of compliance with all submittal requirements of NRS 453A and any other regulation or requirement of the state regulating authority;
 2. All plans, contracts and other documents as required in this section;
 3. Proof that the proposed location for the medical marijuana establishment is consistent with the requirements of NLVMC Title 17;
 4. All application fees have been paid;
 5. All waivers, acknowledgements, and statements are properly signed and acknowledged by the applicant and every principal officer of such corporation, partner of partnership, or member/manager of such LLC and person with an ownership interest; and
 6. ~~[Each person with an ownership interest]~~ Every principal officer of such corporation, partner of partnership, or member/manager of such LLC has filed complete applications and each individual has submitted to fingerprinting as required by this title.

SECTION 4: Title 5, Chapter 5.29, Section 070, Subsection B, Subsection C, Subsection D, Subsection F and Subsection H of the North Las Vegas Municipal Code are hereby amended and reletter as appropriate:

5.29.070 - Medical marijuana establishment—Licenses.

- B. 5. ~~[Cross-Jurisdictional Medical Marijuana Establishment]~~ Medical Marijuana Support Business License. Any medical marijuana establishment or business located inside or outside the City of North Las Vegas limits that provides products or services to medical marijuana establishments located within the City of North Las Vegas.
- a. All applicants for such licenses will be defined as a privileged business and processed pursuant to NLVMC 5.02.025.
 - b. Applicants will be required to provide proof of requirements of NLVMC 5.29

having been met in another jurisdiction.

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

~~[D.—Licenses shall expire one year from the date of issuance, and a licensee must apply for biennial review pursuant to NLVMC 5.29.150.]~~

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

~~[F]E.~~ The minimum amount which may be required by the city shall be one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) general aggregate for bodily injury and property damage arising out of licensed activities and one million dollars (\$1,000,000.00) products and completed operations aggregate, commercial automobile coverage in a minimum of one million dollars (\$1,000,000.00) ~~[and excess liability in a minimum of three million dollars (\$3,000,000.00)].~~

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

~~[H]G.~~ Upon the issuance of a provisional medical marijuana registration certificate by the state regulating authority and receipt of a complete license application, the director shall forward the application to the city council. ~~[The director shall not issue a temporary license for a medical marijuana establishment.]~~

SECTION 5: Title 5, Chapter 5.29, Section 090, Subsection G of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.090 - Medical marijuana establishments—General requirements and restrictions.

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

1. All required transportation logs must be in the vehicle and made available to law enforcement at any time the log is inspected. Each driver must identify to any law enforcement officer that the product contained within the vehicle is medical marijuana, edible marijuana products or marijuana-infused products from a

licensed medical marijuana establishment and must present a state agent registration card, the route the vehicle was authorized to travel and the actual travel log for inspection.

SECTION 6: Title 5, Chapter 5.29, Section 100, Subsection B of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.100 - Security requirements.

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

1. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards. All recorded images must be stored for a minimum of sixty (60) calendar days.
2. The surveillance system's data storage device must be secured on-site in a lock box, cabinet, closet, or secured in another manner to protect from employee or third-party tampering or criminal theft.
3. A sign must be posted in any customer areas that the customer is under video surveillance.

SECTION 7: Title 5, Chapter 5.29, Section 130, Subsection B of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.130 - Medical marijuana production facility.

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

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

~~[2.—No product shall have the appearance or packaging of candies, characters, shapes or other like products which are commonly marketed to children;]~~

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

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

~~[5.]~~^{2.} Labels must comply with the labeling requirements established by NRS 453A.360, as may be amended, and any regulations by the state regulating authority;

~~[6.—Any edible marijuana products or marijuana-infused products that are transported to a licensed medical marijuana dispensary must be packaged for~~

~~retail sale in tamper evident containers and placed in unmarked, non-transparent transportation containers; and]~~

~~[7. The maximum number of servings in any one single unit of marijuana-infused product meant to be eaten or swallowed is ten (10) servings of no more than ten (10) milligrams of active THC per serving. THC is defined in NRS 453A.155. A single unit of marijuana-infused extract for inhalation cannot exceed one gram.]~~

SECTION 8: Title 5, Chapter 5.29, Section 140, Subsection D and F of the North Las Vegas Municipal Code are hereby amended as follows:

5.29.140 - Medical marijuana dispensary—Requirements and limitation.

D. A medical marijuana dispensary is ~~[not]~~ allowed to ~~[sell gifts, novelties or]~~ participate in ancillary business ~~[sales]~~ activity within a medical marijuana dispensary ~~[with the exception of the following]~~ **including but not limited to:**

1. Paraphernalia as defined by NRS 453A.125.
2. Ancillary services which are services approved in the educational plan by the state regulating authority, and which also must be approved for an ancillary license by the city.

3. Other activities as approved by the Director.

F. ~~[The following activities to promote the use of marijuana are prohibited:-~~
~~1. The giving of free samples or free product to any person, employee or customer;-~~
~~2. No employee shall be paid for services in the form of marijuana product;-~~
~~3. Reward programs, customer loyalty programs, promotional activities that result in free product;-~~
~~4. No novelty merchandise may be produced or allowed to have any approved logo or business name to be used on such merchandise;-~~
~~5.]~~ The display of any product in any manner visible to the general public from the right-of-way or outside of the facility **is prohibited.**

SECTION 9: Title 5, Chapter 29, Section 145 of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.145 - Origination and license fees.

Origination Fees: Cultivation Facility (Apex Overlay District) - \$30,000

Production Facility (Apex Overlay District) - \$25,000

Cultivation Facility - \$60,000

Production Facility - \$60,000

Dispensary - \$60,000

Testing Laboratory - \$10,000

License Fees: Cultivation Facility (Apex Overlay District) – 2% gross revenue fee

~~[(no annual fee)]~~

Cultivation Facility – ~~[\$30,000 annual fee plus]~~ 3% gross revenue fee ~~[with a 1% increase every other year – 6% cap]~~

Production Facility (Apex Overlay District) – 2% gross revenue fee

~~[(no annual fee)]~~

Production Facility – ~~[\$25,000 annual fee plus 4%]~~ **3%** gross revenue ~~[fee with a 1% increase every other year – 6% cap]~~

Dispensary – ~~[\$60,000 annual fee plus 5%]~~ **3%** gross revenue fee

Testing Laboratory - Subject to standard gross revenue license fees (Refer to NLVMC 5.02.080)

~~[Cross-Jurisdictional Medical Marijuana License – \$10,000 annual fee]~~

Dispensary ancillary sales - Subject to standard gross revenue license fees (Refer to NLVMC 5.02.080)

Medical Marijuana Support Business - Subject to standard gross revenue license fees (Refer to NLVMC 5.02.080)

Medical Marijuana Support Business (based outside CNLV) - \$150 annual fee

All gross revenues will be calculated per percentages listed in this section with the exception of testing laboratories and dispensary ancillary sales.

All gross revenue fees will be collected on a quarterly basis on the last day of January, April, July, and October with the exception of testing laboratories and dispensary ancillary sales which will be collected per NLVMC 5.02.080.

~~[For vertically integrated companies, cultivation gross revenue percentage fees will be calculated at fifty (50) percent of retail sales.]~~

Annual fees are to be paid by January 31st of each year, the first year will be prorated on a per month basis.

SECTION 10: Title 5, Chapter 29, Section 150 of the North Las Vegas Municipal Code is hereby amended as follows:

5.29.150 – ~~[Biennial review of license.]~~ **Delinquency – Expiration – Reinstatement.**

~~[A. — Each licensee must submit for a biennial review of the issued license.]~~

~~B. — Documentation required for the biennial review must be submitted at least sixty (60) days prior to the expiration of the license.]~~

~~C. — Documentation for the biennial review must be provided on a form approved by the director and accompanied by:~~

- ~~1. — A new license application per this chapter;~~
- ~~2. — A nonrefundable application renewal fee of one thousand dollars (\$1,000.00);~~
- ~~3. — List of all ownership or affidavit testifying that no changes have occurred;~~
- ~~4. — Signed affidavits from each principal attesting to the fact that there have not been any arrests or convictions of a crime in any jurisdiction and they have not had disciplinary action taken against them or an associated business where a business license is held;~~
- ~~5. — If changes are requested, a detailed proposal for changes to any of the plans or documents approved with the initial license or previous renewal, including the sign plan, security plan, environmental plan, operational plan, or building plans;~~
- ~~6. — A copy of all current and proposed contracts for consulting, management, renting or leasing;~~
- ~~7. — A copy of all contracts with any other medical marijuana establishments; and~~
- ~~8. — A statement certifying and attesting that no changes have occurred in the ownership, operations or original application with the exception of those specifically noted in the renewal application.]~~

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

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

~~F. — The director may deny renewal of a license if the establishment is not in compliance with this chapter or has any unpaid fees.]~~

A. All license fees shall become delinquent if not received within fifteen (15) days after the due date. If full payment is not made within fifteen (15) days after the due date, fifteen (15) percent of the entire license fee shall be assessed as a penalty, payable in addition to the license fee; provided, however, if the fifteenth day following the due date is a day that the principal offices of the city are not open to the public, the penalty must not be assessed if the license fee is received before five p.m. of the next day on which the principal offices of the city are open to the public.

B. All licenses for which fees and assessed penalty charges have not been paid within sixty (60) days after the license fee due date are deemed expired and shall not be reinstated until the license fees, assessed penalty charges and a reinstatement fee of fifty dollars (\$50.00) have been paid.

C. The director may refer any delinquent license fees and assessed penalty charges to a collection agency for collection if they have not been paid within sixty days after the license fee due date. The director may do likewise regarding any service charges and administrative fees assessed that have not been paid in a timely manner.

D. As a condition of reinstatement of a license deemed expired, the licensee shall, in addition to payment of any outstanding license fees, penalty charges, service charges, administrative fees, and reinstatement fees, reimburse the city for any expenses it has incurred as a result of referring the licensee's delinquent license fees and assessed penalty charges to a collection agency.

SECTION 11: Title 5, Chapter 29, Section 200 of the North Las Vegas Municipal Code is hereby amended as follows:

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

SECTION 12: NON-INFRINGEMENT OF RIGHTS. The City Council of the City of North Las Vegas has been informed by the City Attorney as to the constitutionality of this ordinance and based upon such information we are adopting this ordinance in good faith with a reasonable belief that the actions taken by the City of North Las Vegas are not in violation of any rights, privileges, or immunities secured by the laws providing for equal rights of citizens or persons.

SECTION 13: SEVERABILITY. 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 the validity and enforceability of the remaining provisions of this Ordinance.

SECTION 14: EFFECTIVE DATE. This Ordinance shall become effective after its passage by the City Council of the City of North Las Vegas and, after such passage by the

City Council, publication once by title in a newspaper qualified pursuant to the provisions of Chapter 238 of NRS, as amended from time to time.

SECTION 15: PUBLICATION. The City Clerk shall cause this Ordinance, immediately following its adoption, to be published once by title, together with the names of the Councilmen voting for or against passage, in a newspaper qualified pursuant to the provisions of Chapter 238 of NRS, as amended from time to time.

PASSED AND ADOPTED THIS _____ day of _____, 2017.

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

JOHN J. LEE, MAYOR

ATTEST:

CATHERINE A. RAYNOR, MMC, CITY CLERK