

## **CITY OF NORTH LAS VEGAS**

### **Business Impact Statement Ordinance No. 2845 Amendment to the City of North Las Vegas Municipal Code Title 5 Chapter 5.29**

Upon request, a copy of this Business Impact Statement may be obtained from the City of North Las Vegas Business License Division. Requests should be sent to:

City of North Las Vegas  
Land Development & Community Services  
Business License Division  
2250 Las Vegas, Blvd., Ste 110  
North Las Vegas, NV 89030

A copy may also be obtained from the following website:

[http://www.cityofnorthlasvegas.com/departments/ldcs/business\\_license\\_forms\\_and\\_documents.php](http://www.cityofnorthlasvegas.com/departments/ldcs/business_license_forms_and_documents.php)

#### **Title of Ordinance:**

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.

#### **Description of the proposed Ordinance:**

The City of North Las Vegas is proposing an amendment to the Municipal Code, Title 5 Chapter 5.29 "Medical Marijuana Establishments" to amend the license fees for medical marijuana establishments. In 2017, the Nevada State Legislature passed, and the Governor signed into law, Senate Bill 487 and Assembly Bill 422. Effective July 1, 2017 local governments may impose and collect for revenue or regulations three (3) percent of the gross revenue of marijuana establishments or medical marijuana establishments. In addition, the Legislature also allowed a one-time flat fee for an application for the issuance of a business license for a marijuana establishment or medical marijuana establishment in an amount that does not exceed the fee for a similar business.

#### **Intent of the proposed ordinance:**

The intent of the proposed ordinance is to comport with State Legislation regarding licensure of medical marijuana establishments.

**Description of the manner in which public comments, data and/or arguments was solicited from affected businesses:**

The City of North Las Vegas Business License Division mailed a notification letter of the proposed Title 5 changes to approximately 100 marijuana establishments that are licensed with the City of North Las Vegas or have applied with the City of North Las Vegas. The notification letter was also sent to the Las Vegas Metro Chamber of Commerce, Nevada Dispensary Association, Nevada Cannabis Coalition, Nevada Marijuana Policy Project and Las Vegas Medical Marijuana Association. The notification letter was also posted on the City's website.

**Summary of public comments, data or arguments received, and explanation of manner in which other interested persons may obtain a copy of the summary:**

Received two (2) calls and two (2) emails regarding the proposed ordinance. The calls and emails expressed concern with the \$60,000 origination fees proposed. Staff contacted the concerned individuals to clarify the one-time origination fees would be replacing the annual fees currently in place.

Interested parties may obtain a copy of the business impact statement including a summary of comments by contacting the City Clerk, at City Hall, 2250 Las Vegas Boulevard North, North Las Vegas, Nevada 89030, phone: (702) 633-1030.

**Estimated economic effect of the proposed ordinance on businesses:**

The proposed three (3) percent gross revenue business license fee structure for marijuana establishments is a decrease from the existing five (5) percent imposed on dispensaries and the six (6) percent cap on cultivation and production establishments. The three (3) percent rate is the maximum amount allowed to be imposed by local governments in Senate Bill 487 and Assembly Bill 422. In addition, the Legislature also allowed a one-time flat fee for an application for the issuance of a business license for a marijuana establishment or medical marijuana establishment in an amount that does not exceed an amount for a similar business. The proposed ordinance would impose a one-time \$60,000 origination fee and remove all the existing annual fees for marijuana establishments. The fees would also continue to provide the City the funding necessary to regulate and administer the marijuana establishments.

**Estimated cost to the local government enforcement and administration of the proposed ordinance:**

Marijuana establishments are privileged uses that require significant regulation and oversight. Marijuana establishments require more than normal enforcement and administrative time compared to most privileged licenses. Although the applicable fees will be decreasing the City will continue to license additional marijuana establishments and provide enforcement and administrative services as needed.

**Explanation of a new fee, or increase to an existing fee, including a projection of the annual revenue expected to be collected and the manner in which the revenue will be utilized:**

The annual revenue expected to be collected will be approximately \$850,000. All business license revenue fees are placed in the City's general fund.

**Assessment of provisions of the proposed ordinance, which may duplicate or are more stringent than Federal, State or local standards regulating the same activity:**

The proposed ordinance does not duplicate nor is it more stringent than Federal, State or local standards regulating the same activity.

**Description of the methods that local government considered to reduce the impact of the proposed ordinance on businesses, and a statement of the methods used:**

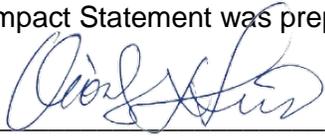
Consistent with Senate Bill 487 and Assembly Bill 422, this ordinance reduces gross revenue fees for dispensaries from five (5) percent to three (3) percent. Similarly, this ordinance reduces the six (6) percent cap currently applied to cultivation and production establishments to three (3) percent. The proposed ordinance also removes all the existing annual fees for marijuana establishments and imposes a one-time \$60,000 origination fee.

**Reasons for the conclusions regarding the impact of the proposed ordinance change on businesses:**

This ordinance establishes license fees that are consistent with Senate Bill 487 and Assembly Bill 422.

**Certification of Business Impact Statement:**

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.

  
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Dr. Qiong X. Liu, P.E., PTOE  
City Manager

11/8/2017  
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Date