

Business Licensing for Medical Marijuana Establishments

City Council Workshop
June 9, 2014



PRESENTATION TOPICS

1. Workshop purpose
2. Background
3. Licensing proposal
4. Next steps / schedule

WORKSHOP PURPOSE

- ☐ Review proposed S.M.C. amendments for the issuance of business licenses to Medical Marijuana Establishments (MMEs)
- ☐ Staff seeking Council direction regarding proposed amendments

BACKGROUND

- ☐ State of Nevada's regulations for MMEs became effective April 1, 2014
- ☐ State has indicated they will open competitive application process for MMEs within 120 days.

BACKGROUND

Four types of MMEs:

- ☐ Cultivation
- ☐ Production of edibles or infused products
- ☐ Testing laboratories
- ☐ Dispensaries

BACKGROUND

- ☐ City Council has approved zoning for cultivation, processing and lab facilities. Scheduled to consider zoning for dispensaries on May 27th.
- ☐ City would not issue a business license for a MME until the applicant has been provisionally approved by State.

PROPOSED CODE

- ☐ Requires all MMEs operating in Sparks to be licensed per this new section – Chapter 5.80 – of the S.M.C.
- ☐ Only individuals (i.e., not business entities) may be licensed.

PROPOSED CODE

- ☐ May only apply for a City business license after receiving required land use entitlement approval.
- ☐ Persons qualifying for a “compassionate exception for self-cultivation” required to register with City but not subject to fees.

PROPOSED CODE

- ☐ MME business license may be revoked by City Council (see Sec. 5.80.100-110).
- ☐ Expires if individual holding State registration certificate loses their certification.

PROPOSED CODE

Duties of the Chief of Police:

- ☐ To do inspections;
- ☐ Verify MME employee and agent registration cards (State-issued);
- ☐ Establish "Safety Plan and Operational Requirements" and regulate MMEs for compliance;
- ☐ Recommend license revocation to City Council when warranted.

Other City officials and officers may also inspect MMEs.

PROPOSED CODE – FEES

Base fee:

- ☐ \$3,000 per year for cultivation facilities and facilities for the production of edible and infused products.
- ☐ \$5,000 per year for dispensaries.

PROPOSED CODE – FEES

Quarterly fees on gross receipts

In addition to base fee and based on MME's gross receipts in excess of \$10,000 for previous quarter:

- ☐ \$1.00 for each \$1,000 in gross receipts for cultivation or the production of edible and infused products.
- ☐ \$5.00 for each \$1,000 in gross receipts dispensaries.



PROPOSED CODE – FEES

Independent testing laboratories

Pay license fees in accordance with S.M.C. 5.12.100 (same as most other businesses in Sparks):

- ☐ \$80 per year
- ☐ \$1.00 for each \$1,000 in gross receipts in excess of \$10,000

NEXT STEPS/SCHEDULE

- ☐ Complete Business Impact Statement
- ☐ Anticipate second reading and public hearing on licensing ordinance in July

QUESTIONS?

