

Draft as of June 27, 2014

EXPLANATION: Matter underscored is new; matter [contained in brackets] is material to be omitted.

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE RENO MUNICIPAL CODE, TITLE 4, ENTITLED ‘BUSINESS LICENSE CODE’, CHAPTER 4.04, ENTITLED ‘IN GENERAL’; BY REVOKING CHAPTER 4.04.065 ENTITLED ‘STAY ON THE ACCEPTANCE OF BUSINESS LICENSE APPLICATIONS RELATED TO MEDICAL MARIJUANA ESTABLISHMENTS, AMENDING TITLE 5, ENTITLED ‘PRIVILEGED LICENSES, PERMITS AND FRANCHISES’; BY AMENDING CHAPTER 5.05 ENTITLED ‘LICENSES GENERALLY’ AND ADDING A NEW CHAPTER 5.21, ENTITLED ‘MEDICAL MARIJUANA ESTABLISHMENTS’, TO PROVIDE FOR THE LICENSING AND REQUIREMENTS TO OPERATE MEDICAL MARIJUANA ESTABLISHMENTS INCLUDING BUT NOT LIMITED TO DISPENSARIES, CULTIVATION FACILITIES, TESTING LABORATORIES, AND PRODUCTION FACILITIES, WHICH ARE REGISTERED AND PERMITTED BY THE STATE OF NEVADA UNDER NRS CHAPTER 453A, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

**SPONSORED BY: COMMUNITY DEVELOPMENT DEPARTMENT,
BUSINESS LICENSE DIVISION**

THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

SECTION 1. Title 4, Chapter 4.04 of the Reno Municipal Code, is hereby modified and amended by revoking Section 4.04.065 as hereby modified and amended to read as follows:

~~[Section 4.04.065 – Stay on the Acceptance of Business License Applications Related to Medical Marijuana Establishments Operating within the Corporate Limits of the City.]~~

~~[Beginning on the effective date of this ordinance, a stay is hereby established on the acceptance of any business license applications related to medical marijuana establishments operating within the corporate limits of the city.]~~

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SECTION 2. Title 5, of the Reno Municipal Code, is hereby modified by adding City council review for medical marijuana establishments in Chapter 5.05.008 (k), entitled “Licenses Generally” as hereby modified and amended to read as follows:

Sec. 5.05.008. General requirements.

(a) Every person submitting an application for a privileged business license specified in subsection (f) below is subject to a background investigation to determine suitability for the license, including an FBI fingerprint-based investigation prior to the issuance of any license. An interim license may be issued as specified in subsection (h) below.

A background investigation conducted by the City may be considered valid for 24 months as it relates to the requirements of this chapter unless otherwise set forth herein. If an applicant has received a privileged license pursuant to this chapter and, within 24 months, subsequently submits another application for a privileged license, then the City reserves the right to conduct a criminal case record check of local criminal justice agencies to confirm that the applicant has not been arrested or convicted for any offense that would preclude them from passing any complete fingerprint based background investigation.

(b) No business license may be issued until the prescribed license fee, and any fingerprint and investigation fees, have been paid to the City.

(c) An applicant for a business license specified in subsection (f) below shall submit all information required for a background check to the police department.

(d) Pursuant to NRS 239B.010(1)(a) and P.L. 92-544, the police department is authorized to submit the fingerprints of an applicant for a business license specified in subsection (f) below, plus any required fees and any information required for the background check, to the Central Repository for Nevada Records of Criminal History for a statewide background check and for submission by the Central Repository to the FBI to obtain the FBI nationwide background check of the applicant. The Nevada Department of Public Safety is hereby authorized to exchange such fingerprint data with the FBI for purposes of the background check.

(e) Failure of an applicant for a business license set forth in subsection (f) below to submit to fingerprinting or to provide information required by this section is grounds for denial of the application.

(f) An applicant for any of the following business licenses shall comply with the provisions of this section and any other FBI or police department requirements necessary to obtain a FBI nationwide background check:

- (1) Adult interactive cabaret (RMC Chapter 5.06);
- (2) Alcohol service and sales (RMC Chapter 5.07);

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- (3) Pawnbrokers and secondhand dealers (RMC Chapter 5.08);
- (4) Auctions and auctioneers (RMC Chapter 5.09);
- (5) Escort and outcall services (RMC Chapter 5.10);
- (6) Peddlers, solicitors and temporary merchants (RMC Chapter 5.12);
- (7) Sidewalk vendors (RMC Chapter 5.15);
- (8) Towing and booting companies (RMC Chapter 5.16); and
- (9) Vehicles for hire (RMC Chapter 5.17); and
- (10) Tobacco paraphernalia retailers (RMC Chapter 5.19).

(g) A business license application will be considered properly completed upon submission of all required application materials and information, including payment of all required application and investigation fees. Thereafter, and prior to issuance of a license, review and approval will be obtained from all appropriate agencies which may include, but are not necessarily limited to, building, planning, fire, police, environmental control, City council and relevant district, county and state agencies.

(h) Thirty days after a properly completed application for a privileged license has been submitted, the applicant may obtain an interim privileged license under the following circumstances:

- (1) All agency approvals have been obtained except for police;
- (2) The police department background investigation, or criminal case record check of local criminal justice agencies (for privileged license holder having completed a complete background investigation as set forth in (a) above), has not been completed and approval not obtained;
- (3) The applicant executes an interim privileged license declaration form;
- (4) The applicant acknowledges the background investigation delay and stipulates that if the license is ultimately denied, business activity shall immediately cease upon receiving the denial notice.
- (5) Appropriate conditions or limitations effective during the interim period may be imposed and the applicant shall hold the City harmless from any damages or claims arising out of its operation pursuant to the interim license.

(i) Any licensee who seeks an additional license for an additional business location is not subject to the 30-day wait for an interim license, if the present business location is being operated in accordance with the requirements of the Reno Municipal Code and has no history of violations.

(j) The police department shall, upon completion of the background investigation, recommend approval or denial of the application and forward its recommendation to the City license office. If an applicant is denied a license after investigation, the investigation fees shall not be returned to the applicant. The recommendation for denial of an application must be based upon good cause which includes but is not limited to:

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- (1) The application is incomplete or contains false, misleading or fraudulent statements.
 - (2) The applicant fails to satisfy any qualification or requirement imposed by this title, local, state or federal law, regulation or administrative policy pertaining to such activities.
 - (3) The applicant has been subject, in any jurisdiction, to administrative action of any kind imposing fines or other discipline relating to the operation of a business licensed in the jurisdiction, or denied a license or work card, due to suitability issues.
 - (4) The applicant has engaged in deceptive practices upon the public.
 - (5) The applicant has, within the five years immediately preceding the date of the application, been convicted of any of the following criminal offenses, regardless of the jurisdiction of the conviction:
 - a. A felony or any crime which, under the laws of this state, would amount to a felony;
 - b. Any crime of which theft, fraud or intent to defraud is an element;
 - c. Unlawfully possessing or distributing a controlled substance;
 - d. Solicitation, prostitution, or pandering;
 - e. Any sex offense requiring the applicant to register under N.R.S. 179D.441 to 179D.470, if the applicant has been classified by the state as a Tier 1 or below; or
 - (6) A person who, within the ten years immediately preceding the date of the application, has been convicted of any sex offense requiring the applicant to register under N.R.S. 179D.441 to 179D.470, if the applicant has been classified by the state as a Tier 2 or Tier 3 offender.
 - (7) Any cause reasonably related to furtherance of the public welfare.
- (k) License applications for gaming, liquor, medical marijuana establishments, pawnbroker, secondhand merchandise, escort services, and interactive cabaret must be approved by the City council.
- (l) The holder of a privileged license is, and shall be, liable for any and all acts of his employees, while acting within the scope of their employment, and for any violation by them of any of the provisions of Title 4 or Title 5.
 - (m) If employees of a privileged business are required to obtain work cards through the Reno Police Department, the holder of the privileged license has a duty to immediately notify the City if any employee having a work card has been convicted of an offense that would disqualify the employee from being issued a work card under RMC section 5.05.011(e). This duty applies if the holder of the privileged license knows or reasonably should know of the conviction.

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SECTION 3. Title 5, of the Reno Municipal Code, is hereby modified and amended by adding a new Chapter 5.21, entitled “Medical Marijuana Establishments” as hereby modified and amended to read as follows:

Sec. 5.21.005 Findings.

Sec. 5.21.006 Purpose and short title.

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Sec. 5.21.010 Definitions.

Sec. 5.21.011. Unlawful acts.

Sec. 5.21.012. Application and fee requirements.

Sec. 5.21.013. Council action on license.

Sec. 5.21.015. Renewal of Business License.

Sec. 5.21.020. Time, place and manner restrictions.

Sec. 5.21.025. Onsite use prohibited.

Sec. 5.21.030. Age limitation.

Sec. 5.21.040. Paraphernalia sales and display.

Sec. 5.21.050. Access to establishment without warrant.

Sec. 5.21.060. Immediate revocation of business license, no hearing.

Sec. 5.21.065. Action upon suspension, revocation or closure.

Sec. 5.21.070. No City liability, indemnification.

Sec. 5.21.075. Restriction on City employees.

CHAPTER 5.21–MEDICAL MARIJUANA ESTABLISHMENTS

Sec. 5.21.005 Findings.

The Reno City Council finds and declares as follows:

- (1) The Constitution of the State of Nevada Article 4, Section 38 directs the State of Nevada legislature to provide for, among other things, the authorization of appropriate methods to supply marijuana to patients authorized to use it for medical purposes. 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, which include dispensaries, cultivation facilities, testing laboratories and production facilities of edible marijuana products by the Nevada Division of Public and Behavioral Health of the Department of Health and Human Services (the Division); and

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- (2) NRS 453A.324 provides that the Division shall issue up to ten (10) registration certificates to operate medical marijuana dispensaries in the various local jurisdictions within Washoe County and shall further determine the appropriate number of other types of medical marijuana establishments and issue registration certificates to operate within the local jurisdictions in Washoe County; and
- (3) NRS 453A.326 provides that if a local jurisdiction issues business licenses, the registration certificate issued by the Division is deemed to be provisional until a business license is issued and the medical marijuana establishment is in compliance with all applicable rules and ordinances of the local jurisdiction; and
- (4) To the extent that medical marijuana establishments are registered and authorized by the State of Nevada to operate in the corporate limits of the city, this City Council desires to provide for their licensing and regulation to protect the public health, safety and general welfare of the citizens of the city and to regulate the use of buildings, structures, land use and business and other purposes; and
- (5) Since the use, cultivation, distribution, production, possession and transportation of marijuana remains illegal under Federal law, and marijuana remains classified as a class I controlled substance by both Nevada and Federal law, those involved with medical marijuana establishments may still be prosecuted under the Federal Controlled Substance Act (“CSA”) regardless of whether the medical marijuana establishment is in compliance with state law or has received a license to operate a medical marijuana establishment in the city. This chapter is intended to implement NRS 453A and to establish criteria for the issuance of licenses that are a prerequisite for the exemption from state prosecution provided for in NRS 453A. A license issued pursuant to this chapter 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 under federal law. The City Council does not have the authority to, and nothing in this chapter is intended to, authorize, promote, condone or aid the production, distribution or possession of marijuana in violation of any applicable law, including, without limitation, the CSA; and
- (6) The City Council declares that this chapter is an exercise of the regulatory powers delegated to the City Council pursuant to the City charter and NRS 268. The regulations contained in this chapter involve, to the highest degree, the economic, social, physical and moral well-being of the residents and taxpayers of the City. The cultivation, distribution, production and sale of medical marijuana is not a matter of right but of privilege which would otherwise be unlawful under state law if it were not conducted pursuant to NRS 453A, local land use regulations and

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a license under this chapter. Nothing in this chapter shall be construed to confer any claim of entitlement to any benefit which might otherwise devolve upon any licensee. This privilege may be denied, revoked, conditioned, suspended or subjected to any other disciplinary action by the City in the exercise of its police powers for the protection of the safety, welfare, health, peace and morals of the residents and taxpayers thereof. Medical marijuana establishments shall cooperate with the City and each of its departments in the exercise of their duties under this chapter.

Sec. 5.21.006 Purpose and short title.

This chapter establishes the minimum procedural requirements for business licenses issued by the City, and shall be known as the Medical Marijuana Establishment Code. Nothing in this chapter shall be deemed or construed to exempt any organization from complying with the provisions of any other ordinance of the City, including but not limited to permit requirements, zoning requirements, nuisance ordinances and restrictions on privileged or illegal activities.

Notwithstanding any future revisions in the Nevada Constitution or Nevada Revised Statutes which authorizes recreational use of marijuana, the provisions contained herein authorizing medical marijuana establishments within the City do not automatically apply to the recreational use of marijuana without additional action by the City Council.

Sec. 5.21.010 Definitions.

Unless the context requires otherwise, the scope of all words in this Chapter shall be liberally construed in order to effectuate the purpose of this Chapter, and, in particular, the following words shall have the meaning ascribed to them as follows. Any term not defined herein which is defined in NRS 453A or the Regulations shall have the same meaning ascribed to such term in NRS 453A or the Regulations.

City means the City of Reno.

Community facility is defined in NRS 453A.322(7) and as used in this section means:

- (1) A licensed facility that provides daycare to children;
- (2) A public park;
- (3) A playground;
- (4) A public swimming pool as defined in NRS 444.065;
- (5) A licensed center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents or
- (6) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

Division has the meaning ascribed to it in NRS 453A.090 and means the Division of Public and Behavioral Health of the Department of Health and Human Services of the State of Nevada.

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Edible medical marijuana products has the meaning ascribed to it in NRS 453A.101 and is defined as products that:

- (1) Contain marijuana or an extract thereof;
- (2) Are intended for human consumption by oral ingestion; and
- (3) Are presented in the form of foodstuffs, extracts, oils, tinctures and other similar products.

License division means the City of Reno Business License Division.

Marijuana-infused products has the meaning ascribed to it in NRS 453A.112 and is defined as products that:

- (1) Are infused with marijuana or an extract thereof; and
- (2) Are intended for use or consumption by humans through means other than inhalation or oral ingestion.
- (3) The term includes, without limitation, topical products, ointments, oils and tinctures.

Medical marijuana has the meaning ascribed to it in NRS 453.096 which is used as medical use of marijuana as defined in NRS 453A.120.

Medical marijuana cultivation facility has the meaning ascribed to it in NRS 453A.056 and is defined as a business that is registered with the Division pursuant to NRS 453A.322 that acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells medical marijuana and related supplies to: (a) medical marijuana dispensaries; (b) facilities for the production of edible medical marijuana products or medical marijuana-infused products; or (c) other medical marijuana cultivation facilities.

Medical marijuana dispensary has the meaning ascribed to it in NRS 453A.115 and is defined as a business that is registered with the Division pursuant to NRS 453A.322 and acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses medical marijuana or related supplies and educational materials to the holder of a valid medical marijuana registry identification card.

Medical marijuana establishment has the meaning ascribed to it in NRS 453A.116 and is defined as:

- (1) A medical marijuana independent testing laboratory;
- (2) A medical marijuana cultivation facility;
- (3) A facility for the production of edible medical marijuana products or medical marijuana-infused products;
- (4) A medical marijuana dispensary; or
- (5) A business that has registered with the Division and paid the requisite fees to act as more than one of the types of businesses listed in subsection 2, 3 and 4 above.

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Medical marijuana establishment agent has the meaning ascribed to it in NRS 453A.117 and is defined as an owner, officer, board member, employee or volunteer of a medical marijuana establishment.

Medical marijuana establishment agent registration card has the meaning ascribed to it in NRS 453A.118 and is defined as a registration card that is issued by the Division pursuant to NRS 453A.322 to authorize the operation of a medical marijuana establishment.

Medical marijuana independent testing laboratory has the meaning ascribed to it in NRS 453A.107 and is defined as a business that is registered with, and certified by, the Division pursuant to NRS 453A.322 that tests medical marijuana, edible medical marijuana products and medical marijuana-infused products that are to be sold at medical marijuana dispensaries in the State of Nevada.

Medical marijuana production facility has the meaning ascribed to it in NRS 453A.105 and is defined as a business that is registered with the Division pursuant to NRS 453A.322 that acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible medical marijuana products or medical marijuana-infused products to medical marijuana dispensaries.

Paraphernalia has the meaning ascribed to it in NRS 453A.125 and includes, but is not limited to, accessories, devices and other equipment that is necessary or useful for a person to engage in the medical use of marijuana.

Plant means one individual marijuana plant grown at a cultivation facility for the harvesting of useful plant product at any stage of development from seedling to harvest.

Premises mean any and all places connected with and accessible to the licensed business.

Registration certificate means a certificate issued pursuant to NRS 453A by the Division in accordance with subsection 5 of NRS 453A.322 and subsection 3 of NRS 453A.326.

Registry identification card has the meaning ascribed to it in NRS 453A.140 and means a document issued by the Division or its designee that identifies:

- (1) A person who is exempt from state prosecution for engaging in the medical use of marijuana; or
- (2) The designated primary caregiver, if any, of a person described in subsection (1).

Regulations mean the regulations adopted by the Division related to NRS 453A, including without limitation, LCB File No. R004-14 Effective April 1, 2014, and any subsequent amendments or supplements thereto.

Sec. 5.21.011 Unlawful acts.

- (a) 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 Division and a

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license issued pursuant to this chapter and operating in compliance with any and all applicable state laws, including NRS 453A, the Regulations and the Reno Municipal Code.

- (b) Except as provided pursuant to NRS 453A.352 (5), 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 Division and a license issued by the City.
- (c) Except for sales pursuant to NRS 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 Division, or who is not duly licensed under Title 4 and 5 for the provision of such products.
- (d) 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 authorized by NRS 453A, the Regulations, and any administrative rules duly adopted by the Division.
- (e) It shall be unlawful for any medical marijuana dispensary to sell medical marijuana without complying with the provisions of NRS 453A, the Regulations, and any administrative rules duly adopted by the Division, including without limitation, the requirements concerning use of the electronic verification system maintained by the Division, including authenticating the validity of the medical marijuana registry identification card with the State electronic verification system.
- (f) It shall be unlawful for any medical marijuana establishment to allow a person to volunteer or work at a medical marijuana establishment as a medical marijuana establishment agent unless the person is registered with the Division pursuant to NRS 453A.332.

Sec. 5.21.012 Application and fee requirements.

- (a) Following action by the Division issuing a provisional medical marijuana establishment registration certificate, the City will evaluate whether to grant any proposed medical marijuana establishment a business license pursuant to Title 4 and 5 after the applicant has provided all documents required by this Chapter, has executed a performance contract with all terms required by the City and has paid all applicable fees and an initial nonrefundable application fee that is equal to two

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times the annual cost of the business license fee applicable to the medical marijuana establishment per the adopted fee schedule.

(b) A separate application and license is required for each medical marijuana establishment registration certificate an individual holds and seeks to operate within the City. A person operating more than one type of medical marijuana establishment must apply for and receive a separate license for each type of medical marijuana establishment he seeks to operate within the City.

(c) 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 law, code or ordinance. In addition, each application for a medical marijuana establishment business license shall contain:

1. A complete and accurate copy of the application and all accompanying documents filed with the Division pursuant to NRS 453A.322 including, but not limited to all information required to be produced to the Division as part pursuant to Section 26 of the Regulations.
2. A copy of the provisional registration certificate issued by the Division for each medical marijuana establishment.
3. A site plan with the following:
 - a. Name of the medical marijuana establishment.
 - b. Site address and assessor's parcel number.
 - c. The City regulatory zone for the parcel.
 - d. Proof of compliance, at the time of application for the business license with all spacing requirements set forth in RMC 18.08.202 and NRS shall be provided by a State of Nevada licensed surveyor. NRS spacing requirements include NRS 453A.322 which establishes a 1,000 foot separation from a public or private school, preschool through 12th grade, and a 300 foot separation from a community facility. All required spacing criteria shall be measured in a straight line from the door of the medical marijuana establishment to the closest parcel line, as shown on the Washoe County Assessor's records.
 - e. Elevation drawings or photographs of the proposed building which demonstrate that the building is consistent with the traditional style of pharmacies and medical offices in the City and meets all requirements of NRS 453A and the Regulations.

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- f. A detailed rendering of proposed signage. In addition, the applicant shall provide evidence that the Division has approved the name, logo, sign(s) and advertisement(s) of the medical marijuana establishment as required by Section 51 of the Regulations.
4. 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.
5. 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 service, if applicable.
6. A deed showing the applicant is the owner of the property where the medical marijuana establishment will be operated. If the applicant is not the owner of the property where the medical marijuana establishment will be operated, a copy of the lease, rental agreement, license or authorization letter from the property owner acknowledging and giving permission for the proposed use of the property as a medical marijuana establishment and acknowledgement that the property owner is aware that the use, cultivation, distribution, production, possession and transportation of marijuana remains illegal under the CSA.
7. A security plan, including a depiction of the location and configuration of security cameras, indicating how the security plan complies with the requirements related to monitoring and securing the licensed premises as required by NRS 453A and the Regulations.
8. A copy of the conditions of approval the applicant has executed with the City, which terms will be a condition of any license issued, and may include, by way of example, and without limitation:
 - a. A complete description of the products and services to be produced or sold by the medical marijuana establishment.
 - b. Hours of operation.

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- c. An accounting plan that includes how sales and inventory will be tracked on a daily, weekly and monthly basis and how this information will be stored and safeguarded.
- d. A sign and advertising plan including all proposed exterior and interior signage.
- e. A copy of all contracts, proposed contracts for consulting, management or employment for the proposed medical marijuana establishment.
- f. A written statement acknowledging that the applicant, and the owner of the property upon which the medical marijuana establishment is located, 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 the permit and such license subject to immediate suspension or revocation.
- g. A provision, in terms acceptable to the City, that the applicant, and its owners, managers, agents, employees and affiliates will indemnify, defend and hold harmless the City, and any of its elected or appointed officers, agents, employees or attorneys from any and all claims, demands, actions, damages, decrees, judgments, attorney fees, costs and expenses which may be asserted against the City, or such elected or appointed officers, employees or attorneys arising from, or related to, the establishment, operation, or ownership of the medical marijuana establishment, or the use, cultivation, distribution, production, possession and transportation of marijuana. The licensee may obtain a surety bond, in the minimum amount of \$500,000, at his own expense, for the benefit of the City and the applicant's defense and indemnity obligations, and remain in force throughout the term of the license and three years following expiration or termination of the license.

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- h. An acknowledgement that the applicant is seeking a privilege license and understands that each person with any ownership interest or affiliation 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 privilege license is at all times on the applicant; that the granting of a medical marijuana establishment privilege license is at the discretion of the City Council; and the applicant agrees to waive any and all claims against the City and the City Council related thereto.
- i. Provisions addressing how the medical marijuana establishment will address the current federal priorities relating to the conflict between state and federal marijuana laws.
- j. Other provisions the City may require, in its sole and absolute discretion, to be contained within the contract to protect the public health, safety and general welfare of the citizens of the City and to regulate the use of buildings, structures, land use, business and other purposes.

Sec. 5.21.013 Council action on license.

- a. The City Council may approve, deny, condition, limit, or take such other action with respect to the applications for medical marijuana establishment licenses as it considers appropriate.
- b. The City Council may deny any application if it determines in its sole and absolute discretion that granting the privilege license will not be in the best interest of the welfare, health, or safety of the City; or if the applicant or location of the medical marijuana establishment is determined by the Council to not be suitable. In considering whether to approve or deny a medical marijuana privilege license, the City Council may consider the factors set forth in NRS 453A.328 as it applies to the City, the background of the applicant, capitalization, past business practices of the applicant, operational plan, organizational structure, environmental sustainability and mitigation plans, location of the proposed establishment, odor control systems and suitability of the building for the use proposed, site plan as to parking, traffic movement and aesthetics, impact on the surrounding neighborhood and the type and degree of security personnel and facilities.

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- 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; the medical marijuana establishment has been inspected and approved by the Division and/or the City, as being in compliance with all requirements of NRS 453A, the Regulations, and all building code requirements; all applicable inspections and license fees are paid; and all conditions of the license have been satisfied.

Sec. 5.21.015. Renewal of Business License.

In addition to the requirements of Title 4 and 5 of this code, all applications for renewal of a City medical marijuana establishment business license shall be accompanied by a copy of a valid and current medical marijuana establishment registration certificate from the Division and a copy of the renewed performance contract with the City.

Sec. 5.21.020. Time, place and manner restrictions.

- a. Medical marijuana establishments must be located in the corporate limits of the City and must be in conformance with Title 18 of the Annexation and Land Development Code.
- b. A medical marijuana establishment shall be located in a permanent building that meets all requirements of NRS 453A.350, the Regulations and the City's building code for commercial buildings and shall not be located in a manufactured or mobile home, trailer, cargo container, motor vehicle or similar personal property. Each medical marijuana establishment shall be separated from any other medical marijuana establishment as required by NRS 453A.350. This may include two facilities separated by a fire wall with no shared facilities, other than parking. A medical marijuana establishment shall have a professional, orderly and dignified appearance which is consistent with the traditional style of pharmacies and medical offices.
- c. Each medical marijuana establishment licensee shall operate in compliance with all State laws, including NRS 453A, the Regulations, all City ordinances, the approved performance contract and any restrictions imposed in connection with issuance of the license.
- d. The License division may require any reasonable warning signs to be posted in a conspicuous location in each medical marijuana establishment.
- e. All signs, logos and advertisement(s) of the medical marijuana establishment and the content and the method of an advertisement must be approved by the Division pursuant to Section 51 of the Regulations and is limited as set forth in Section 132

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of the Regulations. All signs must be discreet, professional and consistent with the traditional style of signage for pharmacies and medical offices as required by NRS 453A.350 and comply with all provisions of the RMC.

- f. Each medical marijuana establishment licensee must comply with all security requirements set forth in NRS 453A and the Regulations as a condition of its license.
- g. Medical marijuana remnants, medical marijuana-infused products, bi-products, and other waste materials shall be disposed of in a safe, sanitary and secure manner, in a location and manner approved by the Division, the Reno Police Department and the Washoe County Health District. Any portion of the medical marijuana remnants, products or bi-products being disposed of shall be rendered unusable before disposal, shall be protected from being possessed or ingested by any person or animal and shall not be placed within the facility's exterior refuse containers. Plans for the disposal of waste must be submitted to the Washoe County Health District for approval and an industrial waste permit obtained from the Washoe County Health District prior to the License division issuing any medical marijuana establishment license pursuant to this section.

Sec. 5.21.025. Onsite use prohibited.

A medical marijuana establishment shall not allow any person to consume or smoke marijuana on the property or premises of the medical marijuana establishment.

Sec. 5.21.030. Age limitation.

A medical marijuana establishment shall not permit or allow a person under the age of 18 years of age in a medical marijuana establishment unless the person holds a valid Division registry identification card or is accompanied by a parent or guardian who holds a valid Division registry identification card.

Sec. 5.21.040. Paraphernalia sales and display.

Selling, giving or providing paraphernalia or other supplies directly related to the administration of medical marijuana to a patient may only be made to a patient holding a valid Division registry identification card or to the designated primary caregiver of such a patient.

No medical marijuana or associated establishment paraphernalia shall be displayed or kept in a medical marijuana establishment so as to be visible from outside the licensed premises.

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Sec. 5.21.050. Access to establishment without warrant.

Submission and subsequent approval of an application for a medical marijuana establishment business license constitutes permission of entry to and reasonable inspection of the establishment by the License division, Chief of Police, Fire Chief, or their designees, with or without notice. Such inspection may require more than one visit to the medical marijuana establishment.

(a) Findings.

- (1) The City is permitted by statute to regulate the conduct of medical marijuana establishments within its corporate limits.
- (2) Medical marijuana businesses are part of a closely regulated industry. Through ordinances and statutes, medical marijuana licensees are required to conduct their business within particular parameters and are prohibited from permitting or engaging in particular acts.
- (3) The City has a substantial interest in preserving the public's health, safety and quality of life through, among other programs, the regulation of medical marijuana businesses.
- (4) Inspection of commercial property on which medical marijuana is cultivated, sold or manufactured within the bounds of this Section is a necessary component of enforcing medical marijuana ordinances and statutes.

(b) Purpose.

- (1) The provisions hereinafter contained and enacted are in pursuance of and for the purpose of securing and promoting the public health, morals and general welfare of persons patronizing or otherwise affected by a business so as to:
 - i. Secure compliance with any provision of chapter 453A of NRS or this chapter; and
 - ii. Prevent a violation of any provision of chapter 453A of NRS of this chapter; or
 - iii. Conduct unannounced inspection of an establishment in response to an allegation of noncompliance with chapter 453A of NRS or this chapter.
- (c) The License division, Chief of Police, Fire Chief or their designee may upon receipt of a complaint against a medical marijuana establishment, except for a complaint concerning the cost of service, investigate the premises, facility, qualifications of personnel, methods of operation, policies, procedures and records of that establishment or any other establishment which may have information pertinent to the complaint.
- (d) The License division, Chief of Police, Fire Chief or their designee may enter and inspect at least annually, with or without notice, each building or the premises of a

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- medical marijuana establishment to ensure compliance with the standards and regulations for business licenses, safety, health and sanitation. These limitations shall not be construed to prohibit action based upon any other constitutionally recognized exception to the warrant requirement.
- (e) Refusal to allow entry pursuant to this subsection shall constitute grounds for suspension or revocation of a license as described in RMC 5.05.007

Sec. 5.21.060. Immediate revocation of business license, without hearing.

In addition to the provisions of Title 4 and 5 of this code, the business license for a medical marijuana establishment shall be immediately revoked upon one or more of the following events occurring. There is no hearing before the administrative hearing officer for immediate revocation pursuant to this subsection. Immediate revocation pursuant to this subsection is subject to judicial review.

- (a) Notification to the License division that the Division has revoked the registration certificate for a medical marijuana establishment.
- (b) Failure to maintain a valid and current Division registration certificate.

Sec 5.21.065. Action upon suspension, revocation or closure.

- (a) A license may be suspended or revoked in accordance with Title 4 and 5 of this code. In addition, a license for a medical marijuana establishment may be suspended or revoked if the License division finds that:
1. A licensee has violated, or permitted, allowed or caused a violation of any provision of Title 4 and 5, any state law, the Regulations or any condition of approval imposed upon the issuance of the license;
 2. 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;
 3. A licensee knowingly commits any act which would have constituted grounds for denial of an application for a license;
 4. Licensee has failed either to file the required reports or review documentation or to furnish such information as may be reasonably required by the license division under the authority vested pursuant to Title 4 and 5;

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5. Any fact or condition exists which, if it had existed or been known to exist at the time of the application for such compliance permit or license, would have warranted the denial of the license;
 6. The licensee has failed to maintain the premises in compliance with the requirements of any state law, the Regulations, the building official, the Fire Chief or any environmental or health department.
- (b) 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 of imposing any civil penalty, suspension, or revocation on the licensee.
 - (c) In lieu of any license suspension, the License division may assess a civil penalty against the licensee per RMC 4.04.140.
 - (d) In the event of any condition that justifies suspension of a license, the License division shall have the discretion to recommend to the administrative hearing officer that the license be revoked, or other penalty imposed.
 - (e) In the event of the suspension of any license, the License division shall provide written notice by certified mail addressed to the licensee and the building owner at the addresses of record. Notice shall also be sent to the Division.
 - (f) If the City revokes or suspends a license, or the business is no longer in operation, the establishment may not remove any marijuana from the premises except under the supervision of the Reno Police Department and must dispose of it in a manner and location approved by the Division and/or the police department.

Sec. 5.21.070. No City liability, indemnification.

- (a) By accepting a license issued pursuant to this code, the licensee waives and releases the City, its officers, elected officials, employees, attorneys and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of establishment owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.
- (b) By accepting a license issued pursuant to this code, all licensees, jointly and severally, agree to indemnify, defend and hold harmless the City, its officers, elected officials, employee, attorneys, agents, insurers and self-insured pool against

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all liability, claims and demands on account of any injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss of damage or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of a medical marijuana establishment that is subject of the license.

Sec. 5.21.075. Restriction on City employees.

No City employee responsible for the implementing or enforcing the provisions of this chapter or chapter 453A of NRS may have a direct or indirect financial interest in a medical marijuana establishment or be employed by or volunteer at a medical marijuana establishment.

SECTION 4. The Reno City Council hereby finds that this ordinance is in compliance with the requirements of Chapter 237 of NRS, Business Impact Statement process.

SECTION 5. This Ordinance shall be in effect on _____, from and after its passage, adoption and publication in one issue of a newspaper printed and published in the City of Reno.

SECTION 6. The City Clerk and Clerk of the City Council of the City of Reno is hereby authorized and directed to have this Ordinance published in one issue of the Reno-Gazette Journal, a newspaper printed and published in the City of Reno.

PASSED AND ADOPTED this ____ day of _____, 2014, by the following vote of the Council:

AYES: _____

NAYS: _____

ABSTAIN: _____ ABSENT: _____

APROVED this ____ day of _____, 2014.

ROBERT A. CASHELL, SR.
MAYOR OF THE CITY OF RENO

ATTEST:

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LYNNETTE R. JONES
CITY CLERK AND CLERK
OF THE CITY COUNCIL OF THE
CITY OF RENO, NEVADA

EFFECTIVE DATE: