

# Gardnerville Town Board

## AGENDA ACTION SHEET



1. **For Possible Action:** Discussion to approve, approve with modifications or deny a request by Main Street Gardnerville to create a Gardnerville Community Enrichment Council as a 501c3 organization. If approved, Article II-c of the Council's bylaws will state that it is to work "in partnership with the Town of Gardnerville"; with public comment prior to Board action.
2. **Recommended Motion:** Approve the request by Main Street Gardnerville to create a Gardnerville Community Enrichment Council as a 501c3 organization.  
Funds Available: ☐ Yes ☒ N/A

3. **Department:** Administration

**Prepared by:** Paula Lochridge

4. **Meeting Date:** June 3, 2014 **Time Requested:** 15 minutes

5. **Agenda:** ☐ Consent ☒ Administrative

6. **Background Information:** Dorette Caldana will be present to provide more information.

The 501c3 application is required to create the Gardnerville Community Enrichment Council (GCEC), which is a goal of the Main Street Gardnerville (MSG) Organization Committee. Once the application is submitted, the GCEC will be its own entity. The benefit of creating the 501c3 would enable both MSG and the Town of Gardnerville funding opportunities where a 501c3 is required applying for qualified projects that fall under the guidelines of the GCEC 501c3. Copies of the Bylaws, Conflict of Interest and Parties Involved in the process are included in your packet.

7. **Other Agency Review of Action:** ☐ Douglas County ☐ N/A

8. **Board Action:**

☐ Approved ☐ Approved with Modifications  
☐ Denied ☐ Continued



The following were involved in the 501c3 process:

1. Dorette Caldana, President of Board, Chair of Org Committee responsible for implementation of goal from annual action plan to implement 501c3
2. Carol Sandmeier, VP of Board
3. Margaret Pross, Board Member and Member of County Planning Commission
4. Jim Woods, MSG Volunteer
5. Yu Shimizu, MSG Volunteer
6. Kathleen Tomascak, Grant Writer and Employed by TRPA
7. Joanna Lilly, Financial Coordinator for Western Nevada College and currently employed in Accounting with TRPA
8. Paula Lochridge
9. Katherine Chase, Accountant who reviewed the 501c3
10. Scott Lichtig, Attorney

# **GARDNERVILLE COMMUNITY ENRICHMENT COUNCIL CONFLICT OF INTEREST POLICY**

## **ARTICLE I. Purpose**

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The purpose of the conflict of interest policy is to protect the interest of the Gardnerville Community Enrichment Council, hereafter referred to as the "Organization", when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## **Article II. Definitions**

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### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## Article III. Procedures

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### 1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

### 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### 4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the



member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## Article IV. Records of Proceedings

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The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## Article V. Compensation

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1. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## Article VI. Annual Statements

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Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## Article VII. Periodic Reviews

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To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## Article VIII. Use of Outside Experts

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When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Adopted \_\_\_\_\_

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Signature, Title



# **GARDNERVILLE COMMUNITY ENRICHMENT COUNCIL BYLAWS**

## **ARTICLE I. Name and Location**

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The corporation shall be known as Gardnerville Community Enrichment Council, hereafter referred to as the "Organization". The Organization is a Nevada corporation and the governing body, known as the Board of Directors, may change the location of the principal office from one location to another at any time.

## **ARTICLE II. Purpose and Function**

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The Organization is a non-profit Nevada Corporation organized under NRS Chapter 82, exclusively for educational and charitable purposes, more specifically for promoting the enrichment and beautification of the Gardnerville community. In order to accomplish these purposes, the Organization has the following objectives in conjunction with the Town of Gardnerville:

- a. To promote the revitalization of Gardnerville's historic corridors by enhancing the streetscape with building improvements, preservation projects, and other programs that beautify and improve the community.
- b. To provide and support cultural community enrichment events to benefit and support Gardnerville such as public art exhibits, festivals, and other related activities.
- c. To develop and maintain Heritage Park Gardens, and other projects that provide public gardening spaces, demonstration gardens, food production for the local food banks, a Children's Garden, and public events to promote awareness of principles of sustainable living and environmental stewardship in partnership with the Town of Gardnerville.
- d. To manage and fund local community rejuvenation efforts for public benefit through varied funding sources.

## **ARTICLE III. Board of Directors**

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### **Section 1. Number and Qualifications**

The Organization shall have no more than seven (7) but never less than one (1) Director(s) and collectively they shall be known as the Board of Directors. The number of Directors may fluctuate based on the need and size of the organization as determined by a majority vote of the Board. The President shall act as the Chairperson of the Board if one is not selected. All members of the Board of Directors must be at least eighteen (18) years of age.

## **Section 2. Powers**

Subject to the provisions of the laws of this state and any limitations in the Articles of Incorporation and the Bylaws of this Organization, the activities and affairs of this Organization shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

## **Section 3. Duties**

It shall be the duty of the Directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- b. Maintain the focus and purpose of the organization and provide direction and support to the operational aspects of the organization;
- c. Establish and measure systems for the continual evaluation of projects and activities of the organization;
- d. Actively engage in the work of the organization;
- e. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all Officers, agents, and employees of the Organization;
- f. Supervise all Officers, agents, and employees of the Organization to assure that their duties are performed properly;
- g. Ensure effective fiscal management of the organization; raise funds as necessary; review and approve an annual budget and regular financial reporting with direction from the treasurer and in consultation with a qualified CPA;
- h. Meet at such times and places as required by these Bylaws;
- i. Register their addresses with the secretary of the Organization. The secretary of the organization shall be responsible for accurate and complete minutes of each meeting to be approved by the board at the following meeting as well as all necessary correspondence;
- j. Confirm that he/she has read these Bylaws prior to his/her election;
- k. Fully disclose his/her conflict of interest to the entire Board and remain in compliance with the Organization's Conflict of Interest Policy;
- l. Promote and enhance the public image of the Organization.

## **Section 4. Election and Term of Office**

Each Director shall hold office for a period of three (3) years and until his or her successor is elected and qualifies. The expiration of each Director's term will be staggered to promote the continuity of the organization. The initial Board of Directors shall be elected as follows:



- a. Two (2) Directors shall be appointed for a one (1) year term expiring on the next Fiscal Year End of the Organization.
- b. Two (2) Directors shall be appointed for a two (2) year term expiring on the Fiscal Year End following the Organization's next Fiscal Year End.
- c. Three (3) Directors shall be appointed for a three (3) year term expiring on the Fiscal Year End following the Organization's next two (2) Fiscal Year Ends.
- d. If only one Director makes up the original Board, the term shall be a three (3) year term expiring on the Organization's third Fiscal Year End from taking office.
- e. After all terms of the initial Directors have expired, the terms of all Directors shall expire three (3) years from the expiration date of his/her predecessor.

The Board will annually nominate and elect Directors whose term is expiring, in addition to the transaction of such other business as may come before the Board.

Each Director shall cast one vote per candidate, and may vote for as many candidates as there are open offices. The candidates receiving the highest number of votes shall be elected to serve.

### **Section 5. Compensation**

Directors shall serve without compensation. However, they shall be allowed reasonable reimbursement of expenses incurred in the performance of their duties when such services have been authorized or directed by the Board. Any payments to Directors shall be approved in advance in accordance with this Organization's Conflict of Interest Policy.

### **Section 6. Regular and Annual Meetings**

Regular meetings shall be held at such frequency, time, and place as the Board determines. Monthly meetings will be standard unless otherwise determined by the Board. An annual meeting must be held once during the year. Any one of the regular meetings may be designated as the annual meeting.

### **Section 7. Special Meetings**

Special meetings of the Board of Directors may be called by the President, Vice President, or by majority vote of the Board of Directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the Board. Such meetings shall be held at a location determined by the Board. At least one week prior notice shall be given to the Board for a special meeting.

### **Section 8. Quorum for Meetings**

In order to conduct business, a quorum of the Board membership must be present. Fifty-one percent (51%) of the members of the Board of Directors shall constitute a quorum at any regular or special meeting of the Board.

Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the Board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

### **Section 9. Proxy**

A Board Member may give a written proxy to another Board Member if they are unable to attend a meeting.

### **Section 10. Conduct of Meetings**

Meetings of the Board of Directors shall be presided over by the chairperson of the Board, or, if no such person has been so designated, or in his or her absence, the President of the Organization, or in his or her absence, by the Vice President of the Organization, or in the absence of each of these persons, by a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Organization shall act as Secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

### **Section 11. Rules of Parliamentary Practice**

The rules of parliamentary practice contained in Robert's Rules of Order, as most recently published, shall govern the conduct of business for all meetings.

### **Section 12. Vacancies**

Vacancies on the Board of Directors shall exist 1) on the death, resignation, or removal of any Director, and 2) whenever the number of authorized Directors is increased.

Any Director may resign effective upon giving written notice to the chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the Organization would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the office of the Attorney General or other appropriate agency of this state.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws, or provisions of law, vacancies on the Board may be filled by approval of the Board of Directors. If the number of Directors then in office is less than a quorum, a vacancy on the Board may be filled by approval of a majority of the Directors then in office or by a sole remaining Director. A person elected to fill a vacancy on the Board shall hold office until the next election of the Board of Directors or until his or her death, resignation, or removal from office.

### **Section 13. Non-liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Organization.



## **Section 14. Indemnification by Corporation of Directors and Officers**

The Directors and Officers of the Organization shall be indemnified by the Organization to the fullest extent permissible under the laws of this state.

## **Section 15. Insurance for Corporate Agents**

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Organization (including a Director, Officer, employee, or other agent of the Organization) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Organization would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws, or provisions of law.

# **ARTICLE IV. Officers**

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## **Section 1. Designation and Qualification of Officers**

The Officers of the Organization shall be a President, a Vice President, a Treasurer, and Secretary. Any person over the age of eighteen (18) may serve as Officer of this Organization.

## **Section 2. Election and Term of Office**

Officers shall be elected by the Board of Directors at the Annual Meeting or as vacancies occur. Each Officer shall hold office for a three (3) year term, until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first. The expiration of each Officer's term will be staggered to promote the continuity of the organization. The initial Officers shall be elected as follows:

- a. The President and Vice President shall begin with a one (1) year term expiring on the Organization's next Fiscal Year End.
- b. The Secretary shall begin with a two (2) year term expiring on the Fiscal Year End following the Organization's next Fiscal Year End.
- c. The Treasurer shall begin with a three (3) year term expiring on the Fiscal Year End following the Organization's next two (2) Fiscal Year Ends.
- d. After the first terms of the initial Officers have expired, the terms of all Officers shall expire three (3) years from the expiration date of his/her predecessor.

## **Section 3. Removal and Resignation**

Any Officer may be removed, either with or without cause, by the Board of Directors, at any time. Any Officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Organization. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract

which has been approved or ratified by the Board of Directors relating to the employment of any Officer of the Organization.

#### **Section 4. Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of Officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

#### **Section 5. Duties of President**

The President shall be the chief executive officer of the Organization and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Organization and the activities of the Officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as chairperson of the Board of Directors, the President shall preside at all meetings of the Board of Directors. The President will not vote on matters coming before the Board of Directors, except to break a tie vote of the other members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Organization, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

#### **Section 6. Duties of Vice President**

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

#### **Section 7. Duties of Treasurer**

- a. Have charge and custody of, and be responsible for, all funds and securities of the Organization, and deposit all such funds in the name of the Organization in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.
- b. Keep and maintain adequate and correct accounts including backup documentation for all transactions of the Organization's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. Accounting procedures shall follow generally accepted accounting principles.
- c. Assist the President in developing an annual budget to be approved by the Board including plans for the fiscal support of the programs of the Organization. The Treasurer shall further report regularly on the status of the budget. Any change to the budget must be approved by the Board of Directors. The Fiscal Year shall be on a calendar year.



- d. Assist the Board in ensuring that all assets are permanently dedicated to exempt purposes.
- e. Keep books and records detailing all activities both financial source of support like contributions, grants, sponsorships, and other sources of revenues. All forms of support will be tracked throughout the year in preparation of annual reports.
- f. Prepare, submit, and keep on file for the required time period all required financial reports required by law such as applicable 990 Form(s) and schedules, applicable tax forms and estimated tax payments.
- g. At all reasonable times satisfy requests for the books of account and financial records to any Director of the Organization, or anyone else in accordance with these Bylaws or as required by law.
- h. Render to the President and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Organization.
- i. Prepare and certify the financial statements to be included in any required reports.
- j. In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Organization, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

## **Section 8. Duties of Secretary**

- a. Certify and keep at the principal office of the Organization or at such other place as the Board may determine:
  - i. a master file of all records of the Organization with applicable originals and copies including, but not limited to the Organization's Articles of Incorporation and Bylaws as amended to date, forms submitted for incorporation;
  - ii. a book of minutes of all meetings and attendance of the Directors and Committees recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- b. See that all meeting notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- c. Satisfy request for documents of the Organization in accordance with the provisions of these Bylaws or as required by law.
- d. Sign as necessary with the President or Vice President in the name and on behalf of the organization any contracts or agreements authorized by the Board.
- e. Provide or delegate duties of photo documentation of activities done by the organization.

- f. In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

### **Section 9. Compensation**

Officers shall serve without compensation. However, the organization may reimburse any Officer for reasonable expenses incurred in connection with services to the Board when such service has been authorized or directed by the Board. Nothing herein contained shall be construed to preclude any Officer or Director from serving the Organization in any other capacity and receiving compensation therefore.

## **ARTICLE V. Committees**

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### **Section 1. Standing Committees**

The Board of Directors may appoint ad hoc or standing committees as needed for administration of the Organization. These committees may consist of persons who are not also members of the Board and shall act in an advisory capacity to the Board.

### **Section 2. Executive Committee**

Policies of the Board of Directors are carried out by the Executive Committee, made up of the President, Vice President, Treasurer, and Secretary. The Committee shall oversee all administrative functions and governing policies, such as human resources, finance, information systems, facilities and investments and shall act as necessary between regularly scheduled meetings of the Board of Directors. They shall have the authority to develop and review the management of the Organization including any internal personnel issues. Its actions shall be subject to approval by the Board of Directors.

### **Section 3. Meetings and Action of Committees**

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

## **ARTICLE VI. Execution of Instruments, Deposits, and Funds**

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### **Section 1. Execution of Instruments**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any Officer or agent of the Organization to enter into any contract or execute and



deliver any instrument in the name of and on behalf of the Organization, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent, or employee shall have any power or authority to bind the Organization by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

### **Section 2. Checks and Notes**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Organization shall be signed by the Treasurer for amounts of \$500.00 or less. The President of the Organization or a Director's signature will also be required for checks over \$500.00.

### **Section 3. Deposits**

All funds of the Organization shall be deposited in a timely manner (no more than 14 days after the date of receipt) to the credit of the Organization in such banks, trust companies, or other depositories as the Board of Directors may select.

## **ARTICLE VII. Corporate Records and Reports**

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### **Section 1. Directors' Inspection Rights**

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Organization, and shall have such other rights to inspect the books, records, and properties of this Organization as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

### **Section 2. Right to Copy and Make Extracts**

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

### **Section 3. Periodic Report**

The Board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this Organization, to be so prepared and delivered within the time limits set by law.

### **Section 4. Financial Audit**

Annual audits of the Organization's financial transactions shall be conducted at the direction of the Board and in coordination with the Treasurer.

## **ARTICLE VIII. IRC 501(c)(3) Tax Exemption Provisions**

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### **Section 1. Limitations on Activities**

No substantial part of the activities of this Organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and this Organization shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this Organization shall not carry on any activities not permitted to be carried on 1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or 2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

### **Section 2. Prohibition Against Private Inurement**

No part of the net earnings of this Organization shall inure to the benefit of, or be distributable to, its members, Directors or trustees, Officers, or other private persons, except that the Organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this Organization.

### **Section 3. Distribution of Assets**

Upon the dissolution of this Organization, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Organization, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

## **ARTICLE IX. Amendment of Bylaws**

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These Bylaws may be altered, amended, or repealed by a two-thirds majority of the Board of Directors.

## **ARTICLE X. Construction and Terms**

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If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this Organization, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, Articles of Organization, Certificate of Incorporation, Organizational Charter,



Corporate Charter, or other founding document of this Organization filed with an office of this state and used to establish the legal existence of this Organization.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

## ADOPTION OF BYLAWS

We, the undersigned, are all of the initial Directors or incorporators of this Organization, and we consent to, and hereby do, adopt the foregoing Bylaws as the Bylaws of this Organization.

Dated: \_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_

\_\_\_\_\_

Printed Name: \_\_\_\_\_



# Gardnerville Town Board

## AGENDA ACTION SHEET



1. **For Possible Action:** Discussion and possible action to direct staff to provide information to Douglas County in relation to the Town of Gardnerville recommending allowance or prohibition of medical marijuana establishments (MME) within the Town of Gardnerville, presentation by Cynthia Gregory, Deputy District Attorney and Hope Sullivan, Douglas County Planning Manager, with public comment prior to board action.
2. **Recommended Motion:** no recommended motion. Deliberate the issues identified in the county staff report, specifically the four (4) questions proposed in the discussion points on page two of the county staff report.

**Funds Available:** ☐ Yes ☒ N/A

3. **Department:** Administration

**Prepared by:** Tom Dallaire

4. **Meeting Date:** June 3, 2014 **Time Requested:** 45 minutes

5. **Agenda:** ☐ Consent ☒ Administrative

**Background Information:** See the attached county staff report, Presentation materials being presented at the meeting, the map of the restricted areas per the state law, and federal guidance documents.

The federal government does not recognize marijuana as a legal substance; therefore it is illegal for the use and possession of the drug.

Per town counsel, it is a violation of the Controlled Substances Act, passed by Congress, which finds that marijuana is a Schedule I controlled substance, and Congress determined that marijuana is a dangerous drug, the possession, distribution and sale of which is a serious crime under any circumstances. Further, counsel advises that as a Schedule I drug it has a high potential for abuse and no currently accepted medical use in treatment in the U.S. according to the Office of National Drug Control Policy. The town board may determine as its concern regarding allowing or prohibiting medical marijuana establishments that until the inconsistencies between federal and state laws are resolved, the Town of Gardnerville does not wish to condone, by supporting medical marijuana establishments within the town, a violation of the Controlled Substances Act. The United States Supreme Court has held that the federal Controlled Substances Act prohibits local cultivation and use of marijuana under all circumstances. *Gonzales v. Raich*, 125 S. Ct. 2195 (2005)

Town staff has attached additional guidance from the Federal Government on the Enforcement of Marijuana and its use.

6. **Other Agency Review of Action:** ☒ Douglas County ☐ N/A  
Genoa "it's not a good fit for our town"

7. **Board Action:**

☐ Approved ☐ Approved with Modifications  
☐ Denied ☐ Continued

# **Town of Gardnerville**

## **June 3, 2014**



### **Medical Marijuana Establishments**



# SB 374: Key Elements



- ❖ Effective April 1, 2014
- ❖ Increased Amount of Medical Marijuana
- ❖ Medical Marijuana Establishments (MMEs)
  - ❖ Cultivation Facilities
  - ❖ Independent Testing Labs
  - ❖ Production Facilities for Edible or Infused Products
  - ❖ Medical Marijuana Dispensaries



# SB 374: Key Elements



- ❖ New use within State of Nevada
  - ❖ Previously “self-grow” state
- ❖ Regulated by Division of Public and Behavioral Health
  - ❖ Application Process, Security, Safety, Labeling & Packaging, Inventory, Agent Cards, Delivery, Advertising
  - ❖ Issues Registration Certificates
  - ❖ Enforcement Authority
  - ❖ Receives fees and 25% of excise taxes

# Douglas County

## Current Status of MMEs



- 1) County Ordinance temporarily prohibits MMEs
- 2) Imposes a 180 day initial moratorium on MMEs
  - ❖ Sept. 16, 2014
  - ❖ Staff will report back on the final regulations, provide updates and seek further direction
- 3) Allows the Board to extend moratorium for another 180 days → March 15, 2015
- 4) Terminate the moratorium following adoption of prohibition or zoning control ordinance

# Town Input/Recommendation

## Discussion Points



- œ 1) Identify any concerns regarding allowing or prohibiting MMEs?
- œ 2) Does the Town support or oppose MMEs being located within its boundaries?
- œ 3) If medical marijuana establishments were allowed, would the Town have a preference as to which type of MME was located within its boundaries?
- œ 4) If MMEs were allowed, what type of zoning regulations would the Town recommend be imposed?

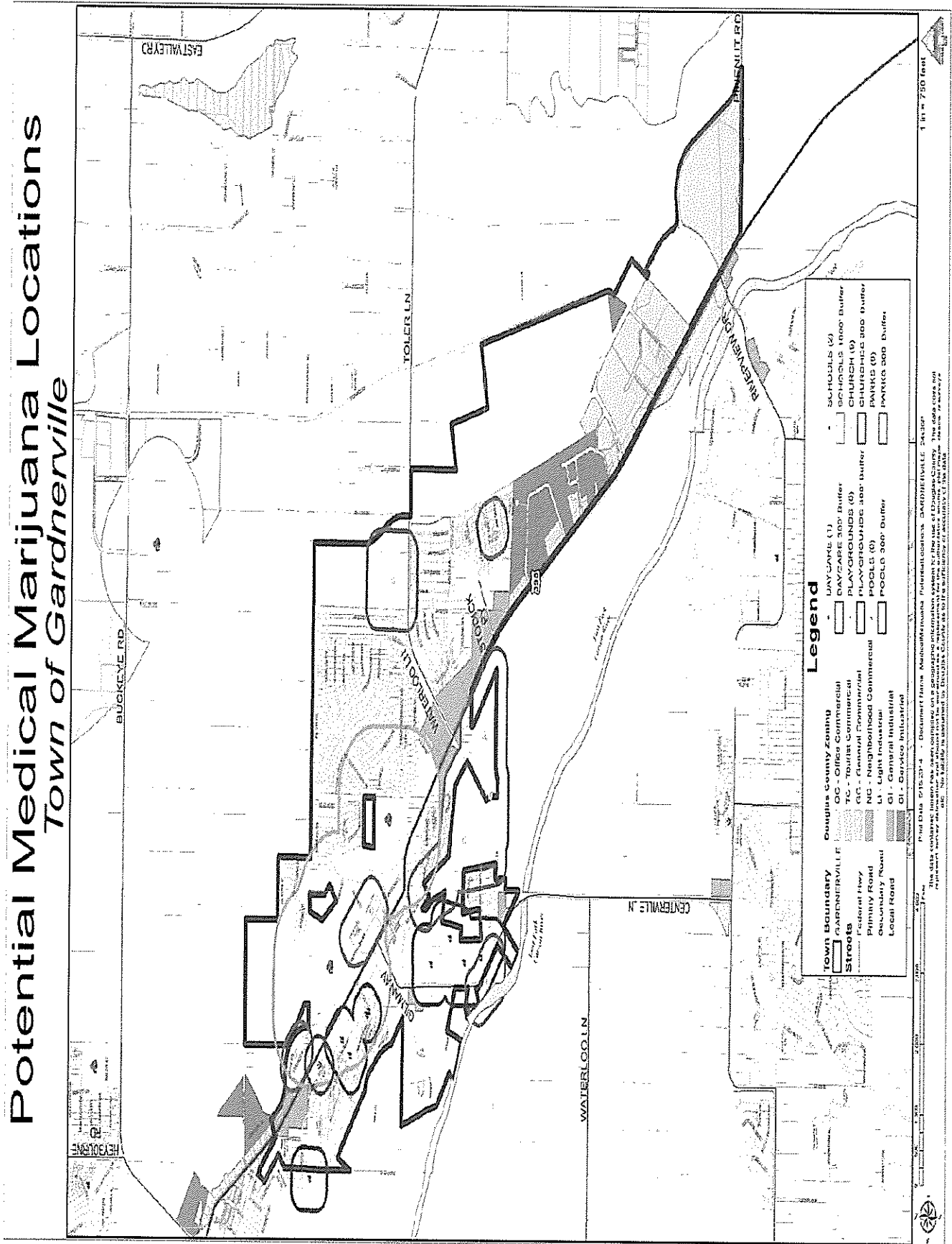


# Douglas County



- ❖ NRS 453A.324: Allowed only 1 Dispensary
  - ❖ NRS: delegated authority to Division to set number of labs, cultivation, production facilities
- ❖ NRS 453A. 350(1): MMEs can only be located within Industrial or Commercial Zone or Overlay
- ❖ NRS 453A.322: MMEs cannot be located within:
  - ❖ 1,000 ft. of existing schools at time of application
  - ❖ 300 ft. of existing community facilities at time of application

7-8



# Options



- ❖ Can County opt out?
- ❖ YES--ability to restrict includes ability to prohibit as long as can comply with both County regulations and Nevada Constitution
- ❖ Registered Card Patients can still use Medical Marijuana within Douglas County
- ❖ Marijuana still an illegal substance per Federal Government



# Options



- ❖ Can County adopt zoning restrictions?
- ❖ YES—zoning controls
  - ❖ SUP
  - ❖ Limit location near residential zoning
  - ❖ Increase area for schools/community facilities
  - ❖ Allow some MMEs, but not all (labs & cultivation)
- ❖ 25 mile rule, some self grow will still be allowed

# Town Input/Recommendation

## Discussion Points



- œ 1) Identify any concerns regarding allowing or prohibiting MMEs?
- œ 2) Does the Town support or oppose MMEs being located within its boundaries?
- œ 3) If medical marijuana establishments were allowed, would the Town have a preference as to which type of MME was located within its boundaries?
- œ 4) If MMEs were allowed, what type of zoning regulations would the Town recommend be imposed?

## H.R.499 - Ending Federal Marijuana Prohibition Act of 2013

113th Congress (2013-2014)

### BILL

**Sponsor:** [Rep. Polis, Jared \[D-CO-2\]](#) (Introduced 02/05/2013)

**Cosponsors:** [16](#)

**Latest Action:** 02/28/2013 Referred to the Subcommittee on Crime, Terrorism, Homeland Security, And Investigations.

### Tracker:

Introduced	Passed House	Passed Senate	To President
	Became Law		

More on This  
Bill

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Authority  
Statement](#)

Primary  
Subject:  
Crime and Law  
Enforcement

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[Summary \(1\)](#)

[Text \(1\)](#)

[Actions \(10\)](#)

[Titles \(2\)](#)

[Amendments \(0\)](#)

[Cosponsors \(16\)](#)

[Committees \(5\)](#)

[Related Bills \(0\)](#)

### Summary: H.R.499 — 113th Congress (2013-2014)

There is one summary for this bill. [Bill summaries](#) are authored by [CRS](#).

#### Shown Here:

Introduced in House (02/05/2013)

Ending Federal Marijuana Prohibition Act of 2013 - Directs the Attorney General to issue a final order that removes mariju in any form from all schedules of controlled substances under the Controlled Substances Act.

Amends such Act to: (1) provide that schedules I, II, III, IV, and V shall consist of the drugs and other substances that are forth in the respective schedules in part 1308 of title 21 of the Code of Federal Regulations; (2) exempt marijuana from su Act except as provided in this Act; (3) revise the definition of "felony drug offense" to exclude conduct relating to marijuan. and (4) eliminate marijuana from provisions setting forth penalties applicable to prohibited conduct under such Act.

Prohibits shipping or transporting marijuana from any place outside a jurisdiction of the United States into such a jurisdicti which its possession, use, or sale is prohibited.

7-12



Eliminates marijuana as: (1) a controlled substance for purposes of the Controlled Substances Import and Export Act or the National Forest System Drug Control Act of 1986, (2) a dangerous drug for purposes of federal criminal code provisions authorizing interception of communications, and (3) a targeted drug for purposes of provisions of the national youth anti-drug media campaign under the Office of National Drug Control Policy Reauthorization Act of 1998.

Amends the Federal Alcohol Administration Act to set forth procedures for the issuance and revocation by the Secretary of Treasury of permits for importing, shipping or selling in interstate or foreign commerce, purchasing for resale, producing, packaging, or warehousing marijuana. Prohibits any person from engaging in such conduct without a permit, subject to a \$1,000 fine and/or a \$500 payment. Sets forth criteria for ineligible applicants and disqualifying offenses.

Subjects marijuana to the provisions that apply to: (1) intoxicating liquors under the Original Packages Act, the Webb-Kenney Act, and the Victims of Trafficking and Violence Protection Act of 2000; and (2) distilled spirits under the Federal Alcohol Administration Act.

Grants the Food and Drug Administration (FDA) the same authorities with respect to marijuana as it has for alcohol. Transfers functions of the Administrator of the Drug Enforcement Administration (DEA) relating to marijuana enforcement to the Director of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). Renames: (1) ATF as the Bureau of Alcohol, Tobacco, Firearms and Explosives; and (2) the Alcohol and Tobacco Tax and Trade Bureau as the Alcohol, Tobacco, and Marijuana Tax and Trade Bureau.

Directs the Comptroller General to review federal laws, regulations, and policies to determine if changes are desirable in light of this Act.

2-13



THE COMMON LAW IS THE WILL OF *Mankind* ISSUING FROM THE *Life* OF THE *People*

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JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, August 29, 2013

**Justice Department Announces Update to Marijuana Enforcement Policy**

Today, the U.S. Department of Justice announced an update to its federal marijuana enforcement policy in light of recent state ballot initiatives that legalize, under state law, the possession of small amounts of marijuana and provide for the regulation of marijuana production, processing, and sale.

In a new memorandum outlining the policy, the Department makes clear that marijuana remains an illegal drug under the Controlled Substances Act and that federal prosecutors will continue to aggressively enforce this statute. To this end, the Department identifies eight (8) enforcement areas that federal prosecutors should prioritize. These are the same enforcement priorities that have traditionally driven the Department's efforts in this area.

Outside of these enforcement priorities, however, the federal government has traditionally relied on state and local authorities to address marijuana activity through enforcement of their own narcotics laws. This guidance continues that policy.

For states such as Colorado and Washington that have enacted laws to authorize the production, distribution and possession of marijuana, the Department expects these states to establish strict regulatory schemes that protect the eight federal interests identified in the Department's guidance. These schemes must be tough in practice, not just on paper, and include strong, state-based enforcement efforts, backed by adequate funding. Based on assurances that those states will impose an appropriately strict regulatory system, the Department has informed the governors of both states that it is deferring its right to challenge their legalization laws at this time. But if any of the stated harms do materialize—either despite a strict regulatory scheme or because of the lack of one—federal prosecutors will act aggressively to bring individual prosecutions focused on federal enforcement priorities and the Department may challenge the regulatory scheme themselves in these states.

A copy of the memorandum, sent to all United States Attorneys by Deputy Attorney General James M. Cole, is available below.

**Related Material:**

- DAG Memo 8-29-13

13-974

Office of Public Affairs



JUSTICE.GOV en ESPAÑOL



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OFFICES OF THE  
UNITED STATES ATTORNEYS

7-14

**News Release**

FOR IMMEDIATE RELEASE

October 22, 2009

Contact: DEA Public Affairs

(202) 307-7977

**DEA Statement on New Department of Justice  
Marijuana Guidelines**

**OCT 22** - The Department of Justice recently issued guidelines regarding the use of federal resources in investigations and prosecutions in states that have passed laws authorizing the use of marijuana for medical purposes.

The Drug Enforcement Administration (DEA) issued the following statement:

"DEA welcomes the issuance of these clarifying guidelines pertaining to the use of federal investigative and prosecutorial resources in states that have enacted laws authorizing the use of marijuana for medical purposes.

"These guidelines do not legalize marijuana. It is not the practice or policy of DEA to target individuals with serious medical conditions who comply with state laws authorizing the use of marijuana for medical purposes. Consistent with the DOJ guidelines, we will continue to identify and investigate any criminal organization or individual who unlawfully grows, markets or distributes marijuana or other dangerous drugs. Those who unlawfully possess firearms, commit acts of violence, provide drugs to minors, or have ties to other criminal organizations may also be subject to arrest.

"As these guidelines point out, marijuana remains a top revenue source for the Mexican drug cartels that are wreaking havoc in Mexico and along the Southwest Border. Accordingly, DEA will continue to disrupt and dismantle these drug trafficking organizations."

7-13



X Federal & State Law

[ Marijuana Rx ] [ Alliance for Cannabis Therapeutics ]

Many people are confused about the legality of medical access to marijuana. The passage of state initiatives in recent years has intensified this confusion and places many people at risk.

First and foremost: **Marijuana, for any use, is illegal under federal law.** Even if you live in a state that has enacted legislation or passed a ballot initiative that recognizes marijuana's medical utility you are subject to arrest by federal officials for possession or cultivation of marijuana.

Secondly, it is illegal to ship or receive marijuana by mail. Do not be fooled by individuals who claim they can legally ship marijuana because they live in a state or country where "marijuana is legal." Interstate shipment of marijuana is a federal offense. So is importation of marijuana.

If you do reside in a state that has enacted a ballot initiative "legalizing" medical access to marijuana it is important that you check with an attorney or local officials about the policy in your region.

### ✖ Federal Laws

The Controlled Substances Act classifies cannabis as a Schedule I drug and defines it as a drug "with no accepted medical value in treatment." Despite its long history of use as a medication, cannabis is classified as a "new drug" and legal access is only possible through an Investigational New Drug Application (IND) issued by the Food and Drug Administration (FDA).

### ✖ State Laws

Beginning in 1978, the states began responding to pleas from the seriously ill for legal access to marijuana for medical purposes. Thirty-four states have enacted laws which recognize marijuana's medical value. Many of these laws authorized state research programs which would allow citizens to gain legal access to marijuana. Several states developed complicated research programs which gave their citizens limited access to legal

7-16

supplies of medical marijuana. These programs were short-lived, however. Complex federal regulations and the continuous intervention of federal officials made such programs too difficult for most states to administer.

For a more complete discussion of state actions relative to medical marijuana please see *Marijuana as Medicine: A Recent History (1976-1996) with Recommendations.*

### ✖✖ Proposition 215 and Other State Initiatives

Frustrated with federal intransigence, voters in six states have supported ballot initiatives which "legalize" marijuana for medical purposes. These measures have demonstrated the strong public support for medical access to marijuana but they have failed to resolve the problem of legal access to marijuana for medical purposes because federal law supersedes state law.

In California, for example, Proposition 215 allows medical access to marijuana but federal officials, most notably the Drug Czar Barry McCaffrey, have threatened doctors with arrest if they prescribe marijuana. Federal law enforcement officials from the DEA have continued to make arrests in the state.



U.S. Department of Justice


Office of the Deputy Attorney General

The Deputy Attorney General

Washington, D.C. 20530

August 29, 2013

MEMORANDUM FOR ALL UNITED STATES ATTORNEYS

FROM: James M. Cole   
Deputy Attorney General

SUBJECT: Guidance Regarding Marijuana Enforcement

In October 2009 and June 2011, the Department issued guidance to federal prosecutors concerning marijuana enforcement under the Controlled Substances Act (CSA). This memorandum updates that guidance in light of state ballot initiatives that legalize under state law the possession of small amounts of marijuana and provide for the regulation of marijuana production, processing, and sale. The guidance set forth herein applies to all federal enforcement activity, including civil enforcement and criminal investigations and prosecutions, concerning marijuana in all states.

As the Department noted in its previous guidance, Congress has determined that marijuana is a dangerous drug and that the illegal distribution and sale of marijuana is a serious crime that provides a significant source of revenue to large-scale criminal enterprises, gangs, and cartels. The Department of Justice is committed to enforcement of the CSA consistent with those determinations. The Department is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way. In furtherance of those objectives, as several states enacted laws relating to the use of marijuana for medical purposes, the Department in recent years has focused its efforts on certain enforcement priorities that are particularly important to the federal government:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on federal property.

These priorities will continue to guide the Department's enforcement of the CSA against marijuana-related conduct. Thus, this memorandum serves as guidance to Department attorneys and law enforcement to focus their enforcement resources and efforts, including prosecution, on persons or organizations whose conduct interferes with any one or more of these priorities, regardless of state law.<sup>1</sup>

Outside of these enforcement priorities, the federal government has traditionally relied on states and local law enforcement agencies to address marijuana activity through enforcement of their own narcotics laws. For example, the Department of Justice has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for personal use on private property. Instead, the Department has left such lower-level or localized activity to state and local authorities and has stepped in to enforce the CSA only when the use, possession, cultivation, or distribution of marijuana has threatened to cause one of the harms identified above.

The enactment of state laws that endeavor to authorize marijuana production, distribution, and possession by establishing a regulatory scheme for these purposes affects this traditional joint federal-state approach to narcotics enforcement. The Department's guidance in this memorandum rests on its expectation that states and local governments that have enacted laws authorizing marijuana-related conduct will implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests. A system adequate to that task must not only contain robust controls and procedures on paper; it must also be effective in practice. Jurisdictions that have implemented systems that provide for regulation of marijuana activity

---

<sup>1</sup> These enforcement priorities are listed in general terms; each encompasses a variety of conduct that may merit civil or criminal enforcement of the CSA. By way of example only, the Department's interest in preventing the distribution of marijuana to minors would call for enforcement not just when an individual or entity sells or transfers marijuana to a minor, but also when marijuana trafficking takes place near an area associated with minors; when marijuana or marijuana-infused products are marketed in a manner to appeal to minors; or when marijuana is being diverted, directly or indirectly, and purposefully or otherwise, to minors.



must provide the necessary resources and demonstrate the willingness to enforce their laws and regulations in a manner that ensures they do not undermine federal enforcement priorities.

In jurisdictions that have enacted laws legalizing marijuana in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale, and possession of marijuana, conduct in compliance with those laws and regulations is less likely to threaten the federal priorities set forth above. Indeed, a robust system may affirmatively address those priorities by, for example, implementing effective measures to prevent diversion of marijuana outside of the regulated system and to other states, prohibiting access to marijuana by minors, and replacing an illicit marijuana trade that funds criminal enterprises with a tightly regulated market in which revenues are tracked and accounted for. In those circumstances, consistent with the traditional allocation of federal-state efforts in this area, enforcement of state law by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity. If state enforcement efforts are not sufficiently robust to protect against the harms set forth above, the federal government may seek to challenge the regulatory structure itself in addition to continuing to bring individual enforcement actions, including criminal prosecutions, focused on those harms.

The Department's previous memoranda specifically addressed the exercise of prosecutorial discretion in states with laws authorizing marijuana cultivation and distribution for medical use. In those contexts, the Department advised that it likely was not an efficient use of federal resources to focus enforcement efforts on seriously ill individuals, or on their individual caregivers. In doing so, the previous guidance drew a distinction between the seriously ill and their caregivers, on the one hand, and large-scale, for-profit commercial enterprises, on the other, and advised that the latter continued to be appropriate targets for federal enforcement and prosecution. In drawing this distinction, the Department relied on the common-sense judgment that the size of a marijuana operation was a reasonable proxy for assessing whether marijuana trafficking implicates the federal enforcement priorities set forth above.

As explained above, however, both the existence of a strong and effective state regulatory system, and an operation's compliance with such a system, may allay the threat that an operation's size poses to federal enforcement interests. Accordingly, in exercising prosecutorial discretion, prosecutors should not consider the size or commercial nature of a marijuana operation alone as a proxy for assessing whether marijuana trafficking implicates the Department's enforcement priorities listed above. Rather, prosecutors should continue to review marijuana cases on a case-by-case basis and weigh all available information and evidence, including, but not limited to, whether the operation is demonstrably in compliance with a strong and effective state regulatory system. A marijuana operation's large scale or for-profit nature may be a relevant consideration for assessing the extent to which it undermines a particular federal enforcement priority. The primary question in all cases – and in all jurisdictions – should be whether the conduct at issue implicates one or more of the enforcement priorities listed above.

As with the Department's previous statements on this subject, this memorandum is intended solely as a guide to the exercise of investigative and prosecutorial discretion. This memorandum does not alter in any way the Department's authority to enforce federal law, including federal laws relating to marijuana, regardless of state law. Neither the guidance herein nor any state or local law provides a legal defense to a violation of federal law, including any civil or criminal violation of the CSA. Even in jurisdictions with strong and effective regulatory systems, evidence that particular conduct threatens federal priorities will subject that person or entity to federal enforcement action, based on the circumstances. This memorandum is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal. It applies prospectively to the exercise of prosecutorial discretion in future cases and does not provide defendants or subjects of enforcement action with a basis for reconsideration of any pending civil action or criminal prosecution. Finally, nothing herein precludes investigation or prosecution, even in the absence of any one of the factors listed above, in particular circumstances where investigation and prosecution otherwise serves an important federal interest.

cc: Mythili Raman  
Acting Assistant Attorney General, Criminal Division

Loretta E. Lynch  
United States Attorney  
Eastern District of New York  
Chair, Attorney General's Advisory Committee

Michele M. Leonhart  
Administrator  
Drug Enforcement Administration

H. Marshall Jarrett  
Director  
Executive Office for United States Attorneys

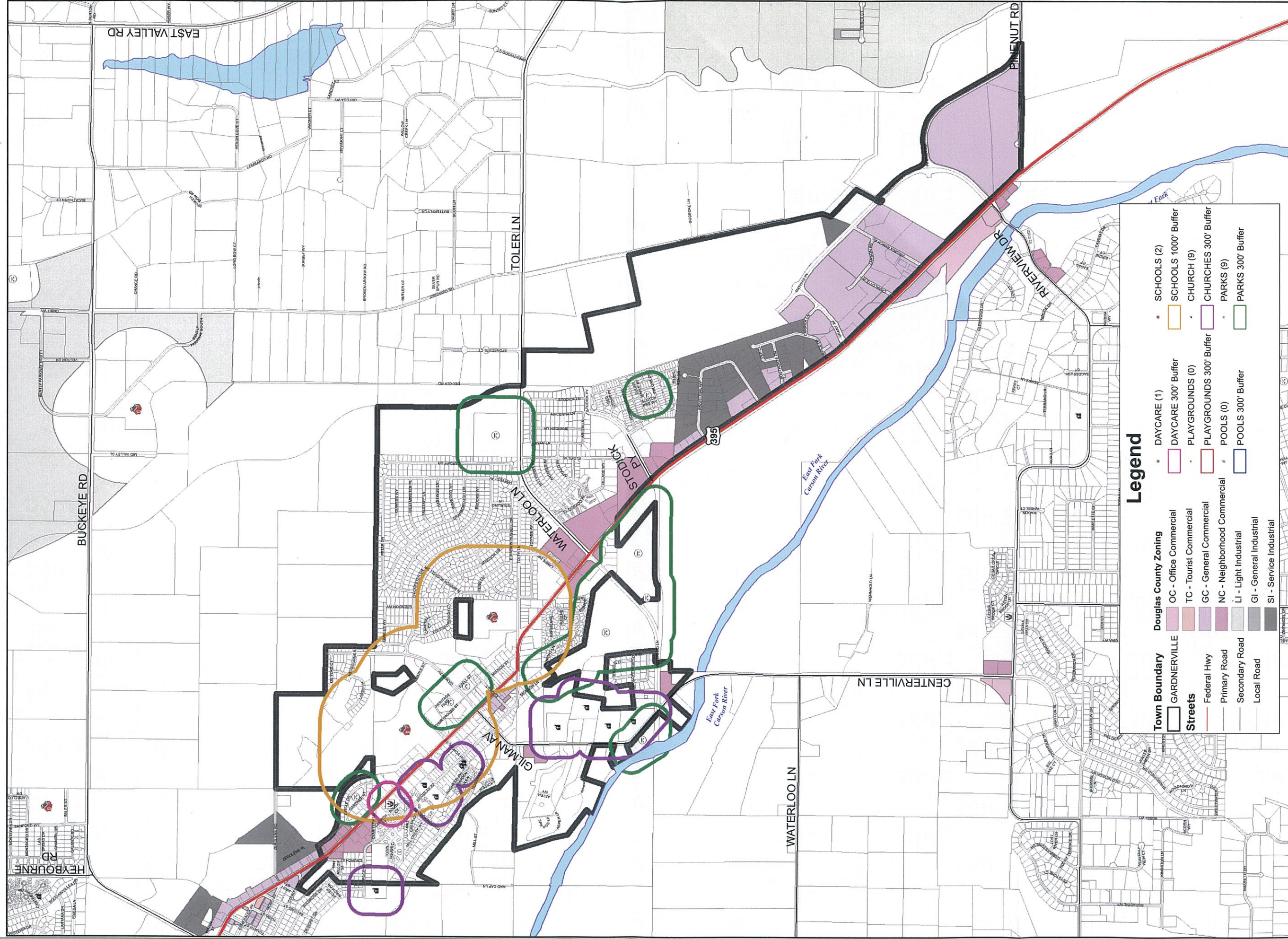
Ronald T. Hosko  
Assistant Director  
Criminal Investigative Division  
Federal Bureau of Investigation



7-22

# Potential Medical Marijuana Locations

## Town of Gardnerville







**COMMUNITY DEVELOPMENT**  
1594 Esmeralda Avenue, Minden, Nevada 89423

Mimi Moss  
COMMUNITY DEVELOPMENT DIRECTOR

775-782-6201  
FAX: 775-782-6297  
website: [www.douglascountynv.gov](http://www.douglascountynv.gov)

Building Division  
Engineering Division  
Planning Division  
Code Enforcement

To: Chairman Linda Slater & Gardnerville Town Board Members

From: Cynthea Gregory, DDA & Hope Sullivan, Planning Manager, Community Development

Date: May 14, 2014

Subject: Discussion on allowing or prohibiting medical marijuana establishments (MMEs) within Douglas County.

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Douglas County staff is seeking the Town's input and recommendation on whether to allow, with zoning regulations, or prohibit medical marijuana establishments in Douglas County.

The 2013 Nevada Legislature adopted Senate Bill 374 also known as the Medical Marijuana Act ("Act") during its 77<sup>th</sup> Session which was approved by the Governor. The Act allows MMEs for the first time to be a legal and allowable use within the State Nevada as of April 1, 2014. MMEs are defined as: 1) an independent medical marijuana testing laboratory; 2) a medical marijuana cultivation facility; 3) a facility for the production of edible marijuana products or marijuana infused products; 4) a medical marijuana dispensary; or 5) a business that has registered and paid the requisite fees to act as more than one of the aforementioned establishments. In anticipation of the April 1<sup>st</sup> effective date, the Douglas County Board of Commissioners (Board) held public hearings in February and March following which they imposed a temporary moratorium prohibiting medical marijuana establishments from locating within Douglas County by adopting Ordinance 2014-1403, see attached Exhibit A.

The moratorium, or temporary ban, is in place for an initial period of 180 days which will expire on September 16, 2014. The moratorium may be terminated at any time or it may be extended for another 180 day period by the Board. The Board found the temporary moratorium was in the best interest of the County as it allowed a reasonable and responsible amount of time to evaluate and assess this new use. Following the evaluation and assessment, the Board will determine what zoning controls, including prohibition or regulation, are appropriate for Douglas County.

Douglas County has the potential for **one medical marijuana dispensary** as the population is less than 55,000. Per the regulations, it is within the County's discretion as to how many testing labs, cultivation facilities or production facilities may be located within the County.

Staff is seeking comment and recommendations from all three unincorporated Towns, including the four specific discussion points identified below. The Town's input will be presented to the Board.



**DISCUSSION POINTS:**

- 1) Identify any concerns the Town has regarding allowing or prohibiting medical marijuana establishments?
- 2) Does the Town support or oppose medical marijuana establishments being located within its boundaries?
- 3) If medical marijuana establishments were allowed, would the Town have a preference as to which type of establishment was located within its boundaries i.e.: medical marijuana dispensary, cultivation facility, production facility or testing lab?
- 4) If medical marijuana establishments were allowed, what type of zoning regulations would the Town recommend be imposed?

**BACKGROUND:**

The majority of SB 374 has been codified in Nevada Revised Statutes (NRS) Chapter 453A. The Division of Public and Behavioral Health of the State of Nevada (“Division”) has adopted comprehensive regulations addressing the application process, issuance & renewal of certificates, testing, labeling, packaging, inspection and selling of medical marijuana. The regulations will be codified into Nevada Administrative Code, Chapter 453A. The Division has stated it will not be accepting MME applications until sometime during the summer of 2014 and at the earliest will issue certificates for MMEs in the fall of 2014. Per the adopted regulations, the Division must provide a 45 day notice prior to opening a 10-day application period. The adopted Division regulations also require an applicant for a MME to provide to the Division proof of licensure or a letter from the local government confirming that the proposed medical marijuana establishment is in compliance with local ordinances, zoning and land use regulations, building requirements, and signage<sup>1</sup>. The Division will review the applications for compliance with their regulations and then rank the applications. The application with the highest ranking will be issued a provisional license. The provisional license does not allow the MME to operate until such time as the establishment is in compliance with all applicable local governmental ordinances or rules, and the local government has issued a business license, if applicable, for the operation of the establishment.

Medical marijuana use is allowed per the Nevada Constitution. If MMEs were to be prohibited within Douglas County, residents with medical marijuana cards would still be allowed to purchase medical marijuana outside of Douglas County, grow their own marijuana and cultivate up to 12 plants, or have medical marijuana delivered to them by a certified dispensary.

Data on MMEs and the impacts they have on the general health, safety and welfare of communities is conflicting<sup>2</sup>. For example, while Nevada’s Constitution allows the medicinal use of marijuana, the U.S. Congress has declared marijuana an illegal Scheduled I drug within the Controlled Substances Act,

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<sup>1</sup> See NRS 453A.322 and 453A.350

<sup>2</sup> *Exploring the Ecological Association between Crime and Medical Marijuana Dispensaries* by Nancy J. Kepple and Bridget Freisthler, UCLA Medical Marijuana Research, published in the Journal of Studies on Alcohol and Drugs July 2012. Results from the 2011 National Survey on Drug Use and Health: Summary of National Findings by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration Center for Behavioral Health Statistics and Quality.

which means marijuana has a high potential for abuse and no currently accepted medical use in treatment in the United States.

The County has been contacted by individuals and businesses interested in locating an MME within Douglas County. The County has received public comment both in favor of allowing MMEs and support for prohibiting MMEs.

A number of counties and cities have passed or are moving with the adoption of ordinances allowing or prohibiting MMEs. For example, Washoe County has passed an ordinance allowing MMEs and Carson City has directed its staff to bring forward proposed zoning controls. The City of Boulder and Lyon County have both banned MMEs from locating within their respective jurisdictions. While Nye County has prohibited dispensaries, it authorized other MMEs such as cultivation and production facilities.

### **SUMMARY of KEY POINTS:**

- MMEs are a new allowable business within Nevada; previously it was a “self grow” state
- Medical marijuana cardholders (Patients) can purchase 2.5oz of usable medical marijuana and 2.5oz of edible or infused marijuana products every 14 days
- MMEs can only be located with an Industrial or Commercial Zone or Overlay
- MMEs cannot be located within 1,000 ft. of an existing school or 300 ft. of an existing community facility
- Douglas County would only be entitled to 1 dispensary
- County can set maximum number of labs, production or cultivation facilities
- MMEs required to track “seed to sale”
- Dispensaries can deliver to Patients across County boundaries
- Dispensaries are allowed to sell to out-of-state cardholders upon signing of an affidavit
- Patients within 25 miles of a dispensary are not allowed to “self grow” plants unless, no dispensary was operating at the time his/her card was received, patient cannot reasonably travel to the dispensary because of illness or lack of transportation, or the dispensary closes or is unable to provide strain or quantity needed for the Patient’s medical condition.
- Division Considerations in issuing a certificate include: available finances, educational achievements, experience, knowledge, location & size of establishment, operating procedures, security plan, & amount of taxes paid to or other beneficial financial contributions made to State of Nevada or political subdivisions
- Division Fees: \$5,000 non-refundable application fee, \$30,000 if issued dispensary certificate, \$5,000 for a testing lab certificate, and \$3,000 if issued either a cultivation or production facility certificate

**KEY POINTS CONTINUED:**

- 2% excise taxes imposed on each wholesale sale of medical marijuana, 75% of taxes to be credited to State Distributive School Account & 25% to pay the costs expended by the Division
- Medical marijuana to be tested by independent laboratory and ingredients labeled
- County can either prohibit MMEs or allow with zoning controls, i.e. special use permit
- County could allow some types of MMEs and prohibit others, i.e. allow cultivation & prohibit dispensary
- As of early May 2014, there were 82 registered card holders or 64% of the total number of cardholders with either a Gardnerville zip code of 89410 or 89460

**Attachments:**

Exhibit A-Douglas County Temporary Moratorium Ordinance

Exhibit B-Douglas County Information

Exhibit C-Division of Public & Behavioral Health Information

Exhibit D- Answers to Frequently Asked Questions about Marijuana by The White House Office of National Drug Control Policy at [www.whitehouse.gov](http://www.whitehouse.gov).

Exhibit E-City of Boulder Ordinance prohibiting MMEs & Washoe County Ordinance allowing MMEs

Exhibit F-NRS 453A

## EXHIBIT A



## ORDINANCE NUMBER 2014-1403

### SUMMARY

This Ordinance proposes to add Section 20.01.120 to Douglas County Code, Title 20 which would place a temporary moratorium, not to exceed 360 calendar days, on medical marijuana establishments (MMEs) from being permitted or located within Douglas County. The ordinance imposes a 180 day moratorium which can be subsequently terminated or extended by the Board of County Commissioners, however the temporary moratorium cannot exceed 360 days. During the temporary moratorium, MMEs, which include testing labs, cultivation facilities, production facilities for edible or infused medical marijuana products and medical marijuana dispensaries would be a prohibited use. Additionally, the County would be prohibited from accepting and considering any and all applications, permits, or requests to operate or otherwise license or permit a MME as contemplated by Senate Bill 374 of the 77<sup>th</sup> Session of the Nevada Legislature, the majority of which is incorporated into Nevada Revised Statutes Chapter 453A. The Ordinance allows the County a reasonable and responsible amount of time to evaluate and consider these new uses and the Division of Public and Behavioral Health Department's yet-to-be approved regulations. It provides the County the necessary time to thoughtfully consider and evaluate the legal considerations, any impact on Douglas County fiscal resources and staff, conformance with the Douglas County Master Plan, any impact on quality of life for Douglas County residents, any impact on the character and desirable features of Douglas County per NRS 278.250, as well as the impact on the health, safety, morals and general welfare of the community as required by NRS 278.020; before determining the appropriate zoning restrictions, including prohibition or zoning controls, for MMEs.

### TITLE

**A zoning text amendment to amend Douglas County Code (DCC), Chapter 20.01 by placing a temporary moratorium on medical marijuana establishments, designating medical marijuana establishments as a prohibited use per Title 20 and temporarily prohibiting County acceptance and consideration of any and all land use applications, development permits, business license applications, building permit applications and any other application or request to operate or otherwise license or permit any medical marijuana establishment as contemplated by Senate Bill 374; and other properly related matters.**

### THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, DO ORDAIN:

SECTION 1: Pursuant to Resolution No. 2014R-014 and the reasons set forth therein which are hereby incorporated, a temporary moratorium is declared on all medical marijuana establishments contemplated by SB 374. The County, and its personnel are temporarily prohibited from accepting and considering any and all land use applications, development permits, business license applications, building permit applications and any other application or request to operate or otherwise license or permit any medical marijuana establishment as contemplated by SB 374 and incorporated into Nevada Revised Statutes.

SECTION 2: The temporary moratorium is for a period of time not to exceed 360 calendar days. This temporary moratorium shall commence upon the effective date of this ordinance and shall terminate at the close of business one hundred eighty calendar days from date of commencement of the moratorium, unless: 1) earlier terminated by the Board of

Commissioners; or 2) an extension of this moratorium is approved by the Board of Commissioners at a public meeting by resolution. One extension of a period of no greater than one hundred eighty calendar days is contemplated by this ordinance and approval of such extension may be considered by a simple majority vote, without the need for adopting a new ordinance.

SECTION 3: Douglas County Code, Title 20, Chapter 20.01, General Provisions is amended to add the following new section, (new language is underlined and *italicized*), as follows:

**20.01.120 Moratorium on Medical Marijuana Establishments.**

*Douglas County imposes a temporary moratorium on all medical marijuana establishments contemplated by SB 374 as adopted by the Nevada Legislature during its 77<sup>th</sup> Session and approved by the Governor of the State of Nevada, and as defined in Nevada Revised Statutes (NRS) Chapter 453A. Medical marijuana establishments are temporarily prohibited from locating within the County and are a prohibited use within this Title. The County will not accept, nor consider, any land use application, development permit, business license application, building permit application or any other application or request to operate or otherwise license or permit any medical marijuana establishments or associated uses as contemplated by SB 374 and incorporated into NRS, during the temporary moratorium period. The temporary moratorium is for a period of time not to exceed 360 calendar days from the effective date of the ordinance imposing the moratorium, unless earlier terminated by the Board.*

SECTION 4: If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this ordinance or any part thereof. The Douglas County Board of County Commissioners hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more section, subsections, subdivisions, paragraphs, sentences, clauses of phrases be declared unconstitutional, invalid or ineffective.

SECTION 5: All ordinances or parts of ordinances or sections, subsections, phrases, sentences, clauses or paragraphs contained in the Douglas County Code, in conflict herewith are hereby repealed.

PROPOSED on February 6, 2014.

PROPOSED by Commissioner McDermid

PASSED on March 6, 2014.

VOTE: Ayes Commissioners:

BARRY PENZEL

DOUG N. JOHNSON

LEE BONNER

GREG LYNN

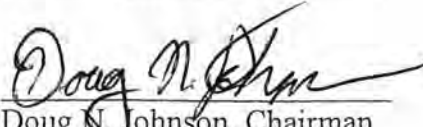
NANCY MCDERMID

Nays Commissioners:



NONE


Absent Commissioners:

NONE

  
Doug N. Johnson, Chairman  
Douglas County  
Board of Commissioners

ATTEST:

   
\_\_\_\_\_  
Ted Thran  
Douglas County Clerk

By:  , Clerk to the Board

This ordinance shall be in force and effect from and after the 20th day of the month of  
March of the year 2014.

## EXHIBIT B



# **Douglas County**

·Douglas County currently has approximately 129 card holders, which is .27% of the current population. The population of the County as of the 2010 Census was 46,997.

·Douglas has approximately 2.3% of the card holders in the State.

Resident Zip Code and County for Participants of the Medical Marijuana Program,

<b>Zip Code</b>	<b>County</b>	<b>As of: 12/2013</b>	<b>Count</b>	<b>As of: 05/14</b>
89410-Gardnerville	Douglas	24		29
89411-Genoa	Douglas	<10		<10
89423-Minden	Douglas	22		29
89448-Zephyr Cove	Douglas	<10		<10
89449-Stateline	Douglas	<10		13
89460-Gardnerville	Douglas	46		53

**\*\*Please note:**

89705 (North Douglas-Carson City): 0 card holders

89413 (Glenbrook): 0 card holders

89444 (Southeast Douglas-Wellington): 0 card holders

***Number of registered medical marijuana card holders per region:***

Date:	12/2013	2/2014	3/2014	4/4014
Clark County	3396	3526	3679	3929
Washoe County	583	600	619	655
Balance of State	818	837	864	910

\*Data provided by Division of Public and Behavioral Health, Management Analyst, Medical Marijuana Program

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·**SB 374-** Voted against by Douglas County Senator Settlemeyer and Assemblyman Wheeler

·Douglas County voters passed the Constitutional initiative allowing medical marijuana in 1998 with a vote of 7,450 in favor and 6,177 against and in 2000 with a vote of 10,317 in favor and 7,061 against.

**·THE CONSTITUTION OF THE STATE OF NEVADA: ARTICLE. 4. - Legislative Department Sec. 38.Use of plant of genus Cannabis for medical purposes.**

1. The legislature shall provide by law for:

(a) The use by a patient, upon the advice of his physician, of a plant of the genus Cannabis for the treatment or alleviation of cancer, glaucoma, acquired immunodeficiency syndrome; severe, persistent nausea of cachexia resulting from these or other chronic or debilitating medical conditions; epilepsy and other disorders characterized by seizure; multiple sclerosis and other disorders characterized by muscular spasticity; or other conditions approved pursuant to law for such treatment.

(b) Restriction of the medical use of the plant by a minor to require diagnosis and written authorization by a physician, parental consent, and parental control of the acquisition and use of the plant.

(c) Protection of the plant and property related to its use from forfeiture except upon conviction or plea of guilty or nolo contendere for possession or use not authorized by or pursuant to this section.

(d) A registry of patients, and their attendants, who are authorized to use the plant for a medical purpose, to which law enforcement officers may resort to verify a claim of authorization and which is otherwise confidential.

(e) Authorization of appropriate methods for supply of the plant to patients authorized to use it.

2. This section does not:

(a) Authorize the use or possession of the plant for a purpose other than medical or use for a medical purpose in public.

(b) Require reimbursement by an insurer for medical use of the plant or accommodation of medical use in a place of employment.

## EXHIBIT C

# Medical Marijuana Establishments FAQs

## **What is the best way to stay informed and up-to-date on what is happening with the Medical Marijuana Program?**

Subscribe to the Medical Marijuana LISTSERV. Once you have subscribed, you will receive information periodically that you may find useful. The LISTSERV communicates via email and will provide information such as notices of public workshops for regulations, notices of important events website updates, major changes in policies, procedures, and personnel, training announcements, press releases, and other news. You can subscribe to the LISTSERV through the link in the middle of the Division of Public and Behavioral Health's (Division) Medical Marijuana Program page: <http://health.nv.gov/medicalmarijuana.htm>. You can unsubscribe at any time.

Make sure your email server is configured to receive our emails and they are not going into your "spam" or "junk" folders.

## **What does the date April 1, 2014 signify?**

There has been a great deal of misconception surrounding this date. Despite the many misconceptions, April 1, 2014, is the date by which the Division must adopt regulations as it determines to be necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370, inclusive. (NRS 453A.370)

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## **APPLICATIONS:**

### **When will the applications for certification be available for Nevada medical marijuana dispensaries, testing laboratories, cultivation facilities and production facilities?**

The proposed regulations (R004-14P) are scheduled to be heard at the March 14, 2014, meeting of the State Board of Health (SBOH). The Administrator of the Division is using this forum for the public hearing, and the Administrator will consider the regulations for adoption on this day. If R004-14P is adopted it will go to the Legislature, to a body called the Legislative Commission (Commission). The Legislative Commission will hold a meeting at some point, take public testimony, and decide whether to approve R004-14P. The Commission cannot make any changes to the regulations. If the Legislative Commission does not approve R004-14P, the regulations will be returned to the Division for corrective action.

As R004-14P is currently written, Section 25 outlines how the Division will post notice 45 days prior to the 10-day window for all application types to be submitted. The Division will have 90 days to complete their review of the submitted applications. Applications received before opening or after closing of the 10-day window will not be considered.

Although not specified in R004-14P, when the solicitation is announced, it will also identify whether applications must be postmarked within the 10-day period or physically received in a specified office of the Division.

Section 25 of R004-14P explains the application solicitation process. Subsection 2 specifies that the Division will identify the point values it will allocate to each applicable portion of the application at the same time the Division announces it will solicit applications.

**Where can I find information about what happens if two applicants receive the same number of points (tied)?**

Section 29(2) of R004-14P specifies the criteria the Division will use to determine the applicant who ranks higher in the case of a tie.

**Does it make any difference who we designate as our “responsible party” for communication with the Division through the application process?**

Section 23(1) of R004-14P requires applicants to designate one person as the person responsible “to provide information, sign documents or ensure actions are taken.” This provision is very important when working with the Division. The Division will work through this designated individual, and if the individual is non-responsive, it may jeopardize the establishment’s certificate.

**How will the Division process applications with respect to “monopolistic practices” as outlined in NRS 453A.326?**

The Division will evaluate ownership of the medical marijuana establishments (MMEs) as part of the establishment review and ranking process. There will be many factors considered including:

- The county identified in each application.
- The ownership percentages of individuals within each entity that applies (if applicable).
- The total number of establishments (cultivators + dispensaries + independent laboratories + production facilities) the Division certifies in each county.
- How each application ranks, and other factors.

Once all of these factors are known, then potential monopolies should be able to be identified by the Division. The Division expects the application form to give the applicant, if they are submitting multiple applications, the opportunity to rank their preference of certifications in the event one establishment application is successful and another is not, for whatever reason.

**What if a local government limits the number of establishments it will authorize in its jurisdiction?**

Section 28(1) of R004-14P specifies four areas that will be reviewed to determine which applications will continue through the review process. There has been a lot of discussion about whether local governments will allow establishments, not allow them, or require prior approval despite the requirement in the regulations to rank applicants. Nothing formal has been received at this time from any local government indicating a decision one way or another. Therefore, pursuant to this version of the regulations, if a local government prohibits an establishment in its jurisdiction, such as has been done in Lyon County for its unincorporated areas, the Division must still accept the application and rank it. If an applicant meets the minimum requirements of the Division and it ranks accordingly, the application will be forwarded to Lyon County, and Lyon County may deny the application. At the point that Lyon County denies the application, the Division will then deny it as well.



**Can I get some clarification related to the meaning of “separate building” as specified in NRS 453A.350?**

An applicant may locate an establishment in a building that shares a common wall with another business, as long as the applicant demonstrates how it meets the requirement of being separate from other businesses or entities that may share the common wall.

An applicant may propose applications for a dispensary, a cultivation facility and a production facility that result in each of those establishments, under the same ownership and management, occupying the same space. Separate fees will be required for each establishment type, and the applicant must declare whether approval of all establishments are dependent on each other. That is, if one of the establishment types is not approved, the applicant must declare that he or she no longer wishes to have the other two establishment types approved.

An applicant must also comply with any local ordinances and rules established in regard to this guidance.

**Where can I find information related to start-up and day-to-day operation requirements for MMEs?**

Section 26(11) of R004-14P has the provisions related to the start-up as well as the day-to-day operations of the establishment. The Division expects that owners, officers and board members fully intend to operate in the manner specified in their response to this subsection. *There will be a temptation to use a template borrowed from another operation. If that is done, the Division advises reading it fully, changing names so they reflect the establishment and ensuring a full understanding of each provision put forward.* We find that establishments face the most trouble during inspections when they do not fully implement policies they put forward. Not understanding one's own policies and carrying them out as indicated could result in disciplinary action by the Division. Remember, the response in this subsection must comply with these regulations and the Nevada Revised Statutes. An applicant can go beyond the regulations and statutes but will be held accountable, during an inspection, of understanding and carrying out all the aspects of what was identified in response to this subsection.

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**CULTIVATION:**

**Where is a cultivator supposed to get marijuana plants, seeds or clippings to start growing? Is the Division willing to adopt a “don’t ask don’t tell” policy?**

According to NRS 453A.352 (5) A medical marijuana dispensary and a cultivation facility may acquire usable marijuana or marijuana plants from a patient who holds a valid registry identification card, or the designated primary caregiver of such a patient. Except as otherwise provided in this subsection, the patient or caregiver, as applicable, must receive no compensation for the marijuana. A patient, who holds a valid registry identification card, and the designated primary caregiver of such a patient, may sell usable marijuana to a medical marijuana dispensary one time and may sell marijuana plants to a cultivation facility one time.

After April, 1, 2014, NRS 453A.200(3)(b)(2) allows a person who holds a valid registry identification card to possess 12 marijuana plants.

No. The Division cannot recommend a cultivator engage in activities outside of the law.

**Is there a cap on cultivation establishment certificates?**

No. The Division will issue certificates to cover the state capacity.

**Can a cultivation establishment transfer their product across COUNTY lines?**

Yes. However, no marijuana product may be transferred over state lines.

**If one commercial property has several buildings and each building has its own unit number, could multiple MMEs locate on that same property? Could each building be leased to separate certificate holders?**

This question should be posed to the local governmental agency where the facilities are proposed to be located.

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**DELIVERY SERVICES:**

**Can a medical marijuana establishment hire an independent delivery service to transport marijuana or marijuana products?**

No. Only those persons certified by the State may possess marijuana or marijuana products. Agent cards are tied to specific MMEs so an independent delivery service would be in violation of the law.

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**FINANCIAL:**

**What fees will be required for establishing and renewing a MME in the State of Nevada?**

Section 49(1) of R004-14P identifies fees related to certificates and agent cards.

Types of MME Certificates/Agent Cards	Fee
For the <b>initial issuance</b> of a medical marijuana establishment registration <b>certificate</b> for a medical marijuana <b>dispensary</b> .	\$30,000
For the <b>renewal</b> of a medical marijuana establishment registration <b>certificate</b> for a medical marijuana <b>dispensary</b> .	\$5,000
For the <b>initial issuance</b> of a medical marijuana establishment registration <b>certificate</b> for a <b>cultivation facility</b> .	\$3,000

Types of MME Certificates/Agent Cards	Fee
For the <b>renewal</b> of a medical marijuana establishment registration <b>certificate</b> for a <b>cultivation facility</b> .	\$1,000
For the <b>initial issuance</b> of a medical marijuana establishment registration <b>certificate</b> for a facility for the <b>production of edible marijuana products or marijuana-infused products</b> .	\$3,000
For the <b>renewal</b> of a medical marijuana establishment registration <b>certificate</b> for a facility for the <b>production of edible marijuana products or marijuana-infused products</b> .	\$1,000
For the <b>initial issuance</b> of a medical marijuana establishment <b>agent registration card</b> .	\$75
For the <b>renewal</b> of a medical marijuana establishment <b>agent registration card</b> .	\$75
For the <b>initial issuance</b> of a medical marijuana establishment registration <b>certificate</b> for an <b>independent testing laboratory</b> .	\$5,000
For the <b>renewal</b> of a medical marijuana establishment registration <b>certificate</b> for an <b>independent testing laboratory</b> .	\$3,000

Section 49(2) of R004-14P: For the ongoing activities of the Division relating to the inspection of medical marijuana establishments, not related to processing an application by a medical marijuana establishment, the Division will collect an assessment from each medical marijuana establishment for the time and effort attributed to the oversight of the medical marijuana establishment that is based upon the hourly rate established for each inspector or auditor of medical marijuana establishments as determined by the budget of the Division

In addition to the fees described in the table above, each applicant for a medical marijuana establishment registration certificate must pay to the Division a one-time, nonrefundable application fee of \$5,000; and the actual costs incurred by the Division in processing the application, including, without limitation, conducting background checks. (NRS 453A.344(2))

Any revenue generated from the fees imposed pursuant to NRS 453A.344 must be expended first to pay the costs of the Division in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive; and if any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

**Do we need to show \$250,000 liquidity for each establishment application?**

The \$250,000 requirement is based on a "per certificate" basis. For example, if one applies for a dispensary, edibles/infusions production and cultivation establishment, that model would require evidence of \$750,000 (\$250,000 per each certificate). The same applies to \$5,000 non-refundable fee.

**What is meant by the "source" of liquid assets in Section 26, subsection 3(b) of R004-14P?**

Applicants need to provide as much confirmable detail as possible related to how the money was originally obtained. The Division will not provide advice on how to delineate this information or on whether a source is acceptable or unacceptable. Decisions in this regard will be made by the Division on a case-by-case basis as applications are reviewed.

**Can you clarify "evidence of the amount of taxes paid to or other beneficial financial contributions made to, this State or its political subdivisions..." as provided in Section 26, subsection 4 of the R004-14P?**

Applicants will need to do the best they can to identify documentable tax contributions. As it relates to "other beneficial financial contributions," applicants should justify and demonstrate how such contributions were beneficial. As applications are reviewed the Division will make decisions on a case-by-case basis as to whether a source is acceptable or unacceptable. The Division will not provide advice on how to delineate this information.

**With respect to Section 35 of R004-14P is selling ownership interest within the ownership group allowed?**

This section relates back to **NRS 453A.334, Registration cards and registration certificates nontransferable. [Effective April 1, 2014.]** The following are nontransferable:

1. A medical marijuana establishment agent registration card.
2. A medical marijuana establishment registration certificate.

(Added to NRS by 2013, 3708, effective April 1, 2014)

The Division's position is that this applies to selling to an outside person or entity and that transferring ownership interest within the ownership group is acceptable.

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**LEGISLATIVE SUBCOMMITTEE ON THE MEDICAL USE OF MARIJUANA:**

**I am interested in being a member of the Subcommittee on the Medical Use of Marijuana. How can I apply?**

(This is a Legislative Committee, NOT a Committee of the Division). Per Senate Bill 374 (2013) the Subcommittee on the Medical Use of Marijuana is appointed by the Chair of the Advisory Commission on the Administration of Justice. It is anticipated that the Chair may appoint members of the Subcommittee sometime after the Division of Public and Behavioral Health formally adopts regulations and begins issuing registrations to medical marijuana dispensaries and related entities. In the meantime, interested persons may download and submit an application to serve on the Subcommittee at



the following website:

<http://www.leg.state.nv.us/Interim/77th2013/Committee/LegAppointedCommittees/>. The staff contact for the committee is Nick Anthony. His email is [nanthony@lcb.state.nv.us](mailto:nanthony@lcb.state.nv.us). People who want more information about the Subcommittee can contact Mr. Anthony.

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## **NAMES OF MEDICAL MARIJUANA ESTABLISHMENTS:**

### **Can an MME use a derivative of “pharmacy” in its MME name?**

Chapter 639 of the NRS governing pharmacies has a clear definition of a pharmacy, and NRS 639.230 specifies that a person shall not use the word “prescription” or “pharmacy,” “or similar words or words of similar import without first having secured a license” from the State Board of Pharmacy.

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## **TESTING OF MARIJUANA:**

### **If we hire all the same qualified professionals can a cultivation, edibles/infusion production facility or dispensary MME test their own products?**

An establishment may choose to test its marijuana in-house, but those results **may not** be made available to a consumer. **Only the results of the independent lab may be made available**. Additionally, those results **may not** be used to dispute the results of an independent laboratory.

### **Can any MME send marijuana or marijuana products to an out-of-state laboratory for testing?**

**NO.** None of the four medical marijuana establishments may send marijuana or marijuana products to an out-of-state laboratory for testing. No marijuana or marijuana products are allowed to cross state lines.

\*\*\*\*\*

## **TRACKING:**

### **Each MME is required to track from seed to sale; can the Division clarify what this means?**

Section 26(8) of R004-14P makes reference to an integrated plan for the “...care, quality and safekeeping of medical marijuana from seed to sale...”. The law allows the Division to issue certificates to four different types of establishments, and the law does not specify that a dispensary must be co-owned with a cultivation establishment. However, each establishment still has the obligation to identify how it will meet the requirements from “seed to sale.” The Division will not advise an applicant on how to do that and will expect that this provision be included in the application.

### **Why is the Division tracking physicians who recommend marijuana to their patient?**

The Division is following the mandate of the Nevada Legislature under subsection 6 of NRS 453A.370 that requires the Division:



**In cooperation with the Board of Medical Examiners and the State Board of Osteopathic Medicine establish a system to:**

- (a) Register and track attending physicians who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;**
- (b) Insofar as is possible, track and quantify the number of times an attending physician described in paragraph (a) makes such an advisement; and**
- (c) Provide for the progressive discipline of attending physicians who advise the medical use of marijuana at a rate at which the Division and Board determine and agree to be unreasonably high**

# WARNING

**A person who has a registry identification card issued by the Division of Public and Behavioral Health is NOT exempt from prosecution if:**

- 1. They drive, operate, or control a vehicle or vessel under power or sail while under the influence of medical marijuana.  
Unlawful amounts of marijuana in the blood or urine, per N.R.S. 484.379, are 10 nanograms per milliliter of urine and 2 nanograms per milliliter of blood.**
- 2. They water ski, surfboard or use any similar device while under the influence of medical marijuana.**
- 3. They operate an aircraft while under the influence of medical marijuana.**
- 4. They have physical possession of a firearm while under the influence of medical marijuana.**
- 5. They embark on an amusement ride while under the influence.**
- 6. The possession of the marijuana or drug paraphernalia is discovered because the person engaged or assisted in the medical use of marijuana:**
  - 1. In a public place.**
  - 2. In a detention facility, county jail, state prison.**
  - 3. While delivering marijuana to another person, even if they hold a registry card.**

## **SPECIAL NOTE:**

**Holding a Marijuana registry card does NOT exempt a person from the laws that apply to marijuana. It ONLY allows the holder of the card to possess:**

- 1. Two and one half ounces of usable marijuana in any one 14 day period (defined in NRS 453A.160)**
- 2. Twelve marijuana plants, irrespective of whether the marijuana plants are mature or immature (defined in NAC 453A.080)**
- 3. A maximum allowable quantity of edible marijuana products (defined in NRS 453A.101) and marijuana-infused products (defined in NRS 453A.112) as established by regulation of the Division**

4/1/14

## EXHIBIT D



## Office of National Drug Control Policy

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### Answers to Frequently Asked Questions about Marijuana

*Answers to some of the commonly asked questions in the discussion about marijuana in the United States.*

- What is the Federal response to state marijuana initiatives?
- Isn't marijuana generally harmless?
- Is marijuana addictive?
- Doesn't everyone use marijuana?
- What are the trends in marijuana use in the United States?
  - Overall
  - Initiation of use
  - Treatment
  - Recent trends in youth use
  - Long-term trends in youth use
  - Trends in perception of risk
- What are state laws pertaining to marijuana?
- What is the difference between decriminalization, legalization, and medical marijuana?
- Is the government putting people in jail/prison for using marijuana?
- Why is the Federal Government opposed to medical marijuana?
- Does the government block research on marijuana?
- Wouldn't legalizing marijuana remove a major source of funding for Mexican drug trafficking organizations?
- Couldn't legalizing and taxing marijuana generate significant revenue?
- What impact does marijuana cultivation have on the environment?

#### **Q. What is the Federal response to state marijuana initiatives?**

In enacting the Controlled Substances Act (CSA), Congress determined that marijuana is a Schedule I controlled substance. In 2012, voters in Colorado and Washington state also passed initiatives legalizing marijuana for adults 21 and older under state law. As with state medical marijuana laws, it is important to note that Congress has determined that marijuana is a dangerous drug and that the illegal distribution and sale of marijuana is a serious crime. The Department of Justice (DOJ) is committed to enforcing the CSA consistent with these determinations. On August 29, 2013, DOJ issued guidance to Federal prosecutors concerning marijuana enforcement under the CSA. The Department's guidance is available on the DOJ web site, and provides further detail.

#### **Q. Isn't marijuana generally harmless?**

No. Marijuana is classified as a Schedule I drug, meaning it has a high potential for abuse and no currently accepted medical use in treatment in the United States. The main active chemical in marijuana is delta-9-tetrahydrocannabinol, more commonly called THC. THC acts upon specific sites in the brain, called cannabinoid receptors, starting off a series of cellular reactions that ultimately lead to the "high" that users experience when they smoke marijuana. Some brain areas have many cannabinoid receptors; others have few or none. The highest density of cannabinoid receptors are found in parts of the brain that influence pleasure, memory, thinking, concentrating, sensory and time perception, and coordinated movement.

Marijuana's "high" can affect these functions in a variety of ways, causing distorted perceptions, impairing coordination, causing difficulty with thinking and problem solving, and creating problems with learning and memory. Research has demonstrated that among chronic heavy users these effects on memory can last at least seven days after discontinuing use of the drug.

These aren't the only problems connected to marijuana use. Research tells us that chronic marijuana use may increase the risk of schizophrenia in vulnerable individuals, and high doses of the drug can produce acute psychotic reactions. Researchers have also found that adolescents' long-term use of marijuana may be linked with lower IQ (as much as an 8 point drop) later in life.

We also know that marijuana affects heart and respiratory functions. In fact, one study found that marijuana users have a nearly five-fold increase in the risk of heart attack in the first hour after smoking the drug. A study of 452 marijuana smokers (but who did not smoke tobacco) and 450 non-smokers (of either marijuana or tobacco) found that people who smoke marijuana frequently but do not smoke tobacco have more health problems, including respiratory illnesses, than nonsmokers.

All that stated, a recent study published in the *Journal of the American Medical Association (JAMA)* found that low levels of marijuana use (with no tobacco use) produced no detrimental effect in lung function among study participants. In fact, exposure led to a mild, but not clinically significant, beneficial effect—albeit among those who smoked only one joint per day. While these findings have received wide attention from the media and from advocates of marijuana legalization, it is important to consider them in the context of the extensive body of research indicating that smoking marijuana is harmful to health. Additionally, while the study did not include a sufficient number of heavy users of marijuana to confirm a detrimental effect of such use on pulmonary function, the findings suggest this possibility.

The harms of marijuana use can also manifest in users' quality of life. In one study, heavy marijuana users reported that the drug impaired several important measures of health and quality of life, including physical and mental health; cognitive abilities; social life; and career status.

Marijuana is the most commonly used illicit drug in the United States. In 2011 alone, more than 18 million Americans age 12 and older reported using the drug within the past month. Approximately 4.2 million people met the diagnostic criteria for abuse of or dependence on this drug. This is more than pain relievers, cocaine, tranquilizers, hallucinogens, and heroin combined.

There are very real consequences associated with marijuana use. In 2010, marijuana was involved in more than 461,000 emergency department visits nationwide. This is nearly 39 percent of all emergency department visits involving illicit drugs, and highlights the very real dangers that can accompany use of the drug.

And in 2011, approximately 872,000 Americans 12 or older reported receiving treatment for marijuana use, more than any other illicit drug. Despite some viewpoints that marijuana is harmless, these figures present a sobering picture of this drug's very real and serious harms.

Marijuana places a significant strain on our health care system, and poses considerable danger to the health and safety of the users themselves, their families, and our communities. Marijuana presents a major challenge for health care providers, public safety professionals, and leaders in communities and all levels of government seeking to reduce the drug use and its consequences throughout the country.

#### Q: Is marijuana addictive?

Yes. We know that marijuana use, particularly long-term, chronic use or use starting at a young age, can lead to dependence and addiction. Long-term marijuana use can lead to compulsive drug seeking and abuse despite the known harmful effects upon functioning in the context of family, school, work, and recreational activities.

Research finds that approximately 9 percent (1 in 11) of marijuana users become dependent. Research also indicates that the earlier young people start using marijuana, the more likely they are to become dependent on marijuana or other drugs later in life.

In 2011, approximately 4.2 million people met the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) diagnostic criteria for marijuana abuse or dependence. This is more than pain relievers, cocaine, tranquilizers, hallucinogens, and heroin combined. In 2011, approximately 872,000 Americans 12 or older reported receiving treatment for marijuana use, more than any other illicit drug.

The research is clear. Marijuana users can become addicted to the drug. It can lead to abuse and dependence, and other serious consequences.

#### Q: Doesn't everyone use marijuana?

The vast majority of Americans do not use marijuana. While marijuana is the most commonly abused illicit drug in the United States, that does not mean everyone uses it. In 2011, more than 18 million Americans aged 12 and older

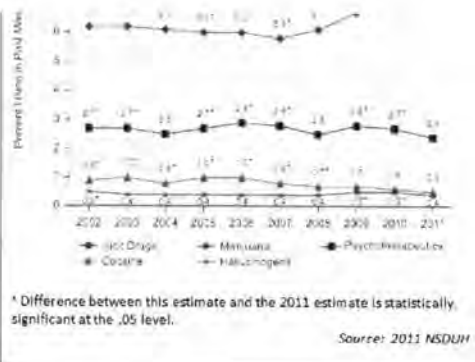




reported using the drug within the past month. However, this is only 7.0 percent of the entire U.S. population 12 and older.

Furthermore, a majority of Americans have never even tried marijuana. The latest survey of drug use found that 58 percent of Americans 12 and older had never used marijuana.

Common references and media discussions about marijuana issues may create a perception that marijuana use is common, but the data show a very different picture.

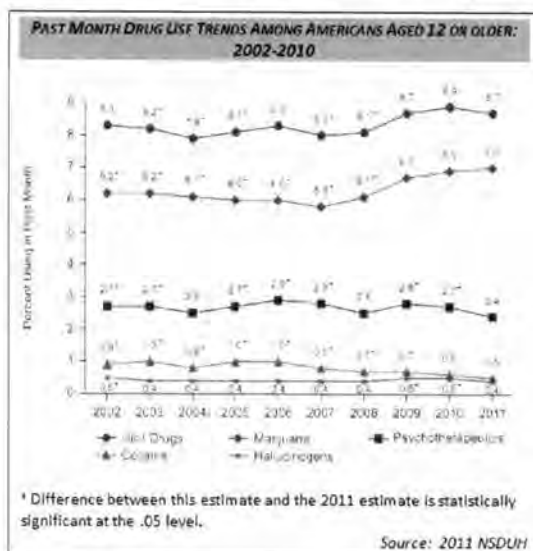


#### Q. What are the trends in marijuana use in the United States?

Marijuana is the most commonly used illicit drug in the United States. In 2011, 18.1 million Americans aged 12 and older (7.0 percent) reported using the drug within the past month.

While these figures are similar to levels reported in 2010 (6.9 percent) and 2009 (6.7 percent), they are a significant increase over rates reported in 2002 through 2008. In fact, between 2007 and 2011, the rate increased from 5.8 to 7.0 percent, and the number of users increased from 14.4 million to 18.1 million.

Survey data also tell us the frequency with which Americans are using marijuana. In 2011, 16.7 percent of Americans 12 or older who had used the drug in the past year did so on 300 or more days within the past 12 months. This translates into 5.0 million people using marijuana on a daily or almost daily basis over a 12-month period.



#### Initiation of Marijuana Use

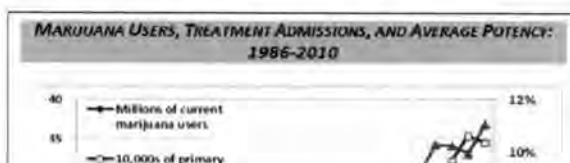
In 2011, approximately 2.6 million Americans aged 12 or older used marijuana for the first time. This averages out to about 7,100 new marijuana users every day. While relatively unchanged from the past few years, it is a higher number of people than is estimated in the early- and mid-2000s.

The average age of individuals between 12 and 49 who first use marijuana was 17.5 years old in 2011. This data point is an important one to understand, as earlier initiation of marijuana use is associated with a higher likelihood of needing treatment in the future. In 2011, among adults aged 18 or older, age at first use of marijuana was associated with illicit drug dependence or abuse. Among those who first tried marijuana at age 14 or younger, nearly 13 percent were classified with illicit drug dependence or abuse, higher than the 2.0 percent of adults who had first used marijuana at age 18 or older.

#### Treatment for Marijuana

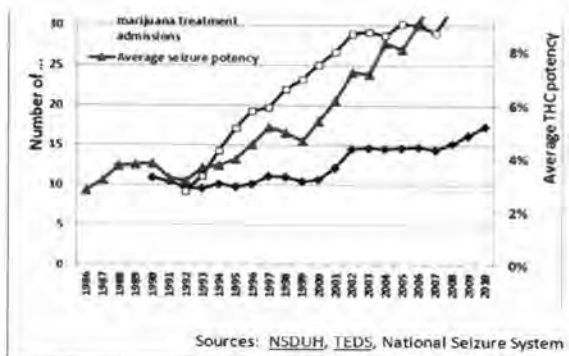
Over the last two decades, treatment admissions for marijuana have increased significantly. In 1992, approximately 93,000 people were admitted to treatment with marijuana as the primary drug for which treatment was needed.

By 2010, these admissions were estimated at 353,000. Only admissions for opiate prescription drugs and methamphetamine showed greater increases over the same period of time; however,



admissions for both of these drugs in 2010 were about a half or less of marijuana admissions.

This increase in admissions for marijuana coincides with a similarly sharp rise in the potency of marijuana. In 1992, the average potency (delta-9-tetrahydrocannabinol (THC) content) of marijuana seized by the government was about 3 percent. By 2009, the average potency had more than tripled to about 11 percent (see figure).\*

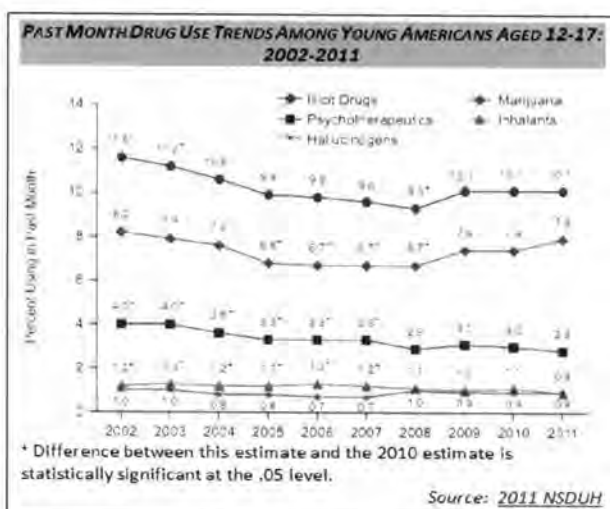


\*Source: Marijuana Potency Monitoring Program, University of Mississippi, Quarterly Report #115, Dec 19, 2011 (unpublished data).

### Recent Trends in Youth Marijuana Use

While the trend over the last 10 years has been largely positive, there have been some troubling increases in the rates of marijuana use among young Americans in the recent years.

After a steady decline and flattening in the prevalence of past month use of marijuana among youth (12 to 17 year olds) from 2002 through 2008, the rate increased from 6.7 percent in 2008 to 7.9 percent in 2011.



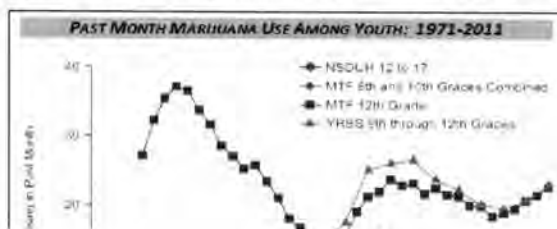
Other surveys show us similar trends. The *Monitoring the Future* study found that there has been an upward trend in use over the past three to five years among 10th and 12th graders. Because most drug users use marijuana either by itself or in combination with other substances, marijuana typically drives the trends in estimates of any illicit drug use. Not surprisingly, then, the trends in past-month use of marijuana mirror the trends for past-month use of any illicit drug:

- Past-month use of marijuana among 10th graders increased from 13.8% in 2008 to 17.6% in 2011.
- Past-month use of marijuana among 12th graders increased from 18.3% in 2006 to 22.6% in 2011.
- Moreover, drug use has increased among certain youth minority populations since 2008
  - Illicit drug use has increased by 43 percent among Hispanic boys and 42 percent among African American teen girls since 2008.

These data on marijuana use are of particular concern since trends in the perception of harm of smoking marijuana also have been declining over the same period of time. Prior research indicates that declines in these perceptions are predictive of increases in use.

### Long-term Trends in Youth Marijuana Use

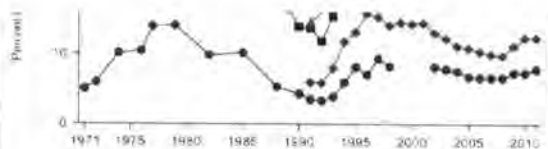
It is important to examine recent trends in marijuana use within the context of longer term trends. Despite some changes in survey methodology and differences from survey to survey, we can view a fairly accurate picture of youth marijuana use over the last 40 years.



- Data showed substantial increases in youth marijuana

use during the 1970s, reaching a peak in the late 1970s.

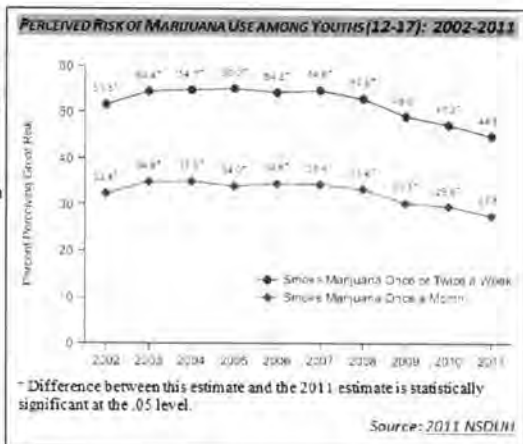
- Surveys then showed significant declines throughout the 1980s until about 1992, when rates reached a low point.
- Data showed increasing rates of marijuana use during the early to mid-1990s, reaching a peak in the late 1990s (albeit a much lower peak than in the late 1970s).
- This peak in the late 1990s was followed by declines in use after the turn of the 21st century and an increase in the most recent years.



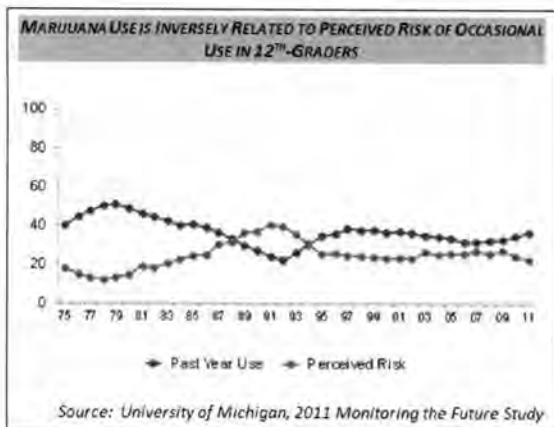
#### Trends in Youth Perceptions of Risk

The extent to which young people believe that marijuana or other drugs might cause them harm is an important factor influencing their use of these substances. Lower levels of perceived risk are associated with higher use rates.

Surveys have found some troubling trends in recent years, with young Americans (ages 12 to 17), as the percentage reporting thinking there was a great risk of harm in smoking marijuana has decreased, as detailed in the chart below.



These data on marijuana use are of particular concern since trends in the perception of harm of smoking marijuana also have been declining over the same period of time. Prior research indicates that declines in these perceptions are predictive of increases in use.



Q. What are state laws pertaining to marijuana?

Follow this link for a more detailed overview of state laws.

Q. What is the difference between decriminalization, legalization, and medical marijuana?

There is significant public discussion around marijuana, much of which includes the terms legalization, decriminalization, and medical marijuana. Below are very general definitions for these terms:

**Marijuana Legalization**– Laws or policies which make the possession and use of marijuana legal under state law.

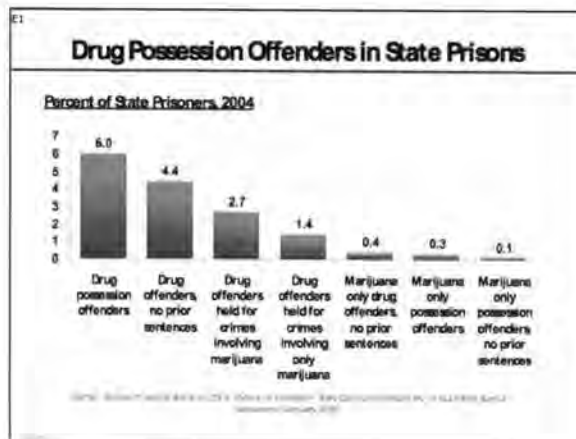
**Marijuana Decriminalization**— Laws or policies adopted in a number of state and local jurisdictions which reduce the penalties for possession and use of small amounts of marijuana from criminal sanctions to fines or civil penalties

**Medical Marijuana**— State laws which allow an individual to defend him or herself against criminal charges of marijuana possession if the defendant can prove a medical need for marijuana under state law.

**Q. Is the government putting people in prison for marijuana use?**

Simply stated, there are very few people in state or Federal prison for marijuana-related crimes. It is useful to look at all drug offenses for context. Among sentenced prisoners under state jurisdiction in 2008, 18% were sentenced for drug offenses. We know from the most recent survey of inmates in state prison that only six percent (6%) of prisoners were for drug possession offenders, and just over four percent (4.4%) were drug offenders with no prior sentences.

In total, one tenth of one percent (0.1 percent) of state prisoners were marijuana possession offenders with no prior sentences.



For Federal prisoners, who represent 13 percent of the total prison population, about half (51 percent) had a drug offense as the most serious offense in 2009. And Federal data show that the vast majority (99.8 percent) of Federal prisoners sentenced for drug offenses were incarcerated for drug trafficking.

Many advocates of marijuana legalization point to the significant number of marijuana-related arrests, including for the sale, manufacturing, and possession of the drug, as an unnecessary burden on criminal justice system. While Federal, state, and local laws pertaining to marijuana do lead to criminal justice costs, it is important to understand how decriminalization or legalization might further exacerbate these costs. Alcohol, a legal, carefully regulated substance, provides useful context for this discussion. Arrests for alcohol-related crimes, such as violations of liquor laws and driving under the influence, totaled nearly 2.5 million in 2010 — far more than arrests for all illegal drug use, and certainly far more than arrests for marijuana-related crimes. It is therefore fair to suggest that decriminalizing or legalizing marijuana might not reduce the drug's burden to our justice and public health systems with respect to arrests, but might increase these costs by making the drug more readily available, leading to increase use, and ultimately to more arrests for violations of laws controlling its manufacture, sale, and use.

**Q. Why is the Federal Government opposed to medical marijuana?**

It is the Federal government's position that marijuana be subjected to the same rigorous clinical trials and scientific scrutiny that the Food and Drug Administration (FDA) applies to all other new medications, a comprehensive process designed to ensure the highest standards of safety and efficacy.

It is this rigorous FDA approval process, not popular vote, that should determine what is, and what is not medicine. The raw marijuana plant, which contains nearly 500 different chemical compounds, has not met the safety and efficacy standards of this process. According to the Institute of Medicine (IOM), smoking marijuana is an unsafe delivery system that produces harmful effects.

The FDA has, however, recognized and approved the medicinal use of isolated components of the marijuana plant and related synthetic compounds. Dronabinol is one such synthetically produced compound, used in the FDA-approved medicine Marinol, which is already legally available for prescription by physicians whose patients suffer from nausea and vomiting related to cancer chemotherapy and wasting (severe weight loss) associated with AIDS. Another FDA-approved medicine, Cesamet, contains the active ingredient Nabilone, which has a chemical structure similar to THC, the active ingredient of marijuana. And Sativex, an oromucosal spray approved in Canada, the UK, and other parts of Europe for the treatment of multiple sclerosis spasticity and cancer pain, is currently in late-stage clinical trials with the FDA. It combines THC and another active ingredient in marijuana, cannabidiol (CBD), and provides therapeutic benefits without the "high" from the drug.

A number of States have passed voter referenda or legislative actions allowing marijuana to be made available for a variety of medical conditions upon a licensed prescriber's recommendation, despite such measures' inconsistency with the scientific thoroughness of the FDA approval process. But these state actions are not, and never should be, the primary test for declaring a substance a recognized medication. Physicians routinely prescribe medications with standardized modes of administration that have been shown to be safe and effective at treating the conditions that marijuana proponents claim are relieved by smoking marijuana. Biomedical research and medical judgment should continue to determine the safety and effectiveness of prescribed medications.

**Q. Does the Federal government block medical marijuana research?**

No. The Federal government supports studies that meet accepted scientific standards and successfully compete for research funding based on peer review and potential public health significance. The Federal Government will continue to call for research that may result in the development of products to effectively treat debilitating diseases and chronic pain. Already, there are DEA-registered researchers eligible to study marijuana, and currently there are Phase III clinical trials underway examining the medical utility of a spray containing a mixture of two active ingredients in marijuana (i.e., Sativex).

A number of government-funded research projects involving marijuana or its component compounds have been completed or are currently in progress. Studies include evaluation of abuse potential, physical/psychological effects, adverse effects, therapeutic potential, and detection. It is worth noting that a number of these studies include research with smoked marijuana on human subjects.

The Federal government is committed to the highest standards for basic science and clinical research on wide array of substances, including marijuana, that show promise.

**Q. Wouldn't legalizing marijuana remove a major source of funding for Mexican drug trafficking organizations?**

No, violent Mexican criminal organizations derive revenue from more than just marijuana sales. They also produce and traffic methamphetamine and heroin, continue to move significant amounts of cocaine, and conduct an array of criminal activities including kidnapping, extortion, and human trafficking. Because of the variety and scope of the cartels' business, and its illicit and purposefully obscured nature, determining the precise percentage of revenues from marijuana is problematic, but we can be confident that even the complete elimination of one of their illicit "product lines" will not result in disbanding of their criminal organizations.

The existing black market for marijuana will not simply disappear if the drug is legalized and taxed. Researchers from the RAND Corporation have noted a significant profit motive for existing black market providers to stay in the market, as "as they can still cover their costs of production and make a nice profit."

With this in mind, it is crucial to reduce demand for marijuana in the United States and work with the Government and people of Mexico to continue our shared commitment to defeat violent drug cartels.

**Q: Couldn't legalizing and taxing marijuana generate significant revenue?**

A: While taxing marijuana could generate some revenues for state and local governments, research suggests that the economic costs associated with use of the drug could far outweigh any benefit gained from an increase in tax revenue.

In the United States in 2007, illegal drugs cost \$193 billion (\$209 billion in 2011 dollars) in health care, lost productivity, crime, and other expenditures. Optimistic evaluations of the potential financial savings from legalization and taxation are often flawed, and fail to account for the considerable economic and social costs of drug use and its consequences.

This issue is particularly relevant in the marijuana debate. For example, the California Board of Equalization estimated that \$1.4 billion of potential revenue could arise from legalization. This assessment, according to the RAND Corporation is "based on a series of assumptions that are in some instances subject to tremendous uncertainty and in other cases not valid."

Another recent report from RAND examines this issue in greater detail. The report concludes that legalization and taxation of marijuana would lead to a decrease in the retail price of the drug, likely by more than 80 percent. While this conclusion is subject to a number of uncertainties, including the effect of legalization on production costs and price and the Federal government's response to the state's legalization of a substance that would remain illegal under Federal law, it is fair to say that the price of marijuana would drop significantly. And because drug use is sensitive to price, especially among young people, higher prices help keep use rates relatively low.

The existing black market for marijuana will not simply disappear if the drug is legalized and taxed. RAND also noted that "there is a tremendous profit motive for the existing black market providers to stay in the market, as they can still cover their costs of production and make a nice profit." Legalizing marijuana would also place a dual burden on the government of regulating a new legal market while continuing to pay for the negative side effects associated with an underground market, whose providers have little economic incentive to disappear.



Legalization means price comes down; the number of users goes up; the underground market adapts; and the revenue gained through a regulated market most likely will not keep pace with the financial and social cost of making this drug more accessible.

Consider the economic realities of other substances. The tax revenue collected from alcohol pales in comparison to the costs associated with it. Federal excise taxes collected on alcohol in 2009 totaled around \$9.4 billion; state and local revenues from alcohol taxes totaled approximately \$5.9 billion. Taken together (\$15.3 billion), this is just over six percent of the nearly \$237.6 billion (adjusted for 2009 inflation) in alcohol-related costs from health care, treatment services, lost productivity, and criminal justice.

While many levels of government and communities across the country are facing serious budget challenges, we must find innovative solutions to get us on a path to financial stability – it is clear that the social costs of legalizing marijuana would outweigh any possible tax that could be levied.

#### Q. What impact does marijuana cultivation have on the environment?

Outdoor marijuana cultivation creates a host of negative environmental effects. These grow sites affect wildlife, vegetation, water, soil, and other natural resources through the use of chemicals, fertilizers, terracing, and poaching. Marijuana cultivation results in the chemical contamination and alteration of watersheds; diversion of natural water courses; elimination of native vegetation; wildfire hazards; poaching of wildlife; and disposal of garbage, non-biodegradable materials, and human waste.

Marijuana growers apply insecticides directly to plants to protect them from insect damage. Chemical repellants and poisons are applied at the base of the marijuana plants and around the perimeter of the grow site to ward off or kill rats, deer, and other animals that could cause crop damage. Toxic chemicals are applied to irrigation hoses to prevent damage by rodents. According to the National Park Service, "degradation to the landscape includes tree and vegetation clearing, use of various chemicals and fertilizers that pollute the land and contribute to food chain contamination, and construction of ditches and crude dams to divert streams and other water sources with irrigation equipment."

Outdoor marijuana grow site workers can also create serious wildfire hazards by clearing land for planting (which results in piles of dried vegetation) and by using campfires for cooking, heat, and sterilizing water. In August 2009, growers destroyed more than 89,000 acres in the Los Padres National Forest in Southern California. The massive La Brea wildfire began in the Los Padres National Forest within the San Rafael Wilderness area in Santa Barbara County, California, and subsequently spread to surrounding county and private lands. According to United States Forest Service (USFS) reporting, the source of the fire was an illegal cooking fire at an extensive, recurring Drug Trafficking Organization-operated outdoor grow site where more than 20,000 marijuana plants were under cultivation. According to the USFS, suppression and resource damage costs of the La Brea wildfire totaled nearly \$35 million.

In addition to the environmental damage, the cost to rehabilitate the land damaged by illicit marijuana grows is prohibitive, creating an additional burden to public and tribal land agency budgets. According to internal Park Service estimates, full cleanup and restoration costs range from \$14,900 to \$17,700 per acre.\* Total costs include removal and disposal of hazardous waste (pesticides, fuels, fertilizers, batteries) and removal of camp facilities, irrigation hoses, and garbage. Full restoration includes re-contouring plant terraces, large tent pads, and cisterns/wells and re-vegetating clear-cut landscapes.

The United States has an abundance of public lands set aside by Congress for conservation, recreational use, and enjoyment of the citizens of this country and visitors from around the globe. Unfortunately, criminal organizations are exploiting some of these public and tribal lands as grow sites for marijuana.

During calendar year 2010, nearly 10 million plants were removed from nearly 24,000 illegal outdoor grow sites nationwide. These numbers provide insight into the size and scale of the negative environmental impact that marijuana cultivation can have on our Nation's public lands.

\*Source: Marijuana Site Reclamation and Restoration Cost Analysis." U.S. Department of Interior, National Park Service. December 9, 2010 (unpublished data).



# Marijuana: Know the Facts

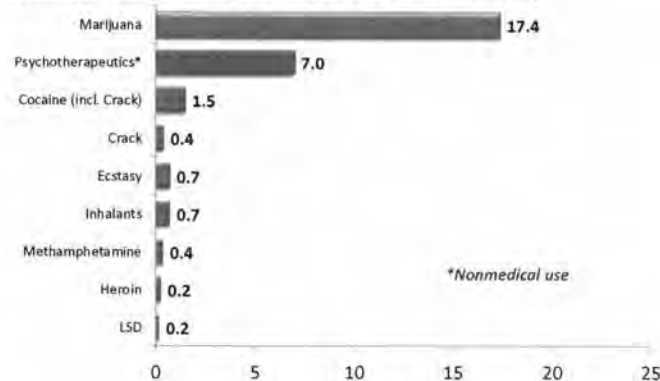
Marijuana is a common drug made from the dried, shredded leaves, flowers, and other parts of a plant in the genus *Cannabis*. The term cannabis generally refers to marijuana and other drugs made from the same plant, including sinsemilla, hashish, and hash oil.

Marijuana is the most commonly used illicit drug. Although marijuana is sometimes characterized as a "harmless herb," the cultivation, trafficking, and use of the drug have a negative impact on many aspects of our lives, from public health to national security, transportation, the environment, and educational attainment.

The Obama Administration is working with Federal partners and state and local officials to reduce the use of marijuana and other illicit drugs through development of strategies that more fully integrate the principles of prevention, treatment, and recovery.

## Over 17 Million Americans Were Current (Past Month) Users of Marijuana in 2010

Number of Past Month Users, Aged 12 or Older (Millions)



Source: SAMHSA, 2010 National Survey on Drug Use and Health (September 2011).

## National Trends

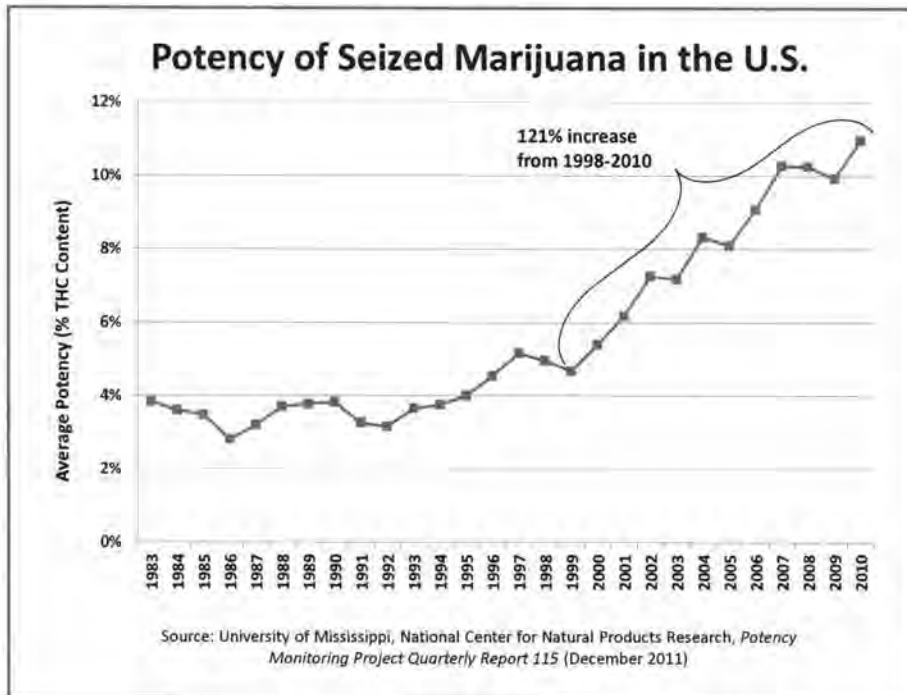
- ◆ Rates of marijuana use among 8<sup>th</sup>, 10<sup>th</sup>, and 12<sup>th</sup> graders are higher than rates for any other illicit drug.<sup>1</sup>
- ◆ According to the 2010 National Survey on Drug Use and Health (NSDUH), 17.4 million people age 12 or older were current marijuana users, meaning they used the drug during the month prior to taking the survey (see chart, above).<sup>2</sup>
- ◆ NSDUH also shows that from 2008 to 2010, the rate of current illicit drug use among young adults aged 18 to 25 climbed 10 percent (from 19.6% to 21.5%), driven largely by a 12 percent rise in marijuana use (from 16.5% to 18.5%).<sup>3</sup>
- ◆ In 2010, there were 2.4 million new past-year users of marijuana. The average age of initiation increased from 17.0 in 2009 to 19.3 in 2010.<sup>4</sup>
- ◆ The average potency of marijuana has more than doubled since 1998.<sup>5</sup>

## Health Effects

Marijuana is classified as a Schedule I drug, meaning it has a high potential for abuse and no currently accepted medical use in treatment in the United States.<sup>6</sup> In recent decades, marijuana growers have been genetically altering their plants to increase the percentage of delta-9-tetrahydrocannabinol (THC),

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the main active ingredient in marijuana. The average potency of tested marijuana from Federal seizures more than doubled from 1998 to 2010,<sup>7</sup> as shown below.



THC acts upon specific sites in the brain called cannabinoid receptors, triggering a series of cellular reactions that ultimately lead to the “high” users experience when they smoke the drug.<sup>8</sup>

Marijuana intoxication can cause distorted perceptions, impaired coordination, difficulty in thinking and problem solving, and problems with learning and memory.<sup>9</sup> Studies

have shown an association between chronic marijuana use and increased rates of anxiety, depression, suicidal thoughts, and schizophrenia.<sup>10</sup> Research also indicates that marijuana smoke contains carcinogens and irritates the lungs. In fact, marijuana smoke contains 50-70 percent more carcinogenic hydrocarbons than does tobacco smoke.<sup>11</sup>

## Prevention

To reduce the prevalence of marijuana, particularly among youth, the Federal Government is implementing multi-sector, community-based methods of prevention and intervention, such as the Drug Free Communities (DFC) program, the Screening, Brief Intervention, and Referral to Treatment (SBIRT) model, and the National Youth Anti-Drug Media Campaign.

The DFC program strengthens collaboration efforts among prevention organizations to develop evidence- and community-based prevention strategies.<sup>12</sup> The SBIRT model also uses a community-based approach to deliver individualized intervention materials for non-dependent marijuana users.<sup>13</sup> SBIRT programs, which have screened more than 536,000 individuals for marijuana and other drug use, can operate in a variety of locations, such as trauma centers and schools.<sup>14</sup> The ability to develop prevention materials that are community-based and individually tailored is one of the most important characteristics of the DFC and SBIRT models.

The National Youth Anti-Drug Media Campaign increases teen exposure to anti-drug messages through its *Above the Influence* program, which delivers prevention messaging at the national level and through more targeted efforts at the local community level.

Also vital to the success of prevention programs are grants, such as the Strategic Prevention Framework State Incentive Grant, which provides funds to State, local, and tribal organizations.<sup>15</sup>

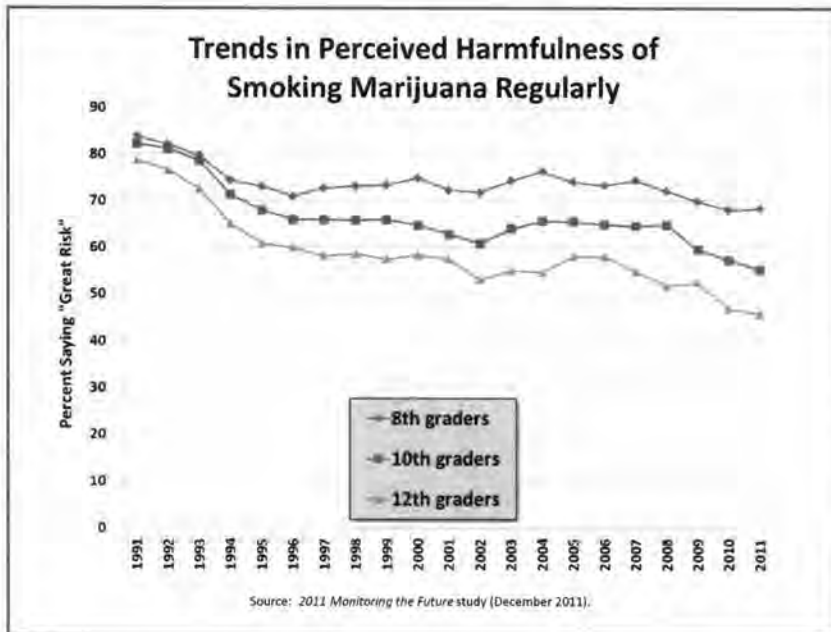
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## Youth at Risk

Marijuana use by teens has been shown to have a profoundly negative effect on their development.<sup>16</sup> Results of the 2010 NSDUH study indicate that more than 3.4 million 12- to 17-year-olds were past-year marijuana users, and that 863,000 youths in that age group displayed the characteristics of marijuana dependence or abuse in the past year.<sup>17</sup>

The downward trend in youth marijuana use during the late 1990s has ended.<sup>18</sup> In 2010, according to NSDUH, the rate of past-month marijuana use among 12- to 17-year-olds climbed to 7.4%.<sup>19</sup> This is significantly higher than the rate (6.7%) in 2006, 2007, and 2008.

A possible correlation with this phenomenon is that fewer young people today see “great risk” in using marijuana regularly (see chart, right). In 1991, approximately 80 percent of 8<sup>th</sup>, 10<sup>th</sup>, and 12<sup>th</sup> graders perceived there to be “great risk” in using marijuana regularly. In 2011, those rates dropped to about 70 percent of 8<sup>th</sup> graders, 55 percent of 10<sup>th</sup> graders, and 45 percent of 12<sup>th</sup> graders.<sup>20</sup>



## Treatment

Long-term marijuana users who are trying to stop using the drug report symptoms such as irritability, sleeplessness, decreased appetite, anxiety, and drug craving, all of which make it difficult to quit.<sup>21</sup> In 2009, nearly 72 percent of primary treatment admissions for youth between the ages of 12 and 17 were for marijuana.<sup>22</sup> Although there are no medications for treating marijuana abuse, behavioral interventions, including cognitive behavioral therapy and motivational incentives (i.e., providing vouchers for goods or services to patients who abstain from drug use), have shown efficacy in treating marijuana dependence.<sup>23</sup>

## A Threat to the Environment

Outdoor marijuana cultivation sites are becoming increasingly common. These “grows” often result in the destruction of natural habitat from diesel spills, pesticide runoff, and trash from cultivators.<sup>24</sup>

National parks and other public lands in the United States are used for cannabis cultivation operations, primarily by Mexican criminal groups. Data from the Department of Agriculture’s Forest Service and the Department of the Interior indicate that more than 4 million marijuana plants were eradicated from U.S. public lands in 2008 alone.<sup>25</sup>

## Marijuana Resource Center

ONDCP has created a Web-based resource center that provides the general public, community leaders, and other interested people with the facts, knowledge, and tools to better understand and address

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marijuana in their communities. This resource center will be regularly updated and expanded to address emerging issues, research, and prevention tools, and highlight successful local efforts to reduce marijuana use.

To access the resource center, visit <http://www.whitehouse.gov/ondcp/marijuanainfo>.

## Notes

<sup>1</sup> University of Michigan, Institute for Social Research. "The Monitoring the Future Study: 2011 Results (November 2011)."

<sup>2</sup> SAMHSA, 2010 National Survey on Drug Use and Health (September 2011).

<sup>3</sup> SAMHSA, 2010 National Survey on Drug Use and Health (September 2011).

<sup>4</sup> SAMHSA, 2010 National Survey on Drug Use and Health (September 2011).

<sup>5</sup> National Center for Natural Products Research (NCNPR), Research Institute of Pharmaceutical Sciences. *Quarterly Report, Potency Monitoring Project, Report 115, September 16, 2011, thru December 15, 2011*. University, MS: NCNPR, Research Institute of Pharmaceutical Sciences, School of Pharmacy, University of Mississippi (December 2011).

<sup>6</sup> Drug Enforcement Administration, "Schedules of Controlled Substances."

<http://www.justice.gov/dea/pubs/abuse/1-csa.htm>

<sup>7</sup> University of Mississippi, National Center for Natural Products Research, *Potency Monitoring Project Quarterly Report 115* (December 2011).

<sup>8</sup> Herkenham M, Lynn A, Little MD, et al. Cannabinoid receptor localization in the brain. *Proc Natl Acad Sci, USA* 87(5):1932-1936, 1990.

<sup>9</sup> Pope HG, Gruber AJ, Hudson JI, Huestis MA, Yurgelun-Todd D. Neuropsychological performance in long-term cannabis users. *Arch Gen Psychiatry* 58(10):909-915, 2001.

<sup>10</sup> Moore TH, Zammit S, Lingford-Hughes A, et al. Cannabis use and risk of psychotic or affective mental health outcomes: A systematic review. *Lancet* 370(9584):319-328, 2007.

<sup>11</sup> Hoffman, D.; Brunnemann, K.D.; Gori, G.B.; and Wynder, E.E.L. On the carcinogenicity of marijuana smoke. In: V.C. Runeckles, ed., *Recent Advances in Phytochemistry*. New York: Plenum, 1975.

<sup>12</sup> Office of National Drug Control Policy, Drug Free Communities Support Program."

<http://www.whitehouse.gov/ondcp/Drug-Free-Communities-Support-Program>

<sup>13</sup> Substance Abuse and Mental Health Services Administration. "Screening, Brief Intervention, and Referral to Treatment" (2009).

<http://sbirt.samhsa.gov/about.htm>

<sup>14</sup> Substance Abuse and Mental Health Services Administration. "Screening, Brief Intervention, and Referral to Treatment" (2009).

<http://sbirt.samhsa.gov/about.htm>

<sup>15</sup> Substance Abuse and Mental Health Services Administration, "Strategic Prevention Framework State Incentive Grant."

<http://prevention.samhsa.gov/grants/sig.aspx>

<sup>16</sup> Volkow, N. Research Report: *Marijuana Abuse*, National Institute on Drug Abuse.

<http://www.drugabuse.gov/ResearchReports/Marijuana/default.html>

<sup>17</sup> SAMHSA, 2010 National Survey on Drug Use and Health (September 2011).

<sup>18</sup> University of Michigan, Institute for Social Research. "The Monitoring the Future Study: 2011 Results."

<sup>19</sup> SAMHSA, 2010 National Survey on Drug Use and Health (September 2011).

<sup>20</sup> University of Michigan, Institute for Social Research. "The Monitoring the Future Study: 2011 Results."

<sup>21</sup> Budney AJ, Vandrey RG, Hughes JR, Thostenson JD, Bursac Z. Comparison of cannabis and tobacco withdrawal: Severity and contribution to relapse. *J Subst Abuse Treat* 35(4):362-368, 2008.

<sup>22</sup> Substance Abuse and Mental Health Services Administration, "Treatment Episode Data Set, 1999-2009" (April 2011).

<sup>23</sup> Stephens, R.S.; Roffman R.A.; and Curtin, L. Comparison of extended versus brief treatments for marijuana use. *J Consult Clin Psychol* 68(5):898-908, 2000.

Budney, A.J.; Higgins, S.T.; Radonovich, K.J.; and Novy PL. Adding voucher-based incentives to coping skills and motivational enhancement improves outcomes during treatment for marijuana dependence. *J Consult Clin Psychol* 68(6):1051-1061, 2000.

<sup>24</sup> National Drug Intelligence Center. "Impact of Drugs on Society" (2010), available at

<http://www.justice.gov/ndic/pubs38/38661/drugImpact.htm>

<sup>25</sup> National Drug Intelligence Center, Domestic Cannabis Cultivation Assessment (2009), available at

<http://www.justice.gov/ndic/pubs37/37035/public.htm#Top>



## EXHIBIT E

ORDINANCE NO. 1519

AN ORDINANCE OF THE CITY OF BOULDER CITY, NEVADA, AMENDING BOULDER CITY CODE, TITLE 11, CHAPTER 1, SECTION 3B, DEFINING "MEDICAL MARIJUANA ESTABLISHMENTS," AND FURTHER ADDING BOULDER CITY CODE, TITLE 11, CHAPTER 2, SECTION 8, REGARDING THE PROHIBITION OF MEDICAL MARIJUANA ESTABLISHMENTS AS A MATTER OF PROHIBITED LAND USE THROUGHOUT THE INCORPORATED AREAS OF THE CITY OF BOULDER CITY PER ZONING AMENDMENT FILE NUMBER AM-14-309; AND OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, the Nevada Legislature adopted SB374 during the 2013 Session, and Section 10.5 of the legislation requires that medical marijuana establishments be located in accordance with local governmental ordinances on zoning and land use, and be professional in appearance; and

WHEREAS, existing Nevada law provides immunity from state and local prosecution for possessing, delivering and producing marijuana in certain limited amounts for patients with qualifying medical conditions; and

WHEREAS, the City Council recognizes the rights of qualifying individuals to grow, possess, and use marijuana for medical purposes as provided by the Medical Use of Marijuana Law adopted by the Nevada legislature in 2001; and

WHEREAS, the City of Boulder City has a long tradition of applying strict land use standards to protect the unique land use zones within the City of Boulder City, and, in some cases, Boulder City has banned certain types of retail and industrial uses; and

WHEREAS, the City of Boulder City may make and enforce within its boundaries all local, police, sanitary, zoning and other ordinances and regulations not in conflict with the general laws; and

WHEREAS, Preemption of the City's authority will not be implied when the legislative scheme either permits or recognizes local regulation. SB 374 explicitly provides in Section 10.5 that a city may enact zoning restrictions; and

WHEREAS, the mere fact that a local law imposes restraints that the state law does not impose does not establish a conflict; and

WHEREAS, zoning is a field covered by local regulation and there is significant local interest that may differ from one locality to another; and

WHEREAS, regulations related to the sale and distribution of substances controlled by state and federal law are necessitated by the large geographic size of the City, the limited resources of the City, and the close proximity to residential, school, park and religious uses to commercial and industrial uses in the City; and

WHEREAS there is a legal uncertainty between federal law and Nevada law regarding medical marijuana establishments. The United States Supreme Court has held that the federal Controlled Substances Act validly prohibits local cultivation and use of marijuana under all circumstances, *Gonzales v. Raich*, 125 S. Ct. 2195 (2005), and the federal Controlled Substances Act prohibits marijuana use, distribution and possession, and that no medical necessity exception exists to these prohibitions, *United States v. Oakland Cannabis Buyers' Cooperative*, 121 S. Ct. 1711 (2001); and

WHEREAS, regulations are further needed to protect the public health, safety and welfare of residents, children, and businesses from harmful secondary effects of certain types of land use and such regulations are necessary and proper and consistent with the guidelines set forth in NRS 278.250;

NOW, THEREFORE,

The City Council of Boulder City do ordain:

Section 1. CODE AMENDMENT. Boulder City Code, Title 11, Chapter 1, Section 11-1-3B is hereby amended to add the definition for "Medical Marijuana Establishments" and Boulder City Code, Title 11, Chapter 2, shall have added thereto a new Section 11-2-8 prohibiting marijuana establishments in any zone throughout the incorporated boundaries of the City of Boulder City, all of which is set forth in full on Exhibit "A" attached hereto.

Section 3. VALIDITY. Each section and each provision or requirement of any section of this ordinance shall be considered separable and the invalidity of any portion shall not affect the validity or enforceability of any other portion

Section 4. PUBLICATION. The City Clerk shall cause this Ordinance to be published in summary on Friday, February 28th, 2014 in the *Las Vegas Review Journal*, a daily newspaper published in Las Vegas, Nevada.

Section 5. EFFECTIVE. This ordinance shall become effective twenty (20) days after its approval and publication, on the 20th day of March, 2014.

Bill No. 1737  
Introduced by: Woodbury

  
\_\_\_\_\_  
ROGER TOBLER, Mayor

ATTEST:

  
\_\_\_\_\_  
LORENE KRUMM, City Clerk

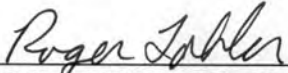
The foregoing Ordinance was first proposed and ready by title to the City Council on the 11<sup>th</sup> day of February, 2014, which was a regular meeting; thereafter, on the 25<sup>th</sup> day of February, 2014, a regular meeting was held and the proposed Ordinance was adopted by the following vote:

VOTING AYE: Tobler, Leavitt, McCoy, Walker, Woodbury

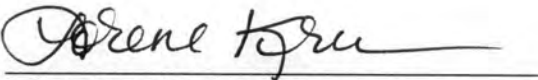
VOTING NAY: None

ABSENT: None

DATED and APPROVED this 25<sup>th</sup> day of February, 2014.

  
\_\_\_\_\_  
ROGER TOBLER, Mayor

ATTEST:

  
\_\_\_\_\_  
LORENE KRUMM, City Clerk

Boulder City Code, Title 11, Chapter 1, Section 11-1-3 is hereby amended to add the definition for "Medical Marijuana Establishments"

**11-1-3-B Definitions**

**MEDICAL MARIJUANA  
ESTABLISHMENTS:**

**An establishment as defined by Nevada Revised Statute Chapter 453A, shall include, but not be limited to:**

- a. An independent marijuana testing laboratory;**
- b. A marijuana cultivation facility;**
- c. A facility for the production of edible marijuana products or marijuana-infused products;**
- d. A marijuana dispensary; or**
- e. A business registered with the Division of Public and Behavioral Health and paid the requisite fees to act as more than one of the types of businesses listed in subsections b, c, and d of this section.**

Boulder City Code, Title 11, Chapter 2, shall have added thereto a new section 11-2-8 as follows:

**11-2-8 Medical Marijuana Establishments. Notwithstanding any other provision of this Code, medical marijuana establishments are not allowed, and shall be unlawful as a permitted use, conditional use, special use or accessory use in any zone throughout the incorporated boundaries of the City of Boulder City. This prohibition is not intended to interfere with the individual rights of persons to the medical use of marijuana as permitted by Chapter 453A of the Nevada Revised Statutes.**



## NOTICE OF FILING

Notice is hereby given that Bill No. 1737 proposed ordinance titled, "AN ORDINANCE OF THE CITY OF BOULDER CITY, NEVADA, AMENDING BOULDER CITY CODE, TITLE 11, CHAPTER 1, SECTION 3B, DEFINING 'MEDICAL MARIJUANA ESTABLISHMENTS' AND FURTHER ADDING BOULDER CITY CODE, TITLE 11, CHAPTER 2, SECTION 8, REGARDING THE PROHIBITION OF MEDICAL MARIJUANA ESTABLISHMENTS AS A MATTER OF PROHIBITED LAND USE THROUGHOUT THE INCORPORATED AREAS OF THE CITY OF BOULDER CITY PER ZONING AMENDMENT FILE NUMBER AM-14-309" was introduced by Council member Woodbury and that a copy of such ordinance was filed with the City Clerk on the 11th day of February, 2014 for public examination.

Notice is hereby further given that action on the proposed ordinance, or the ordinance as amended, will be taken at a regular meeting of the City Council of Boulder City, Nevada, on the 25th day of February, 2014, at the Council Chambers, City Hall, Boulder City, Nevada.

Dated this 11th day of February, 2014.

/s/ Lorene Krumm  
Lorene Krumm, City Clerk

Publish on February 14, 2014

# AFFIDAVIT OF PUBLICATION

STATE OF NEVADA)  
COUNTY OF CLARK) SS:

CITY OF BOULDER CITY CLERK  
401 CALIFORNIA AVE  
BOULDER CITY NV 89006-2600

Account # 20713  
Ad Number 0000094426

Stacey M. Lewis, being 1st duly sworn, deposes and says: That she is the Legal Clerk for the Las Vegas Review-Journal and the Las Vegas Sun, daily newspapers regularly issued, published and circulated in the City of Las Vegas, County of Clark, State of Nevada, and that the advertisement, a true copy attached for, was continuously published in said Las Vegas Review-Journal and / or Las Vegas Sun in 1 edition(s) of said newspaper issued from 02/14/2014 to 02/14/2014, on the following days:

02 / 14 / 14

## NOTICE OF FILING

Notice is hereby given that Bill No. 1737 proposed ordinance titled, "AN ORDINANCE OF THE CITY OF BOULDER CITY, NEVADA, AMENDING BOULDER CITY CODE, TITLE 11, CHAPTER 1, SECTION 3B, DEFINING 'MEDICAL MARIJUANA ESTABLISHMENTS' AND FURTHER ADDING BOULDER CITY CODE, TITLE 11, CHAPTER 2, SECTION 8, REGARDING THE PROHIBITION OF MEDICAL MARIJUANA ESTABLISHMENTS AS A MATTER OF PROHIBITED LAND USE THROUGHOUT THE INCORPORATED AREAS OF THE CITY OF BOULDER CITY PER ZONING AMENDMENT FILE NUMBER AM-14-309" was introduced by Council member Woodbury and that a copy of such ordinance was filed with the City Clerk on the 11th day of February, 2014 for public examination. Notice is hereby further given that action on the proposed ordinance, or the ordinance as amended, will be taken at a regular meeting of the City Council of Boulder City, Nevada, on the 25th day of February, 2014, at the Council Chambers, City Hall, Boulder City, Nevada. Dated this 11th day of February, 2014.

/s/ Lorene Krumm  
Lorene Krumm, City Clerk

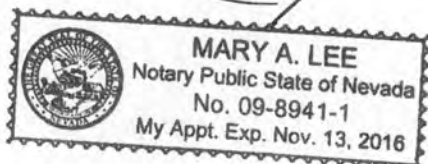
PUB: February 14, 2014  
LV Review-Journal

*Stacey M. Lewis*  
181  
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 14th day of February, 2014

Notary

*Mary Lee*



## **PUBLIC NOTICE**

NOTICE IS HEREBY GIVEN that the following ordinance of the City of Boulder City, Nevada was introduced on February 11, 2014, and read by title. On February 25, 2014, Bill No. 1737 was considered by the City Council and adopted as the following Ordinance:

### **ORDINANCE NO. 1519    Introduced by: Council member Woodbury**

"AN ORDINANCE OF THE CITY OF BOULDER CITY, AMENDING BOULDER CITY CODE, TITLE 11, CHAPTER 1, SECTION 3B, DEFINING 'MEDICAL MARIJUANA ESTABLISHMENTS' AND FURTHER ADDING BOULDER CITY CODE, TITLE 11, CHAPTER 2, SECTION 8, REGARDING THE PROHIBITION OF MEDICAL MARIJUANA ESTABLISHMENTS AS A MATTER OF PROHIBITED LAND USE THROUGHOUT THE INCORPORATED AREAS OF THE CITY OF BOULDER CITY PER ZONING AMENDMENT FILE NUMBER AM-14-309."

PUBLIC NOTICE is hereby given that a complete copy of the ordinance is available for inspection by all interested parties in the office of the City Clerk, City Hall, 401 California Avenue, Boulder City, Nevada. The ordinance will become effective March 20, 2014.

Motion to adopt Ordinance No. 1519 was made by Council member Walker; seconded by Council member McCoy; and approved by the following vote:

YEA:	Tobler, Leavitt, McCoy, Walker, Woodbury
NAY:	None
ABSENT:	None

Publish February 28, 2014

**FIDAVIT OF PUBLICATION**

STATE OF NEVADA)  
COUNTY OF CLARK) SS:

**CITY OF BOULDER CITY CLERK  
401 CALIFORNIA AVE  
BOULDER CITY NV 89006-2600**

**Account # 20713  
Ad Number 0000107533**

Stacey M. Lewis, being 1st duly sworn, deposes and says: That she is the Legal Clerk for the Las Vegas Review-Journal and the Las Vegas Sun, daily newspapers regularly issued, published and circulated in the City of Las Vegas, County of Clark, State of Nevada, and that the advertisement, a true copy attached for, was continuously published in said Las Vegas Review-Journal and / or Las Vegas Sun in 1 edition(s) of said newspaper issued from 02/28/2014 to 02/28/2014, on the following days:

**02 / 28 / 14**

**PUBLIC NOTICE**

NOTICE IS HEREBY GIVEN that the following ordinance of the City of Boulder City, Nevada was introduced on February 11, 2014, and read by title. On February 25, 2014, Bill No. 1737 was considered by the City Council and adopted as the following Ordinance:

**ORDINANCE NO. 1519  
Introduced by:  
Council member Woodbury**

**"AN ORDINANCE OF THE CITY OF BOULDER CITY, AMENDING BOULDER CITY CODE, TITLE 11, CHAPTER 1, SECTION 38, DEFINING 'MEDICAL MARIJUANA ESTABLISHMENTS' AND FURTHER ADDING BOULDER CITY CODE, TITLE 11, CHAPTER 2, SECTION 8, REGARDING THE PROHIBITION OF MEDICAL MARIJUANA ESTABLISHMENTS AS A MATTER OF PROHIBITED LAND USE THROUGHOUT THE INCORPORATED AREAS OF THE CITY OF BOULDER CITY PER ZONING AMENDMENT FILE NUMBER AM-14-309."**

PUBLIC NOTICE is hereby given that a complete copy of the ordinance is available for inspection by all interested parties in the office of the City Clerk, City Hall, 401 California Avenue, Boulder City, Nevada. The ordinance will become effective March 20, 2014.

Motion to adopt Ordinance No. 1519 was made by Council member Walker; seconded by Council member McCoy; and approved by the following vote:

**YEA: Tobler, Leavitt, McCoy, Walker, Woodbury  
NAY: None  
ABSENT: None**

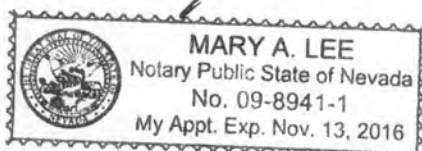
**PUB: February 28, 2014  
LV Review-Journal**

IS/

*Stacey M. Lewis*  
**LEGAL ADVERTISEMENT REPRESENTATIVE**

Subscribed and sworn to before me on this 28th day of February, 2014

Notary



Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040

SUMMARY: Amends the Washoe County Code at Chapter 25 (Business Licenses, Permits and Regulations), Chapter 53 (Miscellaneous Crimes), and Chapter 110 (Development Code) to provide for limited exemption of certain acts from criminal prosecution and for the licensing and land use authorization required to operate medical marijuana establishments (including 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 matters properly related thereto.

BILL NO. 1708

ORDINANCE NO. 1527

An Ordinance amending the Washoe County Code at Chapter 25 (Business Licenses, Permits and Regulations), Chapter 53 (Miscellaneous Crimes), and Chapter 110 (Development Code) to provide for limited exemption of certain acts from criminal prosecution and for the licensing and land use authorization required to operate medical marijuana establishments (including 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 matters properly related thereto.

WHEREAS:

A. The Constitution of the State of Nevada Article 4, Section 38 directs the Nevada Legislature to provide for, among other things, the authorization of appropriate methods of supply of marijuana to patients authorized to use it for medical purposes, and 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 (including dispensaries, cultivation