WASHOE COUNTY

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STAFF REPORT
BOARD MEETING DATE: April 10, 2018

DATE: March 19, 2018

TO: Board of County Commissioners

FROM: Dave Solaro, Arch., P.E., Assistant County Manager
Community Services Department, 328-3600, dsolaro@washoecounty.us

THROUGH: John Slaughter, County Manger

SUBJECT: Discussion and direction to staff on establishing considerations for regulations for marijuana consumption lounges in Unincorporated Washoe County. (All Commission Districts.)

SUMMARY

At the January 26, 2018 strategic planning retreat, while discussing the current strategic objective for implementation of regulations and impacts of marijuana in Unincorporated Washoe County, Vice Chair Jung requested Washoe County become the leader in creating additional regulations centered on allowing locations for consumption of marijuana products.

Through the process of creating permanent regulations for marijuana establishments in Washoe County, the idea of consumption lounges was discussed with the Board of County Commissioners (Board), and at the recommendation of staff, was not allowed/permitted in that process. The permanent regulations are enacted April 20, 2018, and staff is requesting the Board provide direction regarding Vice Chair Jung's request under the adopted code.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities

PREVIOUS ACTION

On March 27, 2018, the Board conducted a public hearing to adopt the Business Impact Statement for the proposed quarterly marijuana establishment license fee.

On March 27, 2018, the Board conducted a first reading of amendments to Washoe County Code Chapter 25 (Business License Ordinance), Chapter 53 (Miscellaneous Crimes), and Chapter 110 (Development Code) for permanent regulations.

On December 19, 2017, the Board initiated an amendment to WCC Chapter 25 (Business License), Chapter 110 (Development Code) and Chapter 53 (Miscellaneous Crimes) to provide for the operation of marijuana establishments which are licensed by the State of Nevada under NRS Chapters 453A (medical marijuana) and 453D (recreational marijuana). The Board approved a vision and three key focus areas to guide the code amendments.

AGENDA ITEM # _____

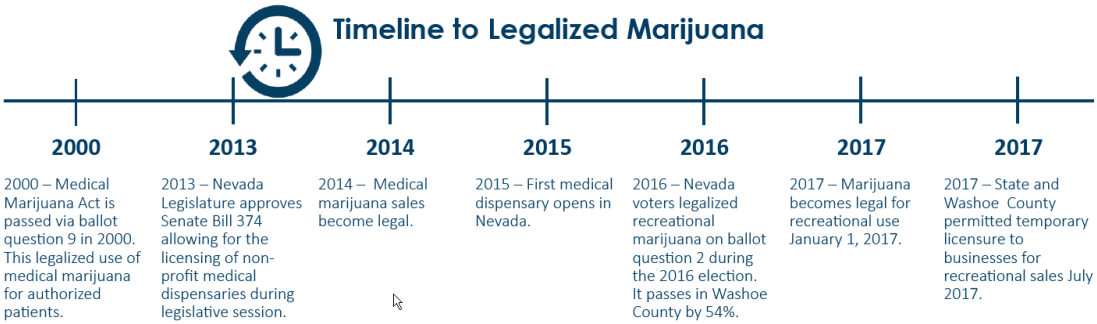
On July 25, 2017, the Board amended WCC Chapter 25 to include new regulations on temporary marijuana establishment business licenses for recreational marijuana. These licenses expire on July 1, 2018, or on a later date if the State Department of Taxation extends its license expiration date for the quick start program.

On April 8, 2014, the Board amended WCC Chapter 25 to include new regulations on medical marijuana establishments.

On June 25, 2013, the Board initiated proceedings for all Washoe County Code (WCC) Chapters requiring amendments for medical marijuana resulting from legislation passed by the 2013 Nevada State Legislature.

BACKGROUND

By separate votes of the people, marijuana use is legal in Washoe County with amendments to the State Constitution in 2000 and 2016 to allow for marijuana establishments that can grow, produce, distribute and offer products for sale to individuals with medical need (medical) and to individuals over the age of 21 (recreational). Enabling legislation guiding implementation of legalized marijuana was created during the 2013 and 2017 legislative sessions (NRS 453A and NRS 453D, respectively).



During the January 26, 2018 strategic planning retreat discussion on whether Washoe County should be the lead in the local process of creating regulations around the consumption of marijuana in locations other than a person's private residence.

Washoe County Strategic Goal - Marijuana

> *"Proactively prepare for the expected impacts of the use, production, cultivation, distribution of legal marijuana in Nevada (NRS 453A and 453D), mitigating the consequences for marijuana by capitalizing on knowledge of the impacts from other regions that have legalized marijuana."*

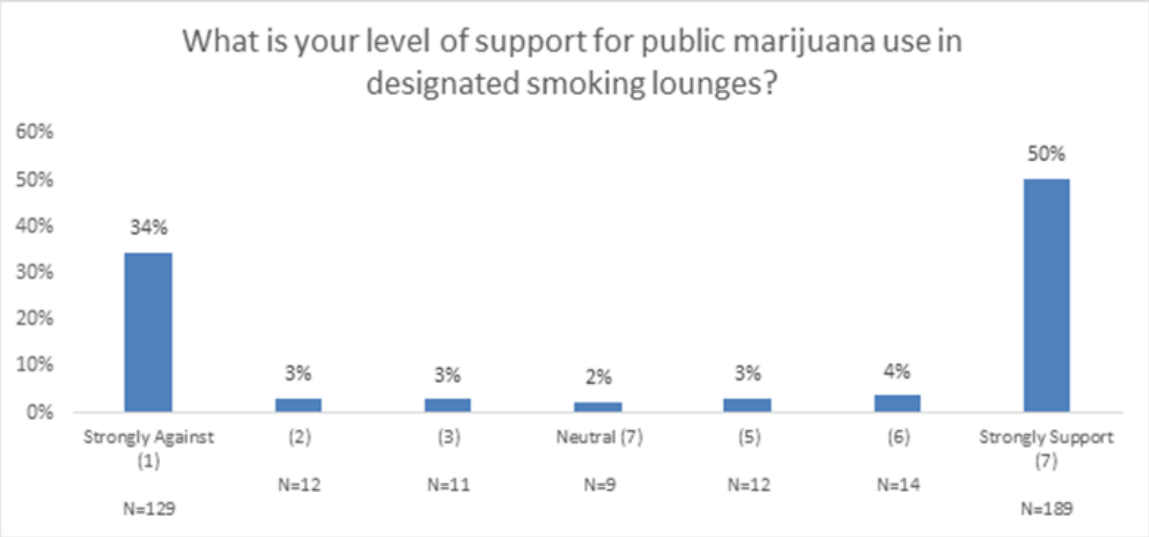
The topic of where to consume if you are not a resident in Nevada has been discussed at forums, in the media, and in meetings attended/hosted by Washoe County staff during the process to complete the permanent recreational marijuana regulations for Unincorporated Washoe County. At the March 13, 2018 Board meeting Vice Chair Jung mentioned the cannabis event held by Nevada's Center for Entrepreneurship and Technology (NCET) where the number one request/discussion topic from industry was related to where to consume marijuana if you are not from the area. There are other jurisdictions around the

United States that have been working to capture the proper regulations for their areas working within their laws to provide a safe place to consume for visitors to their communities. Staff has monitored the progress and processes set up in those jurisdictions and would borrow heavily from the process in an effort to not re-create any successful initiatives related to this topic.

The process to begin working on this initiative begins with policy direction from the Board of County Commissioners. The board is being asked to give direction to staff on whether there is support to begin working on regulations for use of marijuana in locations other than a person's private residence.

Staff is prepared to form a stakeholder group comprised of members of the marijuana industry, law enforcement, health district, gaming industry, hotel industry, and others as necessary to properly vet the concerns and opportunities for the region.

In an effort to gather information for the Board to assist in this decision, staff included a survey question specific to the topic of consumption lounges in the outreach for crafting the permanent recreational marijuana regulations. As with other discussions on marijuana, our residents are strongly divided in the responses on whether they support the concept of lounges in Washoe County. 34% of respondents are strongly against public consumption lounges and 50% strongly support public consumption lounges.



The most common response for those who are strongly against is their concern over users consuming product and then driving under the influence (8% of all responses). The most common response from those who strongly support is that public smoking lounges are no different than bars (10% of all responses).

FISCAL IMPACT

The fiscal impact associated with this staff report is not determined. Washoe County currently has a staff working group associated with the strategic objective for Marijuana,

and the direction of the Board will be incorporated into the work being performed by that group.

RECOMMENDATION

It is recommended that the Board of County Commissioners provide direction to staff for establishing consideration for regulations in Unincorporated Washoe County for marijuana consumption lounges.

POSSIBLE MOTION

A possible motion would be: "Move to provide the following direction to staff."