



Meeting Date: 9/20/2017

**Mission Statement**

To provide our growing dynamic community excellent municipal services to make Fernley a great place to live, work, and play.

Together, we enhance the desirability, safety, friendliness, aesthetics and quality of life in our city.

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**FERNLEY CITY COUNCIL MEETING - STAFF REPORT**

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**REPORT TO:** Mayor & City Council

**REPORT THRU:** Daphne Hooper, City Manager

**REPORT FROM:** **Kim Swanson, City Clerk**

**REVIEWED BY:** Denise Lewis, Finance Director

**AGENDA ITEM:** Discussion and Possible Action to approve Resolution 17-017, Attachment A, modifying the City of Fernley Business License Fee schedule by adding licensing fees for Marijuana Establishments including, cultivating facilities, production facilities, dispensaries, testing laboratories and distributors who transport marijuana and marijuana-infused products between marijuana establishments.

**ACTION REQUESTED:**   Consent   Ordinance   **X**Resolution   **X**Motion   Receive/File

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**RECOMMENDED ACTION BY CITY COUNCIL**

“I move to approve Resolution 17-017, Attachment A, modifying the City of Fernley Business License Fee schedule by adding licensing fees for Marijuana Establishments including, cultivating facilities, production facilities, dispensaries, testing laboratories and distributors who transport marijuana and marijuana-infused products between marijuana establishments.”

**Key Points:**

1. Adoption of this resolution will enable the City to license and impose fees for cultivation, production, testing and sales of marijuana and marijuana-infused products.
2. The proposed resolution also provides licensing fees for distributors who transport marijuana and marijuana-infused products between marijuana establishments.
3. SB487 established the maximum fee not to exceed 3 percent of gross revenue for a marijuana establishment.

**POLICY REFERENCE**

*Nevada Statutes:* NRS 453A  
*Fernley Municipal Code:* Title 10 Business License  
*Policies & Procedure Manual:* N/A  
*Community Assessment:* N/A

**SUMMARY**

In November 2016, Nevada citizens approved an initiative, known as Question 2, to permit, regulate and tax marijuana sales. Marijuana establishments will be regulated by the Nevada Department of Taxation. The Department has until December 31, 2017, to adopt all the regulations necessary to carry out the provisions of SB487.

Pursuant to SB487, incorporated cities may impose a: (a) Flat fee; (b) Percentage of the gross revenue of the marijuana establishment or (c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment. The total amount of a license fee imposed on a marijuana establishment must not exceed 3% of the gross revenue.

The recommended fee schedule is comparable to other cities and counties with marijuana establishments. The marijuana industry in Fernley is currently non-existent. This makes it difficult to project city revenues.

**FINANCIAL INFORMATION**

**FISCAL IMPACT:**

1. Is There A Fiscal Impact?	<u>No</u>
2. Is it Currently Budgeted?	<u>No</u>
3. If Budgeted, Which Line Item/Account?	N/A

**FISCAL SYNOPSIS:**

**There is no fiscal impact for the adoption of the resolution**

**ATTACHED INFORMATION**

Resolution 17-017