



## BUSINESS IMPACT STATEMENT

This Business Impact Statement was prepared in accordance with the provisions of NRS (Nevada Revised Statutes) 237.030 to 237.150, inclusive, as a statutory prerequisite to the adoption of any rule\*\*\*, as that term is defined in NRS 237.060, by the Carson City Board of Supervisors.

\*\*\* A "rule" may include an ordinance, or an action taken by the Board, that imposes, increases or changes the basis for the calculation of a fee which is paid in whole or in substantial part by businesses. A "rule" **does not** include actions that impose, increase or change the basis for the calculation of: (1) special assessments imposed pursuant to NRS chapter 271; (2) impact fees imposed pursuant to NRS chapter 278B; (3) fees for remediation imposed pursuant to NRS chapter 540A; (4) taxes ad valorem; (5) sales and use taxes; or (6) a fee that has been negotiated pursuant to a contract between a business and Carson City. A "rule" also **does not** include: an action taken by the Board that approves, amends or augments the annual budget of Carson City; an ordinance adopted by the Board pursuant to a provision of NRS chapter 271, 271A, 278, 278A, 278B or 350; an ordinance adopted or action taken by the Board that authorizes or relates to the issuance of bonds or other evidence of debt of Carson City; or any rule for which Carson City does not have the authority to consider less stringent alternatives, including, for example, a rule that Carson City is required to adopt pursuant to a federal or state statute or regulation or to a contract into which Carson City has entered.

### ORDINANCE OR ACTION PROPOSED FOR ADOPTION

The following ordinances and polices are proposed for adoption:

**1. An ordinance prohibiting the licensing of a cannabis consumption lounge as a business and prohibiting the consumption of cannabis and cannabis products in a public place**

1. *The manner in which notice was provided to the applicable trade associations and officers of businesses likely to be affected by the proposed ordinance or action, and a summary of any data, arguments or comments received from those recipients:*

a. Notice

**On June 4, 2021, direct mailings were sent to the Carson City Area Chamber of Commerce and the eight business owners who have business licenses for marijuana cultivations, production, or a marijuana dispensary. The mailing provided a copy of the proposed ordinance and advised that notice of the proposed ordinance was provided in an effort to determine whether the proposed ordinance will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business. The letter asked that comments, data, or arguments be provided in writing by June 25, 2021.**

**A copy of this Business Impact Statement, along with the appeal petition form, is available at the Carson City Community Development Department, 108 East Proctor Street, Carson City, Nevada, 89701. A copy of the appeal petition form can also be obtained at the Carson City Clerk/Recorder's office.**

***b. Summary of comments***

**In response to the June 4, 2021 mailed notice to the Chamber of Commerce and the local marijuana business owners, no comments were received.**

**2. *The estimated economic effect of the proposed ordinance or rule on businesses, including both adverse and beneficial effects, and both direct and indirect effects:***

***a. Adverse effects:***

**The City's proposed ordinance prohibiting the licensing of a cannabis consumption lounge as a business and prohibiting the consumption of cannabis and cannabis products in a public place will not create an adverse impact. The proposed ordinance is in response to a recent change in State law. There are no cannabis consumption lounges in Carson City, and the consumption of cannabis and cannabis products in public place has been prohibited.**

***b. Beneficial effects:***

**The City's proposed ordinance will result in the continuation of existing cannabis consumption practices in the City where consumption occurs at private homes. This minimizes driving while impaired, thus promoting safety in the community. The ordinance will prohibit cannabis consumption lounges in Carson City.**

***c. Direct effects:***

**If approved, the consumption of cannabis in Carson City will continue to be in private homes. Cannabis consumption lounges will be prohibited.**

***d. Indirect effects:***

**If approved, cannabis will not be consumed in public places at cannabis lounges, and consumers of cannabis will not be driving to return home after consuming, thus running the risk of driving while impaired.**

**3. *The methods considered by the Carson City Board of Supervisors to reduce the impact of the proposed ordinance or action on businesses and whether any of those methods were used:***

**The proposed Ordinance will not impact any existing business as cannabis consumption lounges have not been allowed in the State or the City. This ordinance will prohibit the formation of a business for a cannabis lounge. The Board of Supervisors has not considered alternatives other than to permit cannabis lounges or prohibit cannabis lounges. No alternatives are present in state law, and no alternatives has been brought to the Board of Supervisors attention by the business community.**

4. *Estimate of the annual cost to Carson City for enforcement of the proposed ordinance or action:*

**The City does not anticipate a change in the cost for enforcement as the enforcement will be identical to the enforcement the City has been administering. The proposed ordinance will result in existing regulations remaining in place.**

5. *The total annual amount of money expected to be collected as a result of the new fee or increase in fee proposed by the ordinance or action, and the manner in which the money will be used:*

**The proposed ordinance will not generate funds for Carson City.**

6. *The proposed ordinance or action [ X ] DOES [ ] DOES NOT include any provisions which duplicate or are more stringent than Federal, State or local standards regulating the same activity.*

7. *The reasons for the conclusions regarding the impact of the proposed ordinance or action:*

**The proposed Ordinance will result in a continuation of Carson City's regulations as related to cannabis consumption lounges and the consumption of cannabis in public places. No existing local business will be adversely impacted.**

**In addition, the City has not received any feedback that the proposed ordinance will constitute a significant economic burden upon any existing Carson City businesses. This ordinance will restrict the formation of a business operating a cannabis lounge.**

8. *Based on the information considered, it has been determined that this proposed ordinance or rule:*

**[ ] DOES [ X ] DOES NOT impose a direct and significant economic burden upon a business.**

DOES  DOES NOT directly restrict the formation, operation or expansion of a business.

Pursuant to NRS 237.090(3), this Business Impact Statement was prepared and made available for public inspection by Carson City Community Development at the time the agenda notice on which the proposed ordinance or rule described in this statement is included was posted.

Pursuant to NRS 237.090(2), I, Nancy Paulson, the City Manager of Carson City, hereby certify that to the best of my knowledge and belief the information contained herein was properly prepared and is accurate.

Nancy Paulson  
Signature

7/11/21  
Date

Nancy Paulson  
Printed Name