

# State of Nevada Statewide Ballot Questions 2002



To Appear on the November 5, 2002  
General Election Ballot

Issued by  
***Dean Heller***  
Secretary of State

**DEAN HELLER**  
*Secretary of State*

**STATE OF NEVADA**

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*Securities Administrator*

**RENEE L. PARKER**  
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**OFFICE OF THE  
SECRETARY OF STATE**

Dear Fellow Nevadan:

You will soon be taking advantage of one of your most important rights as an American citizen: the right to vote! As Secretary of State and the state's Chief Election Officer, I take the job of informing the public about various statewide ballot questions very seriously. An informed and knowledgeable electorate is a cornerstone to fair and just elections.

With that in mind, the Secretary of State's office has prepared this booklet detailing the statewide questions that will appear on the 2002 General Election Ballot. The booklet contains "Notes to Voters," a complete listing of the exact wording of each question, along with a summary, arguments for and against each question's passage, and, where applicable, a fiscal note. Any fiscal note included in this booklet explains only adverse impacts and does not note any possible cost savings.

I encourage you to carefully and thoughtfully review the ballot questions listed in the booklet. As a voter, your actions on these ballot questions can create new laws, amend existing laws or amend the Nevada Constitution.

On the 2002 General Election Ballot, there are nine statewide questions. Ballot Question Numbers 1,3,4,5,6,7 and 8 appear on the ballot through the actions of the Nevada State Legislature. Ballot Question Number 9 qualified for this year's ballot through the initiative petition process. Ballot Question Number 2, which also qualified through the initiative petition process, was passed by a vote of the people during the 2000 General Election. If Question Number 2 passes in 2002, it will amend the Nevada Constitution.

You can also view these ballot questions on the Secretary of State's web site at <http://sos.state.nv.us>. If you require further assistance or information, please feel free to contact my office at 775/684-5705.

Respectfully,

A handwritten signature in cursive script that reads "Dean Heller".

**DEAN HELLER**  
Secretary of State

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**LAS VEGAS OFFICE**  
555 E. Washington Avenue  
SECURITIES: Suite 5200  
Las Vegas, Nevada 89101  
Telephone (702) 486-2440  
Fax (702) 486-2453

**MAIN OFFICE**  
101 N. Carson Street, Suite 3  
Carson City, Nevada 89701-4786  
Telephone (775) 684-5708  
Fax (775) 684-5725

**CORPORATE SATELLITE OFFICE**  
202 N. Carson Street  
Carson City, Nevada 89101  
Telephone (775) 684-5708  
Fax (775) 684-5725

# 2002 STATEWIDE BALLOT QUESTIONS SUMMARY

Question #	Title	Originated	If passed in 2002
1	Conservation Bonds (\$200 Million)	Legislature (AB 9 of 17 <sup>th</sup> Special Session)	Becomes Law
2	Protection of Marriage	Initiative Petition	Becomes Law
3	Exemption of Farm Machinery from Sales & Use tax	Legislature (AB 243 of 71 <sup>st</sup> Session)	Becomes Law
4	Exemption of Professional Racing Equipment from Sales & Use tax	Legislature (AB 657 of 71 <sup>st</sup> Session)	Becomes Law
5	Repeal Rule against Perpetuities	Legislature (AJR 4 of 70 <sup>th</sup> Session)	Becomes Law
6	Revise Appointed Judges' Term of Office	Legislature (AJR 13 of 70 <sup>th</sup> Session)	Becomes Law
7	Exemption of School Facilities from State Borrowing Limits	Legislature (AJR 26 of 70 <sup>th</sup> Session)	Becomes Law
8	Property Tax Reduction for Single-Family Residences	Legislature (SJR 11 of 70 <sup>th</sup> Session)	Becomes Law
9	Decriminalization of Marijuana	Initiative Petition	Submitted to 2004 Election

## NOTE TO VOTERS

Ballot Question Nos. 3 and 4 relate to Nevada's sales tax. It is important that you understand this tax and the process by which it may be changed. As noted below, only a portion of this tax may be changed by you, the voter, pursuant to the attached ballot questions.

Nevada's statewide sales tax consists of three separate parts levied at different rates on the sale and use of tangible personal property in the state. The current statewide combined rate is 6.50 percent. In addition to these three parts, each county also may impose additional taxes subject to the approval of the voters or governing body in that county. These additional taxes have, in nine counties, increased the rate of the sales tax above the 6.50 percent rate imposed statewide.

The tax includes:

	<u>Tax</u>	<u>Rate</u>
1.	The State Sales and Use Tax.....	2.00 percent
2.	The Local School Support Tax (LSST) .....	2.25 percent
3.	The City-County Relief Tax (CCRT) .....	2.25 percent
4.	Optional local taxes—not more than .....	1.25 percent

The State Sales and Use Tax may be amended or repealed only with the approval of the voters. The Local School Support Tax (LSST) and the City-County Relief Tax (CCRT) may be amended or repealed by the Legislature without the approval of the voters.

By your "Yes" vote, Question Nos. 3 and 4 would exempt the specified items from the state 2.00 percent rate. These items previously were exempted from all other components of the sales and use tax by statute.

# QUESTION NO. 1

Proposal to Issue Bonds for Conservation and Resource Protection

Assembly Bill No. 9 of the 17<sup>th</sup> Special Session

## CONDENSATION (ballot question)

Shall the State of Nevada be authorized to issue general obligation bonds in an amount not to exceed \$200 million in order to preserve water quality; protect open space, lakes, rivers, wetlands, and wildlife habitat; and restore and improve parks, recreational areas, and historic and cultural resources?

Yes.....☒ 291, 262  
No.....☐ 200, 143

## EXPLANATION

If this proposal is approved, the State of Nevada would be authorized to issue general obligation bonds in an amount of not more than \$200 million to protect, preserve, and obtain the benefits of the property and natural resources of this state. Of the total bond issue, funding allocations would be made as follows:

1. \$27 million to Nevada's Division of State Parks for property acquisition or capital improvements and renovations;
2. \$27.5 million to Nevada's Division of Wildlife for property acquisition, facility development and renovation, or wildlife habitat improvements;
3. \$25 million to the Las Vegas Springs Preserve in Clark County for planning and developing the preserve, providing wildlife habitat, and constructing support facilities;
4. \$10 million to Clark County for development of a regional wetlands park at the Las Vegas Wash;
5. \$35 million to Nevada's Department of Cultural Affairs to establish a museum at the Las Vegas Springs Preserve;
6. \$10 million to Washoe County for enhancement and restoration of the Truckee River corridor; and
7. \$65.5 million to Nevada's Division of State Lands to provide grants for state agencies, local governments, or qualifying private nonprofit organizations for various programs including recreational trails, urban parks, habitat conservation, open spaces, and general natural resource protection projects.

## **ARGUMENTS FOR PASSAGE**

Nevada has been the fastest-growing state in the nation for several decades, and this rapid growth is expected to continue well into the future. Continued growth will impact Nevada's water quality, air quality and open space. This bond measure will prepare for this growth and preserve the state's quality of life for future generations. It will do so by protecting rivers, lakes, and wetlands that are critical to clean drinking water supplies; preserving forests and other natural vegetation that help provide clean air; protecting fish and wildlife habitat; protecting groundwater from contamination; preserving open space; and restoring historic, natural and cultural resources.

It has been 12 years since Nevada last passed a conservation bond, and the money raised by that measure has been spent. This bond issue, and the matching funds it will bring in, will provide additional funds necessary to further protect Nevada's land, air and water.

**A "Yes" vote is a vote to approve the issuance of the bonds.**

## **ARGUMENTS AGAINST PASSAGE**

Bonds are debts that must be repaid. The bonds would be repaid with state tax revenue. While conservation projects may be needed, tax revenue should not be used for this purpose during times of financial uncertainty.

**A "No" vote is a vote to disapprove the issuance of the bonds.**

## **FISCAL NOTE**

### **Financial Impact--Yes.**

Approval of this proposal would allow the State of Nevada to incur a bonded indebtedness of up to \$200 million that must be repaid, with interest, by public funds over several years. The exact financial effect in any given year will be determined by the timing and amounts of the bonds issued, the interest rates, and the method of repayment. If the indebtedness is repaid as other bonds are retired and assessed valuation increases, a tax increase may not be required. If, however, a statewide property tax were imposed in addition to the current rate to repay the bonds, a tax rate of up to 2.6 cents per \$100 of assessed value may be required. This tax rate would decline over time as total state assessed value increases. A 2.6-cent tax rate on a \$200,000 home is \$18.20 annually. If the bonds are not all sold immediately, but rather on an "as needed" basis, the required tax rate would be less than 2.6 cents per \$100 of assessed value.

# FULL TEXT OF THE MEASURE

Assembly Bill No. 9--Joint Rules Committee

## CHAPTER 6

AN ACT relating to natural resources; directing the submission to a vote of the people of a proposal to issue state general obligation bonds to protect, preserve and obtain the benefits of the property and natural resources of this state; providing for the use of the proceeds if the issue is approved; creating the fund to protect natural resources; and providing other matters properly relating thereto.

[Approved: June 15, 2001]

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** At the general election to be held on November 5, 2002, there must be submitted to the voters of this state, in the manner prescribed by chapter 349 of NRS, a proposal to issue general obligation bonds of the state to protect, preserve and obtain the benefits of the property and natural resources of this state in an amount not to exceed \$200,000,000. If the proposal is carried, the bonds may be issued at one time or from time to time, and the Legislature shall levy such tax as may be necessary to pay the principal of and interest on the bonds. The proceeds of such tax together with any other amounts appropriated to pay the principal of and interest on the bonds when due must be deposited in the consolidated bond interest and redemption fund.

**Sec. 2.** Except as otherwise provided in subsection 9 of section 3 of this act, of the total bond issue, if approved pursuant to section 1 of this act:

1. An amount of \$27,000,000 must be allocated to the Division of State Parks of the State Department of Conservation and Natural Resources to protect and preserve the property or natural resources of this state or to obtain the benefits thereof for the following purposes:

(a) For the acquisition of real or personal property or interests in real or personal property for purposes related to parks and recreation; or

(b) To support extraordinary capital improvements and renovations of facilities in state parks.

2. An amount of \$27,500,000 must be allocated to the Division of Wildlife of the State Department of Conservation and Natural Resources for the following purposes:

(a) For the acquisition of real or personal property or interests in real or personal property to enhance, protect, and manage wildlife and wildlife habitat or enhance recreational opportunities related to wildlife, or both; or

(b) For the development and renovation of facilities or the improvement of existing habitats for fish and other wildlife.

3. An amount of \$25,000,000 must be allocated to the Las Vegas Springs Preserve in Clark County for the following purposes:

(a) Planning, development and design of the preserve;

(b) Providing wildlife habitat;

(c) Constructing buildings and other facilities for the preserve; or

(d) Providing other infrastructure for the preserve.

The Las Vegas Springs Preserve shall match the allocation made pursuant to this subsection with an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of each project that is completed pursuant to this subsection.

4. An amount of \$10,000,000 must be allocated to Clark County to develop a county regional wetlands park at the Las Vegas Wash. The money allocated pursuant to this paragraph must be used to:

(a) Divert water, control erosion and make improvements to restore the existing wetlands, and to create new wetlands;

(b) Acquire and develop land and water rights;

(c) Provide recreational facilities; and

(d) Provide parking for and access to the park.

Clark County shall match the allocation made pursuant to this subsection with an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of each project that is completed pursuant to this subsection.

5. An amount of \$35,000,000 must be allocated to the Department of Cultural Affairs to establish at the Las Vegas Springs Preserve a museum to provide exhibits and education regarding the natural resources, history and cultural heritage of this state. The money allocated pursuant to this subsection must be used for:

(a) The planning and design of the museum;

(b) Construction of the museum;

(c) Moving exhibits from other locations to the museum; or

(d) Creating new exhibits.

6. An amount of \$10,000,000 must be allocated to Washoe County to enhance and restore the Truckee River corridor. The money allocated pursuant to this subsection must be used to:

(a) Acquire and develop land and water rights;

(b) Provide recreational facilities;

- (c) Provide parking for and access to and along the river; or
- (d) Restore the Truckee River corridor.

Washoe County shall match the allocation made pursuant to this subsection with an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of each project that is completed pursuant to this subsection.

7. An amount of \$65,500,000 must be allocated to the State Department of Conservation and Natural Resources to be administered by the Division of State Lands to carry out the purposes set forth in this subsection. The money allocated pursuant to this subsection must be used for the following purposes:

- (a) To make grants in the following amounts:

- (1) An amount of \$7,250,000 to state agencies, counties, municipalities or private nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Administrator of the Division of State Lands pursuant to this subsection, as appropriate, for the construction of recreational trails, including, without limitation, hiking, equestrian and bicycle trails. The award of grants pursuant to this subparagraph must be coordinated with the Division of State Parks.

- (2) An amount of \$5,000,000 to state agencies, counties, municipalities or private nonprofit organizations that qualify for grants pursuant to the regulations adopted by the Administrator of the Division of State Lands pursuant to this subsection, as appropriate, for the acquisition of land and water or interests in land and water for urban parks and greenbelts. Programs and projects paid for by grants made pursuant to this subparagraph must be for the protection and preservation of the property and natural resources of this state, or for the purposes of obtaining the benefits thereof. The award of grants pursuant to this subparagraph must be coordinated with the Division of State Parks.

- (3) An amount of \$3,000,000 to state agencies, counties whose population is less than 100,000 or municipalities located within those counties, as appropriate, for the development of habitat conservation plans. The making of grants pursuant to this subparagraph must be coordinated with the Division of Wildlife and the Nevada Natural Heritage Program.

- (4) An amount of \$250,000 to counties whose population is less than 100,000 and municipalities located within those counties for the development and adoption of plans for open spaces.

- (5) An amount of \$20,000,000 to counties and municipalities for the acquisition of land and water or interests in land and water to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, wetlands and other environmental resources pursuant to an adopted plan for open spaces. Grants made pursuant to this subparagraph must require:

- (I) In a county whose population is 100,000 or more, that the county or municipality which receives the grant matches the grant with an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of the acquisition.

- (II) In a county whose population is less than 100,000, that the county or municipality which receives the grant matches the grant with an amount of money or value of services, material or equipment that is equal to 25 percent of the amount of the grant.

- (6) An amount of \$10,000,000 for grants to Churchill County, Douglas County, Lyon County or Carson City and municipalities located within those counties to enhance and restore the Carson River corridor. Grants made pursuant to this subparagraph must require that the county or municipality which receives the grant match the grant with an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of the project for which the grant is awarded. Money awarded for grants pursuant to this subparagraph must be used to:

- (I) Acquire and develop land and water rights;
  - (II) Provide recreational facilities;
  - (III) Provide parking for and access to and along the river; or
  - (IV) Restore the Carson River corridor.

- (7) An amount of \$5,000,000 for grants to Douglas County, Washoe County or Carson City and municipalities located within those counties to enhance and develop the Lake Tahoe Path System. Grants made pursuant to this subparagraph must require that the county or municipality which receives the grant match the grant with an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of the project for which the grant is awarded. Money awarded for grants pursuant to this subparagraph must be used to:

- (I) Acquire land for the path system; or
  - (II) Develop the path system.

- (b) An amount of \$15,000,000 to carry out contracts or agreements under which nonprofit conservation organizations may acquire land and water or interests in land and water for the public benefit, to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains and wetlands and other environmental resources. Any money provided by the Division of State Lands pursuant to this paragraph must be matched by an amount of money or value of services, material or equipment that is equal to 50 percent of the cost of the acquisition. The investment of this state in any property acquired pursuant to this paragraph must be secured by an interest in the property.

The Administrator of the Division of State Lands may adopt such regulations as the Administrator determines are necessary to carry out the programs and projects and make the grants described in this subsection. The regulations adopted by the Administrator must state whether and to what degree applicants for grants must match any money awarded.

**Sec. 3.** 1. The fund to protect natural resources is hereby created in the state general fund. The Director of the Department of Conservation and Natural Resources shall administer the fund and prescribe the method pursuant to

which the governmental entities which administer the programs and projects described in section 2 of this act may request money from the fund in accordance with the allocations made pursuant to that section.

2. The proceeds of any bonds issued pursuant to section 1 of this act, after deducting any applicable charges, must be deposited in the fund.

3. Any interest or income earned on the money in the fund must be credited to the fund. Any money remaining in the fund at the end of the fiscal year does not revert to the general fund but remains in the fund for authorized expenditure.

4. All claims against the fund must be paid as other claims against the state are paid.

5. The State Department of Conservation and Natural Resources may use the proceeds from the bonds issued pursuant to section 1 of this act and the interest income thereon to defray the costs of administering the provisions of this act and may request an appropriation to defray the costs of administering this act if the money in the fund is not sufficient. The money in the fund must be used only for the purposes set forth in this act and must not be used to replace or supplant funding available from other sources.

6. Any interests in land or water acquired by the state pursuant to this act:

(a) Must be acquired and held by the Division of State Lands pursuant to chapter 321 of NRS.

(b) Must not be acquired by condemnation or the power of eminent domain.

The acquisition of any water rights pursuant to this act must not have a negative impact on the distribution of water to other persons who hold valid water rights.

7. Any property acquired pursuant to the provisions of this act may include easements and other interests in land. Before acquiring any interest in land pursuant to this act, recipients of money pursuant to this act must consider such alternatives to the acquisition of fee simple title as may be available, including, without limitation, the acquisition of easements and remainders after life estates.

8. If any interests in land or water acquired by the state pursuant to this act, or portions thereof, are later determined not to be necessary to carry out the purposes of the act, those interests may be sold or leased by the Division of State Lands pursuant to chapter 321 of NRS and the proceeds deposited in the fund to protect natural resources. The proceeds received from such transactions must be expended to carry out the purposes of this act.

9. Money may be reallocated among the purposes set forth in each subsection of section 2 of this act with the advance approval of the Interim Finance Committee.

10. The Interim Finance Committee must approve the issuance of any bonds issued pursuant to this act if the proceeds of which will be used for the purposes set forth in paragraph (a) of subsection 7 of section 2 of this act.

**Sec. 4.** The Legislature finds and declares that the issuance of bonds pursuant to this act, except the use of the proceeds of those bonds pursuant to subsections 3 and 5 of section 2 of this act and subparagraph (5) of paragraph (a) of subsection 7 of section 2 of this act and paragraph (b) of subsection 7 of section 2 of this act:

1. Is necessary for the protection and preservation of the property and natural resources of this state and for the purpose of obtaining the benefits thereof; and

2. Constitutes an exercise of the authority conferred by the second paragraph of section 3 of article 9 of the Constitution of the State of Nevada.

**Sec. 5.** To the extent not inconsistent with the provisions of this act, the provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the bonds issued pursuant to this act.

**Sec. 6.** Notwithstanding the provisions of NRS 361.453 to the contrary, any levy imposed by the legislature for the repayment of bonded indebtedness issued pursuant to the provisions of this act must not be included in calculating the limitation set forth in subsection 1 of NRS 361.453 on the total ad valorem tax levied for all public purposes.

**Sec. 7.** If any provision of this act, or application thereof to any person, thing or circumstance, is held invalid, the invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

## QUESTION NO. 2

### Amendment to the Nevada Constitution

#### An Initiative relating to the definition of marriage

#### CONDENSATION (ballot question)

Shall the Nevada Constitution be amended to provide that: "Only a marriage between a male and female person shall be recognized and given effect in this state?"

Yes.....☒ 337,197  
No.....☐ 164,573

#### EXPLANATION

The proposed amendment, if passed, would create a new section to Article 1 of the Nevada Constitution providing that, "Only a marriage between a male and female person shall be recognized and given effect in this state."

#### ARGUMENTS FOR PASSAGE

Proponents argue that passage will ensure that Nevada law upholds the definition of marriage as being only between a man and a woman. While a Nevada statute provides that marriage may only be between a male and a female, current law provides that a legal marriage that took place outside Nevada is generally given effect under the "Full Faith and Credit Clause" of the United States Constitution. Proponents argue that if same gender marriages ever become legal in another state, under the Full Faith and Credit Clause Nevada could be required to recognize such marriages entered into legally in another state.

Proponents argue that this constitutional amendment is needed to define Nevada's public policy on marriage being only between a male and a female.

**A "Yes" vote means that the Nevada Constitution should be amended to provide that only marriages between a male and a female should be recognized and given effect in this state.**

#### ARGUMENTS AGAINST PASSAGE

Opponents argue that the proposed amendment singles out one group of Nevadans for different treatment in our Constitution. By singling out same gender couples, opponents argue that discrimination occurs because the rights and privileges of marriage are denied to couples of the same gender. They argue that same gender couples are entitled to the same constitutional protections, legal rights and benefits as other couples. In addition, opponents argue that the

proposed amendment is contrary to Nevada's public policy that supports equality and civil rights for all Nevadans.

Opponents argue that a constitutional change is redundant and unnecessary because the definition of marriage as being only between a male and a female is already contained in Nevada Revised Statutes 122.020(1) and federal law.

**A "No" vote means that the Nevada Constitution should not be amended to provide that only marriages between a male and a female should be recognized and given effect in Nevada.**

#### **FISCAL NOTE**

Financial Impact- None that can be determined.

#### **FULL TEXT OF THE MEASURE**

The People of the State of Nevada do enact as follows:

**RESOLVED**, That a new section designated Section 21 be added to Article 1 of the Constitution of the State of Nevada to read as follows:

"Only a marriage between a male and female person shall be recognized and given effect in this state."

# QUESTION NO. 3

Amendment to the Sales and Use Tax Act of 1955

Assembly Bill No. 243 of the 71<sup>st</sup> Session

## CONDENSATION (ballot question)

Shall the Sales and Use Tax Act of 1955 be amended to provide an exemption from the taxes imposed by that act on the gross receipts from the sale and the storage, use or other consumption of farm machinery and equipment employed for the agricultural use of real property?

Yes.....☐ 190,541  
No.....☒ 285,921

## EXPLANATION

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by that act the gross receipts from the sale and storage, use or other consumption of farm machinery and equipment employed for the agricultural use of real property. The Legislature has already amended the Local School Support Tax Law and certain analogous taxes to provide the same exemption. (See the NOTE TO VOTERS on page ii regarding Nevada's sales tax.)

## ARGUMENTS FOR PASSAGE

Many farmers in Nevada purchase farm machinery and equipment in certain neighboring states because those states do not impose a tax on farm machinery and equipment. The purchase of farm machinery and equipment in other states by Nevadans may contribute to a loss of jobs in Nevada.

The exemption of farm machinery and equipment from this tax will allow Nevada's farm equipment dealers to compete fairly with equipment dealers in other states. The exemption of farm machinery and equipment from this tax may also increase employment in rural parts of Nevada and help maintain the agricultural communities within this state.

**A "Yes" vote would amend the Sales and Use Tax Act of 1955 (the state 2 percent component) to provide an exemption from the taxes imposed by that act on the gross receipts from the sale and storage, use or other consumption of farm machinery and equipment employed for the agricultural use of real property.**

## ARGUMENTS AGAINST PASSAGE

Nevada is not the only state that imposes a sales tax on farm machinery and equipment. Passage of this proposal will reduce sales and use tax revenues available to state government. Although state law already contains several exemptions from the sales and use tax, if the reduction in revenues from exemptions becomes significant, the need to collect those revenues from other sources may result in an increased tax burden for those who are not eligible for an exemption.

In addition, the Legislature has already granted this exemption from the Local School Support Tax and the other analogous taxes which make up all except the 2 percent component of what is commonly referred to as the "sales tax." (See the NOTE TO VOTERS on page ii regarding Nevada's sales tax.) That amount of exemption is sufficient.

**A "No" vote would retain existing provisions in the Sales and Use Tax Act of 1955 (the state 2 percent component) that provide for taxation of gross receipts from the sale and the storage, use or other consumption of farm machinery and equipment employed for the agricultural use of real property.**

## FISCAL NOTE

**Financial Impact--Cannot be determined.**

The proposal would provide an exemption from the Sales and Use Tax Act of 1955 for farm machinery and equipment employed for the agricultural use of real property. Approval of this question would result in revenue losses for state government estimated at approximately \$97,000 for each full fiscal year in which the exemption is in effect. This compares to Nevada's total estimated sales tax revenue for state government (the state 2 percent component) of approximately \$633.5 million in Fiscal Year 2000-2001.

## FULL TEXT OF THE MEASURE

Assembly Bill No. 243--Assemblymen Dini, de Braga, Marvel,  
Carpenter, Neighbors, Goldwater and Hettrick

### CHAPTER 159

AN ACT relating to taxation; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for farm machinery and equipment; providing such an exemption from certain analogous taxes; clarifying the provisions governing the administration of the existing exemption from the Sales and Use Tax Act of 1955 and certain analogous taxes for property shipped out of state; and providing other matters properly relating thereto.

[Approved: May 28, 2001]

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** At the general election on November 5, 2002, a proposal must be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state at the general election held on November 6, 1956.

**Sec. 2.** At the time and in the manner provided by law, the secretary of state shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

**Sec. 3.** The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the general election on November 5, 2002, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto." approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA  
DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated as section 55.5, immediately following section 55, to read as follows:

**Sec. 55.5. 1. *There are exempted from the taxes imposed by this act the gross receipts from the sale of, and the storage, use or other consumption in a county of, farm machinery and equipment employed for the agricultural use of real property.***

**2. *As used in this section:***

**(a) *"Agricultural use" has the meaning ascribed to it in NRS 361A.030.***

**(b) *"Farm machinery and equipment" means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:***

**(1) *A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or***

**(2) *Machinery or equipment only incidentally employed for the agricultural use of real property.***

**(c) *"Farm tractor" means a motor vehicle designed and used primarily for drawing an implement of husbandry.***

**(d) *"Implement of husbandry" means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.***

**Sec. 2.** This act becomes effective on January 1, 2003.

**Sec. 4.** The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to provide an exemption from the taxes imposed by this act on the gross receipts from the sale and the storage, use or other consumption of farm machinery and equipment employed for the agricultural use of real property?

Yes ☐ No ☐

**Sec. 5.** The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by this act the gross receipts from the sale and storage, use or other consumption of farm machinery and equipment employed for the agricultural use of real property. The Legislature has amended the Local School Support Tax Law and the City-County Relief Tax Law to provide the same exemption.

**Sec. 6.** If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2003. If less than a majority of votes cast on the question is yes, the question fails and the amendment to the Sales and Use Tax Act of 1955 does not become effective.

**Sec. 7.** All general election laws not inconsistent with this act are applicable.

**Sec. 8.** Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the secretary of state that the proposed amendment was adopted by a majority of those registered voters.

**Sec. 9.** NRS 372.7263 is hereby amended to read as follows:

372.7263 In administering the provisions of NRS 372.335, the department shall apply the exemption for the sale of tangible personal property delivered by the vendor to a forwarding agent for shipment out of state to include ~~the~~ :

**1. *The sale of a vehicle to a nonresident to whom a special movement permit has been issued by the department of motor vehicles and public safety pursuant to subsection 1 of NRS 482.3955 ~~+~~ ; and***

**2. *The sale of farm machinery and equipment, as defined in section 10 of this act, to a nonresident who submits proof to the vendor that the farm machinery and equipment will be delivered out of state not later than 15 days after the sale.***

Sec. 10. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *There are exempted from the taxes imposed by this chapter the gross receipts from the sale of, and the storage, use or other consumption in a county of, farm machinery and equipment employed for the agricultural use of real property.*

2. *As used in this section:*

(a) *"Agricultural use" has the meaning ascribed to it in NRS 361A.030.*

(b) *"Farm machinery and equipment" means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:*

*(1) A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or*

*(2) Machinery or equipment only incidentally employed for the agricultural use of real property.*

(c) *"Farm tractor" means a motor vehicle designed and used primarily for drawing an implement of husbandry.*

(d) *"Implement of husbandry" means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.*

Sec. 11. NRS 374.030 is hereby amended to read as follows:

374.030 1. "Gross receipts" means the total amount of the sale or lease or rental price, as the case may be, of the retail sales of retailers, valued in money, whether received in money or otherwise, without any deduction on account of any of the following:

(a) The cost of the property sold. However, in accordance with such rules and regulations as the department may prescribe, a deduction may be taken if the retailer has purchased property for some other purpose than resale, has reimbursed his vendor for tax which the vendor is required to pay to the county or has paid the use tax with respect to the property, and has resold the property ~~prior to~~ *before* making any use of the property other than retention, demonstration or display while holding it for sale in the regular course of business. If such a deduction is taken by the retailer, no refund or credit will be allowed to his vendor with respect to the sale of the property.

(b) The cost of the materials used, labor or service cost, interest paid, losses or any other expense.

(c) The cost of transportation of the property ~~prior to~~ *before* its sale to the purchaser.

2. The total amount of the sale or lease or rental price includes all of the following:

(a) Any services that are a part of the sale.

(b) All receipts, cash, credits and property of any kind.

(c) Any amount for which credit is allowed by the seller to the purchaser.

3. "Gross receipts" does not include any of the following:

(a) Cash discounts allowed and taken on sales.

(b) ~~{Sale}~~ *The sale* price of property returned by customers when the full sale price is refunded either in cash or credit, ~~{, but this exclusion {shall} does not apply in any instance when the customer, in order to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned.~~

(c) The price received for labor or services used in installing or applying the property sold.

(d) The amount of any tax, ~~{, not including {, however,} any manufacturers' or importers' excise tax, {}}~~ imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer.

(e) The amount of any allowance against the selling price given by a retailer for the value of ~~{~~

~~—(1) A} a used vehicle which is taken in trade on the purchase of another vehicle. {; or~~

~~—(2) A used piece of farm machinery or equipment which is taken in trade on the purchase of another piece of farm machinery or equipment.]~~

4. For purposes of the sales tax, if the retailers establish to the satisfaction of the department that the sales tax has been added to the total amount of the sale price and has not been absorbed by them, the total amount of the sale price shall be deemed to be the amount received exclusive of the tax imposed.

Sec. 12. NRS 374.265 is hereby amended to read as follows:

374.265 "Exempted from the taxes imposed by this chapter," as used in NRS 374.265 to 374.355, inclusive, *and section 10 of this act* means exempted from the computation of the amount of taxes imposed.

Sec. 13. NRS 374.7273 is hereby amended to read as follows:

374.7273 In administering the provisions of NRS 374.340, the department shall apply the exemption for the sale of tangible personal property delivered by the vendor to a forwarding agent for shipment out of state to include ~~{the}~~

1. *The sale of a vehicle to a nonresident to whom a special movement permit has been issued by the department of motor vehicles and public safety pursuant to subsection 1 of NRS 482.3955 {; and*

2. *The sale of farm machinery and equipment, as defined in section 10 of this act, to a nonresident who submits proof to the vendor that the farm machinery and equipment will be delivered out of state not later than 15 days after the sale.*

Sec. 14. This act becomes effective upon passage and approval for the purpose of adopting any regulations necessary to carry out the provisions of this act and on July 1, 2002, for all other purposes.

## QUESTION NO. 4

Amendment to the Sales and Use Tax Act of 1955

Assembly Bill No. 657 of the 71<sup>st</sup> Session

### CONDENSATION (ballot question)

Shall the Sales and Use Tax Act of 1955 be amended to provide an exemption from the taxes imposed by that act on engines and chassis, including replacement parts and components for the engines and chassis, of professional racing vehicles and for certain motor vehicles used by professional racing teams or sanctioning bodies to transport certain items and facilities?

Yes.....☐ 104,245  
No.....☒ 373,587

### EXPLANATION

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by that act the sale of, furnishing or service of, and the storage, use or other consumption in this state of, engines and chassis, including replacement parts and components for the engines and chassis, of professional racing vehicles that are owned, leased or operated by professional racing teams. It would also make a similar exemption for all motor vehicles used by professional racing teams or sanctioning bodies to transport:

1. Parts or components of professional racing vehicles;
2. A business office of the racing team or sanctioning body; or
3. Any related hospitality facility.

The Legislature has already amended the Local School Support Tax Law and certain analogous taxes on retail sales to provide the same exemption. (See NOTE TO VOTERS on page ii regarding Nevada's sales tax.)

### ARGUMENTS FOR PASSAGE

Exempting engines, chassis, and other components of professional racing vehicles as well as related transport vehicles from the sales and use tax could cause a number of racing teams to relocate to Nevada. Nevada's favorable business environment, good weather conditions, and existing automobile racing facilities, together with this proposed tax exemption, should attract more of these teams and their sanctioning bodies to this State. Further, members of racing teams who relocate to Nevada may be expected to purchase homes, rent or lease garage and warehouse space, and contribute to the state and local economy in many other ways. In addition, if this proposed tax exemption is approved, the resulting increase of automobile racing in Nevada is

likely to attract thousands of additional racing fans to Nevada and help expand its tourist economy.

**A “Yes” vote would amend the Sales and Use Tax Act of 1955 (the state 2 percent component) to provide an exemption from the taxes imposed by that act on engines, chassis, and certain replacement parts and components of professional racing vehicles used by professional racing teams and on certain motor vehicles used by professional racing teams or sanctioning bodies.**

### **ARGUMENTS AGAINST PASSAGE**

Passage of this proposal will reduce sales and use tax revenues available to state government. Although state law already contains several exemptions from the sales and use tax, if the reduction in revenues from exemptions becomes significant, the need to collect those revenues from other sources may result in an increased tax burden for those who are not eligible for an exemption.

Because other states have similar tax exemptions, it is not guaranteed that this exemption will result in the relocation of professional racing teams to Nevada. Even if the exemption might be an incentive for relocation, the Legislature has already granted this exemption from the Local School Support Tax and other analogous taxes which make up all except the 2 percent component of what is commonly referred to as our “sales tax.” (See the NOTE TO VOTERS on page ii regarding Nevada’s sales tax.) The existing exemption is sufficient to attract more professional racing to Nevada.

**A “No” vote would retain the existing provisions in the Sales and Use Tax Act of 1955 (the state 2 percent component) that provide for taxation on the sale of engines, chassis, and certain replacement parts and components of professional racing vehicles used by professional racing teams and on certain motor vehicles used by professional racing teams or sanctioning bodies.**

### **FISCAL NOTE**

**Financial Impact--Cannot be determined.**

The proposal would provide an exemption from the Sales and Use Tax Act of 1955 for engines and chassis of professional racing vehicles that are owned, leased, or operated by professional racing teams and for certain motor vehicles used by professional racing teams or sanctioning bodies to transport certain items and facilities. Approval of this question would result in an indeterminate loss of sales and use tax revenue to state government.

# FULL TEXT OF THE MEASURE

Assembly Bill No. 657—Committee on Taxation

## CHAPTER 141

AN ACT relating to taxes on retail sales; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for engines, chassis and certain parts and components of professional racing vehicles and for motor vehicles used by professional racing teams or sanctioning bodies to transport certain items; providing the same exemption from the Local School Support Tax Law and certain analogous taxes; and providing other matters properly relating thereto.

[Approved: May 24, 2001]

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** At the general election on November 5, 2002, a proposal must be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state at the general election held on November 6, 1956.

**Sec. 2.** At the time and in the manner provided by law, the secretary of state shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

**Sec. 3.** The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the general election on November 5, 2002, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto." approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA  
DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated as section 61.6, immediately following section 61.5, to read as follows:

*Sec. 61.6. 1. There are exempted from the taxes imposed by this act the gross receipts from the sale, furnishing or service of, and the storage, use or other consumption in this state of:*

*(a) All engines and chassis of a professional racing vehicle;*

*(b) All parts and components that are used to replace or rebuild existing parts or components of any engine or chassis of a professional racing vehicle;*

*(c) All motor vehicles used by professional racing teams to transport professional racing vehicles or to transport parts or components of professional racing vehicles, including, without limitation, an engine and chassis of a professional racing vehicle; and*

*(d) All motor vehicles used by a professional racing team or sanctioning body to transport the business office of the professional racing team or sanctioning body or to transport a facility from which hospitality services are provided.*

*2. As used in this section:*

*(a) "Professional racing team" means a racing operation that qualifies for the taxable year as an activity engaged in for profit pursuant to the Internal Revenue Code, Title 26 of the United States Code.*

*(b) "Professional racing vehicle" means any motor vehicle which is used in a professional racing competition and which is owned, leased or operated by a professional racing team.*

*(c) "Sanctioning body" means an organization that establishes an annual schedule of professional racing events in which professional racing teams participate, grants rights to conduct such events and establishes and administers rules and regulations governing the persons who conduct or participate in such events.*

**Sec. 2.** This act becomes effective on January 1, 2003.

**Sec. 4.** The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to provide an exemption from the taxes imposed by this act on engines and chassis, including replacement parts and components for the engines and chassis, of professional racing vehicles that are owned, leased or operated by professional racing teams?

Yes ☐ No ☐

**Sec. 5.** The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by this act the sale of, and the storage, use or other consumption in this state of, engines and chassis, including replacement parts and components for the engines and chassis, of professional racing vehicles that are owned, leased or operated by professional racing teams. The legislature has amended the Local School Support Tax Law and certain analogous taxes on retail sales to provide the same exemption.

**Sec. 6.** If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2003. If less than a majority of votes cast on the question is yes, the question fails and the amendment to the Sales and Use Tax Act of 1955 does not become effective.

**Sec. 7.** All general election laws not inconsistent with this act are applicable.

**Sec. 8.** Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the secretary of state whether the proposed amendment was adopted by a majority of those registered voters.

**Sec. 9.** Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. There are exempted from the taxes imposed by this act the gross receipts from the sale, furnishing or service of, and the storage, use or other consumption in this state of:*

- (a) All engines and chassis of a professional racing vehicle;*
- (b) All parts and components that are used to replace or rebuild existing parts or components of any engine or chassis of a professional racing vehicle;*
- (c) All motor vehicles used by professional racing teams to transport professional racing vehicles or to transport parts or components of professional racing vehicles, including, without limitation, an engine and chassis of a professional racing vehicle; and*
- (d) All motor vehicles used by a professional racing team or sanctioning body to transport the business office of the professional racing team or sanctioning body or to transport a facility from which hospitality services are provided.*

*2. As used in this section:*

- (a) "Professional racing team" means a racing operation that qualifies for the taxable year as an activity engaged in for profit pursuant to the Internal Revenue Code, Title 26 of the United States Code.*
- (b) "Professional racing motor vehicle" means any motor vehicle which is used in a professional racing competition and which is owned, leased or operated by a professional racing team.*
- (c) "Sanctioning body" means an organization that establishes an annual schedule of professional racing events in which professional racing teams participate, grants rights to conduct such events and establishes and administers rules and regulations governing the persons who conduct or participate in such events.*

**Sec. 10.** 1. This section and sections 1 to 8, inclusive, of this act, become effective upon passage and approval.

2. Section 9 of this act becomes effective upon passage and approval for the purpose of adopting any regulations necessary to carry out the provisions of section 9 of this act and on October 1, 2001, for all other purposes.

# QUESTION NO. 5

Amendment to the *Nevada Constitution*

Assembly Joint Resolution No. 4 of the 70<sup>th</sup> Session

## CONDENSATION (ballot question)

Shall the *Nevada Constitution* be amended to repeal the constitutional rule against perpetuities?

Yes.....☐ 183,552  
No.....☒ 270,352

## EXPLANATION

The *Nevada Constitution* currently prohibits transfers of property in perpetuity, except for charitable purposes. This means that persons who own real estate cannot transfer their interests to their heirs or to others if it is possible that such transfers would not actually take effect for a very extended or indefinite period of time. This situation typically arises when property is put in a legal trust for the benefit of future relatives or when property is being distributed under a person's will for future generations. To ensure that the indefinite state of ownership of the property will not go on perpetually, the rule against perpetuities voids a transfer of property if there is any possibility that the transfer will not vest within 21 years after the death of any persons living at the time the transfer was made. An interest in property is said to "vest" at the time the holder of the interest has the right to possess and use it. The proposed amendment would repeal the rule against perpetuities and allow the Legislature to address by law the issue of future property transfer.

An obvious example of a violation of the rule against perpetuities would be a gift of property under a will or trust to a great, great, great grandchild, but the rule may also be violated in less obvious ways, such as when a will or trust provides that grandchildren will not receive an inheritance of property until they turn 25 years old.

## ARGUMENTS FOR PASSAGE

The rule against perpetuities is a common-law principle created over 700 years ago based upon the desire to promote the free exchange of property interests. Although this idea is still valid, the rule against perpetuities is difficult to understand and apply. Since the trustee of a perpetual trust can be given the power to sell or transfer the property at any time, the historical argument that the property will be tied up is no longer convincing. Nevada is one of a minority of states that has the rule against perpetuities in its constitution, thus severely limiting the ability of the Legislature to enact laws relating to this subject. Retaining this strict rule denies property owners reasonable flexibility in their estate planning to create trusts that last for longer periods and that would allow them to maximize the benefits of a trust more fully. The proposed amendment would allow Nevada, like the majority of other states, to enact modern laws

governing the future transferability of property interests that are more understandable and that allow reasonable flexibility in estate planning. These new laws would also be economically beneficial because they would allow Nevada to compete with other states in attracting businesses that create and operate trusts and to avoid losing trust business to other states.

**A “Yes” vote would repeal the constitutional rule against perpetuities and allow the Legislature to provide any necessary limitations on the transferability of real property.**

### **ARGUMENTS AGAINST PASSAGE**

The rule against perpetuities may be ancient, but it is still an important rule that is intended to limit a person’s ability to tie up real property with future interests that long delay someone from finally owning it. The rule against perpetuities was designed to prevent the dead from dominating the affairs of the living through cumbersome restrictions on the use of society’s primary source of wealth, which is land, and to protect the right of the living to enjoy and develop that resource. If the prohibition is repealed, the guaranteed protection of the rule against perpetuities could be lost because the Legislature would not be required to maintain existing limitations on the future transferability of real property.

**A “No” vote would retain the constitutional rule against perpetuities.**

### **FISCAL NOTE**

**Financial Impact--No.**

The proposal to amend the *Nevada Constitution* would repeal the constitutional rule against perpetuities. Approval of this proposal would have no adverse fiscal impact.

### **FULL TEXT OF THE MEASURE**

Assembly Joint Resolution No. 4—Assemblyman Goldwater

FILE NUMBER 79

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Constitution of the State of Nevada to repeal the constitutional rule against perpetuities.

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That section 4 of article 15 of the Constitution of the State of Nevada is hereby repealed.

# QUESTION NO. 6

Amendment to the *Nevada Constitution*

Assembly Joint Resolution No. 13 of the 70<sup>th</sup> Session

## CONDENSATION (ballot question)

Shall the *Nevada Constitution* be amended to revise the term of office of a Supreme Court justice or district court judge who is appointed to fill a vacancy?

Yes.....☐ 192,284  
No.....☒ 279,233

## EXPLANATION

The *Nevada Constitution* specifies that the elective term of office of a Supreme Court justice or district court judge is 6 years. If an elected justice or judge is unable to complete his or her term of office, the vacancy is filled by appointment through a judicial selection process, as outlined in the *Constitution*. A justice or judge appointed to fill a vacancy must run in the next General Election (held in November in even-numbered years) to fill the balance of the original term of office. Depending on the particular circumstances, a person who is appointed to fill such a vacancy may serve in that capacity for as little as a few months to more than two years.

The proposed amendment to the *Constitution* would extend the time before a judicial vacancy must be filled by election. In most cases, this provision would allow an appointed justice or district judge to serve at least 12 months before that office is subject to a General Election. However, this extension of time before an election must be held would not apply if the date of appointment is made within the final 12 months of the original 6-year term of office. In such a case, the successor would be elected at the next General Election. The proposal also clarifies that an election to fill a vacated judicial office is only for the remainder of the unexpired term when any years remain in the original 6-year term of office.

## ARGUMENTS FOR PASSAGE

A person appointed to fill a midterm vacancy in the Supreme Court or district courts typically must close his or her law practice, assume the responsibilities of the departed justice or judge, attend mandated training classes, and campaign for election to that office, often all within the same year. It is unfair to the public to ask a newly appointed justice or judge to divide his or her attention between running the courtroom and engaging in an election campaign immediately upon assuming the bench. In addition to substantially reducing the time the new appointee is able to perform judicial duties for the public, these demanding circumstances may discourage qualified persons from accepting a temporary appointment to fill such a vacancy. The circumstances may instead cause a person to decline the appointment, wait the short period until

candidates may file for that office, file for election and remain in private law practice during the campaign. Approval of the proposed constitutional amendment would remedy this situation by ensuring that the person appointed to fill the vacancy may serve for at least 12 months before the position is subject to election, unless it is the final 12 months of the original 6-year term of office.

**A “Yes” vote would amend the *Nevada Constitution* to allow an appointed justice or district judge to serve at least 12 months before that office is subject to a General Election, unless the date of appointment is within the final 12 months of the original term of office.**

### **ARGUMENTS AGAINST PASSAGE**

This proposal would only affect a few justices and judges appointed to fill vacancies, and may not be of sufficient importance to amend the *Nevada Constitution*. Further, judicial officers are of vital importance to the operation of a fair and impartial judicial branch of government. It is important that persons holding these offices be elected by the public whenever possible. Filling a vacancy by appointment is meant to be a temporary solution when an office becomes vacant. Under this proposal an appointed justice or judge could serve anywhere from 12 months to almost 3 years in office before having to stand for election.

**A “No” vote would retain existing provisions regarding judicial terms of office under the *Nevada Constitution*.**

### **FISCAL NOTE**

#### **Financial Impact--No.**

The proposal to amend the *Nevada Constitution* would revise the term of office of a Supreme Court justice or district court judge who is appointed to fill a vacancy. Approval of this proposal would have no adverse fiscal impact.

### **FULL TEXT OF THE MEASURE**

Assembly Joint Resolution No. 13—Committee on  
Constitutional Amendments

FILE NUMBER 121

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Constitution of the State of Nevada to revise the term of office of a justice of the supreme court or judge of a district court who is appointed to fill a vacancy.

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That section 20 of article 6 of the Constitution of the State of Nevada be amended to read as follows:

Sec. 20. 1. When a vacancy occurs before the expiration of any term of office in the supreme court or among the district judges, the governor shall appoint a justice or judge from among three nominees selected for such individual vacancy by the commission on judicial selection.

~~{2.—The}~~ ***Except as otherwise provided in subsection 2, the*** term of office of any justice or judge so appointed expires on the first Monday of January following the ~~{next}~~ ***first*** general election ~~{.}~~ ***that is held at***

*least 12 calendar months after the date on which the appointment was made. At that general election, a justice or judge must be elected to fill the remainder of the term.*

*2. If the date on which the appointment was made is within the 12 calendar months immediately preceding the expiration of the term of the vacated office, the term of office of the justice or judge appointed pursuant to subsection 1 is the remainder of the unexpired term of office.*

3. Each nomination for the supreme court shall be made by the permanent commission, composed of:

(a) The chief justice or an associate justice designated by him;

(b) Three members of the State Bar of Nevada, a public corporation created by statute, appointed by its board of governors; and

(c) Three persons, not members of the legal profession, appointed by the governor.

4. Each nomination for the district court shall be made by a temporary commission composed of:

(a) The permanent commission;

(b) A member of the State Bar of Nevada resident in the judicial district in which the vacancy occurs, appointed by the board of governors of the State Bar of Nevada; and

(c) A resident of such judicial district, not a member of the legal profession, appointed by the governor.

5. If at any time the State Bar of Nevada ceases to exist as a public corporation or ceases to include all attorneys admitted to practice before the courts of this state, the legislature shall provide by law, or if it fails to do so the court shall provide by rule, for the appointment of attorneys at law to the positions designated in this section to be occupied by members of the State Bar of Nevada.

6. The term of office of each appointive member of the permanent commission, except the first members, is 4 years. Each appointing authority shall appoint one of the members first appointed for a term of 2 years. If a vacancy occurs, the appointing authority shall fill the vacancy for the unexpired term. The additional members of a temporary commission shall be appointed when a vacancy occurs, and their terms shall expire when the nominations for such vacancy have been transmitted to the governor.

7. An appointing authority shall not appoint to the permanent commission more than:

(a) One resident of any county.

(b) Two members of the same political party.

No member of the permanent commission may be a member of a commission on judicial discipline.

8. After the expiration of 30 days from the date on which the commission on judicial selection has delivered to him its list of nominees for any vacancy, if the governor has not made the appointment required by this section, he shall make no other appointment to any public office until he has appointed a justice or judge from the list submitted.

If a commission on judicial selection is established by another section of this constitution to nominate persons to fill vacancies on the supreme court, such commission shall serve as the permanent commission established by subsection 3 of this section.

# QUESTION NO. 7

Amendment to the *Nevada Constitution*

Assembly Joint Resolution No. 26 of the 70<sup>th</sup> Session

## CONDENSATION (ballot question)

Shall the *Nevada Constitution* be amended to allow an exemption from the state debt limit for state contracts necessary for the improvement, acquisition or construction of public elementary and secondary schools?

Yes.....☐ 203,560  
No.....☒ 273,647

## EXPLANATION

The *Nevada Constitution* limits the ability of the state to borrow money. The current limit on the amount of this public debt is equal to 2 percent of the assessed value of all taxable property in the state. The traditional form that the state uses to borrow money is through the sale of bonds. As a result, this limit on the state's indebtedness is commonly referred to as a limit on the state's bonding capacity or as a cap on the state's bonded indebtedness. There are currently two exceptions to this state debt limit. One exception is for money borrowed by the state to meet its state militia or public defense needs. The second exception is for money borrowed by the state for the protection and preservation of natural resources of the state. Money borrowed for these two purposes is not counted against the cap on the state's ability to borrow money.

The proposed amendment to the *Constitution* would add a third exception to the state debt limit. This new exception would be for money borrowed by the state for the improvement, acquisition or construction of public elementary and secondary schools.

## ARGUMENTS FOR PASSAGE

There is a critical need in this state for additional public school facilities. There is also a critical need to improve or repair our existing public school facilities. Under the existing mechanism to fund public education, the local school districts are required to provide the necessary public school facilities. Many school districts lack adequate financial resources to provide safe and sufficient facilities and are requesting financial assistance from the state government. Since any state bonds issued for school improvement, acquisition or construction are currently subject to the constitutional limit on state debt, the limit has usually prevented the state from issuing bonds on behalf of school districts or on the state's own behalf. The proposed amendment would allow the state to issue bonds on behalf of local school districts without reducing the amount available for other state construction needs under the constitutional debt limit. The issuance of bonds by the state on a school district's behalf may result in a more favorable interest rate on the bonds than could be obtained by the school district without the state's involvement, which could result

in a lower property tax rate for the school district. In this situation, the bonds would be repaid from tax revenue of the local school district.

The amendment would also allow the state to issue bonds on its own behalf for the improvement, acquisition or construction of public school facilities without reducing the amount available for other state construction needs under the constitutional debt limit. The state may choose to issue bonds on its own behalf when a local school district is financially unable to maintain or construct adequate school facilities on its own. In this situation, the bonds would be repaid from tax revenue of the state.

**A “Yes” vote would amend the *Nevada Constitution* to allow an exemption from the state debt limit for the improvement, acquisition or construction of public elementary and secondary schools.**

### **ARGUMENTS AGAINST PASSAGE**

Bonds are debts that must be repaid by tax dollars. The constitutional limit on how much debt the state may incur was adopted to prevent the state from incurring too much debt. With only a few exceptions, the state has never provided funding for school facilities and has left that responsibility to the local school districts. The local school districts should remain financially responsible for the facilities within their boundaries. Although the amendment would not specifically increase state taxes for school construction, if the amendment results in the issuance of bonds by the state on its own behalf for the improvement, acquisition or construction of school facilities, the funding necessary to pay the principal and interest on those bonds may become an additional tax burden at the state level.

**A “No” vote would retain existing provisions regarding the state debt limit under the *Nevada Constitution*.**

### **FISCAL NOTE**

#### **Financial Impact—Cannot be Determined.**

The proposal to amend the *Nevada Constitution* would allow an exemption from the state debt limit for the improvement, acquisition or construction of public elementary and secondary schools. Approval of this proposal does not increase bonded indebtedness in the absence of subsequent legislative action. However, approval of additional bonded indebtedness by the Legislature as authorized by this measure could result in an indeterminate increase in property or other taxes to service that indebtedness.

## FULL TEXT OF THE MEASURE

Assembly Joint Resolution No. 26—Assemblywoman Giunchigliani

Joint Sponsor: Senator O'Connell

FILE NUMBER 122

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Constitution of the State of Nevada to exempt state contracts for the improvement, acquisition and construction of facilities for schools from the limit on general borrowing by the state.

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That section 3 of article 9 of the Constitution of the State of Nevada be amended to read as follows:

Sec. 3. *1.* The state may contract public debts; but such debts shall never, in the aggregate, exclusive of interest, exceed the sum of two per cent of the assessed valuation of the state, as shown by the reports of the county assessors to the state controller, except for the purpose of defraying extraordinary expenses, as hereinafter mentioned. Every such debt shall be authorized by law for some purpose or purposes, to be distinctly specified therein; and every such law shall provide for levying an annual tax sufficient to pay the interest semiannually, and the principal within twenty years from the passage of such law, and shall specially appropriate the proceeds of said taxes to the payment of said principal and interest; and such appropriation shall not be repealed nor the taxes postponed or diminished until the principal and interest of said debts shall have been wholly paid. Every contract of indebtedness entered into or assumed by or on behalf of the state, when all its debts and liabilities amount to said sum before mentioned, shall be void and of no effect, except in cases of money borrowed to repel invasion, suppress insurrection, defend the state in time of war, or, if hostilities be threatened, provide for the public defense.

*2.* The state, notwithstanding the foregoing limitations, may, pursuant to authority of the legislature, make and enter into any and all contracts necessary, expedient or advisable for ~~the~~ :

*(a)* *The* protection and preservation of any of its property or natural resources, or for the purposes of obtaining the benefits thereof ~~};~~ ; *and*

*(b)* *The improvement, acquisition and construction of facilities for public elementary and secondary schools,*

however arising and whether arising by or through any undertaking or project of the United States or by or through any treaty or compact between the states, or otherwise. The legislature may from time to time make such appropriations as may be necessary to carry out the obligations of the state under such contracts, and shall levy such tax as may be necessary to pay the same or carry them into effect.

# QUESTION NO. 8

Amendment to the *Nevada Constitution*

Senate Joint Resolution No. 11 of the 70<sup>th</sup> Session

## CONDENSATION (ballot question)

Shall the *Nevada Constitution* be amended to authorize the Legislature to provide by law for a reduction in the property taxes on a single-family residence occupied by the owner to avoid a severe economic hardship to that owner?

Yes.....☒ 284,346  
No.....☐ 200,968

## EXPLANATION

The *Nevada Constitution* now requires that the Legislature provide for a uniform and equal rate of taxation for all property, with certain specified exceptions. The proposed amendment to the *Constitution* would authorize the Legislature to set forth by law the circumstances under which a property tax abatement or an exemption of part of the assessed value of a single-family residence may be granted to avoid a severe economic hardship to the owner of that residence. Such a property tax abatement or exemption could only be granted for single-family residences that are occupied by the owner of the residence. The Legislature would enact laws defining the kinds of economic hardships that would make a homeowner eligible for such an abatement or exemption, and setting forth the permissible amount and duration of the abatement or exemption.

## ARGUMENTS FOR PASSAGE

As a result of severe economic hardship, some homeowners find it difficult to pay the property taxes on their residences. In some cases, this hardship is caused by unemployment or extraordinary medical expenses. In other cases, homeowners have occupied the same home for many years, and during that time the value of the home has greatly increased. This increase in the value of the home causes a corresponding increase in the property taxes that are due. In some of these cases, the incomes of these homeowners have not kept pace with these increasing property taxes and a severe economic hardship has occurred. Such persons should not be forced to sell their homes to pay their taxes. The Legislature should have the authority to enact laws to abate or reduce the residential property taxes on certain single-family residences to the extent necessary to avoid severe economic hardship to the owners of the residences.

**A “Yes” vote would amend the *Nevada Constitution* to authorize the Legislature to reduce the property taxes on a single-family residence occupied by the owner to avoid a severe economic hardship to that owner.**

## ARGUMENTS AGAINST PASSAGE

A reduction of property taxes on certain single-family residences could result in reduced tax revenues for state and local governments. If the reduction in revenues is significant, the need to collect those revenues from other sources may result in an increased tax burden for those who are not eligible for the property tax abatement or partial exemption on assessed values. All Nevadans should pay their fair share of the state's tax burden. It is unfair to allow the Legislature to create a special procedure to reduce the amount of residential property taxes that certain homeowners must pay. In cases where the surrounding property values have greatly increased, value of the residence has also increased. A homeowner who is claiming an economic hardship in these circumstances can make a substantial profit from selling the property.

**A “No” vote would retain existing provisions of the *Nevada Constitution* that require uniform and equal taxation of real property.**

## FISCAL NOTE

**Financial Impact--Cannot be determined.**

The proposal to amend the *Nevada Constitution* would authorize the Legislature to provide by law for a reduction in the property taxes on a single-family residence occupied by the owner to avoid a severe economic hardship to that owner. Approval of this proposal does not require a reduction in property taxes for those homeowners in the absence of subsequent legislative action. However, approval of a tax abatement or exemption by the Legislature as authorized by this measure could result in an indeterminate loss of property tax revenue to the state and local governments.

## FULL TEXT OF THE MEASURE

Senate Joint Resolution No. 11--Senator O'Connell

FILE NUMBER 86

SENATE JOINT RESOLUTION—Proposing to amend the Constitution of the State of Nevada to authorize the abatement of the property tax for certain owners of single-family residences.

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That section 1 of article 10 of the Constitution of the State of Nevada be amended to read as follows:

Section 1. 1. The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, which shall be assessed and taxed only as provided in section 5 of this article.

2. Shares of stock, bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.

3. The legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used.

4. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State

of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

5. The legislature may exempt motor vehicles from the provisions of the tax required by this section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation.

6. The legislature shall provide by law for a progressive reduction in the tax upon business inventories by 20 percent in each year following the adoption of this provision, and after the expiration of the 4th year such inventories are exempt from taxation. The legislature may exempt any other personal property, including livestock.

7. No inheritance tax shall ever be levied.

8. The legislature may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes, or to encourage the conservation of energy or the substitution of other sources for fossil sources of energy.

9. No income tax shall be levied upon the wages or personal income of natural persons. Notwithstanding the foregoing provision, and except as otherwise provided in subsection 1 of this section, taxes may be levied upon the income or revenue of any business in whatever form it may be conducted for profit in the state.

***10. The legislature may provide by law for an abatement of the tax upon or an exemption of part of the assessed value of a single-family residence occupied by the owner to the extent necessary to avoid severe economic hardship to the owner of the residence.***

## Question No. 9

### Amendment to the Nevada Constitution

An Initiative relating to the use and possession of up to three ounces of marijuana, the distribution of marijuana, and other matters related thereto.

#### CONDENSATION (ballot question)

Shall the Nevada Constitution be amended to allow the use and possession of three ounces or less of marijuana by persons aged 21 years or older, to require the Legislature to provide or maintain penalties for using, distributing, selling or possessing marijuana under certain circumstances, and to provide a system of regulation for the cultivation, taxation, sale and distribution of marijuana?

Yes.....☐ 196,371  
No.....☒ 305,479

#### EXPLANATION

The proposed amendment to the Nevada Constitution would amend sections of the Nevada Constitution that currently authorize the use of marijuana for medical purposes. The proposed amendment would allow any persons who has attained the age of 21 years to use or possess three ounces or less of marijuana without being subject to arrest, civil or criminal penalty or seizure, or forfeiture of assets.

The constitutional amendment also requires the Legislature to provide or maintain penalties for driving dangerously or operating heavy machinery while under the influence of marijuana; for distributing or selling marijuana to persons under age 21 years; for persons under the age of 21 years using and possessing marijuana; for using marijuana in a vehicle or public place; and for distributing, selling, using or possessing marijuana on the premises of a jail, prison, or public school.

The proposal also requires establishment of a system of regulation for the cultivation, taxation, sale and distribution of marijuana, including the distribution of marijuana at low cost to those medically authorized to use it. Under this system, all advertising of marijuana is prohibited. The purchase of marijuana from licensed establishments is authorized under this proposal. The transportation of marijuana in or out of state is prohibited unless federal law permits such transport. The license fees and taxes at wholesale are proposed to be the same as those for cigarettes and tobacco related products, respectively. The retail sales tax for marijuana is proposed to be the same as those of other products generally.

## ARGUMENTS FOR PASSAGE

Proponents of the proposal argue that it is a waste of tax dollars to arrest people for small amounts of marijuana, and, if passed, this proposal will allow law enforcement and the courts to focus resources on more serious crimes. Proponents further argue that marijuana has fewer harmful side effects than alcohol and tobacco, which are already legal and regulated by the state.

Proponents argue that the system of regulation and taxation required by the proposed amendment could potentially generate substantial tax revenues for the state of Nevada, including additional tax dollars to cover the costs to establish the program. In addition, state control of distribution may replace the current illegal market for marijuana.

Medical marijuana is legal now in Nevada and this proposed constitutional amendment would require the Legislature to authorize appropriate methods of supply and distribution of marijuana for medical purposes at a low cost to patients authorized to use or possess it. Proponents argue that this would allow seriously ill patients who may not otherwise be able to afford medical marijuana to enjoy the medical benefits of marijuana.

Finally, proponents argue that the requirement that penalties still be imposed for the irresponsible use of marijuana, such as in vehicles or public places or by those under the age of 21 years, including the distribution or sale to such minors, strikes the appropriate balance between legalization and prohibition.

**A “Yes” vote would amend the Nevada Constitution to allow the legal use and possession of three ounces or less of marijuana by persons 21 years of age or older, while requiring penalties for misuse and the establishment of a system of regulation, for the cultivation, taxation, sale, and distribution.**

## ARGUMENTS AGAINST PASSAGE

Opponents of the proposal argue that marijuana is a “gateway” drug. Decriminalization will increase the number of marijuana users who will likely move on to “harder drugs” like heroine or cocaine. Opponents argue that it is not appropriate to amend the Nevada Constitution to create a right to use and possess marijuana and note that Nevada law already allows for the medical use of marijuana.

Opponents argue that any savings resulting from the refocusing of law enforcement resources will be outweighed by increased health costs similar to those resulting from tobacco use. The increased tax revenues for the state will similarly be outweighed by the cost to establish and run another state agency to regulate the cultivation, sale, taxation and distribution of marijuana to authorized persons. According to opponents, decriminalizing possession and use of three ounces or less serves no purpose other than to further a political agenda to legalize all drugs.

Opponents argue that decriminalization will lead to more crime, more substance abuse and more citizens of this state who are addicted to marijuana and other controlled substances. Because of

this increased negative effect, the tourism industry in Nevada will be negatively impacted, as Nevada will become the nation's marketplace for drug sale and usage.

In addition, opponents argue that because production and distribution of marijuana would still be illegal under current federal law, effective regulation will be impossible to enact and enforce.

**A "No" vote would not amend the Nevada Constitution to allow the legal use and possession of three ounces or less of marijuana by persons 21 years of age or older, nor require penalties for misuse or the establishment of a system of regulation for the cultivation, taxation, sale, and distribution.**

### FISCAL NOTE

Financial Impact—No adverse fiscal impact.

### FULL TEXT OF THE MEASURE

**Section 1.** Section 38 of Article 4 of the Constitution of the State of Nevada is hereby amended to read as follows:

Sec. 38. Use of [~~plant of genus Cannabis~~] **marijuana** for medical purposes [.] **and regulation of marijuana.**

- 1. As used in this section, "marijuana" means a plant of the genus Cannabis or its product.**
- 2. The use or possession of three ounces or less of marijuana by a person who has attained the age of 21 years is not cause for arrest, civil or criminal penalty, or seizure or forfeiture of assets.**
- 3. The legislature shall provide or maintain penalties for:**
  - (a) Driving dangerously, or operating heavy machinery, while under the influence of marijuana.**
  - (b) The distribution or sale of marijuana to, and the possession or use of marijuana by, persons who have not attained the age of 21 years.**
  - (c) The smoking of marijuana in a vehicle or public place, including a publicly operated carrier of passengers, a public park, or a place where gaming is permitted.**
  - (d) The distribution, sale, possession, or use of marijuana on the premises of a jail, prison, or public school.**

[±] 4. The legislature shall provide by law for:

- (a) The use **of marijuana** 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~~] **or** 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]~~ **marijuana** 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]~~ **marijuana**.
- (c) Protection of ~~[the plant]~~ **marijuana** 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]~~ **marijuana** 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]~~ **marijuana** to patients authorized to use it [...] **and for the distribution of marijuana at low cost to those patients.**
- (f) ***A system of regulation, designed to curb the unlawful production of or trafficking in marijuana, for the cultivation, taxation, sale, and distribution of marijuana to persons authorized under this section to use or possess it, under which:***

- (1) All advertising of marijuana through television, radio, newspapers, magazines, or billboards is prohibited.***
- (2) A person who has attained the age of 21 years may purchase marijuana from licensed establishments.***
- (3) The license fees at wholesale and retail are the same for marijuana as for cigarettes, the tax for sale at wholesale are the same for marijuana as for tobacco products other than cigarettes, and the tax for sale of marijuana at retail is the same as the combined taxes on sales at retail of other products generally.***
- (4) The transport of marijuana into or out of this state is prohibited unless federal law permits such transport.***

[2] 5. 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] marijuana or accommodation of [medical] any use, possession, or being under the influence of marijuana in a place of employment.~~

**6. Any statute or regulation inconsistent with this section is null and void after January 1, 2005.**