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**Statement pursuant to NRS 233B.0613(1) to implement regulations pursuant to  
The Regulation and Taxation of Marijuana Act under NRS 453D**

Voters approved the Regulation and Taxation of Marijuana Act at the 2016 General Election. The Act is codified in Chapter 453D and provides that the Department of Taxation (“Department”) shall adopt all regulations necessary or convenient to carry out the provisions of NRS Chapter 453D. Temporary regulation Legislative Counsel Bureau (“LCB”) File No. T002-17 was adopted on May 8, 2017 (the “temporary regulation”). Pursuant to NRS 233B.063, the temporary regulation will expire on November 1, 2017.

Marijuana establishments became licensed under the temporary regulation to sell adult-use marijuana starting July 1, 2017. The temporary regulation also provides operating requirements including provisions pertaining to licensing, security, inventory control, packaging, labeling, testing, transportation, taxes, fees, and penalties. Additionally, it addresses the prevention of the sale or diversion of marijuana or marijuana products to the black market or to persons under 21 years of age.

The Department drafted a permanent regulation and conducted public workshops from July 24 through July 27, 2017 on the proposed permanent regulation. The draft language was submitted to LCB on September 6, 2017 and was assigned LCB File No. R092-17. The Department has not yet received the approved text of LCB File No. R092-17 from LCB. Pursuant to NRS 233B.064, the Department cannot adopt LCB File No. R092-17 until it has received from LCB the approved or revised text of the regulation in the form to be adopted. The Department must also provide 30 days’ notice of the public hearing before the Nevada Tax Commission to adopt the permanent regulation once it receives the approved text of the permanent regulation from LCB.

This emergency regulation is necessary to provide continued operating, regulatory and enforcement requirements for licensed marijuana establishments as well as licensing procedures to those seeking to apply for marijuana establishment licenses while the permanent regulation is pending. This regulation will ensure that the adult-use market continues to be tightly regulated under a strictly controlled regulatory system.

Dated this 26<sup>th</sup> day of October, 2017:

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Deonne E. Contine, Executive Director  
Nevada Department of Taxation

Statement prepared pursuant to NRS 233B.0613(1)

October 26, 2017

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I hereby endorse this Statement prepared by the Executive Director of the Department of Taxation pursuant to NRS 233B.0613(1) .

Dated this \_\_\_\_\_ day of October, 2017:

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Brian Sandoval, Governor  
State of Nevada