

**ADOPTED TEMPORARY REGULATION OF THE
NEVADA TAX COMMISSION**

LCB FILE NO. T002-18A

(NAC Chapter 453D)

**The following document is the adopted temporary
regulation submitted
by the agency on 01/09/2019**

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SECRETARY OF STATE
FILING DATA

FILED.NV.SOS
2018 NOV 5 PM12:57

Form For Filing
Administrative Regulations

Agency: Department of Taxation

Temporary Regulation
LCB File No. T002- 18

FOREMERGENCY
REGULATIONS ONLY

Effective date_____

Expiration date_____

Governor's signature

Classification: ADOPTED BY AGENCY

Brief description of action: The Nevada Tax Commission adopted LCB File No. T002-18 is to clarify the distribution of \$3,500,000.00 to localities. Specifically, the regulation clarifies that the distribution is to each local government in which a marijuana establishment or medical marijuana establishment has been established and received a license. This regulation also clarifies how population will be defined for distribution and revises the distribution date.

Authority citation other than 2338: N/A

Notice date: 8/30/2018

Date of Adoption by Agency: 10/01/2018

Hearing date: 10/01/2018

**REVISED PROPOSED TEMPORARY REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. T-002-18

August 29, 2018

EXPLANATION – Matter in *italics* is new language in proposed original draft; matter in brackets ~~[omitted material]~~ is material to be omitted in original draft. Matter in brackets ~~[omitted material from original draft]~~ is language proposed to be omitted from this draft. Matter in *italics* is new language proposed to be added in this draft

AUTHORITY: §1, NRS 360.090, NRS 372A.290, as amended by section 9 of Senate Bill No. 487, chapter 541, Statutes of Nevada 2017, at page 373, 453D.200, 453D.510

A REGULATION relating to taxation; clarifying the distribution of \$3,500,000 to local governments; and providing other matters properly relating thereto.

Existing law allows for distribution of \$3,500,000 to each locality in which a marijuana establishment or medical marijuana establishment is located on for reimbursement of the costs of each locality to carry out the provisions of chapters 453A and 453D of the NRS.

This regulation clarifies that the distribution is to each local government that has a local approval and licensing process for marijuana establishments or medical marijuana establishments to operate and has granted such approval to a marijuana establishment or medical marijuana establishment to operate. This regulation also clarifies how population will be defined for distribution and revises the distribution date.

Section 1. LCB File No. R092-17AP section 235 is hereby amended to read as follows:

Sec. 235 ~~[Within 30 days after the effective date of this regulation and]~~ ~~[o]~~ On ~~[November]~~ *February* 1 of each year ~~[thereafter]~~, the Department will reimburse the costs of each local government of carrying out the provisions of chapters 453A and 453D of NRS as follows:

1. By distributing a total amount of \$1,500,000, divided equally, to each county; and
2. By distributing a total amount of \$3,500,000, *divided on the basis of population between* ~~[to]~~ each *qualifying local government* ~~[locality]~~ ~~[in which a marijuana establishment or a medical marijuana establishment is located and, if the local government has a process for granting an approval and/or local license to such businesses, the local government has granted such approval and/or local license to a marijuana establishment or a medical marijuana establishment to operate. These dollars will be, divided on the basis of population of each]~~ ~~[locality, to each locality]~~

~~in which a marijuana establishment or a medical marijuana establishment is located~~ *[qualifying jurisdiction on] as of [:]*

~~[(a) February 16, 2018, for the initial distribution pursuant to this subsection; and]~~

~~[(b)]~~ September 1 of each year for each ~~[subsequent]~~ distribution pursuant to this subsection.

(a) For counties to qualify for this distribution, they must 1) have a local approval and licensing process for ~~[there must be a licensed]~~ marijuana establishments or medical marijuana establishments to operate and; 2) have ~~[located in an area of the county outside of an incorporated city or town that qualifies for this distribution described in section (b) and, if the county has a process for granting an approval and/or local license to such a business, the county has]~~ granted such approval ~~[and/or local license to such a business, the county has granted such approval and/or local license]~~ to a marijuana establishment or medical marijuana establishment to operate within the county, but outside of a city or town that qualifies for this distribution described in section (b).

(b) For cities or towns to qualify for this distribution, ~~[there]~~ they must 1) have a local approval and licensing process for ~~[be a licensed]~~ marijuana establishments or medical marijuana establishments to operate; and 2) ~~[located within an area of the city or town and, if the city or town has a process for granting an approval and/or local license to such a business, the city or town has]~~ have granted such approval ~~[and/or local license]~~ to a marijuana establishment or medical marijuana establishment to operate within the city or town.

(c) For the purposes of section 2, the population of any county qualifying for the distribution shall be calculated by taking the total population of the county and subtracting the population(s) of any qualifying cities(s) or town(s) located within that county.