

**PROPOSED TEMPORARY REGULATION OF THE
NEVADA TAX COMMISSION
(NAC Chapter 453D)**

LCB FILE NO. T002-18P

**The following document is the temporary regulation proposed
by the agency submitted on 08/29/2018**

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

LCB File No. xxx

August 29, 2018

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

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 in which a marijuana establishment or medical marijuana establishment has been established 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. 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 between ~~[to]~~ each **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 ~~[:]~~

~~[(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, there must be a licensed marijuana establishment or medical marijuana establishment 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 a marijuana establishment or medical marijuana establishment to operate.

(b) For cities or towns to qualify for this distribution, there must be a licensed marijuana establishment or medical marijuana establishment 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 granted such approval and/or local license to a marijuana establishment or medical marijuana establishment to operate.

(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.