

**ADOPTED REGULATION OF THE
DEPARTMENT OF TAXATION**

LCB File No. R026-19

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

AUTHORITY: §1, NRS 372A.290 and 453D.510.

A REGULATION relating to marijuana; revising provisions governing the distribution of money by the Department of Taxation to reimburse local governments for the costs associated with carrying out certain provisions of law relating to marijuana; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Department of Taxation to use revenues collected from certain excise taxes on marijuana to pay the costs of the Department and local governments to carry out the provisions of statute governing the regulation and taxation of marijuana. (NRS 372A.290, 453D.510) Existing regulations require the Department of Taxation to reimburse the costs of local governments by distributing on November 1 of each year an amount of: (1) \$1,500,000, divided equally, to each county; and (2) \$3,500,000, divided on the basis of population, to each locality in which a marijuana establishment or a medical marijuana establishment is located on certain specified dates. (NAC 453D.239) This regulation requires these distributions to be made on February 1 of each year. Additionally, this regulation requires the \$3,500,000 distribution to be made to each locality which, on or before September 1 of the immediately preceding year, was a qualifying locality. This regulation defines a qualifying locality as a locality which issues business licenses for and approves or disapproves the operation of marijuana establishments and medical marijuana establishments in its jurisdiction and which has issued a business license for and approved the operation of a marijuana establishment or medical marijuana establishment in its jurisdiction.

Section 1. NAC 453D.239 is hereby amended to read as follows:

453D.239 ~~{Within 30 days after February 27, 2018, and on November 1}~~

1. On February 1 of each year, ~~{hereafter,}~~ the Department will reimburse the costs of each local government of carrying out the provisions of chapters 453A and 453D of NRS as follows:

~~11.1~~ (a) By distributing a total amount of \$1,500,000, divided equally, to each county; and

~~12.1~~ (b) By distributing a total amount of \$3,500,000 to each locality ~~1.1~~ *which, on*

September 1 of the immediately preceding year, was a qualifying locality, divided on the basis of the population of each *such qualifying* locality . ~~1.1 to each locality in which a marijuana~~

~~establishment or a medical marijuana establishment is located 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.]~~

2. *For the purposes of this section, the population of a qualifying locality that is a county does not include the population of any city that is a qualifying locality.*

3. *As used in this section, “qualifying locality” means:*

(a) *A county which:*

(1) *Issues business licenses for and approves or disapproves the operation of marijuana establishments and medical marijuana establishments in areas of the county outside of the boundaries of a city; and*

(2) *Has issued a business license for and approved the operation of a marijuana establishment or medical marijuana establishment in the county outside of the boundaries of a city.*

(b) *A city which:*

(1) *Issues business licenses for and approves or disapproves the operation of marijuana establishments and medical marijuana establishments in the city; and*

(2) *Has issued a business license for and approved the operation of a marijuana establishment or medical marijuana establishment in the city.*