

Amendment No. 247

| | |
|---|---------------|
| Senate Amendment to Senate Bill No. 402 | (BDR 56-1064) |
| Proposed by: Senate Committee on Commerce and Labor | |
| Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes | |

| |
|--|
| Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 402 (§§ 8, 9, 14). |
|--|

| ASSEMBLY ACTION | | | Initial and Date | SENATE ACTION | | | Initial and Date | | |
|-----------------|--------------------------|------|--------------------------|---------------|--------------|--------------------------|------------------|--------------------------|-------|
| Adopted | <input type="checkbox"/> | Lost | <input type="checkbox"/> | _____ | Adopted | <input type="checkbox"/> | Lost | <input type="checkbox"/> | _____ |
| Concurred In | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ | Concurred In | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ |
| Receded | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ | Receded | <input type="checkbox"/> | Not | <input type="checkbox"/> | _____ |

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SJQ/BAW



Date: 4/17/2023

S.B. No. 402—Creates the Cannabis Mentorship Pilot Program. (BDR 56-1064)



SENATE BILL NO. 402—SENATORS SPEARMAN; AND D. HARRIS

MARCH 27, 2023

JOINT SPONSOR: ASSEMBLYMAN C.H. MILLER

Referred to Committee on Commerce and Labor

SUMMARY—Creates the Cannabis Mentorship Pilot Program. (BDR 56-1064)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to cannabis; establishing the Cannabis Mentorship Pilot Program; setting forth various requirements for the Program; authorizing the Cannabis Compliance Board to approve and issue a certificate of transferable tax credits to a licensee that participates in the Program as a sponsor; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the licensure and regulation of persons and establishments involved in the cannabis industry in this State by the Cannabis Compliance Board. (Title 56 of NRS) **Section 7** of this bill creates the 4-year Cannabis Mentorship Pilot Program for the purpose of providing persons who have been adversely affected by provisions of previous laws which criminalized activity relating to cannabis the opportunity to receive training, experience and mentorship in the cannabis industry in this State. **Section 7** requires the Program to provide for, in general, the placement of a participant as a full-time employee with a sponsor who holds a license issued by the Board for a 2-year period during which the participant works for the sponsor in a variety of aspects of the business operations of the sponsor. **Section 7** requires a person to have been adversely affected by previous laws which criminalized activity relating to cannabis in order to be eligible to participate in the Program. Finally, **section 7** requires the Board to adopt regulations governing the Program.

Section 8 of this bill requires a person who wishes to participate in the Program to submit to the Board an application and a fee. **Section 14** of this bill requires the amount of the fee to be established by the Board by regulation. **Section 21** of this bill makes a conforming change to reflect the addition of the provisions of **section 14**. **Section 9** of this bill requires an applicant whose application is conditionally approved to enter into a written mentorship agreement with a proposed sponsor, which must be approved by the Board for participation in the Program.

~~[Section 10 of this bill provides that a sponsor is not subject to disciplinary action for any violation of the provisions of existing law governing cannabis that is committed by a participant during the mentorship period.]~~

Section 11 of this bill requires the Board to conduct monitoring of a participant and sponsor throughout the mentorship period. If, at the ~~termination~~ conclusion of the mentorship period, a participant has satisfied the goals, benchmarks and performance metrics for the Program established by the Board by regulation, **section 11** requires the Board to issue

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

27 the participant a certificate indicating that the participant has successfully completed the
28 Program.

29 Existing law sets forth various requirements for the issuance of an adult-use cannabis
30 establishment license. (NRS 678B.250) **Section 12** of this bill requires the Board, not later
31 than October 1, 2027, to accept applications for a period of 10 business days for the issuance
32 of an adult-use cannabis establishment license for a cannabis production facility from
33 participants who have successfully completed the Program. **Section 12** requires the Board to
34 issue not more than 10 such licenses to qualified participants who submit an application.
35 **Section 12** requires the applications for such licenses to be submitted and the licenses to be
36 issued in accordance with the procedures and requirements set forth under existing law for the
37 issuance of any other adult-use cannabis establishment license. **Section 13** of this bill provides
38 an exception from provisions prohibiting the Board from accepting applications to operate a
39 cannabis establishment for more than 10 business days in any 1 year for the acceptance of
40 applications pursuant to **section 12**.

41 Existing law imposes a 10 percent excise tax on each retail sale of cannabis or cannabis
42 products by an adult-use cannabis retail store or cannabis consumption lounge and a 15
43 percent excise tax on each wholesale sale of cannabis by a medical cannabis cultivation
44 facility or an adult-use cannabis cultivation facility to another cannabis establishment. (NRS
45 372A.290) **Section 16** of this bill authorizes a sponsor in the Program to apply for a
46 transferable tax credit that may be applied to the excise taxes on cannabis. **Section 16**
47 authorizes such an application to be made: (1) at the commencement of the mentorship period
48 in the amount equal to the costs of employing a participant for 2 years; and (2) at the
49 ~~termination~~ **conclusion** of the mentorship period, in the amount of 3 percent of the tax owed
50 for the 1 year after the ~~termination~~ **conclusion** of the mentorship period. Upon approval of
51 an application, **section 16** requires the Board to issue a certificate of eligibility for transferable
52 tax credits. Under **section 16**, the amount of the transferable tax credits that the Board is
53 authorized to approve in any fiscal year must not exceed \$10,000,000 for the duration of the
54 4-year Program. **Section 17** of this bill requires a person who has received transferable tax
55 credits pursuant to **section 16** to repay to the Department of Taxation any portion of the
56 transferable tax credits to which the person is not entitled if the person becomes ineligible for
57 the tax credits after receiving the tax credits. **Section 18** of this bill requires the Board to
58 submit an annual report to the Governor and the Legislature or Legislative Commission
59 concerning the transferable tax credits issued pursuant to **section 16**. **Sections 19 and 20** of
60 this bill make conforming changes to ~~indicate the proper placement of~~ **make existing**
61 **definitions related to the taxation of cannabis apply to sections 16-18**.

62 **Sections 3-6** of this bill define words and terms applicable to the provisions of this bill.
63 **Section 22** of this bill requires the Board, on or before October 31, 2024, to submit to the
64 Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission a
65 report on the progress of the Board in carrying out its duties with respect to the Program.
66 **Section 23** of this bill requires the Board to adopt regulations governing the Program on or
67 before May 31, 2024. **Section 25** of this bill expires the provisions of this bill on December
68 31, 2027.

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

1 **Section 1.** Chapter 678B of NRS is hereby amended by adding thereto the
2 provisions set forth as sections 2 to 12, inclusive, of this act.

3 **Sec. 2.** *As used in sections 2 to 12, inclusive, of this act, the words and*
4 *terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed*
5 *to them in those sections.*

6 **Sec. 3.** *“Mentorship period” means the period commencing on the date a*
7 *participant begins his or her employment for the sponsor with whom the*
8 *participant has been placed under the Program and ending on the date on which*
9 ~~*that employment terminates,*~~ *the mentorship is completed, as set forth in the*

1 *written mentorship agreement approved by the Board pursuant to section 9 of this*
2 *act.*

3 **Sec. 4.** *“Participant” means a person who has been approved as a*
4 *participant in the Program pursuant to section 9 of this act.*

5 **Sec. 5.** *“Program” means the Cannabis Mentorship Pilot Program created*
6 *by section 7 of this act.*

7 **Sec. 6.** *“Sponsor” means a licensee who has been approved as a sponsor in*
8 *the Program pursuant to section 9 of this act.*

9 **Sec. 7. 1.** *The Cannabis Mentorship Pilot Program is hereby created for*
10 *the purpose of providing persons who have been adversely affected by provisions*
11 *of previous laws which criminalized activity relating to cannabis the opportunity*
12 *to receive training, experience and mentorship in the cannabis industry in this*
13 *State.*

14 **2.** *The Board shall administer the Program. The Program must:*

15 *(a) Provide for the placement of a participant as a full-time employee with a*
16 *sponsor selected by the participant for a period of 2 years;*

17 *(b) Require the participant, during the mentorship period, to actively work*
18 *for the sponsor in a variety of aspects of the business operations of the sponsor;*

19 *(c) Provide for one-on-one training and mentoring of the participant by the*
20 *owners, officers, managers or other persons in charge of the business operations*
21 *of the sponsor; and*

22 *(d) Require periodic reviews and evaluations of the performance of the*
23 *participant during the mentorship period.*

24 **3.** *To be eligible to participate in the Program, a person must have been*
25 *adversely affected by provisions of previous laws which criminalized activity*
26 *relating to cannabis, as determined by the Board in accordance with the*
27 *regulations adopted pursuant to this section.*

28 **4.** *The Board shall adopt regulations necessary to establish and administer*
29 *the Program. The regulations must, without limitation:*

30 *(a) Establish criteria to be used by the Board for determining whether an*
31 *applicant is eligible to participate in the Program pursuant to subsection 3 ~~4~~,
32 which must, to the extent applicable, be the same criteria used by the Board for*
33 *determining whether an applicant for the issuance or renewal of an adult-use*
34 *cannabis establishment license for an independent cannabis consumption lounge*
35 *qualifies as a social equity applicant pursuant to NRS 678B.323;*

36 *(b) Set forth any additional requirements for a person to be eligible to*
37 *participate in the Program;*

38 *(c) Set forth requirements for a licensee to serve as a sponsor in the*
39 *Program;*

40 *(d) Establish goals, benchmarks and performance metrics to measure*
41 *whether a participant has successfully completed the Program;*

42 *(e) Prescribe the form and any additional required content of an application*
43 *to participate in the Program;*

44 *(f) Establish requirements for the required content of a written mentorship*
45 *agreement, as described in section 9 of this act; and*

46 *(g) Address such other matters as the Board deems necessary to carry out the*
47 *provisions of sections 2 to 12, inclusive, of this act.*

48 **Sec. 8. 1.** *A person who wishes to participate in the Program must submit*
49 *to the Board the application fee, as set forth in NRS 678B.390, and an*
50 *application on a form prescribed by the Board.*

51 **2.** *If the Board determines that an applicant who has submitted an*
52 *application and the fee required by subsection 1 meets the requirements for*
53 *eligibility to participate in the Program, the Board shall conditionally approve the*

1 applicant as a participant in the Program and provide written notice to the
2 applicant of that conditional approval.

3 **Sec. 9. 1.** Not later than 90 days after the date on which an applicant
4 receives written notice of his or her conditional approval pursuant to section 8 of
5 this act, the applicant must:

6 (a) Select a licensee to serve as his or her sponsor in the Program;

7 (b) Enter into a written mentorship agreement with the proposed sponsor
8 that meets the requirements set forth in this section and the regulations adopted
9 pursuant to section 7 of this act; and

10 (c) If the applicant does not hold a cannabis establishment agent registration
11 card, obtain such a registration card.

12 2. An applicant and a proposed sponsor who have entered into a written
13 mentorship agreement pursuant to subsection 1 shall submit the agreement to the
14 Board for approval. The Board shall not approve a written mentorship agreement
15 unless the agreement includes, without limitation, provisions setting forth:

16 (a) The date on which the applicant will commence employment with the
17 proposed sponsor and the date on which the ~~employment will terminate,~~
18 mentorship will be completed, the duration of which must be 2 years;

19 (b) The rate of pay and any benefits, including, without limitation, health
20 insurance, that the applicant will be entitled to receive during the mentorship
21 period;

22 (c) The duties and responsibilities of the applicant and the proposed sponsor
23 during the mentorship period; and

24 (d) Such other matters that the Board may require by regulation.

25 3. If the Board approves the written mentorship agreement of the applicant
26 and proposed sponsor, the Board shall provide written notice to applicant and
27 proposed sponsor that they have been approved as a participant and sponsor in
28 the Program, under the conditions set forth in the written mentorship agreement.

29 4. An applicant who has been conditionally approved as a participant
30 pursuant to section 8 of this act and who fails to meet the requirements set forth
31 in subsection 1 within the period prescribed in that subsection must submit a new
32 application pursuant to section 8 of this act if the person wishes to participate in
33 the Program.

34 **Sec. 10.** ~~[A sponsor is not subject to disciplinary action for any violation of
35 the provisions of this title or the regulations adopted pursuant thereto committed
36 by a participant during the mentorship period.] (Deleted by amendment.)~~

37 **Sec. 11. 1.** The Board shall conduct such monitoring of a participant and
38 sponsor throughout a mentorship period as may be necessary to ensure that the
39 participant is meeting the goals, benchmarks and performance metrics
40 established by the Board by regulation and that the participant and sponsor are
41 in compliance with the provisions of sections 2 to 12, inclusive, of this act and the
42 regulations adopted pursuant thereto. In connection with such monitoring, the
43 Board may require the submission of reports from a participant or sponsor
44 concerning the progress of the participant.

45 2. If, at the ~~termination~~ conclusion of the mentorship period, a participant
46 has met the goals, benchmarks and performance metrics established by the Board
47 by regulation to determine whether a participant has successfully completed the
48 Program, the Board shall issue to the participant a certificate indicating that the
49 participant has successfully completed the Program.

50 **Sec. 12. 1.** Not later than October 1, 2027, the Board shall, for a period of
51 10 business days, accept applications for the issuance of an adult-use cannabis
52 establishment license for a cannabis production facility from participants who
53 have been issued a certificate pursuant to section 11 of this act. From among the

1 *participants who submit an application during that period, the Board shall issue*
 2 *not more than 10 adult-use cannabis establishment licenses for a cannabis*
 3 *production facility to participants who qualify for such a license.*

4 *2. An application for the issuance of an adult-use cannabis establishment*
 5 *license for a cannabis production facility submitted to the Board by a participant*
 6 *during the period described in subsection 1 must be submitted in accordance with*
 7 *NRS 678B.250 and the Board shall issue such licenses to qualified applicants*
 8 *pursuant to that section.*

9 **Sec. 13.** NRS 678B.300 is hereby amended to read as follows:

10 678B.300 Except as otherwise provided in this section and subsection 3 of
 11 NRS 678B.220 ~~§~~ *and section 12 of this act*, the Board shall not, for more than a
 12 total of 10 business days in any 1 calendar year, accept applications to operate a
 13 cannabis establishment. The Board may by regulation prescribe longer periods in
 14 which it will accept applications to operate a cannabis establishment.

15 **Sec. 14.** NRS 678B.390 is hereby amended to read as follows:

16 678B.390 1. Except as otherwise provided in subsection ~~§~~ *4*, the Board
 17 shall collect not more than the following maximum fees:

| | | |
|----|--|----------|
| 18 | For the initial issuance of a medical cannabis establishment | |
| 19 | license for a medical cannabis dispensary | \$30,000 |
| 20 | For the renewal of a medical cannabis establishment license | |
| 21 | for a medical cannabis dispensary | 5,000 |
| 22 | For the initial issuance of a medical cannabis establishment | |
| 23 | license for a medical cannabis cultivation facility | 3,000 |
| 24 | For the renewal of a medical cannabis establishment license | |
| 25 | for a medical cannabis cultivation facility | 1,000 |
| 26 | For the initial issuance of a medical cannabis establishment | |
| 27 | license for a medical cannabis production facility | 3,000 |
| 28 | For the renewal of a medical cannabis establishment license | |
| 29 | for a medical cannabis production facility | 1,000 |
| 30 | For the initial issuance of a medical cannabis establishment | |
| 31 | license for a medical cannabis independent testing | |
| 32 | laboratory..... | 5,000 |
| 33 | For the renewal of a medical cannabis establishment license | |
| 34 | for a medical cannabis independent testing laboratory | 3,000 |
| 35 | For the initial issuance of an adult-use cannabis | |
| 36 | establishment license for an adult-use cannabis retail | |
| 37 | store | 20,000 |
| 38 | For the renewal of an adult-use cannabis establishment | |
| 39 | license for an adult-use cannabis retail store | 6,600 |
| 40 | For the initial issuance of an adult-use cannabis | |
| 41 | establishment license for an adult-use cannabis | |
| 42 | cultivation facility..... | 30,000 |
| 43 | For the renewal of an adult-use cannabis establishment | |
| 44 | license for an adult-use cannabis cultivation facility | 10,000 |
| 45 | For the initial issuance of an adult-use cannabis | |
| 46 | establishment license for an adult-use cannabis | |
| 47 | production facility | 10,000 |
| 48 | For the renewal of an adult-use cannabis establishment | |
| 49 | license for an adult-use cannabis production facility | 3,300 |
| 50 | For the initial issuance of an adult-use cannabis | |
| 51 | establishment license for an adult-use cannabis | |
| 52 | independent testing laboratory..... | 15,000 |
| 53 | | |

1 For the renewal of an adult-use cannabis establishment
 2 license for an adult-use cannabis independent testing
 3 laboratory..... 5,000
 4 For the initial issuance of an adult-use cannabis
 5 establishment license for a retail cannabis consumption
 6 lounge 10,000
 7 For the renewal of an adult-use cannabis establishment
 8 license for a retail cannabis consumption lounge 10,000
 9 For the initial issuance of an adult-use cannabis
 10 establishment license for an independent cannabis
 11 consumption lounge..... 10,000
 12 For the renewal of an adult-use cannabis establishment
 13 license for an independent cannabis consumption
 14 lounge 10,000
 15 For the initial issuance of an adult-use cannabis
 16 establishment license for an adult-use cannabis
 17 distributor 15,000
 18 For the renewal of an adult-use cannabis establishment
 19 license for an adult-use cannabis distributor..... 5,000
 20 For each person identified in an application for the initial
 21 issuance of a cannabis establishment agent registration
 22 card 150
 23 For each person identified in an application for the renewal
 24 of a cannabis establishment agent registration card 150
 25

26 2. The Board may by regulation establish reduced fees for:

27 (a) The initial issuance and renewal of an adult-use cannabis establishment
 28 license for an independent cannabis consumption lounge; and

29 (b) The application fee set forth in subsection ~~3.3~~ 4,
 30 ↪ for a social equity applicant. Such a reduction must not reduce the fee paid by a
 31 social equity applicant by more than 75 percent of the fee paid by an applicant who
 32 is not a social equity applicant.

33 3. *The Board shall establish by regulation the amount of the application fee*
 34 *to participate in the Cannabis Mentorship Pilot Program created by section 7 of*
 35 *this act.*

36 4. Except as otherwise provided in subsection 2, in addition to the fees
 37 described in subsection 1, each applicant for a medical cannabis establishment
 38 license or adult-use cannabis establishment license must pay to the Board:

39 (a) For an application for a license other than an adult-use cannabis
 40 establishment license for a retail cannabis consumption lounge or independent
 41 cannabis consumption lounge, a one-time, nonrefundable application fee of \$5,000;

42 (b) For an application for an adult-use cannabis establishment license for a
 43 retail cannabis consumption lounge, a one-time, nonrefundable application fee of
 44 \$100,000;

45 (c) For an application for an adult-use cannabis establishment license for an
 46 independent cannabis consumption lounge, a one-time, nonrefundable application
 47 fee of \$10,000; and

48 (d) The actual costs incurred by the Board in processing the application,
 49 including, without limitation, conducting background checks.

50 ~~4.4~~ 5. Any revenue generated from the fees imposed pursuant to this section:

51 (a) Must be expended first to pay the costs of the Board in carrying out the
 52 provisions of this title; and

1 (b) If any excess revenue remains after paying the costs described in paragraph
2 (a), such excess revenue must be paid over to the State Treasurer to be deposited to
3 the credit of the State Education Fund.

4 **Sec. 15.** Chapter 372A of NRS is hereby amended by adding thereto the
5 provisions set forth as sections 16, 17 and 18 of this act.

6 **Sec. 16.** *1. A sponsor in the Program may apply to the Cannabis
7 Compliance Board for a certificate of eligibility for transferable tax credits which
8 may be applied to the excise tax on cannabis. Such an application may be made:*

9 *(a) At the commencement of the mentorship period, in the amount equal to
10 the costs of employing the participant in the Program for a 2-year period.*

11 *(b) At the ~~termination~~ conclusion of the mentorship period, in the amount
12 of 3 percent of the tax owed for the 1 year after the ~~termination~~ conclusion of
13 the mentorship period.*

14 *2. Except as otherwise provided in subsection 3, the Cannabis Compliance
15 Board shall approve an application submitted pursuant to subsection 1 and issue
16 to the applicant a certificate of eligibility for transferable tax credits if the
17 applicant, as applicable, has:*

18 *(a) Entered into a written mentorship agreement with a participant in the
19 Program approved by the Cannabis Compliance Board pursuant to section 9 of
20 this act; and*

21 *(b) Served as a sponsor to a participant for the 2-year period of the
22 agreement.*

23 *3. Except as otherwise provided in this subsection, the Cannabis
24 Compliance Board shall not approve any application for transferable tax credits
25 submitted pursuant to subsection 1:*

26 *(a) If approval of the application would cause the total amount of
27 transferable tax credits approved pursuant to subsection 2 for a fiscal year to
28 exceed the sum of \$10,000,000. Any portion of the \$10,000,000 per fiscal year for
29 which transferable tax credits have not previously been approved may be carried
30 forward and made available for approval during the next or any future fiscal
31 year.*

32 *(b) For a fiscal year beginning on or after July 1, 2027.*

33 *4. The transferable tax credits issued to any person pursuant to subsection 2
34 expire 4 years after the date on which the transferable tax credits are issued to
35 the person. A transferable tax credit issued pursuant to this section may be
36 transferred only once.*

37 *5. If the Cannabis Compliance Board approves an application for a
38 transferable tax credit pursuant to subsection 2, the Board shall forward a
39 certificate of eligibility for the transferable tax credit immediately to the
40 Department.*

41 *6. As used in this section, "Program" means the Cannabis Mentorship Pilot
42 Program created by section 7 of this act.*

43 **Sec. 17.** *1. A person who is found to have submitted any false statement,
44 representation or certification in any document submitted for the purpose of
45 obtaining transferable tax credits or who otherwise becomes ineligible for
46 transferable tax credits after receiving the transferable tax credits pursuant to
47 section 16 of this act shall repay to the Department any portion of the
48 transferable tax credits to which the person is not entitled.*

49 *2. Transferable tax credits purchased in good faith are not subject to
50 forfeiture or repayment by the transferee unless the transferee submitted
51 fraudulent information in connection with the purchase.*

52 **Sec. 18.** *The Cannabis Compliance Board shall, on or before October 1 of
53 each year, prepare and submit to the Governor and to the Director of the*

1 *Legislative Counsel Bureau for transmittal to the Legislature or, if the*
2 *Legislature is not in session, to the Legislative Commission an annual report*
3 *which includes, for the immediately preceding fiscal year:*

4 *1. The number of applications submitted for transferable tax credits*
5 *pursuant to section 16 of this act;*

6 *2. The number of persons to whom transferable tax credits were approved;*

7 *3. The amount of transferable tax credits approved;*

8 *4. The amount of transferable tax credits used;*

9 *5. The amount of transferable tax credits transferred; and*

10 *6. The amount of transferable tax credits taken against the tax, including*
11 *the actual amount used and outstanding, in total and for each person.*

12 **Sec. 19.** NRS 372A.200 is hereby amended to read as follows:

13 372A.200 As used in NRS 372A.200 to 372A.380, inclusive, *and sections 16,*
14 *17 and 18 of this act*, unless the context otherwise requires, the words and terms
15 defined in NRS 372A.205 to 372A.250, inclusive, have the meanings ascribed to
16 them in those sections.

17 **Sec. 20.** NRS 372A.270 is hereby amended to read as follows:

18 372A.270 1. Each person responsible for maintaining the records of a
19 taxpayer shall:

20 (a) Keep such records as may be necessary to determine the amount of the
21 liability of the taxpayer pursuant to the provisions of NRS 372A.200 to 372A.380,
22 inclusive ~~H~~, *and sections 16, 17 and 18 of this act*;

23 (b) Preserve those records for 4 years or until any litigation or prosecution
24 pursuant to NRS 372A.200 to 372A.380, inclusive, *and sections 16, 17 and 18 of*
25 *this act* is finally determined, whichever is longer; and

26 (c) Make the records available for inspection by the Department upon demand
27 at reasonable times during regular business hours.

28 2. Any person who violates the provisions of subsection 1 is guilty of a
29 misdemeanor.

30 **Sec. 21.** NRS 387.1212 is hereby amended to read as follows:

31 387.1212 1. The State Education Fund is hereby created as a special
32 revenue fund to be administered by the Superintendent of Public Instruction for the
33 purpose of supporting the operation of the public schools in this State. The interest
34 and income earned on the money in the Fund, excluding the direct legislative
35 appropriation from the State General Fund required by subsection 3, must, after
36 deducting any applicable charges, be credited to the Fund.

37 2. Money which must be deposited for credit to the State Education Fund
38 includes, without limitation:

39 (a) All money derived from interest on the State Permanent School Fund, as
40 provided in NRS 387.030;

41 (b) The proceeds of the tax imposed pursuant to NRS 244.33561 and any
42 applicable penalty or interest, less any amount retained by the county treasurer for
43 the actual cost of collecting and administering the tax;

44 (c) The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;

45 (d) The money identified in subsection 8 of NRS 120A.610;

46 (e) The portion of the money in each special account created pursuant to
47 subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2
48 of NRS 179.1187;

49 (f) The money identified in paragraph (d) of subsection 6 of NRS 278C.250;

50 (g) The money identified in subsection 1 of NRS 328.450;

51 (h) The money identified in subsection 1 of NRS 328.460;

52 (i) The money identified in paragraph (a) of subsection 2 of NRS 360.850;

53 (j) The money identified in paragraph (a) of subsection 2 of NRS 360.855;

1 (k) The money required to be transferred to the State Education Fund pursuant
2 to NRS 362.100;

3 (l) The money required to be paid over to the State Treasurer for deposit to the
4 credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;

5 (m) The portion of the proceeds of the tax imposed pursuant to subsection 1 of
6 NRS 372A.290 identified in paragraph (b) of subsection 4 of NRS 372A.290;

7 (n) The proceeds of the tax imposed pursuant to subsection 3 of NRS
8 372A.290;

9 (o) The proceeds of the fees, taxes, interest and penalties imposed pursuant to
10 chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

11 (p) The money identified in subsection 5 of NRS 445B.640;

12 (q) The money identified in paragraph (b) of subsection ~~4~~ 5 of NRS
13 678B.390;

14 (r) The portion of the proceeds of the excise tax imposed pursuant to
15 subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS
16 463.385;

17 (s) The money required to be distributed to the State Education Fund pursuant
18 to subsection 3 of NRS 482.181;

19 (t) The portion of the proceeds of the fee imposed pursuant to NRS 488.075
20 identified in subsection 2 of NRS 488.075;

21 (u) The portion of the net profits of the grantee of a franchise, right or privilege
22 identified in NRS 709.110;

23 (v) The portion of the net profits of the grantee of a franchise identified in NRS
24 709.230;

25 (w) The portion of the net profits of the grantee of a franchise identified in
26 NRS 709.270;

27 (x) The money required to be distributed to the State Education Fund pursuant
28 to NRS 363D.290; and

29 (y) The direct legislative appropriation from the State General Fund required
30 by subsection 3.

31 3. In addition to money from any other source provided by law, support for
32 the State Education Fund must be provided by direct legislative appropriation from
33 the State General Fund in an amount determined by the Legislature to be sufficient
34 to fund the operation of the public schools in this State for kindergarten through
35 grade 12 for the next ensuing biennium for the population reasonably estimated for
36 that biennium. Money in the State Education Fund does not revert to the State
37 General Fund at the end of a fiscal year, and the balance in the State Education
38 Fund must be carried forward to the next fiscal year.

39 4. Money in the Fund must be paid out on claims as other claims against the
40 State are paid.

41 **Sec. 22.** The Cannabis Compliance Board shall, on or before October 31,
42 2024, submit to the Director of the Legislative Counsel Bureau for transmittal to the
43 Legislative Commission a report of its progress in carrying out its duties with
44 respect to the Cannabis Mentorship Pilot Program set forth in sections 2 to 12,
45 inclusive, of this act.

46 **Sec. 23.** The Cannabis Compliance Board shall adopt the regulations
47 required by section 7 of this act on or before May 31, 2024.

48 **Sec. 24.** The provisions of subsection 1 of NRS 218D.380 do not apply to
49 any provision of this act which adds or revises a requirement to submit a report to
50 the Legislature.

51 **Sec. 25.** 1. This section becomes effective upon passage and approval.

52 2. Sections 1 to 24, inclusive, of this act become effective upon passage and
53 approval for the purpose of adopting any regulations and performing any other

1 preparatory administrative tasks that are necessary to carry out the provisions of
2 this act, and on January 1, 2024, for all other purposes, and expire by limitation on
3 December 31, 2027.