

Senate Bill No. 195—Senators Nguyen, Spearman, D. Harris, Stone,
Buck; Donate, Dondero Loop, Pazina and Scheible

Joint Sponsors: Assemblymen Yeager, Watts; Bilbray-Axelrod,
Carter, Duran, González, Hafen, Koenig and Peters

CHAPTER.....

AN ACT relating to cannabis; revising provisions relating to disciplinary action taken by the Cannabis Compliance Board against the holder of a license or registration card issued by the Board; requiring the Board to adopt regulations governing the transfer of an ownership interest in a cannabis establishment; revising provisions governing the fees the Board is authorized to charge; requiring the Board to adopt regulations governing the charging and collecting of certain fees; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law sets forth the procedures by which the Cannabis Compliance Board may take disciplinary action against a licensee or registrant who violates a provision of existing law governing the cannabis industry in this State or any regulation adopted by the Board. (NRS 678A.500-678A.600) **Sections 2 and 4** of this bill authorize the Board to resolve any matter concerning a licensee or registrant who has allegedly committed such a violation by entering into a consent or settlement agreement with the licensee or registrant so long as the Board discusses and approves the terms of the agreement, and any modification of those terms, at a meeting of the Board. **Section 3** of this bill sets forth certain mitigating circumstances concerning a violation. **Section 2** requires the Board to consider whether any of those mitigating circumstances exist in determining whether to approve or modify the terms of a consent or settlement agreement.

If the Board elects to proceed with disciplinary action against a licensee or registrant, existing law requires the Board or the Executive Director of the Board to serve upon the licensee or registrant a complaint setting forth the acts or omissions for which the licensee or registrant is charged and certain other information. (NRS 678A.520) **Section 5** of this bill requires the complaint to charge multiple alleged violations as a single alleged violation under certain circumstances. **Section 5** also requires the complaint to include the penalties being sought against the licensee or registrant.

If the Board determines that a licensee or registrant has violated a provision of existing law governing the cannabis industry in this State or any regulation adopted by the Board, existing law authorizes the Board to: (1) limit, condition, suspend or revoke the license or registration card of the licensee or registrant; (2) impose a civil penalty in an amount established by the Board by regulation; or (3) take both of those actions. (NRS 678A.600) **Section 7** of this bill: (1) requires the Board, in determining the appropriate action to be taken against such a licensee or registrant, to consider whether any of the mitigating circumstances set forth in **section 3** exist; (2) limits the amount of a civil penalty the Board is authorized to impose for a single violation to \$20,000; and (3) authorizes the Board to take certain additional actions. **Section 6** of this bill requires that certain information concerning the mitigating factors considered by the Board pursuant to **section 7** be included in the



written decision of the Board following a disciplinary hearing in certain circumstances.

Existing law requires an applicant for a license to pay to the Board the actual costs incurred by the Board in processing the application, including, without limitation, conducting background checks. (NRS 678B.390) **Section 11** of this bill revises that requirement to instead require an applicant to pay the actual costs paid by the Board to a law enforcement agency or other person who is not an employee of the Board to conduct any background checks in connection with the application.

Existing regulations of the Board require the Board to charge each cannabis establishment, at an hourly rate established by the Board, an assessment for the costs of various ongoing activities of the Board relating to the oversight of the cannabis establishment, including, without limitation, routine inspections and audits, the investigation of certain complaints and investigations based on any type of requested transfer of interest. (Nev. Cannabis Compliance Bd. Regs. § 6.025) **Section 11** prohibits the Board from charging a licensee, registrant or applicant for a license or registration card any fee, cost, fine or other charge that is not expressly authorized by the provisions of existing law governing the cannabis industry in this State, including, with certain exceptions set forth in **section 11**, any charge for the costs of ongoing activities of the Board relating to the oversight of a cannabis establishment.

Existing regulations of the Board set forth various requirements for the transfer of an ownership interest in a cannabis establishment. (Nev. Cannabis Compliance Bd. Regs. § 5.110) **Section 10** of this bill specifically requires the Board to adopt regulations by which the holder of an ownership interest in a cannabis establishment may transfer all or any portion of the ownership interest to another qualified person. **Section 11** authorizes the Board to charge a cannabis establishment for the actual costs paid by the Board to a law enforcement agency or other person who is not an employee of the Board to conduct any background checks in connection with a transfer of ownership interest in the cannabis establishment.

In addition to any other applicable fees, **section 11** also authorizes the Board to charge a licensee or an applicant for a license certain amounts for the costs incurred by the Board in conducting an investigation in connection with: (1) a transfer of an ownership interest in a cannabis establishment; (2) an application for the initial issuance of a license; (3) a request to obtain any approval that may be required by the Board to enter into an agreement to provide management services to a cannabis establishment; and (4) any waiver that is requested pursuant to the provisions of existing law governing cannabis. **Section 11** limits the amounts that may be charged to a reasonable hourly fee for each hour spent by agents of the Board in conducting the investigation and travel expenses and per diem allowances for such agents. **Section 9.5** of this bill requires the Board to adopt regulations establishing certain procedures and requirements for the charging and collecting of such amounts.

Section 12 of this bill makes a conforming change to refer to provisions that have been renumbered in **section 11**.



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

Section 1. Chapter 678A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *The Board may, at any time, resolve a matter involving a licensee or registrant who has allegedly violated a provision of this title or any regulation adopted pursuant thereto by entering into a consent or settlement agreement with the licensee or registrant so long as the terms of the agreement, and any modification of those terms, are discussed and approved at a meeting of the Board.*

2. In determining whether to approve or modify the terms of a consent or settlement agreement pursuant to subsection 1, the Board shall consider whether any of the mitigating circumstances set forth in section 3 of this act exist.

3. The Board shall state on the record in any meeting in which the terms of a consent or settlement agreement are approved or modified pursuant to subsection 1:

(a) The determination of the Board as to whether any of the mitigating circumstances set forth in section 3 of this act exist; and

(b) If the Board determines that any of the mitigating circumstances exist, the weight given by the Board to each mitigating circumstance in determining whether to approve or modify the terms of the agreement.

4. If the terms of a consent or settlement agreement impose a civil penalty, the statement required by paragraph (b) of subsection 3 must specify the weight given by the Board to each mitigating circumstance in determining whether to approve or modify the amount of the civil penalty.

Sec. 3. 1. *A violation of any provision of this title or any regulation adopted pursuant thereto may be mitigated by any of the following circumstances:*

(a) The licensee or registrant self-reported the violation to the Board or an agent of the Board.

(b) For a violation committed by a licensee, the licensee has:
(1) Submitted to the Board a plan to correct the violation which has been approved by the Board or deemed approved pursuant to subsection 2; and

(2) Taken action to correct the violation.



(c) The licensee or registrant has made a good faith effort to prevent violations from occurring, including, without limitation, by:

(1) Providing regular training to the employees of the licensee or registrant which has been documented and which was provided before the commencement of an investigation by the Board concerning the violation; or

(2) Establishing, before the commencement of an investigation by the Board concerning the violation, standard operating procedures that include procedures which directly address the conduct constituting the violation.

(d) The licensee or registrant has cooperated in the investigation of the violation in such a manner as to demonstrate that the licensee or registrant accepts responsibility for the violation.

(e) Any other mitigating circumstance established by the Board by regulation exists.

2. For the purposes of subparagraph (1) of paragraph (b) of subsection 1, if a licensee has submitted a plan to correct a violation and the Board does not take action to approve or reject the plan within 30 days after the date on which the plan was submitted, the plan shall be deemed to be approved by the appropriate agent of the Board.

Sec. 4. NRS 678A.510 is hereby amended to read as follows:

678A.510 1. If the Executive Director transmits the details of a suspected violation to the Attorney General pursuant to NRS 678A.500, the Attorney General shall conduct an investigation of the suspected violation to determine whether it warrants proceedings for disciplinary action of the licensee or registrant. If the Attorney General determines that further proceedings are warranted, he or she shall report the results of the investigation together with a recommendation to the Executive Director in a manner which does not violate the right of the person charged in the complaint to due process in any later hearing on the complaint. The Executive Director shall transmit the recommendation and other information received from the Attorney General to the Board.

2. The Board shall promptly make a determination with respect to each complaint resulting in an investigation by the Attorney General. The Board shall:

(a) Dismiss the complaint; ~~or~~

(b) Enter into a consent or settlement agreement with the licensee or registrant pursuant to section 2 of this act; or



(c) Proceed with appropriate disciplinary action in accordance with NRS 678A.520 to 678A.600, inclusive, and the regulations adopted by the Board. *In determining the disciplinary action to impose the Board shall consider mitigating factors pursuant to section 3 of this act.*

Sec. 5. NRS 678A.520 is hereby amended to read as follows:

678A.520 1. If the Board proceeds with disciplinary action pursuant to NRS 678A.510, the Board or the Executive Director shall serve a complaint upon the respondent either personally, or by registered or certified mail at the address of the respondent that is on file with the Board. Such complaint must ~~{be}~~ :

(a) *Be* a written statement of charges ~~[and must set]~~ ;

(b) *Set* forth in ordinary and concise language the acts or omissions with which the respondent is charged ~~[-. The complaint must specify]~~ ;

(c) *Specify* the statutes and regulations which the respondent is alleged to have violated ~~[-, but must not]~~ ;

(d) *Not* consist merely of charges raised in the language of the statutes or regulations ~~[-. The complaint must provide]~~ *which the respondent is alleged to have violated;*

(e) *If the respondent is alleged to have committed multiple violations consisting of the same or a similar act, omission or course of conduct, charge those violations as a single alleged violation if the violations:*

(1) *Are closely related in time, place and circumstance; and*

(2) *Were all discovered in the course of a single audit, inspection or investigation;*

(f) *Specify the penalty being sought against the respondent; and*

(g) *Provide* notice of the right of the respondent to request a hearing. ~~[The Chair of the Board may grant an extension to respond to the complaint for good cause.]~~

2. *The Chair of the Board may grant an extension to respond to the complaint for good cause.* Unless granted *such* an extension, the respondent must answer within 20 days after the service of the complaint. In the answer the respondent:

(a) Must state in short and plain terms the defenses to each claim asserted.

(b) Must admit or deny the facts alleged in the complaint.

(c) Must state which allegations the respondent is without knowledge or information to form a belief as to their truth. Such allegations shall be deemed denied.



(d) Must affirmatively set forth any matter which constitutes an avoidance or affirmative defense.

(e) May demand a hearing. Failure to demand a hearing constitutes a waiver of the right to a hearing and to judicial review of any decision or order of the Board, but the Board may order a hearing even if the respondent so waives his or her right.

3. Failure to answer or to appear at the hearing constitutes an admission by the respondent of all facts alleged in the complaint. The Board may take action based on such an admission and on other evidence without further notice to the respondent. If the Board takes action based on such an admission, the Board shall include in the record which evidence was the basis for the action.

4. The Board shall determine the time and place of the hearing as soon as is reasonably practical after receiving the respondent's answer. The Board shall deliver or send by registered or certified mail a notice of hearing to all parties at least 10 days before the hearing. The hearing must be held within 45 days after receiving the respondent's answer unless an expedited hearing is determined to be appropriate by the Board, in which event the hearing must be held as soon as practicable. The Chair of the Board may grant one or more extensions to the 45-day requirement pursuant to a request of a party or an agreement by both parties.

Sec. 6. NRS 678A.590 is hereby amended to read as follows:

678A.590 1. Within 60 days after the hearing of a contested matter, the Board shall render a written decision on the merits which must contain findings of fact, a determination of the issues presented and the penalty to be imposed, if any. *If the Board determines that the licensee or registrant has violated any provision of this title or any regulation adopted pursuant thereto, the written decision must set forth the determination of the Board as to whether any of the mitigating circumstances required to be considered by the Board pursuant to NRS 678A.600 exist and, if so, the weight given to each mitigating circumstance in determining the appropriate action to be taken pursuant to that section.* The Board shall thereafter make and enter its written order in conformity to its decision. No member of the Board who did not hear the evidence may vote on the decision. The affirmative votes of a majority of the whole Board are required to impose any penalty. Copies of the decision and order must be served on the parties personally or sent to them by registered or certified mail. The decision is effective upon such service, unless the Board orders otherwise.

2. The Board may, upon motion made within 10 days after service of a decision and order, order a rehearing before the Board



upon such terms and conditions as it may deem just and proper if a petition for judicial review of the decision and order has not been filed. The motion must not be granted except upon a showing that there is additional evidence which is material and necessary and reasonably calculated to change the decision of the Board, and that sufficient reason existed for failure to present the evidence at the hearing of the Board. The motion must be supported by an affidavit of the moving party or his or her counsel showing with particularity the materiality and necessity of the additional evidence and the reason why it was not introduced at the hearing. Upon rehearing, rebuttal evidence to the additional evidence must be permitted. After rehearing, the Board may modify its decision and order as the additional evidence may warrant.

Sec. 7. NRS 678A.600 is hereby amended to read as follows:

678A.600 **1.** If the Board finds that a licensee or registrant has violated a provision of this title or any regulation adopted pursuant thereto, the Board may ~~take any or all of the following actions:~~

~~1.] :~~

(a) Limit, condition, suspend or revoke the license or registration card of the licensee or registrant ~~;~~

~~2.] ;~~

(b) Impose a civil penalty in an amount established by regulation, not to exceed \$20,000 for ~~each~~ a single violation ~~;~~ ;

(c) Take any combination of the actions authorized by paragraphs (a) and (b);

(d) Issue a warning to the licensee or registrant; or

(e) Take no action against the licensee or registrant.

2. *In determining the appropriate action to be taken against a licensee or registrant pursuant to this section, including, without limitation, the amount of any civil penalty imposed, the Board shall consider whether any of the mitigating circumstances set forth in section 3 of this act exist.*

Secs. 8 and 9. (Deleted by amendment.)

Sec. 9.5. Chapter 678B of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Board shall adopt regulations governing the charging and collecting of costs incurred in connection with a specified investigation pursuant to subsection 5 of NRS 678B.390. The regulations must:*

(a) Require the Board, before the commencement of the investigation, to provide a licensee or an applicant an estimate of the anticipated costs of the investigation;



(b) Require the Board to provide to a licensee or an applicant an itemized list of the costs incurred in the investigation and set forth timelines for the provision of such an itemized list;

(c) Establish procedures by which a licensee or an applicant may request from the Board documentation prepared by any agent of the Board conducting the investigation relating to the costs of the investigation; and

(d) Establish a process by which a licensee or an applicant may appeal to the Board and request a reduction of the total amount charged for the investigation if the total amount charged exceeds the estimate of the anticipated costs provided to the licensee or applicant by 25 percent or more.

2. Failure of a licensee or an applicant to pay the costs charged by the Board pursuant to subsection 5 of NRS 678B.390 when due is grounds for disciplinary action, except that the Board may not refuse to issue or renew a license or deny a request for a transfer of interest, approval or waiver for the failure to pay such costs.

Sec. 10. NRS 678B.380 is hereby amended to read as follows:

678B.380 1. Except as otherwise provided by regulations adopted by the Board pursuant to subsection 2, the following are nontransferable:

(a) A cannabis establishment agent registration card.

(b) A cannabis establishment agent registration card for a cannabis executive.

(c) A cannabis establishment agent registration card for a cannabis receiver.

(d) A medical cannabis establishment license.

(e) An adult-use cannabis establishment license.

2. The Board shall adopt regulations which prescribe procedures and requirements by which a holder of ~~the~~:

(a) A license may transfer the license to another party who is qualified to hold such a license pursuant to the provisions of this chapter. ~~Such~~

(b) An ownership interest in a cannabis establishment may transfer all or any portion of the ownership interest to another party who is qualified to hold an ownership interest in a cannabis establishment pursuant to the provisions of this chapter.

3. The regulations *adopted pursuant to subsection 2* may give priority in the processing of transfers of licenses to a transfer in which the transferor is:

(a) Subject to a receivership;

(b) Involved in a recapitalization; or



(c) A party to a court proceeding involving financial distress.

~~3.1~~ 4. The regulations adopted pursuant to subsection 2 must:

(a) Prohibit the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge from transferring the license until at least 2 years from the date on which the independent cannabis consumption lounge for which the license was issued became operational;

(b) Require the holder of an adult-use cannabis establishment license for an independent cannabis consumption lounge who wishes to cease operations before the independent cannabis consumption lounge for which the license was issued has been operational for at least 2 years to surrender the license to the Board; and

(c) Require the Board to hold a license surrendered pursuant to paragraph (b) in reserve for issuance to an applicant for such a license in the future.

Sec. 11. NRS 678B.390 is hereby amended to read as follows:

678B.390 1. Except as otherwise provided in subsection 3, the Board shall collect not more than the following maximum fees:

For the initial issuance of a medical cannabis establishment license for a medical cannabis dispensary.....	\$30,000
For the renewal of a medical cannabis establishment license for a medical cannabis dispensary.....	5,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis cultivation facility	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis cultivation facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis production facility	3,000
For the renewal of a medical cannabis establishment license for a medical cannabis production facility	1,000
For the initial issuance of a medical cannabis establishment license for a medical cannabis independent testing laboratory	5,000



For the renewal of a medical cannabis establishment license for a medical cannabis independent testing laboratory	\$3,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis retail store	20,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis retail store	6,600
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility	30,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis cultivation facility	10,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis production facility	10,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis production facility	3,300
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory	15,000
For the renewal of an adult-use cannabis establishment license for an adult-use cannabis independent testing laboratory	5,000
For the initial issuance of an adult-use cannabis establishment license for a retail cannabis consumption lounge	10,000
For the renewal of an adult-use cannabis establishment license for a retail cannabis consumption lounge	10,000
For the initial issuance of an adult-use cannabis establishment license for an independent cannabis consumption lounge	10,000
For the renewal of an adult-use cannabis establishment license for an independent cannabis consumption lounge	10,000
For the initial issuance of an adult-use cannabis establishment license for an adult-use cannabis distributor	15,000



For the renewal of an adult-use cannabis establishment license for an adult-use cannabis distributor	\$5,000
For each person identified in an application for the initial issuance of a cannabis establishment agent registration card	150
For each person identified in an application for the renewal of a cannabis establishment agent registration card.....	150

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

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

(b) The application fee set forth in subsection 3,
↳ for a social equity applicant. Such a reduction must not reduce the fee paid by a social equity applicant by more than 75 percent of the fee paid by an applicant who is not a social equity applicant.

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

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

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

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

(d) The actual costs ~~incurred~~ paid by the Board ~~in processing the application, including, without limitation, conducting~~ to a law enforcement agency or other person who is not an employee of the Board to conduct any background checks ~~in connection with the application.~~

4. *The Board may charge a cannabis establishment for the actual costs paid by the Board to a law enforcement agency or other person who is not an employee of the Board to conduct any background checks in connection with a transfer of ownership interest in the cannabis establishment pursuant to the regulations adopted by the Board pursuant to NRS 678B.380.*



5. *In addition to any other applicable fees described in subsections 1, 3 and 4, the Board may charge a licensee or an applicant for a license the amounts specified in subsection 6 for the costs incurred by the Board and its staff for an investigation conducted in connection with:*

(a) A transfer of ownership interest in a cannabis establishment pursuant to the regulations adopted by the Board pursuant to NRS 678B.380;

(b) An application for the initial issuance of a license;

(c) A request to obtain any approval that may be required by the Board to enter into an agreement to provide management services to a cannabis establishment; or

(d) A waiver that is requested pursuant to the provisions of this title or the regulations adopted pursuant thereto.

6. *The charges authorized by subsection 5 must be limited to:*

(a) A reasonable hourly fee at a rate established by the Board by regulation for each hour spent by agents of the Board in conducting the investigation; and

(b) Costs for the travel expenses and per diem allowances of the agents of the Board conducting the investigation. The per diem allowances and travel expenses must be assessed at the rate established by the State Board of Examiners for state officers and employees generally.

7. Any revenue generated from the fees imposed pursuant to this section:

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

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

8. *The Board shall not charge a licensee, registrant or applicant for a license or registration card any fee, cost, fine or other charge that is not expressly authorized by the provisions of this title. Such prohibited charges include, without limitation, any charge for the costs of ongoing activities of the Board relating to the oversight of a cannabis establishment, including, without limitation, any charge for costs relating to:*

(a) Except as otherwise provided in subsection 5, travel or lodging for an agent of the Board;

(b) Any routine inspection or audit;

(c) The preparation for and attendance at a hearing by an agent of the Board;



(d) An investigation of a complaint submitted to the Board by a person who is not associated with the Board; or

(e) Except as otherwise provided in subsections 3, 4 and 5, any other type of inspection, audit or investigation.

Sec. 12. NRS 387.1212 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

(q) The money identified in paragraph (b) of subsection ~~4~~ 7 of NRS 678B.390;

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

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

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

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

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

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

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

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

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

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

Sec. 13. This act becomes effective upon passage and approval.

