

Amendment No. 407

Assembly Amendment to Assembly Bill No. 466	(BDR 18-870)
<b>Proposed by:</b> Assembly Committee on Taxation	
<b>Amends:</b> 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 A.B. 466 (§ 1).

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/AAK



Date: 4/16/2019

A.B. No. 466—Requires the creation of a pilot program to facilitate certain financial transactions relating to marijuana. (BDR 18-870)





ASSEMBLY BILL NO. 466—COMMITTEE  
ON GROWTH AND INFRASTRUCTURE

MARCH 25, 2019

Referred to Committee on Taxation

SUMMARY—Requires the creation of a pilot program to facilitate certain financial transactions relating to marijuana. (BDR 18-870)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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

AN ACT relating to financial transactions; requiring the State Treasurer to create a pilot program for the establishment of one or more closed-loop payment processing systems to facilitate certain financial transactions relating to marijuana; setting forth certain requirements for a closed-loop payment processing system; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

This bill requires the State Treasurer to create a pilot program for the establishment of one or more closed-loop payment processing systems that enable certain persons to engage in financial transactions relating to marijuana in a safe and efficient manner. The pilot program is authorized to operate in this State from October 1, 2019, through June 30, 2023. This bill requires a closed-loop payment processing system established under the pilot program to be designed to achieve certain purposes, including, without limitation, to provide marijuana establishments and medical marijuana establishments a safe, secure and convenient method of paying state and local taxes. This bill also requires a closed-loop payment processing system to allow certain persons to utilize accounts created by the State and to include certain technological features. Finally, this bill requires the State Treasurer to submit to the Legislature a report concerning the pilot program on or before ~~February~~ December 1, ~~2021~~ 2020, and every 6 months thereafter.

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

**Section 1.** Chapter 226 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The State Treasurer shall create a pilot program for the establishment of one or more closed-loop payment processing systems that enable marijuana establishments, medical marijuana establishments, consumers and holders of registry identification cards or letters of approval to engage in financial transactions in a safe and efficient manner.*

2. A closed-loop payment processing system established under the pilot program must be designed to achieve the following purposes:

(a) Reducing the risk to the safety and welfare of the public posed by the holding, distribution and transportation of large sums of cash;

(b) Providing marijuana establishments and medical marijuana establishments with a safe, secure and convenient method of paying state and local taxes;

(c) Providing the State and local governments with a safe, secure and convenient method of collecting taxes imposed on marijuana establishments and medical marijuana establishments;

(d) Providing transparency into financial transactions related to marijuana establishments and medical marijuana establishments;

(e) Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and drug cartels;

(f) Preventing marijuana from being diverted across state lines;

(g) Preventing the distribution of marijuana to minors; and

(h) Preventing lawful financial transactions relating to marijuana from being used as a cover or pretext for the trafficking of controlled substances or other unlawful activities.

3. A closed-loop payment processing system established under the pilot program must allow a marijuana establishment, medical marijuana establishment, consumer or holder of a registry identification card or a letter of approval to utilize accounts created by the State and must include, without limitation, the following capabilities:

(a) The keeping of records in real time;

(b) A business-to-business payment system;

(c) A method in which to authenticate the identities of consumers and holders of a registry identification card or letter of approval;

(d) A method in which to initiate transactions by means of a secure mobile application or a physical card; and

(e) A method which allows the State or a local government to collect ~~taxes in real time.~~ tax revenue associated with a transaction made utilizing the closed-loop payment processing system.

4. The State Treasurer shall adopt regulations necessary to carry out the pilot program. Such regulations must not require a marijuana establishment, medical marijuana establishment, consumer or holder of a registry identification card or letter of approval to participate in the pilot program.

5. The State Treasurer may adopt regulations establishing a schedule of fees for participation in the pilot program. The fees must be sufficient to cover the costs of administering the pilot program.

6. Financial information and any other information specifically relating to a person who utilizes a closed-loop payment processing system is confidential and privileged to the same extent that such information would be confidential and privileged pursuant to NRS 360.255. The State Treasurer, a vendor in which the State Treasurer contracts and any other person involved in the establishment or operation of a closed-loop payment processing system shall not disclose any such information.

7. The State Treasurer shall prepare a detailed plan for the establishment of a closed-loop payment processing system under the pilot program created pursuant to subsection 1 and present the plan to the Interim Finance Committee for its review and approval. The plan must identify the vendor with whom the State Treasurer intends to contract. The State Treasurer shall not commence the

operation of a closed-loop payment processing system until the Interim Finance Committee approves the plan prepared pursuant to this subsection.

8. On or before ~~February~~ December 1, ~~2021~~ 2020, and every 6 months thereafter, the State Treasurer shall submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, if the Legislature is in session, or to the Legislative Commission, if the Legislature is not in session, a report concerning the pilot program. The report must include, without limitation, a description of the status and results of the pilot program and recommendations for legislation to facilitate the improvement or expansion of the pilot program.

~~7. A.1.~~

9. Except as otherwise provided in subsection 7, at least one closed-loop payment processing system established under the pilot program must begin operating not later than July 1, 2020.

~~8.1~~ 10. As used in this section:

(a) "Closed-loop payment processing system" means a cashless system established by the State Treasurer pursuant to this section to monitor and facilitate the financial transactions of marijuana establishments, medical marijuana establishments, consumers and holders of registry identification cards.

(b) "Consumer" has the meaning ascribed to it in NRS 453D.030.

(c) "Letter of approval" has the meaning ascribed to it in NRS 453A.109.

(d) "Marijuana establishment" has the meaning ascribed to it in NRS 453D.030.

(e) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

(f) "Registry identification card" has the meaning ascribed to it in NRS 453A.140.

Sec. 1.5. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.906, 293.908, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008,

379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 432B.5902, 433.534, 433A.360, 437.145, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 445A.665, 445B.570, 449.209, 449.245, 449A.112, 450.140, 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365, 480.940, 481.063, 481.091, 481.093, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.600, 640C.620, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170, 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, and section 1 of this act, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity

1 can redact, delete, conceal or separate the confidential information from the  
2 information included in the public book or record that is not otherwise confidential.

3 4. A person may request a copy of a public record in any medium in which  
4 the public record is readily available. An officer, employee or agent of a  
5 governmental entity who has legal custody or control of a public record:

6 (a) Shall not refuse to provide a copy of that public record in a readily  
7 available medium because the officer, employee or agent has already prepared or  
8 would prefer to provide the copy in a different medium.

9 (b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare  
10 the copy of the public record and shall not require the person who has requested the  
11 copy to prepare the copy himself or herself.

12 **Sec. 2.** The provisions of subsection 1 of NRS 218D.380 do not apply to any  
13 provision of this act which adds or revises a requirement to submit a report to the  
14 Legislature.

15 **Sec. 3.** 1. This act becomes effective upon passage and approval for the  
16 purposes of adopting regulations and performing any other administrative tasks that  
17 are necessary to carry out the provisions of this act, and on October 1, 2019, for all  
18 other purposes.

19 2. This act expires by limitation on June 30, 2023.