

## SENATE BILL NO. 545—COMMITTEE ON FINANCE

(ON BEHALF OF THE OFFICE OF FINANCE  
IN THE OFFICE OF THE GOVERNOR)

MAY 14, 2019

Referred to Committee on Finance

SUMMARY—Revises provisions governing the distribution of certain tax proceeds. (BDR 32-1241)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Executive Budget.

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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 state financial administration; revising the distribution of the proceeds of the excise tax on retail sales of marijuana and marijuana products; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law imposes a 10 percent excise tax on each retail sale of marijuana or marijuana products by a retail marijuana store in this State. Existing law requires that the revenues collected from that excise tax be deposited in the Account to Stabilize the Operation of the State Government, also known as the Rainy Day Fund, in the State General Fund. (NRS 372A.290) This bill requires instead that those revenues be deposited in the State Distributive School Account in the State General Fund.

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

**Section 1.** NRS 372A.290 is hereby amended to read as follows:  
372A.290 1. An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of 15 percent of the fair market value at wholesale of the marijuana. The excise tax



1 imposed pursuant to this subsection is the obligation of the  
2 cultivation facility.

3 2. An excise tax is hereby imposed on each retail sale in this  
4 State of marijuana or marijuana products by a retail marijuana store  
5 at the rate of 10 percent of the sales price of the marijuana or  
6 marijuana products. The excise tax imposed pursuant to this  
7 subsection:

8 (a) Is the obligation of the retail marijuana store.

9 (b) Is separate from and in addition to any general state and  
10 local sales and use taxes that apply to retail sales of tangible  
11 personal property.

12 3. The revenues collected from the excise tax imposed pursuant  
13 to subsection 1 must be distributed:

14 (a) To the Department and to local governments in an amount  
15 determined to be necessary by the Department to pay the costs of  
16 the Department and local governments in carrying out the provisions  
17 of chapter 453A of NRS; and

18 (b) If any money remains after the revenues are distributed  
19 pursuant to paragraph (a), to the State Treasurer to be deposited to  
20 the credit of the State Distributive School Account in the State  
21 General Fund.

22 4. For the purpose of subsection 3 and NRS 453D.510, a total  
23 amount of \$5,000,000 of the revenues collected from the excise tax  
24 imposed pursuant to subsection 1 and the excise tax imposed  
25 pursuant to NRS 453D.500 in each fiscal year shall be deemed  
26 sufficient to pay the costs of all local governments to carry out the  
27 provisions of chapters 453A and 453D of NRS. The Department  
28 shall, by regulation, determine the manner in which local  
29 governments may be reimbursed for the costs of carrying out the  
30 provisions of chapters 453A and 453D of NRS.

31 5. The revenues collected from the excise tax imposed pursuant  
32 to subsection 2 must be paid over as collected to the State Treasurer  
33 to be deposited to the credit of the *State Distributive School*  
34 Account ~~[to Stabilize the Operation of the State Government~~  
35 ~~created]~~ in the State General Fund. ~~[pursuant to NRS 353.288.]~~

36 6. As used in this section:

37 (a) "Local government" has the meaning ascribed to it in  
38 NRS 360.640.

39 (b) "Marijuana products" has the meaning ascribed to it in  
40 NRS 453D.030.

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

43 **Sec. 2.** This act becomes effective on July 1, 2019.

