

Senate Bill No. 545—Committee on Finance

CHAPTER.....

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.

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

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

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

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

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

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

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



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

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

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

6. As used in this section:

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

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

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

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

