

**MINUTES OF THE FLOOR MEETING  
OF THE  
ASSEMBLY COMMITTEE ON TAXATION**

**Eightieth Session  
April 23, 2019**

The Committee on Taxation was called to order by Chair Dina Neal at 7:33 p.m. on Tuesday, April 23, 2019, behind the bar of the Assembly.

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Dina Neal, Chair  
Assemblywoman Ellen B. Spiegel, Vice Chair  
Assemblywoman Shea Backus  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Lesley E. Cohen  
Assemblyman Chris Edwards  
Assemblyman Edgar Flores  
Assemblyman Gregory T. Hafen II  
Assemblyman Al Kramer  
Assemblywoman Susie Martinez  
Assemblywoman Heidi Swank

**COMMITTEE MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Bryan Fernley, Committee Counsel  
Dylan Keith, Committee Manager  
Gina Hall, Committee Secretary

**OTHERS PRESENT:**

Melanie Young, Executive Director, Department of Taxation



**Chair Neal:**

[Roll was taken.] We are going to work session Senate Bill 32 (1st Reprint). There were some changes the Department of Taxation brought forward. I will have Mr. Nakamoto go over the work session document (Exhibit C) and our legal staff, Mr. Fernley, is here if you have any questions on some of the strikeouts.

**Senate Bill 32 (1st Reprint): Revises provisions relating to the confidentiality and privilege of certain records and files of the Department of Taxation. (BDR 32-189)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

This bill was heard in our Committee on April 18, 2019, and was brought forward by the Nevada Department of Taxation relating to confidentiality provisions relating to marijuana establishments. There were several expansions they wanted to make to the confidentiality provisions for those licensees.

There is an amendment attached to the work session document (Exhibit C), beginning on page 3, that was submitted by the Department of Taxation. There are some changes to what is in that amendment and I will go through those.

The first change is in section 1, subsection 1. The provisions specifying that the records and files of the Department of Taxation concerning the administration of the processing of an application for a registration certificate to operate a medical marijuana establishment submitted pursuant to Chapter 453A of *Nevada Revised Statutes* (NRS) or for a license to operate a marijuana establishment pursuant to Chapter 453D of NRS are considered to be confidential and privileged. Those provisions were removed. These items are also removed from the exceptions to the confidentiality provisions that are outlined in section 1, subsection 2.

One of the things that this proposed amendment does is strike the words "or the imposition of disciplinary action" from section 1, subsections 1 and 2. The Department of Taxation has subsequently indicated that they wish to maintain that language in the bill; thus, this change is not part of the amendment currently proposed by the Department of Taxation. If you go to the proposed amendment [page 4], you would see the strikeout in there of the words "or the imposition of disciplinary action." Those would remain in the bill as it is currently proposed to be amended.

The second change is in the provisions allowing disclosure of the identity of an applicant for certain marijuana licenses, and the actions taken with respect to the application are modified to specify that the disclosure of the following information associated with any application, whether awarded a registration certificate or not, for any registration certificate or license application submitted on or after May 1, 2017, is not considered to be confidential and privileged. That would be the identity of any applicant, owners, officers, or board members of an applicant for a registration certificate to operate a medical marijuana establishment

submitted pursuant to Chapter 453A of NRS or a license to operate a marijuana establishment pursuant to Chapter 453D of NRS; as well as the contents of any tool used by the Department of Taxation to evaluate an applicant, the methodology used to score and rank applicants, any documents showing how the methodology was applied, and the final rankings, including each subscore composing the total score, of all applicants and certificate awardees.

The last page of the proposed amendment [page 7] has some provisions in red, and I will go through those that are not going to be included. The first one is a provision indicating that any regulations contrary to the provisions contained in the bill are void. Based on clarification from the Legal Division, Legislative Counsel Bureau, however, the Department of Taxation has indicated that this provision does not need to be included in the amendment.

Additionally, the Department of Taxation has indicated that the additional proposed language in section 3 of the bill, which is also shown as red in the attached amendment, is not necessary and should not be considered as part of the amendment.

If there are any questions, either Mr. Fernley or I can address them.

**Chair Neal:**

Members, do you have any questions on the work session document?

**Assemblywoman Backus:**

Why was the May 1, 2017, date chosen? I assume it was because that was when the bulk of the applications came in. I wanted to ensure we were inclusive of that.

**Melanie Young, Executive Director, Department of Taxation:**

That was the period of time when the Department of Taxation took over the recreational licensing, so it will be any application processed by the Department of Taxation from that date forward.

**Chair Neal:**

Are there any additional questions? [There were none.] I will accept a motion to amend and do pass with the changes as presented in the proposed amendment.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO AMEND AND  
DO PASS SENATE BILL 32 (1ST REPRINT).

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to myself. Is there anyone here for public comment? [There was no one.] We are adjourned [at 7:39 p.m.].

RESPECTFULLY SUBMITTED:

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Gina Hall  
Committee Secretary

APPROVED BY:

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Assemblywoman Dina Neal, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit C](#) is the Work Session Document for Senate Bill 32 (1st Reprint), dated April 23, 2019, presented by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.