

**MINUTES OF THE  
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Eighty-second Session  
June 2, 2023**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 2:13 p.m. on Friday, June 2, 2023, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Dina Neal, Chair  
Senator Fabian Doñate, Vice Chair  
Senator Pat Spearman  
Senator Heidi Seevers Gansert  
Senator Carrie A. Buck

**STAFF MEMBERS PRESENT:**

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst  
Christian Thauer, Deputy Fiscal Analyst  
Bryan Fernley, Counsel  
Janet Stokes, Committee Secretary

**OTHERS PRESENT:**

Layke Martin, Nevada Cannabis Association  
Daniel Stewart, Puffco  
Will Adler, Sierra Cannabis Coalition  
Shelly Hughes, Director, Nevada Department of Taxation  
Esther Badiata, Jardin Cannabis Dispensary  
Scot Rutledge, Moms Meds Management; Deep Roots Harvest  
Brett Scolari, CPCM Holdings; GreenMart of Nevada; Cura Cannabis Solutions;  
Clark Natural Medicinal Solutions  
Chelsea Capurro, Nevada Cannabis Association  
Paul Larsen  
James Creel, Compassion Center; Coalition for Patient Rights

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Julie Monteiro, Integrative Providers Association; Coalition for Patient Rights  
Katre Saunders, Coalition for Patient Rights; Pardon Me, Please  
Trevor Parrish, Vegas Chamber

CHAIR NEAL:

We are going to start with Assembly Bill (A.B.) 430.

**ASSEMBLY BILL 430 (1st Reprint)**: Revises provisions relating to cannabis.  
(BDR 32-893)

LAYKE MARTIN (Nevada Cannabis Association):

I am the Executive Director of the Nevada Cannabis Association, and Daniel Stewart is here for the presentation. This bill addresses two issues clarifying the taxation of cannabis vaping products and the wholesale excise tax on sales of cannabis and cannabis products.

DANIEL STEWART (Puffco):

I want to go through section 1 about the cannabis vaporizer. These devices can only be used for cannabis products. They cannot be used for nicotine. Cannabis puts in a wax that burns at a higher temperature than nicotine. There is concern in the industry that at some point, somebody might determine cannabis vaporizers are the same as nicotine vaporizers and pull them in rather than being regulated by the Cannabis Compliance Board (CCB). The Board asked for clarifying language to state cannabis vaporizers can only be used for cannabis products. They are clearly marked and not included in the vaporizing tax.

For the most part, no one is paying this tax. Since the CCB is not involved with other tobacco products (OTP), it wants clarity in the law. Given the federal overlay of cannabis, the Board wants to get this clear.

MS. MARTIN:

The remainder of A.B. 430 addresses the wholesale excise tax. The wholesale excise tax of 15 percent is not based on actual sales prices but on the fair market value (FMV). The FMV calculation does not accurately reflect the market. As a result, growers and independent cultivators are paying taxes on a number often more than double the actual sales price.

We investigated several options for how to address this and worked with Assemblywoman Shea Backus. We settled on the solution we are presenting

today because it has brought industry support, and it is a successful model implemented elsewhere.

In this bill presentation ([Exhibit C](#)), we will discuss the existing FMV calculation and how the bill would fix what is broken by using a model that has been in place for years in Colorado.

Nevada has two excise taxes for cannabis products. A retail and a wholesale excise tax. [Exhibit C](#) tracks the retail excise taxes. The tax at the point of sale is 10 percent of the sales price which applies to adult-use products only. Revenue generated by this tax goes directly to the State Education Fund (SEF).

In fiscal year (FY) 2021-2022, the amount generated by the retail excise tax was \$89 million. The wholesale excise taxes are 15 percent on the FMV of the transfer of cannabis or cannabis products by a cultivation facility to another cannabis licensee. It is not a sale directly to the consumer. It is usually a sale of a bulk product to a production licensee who might take that flower and produce preroll or go directly to a retail store that then sells it to consumers. The revenue generated by this tax goes to pay the operating budget of the CCB. Then \$5 million goes to counties as a payment for the cost of local enforcement. The remainder goes to the SEF. In FY 2021-2022, the revenue generated by this tax was \$63 million. In the past two years alone, \$300 million in excise tax revenue went to the SEF.

The wholesale excise tax is not 15 percent of the sales price. It is based on the FMV, a number published twice a year by the Nevada Department of Taxation (NDT) based on the median prices of all wholesale sales for a period of six months starting nine months prior. As a result, the FMV has remained steadily and significantly above the actual market prices of the products.

The calculation is flawed which results in cultivators paying a higher tax than the actual sales price. For example, when the FMV was \$2,072 per pound in July 2022, the average market price in Nevada was close to \$1,000 a pound. As a result, cultivators are paying taxes as if they sold a pound for \$2,000 when they sold it for \$1,000.

We have a handful of cultivators who sell a pound for more than the FMV and pay less than the 15 percent tax under the current system than if taxed on actual sales.

We have been working with a tax partner to see what changes could be made either by regulation or requiring a legislative fix. The statute does not provide guidance on how to calculate FMV. They said they would like more direction from the Legislature, which is why we brought this bill. We did not have far to look for a solution to fix the fair market value.

Colorado has the cannabis excise tax structure most similar to ours. Its modifications will result in a wholesale excise tax more accurate and fairer to the actual sales price because the FMV applies to all wholesale transfers. The issue is we are not tracking the actual sales prices. The solution in the bill will tax those transactions at arm's length. The parties do not share ownership; it will be a 15 percent tax on the actual sales price.

I want to do an explanation of the bill to cover any remaining changes.

Section 1 defines a cannabis vaporizer to describe a product solely designed to be used for vaporizing, ingesting, inhaling, or otherwise introducing cannabis into the human body. It must be clearly labeled for cannabis only and does not include a product that may also be used for nicotine. Section 1.7 revises the definition of vapor products to exclude cannabis vapor products. Sections 2 and 3 were deleted by Amendment No. 328.

Section 4 revises the definition of sales price to exclude excise tax. This will address the issue we referenced earlier about the wholesale sales price. A wholesale sales price includes the amount of tax being passed to the customer, and the FMV is calculated on that amount. If you are a cultivator and selling for \$1,000, you would pass along the additional \$300 that you would be expected to pay in taxes to the customer. You report the sales price as \$1,300. When the taxes aggregate the data and calculate the FMV, it does not know the actual sales price exclusive of tax was \$1,000. It looks like \$1,300. Following the Colorado model will reflect the sales price exclusive of the tax as \$1,000, not \$1,300.

Sections 5 and 6 correct an error in the original draft of the bill. Section 7 clarifies that the excise tax applies to the first wholesale sale of cannabis from a cultivation facility to another cannabis establishment. Subsection 1 replaces the word "each" with "first." The section also spells out the FMV applies if a sale is between affiliated entities: if it is between unaffiliated entities, the excise tax is 15 percent of the sales price.

The section also cleans up an issue regarding the retail excise taxes the NDT recently addressed by adding the language “may be recovered from the purchaser.” It makes clear that the retail excise tax can be broken down on the receipt that the purchaser sees and does not need to be baked into the sales price. Section 7, subsection 8, paragraph (b) defines affiliate. The goal is to be as clear as possible that the FMV applies to transition between vertically integrated licenses.

The term vertically integrated licenses is not defined in statute, but it is commonly recognized in the industry as common ownership of licenses across the supply chain. In this case, where cultivation licensees sell to a dispensary where there is a shared ownership, then the FMV applies because they may not be charging market prices to their own affiliated entity. It is trying to capture actual sales prices but not add any prices into the calculation that do not reflect actual sales in arm's length transactions. This section also removes the deletion that should not have been deleted under the definition of wholesale sale.

Section 9 gives additional guidance to the NDT to adopt regulations to calculate the FMV quarterly according to the Colorado method instead of the six-month period, using the median of wholesale sale transactions between unaffiliated parties.

Because the CCB contracts with an outside company called Metrc to provide seed-to-sale tracking services to the State, it requires the Board to ensure a method denoted in the tracking software that indicates whether it is an affiliated or unaffiliated transaction. This will result in much more clarity in the dataset going from the CCB via Metrc to NDT to determine the FMV calculation.

The section 10 effective date is upon passage and approval for the purpose of adopting any regulations and administrative tasks, and on January 1, 2024, for the rollout to licensees.

SENATOR SEEVERS GANSERT:

What way have the sales prices applied in a net manner for the excise tax on wholesale and retail?

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst):

The definition change to the sales price in section 4 of the bill would have potential revenue effects on the 15 percent wholesale tax and the 10 percent

retail tax. The same definition of sales price is used for the wholesale and retail tax. It allows the establishments selling cannabis to the public to calculate the 10 percent tax and deduct 15 percent tax paid, potentially reducing the amount of revenue going to the SEF.

SENATOR SEEVERS GANSERT:

Section 7, subsection 3, paragraph (a) talks about the excise tax. Before they could not recover that tax from the purchaser, but it may be recovered by the purchaser. That changes the net as well.

WILL ADLER (Sierra Cannabis Coalition):

Looking at those sections of the bill, you are correct. There is a direct linkage between collecting the revenues generated from the cannabis wholesale tax and what would go to the accounts from the cannabis contributions to the SEF account. The intent of Nevada's law has always been to tax our cannabis wholesale at 15 percent.

In 2016, ballot Question No. 2 passed, creating a 15 percent tax on all wholesale cannabis sold in Nevada. We did not have a definition for wholesale cannabis at the time. When we looked at implementation language in 2017, we wondered how to do this. That became the Nevada FMV. That FMV calculation was to be based upon or tried to simulate a 15 percent tax at wholesale for all cannabis goods sold out of a cultivation. We are declaring all goods sold leaving cultivation as the wholesale level of products prior to production, processing or secondary production of cannabis by our production facilities. Anything leaving the cannabis cultivation was then declared wholesale, and everything that leaves a wholesale facility has a 15 percent tax.

Not everything sold in Nevada is sold from a person in the third party to some other person third party dispensary wise. Some people have vertical integration. To calculate the FMV, to make sure it was fair for everyone, the concept was to create a 15 percent average or FMV based upon the weeded out Metrc scores or a leveled Metrc score that would get to an average similar to 15 percent for everyone.

We found a lot of differences in operations. Bulk operators can grow large amounts of marijuana to about \$600 value because of the sophistication and savings of the operations. Smaller more meticulous operations can grow it and

get to about \$3,000 a pound. It is still one pound of cannabis whether \$600 or \$3,000.

This amendment is saying one thing. A third-party grower that sells it to a dispensary for whatever amount shall have a 15 percent tax levy. It is no longer saying we estimate the tax and then ask you to pay the same estimate. If you are a third-party grower selling to a dispensary, the new changes will take the receipt and charge only 15 percent. The new FMV will be the 15 percent; but all vertical transactions for people selling internally will have a new FMV based upon the average true 15 percent of real sales of cannabis. That is the intent of the bill and what we aim to get done in this provision today.

SENATOR SEEVERS GANSERT:

Mr. Nakamoto, does that sound right based on how you are reading the bill?

MR. NAKAMOTO:

It is correct but there are multiple moving pieces in the bill. The first moving piece is the change in the 15 percent tax that has, as Mr. Adler described, the change in how the tax is calculated, depending on whether the taxpayer is vertically integrated and whether that wholesale transaction is vertically integrated.

I was talking about a separate issue dealing with the change in the definition of sales price that applies to the 15 percent for the nonvertically integrated contract where you can see the price there as well as the 10 percent retail price. The exclusion of that 15 percent price will reduce the sales price for both the 10 percent and the 15 percent transactions as a consistent across-the-board feature and therefore result in revenue reductions to the SEF from both the 10 percent and 15 percent tax.

MS. MARTIN:

If I can add to that and respond to Senator Seevers Gansert, no, that was not for it to apply to the retail tax. This is the way it came back drafted. I would be happy to correct that because there is no intent to impact the retail excise tax through this.

MR. ADLER:

Mr. Nakamoto is saying any change to the retail wholesale price will automatically have a downstream effect on the 10 percent, or we are directly

asking for the 10 percent to go down. I see that as a fixed retail cost or fixed 10 percent. Whatever comes to the register has a fixed sales price, but 10 percent will be added because that is how we operate today in the cannabis market with our sales operations. Charging that 10 percent to the customer as a separate line item is the clarification we are attempting to do with this bill.

MR. NAKAMOTO:

The bill is drafted to say the taxpayer or the calculation of the sales price for which the tax applies, has an explicit reduction of the amount of any tax paid pursuant to this chapter, which would be both the 10 percent and 15 percent.

Therefore, let us say if I went to any cannabis establishments in the State and spent \$100.00, the wholesale price for which it was paid was \$50.00 with a tax of \$7.50. The amount of tax calculated for that would be on \$92.50. I would pay \$9.25 in tax rather than \$10.00 even though it was a \$100.00 sale.

CHAIR NEAL:

Are you guys all part of the same team?

MR. ADLER

I did help in the origination of this bill with Assemblywoman Shea Backus. We worked together based on what was wrong with FMV. I did background work on that. I am not a tax expert and attorney, but I did not agree with the reading of that. In the cannabis market, we charge a 10 percent excise tax at the point of retail sale as a separate charge from sales tax as its own separate line item. The intent is to clarify that we can continue to do that going forward. The intent was not to have a reduction in the 10 percent. We intend to continue with a full 10 percent at retail for all sales.

CHAIR NEAL:

If it causes a \$23.5 million loss over the biennium, we are not doing that. Whatever we need to fix, we need to fix. On the Assembly side, the loss was not calculated before it left the Committee. Now we know what the loss is. We are in different spaces in terms of information, and I have been texting the Chair on the other side. She did not intend for it to be a loss. We need to make the correction and whatever is triggering it, which is clearly the sales price definition.



SHELLY HUGHES (Director, Nevada Department of Taxation):

From my understanding with working with Ms. Martin, the intent was to allow for a separate line reimbursement, not to eliminate the wholesale tax from the sales price. It was to give them the ability to pass that tax along to the purchaser because, as written, the obligation of the tax is on the seller.

SENATOR SEEVERS GANSERT:

They need to amend and fix that because that is what is happening right now, the way it is written. Most conversations I have heard are about what the sales price is supposed to be, not about what to pass along. The part on the wholesale could be passed along to the consumer.

SENATOR DOÑATE:

Section 1 of the bill is the definition of a cannabis vaporizer, and later provisions of the bill exempts it. Can you explain to us and clarify the rationale behind this? Based on how you have the bill written, would you not pay any taxes when you purchase a cannabis vaporizer?

MR. STEWART:

They would pay a sales and use tax for cigarettes and vape products. Cannabis is exclusive, not a vape product. We need to keep cannabis and nicotine separate. They do pay sales and use tax on whatever product they use. Cannabis products would be taxed at the cannabis price, 30 percent or whatever it is at the retail stores. The question is simply whether they should pay the tax meant for tobacco to make sure that cigarettes and vaporizers are in parity or cigarettes and vape nicotine are at parity. They would not lose State revenue when people transitioned from a normal cigarette to a vape cigarette.

SENATOR DOÑATE:

The clarification is because you are not a part of the definition of OTP and would now be excluded in law based on this clarification.

MR. STEWART:

Yes, exceptions already show whereas you can use vapor cartridges, these devices cannot use vapor cartridges. There is no nicotine. We made it clear if they developed a product that could do both, they would be taxed as a nicotine vaporizer at that point. This is cannabis-exclusive. In section 1.7, subsection 3, paragraphs (a) through (c), the bill drafters were trying to exclude cannabis, including one that would have been impossible to distinguish. In paragraph (c), if

somebody holding a medical cannabis establishment license upon purchase would be excluded. It would be hard to determine whether somebody has a medical license because you do not buy these devices in a dispensary. You buy them online or in stores. The intent was not to include cannabis. If the CCB wants to add additional regulations in this space, we would welcome it, but we want to make sure cannabis and nicotine are kept separate.

SENATOR DOÑATE:

Do we know if the revenue is being captured for cannabis vaporizers? Have you quantified that perhaps?

MS. HUGHES:

We do not quantify that when they report OTP tax. It is a single line item and includes all products of OTP.

SENATOR DOÑATE:

Could there be a potential ramification or a net loss if we enact this provision?

MS. HUGHES:

I cannot be certain. If we capture them and they are now exempt, then yes.

CHAIR NEAL:

When you get the modernization system breaking down tax types under OTP, we can get a clear understanding of what is included.

ESTHER BADIATA (Jardin Cannabis Dispensary):

We are in support of A.B. 430. This bill does what it needs to do to accurately calculate the wholesale cannabis tax.

SCOT RUTLEDGE (Moms Meds Management; Deep Roots Harvest):

We are in support of A.B. 430 and look forward to seeing the amendment to clarify things so that we do not see less revenue.

BRETT SCOLARI (CPCM Holdings; GreenMart of Nevada; Cura Cannabis Solutions; Clark Natural Medicinal Solutions):

We also support the bill to bring some clarity on the wholesale tax and support the amendment as well.

CHELSEA CAPURRO (Nevada Cannabis Association):  
Ditto to all the former comments.

MR. ADLER:

I am in support of A.B. 430. We need to dig into the revenue loss piece of this. The intent of the bill is to do that. We are seeing people paying rates for FMV above and beyond 15 percent of their taxes. They are selling it for \$1,000, and the FMV for marijuana is at \$1,800. That is going on every day in Nevada. That is over 15 percent tax being paid right now. My fear is some of the fiscal note or fiscal impact will be trued up or be the intent of the bill. We are going to see a loss of revenue because that is what we are doing in this bill by saying you will only pay 15 percent of what you sell it for. People are struggling and going under because the average tax rate is 28 percent, 32 percent. It is not 15 percent. The revenue loss we are seeing is not overcollected.

PAUL LARSEN:

I am an attorney practicing regulatory law in Las Vegas, testifying in support of A.B. 430, especially section 9 which is intended to clarify that the 15 percent excise tax applies to the actual arm's length sale price in the marketplace between a willing seller and a willing buyer. This corrects a fictional price set by the NDT unrelated to the actual documentation. As Mr. Adler indicated, the FMV is fictional rather than based on the actual transaction; the tax is being overcollected. This clarification of the law makes sure the excise tax is the 15 percent intended by Legislature as to the actual sales transaction is between a willing buyer and seller rather than a fictional value set by NDT.

JAMES CREEL (Compassion Center; Coalition for Patient Rights):

The Coalition for Patient Rights (CPR) is a coalition of social demographics, one of which is medical cannabis patients. The CPR would like me to remind the Committee that medical cannabis patients have been marginalized and targeted enough by marketing campaigns and programs that have made a lot of people wealthy, and they do not need to have any additional taxes passed on to them at this point.

JULIE MONTEIRO (Integrative Providers Association; Coalition for Patient Rights):

When looking at A.B. 430, it is interesting because we had another industry bill set forth in the name of medical cannabis patients. I see medical cannabis throughout this bill, but it helps third party nonvertically integrated growers. One of the interests the patients have is to see that these fees are not passed

on to the patients. The other thing I see is another bill to overcollect and overtax a market already fighting a lot of things. This increase in taxes will only secure the illicit market as establishment licensee holder fees are already the highest in the Country, and they can barely survive as it is. They are trying to weed out the nonintegrative from seed to sale. These nonvertically integrated facilities are really going to suffer.

We have a vape crisis—our children are dying from using vape. You should focus on funding for education or our educational system to educate them on the harmful effects. They are getting gum cancers, lung cancers, throat cancers, and they are chewing these things. It is the nicotine side of it, but these devices are also coming out with ingredients that are causing harm to youth and our consumers.

On page 5, line 1 of A.B. 430, the CCB is already getting too much power. This is another bill giving them another \$5 million in the name of *Nevada Revised Statutes* (NRS) 678C, the medical cannabis silo for medical patients. Not one dime or bill passed during this Eighty-second Session has gone to help the patients. This is just another one where I see funds of \$5 million going to a SEF that needs specifics. It cannot just say SEF. The public needs to see the records in the past of how these funds have been used. They say there is a misconception about the SEF. Why cannot we be using and educating our children on the harms of a vape? We are trying to collect taxes, but let us save the children. This is a huge crisis. COVID-19 happened and decimated the vape crisis that was going forward, but it still exists, especially now that they are in school and session.

KATREE SAUNDERS (Coalition for Patient Rights; Pardon Me, Please):

I am a medical patient in Las Vegas. I have been affected by the war on drugs at the State and federal level through Nevada's bad legislation and laws. When you are putting forth new amendments to give people tax breaks, there is never any social justice part included in this. I sit and watch you funnel money to so-called education when we are neither educating our youth properly nor using the funds as they are supposed to be allocated. Moving forward, you need to be aware of social justice issues regarding the children's vaping crisis as well as medical cannabis patients' needs to have access. Are you continuing to put large barriers and more taxes on people? It insinuates the black market and people not having safe access to dispensaries, not including the pesticide

problem that we have, but I digress from the issue. I am in opposition to the way this bill is written.

MS. LAYKE:

On the sales price issue, in our contract or our concept memo, we use the term contract price to solely describe the price at wholesale exclusive of tax. It was not intended to change the retail sales price at all. That is the term Colorado uses. This draft does not have that same language, but we can use the language to further clarify that this is not a change to the definition of sales price. It is not intended. The contract price is a separate thing to capture the accurate sales price for the wholesale only, and that is all.

CHAIR NEAL:

I will close the hearing on A.B. 430 and go to the work session for two bills heard yesterday, starting with A.B. 232.

**ASSEMBLY BILL 232 (1st Reprint)**: Revises provisions governing the taxation of other tobacco products. (BDR 32-618)

CHRISTIAN THAUER (Deputy Fiscal Analyst):

The work session document ([Exhibit D](#)) along with Proposed Amendment 3564 are in your materials.

CHAIR NEAL:

The motion I will accept on A.B. 232 is without the proposed amendment. The bill in its original version had the 30 percent floor wholesale price with a max of 50 cents on each premium cigar. That is the version I want to vote on. It will be a do pass.

SENATOR DOÑATE MOVED TO DO PASS A.B. 232.

SENATOR SPEARMAN SECONDED THE MOTION.

SENATOR DOÑATE:

There is an expiration on such a policy. I have spoken offline to the folks who presented the bill. Hopefully, it may lead to more revenue being gathered over the long term. There is a curvature in what other states have enacted. I will be following to see if the bill lives up to it; if not, that puts the policy in jeopardy for an extension. In the same respect for public health and more people are

smoking, we know the negative effects the State will have to pay at some point.

THE MOTION CARRIED UNANIMOUSLY.

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MR. THAUER:

The next bill on work session is A.B. 345. The work session document ([Exhibit E](#)) describes the bill.

**ASSEMBLY BILL 345**: Revises provisions governing the Commerce Tax.  
(BDR 32-783)

CHAIR NEAL:

The motion on this is do pass, but is there any discussion before I take the motion?

SENATOR SEEVERS GANSERT:

When you take out an exemption, you are expanding it to another group. The commerce tax was crafted in 2015 around the rates and exemptions. I am going to be a no.

SENATOR SPEARMAN:

I was one of the two people serving in the Legislature when the commerce tax was passed and had extensive conversations with then Governor Brian Sandoval and several of my colleagues on both sides of the aisle. Until yesterday, I was not aware of an exemption for the exemption.

I have nothing against people earning a lot of money, but we have a moral obligation to make sure our laws regarding everything in commerce take into consideration the least of us. I was glad to see this legislation come forth. One of the arguments I gave at the time when we discussed the commerce tax was to ensure the next code was tight enough so no industry would wiggle its way out of one tax into another or into a lower tax bracket. I will be voting yes for this.

SENATOR BUCK:

I will be voting no today because I see this as adding a tax to people who provide affordable housing and would only increase housing costs.

CHAIR NEAL:

I will accept a motion to do pass A.B. 345.

SENATOR SPEARMAN MOVED TO DO PASS A.B. 345.

SENATOR DOÑATE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS BUCK AND SEEVERS GANSERT VOTED NO).

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CHAIR NEAL:

I will open the hearing for A.B. 77.

**ASSEMBLY BILL 77 (2nd Reprint)**: Revises provisions governing economic development. (BDR 18-711)

SENATOR FABIAN DOÑATE (Senate District No. 10):

This bill relates to creating the Office of Entrepreneurship within the Office of Economic Development and setting forth powers and duties of that office.

Several provisions of this bill establish the Office of Entrepreneurship and its duties. The Office of Entrepreneurship shall work to strengthen policies and programs supporting the growth of entrepreneurship in the State and work with stakeholders and organizations throughout the entire State to support entrepreneurship and to enhance learning and skills for individuals who would like technical support to expand resources for these individuals.

Section 1 amends NRS 231 which contains general provisions relating to economic development. Section 2 specifies that business means any corporation, partnership, company, cooperative, sole proprietorship or other legal entity organized or operating for pecuniary or non-pecuniary gain. Section 3 specifies entrepreneur means a person who initiates and assumes the financial risk of a business.

The following sections describe the duties and responsibilities of the Office of Entrepreneurship. Section 9 requires that the Office of Economic Development shall encourage 5 percent of the total number of State contracts to be awarded to businesses in operation for not more than five years.

Remaining sections of the bill are how the Office of Economic Development can facilitate the duties of this new office. Section 13.5 of the bill lays out an appropriation for FY 2023-2024 of about \$250,000, and the bill becomes effective on July 1, 2023.

TREVOR PARRISH (Vegas Chamber):

The Vegas Chamber is in support of the bills financial provisions as well as the economic benefit that it will provide.

CHAIR NEAL:

I will close the hearing on A.B. 77 and open a work session on A.B. 77.

MR. THAUER:

Assemblyman Steve Yeager sponsored Assembly Bill 77. The bill was just heard in Committee, so we do not need a summary.

CHAIR NEAL:

I will accept a motion to do pass A.B. 77.

SENATOR SPEARMAN MOVED TO DO PASS A.B. 77.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

Seeing no further business for the Senate Committee on Revenue and Economic Development for this day, we are adjourned at 3:15 p.m.

RESPECTFULLY SUBMITTED:

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Diane Rea,  
Committee Secretary

APPROVED BY:

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Senator Dina Neal, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
A.B. 430	C	3	Layke Martin / Nevada Cannabis Association	Presentation
A.B. 232	D	13	Christian Thauer	Work Session Document
A.B. 345	E	14	Christian Thauer	Work Session Document