# GOVERNOR’S TASK FORCE ON THE IMPLEMENTATION OF BALLOT QUESTION 2: THE REGULATION AND TAXATION OF MARIJUANA ACT TAXATION/ REVENUE/ REGULATORY STRUCTURE WORKING GROUP

**MEETING MINUTES**

Nevada Department of Taxation

Large Conference Room

1550 College Parkway

Carson City, Nevada

Nevada Department of Taxation

Training Room

2550 Paseo Verde Parkway, Suite 180 Henderson, Nevada

March 30, 2017

10:00 a.m.

Meeting called to order at 10:05 a.m.

Members Present

Joe Pollock - Chair

Dagny Stapleton - Chair

Kenny Furlong

Marla McDade-Williams

Neil Krutz

Steve Gilbert

John Ritter

Karen Abowd

Jacqueline Holloway

Jennifer Wilcox

Amanda Connor

Deonne Contine

David Goldwater

Members Absent

None

1. Public Comment –

Natalie Manning, patient, asked that marijuana is not over taxed to the point we go back to the black market.

1. Introductions.

The working group members introduced themselves.

Joe Pollock stated there will be presentations regarding fiscal impacts on local governments.

1. Review and Consideration of Approval of Draft Recommendations from Taxation/Revenue/Regulatory Structure Working Group.
   1. Taxation – 15% Excise Tax

Draft recommendation presented by J. Ritter and S. Gilbert

John Ritter reviewed the draft recommendation regarding 15% Excise Tax. The working group is in agreement to present this recommendation, as revised at today’s meeting, to the Task Force.

David Goldwater made a motion to approve. Second by Karen Abowd. All in favor. Motion carries.

* 1. Taxation – Retail Tax

Draft recommendation presented by D. Goldwater, A. Connor and D. Stapleton

No draft was received.

* 1. D. Stapleton and N. Krutz to present information for consideration to the working group regarding the expected fiscal impacts of the legalization of marijuana

Dagny Stapleton introduced Jacqueline Holloway, Director of Clark County Business License, and Kevin Schiller, of Washoe County. Karen Duddlesten with the City of Las Vegas was also present.

Ms. Holloway made a high level presentation regarding what the local governments do at the local level and how it is different from what the state may be regulating. The local governments are the first responders for the community and we want to be sure our responsiveness is acceptable. The ultimate goal for the local governments is to be sure the community has a voice, and protection and safety. Our county commissioners and counsels fully respected the federal guidelines from the 2013 memo that identified eight federal priorities. To date, Clark County has licensed over 125 medical marijuana establishments and has classified marijuana as a privileged license.

Karen Duddlesten, Deputy Planning Director – City of Las Vegas. Ms. Duddlesten gave an overview of the City’s licensing provisions.

Kevin Schiller, Assistant County Manager – Washoe County. Mr. Schiller stated Washoe County’s board adopted a strategic objective to essentially analyze the impact of marijuana and prepare for the next steps. Mr. Schiller gave an overview of Washoe County’s social services caseload. One thousand kids are currently in foster care in Washoe County and over 70% of cases are substance abuse related. Counties have seen a fiscal impact in connection to referrals and DUI system. We will see an increase in cases in Washoe County. There have been reports of increased juvenile use. In northern Nevada we have not seen the impacts on the medical side because we do not have the volume.

Neil Krutz, Assistant City Manager – City of Sparks. Mr. Krutz stated the impacts have been minor so far in Sparks, Nevada. There are 27 medical marijuana facilities operating. Most of the impacts have involved public safety. In terms of call for service for police, the impacts have been minimal in relation to medical marijuana, and there have only been 9 calls to the fire department since the inception of the program. The calls to the fire department have been routine. The Sparks City Council made a conscious effort to look at it as revenue maker within the city.

The group will continue working this week and come back with a recommendation at the next meeting.

1. Review of Taxation/Revenue/Regulatory Structure Working Group Topics.
   * 1. Tax Clarification
   1. Sales Tax
   2. Wholesale Tax
   3. Business Licensing
   4. Licensing Requirements (Residency, Ownership Interest, Suitability Requirements for Licensees, Responsible Retailers Program)
   5. Single Marijuana Environment
   6. Financial Plan
   7. Operations Fees
   8. Regulatory Organizational Structure
   9. Inspections
   10. Penalties for Noncompliance with Regulations
   11. Local Governments and Financial Benefits
   12. Impacts to Local Government
   13. Data Collection
   14. Revenue for Public Safety
   15. Land Use
2. Review and Consideration for Approval of Agenda Items for Next Meeting

Presentations to the Task Force:

* Taxation – Retail Tax 10% (D. Goldwater, A. Connor and D. Stapleton)

To be reviewed at the next working group meeting:

* Regulatory Organizational Structure – Administrative Functions (M. McDade-Williams and J. Wilcox)
* Regulatory Responsibility (J. Ritter, S. Gilbert, N. Krutz, M. McDade-Williams and A. Connor)

To be reviewed at the April 13, 2017 working group meeting:

* Parody on fees and or taxes (D. Goldwater, D. Stapleton, A. Connor)

Motion made by Marla McDade Williams. Second by David Goldwater. All in favor. Motion carries.

1. No public comment.
2. Meeting adjourned at 12:06 p.m.