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NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of
LCB File No. T002-17

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing:

Monday, May 8, 2017
9:00 a.m.

Physical Location

Gaming Control Board
1919 College Parkway, Suite 100,
Carson City, NV

Video Conference Site

Gaming Control Board
Grant Sawyer Building
555 E. Washington Avenue
Room 2450
Las Vegas, NV

The purpose of the hearing is to receive comments from all interested parties regarding the adoption of temporary regulation that pertain to LCB File No. T002-17.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

The need and purpose of the proposed temporary regulations is to establish procedures for the issuance, suspension or revocation of temporary licenses issued by the Department of Taxation, requiring monthly filing of returns and remittance of tax imposed on the sales of marijuana, requiring the maintenance of certain records, and providing for the inspection of such records relating to the regulation and tax of marijuana pursuant to NRS 453D; and providing other matters properly relating thereto.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed regulation by writing to the Nevada Department of Taxation, 1550 College Parkway, Carson City, NV 89706; or by calling (775) 684-2030. When a revised draft of the proposed temporary regulation is available, it will be posted for review and downloads on the Department of Taxation website:

https://tax.nv.gov/FAQs/Marijuana_Proposed_Temporary_Regulation_T002-17/.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining the impact on small businesses due to the nature of the regulation, which includes its own analysis by considering the extent of the regulatory provisions contained in LCB File No. T002-17. The Department prepared a small business impact questionnaire that was forwarded to the Interested Parties List and the Retail Marijuana group which is maintained by the Department.

The Department will continue to accept input on the impact of the proposed regulation on small businesses through the regulatory process.

The Department held a workshop on March 29, 2017, for members of the public to provide comment regarding the regulation.

4. Estimated economic effect of regulations on business and the public

a. Adverse and beneficial effects

The Department received four comments via the small business impact questionnaire that stated that the proposed temporary regulation would have an adverse effect:

1. All four comments identified the deadline of May 31, 2017, as having a negative impact on their business since they will not be operational and in good standing by that date.

The Department received four comments via the small business impact questionnaire that the proposed temporary regulation would have a beneficial effect:

1. Having the adult use sales available by July 1, 2017, will deter purchase from illegal operators.
2. The temporary regulation will allow for consumers to purchase safe and tested product from licensed companies.
3. The temporary regulation will have a positive effect on tourism.
4. The temporary regulation will allow for a seamless process for existing licensed Medical Marijuana Establishments to apply.

b. Immediate and long-term effects

Same as above

5. Cost for enforcement of the regulations

The proposed temporary regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed temporary regulation does not overlap or duplicate any regulation of other state or local governmental entities. However, the temporary regulation does rely on the provisions of NRS 453A for clarity, understanding and administering of NRS 453 D.

7. Regulation required by federal law

Not applicable

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

The proposed regulations do not include new or increases in existing fees.

If you require any additional information concerning this matter, please don't hesitate to contact George Hritz with the Department of Taxation at (775)684-2059 ghritz@tax.state.nv.us or Heidi Feticc at (775)684-2030 hfeticc@tax.state.nv.us. A copy of T002-17 can be found on the Department's website at <https://tax.nv.gov> or at <http://www.leg.state.nv.us/Register/2017.pdf>

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 1550 E. College Parkway, Suite 115, Carson City, NV 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

A copy of this notice and the proposed permanent regulations to be adopted and amended will be on file at the Nevada State Library, 100 Stewart Street, Carson City, NV, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulations to be adopted and amended will be available at the Department of Taxation, 1550 College Parkway, Carson City, NV; Department of Taxation, 4600 Kietzke Lane, Building L, Suite 235, Reno, NV; Department of Taxation, 555 East Washington Avenue, Suite 1300, Las Vegas, NV; Department of Taxation- 2550 Paseo Verde Parkway, Suite 180, Henderson, NV; and in all counties in which an office of the Department of Taxation is not maintained, at the main public library, for inspection and copying by members of the public during business hours. The text of the proposed permanent regulations will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary. Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.



Anna Thornley, Deputy Executive Director
April 6, 2017

Members of the public who are disabled and require accommodations or assistance at the meeting are requested to notify the Department of Taxation in writing or by calling 775-684-2030 no later than five working days prior to the meeting.

Notice has been posted at the following locations: The Department of Taxation - 1550 College Parkway, Carson City, NV. Notice was mailed to each County Public Library for posting.

Notice has been EMAILED/FAXED for posting at the following locations: Department of Taxation - 4600 Kietzke Lane, Building L, Suite 235, Reno, NV; Department of Taxation - 555 E. Washington Avenue, Grant Sawyer Office Building, Suite 1300, Las Vegas, NV; Department of Taxation – 2550 Paseo Verde Parkway, Suite 180, Henderson, NV; The Legislative Building, Capitol Complex, Carson City, NV; and the Nevada State Library, 100 Stewart Street, Carson City, NV, Interested Parties Group & Mailing List maintained by the Department. Notice of this meeting was posted on the internet through the Department of Taxation website at www.tax.nv.gov, on the Legislative website at www.leg.state.nv.us, & at the Nevada Public Notice Website <https://notice.nv.gov/>.