

SENATE BILL NO. 305—SENATOR D. HARRIS

MARCH 18, 2019

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions relating to taxation.  
(BDR 32-264)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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

AN ACT relating to taxation; authorizing a board of county commissioners to impose a sales tax for the support of certain programs; creating the Account for the Support of Academic Achievement; requiring a percentage of the revenue collected from the excise tax imposed on sales of marijuana and related products by a retail marijuana store to be deposited into the Account; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law authorizes the board of county commissioners of certain counties  
2 to enact an ordinance imposing a tax for certain purposes on the gross receipts of  
3 any retailer for certain sales in a county. A board may not enact such an ordinance  
4 unless it contains certain provisions and a question concerning the imposition of the  
5 tax is approved by a majority of the registered voters of the county voting on the  
6 question at a general election. (NRS 377A.020, 377A.030) **Sections 6 and 7** of this  
7 bill authorize the board of county commissioners of any county to enact an  
8 ordinance imposing a tax at the rate of 1 percent on the gross receipts of any retailer  
9 for certain sales in the county to be used for the support of prekindergarten  
10 programs, programs to assist homeless persons, specialty court programs or  
11 diversion programs, the development of affordable housing or for any combination  
12 of those purposes. To enact such an ordinance, the board must submit the ordinance  
13 for approval of the registered voters of the county in the same manner as other  
14 ordinances proposing similar taxes. **Section 4** of this bill requires the county  
15 treasurer to deposit the money collected from such a tax into a separate fund to be  
16 known as the support fund for community betterment programs and the  
17 development of affordable housing.

18 Existing law imposes an excise tax on each retail sale in this State of marijuana  
19 or marijuana products by a retail marijuana store at the rate of 10 percent of the



20 sales price of the marijuana or marijuana products. (NRS 372A.290) Under existing  
21 law, the revenues from this tax must be paid over as collected to the State Treasurer  
22 to be deposited to the credit of the Account to Stabilize the Operation of the State  
23 Government. **Section 9** of this bill instead requires 75 percent of the revenue from  
24 the excise tax to be deposited in this manner. **Section 9** creates the Account for the  
25 Support of Academic Achievement and requires 25 percent of the revenues of the  
26 excise tax to be deposited into the Account. **Section 9** requires the Interim Finance  
27 Committee to administer the Account and requires the money in the Account to be  
28 allocated and expended only for the purposes of supporting public schools and  
29 funds and accounts for the distribution of scholarships.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 377A of NRS is hereby amended by  
2 adding thereto the provisions set forth as sections 2, 3 and 4 of this  
3 act.

4 **Sec. 2.** *“Affordable housing” has the meaning ascribed to it*  
5 *in NRS 278.0105.*

6 **Sec. 3.** *“Specialty court program” has the meaning ascribed*  
7 *to it in NRS 176A.500.*

8 **Sec. 4. 1.** *In any county in which a tax has been imposed*  
9 *pursuant to paragraph (e) of subsection 1 of NRS 377A.020, the*  
10 *county treasurer shall deposit the money that is attributable to the*  
11 *imposition of the tax and which is received from the State*  
12 *Controller pursuant to NRS 377A.050 for credit to a fund to be*  
13 *known as the support fund for community betterment programs*  
14 *and the development of affordable housing.*

15 **2.** *The support fund for community betterment programs and*  
16 *the development of affordable housing must be accounted for as a*  
17 *separate fund and not as part of any other fund.*

18 **Sec. 5.** NRS 377A.010 is hereby amended to read as follows:  
19 377A.010 As used in this chapter, unless the context otherwise  
20 requires, the words and terms defined in NRS 377A.011 to  
21 377A.019, inclusive, *and sections 2 and 3 of this act* have the  
22 meanings ascribed to them in those sections.

23 **Sec. 6.** NRS 377A.020 is hereby amended to read as follows:  
24 377A.020 1. The board of county commissioners of:  
25 (a) Any county may enact an ordinance imposing a tax for a  
26 public transit system, for the construction, maintenance and repair of  
27 public roads, for the improvement of air quality or for any  
28 combination of those purposes pursuant to NRS 377A.030.

29 (b) Any county whose population is less than 700,000 may enact  
30 an ordinance imposing a tax to promote tourism pursuant to  
31 NRS 377A.030.



1 (c) Any county whose population is less than 15,000 may enact  
2 an ordinance imposing a tax to support the operation and  
3 maintenance of a county swimming pool and recreational facility  
4 pursuant to NRS 377A.030.

5 (d) Any county whose population is less than 100,000 may enact  
6 an ordinance imposing a tax to acquire, develop, construct, equip,  
7 operate, maintain, improve and manage libraries, parks, recreational  
8 programs and facilities, and facilities and services for senior  
9 citizens, and to preserve and protect agriculture, or for any  
10 combination of those purposes pursuant to NRS 377A.030. The  
11 duration of the levy of a tax imposed pursuant to this paragraph  
12 must not exceed 30 years.

13 (e) *Any county may enact an ordinance imposing a tax for the*  
14 *support of prekindergarten programs, programs to assist homeless*  
15 *persons, specialty court programs or diversion programs, the*  
16 *development of affordable housing or for any combination of*  
17 *those purposes pursuant to NRS 377A.030.*

18 2. An ordinance enacted pursuant to this chapter may not  
19 become effective before a question concerning the imposition of the  
20 tax is approved by a majority of the registered voters of the county  
21 voting upon the question which the board may submit to the voters  
22 at any general election. A county may combine a question  
23 concerning the imposition of a tax described in subsection 1 with  
24 questions submitted pursuant to NRS 244.3351, 278.710 or 371.045,  
25 or any combination thereof. The board shall also submit to the  
26 voters at a general election any proposal to increase the rate of the  
27 tax or change the previously approved uses for the proceeds of  
28 the tax.

29 3. Any ordinance enacted pursuant to this section must specify  
30 the date on which the tax must first be imposed or on which an  
31 increase in the rate of the tax becomes effective, which must be the  
32 first day of the first calendar quarter that begins at least 120 days  
33 after the approval of the question by the voters.

34 **Sec. 7.** NRS 377A.030 is hereby amended to read as follows:

35 377A.030 Except as otherwise provided in NRS 377A.110, any  
36 ordinance enacted under this chapter must include provisions in  
37 substance as follows:

38 1. A provision imposing a tax upon retailers at the rate of not  
39 more than:

40 (a) For a tax to promote tourism, one-quarter of 1 percent;

41 (b) For a tax to establish and maintain a public transit system,  
42 for the construction, maintenance and repair of public roads, for the  
43 improvement of air quality or for any combination of those  
44 purposes, one-half of 1 percent;



1 (c) For a tax to support the operation and maintenance of a  
2 county swimming pool and recreational facility, one-quarter of 1  
3 percent; ~~for~~

4 (d) For a tax to acquire, develop, construct, equip, operate,  
5 maintain, improve and manage libraries, parks, recreational  
6 programs and facilities, and facilities and services for senior  
7 citizens, and to preserve and protect agriculture, or for any  
8 combination of those purposes, one-quarter of 1 percent ~~for~~; or

9 *(e) For a tax to support prekindergarten programs, programs*  
10 *to assist homeless persons, specialty court programs or diversion*  
11 *programs, the development of affordable housing or for any*  
12 *combination of those purposes, 1 percent,*

13 ↪ of the gross receipts of any retailer from the sale of all tangible  
14 personal property sold at retail, or stored, used or otherwise  
15 consumed in a county.

16 2. Provisions substantially identical to those contained in  
17 chapter 374 of NRS, insofar as applicable.

18 3. A provision that all amendments to chapter 374 of NRS after  
19 the date of enactment of the ordinance, not inconsistent with this  
20 chapter, automatically become a part of the ordinance.

21 4. A provision that the county shall contract before the  
22 effective date of the ordinance with the Department to perform all  
23 functions incident to the administration or operation of the tax in the  
24 county.

25 5. A provision that a purchaser is entitled to a refund, in  
26 accordance with the provisions of NRS 374.635 to 374.720,  
27 inclusive, of the amount of the tax required to be paid that is  
28 attributable to the tax imposed upon the sale of, and the storage, use  
29 or other consumption in a county of, tangible personal property used  
30 for the performance of a written contract for the construction of an  
31 improvement to real property, entered into on or before the effective  
32 date of the tax or the increase in the tax, or for which a binding bid  
33 was submitted before that date if the bid was afterward accepted, if  
34 under the terms of the contract or bid the contract price or bid  
35 amount cannot be adjusted to reflect the imposition of the tax or the  
36 increase in the tax.

37 **Sec. 8.** NRS 377A.040 is hereby amended to read as follows:

38 377A.040 Any ordinance amending the taxing ordinance must  
39 include a provision in substance that the county shall amend the  
40 contract made under subsection 4 of NRS 377A.030 by a contract  
41 made between the county and the State acting by and through the  
42 Department before the effective date of the amendatory ordinance,  
43 unless the county determines with the written concurrence of the  
44 regional transportation commission, in the case of a tax imposed  
45 pursuant to paragraph (b) of subsection 1 of NRS 377A.030, or the



1 county fair and recreation board, in the case of a tax imposed  
2 pursuant to paragraph (a) of subsection 1 of NRS 377A.030, that no  
3 such amendment of the contract is necessary or desirable. Consent  
4 of another body is not required for the county to determine that no  
5 such amendment of the contract is necessary or desirable in the case  
6 of a tax imposed pursuant to paragraph (c) , ~~for~~ (d) *or (e)* of  
7 subsection 1 of NRS 377A.030.

8 **Sec. 9.** NRS 372A.290 is hereby amended to read as follows:

9 372A.290 1. An excise tax is hereby imposed on each  
10 wholesale sale in this State of marijuana by a cultivation facility to  
11 another medical marijuana establishment at the rate of 15 percent of  
12 the fair market value at wholesale of the marijuana. The excise tax  
13 imposed pursuant to this subsection is the obligation of the  
14 cultivation facility.

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

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

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

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

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

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

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

43 5. ~~The~~ *Seventy-five percent of the* revenues collected from  
44 the excise tax imposed pursuant to subsection 2 must be paid over as  
45 collected to the State Treasurer to be deposited to the credit of the



1 Account to Stabilize the Operation of the State Government created  
2 in the State General Fund pursuant to NRS 353.288.

3 6. *Twenty-five percent of the revenues collected from the*  
4 *excise tax imposed pursuant to subsection 2 must be paid over as*  
5 *collected to the State Treasurer to be deposited to the credit of the*  
6 *Account for the Support of Academic Achievement, which is*  
7 *hereby created in the State General Fund. The Account must be*  
8 *administered by the Interim Finance Committee and the money in*  
9 *the Account may be allocated and expended only for the purposes*  
10 *of supporting:*

11 (a) *Public schools, as defined in NRS 385.007; and*

12 (b) *Funds and accounts for the distribution of scholarships,*  
13 *including, without limitation, the Millennium Scholarship Trust*  
14 *Fund created by NRS 396.926 and any other related fund or*  
15 *account the Interim Finance Committee deems appropriate.*

16 7. As used in this section:

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

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

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

23 **Sec. 10.** This act becomes effective on July 1, 2019.





