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Business Associations and Professions; Controlled Substances- Taxation

University of the Pacific, McGeorge School of Law

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suspend the license without notice of a hearing if the action is necessary for immediate protection of the public and the licensee is afforded a hearing to contest the suspension or revocation within twenty days after the written order is served upon the agency.13

Existing law provides that the agency maintain a separate bank account in which all money collected be deposited.14 Chapter 644 requires the account be maintained in a bank located in Nevada and further requires that the collection records be maintained at the premises where the permit authorizes the agency to conduct business.15 In addition, Chapter 644 further provides that each collection agency maintain a signed contract16 with each customer.17

13. Id.
15. Id. If the administrator finds that a licensee’s records are not maintained. The administrator may require the licensee to deliver an audited financial statement prepared from the records by a certified public accountant who is licensed by the state. Id.
16. 1987 NEv. REV. STAT. ch. 644, sec. 6, at _ (enacting NEv. REV. STAT. § 649.____). The contract must include: (1) The fee charged by the agency; (2) the manner in which any interest collected is shared between the customer and the agency; and (3) the rules governing the return of accounts, as established by regulations adopted by the administrator. Id.
17. 1987 Nev. Stat. ch. 644, sec. 6, at _ (enacting NEv. REV. STAT. § 649.____) (contracts which are transferred from a collection agency in another state are exempt). NEv. REV. STAT. § 649.030 (definition of customer).

Business Associations and Professions; controlled substances-taxation

NEv. REV. STAT. § 000.____ (new); § 171.085 (amended).
SB 144 (Vergiels); 1987 STAT. Ch 717
(Effective June 22, 1987)

Existing law provides for the taxation of specific activities, including the taxation of alcohol and tobacco.1 Chapter 7172 provides that a person who sells,3 offers to sell, or possesses with the intent to

1. NEv. REV. STAT. §§ 369.010-.550 (taxation of intoxicating liquor), 370.001-.530 (taxation of tobacco).
3. Sell includes exchange, barter, solicitation or receipt of an order, transfer to another for sale or resale, possession, or transportation in contravention of Chapter 717, and any

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sell, a controlled substance must register with the Health and Human Services Department (Department) as a controlled substance dealer and must pay an annual fee of $250. In addition, that person must pay a tax on each ounce of marijuana, each ounce of any other controlled substance, and each fifty dosage units of a controlled substance that is not sold by weight. Any information submitted to the Department identifying a dealer is confidential.

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4. Controlled substance includes a drug, substance, or immediate precursor listed in schedules I to V, inclusive, and any substance manufactured by a person not registered with the Secretary of Health and Human Services that is an imitation or substitute for a substance or immediate precursor listed in schedules I to V, inclusive. Id. sec. 3, at . See Nev. Rev. Stat. §§ 453.166-.216 (list of schedules).


7. 1987 Nev. Stat. ch. 717, sec. 8, at (enacting Nev. Rev. Stat. § ). The tax is $100 for each ounce of marijuana, $1000 for each ounce of any other controlled substance, and $2000 for each 50 dosage unit of a controlled substance that is not sold by weight. Id. The weight of the controlled substance must be measured by the weight of the substance in the dealer's possession. Id. Any person who fails to register or pay the tax on the controlled substance is subject to a civil penalty of 100% of the tax in addition to the tax imposed pursuant to Chapter 717, and must be punished by confinement in the state prison for not less than 1 year or more than 6 years, and may be punished further by a fine not exceeding $2000. Id. An indictment for a criminal act under Chapter 717 may be filed within 6 years after the commission of the offense. Id.

8. 1987 Nev. Stat. ch. 717, secs. 9, 14, 15, at (enacting Nev. Rev. Stat. § ). No criminal prosecution may be initiated on the basis of information submitted, or evidence derived from information submitted, to the Department. Id. Furthermore, no information submitted as evidence or derived from information submitted to the Department is admissible in a criminal prosecution, unless the prosecution shows that the information was independently discovered or would have been inevitably discovered based on independent information. Id. Chapter 717 prohibits a person from suing to enjoin the imposition of any taxes, interest, or penalties imposed by Chapter 717. Id. The taxes and civil penalties assessed by the Department are presumed valid and correctly determined and assessed and the taxpayer has the burden to show incorrectness or invalidity. Id.