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Business Associations and Professions; Controlled Substances- Taxation

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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

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13. *Id.*

14. NEV. REV. STAT. § 649.355 (2), (3) (amended by 1987 Nev. Stat. ch. 644, sec. 8 at ___).

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).

2. Chapter 717 amends Title 32 of NEV. REV. STAT. by adding a new chapter thereto. 1987 Nev. Stat. ch. 717, sec. 5, at ___.

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

sell, a controlled substance⁴ must register with the Health and Human Services Department (Department) as a controlled substance dealer and must pay an annual fee of \$250.⁵ In addition, that person must pay a tax on each ounce of marijuana,⁶ each ounce of any other controlled substance, and each fifty dosage units of a controlled substance that is not sold by weight.⁷ Any information submitted to the Department identifying a dealer is confidential.⁸

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other transfer for any consideration or a promise obtained directly or indirectly. 1987 Nev. Stat. ch. 717, sec. 5, at ____ (enacting NEV. REV. STAT. § ____).

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).

5. 1987 Nev. Stat. ch. 717, sec. 8, at ____ (enacting NEV. REV. STAT. § ____).

6. See NEV. REV. STAT. § 453.096 (definition of marijuana).

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.*