

Julie Patterson-Hunter

From: Julie Patterson-Hunter
Sent: Monday, June 25, 2018 12:17 PM
To: All BOS Board Members
Cc: Rick Haffey; Alison Barratt-Green; Alison Lehman; Sean Powers
Subject: FW: "Draft" Proposal of Cannabis Regulations for Nevada County
Attachments: tax doc. super.docx

Dist 3 resident

From: William Fowler [REDACTED]
Sent: Monday, June 25, 2018 12:04 PM
To: bdofsupervisors <bdofsupervisors@co.nevada.ca.us>
Subject: "Draft" Proposal of Cannabis Regulations for Nevada County

Dear Honorable Supervisors, please see the attached letter. I live in District 3 but I thought that all Supervisors might have an interest to read this letter. I am a retired U.S. Commissioned Officer and see a need to add some insight for your thinking of the new draft regulations concerning Cannabis.

Thank you for your time and consideration...

William Fowler, long time resident of Nevada County, District 3

To Nevada County Supervisors

From: William Fowler, Retired U.S. Treasury Valuation Officer

Dear Honorable Supervisors,

I am retired from the U. S. Treasury offices headquartered in Los Angeles and San Francisco and am considered an expert in valuation of corporations and real estate and have provided successful expert witness testimony for the Government in U.S. Tax Court, i.e. *Kaufman vs. Commissioner*. I am providing you this information because it may be helpful in your pursuit of successful cannabis regulations here in Nevada County.

I do know that you have been faced with the daunting task of providing comprehensive cannabis regulations and are still working on a "Draft". I think you might want to consider information that will be very advantageous for Nevada County's future revenue streams and keeping the budget in the black.

I have noticed that you have proposed relatively small cultivations on AG zoned properties in Nevada County, and have proposed monetary fees based upon square footage designated upon specific guidelines whether it be cottage specialty grows, inside or outside grows. I think you might want to consider that these properties, at this time, only have a house on them and property taxes based upon structures and land. When these properties become cultivation properties and cultivation licenses are issued through the County and State, then the entire property tax base should be reconsidered on the basis of a business and not just on rural land values. When taking in consideration this aspect, then the property tax base will be greatly enhanced. If you enlarge the footprint of these cultivation sites in your current "draft" proposal and consider what the new values will be based upon the "business value" then your property tax department will have a huge increase in its revenue stream which can be used for new programs for the county, expanded salaries, etc. This should be done now, not five years in the future so Nevada County has in place a working plan to capture additional revenues when the new cannabis regulation is adopted.

Since cannabis cultivation and residue non-touching plant products are becoming the largest new industry in the United States and the world, possibly Nevada County should be on the forefront of this new endeavor and think progressively, set an example for other California Counties. In thinking about this, maybe you folks should consider expanding the footprints plus adding cannabis nurseries to your regulations since nurseries can be a pathway of tracking all plants that are sold to licensed cultivators.

If you want to consider suggestions of how to expand the tax base for Nevada County, I am an expert in this area and would be honored to aid or advice. While working for the U.S. Government, I was able to increase our revenue streams from \$2, 500 per hour to \$16,000 per hour for the Western Division of the IRS, which was the largest increase in the United States at the time I was providing my expertise.

Best regards to all of you and good luck with your cannabis regulations.

William Fowler, retired U.S Commissioned Officer and veteran of U. S. Army (1968-74).