



*County of Nevada*  
*Office of the Treasurer & Tax Collector*

Tina M. Vernon  
Treasurer & Tax Collector

950 Maidu Ave. Ste 290  
P.O. Box 128  
Nevada City, CA 95959  
(530)265-1285  
Fax (530) 265-9857  
[ttc@co.nevada.ca.us](mailto:ttc@co.nevada.ca.us)

**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

---

**MEETING DATE:** December 11, 2018

**TO:** Board of Supervisors

**FROM:** Tina Vernon, Treasurer & Tax Collector

**SUBJECT:** Adoption of an Ordinance Adding Article 8 to Chapter 5 of the General Code of the County of Nevada Establishing a Cannabis Business Tax (4/5ths Affirmative Vote Required).

**RECOMMENDATION:**

Adopt the Proposed Ordinance

**FUNDING:** Not applicable

**BACKGROUND:**

On July 10, 2018, the Board approved Resolution 18-362, authorizing the placement of a Cannabis Business Tax Measure (Measure G) on the November 6, 2018 ballot for voter approval. The proposed ordinance if approved by the voters would:

- Propose a general tax with maximums for each methodology
- Set an initial tax rate of 2.5% on gross receipts frozen for the 1st 2.5 years and place minimums based on square footage
- Set maximum rates for each tax structure
- Provide BOS flexibility to adapt to changing legislation and industry needs by allowing the flexibility in the ordinance to adopt other methods and tax rates
- Provide BOS discretion to exempt or accept other business types
- Provide tools to tax collector and code enforcement for better collection and enforcement
- Provide industry with collection processes, including registration and remitting, appeal and audit processes

- Impose a 10% penalty for nonpayment or not timely payment of taxes with interest of 1.5% per month and gives tax collector authority to place liens or recommend license to be revoked.
- Exempt from tax compassion care cultivation and personal use.
- Become operative on Jan 1 2019 after final adoption by the Board.

Measure G, the Commercial Cannabis Business tax was passed by the voters with over 75% approval. Now that the voters have approved the tax, the final step in this process is final adoption of the proposed Ordinance. The Ordinance will become effective immediately upon its adoption and the tax will be implemented as of January 1, 2019.

It is recommended that the Board approve the Ordinance setting forth the Commercial Cannabis Business Tax approved by the voters on November 6, 2018.

**Initiated and Approved by:** Tina Vernon, Treasurer & Tax Collector

Submittal Date: November 19, 2018

Revision Date: