



County of Nevada
Office of the Treasurer & Tax Collector

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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: March 27, 2018

TO: Board of Supervisors

FROM: Tina Vernon, Treasurer & Tax Collector

SUBJECT: Resolution approving a Personal Services Contract with Low Edwards Group for cannabis revenue measure consultation services in the amount not to exceed \$40,000, and directing the Auditor-Controller to release fund balance in the amount of \$40,000 from the General Fund Unassigned Fund Balance and to amend the Fiscal Year 2017/2018 Treasurer & Tax Collector budget.

RECOMMENDATION: Approve the attached resolution and budget amendment.

FUNDING: Funding for this contract, not to exceed \$40,000, will impact the 2017-2018 Treasurer & Tax Collector budget and General Fund fund balance. A budget amendment is included in the resolution.

BACKGROUND:

On January 23-24, 2018 the Board of Supervisors discussed its annual objectives, including continuing to develop long term County cannabis regulations and exploration of a cannabis revenue measure for the November ballot. The Board then adopted its 2018 Board Objective at the February 13th, 2018 board meeting solidifying the Board's direction to staff to pursue a cannabis revenue measure.

On February 13th, 2018 the Board also held an extensive discussion on revisions to the County's cannabis ordinance and directed county counsel to begin drafting revisions to the current ordinance. The Board's direction included provisions to allow limited commercial cannabis businesses to operate legally in the County of Nevada under the revised ordinance, once adopted. Although the revised ordinance will likely include a permitting process for cannabis businesses, permit fees can only legally be collected for the actual cost of issuing the permit, and may not include administrative or enforcement costs.

Nine California counties and more than sixty cities have implemented taxes on cannabis businesses in order to generate revenue for enforcement, public education, and general government operations. Several more jurisdictions are preparing ballot measures for the June election, including Nevada City who is preparing a revenue measure to collect taxes from medical cannabis businesses allowed to operate in the city limits.

The process of preparing a successful ballot measure includes extensive public opinion research, project management, public information and the scientific development of the specific measure language. The history of measures and public perspectives on cannabis in Nevada County suggests a highly contentious and polarizing issue. For this reason, staff recommends hiring an experienced lead consultant to assist in the measure preparation.

Lew Edwards Group (LEG) is a California leader in preparing counties, special districts, and local government agencies for revenue measures throughout the state. LEG has enacted approximately \$35 billion in California revenue measures with a 95% success rate. More than two-thirds of LEG's practice is in revenue measures of all types. In 2016, LEG assisted with 68 enactments, including Nevada County's Measure A to extend and increase funding for library services.

LEG's lead consultant role for Nevada County's cannabis business revenue measure would include efficient, supportive and responsive project management throughout the project duration, add essential value to public opinion research conducted in relation to the initiative, confer with county counsel on ballot measure language development, and recommend and draft text copy for legally permissible public information for the duration of the project.

LEG recommends Godbe Research, the County's incumbent pollster from Measure A, to update public opinion research through a voter survey to determine the viability of any potential revenue ballot measure and to develop the parameters of a measure in a manner that is responsive to the public's perspectives. A separate contract for public opinion research is before your board today for additional consideration.

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

Submittal Date: March 15, 2018

Revision Date: