



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA CALLING FOR AN ELECTION FOR, AND AUTHORIZING THE SUBMISSION TO THE VOTERS OF A MEASURE TO ESTABLISH A CANNABIS BUSINESS LICENSE TAX IN THE UNINCORPORATED AREA OF NEVADA COUNTY, AND CONSOLIDATING THE ELECTION WITH THE STATEWIDE GENERAL ELECTION CALLED FOR NOVEMBER 6, 2018
(4/5TH AFFIRMATIVE VOTE REQUIRED)**

WHEREAS, Revenue and Taxation Code sections 7284 and 7284.4 authorize the County to establish a business license tax, subject to any applicable voter approval requirement imposed by law; and

WHEREAS, Business and Professions Code section 19348 and Revenue and Taxation Code section 34021.5 also authorize the County to impose a tax on the privilege of engaging in certain commercial cannabis activities; and

WHEREAS, Government Code sections 53723 and 53724 provide that a legislative body may not impose a general tax unless or until the tax is submitted to the electorate of the local government and approved by a majority vote of the voters voting in an election on the issue; and

WHEREAS, Government Code section 53739 authorizes the County to present a proposed tax measure which states a range of rates or amounts which the Board of Supervisors may thereafter impose at any rate or amount that is less than or equal to the maximum amount authorized by the voter-approved ordinance; and

WHEREAS, Government Code section 53724 additionally provides that no tax subject to the vote requirement prescribed by Government Code section 53723 (general taxes) shall be presented at an election unless the ordinance or resolution proposing such tax is approved by a two-thirds vote of all members of the legislative body of the local government; and

WHEREAS, Elections Code section 9140 authorizes the Board of Supervisors to submit to the voters, without a petition, an ordinance for the enactment of any ordinance, to be voted on at any succeeding, regular or special election and, receiving the majority of votes cast, the ordinance shall be enacted accordingly; and

WHEREAS, as a result of recent voter-approved changes to state law, there has been strong interest by cannabis businesses to engage in commercial activities in the unincorporated area of the County; and

WHEREAS, cannabis businesses are likely to create demands upon County services, and the County does not currently impose any taxes upon cannabis businesses, aside from generally applicable taxes; and

WHEREAS, the Board of Supervisors of the County of Nevada desires to adopt cannabis regulations to prevent cannabis businesses from being a public nuisance, including a regulatory and permitting program, and desires to provide appropriate licensing and revenue for the County in a manner consistent with State law; and

WHEREAS, the County of Nevada is dedicated to protecting residents' public safety, their environment, quality of life and vital essential services; and

WHEREAS, the proposed measure will give Nevada County local control over local funds for local needs with money that cannot be taken by the State; and

WHEREAS, the proposed measure will generate \$1.5-\$3,000,000 annually for essential County services including public safety, environmental regulations enforcement, neighborhood protection, crime prevention, and other essential services; and

WHEREAS, the measure will ensure cannabis growers and businesses pay their fair share to help protect public health, safety and essential services; and

WHEREAS, the measure will help bring the cannabis business out of the shadows and ensure appropriate regulation; and

WHEREAS, every person engaged in cannabis business activity in the unincorporated area of Nevada County will be required to register and to pay the County business tax; and

WHEREAS, resident priorities include enhancing crime prevention and investigation, enforcing cannabis licensing, operation and public safety and environmental regulation; and

WHEREAS, the measure includes fiscal accountability and transparency provisions, including financial audits; and

WHEREAS, the fiscal accountability safeguards will ensure funds are used efficiently, effectively and as promised to voters; and

WHEREAS, Chapter V of the Nevada County General Code, relating to Revenue and Finance, does not currently include a cannabis business tax; and

WHEREAS, the Board of Supervisors of the County of Nevada desires to add Article 8 to Chapter V, creating a new business license tax for commercial cannabis cultivation and other commercial cannabis activity in the unincorporated area of the County; and

WHEREAS, as the County seeks to appropriately regulate cannabis businesses and seeks adequate funding to provide essential public services, all revenues received from the taxes imposed by Article 8 shall be deposited in the County's General Fund to be expended for general purposes.

NOW, THEREFORE, BE IT RESOLVED, by the Nevada County Board of Supervisors that:

SECTION ONE: The foregoing recitals are adopted as findings of the Board of Supervisors as though set forth fully herein.

SECTION TWO: The Board of Supervisors hereby calls an election to be held and conducted in and for the County of Nevada on Tuesday, November 6, 2018, for the purpose of submitting the Ordinance to the voters of Nevada County, and further orders that the election be consolidated with the Statewide General Election to be held on November 6, 2018.

SECTION THREE: Pursuant to Elections Code section 9140 and Government Code section 53723, the Board of Supervisors hereby submits to the voters of the County of Nevada, the following Measure:

COUNTY OF NEVADA MEASURE

To maintain/improve essential services including public safety, crime prevention/ investigation, environmental regulations enforcement, neighborhood protection, and other County services, shall the measure establishing cannabis business tax rates not to exceed \$10 per square-foot or \$8 per ounce on cultivation and/or up to 10% of gross receipts for all cannabis businesses in unincorporated Nevada County, generating an estimated \$1.5-3,000,000 annually, unless/until repealed, with financial audits, no money for the state, be adopted?	YES
	NO

SECTION FOUR: The Measure shall pass only if a majority of the votes cast by the voters voting on the Measure are “yes” votes. In the event a majority of the electors voting on the Measure vote in favor thereof, the Nevada County General Code shall be amended to read as set forth in Exhibit “A” attached hereto and incorporated herein and, pursuant to Elections Code section 9122 and Government Code section 25123(c), shall become effective ten (10) days after approval by a majority of County electors voting at the November 6, 2018, general statewide election and final adoption by the Board of Supervisors.

SECTION FIVE: The Nevada County Registrar of Voters is hereby authorized and directed to take any and all actions necessary to prepare for and conduct the election and canvass the returns of the election as set forth in the Elections Code, and to do all things required by law to present the proposed Measure to the electorate, including, without limitation, the following:

- A. Furnish any and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the election.
- B. Fix and determine dates for submission of arguments for or against said proposed ordinance pursuant to the provisions of the Elections Code.
- C. Take the necessary and appropriate action to provide the election officers, polling places and voting precincts.
- D. Transmit a copy of the Measure to the County Auditor and County Counsel in accordance with Elections Code 9160.
- E. Give notice of the time and place of holding the election together with any other

notices required by law.

F. Provide for the polls for this election to be open during the hours required by law.

G. Hold and conduct the election as provided by law for the holding of County initiative elections.

SECTION SIX: The full text of the proposed Measure shall be as set forth in Exhibit “A” attached hereto and made a part hereof. The Nevada County Registrar of Voters is hereby directed to print the full text of the Measure in the voter information pamphlet mailed to all voters in the County of Nevada.

SECTION SEVEN: In accordance with Elections Code section 9160, the Nevada County Counsel is directed to prepare an impartial analysis of the measure and the County Auditor is directed to prepare a fiscal impact statement.

SECTION EIGHT: Arguments for or against the measure may be submitted in conformity with Elections Code section 9161, *et seq.*

SECTION NINE: The Clerk of the Board is hereby directed to submit a certified copy of this Resolution to the Registrar of Voters for the County of Nevada within five (5) business days after its adoption.

SECTION TEN: The Board of Supervisors hereby finds and determines that approval of this Resolution is not a project subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378 because the ballot measure involves a government funding mechanism and related fiscal activities, which does not involve a commitment to a specific project.