



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

LATE
DIST

#2

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

2018 FEB 22 PM 4:16

COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

Department Name: CEO
Department No.: 012
For Agenda Of: 02/27/2018
Placement: Administrative
Estimated Tme:
Continued Item: NA
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Supervisor Das Williams, Chair and 1st District Supervisor
Director(s): Supervisor Steve Lavagnino, Vice Chair and 5th District Supervisor

Contact Info: Dennis Bozanich, Deputy County Executive Officer

SUBJECT: Authorization to Submit Direct Argument in Favor of the Cannabis Operations Tax Ballot Measure and Authorize Direct Argument Authors to provide a Rebuttal if needed

County Counsel Concurrence

As to form: Yes

Other Concurrence: NA

Auditor-Controller Concurrence

As to form: NA

Recommended Actions:

That the Board of Supervisors:

- A. Under Elections Code Section 9162(a), authorize and direct the Chair to sign and submit to the Elections Official on behalf of the Board of Supervisors, a direct argument in favor of the Cannabis Operations Tax Ballot Measure for the June 5, 2018 Primary Election Ballot before February 28, 2018, and
- B. Under Elections Code 9167(a) authorize Supervisors Lavagnino and Williams to prepare, sign and submit to the Elections Official rebuttal arguments on behalf of the Board of Supervisors or authorize in writing any other person or persons to prepare, submit or sign the rebuttal arguments between March 2 and March 12, 2018, if necessary; and
- C. Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA Guidelines because they consist of the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This action today will allow the Board to consider and approve the ballot argument in favor of imposing the Cannabis Operations Tax and authorize two members of the Board to prepare, sign and submit a rebuttal to an argument opposed to the Cannabis Operations Tax.

Elections Code Section 9162(a) states that the board of supervisors or any member or members of the board, or any individual voter who is eligible to vote on the measure, or bona fide association of citizens, or any combination of these voters and associations may file a written argument for or against any county measure. Elections Code 9167(a) states that the authors of the direct argument may prepare and submit rebuttal arguments or may authorize in writing any other person or persons to prepare, submit and sign the rebuttal argument.

Background: At the first reading of the Cannabis Operations Tax Ordinance on February 6, 2018, the Board of Supervisors appointed Supervisors Williams and Lavagnino to draft, on behalf of the Board, an argument in favor of imposing the Cannabis Operations Tax on gross receipts at rates of 1% for nursery operations; 1% for distributor (excluding distributor transport only) operations; 3% for manufacturing operations; 4% for cultivation operations; 6% for retailer operations; and 6% for microbusiness operations in the unincorporated area of the County and return to the Board for consideration prior to February 28, 2018.

On February 13, 2018, the Board adopted an ordinance adding Chapter 50A to the Santa Barbara County Code to impose the Cannabis Operations Tax on gross receipts at rates of 1% for nursery operations; 1% for distributor (excluding distributor transport only) operations; 3% for manufacturing operations; 4% for cultivation operations; 6% for retailer operations; and 6% for microbusiness operations in the unincorporated area of the County. The Board also adopted a resolution to place that measure on the June 5, 2018 Primary Election Ballot.

Performance Measure:

Fiscal and Facilities Impacts:

Budgeted:

Fiscal Analysis:

Narrative:

Placing the imposition of a Cannabis Operations Tax on the June 2018 ballot will cost the County in the range of \$50,000 - \$130,000 for our proportional share of ballot preparation and printing costs. If the Cannabis Operations Tax ballot measure is successful, approximately \$5 million to \$25 million in additional annual revenue would be received by the County.

Key Contract Risks (if applicable):

None

Staffing Impacts:

Legal Positions: 0

FTEs: 0

Special Instructions:

Attachments: Attachment A – Argument in Favor of imposing a Cannabis Operations Tax

Authored by: Dennis Bozanich, Deputy County Executive Officer, 805-568-3400

CC:

