



# COUNTY OF HUMBOLDT

## Legislation Text

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**File #:** 18-579, **Version:** 1

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**To:** Board of Supervisors

**From:** Agricultural Commissioner

**SUBJECT:**

FY 2017-18 Supplemental Budget Request for Budget Unit 1100261 (4/5 Vote Required)

**RECOMMENDATION(S):**

That the Board of Supervisors approve FY 2017-18 supplemental budget request for the Agricultural Commissioner's Office for fees collected for participation in the county track and trace program.

**SOURCE OF FUNDING:**

Fees related to required participation in the county's track and trace program.

**DISCUSSION:**

The Agricultural Commissioner's Office is requesting approval of a supplemental budget to adjust FY 2017-18 accounts to reflect fees collected from cannabis permit holders required to participate in the county's track and trace program. At the time the FY 2017-18 budget was prepared (March 2017) the future of the county's track and trace program and associated fees to be collected were unknown.

At your July 25, 2017 meeting, your Board directed the Agricultural Commissioner's Office to implement a local track and trace program for county cannabis program permittees. On September 5, 2017 your Board approved a contract with SICPA Product Security, LLC (SICPA) to provide a track and trace program to Humboldt County. Fees associated with participation in the program were approved by your Board at its October 3, 2017 meeting. Participants in the track and trace program are charged \$400 for training, a \$90/month account fee and \$.07 per unique identifier stamp. Fees are deposited in revenue account 1100261-608421 and per the agreement with SICPA, fees specific to training, account fees and \$.02/per stamp are paid to SICPA (expenditure account 1100261-2118) based on monthly invoices submitted to the Agricultural Commissioner's Office. There currently 470 sites registered in the county track and trace program (a site can constitute multiple permits on a single or multiple contiguous parcels).

The Cannabis Track and Trace Pilot Project is consistent with your Board's Strategic Priority Framework's core roles of encouraging local enterprise, and the creation of private sector jobs and opportunities.

**FINANCIAL IMPACT:**

There is no financial impact associated with approval of this supplemental budget. Revenue (1100261- 608421) and expenditure (1100261-2118) accounts are requested to be adjusted by \$150,000 to account for revenue collected from fees associated with required participation in the county's track and trace program. Humboldt County retains \$.05 for every stamp sold to participants in the program. The county's per stamp charges are intended to assist the commissioner's office with covering costs associated with implementation and oversight

of the track and trace program or for conducting cultivation site inspections. Any funds unspent by the commissioner's office and derived from the unique identifier stamps will be transferred to county economic development for promotion of the cannabis industry.

OTHER AGENCY INVOLVEMENT:

Auditor-Controller

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose to deny the supplemental budget request, however this is not recommended as approval of the request will result in improved accounting of fees collected under the county's track and trace program.

ATTACHMENTS:

SICPA Security LLP track and trace contract definition of services and payment terms

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A