

June 1, 2022

The Honorable Blanca Rubio
California State Assembly
1021 O Street, Suite 5140
Sacramento, CA 95814

The Honorable Cristina Garcia
California State Assembly
1021 O Street, Suite 8140
Sacramento, CA 95814

RE: Support for AB 2792 (Rubio & C. Garcia)—Cannabis: excise tax: cultivation tax

Dear Assemblymember Rubio and Assemblymember Garcia,

On behalf of the City of Long Beach, I write to support AB 2792. This legislation will make changes to California's current cannabis tax by repealing the cultivation tax and reducing the excise tax rate to as low as eight percent. These changes will provide space for the legal cannabis market to become more viable and competitive. The Long Beach City Council voted to support this legislation on May 24, 2022.

AB 2792 aligns with the City's objectives to support policies and legislation that deter illegal cannabis activity. The currently burdensome tax regulations placed on the legal cannabis industry contributes to illegal cannabis activity. The tax reductions proposed by this bill will allow for all legal cannabis operators to continue working in a competitive market.

The City supports efforts to decrease the State's cannabis cultivation tax. If passed, this bill will additionally support local job and revenue growth in Long Beach. For these reasons, the City supports AB 2792.

Sincerely,



THOMAS B. MODICA
City Manager

cc: The Honorable Speaker Anthony Rendon, State Assembly
The Honorable Lena Gonzalez, State Senate, 33rd District
The Honorable Tom Umberg, State Senate, 34th District
The Honorable Steven Bradford, State Senate, 35th District
The Honorable Mike Gipson, State Assembly, 64th District
The Honorable Patrick O'Donnell, State Assembly, 70th District

