



MAYOR REX RICHARDSON

May 6, 2025

The Honorable Matt Haney
California State Assembly
1021 O Street, Suite 5740
P.O. Box 942849
Sacramento, CA 94249-0017

RE: Support for AB 564 (Haney)—Cannabis: excise tax: rate increase repeal

Dear Assemblymember Haney,

On behalf of the City of Long Beach (City), the City strongly supports AB 564, which would prevent a scheduled cannabis tax increase on July 1, 2025. Increasing the cannabis excise tax to 19% is unsustainable for many local cannabis retailers, who are already facing difficult competition from illegal sales and a complicated regulatory landscape.

The City is committed to supporting the emerging cannabis industry through innovative incentives and technical assistance. In an effort to stimulate growth in the local cannabis industry and promote community benefits, the Long Beach City Council approved the Cannabis Tax Relief Plan in 2024, which included a 1 percent cannabis tax reduction for cultivation and adult-use retail businesses as well as a Pilot Tax Credit Program, for a combined potential 4 percent of tax relief for qualifying businesses. These programs have helped cannabis businesses from within the City, open and operate successful businesses that contribute to the culture of the community.

AB 564 would further reduce the tax burden for local cannabis retailers by maintaining the cannabis excise tax at 15 percent, preventing a scheduled increase to 19 percent. This bill would provide regulatory certainty and financial relief for retailers, supporting the city's broader economic recovery goals and reinforcing the City's ongoing commitment to a responsible and inclusive cannabis marketplace. For these reasons the City Supports AB 564.

Sincerely,

A handwritten signature in black ink, appearing to read "Rex Richardson", with a long horizontal flourish extending to the right.

Mayor Rex Richardson
City of Long Beach

cc: The Honorable Lena Gonzalez, State Senate, 33rd District
The Honorable Mike Gipson, State Assembly, 65th District
The Honorable Josh Lowenthal, State Assembly, 69th District