



**MAYOR REX RICHARDSON**  
**CITY OF LONG BEACH**

September 12, 2025

**RE: Signature Request for AB 564 (Haney)—Cannabis: excise tax: rate increase  
repeal**

Dear Governor Newsom,

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 requests your signature for AB 564.

Sincerely,

**Rex Richardson**  
Mayor of Long Beach