



April 26, 2023

The Honorable Chris Holden
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, California 95814

RE: AB 1616 (Lackey) – SUPPORT
As introduced February 17, 2023

Dear Assembly Member Holden:

On behalf of the Rural County Representatives of California (RCRC), the League of California Cities (Cal Cities), and the California State Association of Counties (CSAC), we are pleased to support Assembly Bill 1616 (Lackey). This measure amends existing law to expand local grant eligibility under Proposition 64 and prioritizes funding for programs intended to address unlawful cannabis retail and cultivation activities.

The licensed cannabis industry continues to struggle with competition from an illicit market that is untaxed, unregulated, and untested. This entrenched unlicensed market accounts for approximately $\frac{2}{3}$ of all cannabis sales in the state, according to a 2022 Reason Foundation report.

In an investigative series published last year, the [Los Angeles Times](#) described the scale of the illicit market challenge as “immense” and highlighted the numerous consequences associated with illicit cannabis activity, including an increase in cannabis-related violence, worker exploitation, and environmental damage.

Not only has the rampant unlicensed market had a dramatic impact on public health and safety, it has also robbed the state of billions in tax revenue. Meanwhile, enforcement efforts are spread thin across a variety of state and local law enforcement agencies with insufficient resources and competing priorities.

While the Legislature has sought to bolster enforcement efforts, additional resources are desperately needed. This is particularly true for local law enforcement and code enforcement agencies which shoulder a significant amount of the burden for addressing illicit activity but lack sufficient resources.

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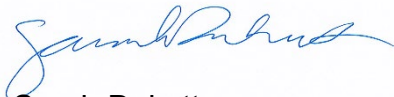
Under existing law, grant funding administered by the Board of State and Community Corrections (BSCC) is limited only to those cities and counties that authorize commercial cannabis cultivation or retail. The reality is illicit cannabis anywhere undermines legal cannabis everywhere. Robust enforcement is needed in all local jurisdictions to adequately combat unlicensed cannabis activities.

AB 1616 amends the BSCC Prop 64 Public Health & Safety Grant Program to expand the eligibility criteria to permit all of California's 482 cities and 58 counties to apply for grant funding. The bill further directs the BSCC to prioritize the allocation of grants to programs addressing unlawful retail and cultivation activities. Expanding access to these funds would provide much needed resources to local governments for enforcement programs that aim to reduce unlicensed cannabis activity.

Local jurisdictions are a critical partner in the successful regulation of the commercial cannabis marketplace. AB 1616 will bolster the licensed industry throughout the state by allowing enforcement resources to be deployed across California and prioritizing enforcement against unlawful operators that undermine the legal marketplace and undercut local economies.

For these reasons, RCRC, Cal Cities, and CSAC respectfully request your "Aye" vote when this bill is heard before your committee. If you have any questions, please contact Sarah Dukett (RCRC) at sdukett@rcrcnet.org, Elisa Arcidiacono (Cal Cities) at earcidiacono@calcities.org, or Ada Waelder (CSAC) at awaelder@counties.org.

Sincerely,



Sarah Dukett
Policy Advocate
RCRC



Elisa Arcidiacono
Legislative Representative
Cal Cities



Ada Waelder
Legislative Representative
CSAC

cc: The Honorable Tom Lackey, Member of the California State Assembly
Members of the Assembly Appropriations Committee
Allegra Kim, Consultant, Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus