



April 14, 2023

The Honorable City Council Members  
City of Long Beach  
333 W. Ocean Blvd.  
Long Beach, CA 90802

Dear City Council Members,

On behalf of the United Cannabis Business Association, the state of California’s largest cannabis trade association representing legal cannabis licensees, and in direct partnership with the Long Beach Collective Association, we urge you to explore a tax relief program to promote the viability of licensed cannabis businesses in the City of Long Beach.

The City of Long Beach has a long-standing reputation for championing the legalization of cannabis and recognizing its economic potential. However, the legal cannabis market in California is currently experiencing a severe economic downturn. Despite having a robust legal market, the industry is struggling to compete against the large and thriving illicit market. High taxes have also been a major hindrance to the success of legal operators, making it difficult for them to remain competitive.

We urge you to take a closer look at the issues the legal cannabis industry is facing in California. Recent articles have highlighted the critical problems that legal operators are grappling with. According to [Green Market Report](#), California’s legal cannabis industry owes the state a quarter-billion dollars in taxes, with a [debt bubble](#) on the verge of bursting. The report further suggests that high taxes have contributed significantly to the industry's struggles, with some businesses having to close their doors due to an inability to pay their tax debts. Another article from WeedWeek highlights that the state's legal cannabis industry is experiencing a debt crisis, with some operators struggling to stay afloat.

As the City of Long Beach licenses cannabis operators, and as a leader in promoting the industry's economic growth, it is vital to provide the necessary support for these businesses to thrive. The City

of San Francisco has already opted to defer any local taxes in support of their operators, and multiple cities in the Coachella Valley have also provided tax relief to their licensees.

The industry needs the City of Long Beach's leadership, locally and regionally to explore tax relief programs to support its licensed cannabis businesses. Legal operators are already facing significant competition from the thriving illicit market, and high taxes only compound the challenges they face. By providing tax relief, the City of Long Beach can help its licensed businesses to remain competitive and continue to provide jobs and revenue for the community.

In conclusion, we strongly support the exploration of a tax relief program for licensed cannabis businesses in the City of Long Beach. As an association representing legal cannabis licensees throughout the state, we believe that the City of Long Beach's leadership in promoting the industry's growth is essential. We sincerely encourage the City Council to take swift action and provide tax relief to licensed cannabis businesses in the city.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonatan Cvetko". The signature is fluid and cursive, with the first name "Jonatan" written in a larger, more prominent script than the last name "Cvetko".

Jonatan Cvetko  
Executive Director  
United Cannabis Business Association