

Assembly Floor Alert

AB 8 (Aguiar-Curry) Cannabis: Cannabinoids: Industrial Hemp

OPPOSE UNLESS AMENDED

Date: May 27th, 2025

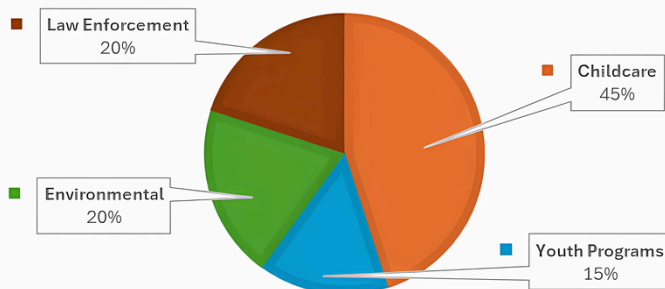
To: Members of the California State Assembly

On behalf of the Public Health Institute, Youth Forward and 100 public health, child, youth and environmental groups and organizations (listed on the back), we respectfully request your **nay vote on AB 8, unless amended to remove the repeal of the excise tax adjustment**. This bill would **reduce funding by \$145-\$182 million annually** for Childcare, Youth Substance Use Prevention, Environmental Restoration & Law Enforcement Programs benefitting every district.

BACKGROUND

- In 2022 an agreement was struck in AB 195: Relieve the tax burden on cannabis cultivators but return to revenue neutrality by 2026 by **adjusting the cannabis excise tax from 15% to up to 19%** starting July 1. This change happened May 1.
- The AB 195 deal preserved hundreds of millions in **funding for kids, law enforcement & the environment** promised to voters in Prop 64.
- AB 8 reneges on the AB 195 deal, repealing the promised excise tax increase that restores revenue for children & the environment. **Rejecting repeal efforts assures funding is restored under existing law.**

PROFITS OVER KIDS ~ \$150M IN LOST TIER 3 REVENUE IF 2022 AGREEMENT IS BROKEN



CONSEQUENCES FOR KIDS & THE ENVIRONMENT

- Repeal will deny childcare to thousands of our most vulnerable children. Childcare funding for foster children, emergency care & our state's lowest income children fell after the cut by **\$46 million in 2023-24**. **Expected losses from repeal are of \$65 to \$82 million annually, covering thousands of slots.**
- Only 14% of 2.1 million California children** eligible for subsidized childcare, overwhelmingly children of color, are enrolled. The administration committed to adding **200,000 new slots by 2027**.
- Elevate Youth California grantmaking supports vulnerable youth & prevents substance abuse **in all counties through 275 awards**. **Expected losses from repeal would be about \$22 - \$27 million a year.**
- Repeal will **reduce** cleanup of damaged watershed lands and **limit enforcement** against illegal grows.
- Funding to child, youth, environmental & law enforcement programs after 2028, & indefinitely into the future, is tied to 2027 funding levels by Proposition 64 tax provisions. **Failing to adjust this year will harm ongoing childcare availability & youth programs for many years to come.**

THE INDUSTRY IS GROWING NOT COLLAPSING

- DCC's recent report shows the CA cannabis industry is not in crisis; **production and unit sales are growing steadily**.
- CA's 15% cannabis tax is not too high**. Most, 85%, of licensees pay as required. Nor would the adjusted tax be too high when compared to excise taxes in WA (37%), CO (17%), VA (21%), MT (20%), IL, NJ and CT taxes on high THC, or to CA excise taxes on e-cigarettes of 53% & 12.5% (total 65.5%). **Overproduction and out-of-state demand, not taxes, power the CA illicit market.**
- Proposed tax cuts mostly **benefit large multi-state operators** who increasingly dominate the retail sector. **Only around 10% of California cannabis retailers are "equity" operators.**
- In tough budget times & with declining federal support, this is not the time **to throw kids under the bus to prop up recreational drug businesses.**

For questions regarding this alert, please contact Dr. Lynn Silver at (917) 974-7065 or lsilver@phi.org.

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The 102 undersigned organizations respectfully urge you to not support gutting funding for childcare, youth, environmental programs for the sake of increasing profits for the cannabis industry.

Please vote NO on AB 8, UNLESS AMENDED to remove repeal of the excise tax adjustment.

Thank you for your consideration and for your leadership on behalf of our communities.

Alliance for Boys and Men of Color
Arts for Healing and Justice Network
Asian Refugees United
Back to the Start
Big Valley Band of Pomo Indians
Breakthrough Sacramento
CactusToCloud Institute
Cal Alliance of Child and Family Services
Calexico Wellness Center
California Alliance for Youth and Community Justice
California Health Collaborative
California Native Plant Society
California School-Based Health Alliance
California State Parks Foundation
CalPride
The Cambodian Family
Center for Empowering Refugees and Immigrants
Centro Del Pueblo Movimiento Indigena Migrante
Child Action, Inc.
City Ministry Network
Club Stride, Inc.
Coastal Defenders
Communities United for Restorative Youth Justice
Connected to Lead
Core 6
CROP Project
East Bay Asian Youth Center
El Sol Neighborhood Educational Center
Endangered Habitats League
Environmental Protection Information Center
ExpandLA
Freedom 4 Youth
Fresh Lifelines for Youth
Friends of Harbors, Beaches, and Parks
Friends of the Eel River
Friends of the Inyo
Future Leaders of America
Gateway Mountain Center
Getting It Right from the Start
Girls Club of Los Angeles
Grace Institute
End Child Poverty in California
Healthy Vallejo Community Support Services, Inc.
Helpline Youth Counseling
Hermosa Coalition for Drug-Free Kids
Hills for Everyone
Hmong Innovating Politics
Indigenous Justice
Institute for Public Strategies
Klamath Forest Alliance
Kno'Qoti Native Wellness Inc.
Latino Coalition for a Healthy California
Latino Health Access
Legacy LA
LGBTQ Center OC

Lily of the Valley Emmanuel Church of Jesus Christ
Los Angeles Neighborhood Land Trust
Los Angeles Trust for Children's Health
Marin Residents for Public Health Cannabis Policies
Mental Health California
Merced Lao Family Community, Inc.
Mid-City CAN
Mojave Desert Land Trust
National Council on Alcoholism and Drug Dependence of East
San Gabriel and Pomona Valleys
Native Dads Network
Native Sisters Circle
Pacific Forest Trust
Parent Voices California
Planning and Conservation League
Prevention Institute
Project Optimism , Inc.
PRO Youth and Families
Raizes Collective
Resilience Orange County
Resources Legacy Fund
River Partners
RYSE Youth Center
Sacramento Area Congregations Together
Sacramento LGBT Community Center
Sacramento Youth Center
Safe Passages Safe Place for Youth
SAY San Diego
Showing Up for Racial Justice Santa Cruz County
Somos Mayfair
Sonoma Land Trust
Source LGBT+ Center
The Tahoe Youth and Family Services
Tarzana Treatment Center, Inc.
Thriving Families California
Trout Unlimited
Underground GRIT
Urban Peace Movement
Urban Strategies Council
The Wall Las Memorias
The Watershed Research and Training Center
Waymakers
Youth Alliance
Youth Forward
Youth Leadership Institute
Youth Transforming Justice
Youth Will
4th Second

Protect Children, Youth & the Environment. Vote NO on AB 8 UNLESS AMENDED.