



County of Monterey

Board of Supervisors

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June 10, 2024

The Honorable Alex Padilla
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Laphonza Butler
112 Hart Senate Office Building
Washington, DC 20510

Re: S. 4226, the Cannabis Administration and Opportunity Act – SUPPORT

Dear Senator Padilla and Senator Butler:

On behalf of the County of Monterey Board of Supervisors, I am writing to express our support for the Cannabis Administration and Opportunity Act (CAOA) (S. 4226). This bill is a thoughtful approach to comprehensive legislation that would end the federal prohibition of cannabis by removing cannabis from the list of federally controlled substances.

The CAO would establish a federal regulatory framework to protect public health and safety; end discrimination in the provision of federal benefits on the basis of cannabis use; provide major investments for cannabis research; and strengthen worker protections. By decriminalizing cannabis at the federal level, the CAO would also ensure that state-legal cannabis businesses or those in adjacent industries would no longer be denied access to bank accounts or financial services as a consequence of their ties to cannabis.

The cannabis industry is an important economic engine in the County of Monterey. The County of Monterey Cannabis Program provides a local framework for the management of licensed commercial cannabis activities in coordination with state agencies to address taxation, regulation, enforcement, education, and the protection of the health, environment, and safety of our communities. The County is ranked sixth in the State of California for cannabis cultivation based on the number of active cultivation licenses. Local tax revenue from cannabis activities in Fiscal Year 2022-23 was \$3.6 million. According to the *2022 County of Monterey Crop and Livestock Report*, total production value for cannabis cultivation during 2022 was calculated at \$283.1 million, a decrease of \$335 million from 2021.

The local cannabis industry faces a number of challenges including the cannabis market downturn that began in 2021, meeting State and local requirements for annual licensure by January 2026, and paying State and local taxes. The framework established in S. 4226 is a commonsense path forward that would decriminalize, regulate and tax cannabis. For this reason, the local cannabis industry and the County's overall economy would greatly benefit from this legislation.

We appreciate your continued support for the County of Monterey, and we thank you for co-sponsoring S. 4226, the Cannabis Administration and Opportunity Act.

Sincerely,

DRAFT

Glenn Church, Chair
Board of Supervisors

cc: The Honorable Zoe Lofgren, 18th Congressional District
The Honorable Jimmy Panetta, 19th Congressional District



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