



**CALIFORNIA
GROWERS**
ASSOCIATION



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June 4, 2018

California State Senate
Senator Scott Wiener
State Capitol, Room 4066
Sacramento, CA 95814

Dear Senator Wiener:

RE: SB 829 (Wiener) – Cannabis Compassionate Care License: SUPPORT

On behalf of the California Growers Association (CGA) representing over 1,000 members in 46 counties throughout California, we write to indicate our “support” position on SB 829.

This bill exempts compassionate care programs from the cultivation and excise tax enacted by Proposition 64 (2016) – Marijuana Legalization. After a compassionate care program is certified by the Bureau of Cannabis Control, they will receive a new noncommercial license that will allow cultivators to donate their cannabis without paying the cultivation tax. Exempting cultivators from charging the cultivation tax on donated cannabis to compassionate care programs will allow these not-for-profit groups to resume the donations of medicinal cannabis that vulnerable patients rely on to manage their debilitating symptoms.

Proposition 64 adversely impacted compassionate care programs since authors did not consider these unique operations when writing new cannabis tax code. Now, these donation-based programs are no longer able to operate because they cannot afford to pay the cultivation tax and 15% state excise tax on cannabis that they are giving away to patients. These taxes are in addition to any local sales tax a region may impose.

Unfortunately, these new medical cannabis taxes are not absorbable by these charitable-based compassionate care programs. In fact, these tax rates have crippled compassionate care programs to the point where most have closed.

Our organization is appreciative of your willingness to lead the effort to resolve this important issue. Please consider us a resource to ensure this bill continues to advance.



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Sincerely,

Hezekiah D. Allen
Executive Director