To: Honorable Mayor and Members of the City Council
From: Councilmember Kriss Worthington
Subject: Support AB 3157: Right-Sizing the State Tax Rate on Cannabis

RECOMMENDATION:
That the Council support AB 3157, introduced by Assemblymember Rob Bonta, which seeks to right-size the State Tax Rate on Cannabis to incentivize legal compliance.

BACKGROUND:
Berkeley has already adjusted our Cannabis tax to seek to discourage underground sales and incentives legal distribution. This proposal would follow in Berkeley’s footsteps by right-sizing the state tax similar to what Berkeley has done.

AB 3157 helps to fulfill all three major goals of Prop 64 --“prevent[ing] illegal production or distribution of marijuana” by providing a legitimate, cheap state-backed distribution system that would eliminate the need for illegal avenues; “reduc[ing] barriers to entry into the legal, regulated market” by facilitating cheaper business costs and incentivizing more business; and finally using the obtained revenue from these new businesses to “discourage use by minors and abuse.”

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB3157

FINANCIAL IMPLICATIONS:
Minimal

ENVIRONMENTAL SUSTAINABILITY:
Consistent with Berkeley’s Environmental Sustainability Goals and no negative impact.

CONTACT PERSON:
Councilmember Kriss Worthington 510-981-7170
Toby Simmons robert.simmons@berkeley.edu