From: Bram Goodwin

To: <u>ChanStaff (BOS)</u>; <u>DorseyStaff (BOS)</u>

Cc: Jalipa, Brent (BOS); MandelmanStaff (BOS); David C. Goldman

Subject: I am writing in support of ordinance #250929, the repeal of the Prop D Cannabis Tax, asking for the Budget

Committees' Support

Date: Tuesday, October 7, 2025 7:42:24 AM

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Supervisors Chan, Dorsey, SF BOS Budget & Finance Committee,

Good Morning.

I am writing in support of ordinance #250929, the repeal of the Prop D Cannabis Tax, asking for the Budget Committees' Support, to vote Yes at your October 29 meeting, pass it on to the full SF Board of Supervisors.

Representatives of the SF Cannabis Community, including members of the SF Brownie Mary Democratic Club, will be in attendance on October 29, asking for your support for ordinance #250929, introduced to the SF Board of Supervisors by Supervisor Mandelman, to permanently repeal the Proposition D local cannabis tax.

As we have communicated to the SF Board of Supervisors, Cannabis retail sales have declined over the last few years, due in part to the price difference between "Legal Cannabis Sales", with its high operating costs & taxes and the "traditional" unregulated market that is estimated to get $\frac{2}{3}$ of Total SF Cannabis Sales.

Since 2018, SF retail store fronts have doubled, with the sales of many of the original "Medical Stores" contracting, new stores not meeting their projections.

The last thing that SF Cannabis Consumers & Cannabis businesses need is an additional tax on top of the almost 30% tax that we already pay.

Many San Francisco residents are Cannabis Medical patients, who rely on Cannabis for pain relief, to help with many ailments including depression & cancer. They need their cannabis medicine to be reasonably priced, but given taxes, other regulations, many patients, due without or buy from the illicit market due to the high retail price of legal cannabis.

Given this situation, we need the city of San Francisco's help in creating an environment where these retail stores can continue to service the many SF medical cannabis patients, who need their medicine, as well as providing an

alternative space for many SF residents, who prefer cannabis as a healthier substance over items such as alcohol.

SF Elected Officials have emphasized in the recovery from the pandemic, the importance of supporting small businesses, calling them the backbone of our economy. You have created programs to support them. We in the SF Cannabis Community would like to be included in those plans.

San Francisco is known world wide for cannabis, as California produces what is considered the best cannabis of any place in the world.

The SF Board of Supervisors has historically played an important role in giving SF Cannabis Medical patients access to their Cannabis, being the first to authorize legal sales during the 1990's HIV crisis.

Please vote YES at the Budget Committee on October 29, pass it on the full SF Board of Supervisors with a VOTE YES recommendation.

See you on Wednesday October 29.

bram

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September 29, 2025

San Francisco Board of Supervisors Budget & Finance Committee City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Support for File #250929 – Cannabis Business Tax Repeal I Sponsored by Supervisors Mandelman, Dorsey, Sauter & Mahmood

Dear Budget & Finance Committee Members,

On behalf of The Green Cross, a proud San Francisco-based cannabis dispensary operating in good standing for over two decades, we write in strong support of File #250929 and urge the Committee to move this legislation forward with a "Do Pass" recommendation—without further delay.

This Tax Has Never Been Implemented. It's Time for a Clean Repeal.

The Cannabis Business Tax has remained on the books for years without ever taking effect. Instead, policymakers have continuously "delayed" its implementation—an acknowledgment that the tax is unworkable in practice. Let's be clear: delaying is not a solution. Full repeal is long overdue and is the cleanest path forward.

A Turning Point for San Francisco's Legal Cannabis Market

The legal cannabis industry in San Francisco is facing a now-or-never moment. Even with the passage of AB 564, which will lower the State's excise tax, layering on a local tax will cripple licensed operators. Continued uncertainty from rolling delays makes it impossible for businesses like ours to plan, invest, or retain staff. The result? More closures, more lost jobs, and more market share shifting back to unregulated sellers.

Public Safety, Consumer Health, and Market Stability

Keeping prices competitive is not just an economic issue—it's a public safety issue. High taxes widen the price gap between licensed and unlicensed sellers, pushing consumers away from tested, regulated products and back toward the illicit market. Repeal helps stabilize the industry, protect consumers, and increase participation in the legal system.



Equity, Jobs, and Local Economic Impact

This repeal is not about creating a windfall for large corporations—it's about survival for small businesses, equity operators, unionized workers, and hourly employees. Every dispensary that closes eliminates stable jobs and disrupts access to safe products. The City should be doing everything possible to preserve what's left of its legal cannabis ecosystem.

Revenue Reality

This tax has never generated a single dollar in revenue for the City—because it has never been implemented. Repeal carries no fiscal downside. On the contrary, it will help preserve existing revenue from sales tax, payroll tax, and business registration fees.

Certainty for 2026 and Beyond

By setting an effective repeal date of January 1, 2026, the City can plan cleanly for the new tax year while giving cannabis businesses immediate clarity to adjust pricing, stabilize operations, and retain jobs.

Our Commitment

Since opening our storefront in the Excelsior District in 2013, *The Green Cross* has contributed over \$650,000 to local nonprofits, upheld the highest standards of compliance, and remained committed to San Francisco's values of equity, compassion, and community service. We want to continue that legacy—but we need a viable and stable environment in which to operate.

We urgently call on you to support File #250929 and issue a "Do Pass" recommendation to the full Board of Supervisors without further delay.

If you have any questions, concerns, or would like to discuss this further, please feel free to reach out to me directly at kevinreed@thegreencross.org or (415) 846-7671.

Sincerely,

Kevin Reed

Founder & President

The Green Cross

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