



California Cannabis Reform Project

April 1st, 2021

Dear Californians:

We write asking for your support and to join our efforts to fix legal cannabis in California. Prop 64, passed by the voters in 2016, has fallen short of the promises and numerous predictions made to get votes. While it was a step forward on some issues, it remains a mixed bag, and without doubt, much more needs to be done to accomplish the goal of normalizing the role of cannabis in our State. Moreover, Prop 64's unintended consequences are harmful and counterproductive to many communities Prop 64 promised to protect, and this requires us to go back and make the much needed changes we outline below.

Critically, the vast majority of Californians wanted and expected Prop 64's passage to create safe, legal and easy access to cannabis in their communities. According to the most recent polling conducted by David Binder Research, voters expectations were and are clear.

"Eight in ten Prop 64 voters expected a YES vote meant cannabis would be sold in the area where they live."

Yet, contrary to the will of the majority of voters statewide who voted for the law (over 56%), Prop 64's passage ushered in cannabis prohibition for over 70% of California's cities and counties.

This matters for many reasons, not least of which is the lack of access to those who need cannabis the most. For example, in January of this year, researchers from UC Davis and Yale University published the following finding in the British Journal of Medicine: "Counties with more cannabis dispensaries show reduced opioid deaths." This confirms similar research showing lower suicides and other harmful outcomes from both legal and illicit substances when cannabis is a legally available substitute.

"79%" believe legal cannabis "creates safer options for people to purchase cannabis products."

Also, what then Lt. Governor Gavin Newsom promised in 2016, namely, to reduce the size of the black market, has not come to pass. He stated then:

"A successful marijuana framework" will "reduce the size of the black market".

Even California's own Cannabis Advisory Committee warned Gov. Gavin Newsom and California legislators:

"Despite the state's committed efforts to bring cannabis businesses fully into the regulated commercial market," the report said, "as much as 80% of the cannabis market in California remains illicit."

The Illicit Market is stronger than ever due to the badly designed law.

Prop. 64's shortfalls were predictable. We legalized cannabis in a limited fashion, but that effort mainly helped more prosperous residents while keeping illicit cannabis as the only option for the middle class and poorer consumers.



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Instead of an equitable system that benefits the state, and all of its communities and all of our consumers, Prop. 64 instead balkanized access, created over-taxation, overregulation and gave elected locals, not local voters, the ability to say, “Not in my back yard.” That needs to change so that every consumer, every entrepreneur and every community can access legal, safe cannabis, and the positive jobs and taxes it creates.

It is time for Californians to make California’s legal cannabis system work properly and we have the solution. Attached is an initial draft of a voter proposition we believe will solve the problems created by Prop. 64.

The proposition would:

- Remove local control over cannabis licenses,
- Treat cannabis as an agricultural product,
- Eliminate cultivation taxes,
- Reduce the cannabis excise tax to 5% which consumers must pay,
- Give local governments 20% of all collected excise tax revenue,
- Eliminate additional local cannabis taxes, and
- Change all cannabis tax collection from the distributor to the retailer.

While fixing prop 64’s inefficient regulatory and tax structure are paramount, the initiative also identifies a different solution to how we spend the tax money cannabis taxes generate. We are inviting the broader community to participate in deciding the details of how we spend those precious tax dollars. Our proposed initiative starts by allocating cannabis tax revenues as follows:

- 50% allocated to pre-K development, secondary education, and cannabis research,
- 25% allocated to the environment to include clean water funding, and
- 25% allocated to healthcare and jobs to include social equity funding.

Please note, all highlighted text in the draft initiative needs further clarification that will come from further input from the community.

But, the community input doesn’t stop at spending. We invite all stakeholders to read the initiative and get involved as we shape a better law that even more Californians will support.

I look forward to speaking to all of you in the near future about your interest in helping push solutions that fit all California’s needs.

Sincerely,

Sean Kiernan
Executive Director
Weed for Warriors California Cannabis Reform Project