



FEBRUARY 22, 2021

**THE HONORABLE ANNA CABALLERO
SENATOR, DISTRICT 12
STATE CAPITOL, ROOM 5052
SACRAMENTO, CA 95814**

**RE: SB 59 (CABALLERO): CANNABIS: PROVISIONAL LICENSES
LETTER IN SUPPORT**

Dear Senator Caballero:

The Cannabis Business Association of Mendocino County ("CBAMC"), is an industry trade association comprised of licensed businesses operating in Mendocino County. We wish to express our wholehearted support for SB 59 which would extend the provisional license program for cannabis businesses until January 1, 2028. Our members contribute significantly to the economy of Mendocino County and are presently reliant upon provisional licenses in order to stay compliant with state law.

Prior legislation, SB 1459, established the provisional license program which allows cannabis businesses to legally operate while their local and state applications for annual licenses are pending; provided that they can demonstrate that California Environmental Quality Act (CEQA) compliance with their local jurisdiction is underway.

A subsequent trailer bill, AB 97 (2019), extended the provisional license program for an additional two years to January 1, 2022. Unfortunately, the expiration of provisional licenses is fast approaching and without the passage of SB 59, the majority of our members, like nearly all outdoor and mixed light commercial cannabis cultivators in California, will no longer be compliant with California state law.

Municipalities throughout California have faced significant challenges meeting the requirements of CEQA as required by state law. This has caused local projects to become bottlenecked in local permitting agencies, which in turn, has prevented otherwise compliant businesses from going through the state licensing process. The net result of these implementation issues has been that commercial cannabis businesses have become reliant upon provisional licensing through no fault of their own.

Absent an extension of the provisional license program through SB 59, the risk to California's legal cannabis market is significant. Existing, licensed

businesses would have to shut down, or worse, participate in unlicensed illicit market activities in order to survive. Suffice to say, this outcome would negate the significant progress made over the past 5 years by state and local jurisdictions to bring the industry into compliance.

The timing of the passage of SB 59 is also critical. As is the case with many other types of farmers, for commercial cannabis cultivators, the loss of even a single season and harvest can mean the end of the business. SB 59 will prevent these catastrophic disruptions to compliant businesses and will ensure that provisionally licensed commercial cannabis cultivators continue on a path to achieving full CEQA compliance. This extension is essential for our member businesses and thousands of similar commercial cultivation businesses across California.

Thank you for bringing forth this critical legislation, and we urge legislators across the state to support SB 59.

Regards,



Joshua Keats (Feb 22, 2021 22:19 PST)

JOSHUA KEATS, BOARD PRESIDENT

CANNABIS BUSINESS ASSOCIATION OF MENDOCINO COUNTY



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