



SEN. GEORGE RUNNER (RET.)

VICE CHAIR
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

July 2, 2015

Senator Ed Hernandez, Chair
Senate Health Committee
State Capitol, Room 2191
Sacramento, CA 95814

RE: ASSEMBLY BILL 266 (BONTA, et al.)—MEDICAL CANNABIS REGULATION AND CONTROL ACT • SUPPORT •

Dear Senator Hernandez,

I am pleased to support Assembly Bill 266, which establishes a licensing and regulatory framework for medical cannabis under the *Medical Cannabis Regulation and Control Act*.

While there is still much work to be done, Assembly Members Bonta, Cooley and Jones-Sawyer have combined their individual measures into a single bill that contains provisions important to law enforcement and local government. Namely, the bill preserves local control, protects public safety and creates a regulatory and administrative structure that holds industry accountable. It also greatly strengthens the Board of Equalization's ability to collect sales tax owed to the state.

Earlier this year, Board Member Fiona Ma and I established the BOE's *Cannabis Compliance Pilot Project* to determine the degree of noncompliance with the Sales and Use Tax Law, the amount of lost tax revenue and the volume of marijuana produced in the state. Accordingly, the BOE is developing strategies to increase voluntary tax compliance for growers, distributors and retailers. Having a state regulatory structure in place will help the BOE achieve its mandate to collect the right amount of tax from businesses that owe it.

I realize not all legislators are comfortable supporting AB 266. Support of this bill is not a vote for legalized recreational marijuana. California voters legalized medical cannabis with Proposition 215 almost 20 years ago; however, an uncertain federal legal status has hampered the state's ability to collect tax and local governments' ability to control the industry within their localities. A workable and effective framework for the regulation and licensing of medical cannabis will bolster state and local efforts to counteract these challenges.

Assembly Members Bonta, Cooley and Jones-Sawyer are committed to working with all stakeholders to create a bill that provides genuine regulatory oversight of medical cannabis in California. For this reason, I am pleased to support AB 266 and ask for your support when it is heard before your committee on July 8.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner".

GEORGE RUNNER
1st District

cc: Assembly Members Bonta, Cooley and Jones-Sawyer