

## Communication from Public

**Name:** Luis Rivera  
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**Council File No:** 25-1126  
**Comments for Public Posting:** Letter of Support - Council File (6) 25-1126



**Social Equity LA**

7572 San Fernando Rd

Sun Valley, CA 91331

[www.socialequityla.org](http://www.socialequityla.org)

October 20, 2025

**Government Operation Committee Members**

Room 41, City Hall

200 N. Spring Street

Los Angeles, CA 90012

RE: Letter of Support – Cannabis Business Tax Relief and “Good Standing” Reform Motion  
(Councilmember John S. Lee, CD 12) – **Council File No. 25-1126**

On behalf of Social Equity LA, a licensed cannabis operator in the City of Los Angeles, I am writing to express our strong support for Councilmember John S. Lee’s motion instructing the Department of Cannabis Regulation and the Office of Finance to review and recommend updates to the “good standing” provision and to establish a Cannabis Business Tax (CBT) Relief Program.

The Los Angeles cannabis industry is facing unprecedented financial hardship. With sales declining nearly 20% from 2024 to 2025, increasing excise taxes, and rising operational costs, many legal operators are struggling to remain viable. The current definition of “good standing” under LAMC 104.12(c) does not distinguish between small and large tax delinquencies, which unfairly penalizes operators who are making good-faith efforts to stay compliant during a challenging economic climate.

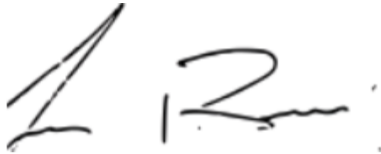
We commend the proposal to extend and expand payment plan options beyond the existing 12-month limit, and to explore temporary local tax relief modeled after San Francisco’s Cannabis Business Tax suspension. These measures would provide essential breathing room for small and equity-owned cannabis businesses to stabilize operations, retain jobs, and continue contributing tax revenue to the City in the long term.

Supporting this motion is not only an investment in fairness and sustainability—it is also a necessary step toward preserving a safe, regulated cannabis market in Los Angeles. Providing relief and flexibility for licensed operators will strengthen the City’s legal framework, promote tax compliance, and help combat the illicit market that undermines community safety and public trust.

We urge the Council to adopt this motion and work swiftly to implement a fair and effective Cannabis Business Tax Relief Program.

Thank you for your leadership and continued commitment to supporting Los Angeles' legal cannabis community.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Rivera'.

Luis Rivera, Executive Director  
Social Equity LA