

[INSERT BUSINESS LOGO]

Month x, 2021

The Honorable Anna Caballero  
Senator, District 12  
State Capitol, Room 5052  
Sacramento, CA 95814

**RE: SB 59 (Caballero): Cannabis: Provisional licenses  
NOTICE OF SUPPORT**

Dear Senator Caballero:

[NAME OF BUSINESS] is pleased to write in support of your bill, SB 59, which would extend the provisional license program for cannabis businesses until July 1, 2028.

Prior legislation, [SB 1459](#) (Cannella, 2018), established the provisional license program which permits cannabis businesses to legally operate, under specified conditions, while their local and state applications for annual licenses are pending. SB 1459 specifically provides that cannabis businesses may only qualify for a provisional license if they can demonstrate that California Environmental Quality Act (CEQA) compliance with a local jurisdiction is underway. A subsequent trailer bill, [AB 97](#), was enacted in 2019, which extended the provisional license program for an additional two years to January 1, 2022.

Approximately 75 percent of the State's commercial cannabis licenses are provisional because cannabis businesses and jurisdictions alike are trying to manage CEQA compliance, which has proven to be a slow-moving process exacerbated by local resources being stretched thin due to the ongoing pandemic. Absent an extension of the provisional license program, the risk to California's legal cannabis market is significant. If provisional licensees fall out of the legal marketplace, existing businesses will be left with few options but to cease operations. This will decimate the significant progress made by the State and local jurisdictions to bring the industry into compliance thus far.

SB 59 will prevent costly disruptions in compliant business activity, and will ensure that cannabis businesses continue on a path to achieving full CEQA compliance. As a direct result of the continuation of business, the State will continue to receive much needed cannabis tax revenue, and maintain a stable regulated supply chain, so that both patients and consumers continue to have access to safe, compliant cannabis and cannabis products.

For the reasons stated above, we are pleased to support SB 59 and thank you for authoring this critically needed legislation.

Sincerely,

[BUSINESS OWNER/OPERATOR]

[NAME OF BUSINESS]

Cc: Nicole Elliott, Senior Advisor on Cannabis, Governor Gavin Newsom  
Stuart Thompson, Chief Deputy Legislative Affairs Secretary, Governor Gavin Newsom