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From: **Annie Aubrey** <[chuckswellnesscenter@gmail.com](mailto:chuckswellnesscenter@gmail.com)>

Date: Tue, Mar 4, 2025 at 11:51 AM

Subject: Letter from City Council

To: John Clerici <[jclerici@cityofplacerville.org](mailto:jclerici@cityofplacerville.org)>

Hi John!

I was wondering if I would get your thoughts and potential support in opposing a 4% state excise tax increase this coming July in the cannabis market. I'm very fearful of the consequences this will have on our businesses. We are already seeing a dramatic decrease in the customer spend, even though we are seeing an increase in customers. A tax increase would likely be an additional hit to our revenue. If a customer has \$40 to spend, they will still only have \$40 to spend and 4% more will go to the state (who has mismanaged the already high revenue on the product) and the customer will receive less for that money than they used to. They are very vocal about how upsetting the 28% tax (more like 31% as it's compounded) is already and have warned they will stop shopping because they can get it cheaper in many other places, like the hemp and illicit market. We don't have the margins to survive more losses (and we can discuss this more offline) and I fear we will be on a quick path to the bottom without fighting as hard as possible to stop this. I believe our survival depends on it.

I'm hoping that I can get a letter from you in opposition to a tax increase that I can add to my own letters to distribute to the appropriate parties. We have Lobby days coming up on March 24th, where I will hopefully have mtgs with staffers on this very topic and would love to leave these letters. I drafted one, with what I think could be appropriate coming from you but I'm sure you may have tweaks or insight into what you might prefer saying.

Let me know your thoughts and if you would like to get together for a chat. I will also take any advice on the correct channel to take this through if this is not the correct path.

Thank you!!

Annie