

**From:** Joe Armendariz <joe@armendarizpartners.com>  
**Sent:** Wednesday, April 19, 2023 11:18 AM  
**To:** Williams, Das; Lavagnino, Steve; Laura Capps; Nelson, Bob; Hartmann, Joan  
**Cc:** Brown, Bill; Miyasato, Mona; sbcob; dennis.bozanich@praxispublicpolicy.com  
**Subject:** Sheriffs cannabis budget request

**Importance:** High

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Wednesday, April 19, 2023

Re: Sheriff Brown's cannabis budget request

Dear honorable Supervisors,

Unfortunately, I am out of town today which prevents me from attending your budget workshop today, nor will I be able to speak to the Sheriffs proposed FY23/24 budget after he lays it out for you this afternoon. It is my understanding that he is requesting additional resources to establish a second cannabis enforcement team which would be focused on going after illegal operators. I support this idea wholeheartedly. It isn't a secret that the cannabis industry in California is in a recession. However, as some of you have heard me say in the context of county budget workshops in the past, recessions are not born of Immaculate Conception. Recessions are the result of misguided policies in the larger and even in the micro economy. Those policies can be fiscal, economic, regulatory, and even monetary. Most often the policy failures that result in recessions stem from the over taxing and over-regulating of businesses, and even entire industries. My view is that is exactly what is occurring today.

California's statewide cannabis industry, and here in Santa Barbara County too...is way over taxed, and also very much over-regulated. That isn't anything new for California, obviously. But what exacerbates this problem so much is the uniqueness of cannabis. No other regulated and taxed industry is forced to compete with a shadow industry that is neither regulated, nor taxed. Needless to say this puts the cannabis industry in a severe competitive disadvantage with those operators who while in the shadows, manage to avoid the type of regulatory accountability that legal and ethical operators in the cannabis industry face and comply with every day. I won't attempt to minimize the complexity of forging new industries like was done here in Santa Barbara County with recreational cannabis. Still, I believe it is self evidently true that unless local governments do a much better job of shutting down illegal cannabis operators, the downward pressure on retail and wholesale cannabis prices, leading inevitably to lower quarterly revenue flows, will remain a stubborn fact of life for you as you do the important work of developing effective budget priorities for Santa Barbara County.

I enthusiastically endorse the Sheriffs Brown's request of you, and I urge you to support him in this effort to eradicate the criminal enterprises that are not only robbing counties and cities in California of revenue, but also lead to dysfunctional and destructive societal outcomes.

Thank you and sincerely,

Joe



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