

California Awards \$46M to Grantees from Annual Cannabis Tax Revenue Fund

The California Governor's Office of Business and Economic Development (GO-Biz) has announced a new round of community investments funded by cannabis tax revenue. On May 31, GO-Biz revealed that for fiscal year 2023-2024, a total of \$46.6 million will be distributed among 30 organizations as part of the California Community Reinvestment Grants (CalCRG) program.

Criteria for Grant Recipients

To qualify for the CalCRG program, applicants must meet various criteria, including being organized and in good standing for at least six months before selection, maintaining tax-exempt status with the IRS and California Franchise Tax Board, being actively registered with the California Secretary of State's Office, and having a physical address in California.

Distribution of Funds

The latest round of grants includes organizations across multiple counties:

Alameda County: 2 organizations

Contra Costa County: 2 organizations

Fresno County: 2 organizations

Humboldt County: 1 organization

Los Angeles County: 9 organizations

Sacramento County: 2 organizations

San Diego County: 1 organization

San Francisco (City and County): 3 organizations

Santa Cruz County: 2 organizations

Multiple counties: 6 organizations

Among the top recipients, four organizations received \$3 million each: Poverello House (Fresno County), Downtown Women's Health Center (Los Angeles County), Get Lit-Words Ignite, Inc. (Los Angeles County), and PRC (San Francisco). The smallest grant of \$600,000 was awarded to Monument Impact in Contra Costa County.

Historical Context and Trends

The CalCRG program began accepting applications in 2018. Over the years, the number of organizations funded and the total grant amounts have varied:

FY 2019-2020: \$30 million to 54 organizations, FY 2020-2021: \$15 million to 59 organizations, FY 2021-2022: \$35.5 million to 78 organizations, FY 2022-2023: \$50 million to 31 organizations, FY 2023-2024: \$46.6 million to 30 organizations

While the total funds have generally increased, the number of organizations receiving grants has decreased. GO-Biz plans to reopen applications in August, with funds likely to be awarded in spring 2025.

Cannabis Tax Revenue Insights

A recent breakdown by the Marijuana Policy Project revealed that California has generated \$5.7 billion in cannabis tax revenue since legalization in 2018. The state collected: \$397 million in 2018, \$638 million in 2019, \$1.11 billion in 2020, \$1.4 billion in 2021, \$1.1 billion in both 2022 and 2023

California's cannabis tax revenue outpaces other states, with Illinois generating \$1.9 billion (2020-2024), Washington \$4.1 billion (2014-2023), and Michigan \$1.2 billion (2019-2024).

Additional State Efforts

In addition to the annual cannabis tax revenue grants, GO-Biz has also allocated \$12 million to advance economic justice for communities impacted by cannabis prohibition. These funds, distributed among 10 cities and counties, aim to promote equity in California's regulated cannabis industry. The largest grants went to Oakland (\$3 million) and San Francisco (\$2 million), with other notable recipients including Sacramento, San Jose, and Humboldt County.

The city of San Jose highlighted the importance of these funds in developing its local cannabis industry. Will Koch, GO-Biz Deputy Director of Community and Local Equity Grants, and Nanci Klein, Director of the Office of Economic Development and Cultural Affairs, emphasized the program's role in supporting equitable access to the cannabis business sector.

The latest round of GO-Biz grants underscores California's commitment to reinvesting cannabis tax revenue into community development and economic justice initiatives.

Email: info@cannabisriskmanager.com | Phone: +415-226-4060

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