

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**MARIJUANA. REGULATION AND TAXATION OF MEDICAL USE INDUSTRY.**

**REDUCED CRIMINAL PENALTIES. INITIATIVE STATUTE.** Establishes new government agency to regulate medical marijuana cultivation, manufacture, distribution, testing, and sale. Imposes agency fees, and 2.5% tax on medical marijuana retail sales. Allocates new revenues to agency administration, any remainder primarily to medical marijuana research and grants. Preempts local regulation of medical marijuana, except for zoning of medical marijuana dispensaries. Requires one dispensary per 50,000 residents unless limited or banned by local initiative. Bars state and local assistance to federal enforcement against medical marijuana. Reduces criminal penalties for marijuana possession, cultivation, transport, or sale. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Savings potentially up to several tens of millions of dollars annually to state and local governments from reductions in various criminal justice costs related to enforcing marijuana crimes. Additional state tax revenues in the low tens of millions of dollars annually from a new supplemental tax on medical marijuana sales, used for various regulatory, research, education, and health care purposes generally related to medical marijuana. Increased costs to regulate medical marijuana potentially in the tens of millions of dollars annually, offset by fees and/or taxes authorized by the measure.**

(11-0098)