

Calif. cities see chance to cash in on marijuana

By Robin Respaut, Reuters

Californians are expected to pass a ballot measure on Election Day legalizing recreational marijuana, and the prospect has cities and counties seeing dollar signs.

Proposition 64 would impose state taxes on the cultivation and sale of marijuana. But it also allows local jurisdictions to add taxes of their own, something many cities and counties said they plan to do.

Economists warn that burdensome taxes and fees on the nascent industry could backfire, fueling the black market and pushing marijuana businesses to decamp for towns where it's cheaper to operate. For many city and county officials across California, however, the promise of new revenue to fill budget gaps and fund services is too alluring to pass up.

More than 60 local marijuana measures will appear on ballots across California in Tuesday's election. In Monterey, a scenic county along the state's rugged central coast, officials said new local marijuana taxes and fees, if approved, could bring in \$30 million, nearly double the county's \$16 million budget deficit.

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