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City Clerk
City of Laguna Woods

FORM OF STATEMENT TO BE FILED BY AUTHOR(S) OF ARGUMENT

All arguments concerning measures filed pursuant to Division 9, Chapter 3 (beginning with Section 9200) of the Elections Code of the State of California shall be accompanied by the following form of statement to be signed by each proponent, and by each author, if different, of the argument:

The undersigned proponent(s) or author(s) of the (primary/rebuttal) argument (in favor of/against) ballot measure ___ at the General Municipal Election for the City of Laguna Woods to be held on November 8, 2022, hereby state that the argument is true and correct to the best of (his/her/their) knowledge and belief.

Print Name Carol Moore

Title City of Laguna Woods Mayor
(If applicable): Submitted on behalf of:

Name of Organization _____

Signature [Signature]

Date June 6, 2022

Print Name _____

Title _____
(If applicable): Submitted on behalf of:

Name of Organization _____

Signature _____

Date _____

Print Name _____

Title _____
(If applicable): Submitted on behalf of:

Name of Organization _____

Signature _____

Date _____

This ballot measure is problematic for it exacerbates the complex marijuana industry pricing problem by seeking revenue based on taxation of cannabis businesses without considering the consequences of the separate cannabis industry components. It is the regressive levies which harm the legal industry because the higher prices of the legal industry bolster the lower-priced-illicit-marijuana-market which among other things is harming the environment.

The purpose of legalizing the establishment of marijuana dispensaries was to eradicate the illegal market while allowing access to both business ownership as well as medicinal and recreational products for people that do not have money. However, because the high level of taxation in California impedes proper development of the legal market, the illegal market continues and it is sizeable. This ballot-measure-proposed -taxation would preserve the illicit market while sustaining social inequity. It is minorities that have lost money trying to start and run a marijuana business while corporations as well as the illegal market became winners. Sadly, this ballot measure abets that injustice by increasing costs for both retail and other businesses thereby putting the legal market further out of reach.

Furthermore, the predicted revenue listed in the ballot measure is strikingly unrealistic because the large illegal marketplace never disappeared due to their low-price advantage. Marijuana industry pricing has been volatile since voter approval in 2016, with growers as well as dispensaries facing financial challenge. Cities that prosper from marijuana have lower or non-existent rates for non-retail businesses.

While the governor and the legislature seek to stabilize the cannabis market, this proposal is premature and at odds with stabilization efforts.