



State revenue picture worsens

By John Robertson

Following a sharp downturn in October tax collections, the governor's chief finance officer told local officials last month that there's a high likelihood of a reduction of the revenue forecast for fiscal 2013 as well as mid-year spending cuts.

Speaking at the Nov. 13 meeting of the Local Government Advisory Commission, Administration and Finance Secretary Jay Gonzalez said a review of options was under way and decisions would have to be made soon – within a few weeks. He did not say how much the tax forecast



Administration and Finance Secretary Jay Gonzalez discusses state revenues during the Nov. 13 meeting of the Local Government Advisory Commission.

might be reduced or what possible combination of budget cuts and state reserves may be used to keep

the fiscal 2013 budget in balance.

Gonzalez said the state has imposed hiring and spending limits and asked departments to develop contingency plans in preparation for possible budget cuts.

Tax collections through the end of October, one-third of the way through the fiscal year, were below the fiscal 2012 amount and \$256 million below the forecast set for this point in the year as part of the fiscal 2013 budget process. Collections were weak across all the main categories of taxes, led by a \$155 million shortfall in the state's per-

sonal income tax. Sales tax and business and corporate tax collections also lagged behind benchmarks.

The fiscal 2013 state budget is based on a revenue forecast of \$22.01 billion.

When he announced the October revenue report on Nov. 5, Gonzalez said the rate of economic growth has slowed markedly, which is putting a drag on tax collections. He said that worries about economic conditions in Europe and uncertainty about how the federal government will respond to the "fiscal cliff" have contributed to a slowdown in business activity. *

INSIDE

Gov. unveils housing goals.....3

Unemployment insurance report issued3

Fiscal cliff looms.....4

7 communities adopt CPA.....8

Mass Innovations18

People22

Classifieds24

Calendar28

MMA seeks marijuana law delay

By J. Catherine Rollins

Following the Nov. 6 passage of a state initiative legalizing the sale of marijuana for certain medical conditions, the MMA is calling for more time to allow cities and towns to adequately prepare for the new law.

A number of processes and regulations must be established before the law goes into effect. For example, the Department of Public Health must establish what constitutes a 60-day supply of the drug, the maximum that patients will be allowed to purchase at any one time.

The Department of Public Health must also register dispensaries that intend to

cultivate marijuana and register each dispensary's agents. Fees for applying for dispensary licenses must be set, and patients will need registration cards to procure marijuana. The DPH must also issue hardship cultivation registrations to individual patients.

The law calls for state regulations to be in place by April 1, but the MMA is advocating for an effective date of July 1.

The law allows for up to 35 cultivation dispensaries authorized by the state in the first year. There must be at least one dispensary in each county, but no more than five. Registration fees for dispensaries will be

set to make the law cost-neutral to the state.

Following voter approval of the ballot initiative, several cities and towns have taken, or plan to take, steps to prohibit or restrict the location of marijuana dispensaries in their communities.

On Nov. 15, town meetings in Wakefield and Reading approved zoning bylaws prohibiting marijuana dispensaries. In Reading, nearly three-quarters of town meeting members supported the ban. Support was even higher in Wakefield, which has an open town meeting.

The city of Melrose held a
MARIJUANA, continued on 27

MMA unveils legislative package, see page 12

Marijuana

continued from page 1

public hearing on banning dispensaries on Nov. 19.

Neighboring Malden, by contrast, has scheduled a Dec. 12 hearing on the possibility of establishing a medical marijuana dispensary in the city. The hearing will focus on a proposal by two city councilors to establish use regulations and parking requirements, among other conditions for a dispensary.

Since marijuana was decriminalized in Massachusetts four years ago, more than 80 cities and towns

have strengthened penalties for smoking marijuana in public, according to Ruth Clay, the health director for Melrose, Wakefield and Reading.

While marijuana remains a Schedule 1 drug under the Federal Controlled Substances Act, the U.S. Department of Justice has issued an informal directive not to pursue federal prosecutions when state laws allow medical usage.

Massachusetts is the 18th state to legalize medical marijuana. *