

**UPDATED SUMMARY
SENATE BILL 14-215**

Second Regular Session - Sixty-ninth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

Joint Budget Committee. The bill specifies the cash fund into which the moneys collected by the state in connection with the retail marijuana industry will be deposited and determines the disposition of such moneys received by the state during the 2013-14 state fiscal year.

Marijuana cash fund. Currently, the marijuana cash fund consists of the following revenues collected in connection with the medical and retail marijuana industry:

- ! All moneys collected by the state licensing authority for the purpose of regulating and controlling medical and retail marijuana (fees);
- ! All retail marijuana excise tax revenues, after the transfer of the first \$40 million of such revenue to the public school capital construction assistance fund (retail marijuana excise tax revenues);
- ! All retail marijuana sales tax revenues, after the required 15% apportionment to local governments (retail marijuana sales tax revenues); and
- ! Revenue from the 2.9% state sales tax on the sale of medical and retail marijuana and marijuana products (marijuana state sales tax revenues).

Beginning July 1, 2014, the bill requires all retail marijuana excise tax revenues, all retail marijuana sales tax revenues, and all marijuana state sales tax revenues to be deposited in the marijuana tax cash fund, which the bill creates in the state treasury. The bill requires the state treasurer to transfer all moneys in the marijuana cash fund on July 1, 2014, that are attributable to retail marijuana excise tax revenues, retail marijuana sales tax revenues, and marijuana state sales tax revenues to the marijuana tax cash fund. All moneys attributable to fees will remain in the marijuana cash fund and will continue to be deposited in the marijuana cash fund.

In addition, current law specifies that the general assembly may appropriate moneys in the marijuana cash fund to:

- ! The department of revenue for the direct and indirect costs associated with the regulation, control, and taxation of the medical and retail marijuana industry;
- ! The division of criminal justice in the department of public safety for the study of marijuana implementation;
- ! The department of public health and environment for the monitoring of the health effects of marijuana;
- ! The department of law for certain training; and
- ! The general fund to repay certain transfers required by law.

The bill modifies the authorized uses of the moneys in the marijuana cash fund. Beginning July 1, 2014, the general assembly may appropriate the moneys in the marijuana

cash fund only to the department of revenue for the costs associated with the regulation, control, and taxation of medical and retail marijuana.

Marijuana tax cash fund. The bill specifies that the general assembly may appropriate the moneys in the newly created marijuana tax cash fund for specified purposes, including the purposes that were eliminated from the currently existing marijuana cash fund.

The bill prohibits the general assembly from appropriating the moneys in the marijuana tax cash fund until the fiscal year following the fiscal year in which the moneys were received by the state; except that the general assembly may appropriate moneys in the marijuana tax cash fund to the department of revenue in the fiscal years in which they were received by the state for the costs associated with the regulation, control, and taxation of medical and retail marijuana.

The remaining moneys in the marijuana tax cash fund are subject to annual appropriation by the general assembly, initially based on the most recent revenue estimate, in the fiscal year following the fiscal year in which they were received by the state. The general assembly may also direct the state treasurer to make transfers from the marijuana tax cash fund to the general fund for specific purposes.

The governor is required to include the governor's requested expenditures of moneys in the marijuana tax cash fund and the purposes of such expenditures in the governor's budget request submitted to the joint budget committee each November. In addition, the executive director of the department of revenue is required to include in its budget request submitted to the joint budget committee in November of each year the amount that the department requests from the moneys in the marijuana cash fund and from the marijuana tax cash fund for the costs associated with the regulation, control, and taxation of medical and retail marijuana.

Beginning with appropriations made for the 2015-16 state fiscal year, the total amount that the general assembly appropriates from the fund shall not exceed 93.5% of the amount of moneys in the fund available for appropriation.

Uses of moneys in the marijuana tax cash fund. The permissible purposes for which the general assembly may appropriate moneys in the marijuana tax cash fund are:

- ! For the study of law enforcement's activity and costs related to the implementation of laws legalizing retail marijuana;
- ! For the coordination of the executive branch response to the legalization of retail marijuana;
- ! To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of retail marijuana;
- ! To obtain health data regarding marijuana and other drug use and to monitor the health effects of marijuana;
- ! For advanced roadside impaired driving enforcement training and drug recognition expert training for peace officers;
- ! To develop and implement marijuana education and prevention campaigns;
- ! To provide inpatient treatment for adults who suffer from co-occurring

disorders;

- ! To increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children;
- ! For community-based programs to provide prevention and intervention services to youth;
- ! For local judicial-district based programs to provide marijuana prevention and early intervention services to pre-adjudicated and adjudicated youth;
- ! To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care; and
- ! For the provision of substance use disorder treatment services for adolescents and pregnant women.

In connection with the permissible uses of the moneys in the marijuana tax cash fund, the bill:

- ~~! Creates the school health professional grant program in the department of education to provide matching grants to education providers to enhance the presence of school health professionals in secondary schools throughout the state and to facilitate better screening, education, and referral care coordination for secondary school students with substance abuse and other behavioral health needs;~~
- ! Creates the office of marijuana coordination in the governor's office to coordinate the executive branch response to the legalization of marijuana;
- ! Requires the department of public health to conduct 2 marijuana education and prevention campaigns, each with a specified purpose, and to create a web site to serve as the state portal for the most accurate and timely information regarding the health effects of marijuana and the laws regarding marijuana use, *and to align marijuana messaging from each state agency*;
- ! Creates the school-based substance abuse prevention and intervention grant program in the department of health care policy and financing to award competitive grants to entities to provide school-based prevention and intervention programs for youth 12 to 19 years of age, primarily focused on reducing marijuana use but including strategies and efforts to reduce alcohol use and prescription drug misuse; and
- ! Expands the purposes of the Tony Grampsas youth services program, created in the department of human services, to include community-based programs specifically related to the prevention and intervention of adolescent and youth marijuana use.

Appropriations. The bill makes changes to the 2014 general appropriation bill that are required due to the transfer of moneys from the marijuana cash fund to the marijuana tax cash fund. The bill also makes the following appropriations from the marijuana tax cash fund

for the 2014-15 state fiscal year for purposes related to the implementation of the bill:

- ! ~~\$3,000,000~~ and 1.0 FTE to the department of education for the school health professional grant program;
- ! \$190,097 and 2.0 FTE to the office of the governor for the creation of the office of marijuana coordination;
- ! \$2,000,000 to the department of human services for enhancement of the Tony Gramsas youth services program;
- ! \$1,500,000 to the department of human services for the provision of substance use disorder treatment services for adolescents and pregnant women;
- ! \$2,000,000 to the department of human services for the expansion and enhancement of jail-based behavioral health services;
- ! \$2,000,000 to the department of human services for the enhancement of SB 91-94 programs to provide services to juvenile offenders;
- ! \$456,760 and 2.0 FTE to the department of law for allocation to the special prosecutions unit;
- ! \$1,168,000 and 1.0 FTE, to the department of law for the peace officer standards and training board expanded training activities;
- ! ~~\$5,833,608~~ *\$5,500,181* and 3.7 FTE to the department of public health and environment for the expenses of a statewide marijuana education campaign; **and**
- ! \$903,561 and 1.5 FTE to the department of public health and environment for the healthy kids Colorado survey; *and*
- ! *\$100,000 to the department of human services for child welfare training specific to issues arising from marijuana use and abuse.*

The bill makes the following additional appropriations for purposes related to the implementation of the bill:

- ! Of the moneys appropriated to the department of public safety for the 2013-14 fiscal year for allocation to the division of criminal justice, \$45,000 is further appropriated for the fiscal year beginning July 1, 2014, for the same purposes;
- ! ~~\$3,272,856~~ *\$9,818,550* to the department of health care policy and financing comprised of ~~\$1,500,000~~ *\$4,500,000* from the general fund and ~~\$1,772,856~~ *\$5,318,550* from federal funds for behavioral health community programs for school-based prevention and early intervention substance use disorder services to be provided by behavioral health organizations; and
- ! \$2,000,000 to the department of health care policy and financing from the general fund for the school-based substance abuse intervention and prevention grant program.