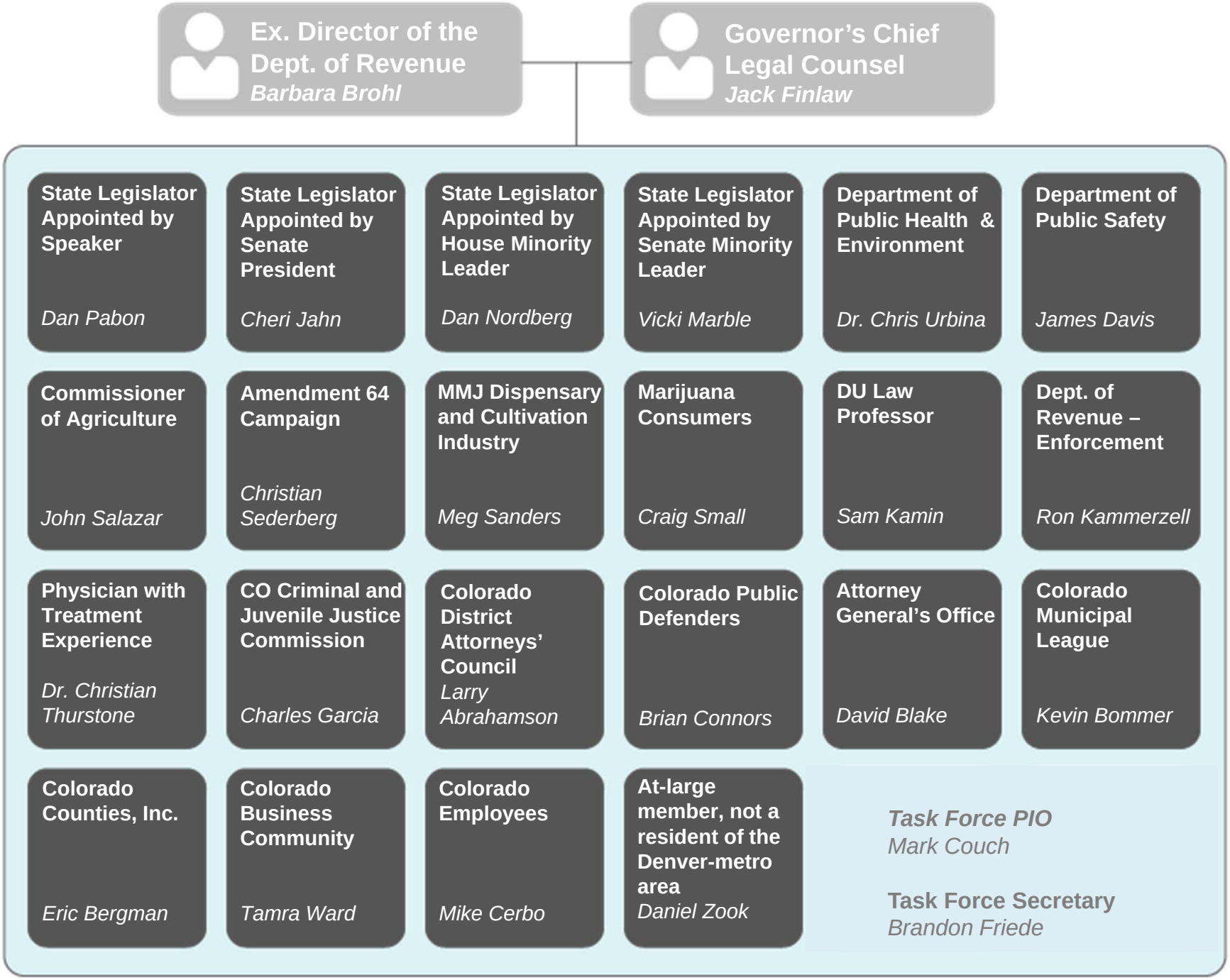
AMENDMENT 64 IMPLEMENTATION TASK FORCE

December 17, 2012

TODAY'S AGENDA

Topic	Start	Finish	Owner
Welcome and Introductions	12:00	12:20	• Task Force Co-Chairs Jack Finlaw and Barbara Brohl
Objectives, Expectations, and Guidelines	12:20	12:30	• Jack Finlaw and Barbara Brohl
Issue Identification	12:30	2:15	• Facilitator and Task Force Members
Public Comment	2:15	2:30	• General Public


Ex. Director of the Dept. of Revenue
Barbara Brohl
Governor's Chief Legal Counsel
Jack Finlaw
State Legislator Appointed by Speaker
Dan Pabon
State Legislator Appointed by Senate President
Cheri Jahn
State Legislator Appointed by House Minority Leader
Dan Nordberg
State Legislator Appointed by Senate Minority Leader
Vicki Marble
Department of Public Health & Environment
Dr. Chris Urbina
Department of Public Safety
James Davis
Commissioner of Agriculture
John Salazar
Amendment 64 Campaign
Christian Sederberg
MMJ Dispensary and Cultivation Industry
Meg Sanders
Marijuana Consumers
Craig Small
DU Law Professor
Sam Kamin
Dept. of Revenue – Enforcement
Ron Kammerzell
Physician with Treatment Experience
Dr. Christian Thurstone
CO Criminal and Juvenile Justice Commission
Charles Garcia
Colorado District Attorneys' Council
Larry Abrahamson
Colorado Public Defenders
Brian Connors
Attorney General's Office
David Blake
Colorado Municipal League
Kevin Bommer
Colorado Counties, Inc.
Eric Bergman
Colorado Business Community
Tamra Ward
Colorado Employees
Mike Cerbo
At-large member, not a resident of the Denver-metro area
Daniel Zook
Task Force PIO
Mark Couch
Task Force Secretary
Brandon Friede

OUR RULES TODAY

- We will facilitate this meeting and we will take minutes.
- This is an open public meeting. Time for public comment will be provided at the end of the meeting
- Show respect to others at all times.
- Silence devices and cell phones.
- We have a specific focus on identifying legal and policy issues related to the implementation of Amendment 64. We are not here to discuss the merits of the amendment.
- We will have open public comment. The time allowed for this will depend on the time remaining after the completion of the taskforce agenda.

WHY YOU ARE HERE: THE ROLE OF THE TASKFORCE

- The purpose of the Task Force is to find practical and pragmatic solutions to the challenges of implementing Amendment 64, while at all times respecting the diverse perspectives that each member will bring to the work of the Task Force.

- The Task Force shall respect the will of the voters of Colorado and shall not engage in a debate of the merits of marijuana legalization or Amendment 64. **The Task Force has the following authority:**

  - Identify the legal, policy and procedural issues that need to be resolved, and to offer suggestions and proposals for legislative, regulatory and executive actions to be taken.
  - Develop a comprehensive framework and timeline for legislation and regulations needed to implement Amendment 64.
  - Hold hearings and take testimony regarding the policy, legal and procedural issues that need to be resolved related to the legalization and recreational use of marijuana.
  - Participate in work groups as necessary.
  - Review related state laws and regulations, and make recommendations for changes to all applicable laws and regulations.

TODAY'S SPECIFIC OBJECTIVES

- Share the implementation process and the outcomes expected from the Task Force
- Share the Task Force Work Group structure
- Identify key implementation issues for each Task Force Work Group

DESIRED OUTCOME AND PROCESS

- **The Outcome:** We expect this Task Force to produce implementation recommendations by the end of February for consideration by the Governor, the General Assembly and the Attorney General.
- **The Process:**
  - The Outcome will be accomplished through five Work Groups that will produce specific recommendations within their subject areas.
  - Task Force members will be assigned to one or more Work Groups. We will offer a selection process through an electronic survey you will receive this week but the Task Force co-chairs, in consultation with the Work Group leads, will make final Work Group assignments.
  - Work Groups will be led by two designated leads. Work Groups will include Task Force members and other subject matter experts appointed by the Task Force co-chairs in consultation with the Work Group leads.
  - Work Groups will share their recommendations with the Task Force where the recommendations will be discussed and be subject to approval.

Taskforce Structure and Leadership

Amendment 64 Implementation Task Force Working Groups

Local Authority and Control
Kevin Bommer & Eric Bergman

- Local level licensing & compliance
- Define role/responsibility at local/state level
- Role of local government in the regulatory model
- Local Authority to Opt out
- Identify state and local mandates
- Identify potential sources of revenue at state and local levels.

Tax/Funding and Civil Law Issues
David Blake & Cheri Jahn

- Constitutionality of tax mandate
- Collection & revenue generation
- Impact on employment in public/private sector
- Testing beyond employment
- Resources needed and funding requirements
- Fee structure to support regulation
- Potential sources of revenue

Regulatory Framework
Ron Kammerzell & Dan Pabon

- Legislative Construction (MMED/Liquor/Hybrid)
- Blending MMED and Recreational MJ
- Rule Making
- Serve as liaison to all other working groups

Criminal Law Issues
James Davis & Brian Connors

- Required changes to existing criminal statutes
- Need for new statutes
- Defining impairment
- Preemption issue and impact on prosecution
- Traffic stops and Probable Cause

Consumer Safety/Social Issues
Dr. Chris Urbina & Christian Sederberg

- Substance Abuse and Prevention
- Outreach to minors
- Public health issues
- Restrictions on advertising
- Product standards and labeling
- Licensing

ISSUE IDENTIFICATION: REGULATORY FRAMEWORK

Goal: Make the regulatory framework efficient, feasible and effective

Key Tasks:

- Identify the best framework for legislative construction and consider:
  - Liquor Code
  - MMED Code
  - Other States (Washington, etc.)
  - Examine blending of existing MMED statutes with recreational MJ
- Identify critical regulatory issues
- Identify a timeline, framework and priorities
- Find balance between appropriate and adequate control and being overly burdensome on the industry

Identified Issues

1. Identify a regulatory framework and classifications for other uses besides consumption (e.g., hemp).
2. Identify the extent of the Department of Revenue's enforcement and regulatory powers.
3. Consider whether tracking mechanisms are needed for recreational purchasers and users.
4. Do we need a temporary regulatory scheme between now and January 2014?
5. Consider establishing state operated recreational marijuana dispensaries .
6. Establish rules and regulations for the transportation of marijuana by growers, retail operations and purchasers.

Issue Identification: Local Authority and Control

Goal: Ensure efficient interaction among state and local licensing authorities

Key Tasks:

- Identify licensing and compliance processes needed at the state and local level to enhance coordination and cooperative interaction among licensing authorities
- Identify resource issues at the state and local levels
- Clearly define roles and responsibilities at each level
- Identify best practices for effective communication and interaction between state and local regulators
- Address local authority to opt out or prohibit recreational marijuana shops from operating

Identified Issues

1. What type of licensing regime is appropriate – consider alcohol and medical marijuana models.
2. Can local authorities act independently in use and consumption regulations under a state framework?
3. Should there be different classes of state and local licensing depending on type of operation (consumption, retail, grow, etc.)?

ISSUE IDENTIFICATION: TAX/FUNDING AND CIVIL LAW

Goal: Address tax issues, identify sources of funds to support a regulatory and enforcement structure and focus on employer/employee issues

Key Tasks:

- Address constitutionality and other legal issues of Amendment 64's excise tax directives to the General Assembly
- Identify all other tax collection/revenue generation issues
- Identify impact of Amendment 64 on employment in the public and private sectors
- Explore testing issues beyond employment context
- Identify potential sources of revenue for funding requirements at state and local levels
- Examine fee and tax structures to support regulation and enforcement

Identified Issues

1. Must the General Assembly enact an excise tax on recreational marijuana and, if so, is it bound by the terms of Amendment 64 since the new tax would be subject to a vote of the people? Must a tax referred measure go to the voters in November 2013?
2. How do state regulatory agencies fund the regulatory and enforcement tools needed to oversee the regulation of recreational marijuana in light of lack of funding for MMED?
3. Address the industry's banking issues – consider creating a state financial institution for the industry?
4. Address employment issues such as rules related to drug-free work places, issues related to hiring and termination for legal use outside of the workplace, testing issues, federal rules and contract requirement and questions related to unemployment and workers' comp insurance.

ISSUE IDENTIFICATION: CRIMINAL LAW ISSUES

Goal: Address the impacts of recreational marijuana legalization on DUI statutes and other existing criminal statutes and on time, place and manner restrictions

Key Tasks:

- Review standards for impairment and probable cause
- Identify required changes to existing criminal statutes where they conflict with Amendment 64
- Consider new criminal violations not currently contemplated
- Examine Federal preemption issues

Identified Issues

1. Interim issues related to fact that possession and use is now lawful but no legal purchases and sales will occur until January 2014
2. DUID – per se vs. permissive inference concept endorsed by the CCJJ, "open container" rules and testing issues
3. Need to clarify when and where consumption of marijuana is "open" and "public" and therefore not permitted.
4. How do we define use of marijuana "in a manner that endangers others," which is not permitted by Amendment 64.
5. Probable cause and reasonable suspicion issues related to permissive search and seizure under the Fourth Amendment, both in homes and automobiles.
6. How might legalization of recreational use/possession and home grow impact human services' determinations in child abuse and neglect cases.
7. Identify possible interstate outcomes with the possession, sale and transportation of marijuana.
8. Look at potential outcomes if/when the Department of Justice intervenes.

ISSUE IDENTIFICATION: CONSUMER SAFETY/SOCIAL

Goal: Address social and public health issues related to the legalization of marijuana including the need for substance abuse programs, restrictions on the promotion, advertising and sale of marijuana to shield minors and product safety and quality issues particularly related to infused products

Key Tasks:

- Identify substance abuse and prevention needs
- Develop product standards, testing and labeling requirements
- Propose restrictions on the promotion, advertising and sale of marijuana to protect those under age 21
- Identify other public health and social issues

Identified Issues

1. What specific steps can the state and local governments take to prevent the possession and use of marijuana by those under the age of 21?
2. Address potency issues between medical marijuana and recreational marijuana.

PUBLIC COMMENT

- Each person will have approximately 2 minutes. We will be keeping strict time keeping to ensure everyone who wishes may have a chance to speak
- Please be polite and do not interrupt others.
- Please note that you may not give your 2 minutes to another person.