

**Final**  
**STAFF SUMMARY OF MEETING**  
**MARIJUANA SALES TAX REVENUES**

Date: 09/08/2014

Time: **09:34 AM to 12:29 PM**

Place: HCR 0112

This Meeting was called to order by  
Representative Pabon

This Report was prepared by  
Matt Kiszka

ATTENDANCE

Adams	X
Aguilar	E
Anderle	X
Baumgardner	*
Blake	X
Bommer	X
Connors	E
Dore	X
Federspiel	X
Freedman	X
Martinez	X
Massey	E
McGowan	X
Pace	*
Raynes	E
Schut	X
Sills	E
Singer	X
Vasquez	X
Jahn	X
Pabon	X

X = Present, E = Excused, A = Absent, \* = Present after roll call

Bills Addressed:	Action Taken:
Call to Order	Witness Testimony and/or Committee Discussion Only
Panel Presentation with Substance Abuse Providers	Witness Testimony and/or Committee Discussion Only
Committee Discussion of Bill Requests and Recommendation	Witness Testimony and/or Committee Discussion Only
Public Comment	Witness Testimony and/or Committee Discussion Only

**09:36 AM -- Call to Order**

Representative Pabon, Chair, called the committee to order and made some opening comments.

**09:37 AM -- Panel Presentation with Substance Abuse Providers**

Mr. Matt Sundeen, Executive Director, Colorado Providers Association, came to the table to present. A copy of the presentation was distributed (Attachment A) as well as a fact sheet on substance abuse from the Colorado Providers Association (Attachment B). Mr. Sundeen provided background information on the challenges surrounding marijuana usage and substance abuse in Colorado, stating that Colorado has a dependence on most drugs and substances higher than the national average and has historically been challenged by this. He responded to a question on illicit drug use. He spoke to the prevention, early intervention, treatment and recovery of substance abusers.

**09:43 AM**

Mr. Art Schut, President and CEO of Arapahoe House, spoke to the treatment services provided by his organization. He told the committee that the services provided are generally for in-patient intensive care, but that it also provides outpatient, DUI and detox services. He stated that obtaining current data on substance abuse is always a challenge. Mr. Schut told the committee that marijuana is the top drug of choice in teens in Colorado, and that his organization has seen a significant increase in marijuana use since its legalization. He provided some data points surrounding the growth of marijuana use in Colorado in recent years. He responded to questions on the increasing trend in teen marijuana use since 2011, the strong reputation of Arapahoe House, the disconnect between detox and residential substance abuse services, efforts taken to prevent individuals from returning to substance abuse following treatment, and capacity and funding support issues experienced by Arapahoe House. He responded to additional questions on possible explanations for increased rates of marijuana abuse and treatment in Colorado, the perception of marijuana risks among youth, marijuana as the drug most frequently used by substance abusers, how data surrounding substance abuse is collected, how many abusers use multiple drugs versus just a single drug, the difference between dependence and use, and how drug dependence correlates with criminal behavior.

**10:04 AM**

Dr. Douglas Novins, Chair of the Department of Psychiatry & Behavioral Sciences, Children's Hospital Colorado, spoke to how individuals transition from substance use to dependence. The panel responded to a question on the common behaviors related to substance abuse. Mr. Schut discussed the other substances abused by the individuals admitted to Arapahoe House, and responded to questions on causes of substance abuse and data on Driving Under the Influence admissions to Arapahoe House.

**10:12 AM**

Dr. Novins began his presentation on marijuana abuse and services provided by Children's Hospital Colorado. He spoke to the concerns that the hospital has surrounding marijuana and youth use in Colorado, and explained the services provided to address this, which are outpatient clinics, anticipatory guidance, screening, brief intervention, referral to treatment, and other speciality substance abuse services. Dr. Novins discussed Children's Hospital Colorado's behavioral health strategy. He told the committee that demands for emergency and in-patient services are extremely high currently, and that the hospital is looking to address this. He responded to questions on referrals to other service providers and if services and treatment are only available to those who have insurance or can afford such services.

**10:21 AM**

Mr. Sundeen spoke to specific substance prevention strategies within the state, which include research-based strategies such as information dissemination, prevention education, environmental strategies, community-based processes, alternative activities, and problem identification and referral. A handout discussing these and the Center for Substance Abuse Prevention was distributed to the committee (Attachment C). Mr. Sundeen responded to questions on the characteristics used to differentiate substance abuse in different communities. He then spoke to the different prevention efforts that are active throughout Colorado, the public sources of funding for these programs, and responded to questions on federal funding cuts for programs provided by the Office of Behavioral Health (OBH). The panel discussed these funding cuts.

**10:32 AM**

Mr. Sundeen discussed treatment funding in greater detail, noting that the two biggest agencies in the state that provide treatment support funding are the OBH and Department of Health Care Policy and Financing. He noted that many services covered by Medicaid have the potential for matching federal funds, and responded to questions on how block grant funding is distributed, access to substance use help for the poor, what other states are doing to address substance use disorders, and if other states are more creative in findings ways to obtain and distribute funding for substance abuse services.

**10:45 AM**

Mr. Sundeen described the substance use providers' key takeaways and recommendations for the committee, which are to not look at marijuana in a silo, support the whole continuum of substance use services, utilize proven experts and strategies, and to strengthen existing infrastructure. The panel responded to questions on where teens are getting marijuana from, marijuana as a gateway drug, the data providers are looking to collect to make conclusions on substance use trends and how this will be collected, the collection and tracking of youth substance use data, if there is any indication that federal funding cuts were in response to Colorado's legalization of marijuana, and what the state could do to successfully address substance abuse if funding was unlimited.

**11:03 AM**

The panel and committee discussed the optimization of funds for substance use disorder treatment and the panel responded to questions on serving individuals who are not eligible for Medicaid.

**11:26 AM -- Committee Discussion of Bill Requests and Recommendation**

Representative Pabon called the meeting back to order and discussed the committee process for legislation. He stated that the committee could vote on two draft bills today, but more likely will schedule a fourth meeting for later in September to allow for members to work on amendments and additional bills to be drafted.

Commissioner Pace came to the table to present two bill drafts that he had worked on. The first (Attachment D) concerns local government taxes, and the second (Attachment E) deals with medical marijuana. The local government tax bill clarifies the ability of local governments, with voter approval, to enact sales tax on retail marijuana. It also adds the ability of local governments to enact an excise tax. He stated that counties like Pueblo have relatively low retail sales, but many grow operations. The excise tax is capped at 7.5 percent. Commissioner Pace discussed feedback from Department of Revenue (DOR) and the fact that cities, unlike counties, may not need additional statutory authority concerning sales tax. Representative Singer thanked Commissioner Pace for clarifying the intent of Proposition AA and giving local governments control. Representative Singer asked if excise tax was the only type of tax that could be applied to wholesale transactions. Representative Pace stated that excise tax was selected for ease of administration. Ms. Nicole Myers from OLLS came to the table and deferred to the DOR on different types of taxes that could be implemented. Phillip Horowitz from the DOR came to the table and discussed different types of taxes that could be applied at the wholesale level.

Kevin Bommer asked about scenarios that could arise under the bill where a county opts out of retail sales, but still collects taxes on sales in municipalities in its jurisdiction. Commissioner Pace stated that was not his intent and would discuss the issue further. Representative Pabon asked about jurisdictions' ability to cover the collection costs using the revenue collected and how this differed from the state system. He then asked about the ability of counties to put collected revenue in the county general fund or other special funds, and whether this eliminated the nexus between marijuana revenue and marijuana-related costs. Mr. Bommer stated that he was uncomfortable about aspects of the bill.

#### **11:45 AM**

Commissioner Pace then began his presentation on the second bill on medical marijuana. He stated that here are several goals in the bill, including ending the one-time exemption from wholesale excise tax when transferring medical marijuana stock to retail stock. He then discussed potential amendments for the bill that could be made. Representative Pabon asked about potential revenue that could be raised under the bill. Another goal of the bill is tightening requirements around extended plant counts for medical marijuana. He stated his concern about large grow operations that have started around the state and the need to limit extended plant counts to only the patients that truly need them. Representative Pabon raised his concern about the Department of Public Health and Environment's (CDPHE) ability to enforce the requirements of the bill. Commissioner Pace stated that other aspects of the bill address this, and he elaborated on the current systems in CPHE and DOR and changes made in the bill. Commissioner Pace then discussed changes to the bill that should be made after further discussions with CDPHE and DOR. He discussed the limitations in tracking caregivers and how the bill addresses the ability of DOR and CDPHE to share information. He described how the bill will result in one shared registry that could be access by state departments and law enforcement.

Chief Vasquez commented that DOR has no oversight of caregivers, other than tracking registered caregiver grow operations. He stated that this would require either CDPHE to have stronger enforcement or it would be passed on to local law enforcement. Commissioner Pace stated that he did not think this was a new mandate on local law enforcement, but rather, allowed them to access more information. Mr. Bommer then pointed out a discrepancy between current statute and a section of the bill concerning local governments' ability to access certain information relating to the medical marijuana registry. Karin McGowan from DPHE then stated her department's perspective on what type of information can and cannot be shared concerning the medical marijuana registry. She stated that there could be difficulties in implementing this type of shared database, based on their interpretation of the privacy requirements. She then discussed the difficulties in determining medical necessity. Commissioner Pace responded that he was most concerned with keeping the multiple physician requirement in the bill and stated that he could be more flexible about other aspects of the bill on how departments meet the goal of the bill. Kevin Bommer stated that a key concern of the Amendment 64 Task Force was closing potential loopholes in enforcement to avoid federal action.

Ms. Anderle then discussed the role of the Colorado Bureau of Investigation who could be impacted by the bill. Representative Singer discussed concerns of the patient community and stated that the interim process allows more time to get their feedback. Representative Pabon thanked Commissioner Pace for his efforts and thinks the intent of the bill is good, but that there are details that need to work out. Representative Pabon stated that now was not the right time to take a vote on the legislation and that he wants to schedule a fourth meeting. He then discussed the interim committee process for bill drafts.

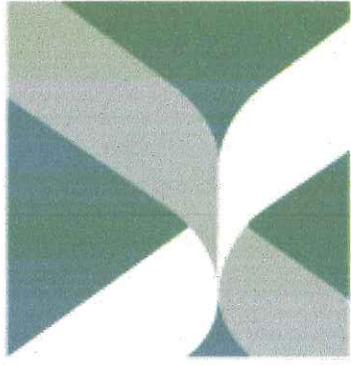
#### **12:14 PM -- Public Comment**

Representative Pabon opened the floor to public comment. Frank Cornelia representing the Colorado Behavioral Health Council came to the table and provided a handout on their organization and recommendations (Attachment F). He thanked the committee for its work and described the work of behavioral health providers in Colorado and described his recommendations on the use of marijuana revenue. He mentioned several programs that should be funded, including the Access to Recovery Program, the Colorado Collaborative Management Program, and Community Prevention Programs. He described the need to enhance the Medicaid substance use benefit and the need to continue the programs he is recommending, as they have flexible funding sources and create linkage between programs and close gaps in services. He also voiced his support for programs funded under SB 14-215. Representative Singer commented on the infrastructure deficit in Colorado and asked how far behind we are in terms of behavioral health, and asked what would be the best use of funds. Mr. Cornelia recommended expanding the Medicaid substance use benefit to include higher intensity services, as well as supporting state and local programs that offer flexible funding.

#### **12:27 PM**

Representative Pabon discussed future committee dates. September 29th was mentioned as the most likely date. The committee then adjourned.

# Marijuana Revenues: The Provider Perspective



COLORADO  
PROVIDERS  
ASSOCIATION

# Matt Sundeen, Executive Director

[www.coprovidersassociation.org](http://www.coprovidersassociation.org)

# Key Takeaways

- 1. Substance abuse challenges not limited to marijuana**
  - The most effective investments will address marijuana plus alcohol and other drugs
- 2. Support full continuum of substance abuse services**
  - Prevention, early intervention, treatment, recovery
- 3. Utilize existing expertise**
  - Colorado providers use evidence-based practices for the full spectrum of services
- 4. Strengthen the existing infrastructure**
  - Support prevention and treatment infrastructure at the Colorado Office of Behavioral Health
  - The current system is significantly underfunded

# Colorado's Challenge

Behavior	National Rate	Colorado Rate	Rank
Illicit drug use	8.82%	13.48%	3
Marijuana use	11.47%	16.93%	3
Illicit drugs	3.6%	4.17%	9
Cocaine	1.85%	3.06%	2
Pain relievers	4.89%	6.23%	4
Alcohol dependence	7.27%	8.71%	4
Alcohol dependence age 12-17	4.59%	5.68%	4
Illicit drug dependence	2.82%	3.19%	4
Drug or alcohol dependence	8.87%	10.21%	6

# Substance Abuse Services

1. Prevention
  - Address substance abuse before it starts
2. Early intervention
  - Recognize early signs of addiction and address
3. Treatment
  - After a problem
  - Often is an emergency
4. Recovery
  - Lifetime process
  - Without adequate recovery support easy to relapse



Arapahoe House



Art Schut

President and CEO - Arapahoe House

President of the Board – Signal Behavioral Health  
Network

# Treatment Services

- **Residential:** Intensive care in a 24/7 setting.
- **Outpatient and DUI:** Services allow clients to receive treatment and continue to live at home and attend school or work.
- **Detox:** Monitors clients through a safe withdrawal from alcohol and drugs.

# Marijuana Treatment

At Arapahoe House:

- Marijuana is the #1 drug of use for our teens.
- When comparing the same six month period (Jan 1 – June 30, 2013/2014), the percentage of clients who came to Arapahoe House on a DUI charge who reported marijuana as a drug of choice jumped from 8% to 14.7%.

# Marijuana and Adult Clients

- 90% increase in marijuana as a secondary drug of choice from 2008 to 2014.
- 252% increase in marijuana as a tertiary drug of choice from 2008 to 2014.

# Marijuana and Teen Clients at Arapahoe House

- FY11: 193 marijuana adolescent admissions
- FY12: 246 marijuana adolescent admissions
- FY13: 313 marijuana adolescent admissions
- FY14: 320 marijuana adolescent admissions

**66% increase in teen marijuana  
admissions from 2011 to 2014**

# Marijuana and Addiction

According to the National Institute on Drug Abuse  
(NIDA):

- 10 percent of people who use marijuana will become dependent
- 1 in 6 who start using in their teens become dependent
- 25-50% of daily users become dependent

# Not Just Marijuana

**No providers for substance abuse prevention, early intervention, treatment or recovery specialize only in marijuana.**

- Heroin admissions at Arapahoe House have more than quintupled in the last 6 years.
- The number of clients admitted for prescription drug addiction have more than quintupled in the past 6 years.
- Clients seeking help for methamphetamine use have nearly doubled since 2008.
- The number one reason for admission to Arapahoe House continues to be alcohol.

## Douglas Novins, M.D.

Chair, Department of Psychiatry and Behavioral  
Sciences, Children's Hospital Colorado

Professor and Vice Chair, Department of  
Psychiatry, University of Colorado School of  
Medicine

## Marijuana Concerns for our Children

- Medicalization: Lowered perception of risk
- Impacts of Misuse
  - Decline in neurological function
  - Highly comorbid with other mental health problems
    - Elevated risk of psychosis
  - Increased chance of using “harder” drugs
  - Negative educational outcomes
- Adolescents don’t seek help on their own
  - Recognition by adults often critical to accessing care

# Effective Hospital and Clinic-Based Services

- Anticipatory Guidance
- Screening
  - Identification of youth at high risk of substance misuse
  - Identification of youth with current substance use problems
- Brief Intervention
- Referral to Treatment
- Specialty Substance Abuse Services

# Children's Colorado's Behavioral Health Strategy

- Targeted expansion of Tertiary Services
  - Crisis Services, Services for children with ASD/ID and additional BH conditions
- Ongoing Improvement of existing Tertiary Services
  - Emergency, Inpatient, Partial Hospitalization, Eating Disorders, Medical Psychiatric

**Tertiary Care**

- Transformation and substantial expansion of Specialty Services
  - Anschutz and Network of Care Outpatient Clinics

**Specialty Care**

- Enhanced Services and Support for Primary Care
  - Integrated Care Models, Consultative Care Models, Professional Education

**Primary Care**

- Selected Expansion of Prevention/Community Education Programs
  - School-Based Prevention, Community Education

**Prevention**

- Assertive Program of Advocacy & Alliance Building
  - Governmental, Allied Service Organizations, Families and Youth

**Community Infrastructure, Health Promotion, Advocacy, Policymaking**

# Substance Abuse Services at Children's Hospital Colorado: Current State

Clinical Program	Prevention, Screening, Assessment	Treatment
<b>Tertiary Services</b> <ul style="list-style-type: none"><li>• Inpatient (Medical &amp; Psychiatric)</li><li>• Partial Hospitalization</li><li>• Emergency Department</li></ul>	Prevention Screening Assessment	Refer to other providers
<b>Secondary Services</b> <ul style="list-style-type: none"><li>• Outpatient Behavioral Health</li><li>• Specialty Pediatrics Clinic</li></ul>	Prevention Screening Assessment	Refer to other providers
<b>Primary Services</b> <ul style="list-style-type: none"><li>• General Pediatrics Clinics</li><li>• Community Providers</li></ul>	Prevention Screening	Refer to other providers

# Substance Abuse Services at Children's Hospital Colorado

## Colorado: Planned Future State

Clinical Program	Prevention, Screening, Assessment	Treatment
<b>Tertiary Services</b> <ul style="list-style-type: none"><li>• Inpatient (Medical &amp; Psychiatric)</li><li>• Partial Hospitalization</li><li>• Emergency Department</li></ul>	Prevention Screening Assessment	<b>Brief Intervention</b> <b>Consultation from and referral to behavioral health outpatient teams</b>
<b>Secondary Services</b> <ul style="list-style-type: none"><li>• Outpatient Behavioral Health<ul style="list-style-type: none"><li>• <b>Crisis Team</b></li><li>• <b>Substance Abuse Treatment Team</b></li></ul></li><li>• Specialty Pediatrics Clinic</li></ul>	Screening Assessment	<b>Outpatient treatment services</b>
<b>Primary Services</b> <ul style="list-style-type: none"><li>• General Pediatrics Clinics</li><li>• Community Providers</li></ul>	Prevention Screening	<b>Brief Intervention</b> <b>Consultation from and referral to behavioral health outpatient teams</b>

# Prevention Strategies

- No simple solution
- CSAP's 6 research-based strategies
  1. Information dissemination
  2. Prevention education
  3. Environmental strategies
  4. Community-based processes
  5. Alternative activities
  6. Problem identification and referral
- Effective when combined and data driven

# CO Prevention Efforts

- State level efforts
  - Survey (CDPHE)
  - Information campaigns (CDPHE)
- Community approaches
  - Community-based grant programs (OBH)
- Targeted populations
  - School-based services (HCPF)
  - Tony Grampas Youth Services (OBH)
  - SBIRT (OBH)
  - Access to Recovery (OBH)

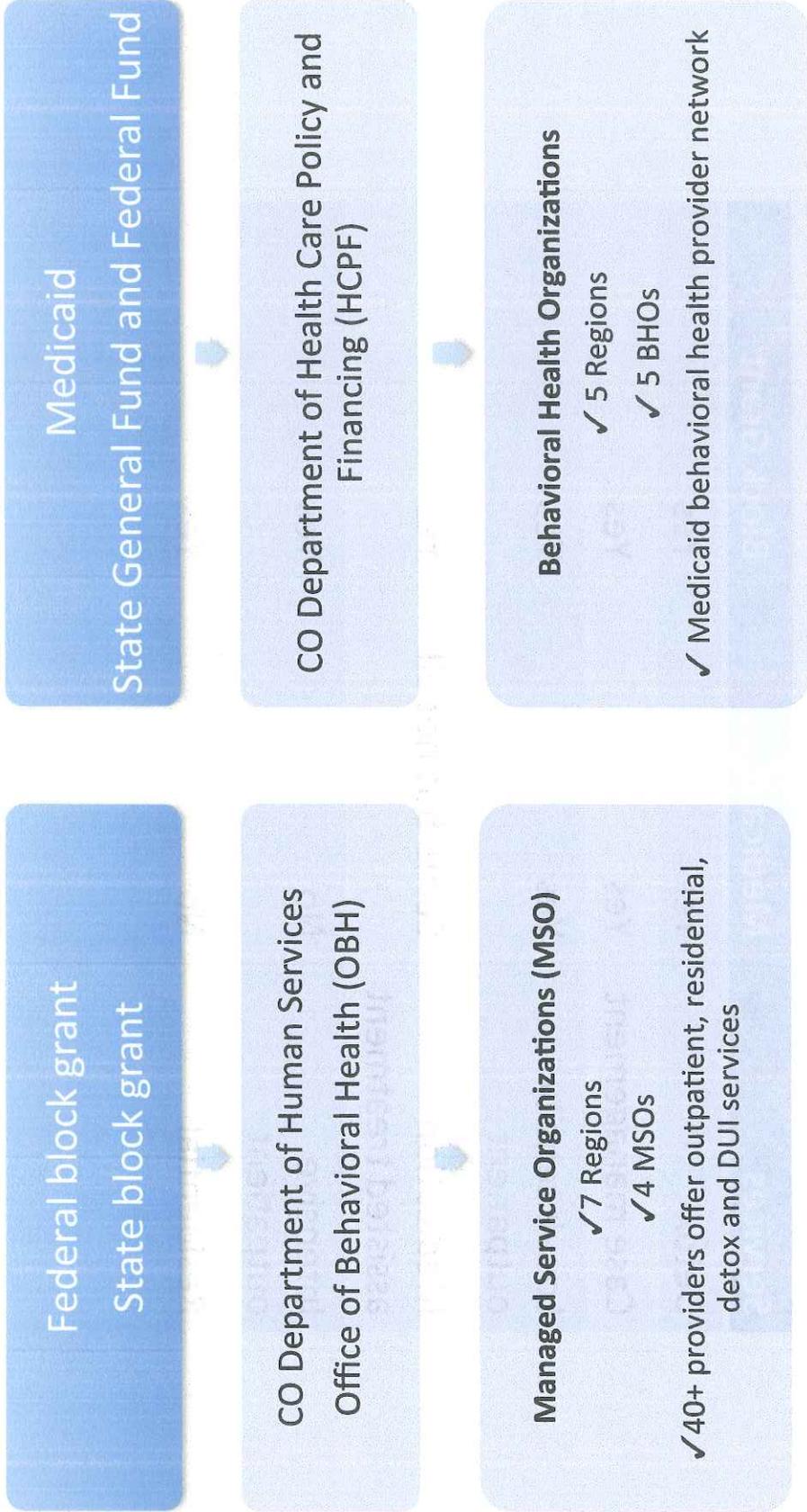
# Supporting SUD Programs

- Public Sources of Funding
  - Federal Block Grant Funds
  - Medicaid
  - State general fund
- State Agencies
  - Colorado Office of Behavioral Health, CDHS
  - Health Care Policy and Financing
  - Department of Corrections
  - Department of Education

# Primary Public Sources for Treatment Support

- CDHS, Office of Behavioral Health
  - Distributed through Managed Service Organizations
  - Largest source of funds
  - Prioritized service
  - Service limited by funds
- Health Care Policy and Financing
  - Distributed through Behavioral Health Organizations
  - Benefit changed in January, 2014
  - Limited to Medicaid clients

# Treatment Funding Structure



# Funding Source Matters

Services	Medicaid	Block Grant
Detox	Yes	Yes
Case management	Yes	Yes
Low-intensity outpatient	Yes	Yes
Medication assisted treatment	Some but not all	Yes
Intensive outpatient	No	Yes
Residential	No	Yes

# Provider Recommendations

1. Don't look at marijuana in a silo
  - Support services that address marijuana as well as alcohol and other drugs
2. Support the whole continuum of services
  - Prevention, early intervention, treatment and recovery are equally important
3. Utilize proven experts and strategies
4. Strengthen existing infrastructure
  - Don't reinvent

Questions?

# Colorado Providers Association

An Association of Providers Working in Substance Abuse  
Prevention, Intervention, Treatment and Recovery

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## Substance Abuse Fact Sheet

- Substance use disorders are a leading cause of death (over 100,000 deaths annually).
- One in four deaths are attributable to alcohol and other drugs.
- Deaths from drug overdose have become the leading cause of injury death in the United States.
- Excessive alcohol use is the 3rd leading lifestyle-related cause of death in the United States.
- Barely 10% of the 23 million Americans who suffer from an SUD receive any specialty care even though SUDs are chronic diseases that can be effectively prevented and treated, and tens of millions of people are living in recovery from addiction.
- Prescription drug misuse afflicts 7 million Americans, and narcotic painkiller overdoses kill 40 every day.
- 25% of hospitalizations are directly related to substance use and/or mental health disorders.
- Three quarters of the over 7 million people in the criminal justice system have a substance use disorder and/or had alcohol or drugs in their systems at the time of arrest.
- Colorado has more significant challenges with substance addiction than most other states. Colorado ranks above the national average in every measurement for illicit drug and alcohol use and addiction. It ranks among the top ten worst in most categories when compared to other states and jurisdictions
- Treatment for substance use disorders is as effective as the treatment of other chronic diseases, saving hundreds of thousands of lives and yielding enormous cost savings for the health care, criminal justice, child welfare and social services systems.
- People in recovery from addiction face an overwhelming array of discriminatory and counter-productive barriers as a result of their addiction and/or criminal histories that make it very difficult for many to obtain employment, housing, education, benefits and other necessities of life.
- Overall, the costs of addiction are staggering. According to the Office of National Drug Control Policy (ONDCP) and SAMHSA, **excessive drinking and illicit drug use cost the United States more than \$422 billion** in lost productivity and public health and safety expenses. Some estimates suggest that federal, state and local government spending as the result of SUDs annually tops more than \$460 billion.

### Marijuana and Substance Abuse in Colorado

- Marijuana can be an addictive substance for both adults and adolescents.
- Legalization diminishes the perception of marijuana risks among youth.
- Marijuana can impair the neurological development of children and fetuses.
- 10% of people who use marijuana become dependent. 1 in 6 who start using in their teens become dependent. 25% of daily users become dependent.
- Marijuana involved in 20% of treatment admissions in Colorado.

## **Recommendations**

- Support surveillance that allows the state to collect data about the affects of legalization.
- Support programs that address marijuana and other potential addictive substances including alcohol, tobacco, prescription drugs and illicit drugs.
- Support evidenced-based solutions in substance abuse prevention, intervention, treatment and recovery.
- Direct substance abuse treatment funding through Colorado's block grant funding system.
- Support existing programs and infrastructure.

### **Specific Opportunities to Support Prevention**

1. Expand funding for the Healthy Kids Colorado Survey to examine relationships across multiple health behaviors such as the correlation between marijuana use and school performance.
2. Fund educational activities to provide information about the potential impacts of marijuana.
3. Fund local communities with grants to implement evidence-based prevention programs for underage marijuana, alcohol, prescription drug and illicit drug misuse.
4. Fund the Collaborative Management Program to support prevention, intervention and treatment of marijuana use.
5. Increase the availability of school health professionals through grants to public schools to address mental health and substance abuse prevention.
6. Expand Tony Grampsas Program Youth Services grants that target the use of marijuana, alcohol and other drugs by Colorado youth.
7. Support the Colorado Access to Recovery (ATR) Program to increase community support so that people who leave substance abuse treatment programs can continue recovery in their communities.
8. Fund the SBIRT Colorado program to help identify opportunities to improve early intervention and treatment.

### **Specific Opportunities to Support Treatment**

1. Increase funding for substance abuse treatment through the existing Managed Service Organizations (MSOs).
2. Expand funding for the full range of SUD services at levels that cover the actual costs of treatment.
3. Leverage Proposition AA revenue to expand federal matching dollars for Medicaid and improve SUD benefits.

## **About COPA**

The Colorado Providers Association (COPA) is a nonprofit trade association that represents providers of substance abuse prevention, intervention, treatment and recovery services. Since 1994, COPA's mission has been to provide education about substance use disorders, cultivate leadership, improve resources and promote effective use, integration and coordination of services.

## **Contact**

Matt Sundeen  
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## Center for Substance Abuse Prevention (CSAP)

The **Center for Substance Abuse Prevention (CSAP)** is an agency of the United States government under the Department of Health and Human Services (DHHS) and the Substance Abuse and Mental Health Services Administration (SAMHSA). Established in 1992 from the previous Office of Substance Abuse Prevention, its mission is to reduce the use of illegal substances and the abuse of legal ones

Great strides have been made in identifying effective programs, strategies, and principles that focus on preventing and reducing substance abuse and related risky behaviors. Using multiple strategies in multiple settings and working toward a few common goals offers the best chance to prevent young people from using alcohol, tobacco, and other drugs. There are six key strategies, supported by research, that show they can be effective in reducing substance abuse. The following are the identified key principals for effective substance abuse prevention:

### CSAP's six research-based strategies:

- 1 – Information Dissemination
- 2 – Prevention Education
- 3 – Environmental Strategies
- 4 – Community-Based Process
- 5 – Alternative Activities
- 6 – Problem Identification and Referral

# Information Dissemination

As part of the Colorado Prevention Partners Grant, Weld County disseminated prevention information at booths, parades and health fairs. They also presented at the National Prevention Network Conference in 2010.

This strategy provides awareness and knowledge of the nature and extent of substance use, abuse, and addiction and their effects on individuals, families, and communities. It also provides knowledge and awareness of available prevention programs and services. Information dissemination is characterized by one-way communication from the source to the audience, with limited contact between the two. [Note: Information dissemination alone has not been shown to be effective at preventing substance abuse

## Examples:

- Clearinghouse/information resource centers
- media campaigns
- public service announcements
- community presentations and town hall meetings on substance abuse
- counter advertising media campaigns
- Information lines/hot lines
- Speaking Engagements
- Brochures

# Community- Based Process

DENVER-BASED SISTERS OF COLOR  
UNITED FOR EDUCATION TRAIN  
COMMUNITY MEMBERS TO BE  
PROMOTORA'S – COMMUNITY  
HEALTH WORKERS WHO ARE THE  
FRONT LINE OF DEFENSE IN  
COMMUNITY WELLNESS. THEY HAVE  
RECENTLY BEGUN TRAINING LOCAL  
TEENS AS WELL!

This strategy aims to enhance the ability of the community to more effectively provide prevention and treatment services for substance abuse disorders. Activities in this strategy include organizing, planning, enhancing efficiency and effectiveness of services implementation, interagency collaboration, coalition building, and networking.

## Examples:

- Community team-building
- Youth and adult leadership opportunities
- Training of community members, youth or key officials
- Coalition team-building
- Accessing services and funding
- Systematic planning

# Prevention Education

THE DENVER OFFICE OF DRUG STRATEGY HAS BEEN SUPPORTING THE EVIDENCED-BASED STRENGTHENING FAMILIES PROGRAM IN VARIOUS COMMUNITIES ACROSS DENVER SINCE 2008. IT IS FACILITATED IN ENGLISH & SPANISH.

This strategy involves **two-way communication** and is distinguished from the information dissemination strategy by the fact that interaction between the educator/ facilitator and the participants is the basis of its activities. Activities under this strategy **aims to affect critical life and social skills**, including decision-making, refusal skills, critical analysis (e.g., of media messages), and systematic judgment abilities.

## Examples:

- Ongoing classroom and/or small group session
- Parenting and family management classes
- Peer leader/peer helper programs
- Mentors
- Education programs for youth

# Alternative Activities

THE BOYS' AND GIRLS' OF  
AMERICA HAVE BEEN  
EMPLOYING THIS STRATEGY FOR  
DECADES WITH THEIR  
COMMUNITY DROP-IN CENTERS.

This strategy provides for the participation of target populations in activities that exclude substance use. The assumption is that constructive and healthy activities offset the attraction to--or otherwise meet the needs usually filled by--alcohol and drugs and would, therefore, minimize or obviate resort to the latter. [Note: Alternative activities alone have not been shown to be effective at preventing substance abuse.]

## Examples:

- AOD-free dances and parties
- Youth leadership activities
- Drug-free community events or activities
- Mentoring programs
- Community service activities
- Community drop-in centers

# Problem Identification and Referral

"THE LINK" IN ADMAS  
COUNTY (CO) IS A  
SUCCESSFUL COMMUNITY  
ASSESSMENT AND RESOUC  
CENTER.

This strategy aims at identification of those who have indulged in illegal/age-inappropriate use of tobacco or alcohol and those individuals who have indulged in the first use of illicit drugs in order to assess if their behavior can be reversed through education. It should be noted, however, that this strategy does not include any activity designed to determine if a person is in need of treatment.

Examples:

- resource and referral hotlines
- resource directory programs
- employee referral programs
- student assistance programs
- DUI education programs

# Environmental Strategy

IN 2007, VENTURA COUNTY (CA) APPROVED A SOCIAL HOST ORDINANCE ALLOWING THE LAW TO FINE PEOPLE WHO ALLOW UNDERAGE DRINKING IN THEIR HOME.

This strategy establishes or changes written and unwritten community standards, codes, and attitudes, thereby influencing incidence and prevalence of substance abuse in the general population. This strategy is divided into two subcategories to permit distinction between activities that center on legal and regulatory initiatives and those that relate to the service and action-oriented initiatives.

Environmental prevention takes into account that individuals likely to become involved with substances are powerfully influenced by complex factors in the environment: laws and regulations, community norms, messages in mass media, and access.

In an environmental prevention model, the focus on solving alcohol-related problems shifts from an individual focus to an environmental focus. The logic is that reducing alcohol availability will reduce alcohol consumption or modify the conditions under which it is consumed, which will in turn reduce alcohol-related problems such as violence, traffic injuries, and alcohol consumption by minors.

- Establishment and review of drug and alcohol policies in schools
- The review and modification of alcohol and tobacco advertising practices
- Technical assistance to communities to maximize local enforcement procedures governing the availability and distribution of alcohol

## 6 Approaches to Environmental Based Strategies

### Prevention Approach 1: Preventing Availability to Underage Youth

How do minors get their hands on alcohol? They get it from friends and family members, they shoplift, and despite a minimum legal drinking age of 21 they buy it directly from retail outlets such as convenience and grocery stores, service stations, and minimarts. Enacting and enforcing laws prohibiting alcohol sales to underage youth should reduce the likelihood that merchants will sell alcohol to minors, who will in turn be less likely to try to buy it.

### Prevention Approach 2: Raising Alcohol Taxes and Prices

When States add new taxes that raise the price of alcohol, researchers have the chance to study how the increased cost affects purchase and consumption rates. The assumption is that significant increases in price will make alcohol less accessible, especially to youth. On the other hand, "two for the price of one" or other happy-hour promotions are thought to increase the likelihood of overconsumption.

### Prevention Approach 3: Responsible Beverage Service

The behavior of people who serve alcohol and the policies of drinking establishments can influence the behavior of the patrons. For example, servers may encourage heavy drinking; allow heavy drinking to continue ignored, promoting intoxication; or foster problems associated with intoxication, such as disruptive behavior, fights and resulting injuries, or driving while intoxicated (DWI). Training servers and management to watch for and recognize the warning signs of intoxication can help reduce the risk that patrons will become intoxicated and harm themselves or others. It may be necessary to modify management policies to discourage an atmosphere of "anything goes."

#### Prevention Approach 4: Changing the Conditions of Availability

Alcohol availability is associated with social, civic, and health problems and can be modified through government and community actions. These actions include two distinct dimensions:

- Controlling outlet density and restricting days and hours of alcohol sales
- Restricting availability of alcohol at sporting and recreational events, as well as at special locations such as parks and other publicly owned facilities

While both aspects of this prevention approach are important, substantially more research is needed on the second (i.e., restricting availability at special events and locations).

#### Prevention Approach 5: Changing Hours and Days of Sale

Governments often influence the availability of alcohol by specifying the hours of sale at specific sites and by allowing sales only on certain days. Although seldom designed for prevention purposes, such changes are natural experiments that provide opportunities to examine the effects on overall alcohol sales and patterns of consumption.

Most of the research in this area reflects recent experience with extending rather than reducing hours or days of sale and is based on research conducted outside the United States.

Adapted from: CSAP Primary Prevention Six Strategies. (January 2010). Colorado Division of Behavioral Health  
Environmental Prevention Strategies – What Works? Retrieved January 5, 2011. <http://www.ncbi.nlm.nih.gov/books/NBK16444/>.



First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

Attachment D

9.3.14

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LLS NO. 15-0107.01 Nicole Myers x4326

INTERIM COMMITTEE BILL

Marijuana Tax Revenues Committee

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A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF CERTAIN LOCAL GOVERNMENTS TO  
102 IMPLEMENT SPECIFIED TAXES ON RETAIL MARIJUANA SUBJECT  
103 TO APPROVAL BY THE ELIGIBLE ELECTORS OF THE LOCAL  
104 GOVERNMENT.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billssummaries>.)*

**Marijuana Tax Revenues Committee.** Currently, any county or municipality that allows the sale of retail marijuana is authorized to levy

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

the standard county or municipal sales tax on the sale of retail marijuana in addition to the state retail marijuana sales taxes and the state retail marijuana excise tax.

The bill clarifies that counties and municipalities are authorized, subject to voter approval, to levy a sales tax on all sales of retail marijuana and retail marijuana products by retailer, in addition to any sales tax imposed by the state or by the county or municipality as applicable. Beginning January 1, 2016, the tax rate that a county or a municipality may impose is capped at 5% of the amount of the sale.

In addition, the bill authorizes, subject to voter approval, any county and any municipality to levy and collect an excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility, in addition to any sales tax imposed by the state or by the county or municipality, as applicable, and in addition to the state excise tax imposed on retail marijuana. The excise tax rate that a county or a municipality may impose is capped at 7.5% of the average market rate of the unprocessed retail marijuana.

The bill specifies that an additional sales tax or excise tax may not be levied until the proposed tax has been referred to and approved by the eligible electors of the county or municipality, as applicable. A county or municipality may refer the proposed tax to the eligible electors only on the date of the state general election or on the first Tuesday in November of an odd-numbered year.

A county or municipality in which the eligible electors have approved an additional sales tax on the sale of retail marijuana or excise tax on the first transfer of unprocessed retail marijuana may credit the revenues collected from the taxes to the general fund of the county or municipality or to any special fund created in the county or municipality's treasury. The governing body of a county or municipality may use the revenues collected from the taxes for any purpose as determined by the governing body or the electors of the county or municipality, as applicable.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 29-2-114 and  
3 29-2-115 as follows:

4           **29-2-114. Retail marijuana sales tax - county - municipality -**  
5 **election.** (1) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO  
6 SECTION 29-2-103 AND ARTICLES 26 AND 28.8 OF TITLE 39, C.R.S., AND  
7 NOTWITHSTANDING THE PROVISIONS OF SECTION 29-2-105 (1) (d), EACH

1 COUNTY IN THE STATE IS AUTHORIZED TO LEVY A COUNTY SALES TAX  
2 UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA  
3 PRODUCTS BY A RETAILER. THE TAX MAY BE IMPOSED IN ALL  
4 INCORPORATED AND UNINCORPORATED AREAS OF THE COUNTY.  
5 BEGINNING JANUARY 1, 2016, THE TAX RATE IMPOSED PURSUANT TO THIS  
6 PARAGRAPH (a) SHALL NOT EXCEED FIVE PERCENT OF THE AMOUNT OF THE  
7 SALE IN ANY COUNTY. <Do you want to include this cap at the county  
8 level?>

9 (b) NO SALES TAX SHALL BE LEVIED PURSUANT TO THE PROVISIONS  
10 OF PARAGRAPH (a) OF THIS SUBSECTION (1) UNTIL THE PROPOSAL HAS BEEN  
11 REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE COUNTY  
12 IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE. ANY PROPOSAL  
13 FOR THE LEVY OF A SALES TAX IN ACCORDANCE WITH PARAGRAPH (a) OF  
14 THIS SUBSECTION (1) MAY BE SUBMITTED TO THE ELIGIBLE ELECTORS OF  
15 THE COUNTY ONLY ON THE DATE OF THE STATE GENERAL ELECTION OR ON  
16 THE FIRST TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR, AND ANY  
17 ELECTION ON THE PROPOSAL MUST BE CONDUCTED BY THE COUNTY CLERK  
18 AND RECORDER IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF  
19 1992", ARTICLES 1 TO 13 OF TITLE 1, C.R.S.

20 (2) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO  
21 SECTION 29-2-102 AND ARTICLES 26 AND 28.8 OF TITLE 39, C.R.S., AND  
22 NOTWITHSTANDING THE PROVISIONS OF SECTION 29-2-105 (1) (d), EACH  
23 MUNICIPALITY IN THE STATE IS AUTHORIZED TO LEVY A MUNICIPAL SALES  
24 TAX UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA  
25 PRODUCTS BY A RETAILER. BEGINNING JANUARY 1, 2016, THE TAX RATE  
26 IMPOSED PURSUANT TO THIS PARAGRAPH (a) SHALL NOT EXCEED FIVE  
27 PERCENT OF THE AMOUNT OF THE SALE IN ANY MUNICIPALITY. <Do you

1 want to include a cap at the municipal level?}>

2 (b) NO SALES TAX SHALL BE LEVIED PURSUANT TO THE PROVISIONS  
3 OF PARAGRAPH (a) OF THIS SUBSECTION (2) UNTIL THE PROPOSAL HAS BEEN  
4 REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE  
5 MUNICIPALITY IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 11 OF  
6 TITLE 31, C.R.S. ANY PROPOSAL FOR THE LEVY OF A SALES TAX IN  
7 ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (2) MAY BE  
8 SUBMITTED TO THE ELIGIBLE ELECTORS OF THE MUNICIPALITY ONLY ON  
9 THE DATE OF THE STATE GENERAL ELECTION OR ON THE FIRST TUESDAY IN  
10 NOVEMBER OF AN ODD-NUMBERED YEAR, AND ANY ELECTION ON THE  
11 PROPOSAL MUST BE CONDUCTED BY THE CLERK OF THE MUNICIPALITY IN  
12 ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF 1992", ARTICLES  
13 1 TO 13 OF TITLE 1, C.R.S.

14 (3) A RETAIL MARIJUANA STORE IN A COUNTY OR MUNICIPALITY IN  
15 WHICH A TAX IS IMPOSED PURSUANT TO SUBSECTIONS (1) AND (2) OF THIS  
16 SECTION MAY RETAIN \_\_\_\_ PERCENT OF THE RETAIL MARIJUANA SALES TAX  
17 COLLECTED PURSUANT TO SECTIONS (1) AND (2) OF THIS SECTION TO  
18 COVER THE EXPENSES OF COLLECTING AND REMITTING THE TAX TO THE  
19 DEPARTMENT OF REVENUE. <{DOR - is this necessary? Does the  
20 language in 29-2-106 cover it?}>

21 (4) A COUNTY OR MUNICIPALITY IN WHICH THE ELIGIBLE ELECTORS  
22 HAVE APPROVED A SALES TAX PURSUANT TO THIS SECTION MAY CREDIT  
23 THE REVENUES COLLECTED FROM THE TAX TO THE GENERAL FUND OF THE  
24 COUNTY OR MUNICIPALITY OR TO ANY SPECIAL FUND CREATED IN THE  
25 COUNTY OR MUNICIPALITY'S TREASURY. THE GOVERNING BODY OF A  
26 COUNTY OR MUNICIPALITY MAY USE THE REVENUES COLLECTED FROM THE  
27 TAX IMPOSED PURSUANT TO THIS SECTION FOR ANY PURPOSE AS

1 DETERMINED BY THE GOVERNING BODY OR THE ELECTORS OF THE COUNTY  
2 OR MUNICIPALITY, AS APPLICABLE.

3 **29-2-115. Retail marijuana excise tax - county - municipality**

4 **- election.** (1)(a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO  
5 SECTIONS 29-2-103 AND 29-2-114(1) AND ARTICLES 26 AND 28.8 OF TITLE  
6 39, C.R.S., AND IN ADDITION TO THE EXCISE TAX IMPOSED PURSUANT TO  
7 ARTICLE 28.8 OF TITLE 39, C.R.S., EACH COUNTY IN THE STATE IS  
8 AUTHORIZED TO LEVY AND COLLECT A COUNTY EXCISE TAX ON THE FIRST  
9 SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL  
10 MARIJUANA CULTIVATION FACILITY. THE TAX SHALL BE IMPOSED AT THE  
11 TIME WHEN THE RETAIL MARIJUANA CULTIVATION FACILITY FIRST SELLS  
12 OR TRANSFERS UNPROCESSED RETAIL MARIJUANA FROM THE RETAIL  
13 MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT  
14 MANUFACTURING FACILITY, A RETAIL MARIJUANA STORE, OR ANOTHER  
15 RETAIL MARIJUANA CULTIVATION FACILITY. THE EXCISE TAX RATE  
16 IMPOSED PURSUANT TO THIS PARAGRAPH (a) MUST NOT EXCEED SEVEN  
17 AND ONE HALF PERCENT OF THE AVERAGE MARKET RATE OF THE  
18 UNPROCESSED RETAIL MARIJUANA. <*Do you want to include this cap?*>

19 (b) NO EXCISE TAX SHALL BE LEVIED PURSUANT TO THE  
20 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1) UNTIL THE  
21 PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE  
22 ELECTORS OF THE COUNTY IN ACCORDANCE WITH THE PROVISIONS OF THIS  
23 ARTICLE. ANY PROPOSAL FOR THE LEVY OF AN EXCISE TAX IN  
24 ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (1) MAY BE  
25 SUBMITTED TO THE ELIGIBLE ELECTORS OF THE COUNTY ONLY ON THE  
26 DATE OF THE STATE GENERAL ELECTION OR ON THE FIRST TUESDAY IN  
27 NOVEMBER OF AN ODD-NUMBERED YEAR, AND ANY ELECTION ON THE

1 PROPOSAL MUST BE CONDUCTED BY THE COUNTY CLERK AND RECORDER  
2 IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF 1992", ARTICLES  
3 1 TO 13 OF TITLE 1, C.R.S. <Article 2 of title 29 will need to be further  
4 amended to address the election provisions and DOR's collection and  
5 administration of a county excise tax.>

6 (2) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO  
7 SECTIONS 29-2-102 AND 29-2-114(2) AND ARTICLES 26 AND 28.8 OF TITLE  
8 39, C.R.S., AND IN ADDITION TO THE EXCISE TAX IMPOSED PURSUANT TO  
9 ARTICLE 28.8 OF TITLE 39, C.R.S., EACH MUNICIPALITY IN THE STATE IS  
10 AUTHORIZED TO LEVY AND COLLECT A MUNICIPAL EXCISE TAX ON THE  
11 FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A  
12 RETAIL MARIJUANA CULTIVATION FACILITY. THE TAX SHALL BE IMPOSED  
13 AT THE TIME WHEN THE RETAIL MARIJUANA CULTIVATION FACILITY FIRST  
14 SELLS OR TRANSFERS UNPROCESSED RETAIL MARIJUANA FROM THE RETAIL  
15 MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT  
16 MANUFACTURING FACILITY, A RETAIL MARIJUANA STORE, OR ANOTHER  
17 RETAIL MARIJUANA CULTIVATION FACILITY. THE EXCISE TAX RATE  
18 IMPOSED PURSUANT TO THIS PARAGRAPH (a) MUST NOT EXCEED SEVEN  
19 AND ONE HALF PERCENT OF THE AVERAGE MARKET RATE OF THE  
20 UNPROCESSED RETAIL MARIJUANA. <Do you want to include this cap?>

21 (b) NO EXCISE TAX SHALL BE LEVIED PURSUANT TO THE  
22 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (2) UNTIL THE  
23 PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE  
24 ELECTORS OF THE MUNICIPALITY IN ACCORDANCE WITH THE PROVISIONS  
25 OF ARTICLE 11 OF TITLE 31, C.R.S. ANY PROPOSAL FOR THE LEVY OF AN  
26 EXCISE TAX IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (2)  
27 MAY BE SUBMITTED TO THE ELIGIBLE ELECTORS OF THE MUNICIPALITY

1 ONLY ON THE DATE OF THE STATE GENERAL ELECTION OR ON THE FIRST  
2 TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR, AND ANY ELECTION  
3 ON THE PROPOSAL SHALL BE CONDUCTED BY THE CLERK OF THE  
4 MUNICIPALITY IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF  
5 1992", ARTICLES 1 TO 13 OF TITLE 1, C.R.S.

6 (3) FOR THE PURPOSES OF THIS SECTION, THE "AVERAGE MARKET  
7 RATE" OF UNPROCESSED RETAIL MARIJUANA SHALL HAVE THE SAME  
8 MEANING AS "AVERAGE MARKET RATE" DEFINED IN SECTION 39-28.8-101  
9 (1), C.R.S.

10 (4) A COUNTY OR MUNICIPALITY IN WHICH THE ELIGIBLE ELECTORS  
11 HAVE APPROVED AN EXCISE TAX PURSUANT TO THIS SECTION MAY CREDIT  
12 THE REVENUES COLLECTED FROM THE TAX TO THE GENERAL FUND OF THE  
13 COUNTY OR MUNICIPALITY OR TO ANY SPECIAL FUND CREATED IN THE  
14 COUNTY OR MUNICIPALITY'S TREASURY. THE GOVERNING BODY OF A  
15 COUNTY OR MUNICIPALITY MAY USE THE REVENUES COLLECTED FROM THE  
16 TAX IMPOSED PURSUANT TO THIS SECTION FOR ANY PURPOSE AS  
17 DETERMINED BY THE GOVERNING BODY OR THE ELECTORS OF THE COUNTY  
18 OR MUNICIPALITY, AS APPLICABLE.

19 **SECTION 2.** In Colorado Revised Statutes, 39-28.8-203, **amend**  
20 (1) (a) (VI) as follows:

21 **39-28.8-203. Disposition of collections.** (1) The proceeds of all  
22 moneys collected from the retail marijuana sales tax shall be credited to  
23 the old age pension fund created in section 1 of article XXIV of the state  
24 constitution in accordance with paragraphs (a) and (f) of section 2 of  
25 article XXIV of the state constitution. For each fiscal year in which a tax  
26 is collected pursuant to this part 2, an amount shall be distributed from the  
27 general fund as follows:

1           (a) (VI) Nothing in this paragraph (a) shall be construed to prevent  
 2 a local government from imposing, levying, and collecting any fee or any  
 3 tax upon the sale of retail marijuana or retail marijuana products or upon  
 4 the occupation or privilege of selling retail marijuana products, nor shall  
 5 the provisions of this paragraph (a) be interpreted to affect any existing  
 6 authority of a local government to impose a tax on retail marijuana or  
 7 retail marijuana products to be used for local and municipal purposes.  
 8 ~~however, any local tax imposed at other than the local jurisdiction's~~  
 9 ~~general sales tax rate shall not be collected, administered, and enforced~~  
 10 ~~by the department of revenue pursuant to section 29-2-106, C.R.S., but~~  
 11 ~~shall instead be collected, administered, and enforced by the local~~  
 12 ~~government itself.~~

13           **SECTION 3. Safety clause.** The general assembly hereby finds,  
 14 determines, and declares that this act is necessary for the immediate  
 15 preservation of the public peace, health, and safety.

16 <{*Additional Questions/Issues: 1. The language in section 29-2-106*  
 17 *addresses the collection, administration, and enforcement of sales taxes*  
 18 *by the DOR:*

19           *a. Does DOR need more specific authority/direction to collect the*  
 20 *county or municipal sales tax if the committee decides that DOR should*  
 21 *collect and administer the sales tax, or is the current language*  
 22 *sufficient?*

23           *b. DOR will need specific authority/direction to collect both the*  
 24 *county and municipal excise tax if the committee decides that DOR*  
 25 *should collect and administer the excise tax.*

26           *2. Currently, the draft uses several terms that are defined in*

1 article 28.8 of title 39, C.R.S., but that are not defined in article 2 of title  
2 29. Do you want to include definitions or make some reference to the  
3 definitions in title 39, so that all counties and municipalities have  
4 common definitions? Or do you want to allow local governments to  
5 define these terms individually?

6 3. Are there other provisions of section 29-2-105 that are not  
7 applicable to a special sales tax on a specific product? Does the bill  
8 need to include specific language that those provisions do not need to  
9 be included in the proposal submitted to the voters?}>



First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

9.4.14

DRAFT

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LLS NO. 15-####.##. Michael Dohr x4347

INTERIM COMMITTEE BILL

Marijuana Revenues Interim Committee

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A BILL FOR AN ACT

101 CONCERNING MEDICAL MARIJUANA.

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

**Marijuana Revenues Interim Committee.** The bill prohibits an existing medical marijuana licensee from transferring its stock to a new retail marijuana license after January 1, 2016.

The bill directs the state health agency to develop by rule criteria that a physician applies when determining whether to include a recommendation for medically necessary extended plant count.

The bill requires all primary caregivers to register with the state

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

*Capital letters indicate new material to be added to existing statute.*

*Dashes through the words indicate deletions from existing statute.*

health agency and gives the agency the authority to impose sanctions against those who do not register. After receiving a primary caregiver's cultivation registration, the bill requires the state medical marijuana licensing authority (authority) to determine whether any of the primary caregiver's patients are registered with a different primary caregiver or a medical marijuana center. If the authority determines a patient is already registered with a different primary caregiver or medical marijuana center, the authority shall provide the registry identification number to the state health agency. The state health agency shall contact the patient and request that he or she update his or her registry information.

The state health agency shall provide primary caregiver information to the authority without violating any patient's confidentiality. The state health agency and the authority shall develop a system that is electronically accessible to law enforcement that provides primary caregiver information and the number of plants the primary caregiver is authorized to cultivate.

The bill requires a patient who asserts the affirmative defense that an extended medical marijuana plant count is medically necessary to provide 2 physician recommendations regarding the appropriateness of the extended plant count.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds and declares that:

4           (a) Colorado authorizes the sale and use of small amounts of  
5 medical and retail marijuana;

6           (b) The sale and use of medical marijuana is limited to those  
7 Colorado residents who have a physician's recommendation that they  
8 have a debilitating medical condition that could benefit from the use of  
9 medical marijuana;

10           (c) There is a higher tax rate and an additional excise tax imposed  
11 on retail marijuana than for medical marijuana;

12           (d) Therefore, it is important for the state to ensure that those  
13 people who are accessing and engaging in the medical marijuana system  
14 are qualified to do so. Otherwise, the state and local governments lose out

1 on valuable tax revenue.

2 (e) Enacting the following changes will provide additional  
3 protections to ensure that those who should be accessing the retail  
4 marijuana market are not accessing the medical marijuana market.

5 **SECTION 2.** In Colorado Revised Statutes, 12-43.4-104, **add** (1)  
6 (d) as follows:

7 **12-43.4-104. Applicability - retail marijuana - repeal.**

8 (1) (d) ON AND AFTER JANUARY 1, 2016, AN APPLICANT WITH AN  
9 EXISTING MEDICAL MARIJUANA LICENSE APPLYING PURSUANT TO THIS  
10 SUBSECTION (1) FOR A RETAIL MARIJUANA LICENSE SHALL NOT TRANSFER  
11 THE APPLICANT'S MEDICAL MARIJUANA INVENTORY TO A NEW RETAIL  
12 MARIJUANA LICENSE.

13 **SECTION 3.** In Colorado Revised Statutes, 25-1.5-106, **amend**  
14 (3) (a) (XVIII), (7) (e), and (14); and **add** (3) (a) (IX) as follows:

15 **25-1.5-106. Medical marijuana program - powers and duties**  
16 **of state health agency - rules - medical review board - medical**  
17 **marijuana program cash fund - subaccount - created - repeal.**

18 (3) **Rule-making.** (a) The state health agency shall, pursuant to section  
19 14 of article XVIII of the state constitution, promulgate rules of  
20 administration concerning the implementation of the medical marijuana  
21 program that specifically govern the following:

22 (VIII) A waiver process to allow a homebound patient who is on  
23 the registry to have a primary caregiver transport the patient's medical  
24 marijuana from a licensed medical marijuana center to the patient; AND

25 (IX) CRITERIA THAT A PHYSICIAN SHALL APPLY WHEN  
26 DETERMINING WHETHER TO INCLUDE A RECOMMENDATION FOR  
27 MEDICALLY NECESSARY EXTENDED PLANT COUNT, INCLUDING SEPARATE

1 INDIVIDUALIZED CRITERIA FOR EACH DEBILITATING MEDICAL CONDITION.

2 (7) **Primary caregivers.** (e) (I) A PRIMARY CAREGIVER SHALL  
3 REGISTER WITH THE STATE HEALTH AGENCY. A primary caregiver who  
4 cultivates medical marijuana for his or her patients shall register the  
5 location of his or her cultivation operation with the state medical  
6 marijuana licensing authority and provide the registration identification  
7 number of each patient to the state licensing authority. A PERSON WHO  
8 FAILS TO PROPERLY REGISTER PURSUANT TO THIS SUBPARAGRAPH (I)  
9 SHALL BE SUBJECT TO DISCIPLINE FROM THE STATE HEALTH DEPARTMENT.  
10 THE STATE HEALTH DEPARTMENT SHALL PROMULGATE RULES REGARDING  
11 THE DISCIPLINE PROCESS AND SANCTIONS FOR PRIMARY CAREGIVERS WHO  
12 FAIL TO REGISTER.

13 (II) THE STATE HEALTH AGENCY SHALL PROVIDE THE STATE  
14 MEDICAL MARIJUANA LICENSING AUTHORITY A LIST OF REGISTERED  
15 PRIMARY CAREGIVERS IN A FORMAT THAT PROTECTS A PATIENT'S RIGHT OF  
16 CONFIDENTIALITY IN SUBSECTION (3) OF SECTION 14 OF ARTICLE XVIII OF  
17 THE COLORADO CONSTITUTION. AFTER RECEIVING A PRIMARY  
18 CAREGIVER'S CULTIVATION REGISTRATION, THE STATE MEDICAL  
19 MARIJUANA LICENSING AUTHORITY SHALL DETERMINE WHETHER ANY OF  
20 THE PRIMARY CAREGIVER'S PATIENTS HAVE REGISTERED WITH A MEDICAL  
21 MARIJUANA CENTER OR ANOTHER PRIMARY CAREGIVER BASED ON THE  
22 REGISTRY IDENTIFICATION NUMBERS. IF THE STATE MEDICAL MARIJUANA  
23 LICENSING AUTHORITY DETERMINES THAT A PATIENT IS ALREADY  
24 REGISTERED WITH A DIFFERENT PRIMARY CAREGIVER OR A MEDICAL  
25 MARIJUANA CENTER, THE LICENSING AUTHORITY SHALL INFORM THE STATE  
26 HEALTH AGENCY WITH THE ASSOCIATED REGISTRY IDENTIFICATION  
27 NUMBER. THE STATE HEALTH AGENCY SHALL CONTACT THE PATIENT AND

1 REQUEST THE PATIENT UPDATE HIS OR HER REGISTRY INFORMATION  
2 REGARDING THE PATIENT'S CURRENT MEDICAL MARIJUANA SOURCE.

3 (III) THE STATE HEALTH AGENCY AND THE MEDICAL MARIJUANA  
4 LICENSING AUTHORITY SHALL DEVELOP A SYSTEM THAT IS  
5 ELECTRONICALLY ACCESSIBLE TO LAW ENFORCEMENT THAT PROVIDES  
6 PRIMARY CAREGIVER INFORMATION AND THE NUMBER OF PLANTS THE  
7 PRIMARY CAREGIVER IS AUTHORIZED TO CULTIVATE.

8 (IV) The information provided to the state medical marijuana  
9 licensing authority pursuant to this paragraph (e) shall not be provided to  
10 the public and shall be confidential. The state licensing authority shall  
11 verify the location of a primary caregiver cultivation operation to a local  
12 government or law enforcement agency upon receiving an  
13 address-specific request for verification. The location of the cultivation  
14 operation shall comply with all applicable local laws, rules, or  
15 regulations.

16 (14) **Affirmative defense.** If a patient or primary caregiver raises  
17 an affirmative defense as provided in section 14 (4) (b) of article XVIII  
18 of the state constitution, THE PATIENT SHALL PROVIDE RECOMMENDATIONS  
19 OF AT LEAST TWO PHYSICIANS SUPPORTING THE AFFIRMATIVE DEFENSE  
20 THAT THE EXCESS AMOUNTS WERE MEDICALLY NECESSARY TO ADDRESS  
21 THE PATIENT'S DEBILITATING MEDICAL CONDITION. The patient's ~~physician~~  
22 PHYSICIANS shall certify the specific amounts in excess of two ounces that  
23 are necessary to address the patient's debilitating medical condition and  
24 why such amounts are necessary. A patient who asserts this affirmative  
25 defense shall waive confidentiality privileges related to the condition or  
26 conditions that were the basis for the recommendation. If a patient,  
27 primary caregiver, or physician raises an exception to the state criminal

1 laws as provided in section 14 (2) (b) or (2) (c) of article XVIII of the  
2 state constitution, the patient, primary caregiver, or physician waives the  
3 confidentiality of his or her records related to the condition or conditions  
4 that were the basis for the recommendation maintained by the state health  
5 agency for the medical marijuana program. Upon request of a law  
6 enforcement agency for such records, the state health agency shall only  
7 provide records pertaining to the individual raising the exception, and  
8 shall redact all other patient, primary caregiver, or physician identifying  
9 information.

10 <{*Do you prefer a safety clause or a petition clause?*}>



## Support for Coloradans with Substance Use Disorders

### 2015 Marijuana Tax Revenue Budget Requests

#### Invest in Existing Programs

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##### Access to Recovery Program

Provide funding to continue the [Colorado Access to Recovery \(ATR\) Program](#). This program provides community support so that individuals who leave substance abuse treatment programs can continue their recovery in their community, including avoiding the misuse of marijuana. This initiative has been in place for seven (7) years in Colorado and was funded through a SAMHSA grant which recently ended. **It would take minimal effort to continue these valuable services if the resources were replaced by funding from the Marijuana Cash Fund.** Six month follow-up with 80% of the 6,420 individuals receiving services from Colorado ATR demonstrates statistically significant improvement in:

- Clients maintaining their sobriety after treatment
- Finding and maintaining employment
- Stable living situations
- Decreases in arrests and substance abuse related health or behavioral problems

##### Colorado Collaborative Management Program

Provide funding to support and expand the Colorado [Collaborative Management Program \(CMP\)](#). This program is the voluntary development of multi-agency services provided to children and families by county departments of human/social services and other mandatory agencies including local judicial districts, probation; the local health department, the local school districts(s), each community mental health center (CMHC), and each behavioral health organization (BHO). **CMPs help to develop a more uniform system of management** that includes the input, expertise and active participation of parent or family advocacy organizations to:

- Reduce duplication and eliminate fragmentation of services provided
- Increase the quality, appropriateness and effectiveness of services provided
- Encourage cost-sharing among service provider
- Lead to better outcomes and cost reduction for services provided to children and families in the child welfare system

##### The Colorado Office of Behavioral Health Community Prevention Programs

Provide additional funding to the Office of Behavioral Health (OBH) Community Prevention Programs, within Colorado's Department of Human Services (CDHS), to fund marijuana, prescription drug, and alcohol prevention for youth ages 12 through 20. This funding would provide local communities with grants to implement evidence-based prevention programs for underage marijuana, alcohol, and prescription drug misuse. **These funds should be accessible to all organizations capable of delivering prevention and early intervention services.**

## Continue Support for:

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### **School-Based Prevention and Early Intervention Services**

These funds were appropriated to provide targeted prevention and early intervention services to youth who are at risk to develop substance use disorders (SUDs), including disorders related to marijuana use. HCPF rolled these funds into existing BHO contracts. The BHOs will work with local school districts to craft interventions tailored to the needs of individual communities that serve at-risk youth regardless of payor source. **The BHOs already provide SUD prevention and early intervention services to Medicaid members. This program simply extends that work to help more Coloradans.** This program will be implemented by HCPF in tandem with the School Health Professionals Grant Program, designed to support and expand access to existing community resources. Funding for both programs was appropriated by SB14-215.

### **SUD Treatment Services for Adolescents and Pregnant Women**

These funds are intended to provide SUD services for priority populations – in this case, youth and pregnant women. The funds will be added to the existing Managed Service Organization (MSO) contracts. The MSOs manage the provision of SUD services in Colorado. They contract with networks of providers to ensure services are available. These funds were appropriated by SB14-215.

### **Jail-Based Behavioral Health Services**

These funds were allocated to OBH to expand the provision of jail-based behavioral health services (JBBS) in underserved counties and to enhance the provision of services to offenders transitioning from jail to the community to ensure continuity of care. **JBBS programs are located in the jails across Colorado to screen for and provide care to inmates with an SUD or a co-occurring mental health disorder.**

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