

Final
STAFF SUMMARY OF MEETING
MARIJUANA SALES TAX REVENUES

Date: 10/01/2014

Time: **09:40 AM to 12:36 PM**

Place: HCR 0112

This Meeting was called to order by
Representative Pabon

This Report was prepared by
Matt Kiszka

ATTENDANCE

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

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

Bills Addressed:	Action Taken:
Discussion of Bills	Witness Testimony and/or Committee Discussion Only
Public Comment	Witness Testimony and/or Committee Discussion Only
Vote on Bills	Bill 1 and Bill 2 referred to Legislative Council

09:40 AM -- Discussion of Bills

Representative Pabon, Chair, called the meeting to order. He discussed the bill drafts that had been distributed to the committee, and Commissioner Pace came to the table to present Bill 1, which addresses medical marijuana (Attachment A). Commissioner Pace discussed the genesis of the bill, which had been discussed at the previous meeting of the committee. He spoke to amendments he was going to be proposing for the bill. Commissioner Pace also discussed the key elements of the bill, which are the appointment of a special prosecutor within the Attorney General's Office to address medical marijuana offenses, increased regulation of caregivers, and the testing of marijuana cultivated by caregivers. Andrew Freedman, State Director of Marijuana Coordination, came to the table to speak further to the drafting of the bill and discussed the perspective of the Governor's Office on the changes that need to be made in how medical marijuana is regulated.

09:55 AM

Commissioner Pace discussed Amendment 2 (Attachment B), which would strike a provision of the bill that eliminates transfers of medical marijuana inventory to a retail operation. He responded to a question on the original intent of this transfer banning provision. He then explained Amendment 5 (Attachment C), which would replace a section of the bill to allow the state health agency to provide primary caregiver information electronically to the state licensing authority and the Department of Public Safety for entry into the Colorado Crime Information Center (CCIC). The committee discussed the charge and scope of the committee in light of Bill 1 and the substantive changes it would make to state law concerning medical marijuana. Commissioner Pace and Mr. Freedman responded to questions about the new felony offenses created in the bill for caregivers who do not register and the appointment of a special prosecutor for medical marijuana by the Attorney General's office under the bill. The committee discussed the process and intent behind having a committee drafted bill.

10:09 AM

The committee discussed what would happen if a physician or pharmacist were practicing without proper licensure or illegally distributing drugs and if the penalties for such conduct would be similar to those laid out in the bill for caregivers who fail to register. It also conferred on medical and recreational marijuana testing, the importance of having Bill 1 approved by the committee and put forth to the legislature to be considered upon its merits, and the penalties for illegal cultivation of marijuana and operating as a caregiver without registering. Representative Pabon discussed the merits of the bill and how it is a beginning of the discussion on how to improve the regulation of medical and recreational marijuana in Colorado.

10:25 AM

Bill 2 was distributed to the committee (Attachment D), and Commissioner Pace described how the bill allows local governments to implement sales and excise taxes on retail marijuana. Gini Pingnot, representing Colorado Counties, Inc. (CCI), came to the table and stated that the bill is a legislative priority for CCI. Amendment 1 to Bill 2 (Attachment E) was distributed to the committee, which removed the statutory caps on local sales and excise taxes on recreational marijuana that were included in the original bill draft. The committee discussed the merits of the bill.

10:34 AM

The committee took a brief recess.

10:45 AM

The committee came back to order. Bill 3 was distributed to the committee (Attachment F). Senator Jahn discussed the high cost of substance use disorder services that had been brought to light during the meetings of the committee. She spoke to how difficult it is for an individual with a substance dependence to obtain treatment and work towards sobriety. She stated that the legislature needs to provide funding for organizations that can treat such individuals. She told the committee that she was working on legislation to address this, drafted as Bill 3, but that she was not ready to take it out of the committee yet. Senator Jahn stated that ultimately we are dealing with mental health issues when it comes to addiction and substance abuse, and that the state needs a way of dealing with this. The committee discussed funding for mental health providers and substance use services providers in the state, how the Department of Human Services can assist with such services, and declared its support for funding these types of programs.

10:58 AM -- Public Comment

David Broadwell, representing the City and County of Denver, came to the table to discuss Bill 1. He spoke about recent court decisions concerning civil liability for the seizure, destruction, and failure to return medical and retail marijuana plant by law enforcement in Colorado; provided clarification within the bill on where caregiver information is stored and how it can be accessed; spoke about the differences in confidentiality for medical marijuana patients versus caregivers; and discussed the regulation of medical marijuana cultivation by primary caregivers. Commissioner Pace responded to Mr. Broadwell's comments.

11:08 AM

Samantha Walsh, representing the Cannabis Consumers Coalition, came to the table to provide testimony. She stated that there was a dearth of representation for caregivers and medical marijuana patients on the committee and that she was speaking on their behalf. Ms. Walsh said that caregivers cannot currently test marijuana products through licensed testing facilities. She added that they are operating under a framework in which they cannot derive profit for providing medical marijuana, so they cannot fund testing, and suggested that the legislature could appropriate funds towards caregivers to refund the costs of marijuana testing. She also spoke to the lack of criminal defense options for caregivers under the strict liability felonies laid out in the bill. She asked for the bill to be tabled so that caregivers could be brought into the discussion to voice their concerns with the potential legislation.

11:12 AM -- Vote on Bills

The committee went into a brief recess.

11:39 AM

The committee came back to order. A number of amendments were distributed to the committee: Amendment 2 (Attachment B), Amendment 5 (Attachment C), Amendment 6 (Attachment G), Amendment 9 (Attachment H), Amendment 10 (Attachment I), Amendment 11 (Attachment J), and Amendment 12 (Attachment K).

Commissioner Pace explained Amendment 2, which strikes language prohibiting the transfer of medical marijuana inventory to a retail operation. Commissioner Pace explained Amendment 5, which he said incorporates the Department of Public Health and the Environment's (CDPHE) preferred language regarding the CCIC. Ms. Anderle stated that Amendment 5 would need to be adopted to allow CDPHE to transfer caregiver information to the CCIC. Commissioner Pace explained Amendment #6, which makes the bill title more specific.

11:45 AM

Senator Aguilar introduced Amendment 9, as well as a redraft of Bill 1 with the amendment incorporated (Attachment L). She explained that Amendment 9 achieves the same thing as Amendment 2, removes the provisions concerning the criminal enforcement section within the Department of Law, requires the Colorado Medical Board to introduce guidelines for medical marijuana and non-malignant pain, requires the Department of Public Health to promulgate guidelines for primary caregivers surrounding contaminants and THC levels in marijuana that they cultivate, increases caregiver registration deadlines to 30 days from the date of licensing or of being notified of the duty to register, prohibits a person from being a caregiver again if they do not register, ensures that confidential patient information is not released by the state health agency, and strikes the section of Bill 1 that allows the provision of caregiver information to the CCIC. She responded to questions on the Colorado Medical Board creating guidelines for the use of medical marijuana for nonmalignant pain. The committee discussed the changes made by Amendment 9.

12:00 PM

Representative Dore presented Amendment 10, and explained that it addresses the amount of marijuana cultivated by caregivers.

12:02 PM

Commissioner Pace presented Amendment 11, and explained that it would allow moneys from the Marijuana Tax Cash Fund to be used to fund the implementation of legislation approved by the Marijuana Revenues Interim Committee.

12:02 PM

Senator Baumgardner explained Amendment 12, which he said would remove provisions of the bill concerning local government land use authority in the regulation of caregivers from Bill 1.

BILL:	Bill 1	
TIME:	12:05:38 PM	
MOVED:	Aguilar	
MOTION:	Adopt Amendment 9, as amended, to Bill 1. The motion passed on a vote of 5-1.	
SECONDED:	Singer	
		VOTE
	Adams	
	Aguilar	Yes
	Anderle	
	Baumgardner	Yes
	Blake	
	Bommer	
	Connors	
	Dore	Yes
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	Yes
	Vasquez	
	Jahn	Yes
	Pabon	No
YES: 5 NO: 1 EXC: 5 ABS: 0 FINAL ACTION: PASS		

BILL:	Bill 1	
TIME:	12:10:47 PM	
MOVED:	Aguilar	
MOTION:	This is a conceptual amendment to Amendment 9 - strike line 29 of page 1 and substitute "TEN" for "THIRTY" in line 30. The motion passed without objection.	
SECONDED:	Singer	
		VOTE
	Adams	
	Aguilar	
	Anderle	
	Baumgardner	
	Blake	
	Bommer	
	Connors	
	Dore	
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	
	Vasquez	
	Jahn	
	Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection		

BILL:	Bill 1	
TIME:	12:06:55 PM	
MOVED:	Aguilar	
MOTION:	This is a conceptual amendment to Amendment 9 - replace lines 18-20 of page 1 with language that incorporates Medical Practice Act guidelines surrounding severe pain and align terms used for severe pain with the Constitution. The motion passed without objection.	
SECONDED:	Baumgardner	
		VOTE
	Adams	
	Aguilar	
	Anderle	
	Baumgardner	
	Blake	
	Bommer	
	Connors	
	Dore	
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	
	Vasquez	
	Jahn	
	Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection		

12:13 PM

The committee discussed Amendment 6.

BILL:	Bill 1	
TIME:	12:13:10 PM	
MOVED:	Singer	
MOTION:	Adopt Amendment 6 to Bill 1. The motion passed without objection.	
SECONDED:	Aguilar	
		VOTE
	Adams	
	Aguilar	
	Anderle	
	Baumgardner	
	Blake	
	Bommer	
	Connors	
	Dore	
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	
	Vasquez	
	Jahn	
	Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection		

12:13 PM

Michael Dohr, Office of Legislative Legal Services, came to the table to speak to Amendment 10 and whether it would create a settled question with Amendment 9. The committee discussed the merits of Amendment 10 and how it would alter the number of plants that a medical marijuana caregiver could grow.

BILL:	Bill 1
TIME:	12:15:07 PM
MOVED:	Dore
MOTION:	Adopt Amendment 10, as amended, to Bill 1. The motion passed without objection.
SECONDED:	Pabon
	VOTE
	Adams
	Aguilar
	Anderle
	Baumgardner
	Blake
	Bommer
	Connors
	Dore
	Federspiel
	Freedman
	Martinez
	Massey
	McGowan
	Pace
	Raynes
	Schut
	Sills
	Singer
	Vasquez
	Jahn
	Pabon
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection	

BILL:	Bill 1	
TIME:	12:22:48 PM	
MOVED:	Aguilar	
MOTION:	This is a conceptual amendment to Amendment 10 - remove strikeout from text and split paragraph into two sections, inserting "(b)" before language beginning "A PRIMARY CAREGIVER MAY NOT CULTIVATE..." The motion passed without objection.	
SECONDED:	Dore	
		VOTE
	Adams	
	Aguilar	
	Anderle	
	Baumgardner	
	Blake	
	Bommer	
	Connors	
	Dore	
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	
	Vasquez	
	Jahn	
	Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection		

BILL:	Bill 1
TIME:	12:24:02 PM
MOVED:	Pabon
MOTION:	Adopt Amendment 11, as amended, to Bill 1. The motion passed without objection.
SECONDED:	Aguilar
	VOTE
	Adams
	Aguilar
	Anderle
	Baumgardner
	Blake
	Bommer
	Connors
	Dore
	Federspiel
	Freedman
	Martinez
	Massey
	McGowan
	Pace
	Raynes
	Schut
	Sills
	Singer
	Vasquez
	Jahn
	Pabon
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection	

BILL:	Bill 1	
TIME:	12:24:51 PM	
MOVED:	Pabon	
MOTION:	This is a conceptual amendment to Amendment 11 - change "Marijuana Cash Fund" to "Marijuana Tax Cash Fund" in line 4. The motion passed without objection.	
SECONDED:	Singer	
		VOTE
	Adams	
	Aguilar	
	Anderle	
	Baumgardner	
	Blake	
	Bommer	
	Connors	
	Dore	
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	
	Vasquez	
	Jahn	
	Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection		

BILL:	Bill 1	
TIME:	12:25:43 PM	
MOVED:	Baumgardner	
MOTION:	Adopt Amendment 12 to Bill 1. The motion passed without objection.	
SECONDED:	Jahn	
		VOTE
	Adams	
	Aguilar	
	Anderle	
	Baumgardner	
	Blake	
	Bommer	
	Connors	
	Dore	
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	
	Vasquez	
	Jahn	
	Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection		

BILL:	Bill 1	
TIME:	12:26:12 PM	
MOVED:	Pabon	
MOTION:	Refer Bill 1, as amended, to Legislative Council. The motion passed on a vote of 6-0.	
SECONDED:	Singer	
		VOTE
	Adams	
	Aguilar	Yes
	Anderle	
	Baumgardner	Yes
	Blake	
	Bommer	
	Connors	
	Dore	Yes
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	Yes
	Vasquez	
	Jahn	Yes
	Pabon	Yes
YES: 6 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: PASS		

12:29 PM

Commissioner Pace spoke to Bill 2.

BILL:	Bill 2
TIME:	12:30:38 PM
MOVED:	Pabon
MOTION:	Adopt Amendment 1 to Bill 2. The motion passed without objection.
SECONDED:	Aguilar
	VOTE
Adams	
Aguilar	
Anderle	
Baumgardner	
Blake	
Bommer	
Connors	
Dore	
Federspiel	
Freedman	
Martinez	
Massey	
McGowan	
Pace	
Raynes	
Schut	
Sills	
Singer	
Vasquez	
Jahn	
Pabon	
YES: 0 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: Pass Without Objection	

12:30 PM

The committee discussed whether Bill 2 creates any conflict with the voter approved legislation of Proposition AA and the taxation of retail marijuana.

BILL:	Bill 2	
TIME:	12:31:02 PM	
MOVED:	Singer	
MOTION:	Refer Bill 2, as amended, to Legislative Council. The motion passed on a vote of 6-0.	
SECONDED:	Pabon	
		VOTE
	Adams	
	Aguilar	Yes
	Anderle	
	Baumgardner	Yes
	Blake	
	Bommer	
	Connors	
	Dore	Yes
	Federspiel	
	Freedman	
	Martinez	
	Massey	
	McGowan	
	Pace	
	Raynes	
	Schut	
	Sills	
	Singer	Yes
	Vasquez	
	Jahn	Yes
	Pabon	Yes
YES: 6 NO: 0 EXC: 5 ABS: 0 FINAL ACTION: PASS		

12:33 PM

Nicole Myers, Office of Legislative Legal Services, came to the table to discuss the legislators who would sponsor Bill 1 and Bill 2. Representative Singer and Senator Aguilar volunteered to sponsor Bill 1. Representative Singer volunteered to sponsor Bill 2. The committee agreed to allow the bill drafters to make any technical changes to the bill when incorporating amendments into the final drafts.

12:35 PM

Representative Pabon made some closing comments, and the committee was adjourned.

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT 9.30.14

DRAFT

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LLS NO. 15-0106.02 Michael Dohr x4347

INTERIM COMMITTEE BILL

Marijuana Revenues Interim Committee

BILL TOPIC: "Medical Marijuana"

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 his or her marijuana inventory to a new retail marijuana license on and after July 1, 2016.

The bill requires the attorney general to appoint an attorney in the criminal enforcement section to serve as a special prosecutor for all medical marijuana crimes and gives the attorney general concurrent

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

jurisdiction with the appropriate district attorney over those crimes.

The bill requires the state health agency to promulgate rules regarding testing medical marijuana and medical marijuana products cultivated or produced by primary caregivers.

The bill requires all primary caregivers to register with the state health agency and the state medical marijuana licensing authority (licensing authority). Any primary caregiver who is not registered shall register within 7 days of being informed of the duty to register. Failure to register is a strict liability offense and is a level 2 or 3 drug felony or a level 1 drug misdemeanor depending on the number of plants.

The bill requires the licensing authority and the state health agency to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center.

The state health agency and the licensing authority shall provide information concerning each primary caregiver, including the number of plants the primary caregiver is authorized to cultivate, to the Colorado crime information center.

The bill allows local government to regulate medical marijuana cultivation by primary caregivers.

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; and

10 (c) The state imposes a higher tax rate on retail marijuana than on
11 medical marijuana, as well as an additional excise tax.

12 (2) 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 will be

1 deprived of valuable tax revenue.

2 (3) Now then, the general assembly hereby enacts the following
3 protections to ensure that access to the medical marijuana market is
4 limited to Colorado residents who have a physician's recommendation
5 that they have a debilitating medical condition that could benefit from the
6 use of medical marijuana.

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

9 **12-43.4-104. Applicability - retail marijuana - repeal.**

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

15 **SECTION 3.** In Colorado Revised Statutes, **amend** 24-31-105 as
16 follows:

17 **24-31-105. Criminal enforcement section.** (1) There is hereby
18 established, within the department of law and under the control of the
19 attorney general, a criminal enforcement section. The criminal
20 enforcement section or any attorney in the department of law authorized
21 by the attorney general shall prosecute all criminal cases for the attorney
22 general and shall perform other functions as may be required by the
23 attorney general. The attorney general is hereby authorized to appoint a
24 deputy attorney general as chief of the criminal enforcement section. The
25 chief of said section shall be a licensed attorney with a minimum of two
26 years of criminal experience as a trial or appellate prosecutor.

27 (2) THE ATTORNEY GENERAL SHALL APPOINT AN ATTORNEY

1 WITHIN THE CRIMINAL ENFORCEMENT SECTION TO SERVE AS A SPECIAL
2 PROSECUTOR FOR CRIMES RELATED TO MEDICAL MARIJUANA. THE
3 ATTORNEY GENERAL HAS CONCURRENT JURISDICTION WITH THE RELEVANT
4 DISTRICT ATTORNEY OVER ANY CRIMES RELATED TO MEDICAL MARIJUANA.

5 **SECTION 4.** In Colorado Revised Statutes, 25-1.5-106, **amend**
6 (3) (a) (VII), (3) (a) (VIII), and (7) (e); and **add** (3) (a) (IX) as follows:

7 **25-1.5-106. Medical marijuana program - powers and duties**
8 **of state health agency - rules - medical review board - medical**
9 **marijuana program cash fund - subaccount - created - repeal. (3)**
10 **Rule-making.** (a) The state health agency shall, pursuant to section 14
11 of article XVIII of the state constitution, promulgate rules of
12 administration concerning the implementation of the medical marijuana
13 program that specifically govern the following:

14 (VII) The manner in which the state health agency may consider
15 adding debilitating medical conditions to the list of debilitating medical
16 conditions contained in section 14 of article XVIII of the state
17 constitution; and

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

21 (IX) (A) ESTABLISHING A MEDICAL MARIJUANA AND MEDICAL
22 MARIJUANA PRODUCTS INDEPENDENT TESTING AND CERTIFICATION
23 PROGRAM FOR MEDICAL MARIJUANA CULTIVATED OR MEDICAL MARIJUANA
24 PRODUCTS PRODUCED BY PRIMARY CAREGIVERS WHO SERVE AT LEAST
25 TWO PATIENTS, WITHIN AN IMPLEMENTATION TIME FRAME ESTABLISHED
26 BY THE STATE HEALTH AGENCY, WHICH PROGRAM REQUIRES PRIMARY
27 CAREGIVERS TO TEST MARIJUANA TO ENSURE, AT A MINIMUM, THAT

1 PRODUCTS PRODUCED FOR HUMAN CONSUMPTION DO NOT CONTAIN
2 CONTAMINANTS THAT ARE INJURIOUS TO HEALTH AND TO ENSURE
3 CORRECT LABELING.

4 (B) TESTING SHALL INCLUDE, BUT NOT BE LIMITED TO, ANALYSIS
5 FOR RESIDUAL SOLVENTS OR POISONS, OR TOXINS; HARMFUL CHEMICALS
6 SUCH AS PESTICIDES; DANGEROUS MOLDS OR MILDEW; FILTH; AND
7 HARMFUL MICROBIALS SUCH AS E. COLI OR SALMONELLA.

8 (C) IN THE EVENT THAT TEST RESULTS INDICATE THE PRESENCE OF
9 QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO
10 HEALTH, THE PRIMARY CAREGIVER SHALL IMMEDIATELY QUARANTINE
11 SUCH PRODUCTS AND NOTIFY THE STATE HEALTH AGENCY. THE
12 ADULTERATED PRODUCT SHALL BE DOCUMENTED AND PROPERLY
13 DESTROYED.

14 (D) TESTING SHALL ALSO VERIFY THC POTENCY
15 REPRESENTATIONS AND CANNABINOID PROFILES FOR CORRECT LABELING.

16 (E) THE STATE HEALTH AGENCY SHALL DETERMINE AN
17 ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND
18 PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS.

19 (F) THE STATE HEALTH AGENCY SHALL DETERMINE THE
20 REQUIREMENTS FOR AND FREQUENCY OF MARIJUANA TESTING BY PRIMARY
21 CAREGIVERS.

22 (7) **Primary caregivers.** (e) (I) (A) A primary caregiver who
23 ~~cultivates medical marijuana for his or her patients~~ shall register the
24 ~~location of his or her cultivation operation~~ with THE STATE HEALTH
25 AGENCY AND THE state medical marijuana licensing authority; ~~and~~ SHALL
26 provide THE LOCATION OF ANY CULTIVATION OPERATION, the registration
27 identification number of each patient, AND THE NUMBER OF PLANTS THAT

1 THE CAREGIVER IS AUTHORIZED TO CULTIVATE TO THE STATE HEALTH
2 AGENCY AND the state licensing authority; AND SHALL UPDATE THE
3 REGISTRATION INFORMATION WITHIN TEN DAYS AFTER ANY OF THE
4 INFORMATION CHANGES. THE STATE HEALTH AGENCY SHALL ISSUE A
5 PRIMARY CAREGIVER REGISTRY CARD TO EACH PRIMARY CAREGIVER WHO
6 REGISTERS. A PERSON MAY NOT REGISTER AS A PRIMARY CAREGIVER IF HE
7 OR SHE IS LICENSED AS A MEDICAL MARIJUANA BUSINESS AS DESCRIBED IN
8 PART 4 OF ARTICLE 43.3 OF TITLE 12, C.R.S., OR A RETAIL MARIJUANA
9 BUSINESS AS DESCRIBED IN PART 4 OF ARTICLE 43.4 OF TITLE 12, C.R.S.

10 (B) A PRIMARY CAREGIVER WHO FAILS TO REGISTER WITH THE
11 STATE HEALTH AGENCY OR THE STATE LICENSING AUTHORITY SHALL
12 REGISTER WITH THE APPROPRIATE AGENCY WITHIN SEVEN DAYS OF BEING
13 INFORMED OF THE DUTY TO REGISTER BY LAW ENFORCEMENT, THE STATE
14 HEALTH AGENCY, OR THE STATE LICENSING AUTHORITY.

15 (C) FAILURE TO REGISTER PURSUANT TO SUB-SUBPARAGRAPHS (A)
16 AND (B) OF THIS SUBPARAGRAPH (I) IS A STRICT LIABILITY OFFENSE.
17 FAILURE TO REGISTER IS A LEVEL 3 DRUG FELONY IF THE OFFENSE
18 INVOLVES MORE THAN THIRTY PLANTS; A LEVEL 4 DRUG FELONY IF THE
19 OFFENSE INVOLVES MORE THAN SIX BUT NOT MORE THAN THIRTY PLANTS;
20 OR A LEVEL 1 DRUG MISDEMEANOR IF THE OFFENSE INVOLVES NOT MORE
21 THAN SIX PLANTS.

22 (D) IF A PRIMARY CAREGIVER IS CHARGED WITH FAILURE TO
23 REGISTER, A LAW ENFORCEMENT AGENCY SHALL NOT BE CIVILLY LIABLE
24 FOR THE LOSS OR DESTRUCTION OF THE PRIMARY CAREGIVER'S MEDICAL
25 MARIJUANA PLANTS.

26 (II) THE STATE HEALTH AGENCY AND THE STATE MEDICAL
27 MARIJUANA LICENSING AUTHORITY SHALL SHARE THE MINIMUM

1 NECESSARY INFORMATION, SUCH AS PATIENT AND CAREGIVER
2 IDENTIFICATION NUMBERS, TO ENSURE THAT A PATIENT DOES NOT HAVE
3 MORE THAN ONE PRIMARY CAREGIVER, OR HAVE BOTH A CAREGIVER AND
4 A MEDICAL MARIJUANA CENTER, CULTIVATING MEDICAL MARIJUANA ON
5 HIS OR HER BEHALF AT ANY GIVEN TIME.

6 (III) THE STATE HEALTH AGENCY, THE MEDICAL MARIJUANA
7 LICENSING AUTHORITY, AND THE COLORADO DEPARTMENT OF PUBLIC
8 SAFETY SHALL PROVIDE PRIMARY CAREGIVER INFORMATION TO THE
9 COLORADO CRIME INFORMATION CENTER, INCLUDING THE NUMBER OF
10 PLANTS EACH PRIMARY CAREGIVER IS AUTHORIZED TO CULTIVATE.

11 (IV) The information provided to the state medical marijuana
12 licensing authority AND THE COLORADO DEPARTMENT OF PUBLIC SAFETY
13 pursuant to this paragraph (e) shall not be provided to the public and ~~shall~~
14 ~~be~~ IS confidential. The state licensing authority shall verify the location
15 of a primary caregiver cultivation operation to a local government or law
16 enforcement agency upon receiving an address-specific request for
17 verification. The location of the cultivation operation ~~shall~~ MUST comply
18 with all applicable local laws, rules, or regulations.

19 **SECTION 5.** In Colorado Revised Statutes, 29-20-104, **amend**
20 (1) (g) and (1) (h); and **add** (1) (i) as follows:

21 **29-20-104. Powers of local governments.** (1) Except as
22 expressly provided in section 29-20-104.5, the power and authority
23 granted by this section shall not limit any power or authority presently
24 exercised or previously granted. Each local government within its
25 respective jurisdiction has the authority to plan for and regulate the use
26 of land by:

27 (g) Regulating the use of land on the basis of the impact thereof

1 on the community or surrounding areas; and

2 (h) Otherwise planning for and regulating the use of land so as to
3 provide planned and orderly use of land and protection of the
4 environment in a manner consistent with constitutional rights; AND

5 (i) REGULATING MEDICAL MARIJUANA CULTIVATION BY PRIMARY
6 CAREGIVERS.

7 **SECTION 6. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 2
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Commissioner Pace

LLS No. 15-0106.02/BILL 1 be amended as follows:

- 1 Amend LLS No. 15-0106.02/Bill 1, page 3, strike lines 7 through 14.
- 2 Renumber succeeding sections accordingly.

** ** ** ** **

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 5
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Commissioner Pace

LLS No. 15-0106.02/BILL 1 be amended as follows:

- 1 Amend LLS No. 15-0106.02/Bill 1, page 7, strike lines 6 through 10 and
- 2 substitute:

- 3 "(III) THE STATE HEALTH AGENCY SHALL PROVIDE PRIMARY CARE
- 4 GIVER INFORMATION ELECTRONICALLY TO THE STATE LICENSING
- 5 AUTHORITY AND THE COLORADO DEPARTMENT OF PUBLIC SAFETY FOR
- 6 ENTRY INTO THE COLORADO CRIME INFORMATION CENTER, INCLUDING THE
- 7 NUMBER OF PLANTS THE PRIMARY CARE GIVER IS AUTHORIZED TO
- 8 CULTIVATE."

** ** ** ** **

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

REDRAFT

9.30.14

Double underlining
denotes changes from
prior draft

BILL 2

LLS NO. 15-0107.01 Nicole Myers x4326

INTERIM COMMITTEE BILL

Marijuana Tax Revenues Committee

BILL TOPIC: "Local Government Retail Marijuana Taxes"

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.**

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/bills/summaries>.)

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

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*



REDRAFT
9.30.14
Double underlining
denotes changes from
prior draft

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

The bill clarifies that counties and municipalities are authorized, subject to voter approval, to levy, collect, and enforce 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, collect, and enforce 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, _____ on the first Tuesday in November of an odd-numbered year, or on the date of a municipal biennial election.

Any retail marijuana sales tax or excise tax imposed by a county or municipality shall not be collected, administered, or enforced by the department of revenue. Instead, such tax shall be collected, administered, and enforced by the county or municipality imposing the tax.

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:

1 **29-2-114. Retail marijuana sales tax - county - municipality -**
2 **election.** (1) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO
3 SECTION 29-2-103 AND ARTICLES 26 AND 28.8 OF TITLE 39, C.R.S., AND
4 NOTWITHSTANDING THE PROVISIONS OF SECTION 29-2-105 (1) (d), EACH
5 COUNTY IN THE STATE IS AUTHORIZED TO LEVY, COLLECT, AND ENFORCE
6 A COUNTY SALES TAX UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL
7 MARIJUANA PRODUCTS BY A RETAILER. A COUNTY MAY LEVY, COLLECT,
8 AND ENFORCE A SALES TAX PURSUANT TO THIS SUBSECTION (1), IN WHOLE
9 OR IN PART, IN LESS THAN THE ENTIRE COUNTY WHEN THE CONDITIONS
10 SPECIFIED IN SECTION 29-2-103 (2) (b) AND (2) (c) ARE SATISFIED. FOR A
11 SALES TAX THAT IS FIRST LEVIED PURSUANT TO THIS PARAGRAPH (a) ON OR
12 AFTER JANUARY 1, 2016, THE TAX RATE IMPOSED SHALL NOT EXCEED FIVE
13 PERCENT OF THE AMOUNT OF THE SALE. <{*Committee members, please*
14 *discuss whether you would like to include the caps for the sales tax.*}>
15 (b) NO SALES TAX SHALL BE LEVIED PURSUANT TO THE PROVISIONS
16 OF PARAGRAPH (a) OF THIS SUBSECTION (1) UNTIL THE PROPOSAL HAS BEEN
17 REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE COUNTY
18 IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE. ANY PROPOSAL
19 FOR THE LEVY OF A SALES TAX IN ACCORDANCE WITH PARAGRAPH (a) OF
20 THIS SUBSECTION (1) MAY BE SUBMITTED TO THE ELIGIBLE ELECTORS OF
21 THE COUNTY ONLY ON THE DATE OF THE STATE GENERAL ELECTION OR ON
22 THE FIRST TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR, AND ANY
23 ELECTION ON THE PROPOSAL MUST BE CONDUCTED BY THE COUNTY CLERK
24 AND RECORDER IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF
25 1992", ARTICLES 1 TO 13 OF TITLE 1, C.R.S.
26 (2) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO
27 SECTION 29-2-102 AND ARTICLES 26 AND 28.8 OF TITLE 39, C.R.S., AND

1 NOTWITHSTANDING THE PROVISIONS OF SECTION 29-2-105 (1) (d), EACH
2 MUNICIPALITY IN THE STATE IS AUTHORIZED TO LEVY, COLLECT, AND
3 ENFORCE A MUNICIPAL SALES TAX UPON ALL SALES OF RETAIL MARIJUANA
4 AND RETAIL MARIJUANA PRODUCTS BY A RETAILER. FOR A SALES TAX
5 THAT IS FIRST LEVIED PURSUANT TO THIS PARAGRAPH (a) ON OR AFTER
6 JANUARY 1, 2016, THE TAX RATE IMPOSED SHALL NOT EXCEED FIVE
7 PERCENT OF THE AMOUNT OF THE SALE.

8 (b) NO SALES TAX SHALL BE LEVIED PURSUANT TO THE PROVISIONS
9 OF PARAGRAPH (a) OF THIS SUBSECTION (2) UNTIL THE PROPOSAL HAS BEEN
10 REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE
11 MUNICIPALITY IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 10 OF
12 TITLE 31, C.R.S. ANY PROPOSAL FOR THE LEVY OF A SALES TAX IN
13 ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (2) MAY BE
14 SUBMITTED TO THE ELIGIBLE ELECTORS OF THE MUNICIPALITY ___ ON THE
15 DATE OF THE STATE GENERAL ELECTION, _____ ON THE FIRST TUESDAY IN
16 NOVEMBER OF AN ODD-NUMBERED YEAR, OR ON THE DATE OF A
17 MUNICIPAL BIENNIAL ELECTION. ANY ELECTION ON THE PROPOSAL MUST
18 BE CONDUCTED BY THE CLERK OF THE MUNICIPALITY IN ACCORDANCE
19 WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10
20 OF TITLE 31, C.R.S.

21 (3) (a) NOTWITHSTANDING THE PROVISIONS OF THIS ARTICLE, ANY
22 RETAIL MARIJUANA SALES TAX IMPOSED BY A COUNTY OR MUNICIPALITY
23 PURSUANT TO THIS SECTION SHALL NOT BE COLLECTED, ADMINISTERED, OR
24 ENFORCED BY THE DEPARTMENT OF REVENUE, BUT SHALL INSTEAD BE
25 COLLECTED, ADMINISTERED, AND ENFORCED BY THE COUNTY OR
26 MUNICIPALITY IMPOSING THE TAX.

27 (b) A COUNTY OR MUNICIPALITY IN WHICH A TAX IS IMPOSED

1 PURSUANT TO THIS SECTION MAY AUTHORIZE A RETAIL MARIJUANA STORE
2 TO RETAIN A PERCENTAGE, TO BE DETERMINED BY THE COUNTY OR
3 MUNICIPALITY, OF THE RETAIL MARIJUANA SALES TAX COLLECTED
4 PURSUANT TO SUBSECTIONS (1) AND (2) OF THIS SECTION TO COVER THE
5 EXPENSES OF COLLECTING AND REMITTING THE TAX TO THE COUNTY OR
6 MUNICIPALITY.

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

16 (5) THE PROVISIONS OF THIS SECTION SHALL NOT BE CONSTRUED
17 TO INVALIDATE THE PRESUMED LEGALITY OF ANY COUNTY OR MUNICIPAL
18 SALES TAX IMPOSED ON THE SALE OF RETAIL OR MEDICAL MARIJUANA,
19 RETAIL OR MEDICAL MARIJUANA PRODUCTS, OR RETAIL OR MEDICAL
20 MARIJUANA PARAPHERNALIA THAT IS IN ADDITION TO ANY SALES TAX
21 IMPOSED PURSUANT TO SECTION 29-2-103 AND ARTICLES 26 AND 28.8 OF
22 TITLE 39, C.R.S., AND THAT WAS APPROVED BY THE ELIGIBLE ELECTORS
23 OF THE COUNTY OR MUNICIPALITY PRIOR TO THE EFFECTIVE DATE OF THIS
24 SUBSECTION (5).

25 **29-2-115. Retail marijuana excise tax - county - municipality**
26 **- election.** (1) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO
27 SECTIONS 29-2-103 AND 29-2-114 (1) AND ARTICLES 26 AND 28.8 OF TITLE

1 39, C.R.S., AND IN ADDITION TO THE EXCISE TAX IMPOSED PURSUANT TO
2 ARTICLE 28.8 OF TITLE 39, C.R.S., EACH COUNTY IN THE STATE IS
3 AUTHORIZED TO LEVY, COLLECT, AND ENFORCE A COUNTY EXCISE TAX ON
4 THE FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A
5 RETAIL MARIJUANA CULTIVATION FACILITY. THE TAX SHALL BE IMPOSED
6 AT THE TIME WHEN THE RETAIL MARIJUANA CULTIVATION FACILITY FIRST
7 SELLS OR TRANSFERS UNPROCESSED RETAIL MARIJUANA FROM THE RETAIL
8 MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT
9 MANUFACTURING FACILITY, A RETAIL MARIJUANA STORE, OR ANOTHER
10 RETAIL MARIJUANA CULTIVATION FACILITY. THE EXCISE TAX RATE
11 IMPOSED PURSUANT TO THIS PARAGRAPH (a) SHALL NOT EXCEED SEVEN
12 AND ONE-HALF PERCENT OF THE AVERAGE MARKET RATE OF THE
13 UNPROCESSED RETAIL MARIJUANA. <*Committee members, please*
14 *discuss whether you would like to include the caps for the excise tax.*>

15 (b) NO EXCISE TAX SHALL BE LEVIED PURSUANT TO THE
16 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1) UNTIL THE
17 PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE
18 ELECTORS OF THE COUNTY. THE ADOPTION PROCEDURES FOR A
19 COUNTYWIDE SALES TAX, USE TAX, OR BOTH, AS SPECIFIED IN THIS
20 ARTICLE, SHALL APPLY TO THE REFERRAL AND APPROVAL OF AN EXCISE
21 TAX PURSUANT TO THIS SUBSECTION (1). ANY PROPOSAL FOR THE LEVY OF
22 AN EXCISE TAX IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION
23 (1) MAY BE SUBMITTED TO THE ELIGIBLE ELECTORS OF THE COUNTY ONLY
24 ON THE DATE OF THE STATE GENERAL ELECTION OR ON THE FIRST TUESDAY
25 IN NOVEMBER OF AN ODD-NUMBERED YEAR, AND ANY ELECTION ON THE
26 PROPOSAL MUST BE CONDUCTED BY THE COUNTY CLERK AND RECORDER
27 IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF 1992", ARTICLES

1 1 TO 13 OF TITLE 1, C.R.S.

2 (2) (a) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO
3 SECTIONS 29-2-102 AND 29-2-114(2) AND ARTICLES 26 AND 28.8 OF TITLE
4 39, C.R.S., AND IN ADDITION TO THE EXCISE TAX IMPOSED PURSUANT TO
5 ARTICLE 28.8 OF TITLE 39, C.R.S., EACH MUNICIPALITY IN THE STATE IS
6 AUTHORIZED TO LEVY, COLLECT, AND ENFORCE A MUNICIPAL EXCISE TAX
7 ON THE FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY
8 A RETAIL MARIJUANA CULTIVATION FACILITY. THE TAX SHALL BE IMPOSED
9 AT THE TIME WHEN THE RETAIL MARIJUANA CULTIVATION FACILITY FIRST
10 SELLS OR TRANSFERS UNPROCESSED RETAIL MARIJUANA FROM THE RETAIL
11 MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT
12 MANUFACTURING FACILITY, A RETAIL MARIJUANA STORE, OR ANOTHER
13 RETAIL MARIJUANA CULTIVATION FACILITY. THE EXCISE TAX RATE
14 IMPOSED PURSUANT TO THIS PARAGRAPH (a) SHALL NOT EXCEED SEVEN
15 AND ONE-HALF PERCENT OF THE AVERAGE MARKET RATE OF THE
16 UNPROCESSED RETAIL MARIJUANA.

17 (b) NO EXCISE TAX SHALL BE LEVIED PURSUANT TO THE
18 PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (2) UNTIL THE
19 PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE
20 ELECTORS OF THE MUNICIPALITY IN ACCORDANCE WITH THE PROVISIONS
21 OF ARTICLE 10 OF TITLE 31, C.R.S. ANY PROPOSAL FOR THE LEVY OF AN
22 EXCISE TAX IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (2)
23 MAY BE SUBMITTED TO THE ELIGIBLE ELECTORS OF THE MUNICIPALITY ____
24 ____ ON THE DATE OF THE STATE GENERAL ELECTION, _____ ON THE FIRST
25 TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR, OR ON THE DATE OF
26 A MUNICIPAL BIENNIAL ELECTION. ANY ELECTION ON THE PROPOSAL SHALL
27 BE CONDUCTED BY THE CLERK OF THE MUNICIPALITY IN ACCORDANCE

1 WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10
2 OF TITLE 31, C.R.S.

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

7 (4) ANY EXCISE TAX IMPOSED BY A COUNTY OR MUNICIPALITY
8 PURSUANT TO THIS SECTION SHALL NOT BE COLLECTED, ADMINISTERED, OR
9 ENFORCED BY THE DEPARTMENT OF REVENUE, BUT SHALL INSTEAD BE
10 COLLECTED, ADMINISTERED, AND ENFORCED BY THE COUNTY OR
11 MUNICIPALITY IMPOSING THE TAX.

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

21 (6) THE PROVISIONS OF THIS SECTION SHALL NOT BE CONSTRUED
22 TO INVALIDATE THE PRESUMED LEGALITY OF ANY COUNTY OR MUNICIPAL
23 EXCISE TAX IMPOSED ON THE FIRST SALE OR TRANSFER OF UNPROCESSED
24 RETAIL MARIJUANA BY A RETAIL MARIJUANA CULTIVATION FACILITY THAT
25 IS IN ADDITION TO ANY EXCISE TAX IMPOSED PURSUANT TO ARTICLE 28.8
26 OF TITLE 39, C.R.S., AND THAT WAS APPROVED BY THE ELIGIBLE ELECTORS
27 OF THE COUNTY OR MUNICIPALITY PRIOR TO THE EFFECTIVE DATE OF THIS

1 SUBSECTION (6).

2 <{Additional Question - Are there other provisions of article 2
3 of title 29 that the bill needs to specifically state either do or do not
4 apply to these taxes?}>

5 SECTION 2. Applicability. This act applies to retail marijuana
6 sales and excise taxes levied by a county or municipality on or after
7 January 1, 2014.

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

LLS NO. 15-0107_AMENDMENT # 1
INTERIM COMMITTEE AMENDMENT
Marijuana Tax Revenues Committee.
BY REPRESENTATIVE Pabon
LLS No. 15-0107 be amended as follows:

- 1 Amend LLS No. 15-0107, page 3, line 10, strike "FOR A".
- 2 Page 3, strike lines 11 through 14.
- 3 Page 4, line 4, strike "FOR A SALES TAX".
- 4 Page 4, strike lines 5 through 7.
- 5 Page 6, line 10, strike "THE EXCISE TAX RATE".
- 6 Page 6, strike lines 11 through 14.
- 7 Page 7, line 13, strike "THE EXCISE TAX RATE".
- 8 Page 7, strike lines 14 through 16.

** ** ** ** **

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
9.30.14

BILL 3

LLS NO. 15-0133.01 Nicole Myers x4326

INTERIM COMMITTEE BILL

Marijuana Tax Revenues Committee

BILL TOPIC: "Disposition Of Moneys In Marijuana Tax Cash Fund"

A BILL FOR AN ACT

101 **CONCERNING THE SUBSTANCE USE DISORDER SERVICES THAT RECEIVE**
102 **MONEYS COLLECTED BY THE STATE IN CONNECTION WITH THE**
103 **LEGAL MARIJUANA INDUSTRY, AND, IN CONNECTION**
104 **THEREWITH, MAKING AN APPROPRIATION.**

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 Tax Revenues Committee. The school-based substance abuse prevention and intervention program is currently located

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 (II) With the legalization of marijuana by citizen initiative in
2 Colorado, there is an increased availability of marijuana in the community
3 and, at the same time, a decreased perception of harm related to marijuana
4 use;

5 (III) Evidence-based prevention and intervention programs and
6 education awareness programs targeted to school children who are twelve
7 to nineteen years of age are needed to:

8 (A) Increase the perceived risk of harm associated with marijuana
9 and alcohol use and prescription drug misuse;

10 (B) Decrease the rates of youth marijuana and alcohol use and
11 prescription drug misuse and delay the age of first-time use; and

12 (C) Decrease the number of drug- and alcohol-related violations,
13 suspensions, and expulsions reported by schools.

14 (b) Therefore, the general assembly declares that it is appropriate
15 to award grants to schools, community-based organizations, and health
16 organizations to provide school-based prevention and intervention
17 programs that use evidence-based strategies, practices, and approaches to
18 reduce the risk of marijuana and alcohol use and prescription drug misuse
19 by school-aged children. Successful school-based programs will lead to
20 increased overall health, behavioral health, and educational outcomes for
21 Colorado's youth.

22 (2) As used in this section, unless the context otherwise requires:

23 (a) "Entity" means a school, school district, board of cooperative
24 services, a nonprofit or not-for-profit community-based organization, or
25 a community-based behavioral health organization.

26 (b) "Grant program" means the COMMUNITY AND school-based
27 substance abuse prevention and intervention grant program created in

1 subsection (3) of this section.

2 (3) (a) The COMMUNITY AND school-based substance abuse
3 prevention and intervention grant program is created within the state
4 department. The purpose of the grant program is to award competitive
5 grants to entities to provide COMMUNITY AND school-based prevention
6 and intervention programs for youth twelve to nineteen years of age
7 primarily focused on reducing marijuana use, but including strategies and
8 efforts to reduce alcohol use and prescription drug misuse.

9 (b) To be considered for a competitive grant, the entity must
10 demonstrate in the grant proposal that:

11 (I) The grant will be used to implement evidence-based programs
12 and strategies delivered in the school setting that are designed to improve
13 overall health, behavioral health, and educational outcomes for youth who
14 are twelve to nineteen years of age;

15 (II) The entity is delivering the program and strategies to at-risk
16 youth, regardless of the youths' eligibility for Colorado's medical
17 assistance program; and

18 (III) The evidence-based programs and strategies are designed to
19 achieve the following outcomes:

20 (A) An increase in the perceived risk of harm associated with
21 marijuana use, prescription drug misuse, and underage alcohol use among
22 youth who are twelve to nineteen years of age;

23 (B) A decrease in the rates of youth marijuana use, alcohol use,
24 and prescription drug misuse;

25 (C) A delay in the age of first use of marijuana, alcohol, or
26 prescription drug misuse;

27 (D) A decrease in the rates of youth who have ever used marijuana

1 or alcohol or misused prescription drugs in their lifetime; and

2 (E) A decrease in the number of drug- and alcohol-related
3 violations on school property, suspensions, and expulsions reported by
4 schools.

5 (4) On or before September 1, 2014, the state department shall
6 establish procedures and timelines for grant applications, criteria for
7 determining grant amounts and grantee reporting requirements, and any
8 other grant program policies. The state department may amend these
9 policies at any time.

10 (5) Subject to available appropriations, the state department shall
11 award grants for the 2014-15 academic year and for each academic year
12 thereafter. There is no limit on the number of grants that the state
13 department may award, and the same entity may receive more than one
14 grant if the state department considers the needs of at-risk students in
15 communities throughout the state for COMMUNITY AND school-based
16 substance abuse prevention and intervention programs.

17 (6) On or before November 1 in any fiscal year in which the state
18 department awards grants pursuant to this section, the state department
19 shall submit a report to the joint budget committee; the public health care
20 and human services and the health, insurance, and environment
21 committees of the house of representatives, or any successor committees;
22 and the health and human services committee of the senate, or any
23 successor committee, summarizing all grants awarded pursuant to the
24 grant program. At a minimum, the report must include the grant recipient
25 and the amount of the grant, a description of the program or strategies
26 delivered by the grant recipient, the outcomes achieved or proposed to be
27 achieved by the program or strategies, and any other information relating

1 to the success of the grant program in reducing or preventing the use of
2 marijuana and alcohol and the misuse of prescription drugs by youth who
3 are twelve to nineteen years of age.

4 **SECTION 2.** In Colorado Revised Statutes, 39-28.8-501, **amend**
5 (2), (3), and (4); and **add** (2.5) as follows:

6 **39-28.8-501. Marijuana tax cash fund - creation - distribution**
7 **- repeal.** (2) (a) The general assembly shall not appropriate the moneys
8 in the fund for the fiscal year in which they were received by the state;
9 except that the general assembly may appropriate moneys in the fund to
10 the department of revenue for the fiscal years in which they were received
11 by the state for the direct and indirect costs associated with implementing
12 this article and articles 43.3 and 43.4 of title 12, C.R.S.

13 (b) Subject to the limitations in subsection (5) of this section, any
14 moneys in the fund that are not appropriated to the department of revenue
15 pursuant to paragraph (a) of this subsection (2) are subject to annual
16 appropriation by the general assembly for any fiscal year following the
17 fiscal year in which they were received by the state. The general assembly
18 shall initially appropriate moneys in the fund based on the most recent
19 estimate of revenue prepared by the staff of the legislative council or the
20 department of revenue for the applicable fiscal year. The general
21 assembly may appropriate moneys in the fund for the following purposes:

22 (I) For the study of law enforcement's activity and costs related to
23 the implementation of section 16 of article XVIII of the state constitution,
24 regarding the legalization of retail marijuana;

25 (II) For the coordination of the executive branch response to the
26 legalization of retail marijuana;

27 (III) To increase the expertise and knowledge among prosecutors

1 and law enforcement officials regarding the legal and regulatory issues
2 surrounding the legalization of marijuana;

3 (IV) To obtain health data through surveys or other means
4 regarding marijuana and other drug use and to monitor the health effects
5 of marijuana, including changes in drug use patterns and the emerging
6 science and medical information relevant to the health effects associated
7 with marijuana use;

8 (V) For advanced roadside impaired driving enforcement training
9 and drug recognition expert training for all peace officers described in
10 section 16-2.5-101, C.R.S.;

11 (VI) To develop and implement marijuana education and
12 prevention campaigns;

13 (VII) To provide inpatient treatment for adults who suffer from
14 co-occurring disorders at the Colorado mental health institute at Pueblo;

15 (VIII) To increase the availability of school-based prevention,
16 early intervention, and health care services and programs to reduce the
17 risk of marijuana and other substance use and abuse by school-aged
18 children;

19 (IX) For community-based programs to provide marijuana
20 prevention and intervention services to youth;

21 (X) For local judicial-district based programs to provide
22 marijuana prevention and intervention services to pre-adjudicated and
23 adjudicated youth;

24 (XI) To expand the provision of jail-based behavioral health
25 services in underserved counties and to enhance the provision of
26 jail-based behavioral health services to offenders transitioning from jail
27 to the community to ensure continuity of care;

1 (XII) For the provision of substance use disorder treatment
2 services for adolescents and pregnant women;

3 (XIII) To provide child welfare training specific to issues arising
4 from marijuana use and abuse;

5 (XIV) The industrial hemp grant research program created in
6 section 35-61-104.5, C.R.S.; and

7 (XV) For the start-up expenses of the division of financial
8 services related to the regulation of marijuana financial services
9 cooperatives pursuant to article 33 of title 11, C.R.S., and until the state
10 commissioner of financial services first collects assessments on such
11 cooperatives; AND

12 (XVI) FOR THE PROVISION OF SUBSTANCE USE DISORDER
13 TREATMENT SERVICES FOR INDIVIDUALS NOT ELIGIBLE FOR MEDICAID AND
14 FOR SUBSTANCE USE DISORDER TREATMENT SERVICES THAT ARE NOT
15 COVERED BY MEDICAID. <{*These are the permissible uses of the fund.*
16 *Do you want to leave all of them in statute or replace them with the*
17 *specific allocations that are currently in the new subsection (2.5) of this*
18 *section.*}>

19 (c) Subject to the limitations in subsection (5) of this section and
20 in addition to the purposes for which the general assembly may
21 appropriate moneys in the fund specified in paragraphs (a) and (b) of this
22 subsection (2), the general assembly may also direct the state treasurer to
23 transfer moneys in the fund to the general fund as specified in subsection
24 (4) of this section. The general assembly may direct the state treasurer to
25 make such transfers only for a fiscal year following the fiscal year in
26 which the moneys in the fund were received by the state.

27 (2.5) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (2) OF

1 THIS SECTION, FOR THE 2015-16 FISCAL YEAR AND EACH FISCAL YEAR
2 THEREAFTER, THE GENERAL ASSEMBLY SHALL FIRST APPROPRIATE ANY
3 MONEYS IN THE FUND THAT ARE NOT APPROPRIATED TO THE DEPARTMENT
4 OF REVENUE PURSUANT TO PARAGRAPH (a) OF SUBSECTION (2) OF THIS
5 SECTION AS FOLLOWS:

6 (a) TWO MILLION DOLLARS TO THE DEPARTMENT OF HEALTH CARE
7 POLICY AND FINANCING FOR ALLOCATION TO BEHAVIORAL HEALTH
8 COMMUNITY PROGRAMS FOR COMMUNITY AND SCHOOL-BASED
9 PREVENTION AND INTERVENTION SUBSTANCE USE DISORDER SERVICES TO
10 BE PROVIDED BY BEHAVIORAL HEALTH ORGANIZATIONS PURSUANT TO
11 SECTION ~~§ 13-10-10~~, C.R.S.;

12 (b) TWO MILLION DOLLARS OR SEVEN PERCENT OF THE MONEYS
13 SPECIFIED IN THIS SUBSECTION (2.5), WHICHEVER IS GREATER, TO THE
14 DEPARTMENT OF HUMAN SERVICES FOR USE BY BEHAVIORAL HEALTH
15 SERVICES FOR SUBSTANCE USE PREVENTION CONTRACTS PURSUANT TO
16 SECTION ~~§ 13-10-10~~, C.R.S.; AND

17 (c) SIX MILLION DOLLARS OR TWENTY-THREE PERCENT OF THE
18 MONEYS SPECIFIED IN THIS SUBSECTION (2.5), WHICHEVER IS GREATER, TO
19 THE DEPARTMENT OF HUMAN SERVICES FOR SUBSTANCE ABUSE
20 TREATMENT SERVICES FOR PEOPLE NOT ELIGIBLE FOR MEDICAID AND FOR
21 SERVICES NOT COVERED BY MEDICAID PURSUANT TO SECTION ~~§ 13-10-10~~, C.R.S.
22 <*Do you want to specify how the remaining moneys in the fund will be*
23 *allocated in this bill? If so, you will need to change the title to*
24 *encompass any additional programs.*>

25 (3) Any moneys in the fund not expended for the purposes
26 specified in ~~subsection (2)~~ SUBSECTIONS (2) AND (2.5) of this section may
27 be invested by the state treasurer as provided by law. All interest and

1 income derived from the investment and deposit of moneys in the fund
2 shall be credited to the fund. Any unexpended and unencumbered moneys
3 remaining in the fund at the end of a fiscal year remain in the fund and
4 shall not be credited or transferred to the general fund or another fund.
5 All interest and income derived from the investment and deposit of
6 moneys in the fund are subject to annual appropriation by the general
7 assembly for any fiscal year following the fiscal year in which they were
8 received by the state.

9 (4) The state treasurer shall make the following transfers from the
10 fund to the general fund:

11 (a) (I) On June 30, 2015, two million dollars for the purposes
12 specified in section 39-26-123 (6).

13 (II) This paragraph (a) is repealed, effective July 1, 2016.

14 (b) (I) On June 30, 2015, four million two hundred sixty thousand
15 dollars.

16 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2016.

17 (c) ON JUNE 30, 2015, AND ON EACH JUNE 30 THEREAFTER, TWO
18 MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS. <{*This is the money*
19 *for HCPF BHO program - it is currently appropriated from the general*
20 *fund and moneys from the marijuana tax cash fund back-fill the GF.*>

21 **SECTION 3. Repeal of provisions being relocated in this act.**

22 In Colorado Revised Statutes, **repeal** 25.5-1-206.

23 **SECTION 4. Appropriation.** (1) For the 2015-16 state fiscal
24 year, \$2,000,000 is appropriated to the department of health care policy
25 and financing. This appropriation is from the general fund and is subject
26 to the "(M)" notation as defined in the general appropriation act for the
27 same fiscal year. To implement this act, the department may use this

1 appropriation for community and school-based prevention and
2 intervention substance use disorder services to be provided by behavioral
3 health organizations.

4 (2) For the 2015-16 state fiscal year, the general assembly
5 anticipates that the department of health care policy and financing will
6 receive the sum of \$2,363,807 in federal funds for community and
7 school-based prevention and intervention substance use disorder services
8 to be provided by behavioral health organizations. The appropriation in
9 subsection (1) of this section is based on the assumption that the
10 department will receive this amount of federal funds, which is included
11 for informational purposes only.

12 (3) For the 2015-16 state fiscal year, \$2,000,000 is appropriated
13 to the department of human services. This appropriation is from the
14 marijuana tax cash fund created in section 39-28.8-501 (1), Colorado
15 Revised Statutes. To implement part 6 of article 1 of title 26, Colorado
16 Revised Statutes, as contained in section 1 of this act, the department may
17 use this appropriation as follows:

18 Behavioral health services, substance use treatment and
19 prevention, prevention and intervention

20 Prevention contracts \$2,000,000

21 (4) For the 2015-16 state fiscal year, \$6,000,000 is appropriated
22 to the department of human services. This appropriation is from the
23 marijuana tax cash fund created in section 39-28.8-501 (1), Colorado
24 Revised Statutes. To implement section 39-28.8-501 (2) (b) (XVI),
25 Colorado Revised Statutes, contained in section 2 of this act, the
26 department may use this appropriation as follows:

27 Behavioral health services, substance use treatment and

1 prevention, treatment services

2 Treatment and detoxification contracts \$6,000,000

3 **SECTION 5. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 6
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Commissioner Pace

LLS No. 15-0106.02/BILL 1 be amended as follows:

- 1 Amend LLS No. 15-0106.02/Bill 1, page 1, strike line 101 and substitute:
- 2 "CONCERNING MARIJUANA ISSUES THAT ARE NOT REGULATED BY
- 3 THE DEPARTMENT OF REVENUE."

** ** ** ** **

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 9
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Senator Aguilar

LLS No. 15-0106.02/BILL 1 be amended as follows:

- 1 Amend LLS No. 15-0106.02/Bill 1, page 3, strike lines 7 through 14.
- 2 Page 3, strike lines 15 through 27.
- 3 Page 4, strike lines 1 through 4.
- 4 Page 4, after line 4, insert:
 - 5 "SECTION 2. In Colorado Revised Statutes, 25-1.5-106, amend
 - 6 (3) (a) (VII); and add (3) (a) (IX) and (3) (a) (X) as follows:
 - 7 **25-1.5-106. Medical marijuana program - powers and duties**
 - 8 **of state health agency - rules - medical review board - medical**
 - 9 **marijuana program cash fund - subaccount - created - repeal. (3)**
 - 10 **Rule-making.** (a) The state health agency shall, pursuant to section 14
 - 11 of article XVIII of the state constitution, promulgate rules of
 - 12 administration concerning the implementation of the medical marijuana
 - 13 program that specifically govern the following:
 - 14 (VII) The manner in which the state health agency may consider
 - 15 adding debilitating medical conditions to the list of debilitating medical
 - 16 conditions contained in section 14 of article XVIII of the state
 - 17 constitution; and
 - 18 (IX) RECOMMENDATIONS TO THE COLORADO MEDICAL BOARD
 - 19 REGARDING GUIDELINES ON MEDICAL MARIJUANA RECOMMENDATIONS FOR
 - 20 NONMALIGNANT PAIN; AND
 - 21 (X) GUIDELINES FOR PRIMARY CAREGIVERS TO GIVE INFORMED
 - 22 CONSENT TO PATIENTS THAT PRODUCTS THEY CULTIVATE OR PRODUCE
 - 23 MAY CONTAIN CONTAMINANTS AND THAT THE THC LEVELS ARE NOT
 - 24 VERIFIED."
- 25 Page 4, strike line 6 and substitute:
 - 26 "(7) (e) as follows:"
- 27 Page 4, strike lines 21 through 27.
- 28 Page 5, strike lines 1 through 21.
- 29 Page 6, line 3, strike "TEN" and substitute "THIRTY".
- 30 Page 6, line 12, strike "SEVEN" and substitute "THIRTY".
- 31 Page 6, strike lines 15 through 21 and substitute:

1 "(C) IF A PERSON FAILS TO REGISTER PURSUANT TO
2 SUB-SUBPARAGRAPHS (A) AND (B) OF THIS SUBPARAGRAPH (I), THE STATE
3 HEALTH AGENCY AND THE STATE MEDICAL MARIJUANA LICENSING
4 AUTHORITY SHALL PROHIBIT THE PERSON FROM EVER REGISTERING AND
5 ACTING AS A PRIMARY CAREGIVER. THE PERSON SHALL BE SUBJECT TO ANY
6 CHARGEABLE CRIMINAL OFFENSES."

7 Page 7, line 1, strike "INFORMATION," and substitute "INFORMATION AS
8 ALLOWED BY THE FEDERAL "HEALTH INSURANCE PORTABILITY AND
9 ACCOUNTABILITY ACT OF 1996", PUB.L. 104-191.,".

10 Page 7, strike lines 6 through 10.

11 Renumber succeeding subparagraph accordingly.

** ** ** ** **

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 10
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Representative Dore

LLS No. 15-0106.02/BILL 1 be amended as follows:

1 Amend LLS No. 15-0106.02/Bill 1, page 4, line 6, strike "and (7) (e);"
2 and substitute "(7) (e), and (8) (a);".

3 Page 7, after line 18, insert:

4 **"(8) Patient - primary caregiver relationship.** (a) A person
5 shall be listed as a primary caregiver for no more than five patients on the
6 medical marijuana program registry at any given time. ~~except that the~~
7 ~~state health agency may allow a primary caregiver to serve more than five~~
8 ~~patients in exceptional circumstances. In determining whether exceptional~~
9 ~~circumstances exist, the state health agency may consider the proximity~~
10 ~~of medical marijuana centers to the patient.~~ A PRIMARY CAREGIVER MAY
11 NOT CULTIVATE MORE THAN SIX PLANTS FOR EACH PATIENT REGISTERED
12 TO THE CAREGIVER AT ANY GIVEN TIME. THE STATE HEALTH AGENCY
13 SHALL VERIFY THROUGH THE EXECUTIVE DIRECTOR OR HIS OR HER
14 DESIGNEE ALL MEDICALLY NECESSARY EXTENDED PLANT COUNTS. A
15 primary caregiver shall maintain a list of his or her patients including the
16 registry identification card number of each patient at all times."

** *** ** ** *

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 11
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Commissioner Pace

LLS No. 15-0106.02/BILL 1 be amended as follows:

- 1 Amend LLS No. 15-0106.02/Bill 1, page 8, after line 6, insert:
- 2 "SECTION 6. In Colorado Revised Statutes, 12-43.3-501, amend
- 3 (1) (b) as follows:
- 4 **12-43.3-501. Marijuana cash fund.** (1) (b) Moneys in the fund
- 5 are subject to annual appropriation by the general assembly to the
- 6 department of revenue for the direct and indirect costs associated with
- 7 implementing this article, article 43.4 of this title, and article 28.8 of title
- 8 39, C.R.S., AND FOR APPROPRIATION FOR THE IMPLEMENTATION OF
- 9 LEGISLATION APPROVED BY THE MARIJUANA REVENUES INTERIM
- 10 COMMITTEE IN THE 2014 INTERIM;"
- 11 Renumber succeeding section accordingly.

** ** ** ** **

LLS NO. 15-0106.02/BILL 1_AMENDMENT # 12
INTERIM COMMITTEE AMENDMENT
Marijuana Revenues Interim Committee

BY Senator Baumgardner

LLS No. 15-0106.02/BILL 1 be amended as follows:

- 1 Amend LLS No. 15-0106.02/Bill 1, page 7, strike lines 19 through 27.
- 2 Page 8, strike lines 1 through 6.
- 3 Renumber succeeding section accordingly.

** ** ** ** **

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
9.30.14

Preamend showing changes with amendment #9

Temporary storage location: S:\LLS\Staff\Michael(MJD)\MJREVCOMMITTEEPREAMEND.wpd

LLS NO. 15-0106.02 Michael Dohr x4347

INTERIM COMMITTEE BILL

Marijuana Revenues Interim Committee

BILL TOPIC: "Medical Marijuana"

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/bills/summaries>.)

Marijuana Revenues Interim Committee. The bill prohibits an existing medical marijuana licensee from transferring his or her marijuana inventory to a new retail marijuana license on and after July 1, 2016.

The bill requires the attorney general to appoint an attorney in the criminal enforcement section to serve as a special prosecutor for all medical marijuana crimes and gives the attorney general concurrent

jurisdiction with the appropriate district attorney over those crimes.

The bill requires the state health agency to promulgate rules regarding testing medical marijuana and medical marijuana products cultivated or produced by primary caregivers.

The bill requires all primary caregivers to register with the state health agency and the state medical marijuana licensing authority (licensing authority). Any primary caregiver who is not registered shall register within 7 days of being informed of the duty to register. Failure to register is a strict liability offense and is a level 2 or 3 drug felony or a level 1 drug misdemeanor depending on the number of plants.

The bill requires the licensing authority and the state health agency to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center.

The state health agency and the licensing authority shall provide information concerning each primary caregiver, including the number of plants the primary caregiver is authorized to cultivate, to the Colorado crime information center.

The bill allows local government to regulate medical marijuana cultivation by primary caregivers.

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; and

10 (c) The state imposes a higher tax rate on retail marijuana than on
11 medical marijuana, as well as an additional excise tax.

12 (2) 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 will be

1 deprived of valuable tax revenue.

2 (3) Now then, the general assembly hereby enacts the following
3 protections to ensure that access to the medical marijuana market is
4 limited to Colorado residents who have a physician's recommendation
5 that they have a debilitating medical condition that could benefit from the
6 use of medical marijuana.

7 _____
8 _____

9 SECTION 2. In Colorado Revised Statutes, 25-1.5-106, amend
10 (3) (a) (VII); and add (3) (a) (IX) and (3) (a) (X) as follows:

11 25-1.5-106. Medical marijuana program - powers and duties
12 of state health agency - rules - medical review board - medical
13 marijuana program cash fund - subaccount - created - repeal. (3)
14 Rule-making. (a) The state health agency shall, pursuant to section 14
15 of article XVIII of the state constitution, promulgate rules of
16 administration concerning the implementation of the medical marijuana
17 program that specifically govern the following:

18 (VII) The manner in which the state health agency may consider
19 adding debilitating medical conditions to the list of debilitating medical
20 conditions contained in section 14 of article XVIII of the state
21 constitution; and

22 (IX) RECOMMENDATIONS TO THE COLORADO MEDICAL BOARD
23 REGARDING GUIDELINES ON MEDICAL MARIJUANA RECOMMENDATIONS FOR
24 NONMALIGNANT PAIN; AND

25 (X) GUIDELINES FOR PRIMARY CAREGIVERS TO GIVE INFORMED
26 CONSENT TO PATIENTS THAT PRODUCTS THEY CULTIVATE OR PRODUCE
27 MAY CONTAIN CONTAINMENTS AND THE THC LEVELS ARE NOT VERIFIED.

1 SECTION 3. In Colorado Revised Statutes, 25-1.5-106, amend
2 (7) (e) as follows:

3 **25-1.5-106. Medical marijuana program - powers and duties**
4 **of state health agency - rules - medical review board - medical**
5 **marijuana program cash fund - subaccount - created - repeal.**

6 _____

7 (7) **Primary caregivers.** (e) (I) (A) A primary caregiver who
8 ~~cultivates medical marijuana for his or her patients shall register the~~
9 ~~location of his or her cultivation operation with THE STATE HEALTH~~
10 ~~AGENCY AND THE state medical marijuana licensing authority; and SHALL~~
11 ~~provide THE LOCATION OF ANY CULTIVATION OPERATION, the registration~~
12 ~~identification number of each patient, AND THE NUMBER OF PLANTS THAT~~
13 ~~THE CAREGIVER IS AUTHORIZED TO CULTIVATE TO THE STATE HEALTH~~
14 ~~AGENCY AND the state licensing authority; AND SHALL UPDATE THE~~
15 ~~REGISTRATION INFORMATION WITHIN THIRTY DAYS AFTER ANY OF THE~~
16 ~~INFORMATION CHANGES. THE STATE HEALTH AGENCY SHALL ISSUE A~~
17 ~~PRIMARY CAREGIVER REGISTRY CARD TO EACH PRIMARY CAREGIVER WHO~~
18 ~~REGISTERS. A PERSON MAY NOT REGISTER AS A PRIMARY CAREGIVER IF HE~~
19 ~~OR SHE IS LICENSED AS A MEDICAL MARIJUANA BUSINESS AS DESCRIBED IN~~
20 ~~PART 4 OF ARTICLE 43.3 OF TITLE 12, C.R.S., OR A RETAIL MARIJUANA~~
21 ~~BUSINESS AS DESCRIBED IN PART 4 OF ARTICLE 43.4 OF TITLE 12, C.R.S.~~

22 (B) A PRIMARY CAREGIVER WHO FAILS TO REGISTER WITH THE
23 STATE HEALTH AGENCY OR THE STATE LICENSING AUTHORITY SHALL
24 REGISTER WITH THE APPROPRIATE AGENCY WITHIN THIRTY DAYS OF BEING
25 INFORMED OF THE DUTY TO REGISTER BY LAW ENFORCEMENT, THE STATE
26 HEALTH AGENCY, OR THE STATE LICENSING AUTHORITY.

27 (C) IF A PERSON FAILS TO REGISTER PURSUANT TO SUB-

1 SUBPARAGRAPHS (A) AND (B) OF THIS SUBPARAGRAPH (I), THE STATE
2 HEALTH AGENCY AND THE STATE MEDICAL MARIJUANA LICENSING
3 AUTHORITY SHALL PROHIBIT THE PERSON FROM EVER REGISTERING AND
4 ACTING AS A PRIMARY CAREGIVER. THE PERSON SHALL BE SUBJECT TO ANY
5 CHARGEABLE CRIMINAL OFFENSES.

6 (D) IF A PRIMARY CAREGIVER IS CHARGED WITH FAILURE TO
7 REGISTER, A LAW ENFORCEMENT AGENCY SHALL NOT BE CIVILLY LIABLE
8 FOR THE LOSS OR DESTRUCTION OF THE PRIMARY CAREGIVER'S MEDICAL
9 MARIJUANA PLANTS.

10 (II) THE STATE HEALTH AGENCY AND THE STATE MEDICAL
11 MARIJUANA LICENSING AUTHORITY SHALL SHARE THE MINIMUM
12 NECESSARY INFORMATION, SUCH AS PATIENT AND CAREGIVER
13 IDENTIFICATION NUMBERS, TO ENSURE THAT A PATIENT DOES NOT HAVE
14 MORE THAN ONE PRIMARY CAREGIVER, OR HAVE BOTH A CAREGIVER AND
15 A MEDICAL MARIJUANA CENTER, CULTIVATING MEDICAL MARIJUANA ON
16 HIS OR HER BEHALF AT ANY GIVEN TIME.

17 (III) The information provided to the state medical marijuana
18 licensing authority AND THE COLORADO DEPARTMENT OF PUBLIC SAFETY
19 pursuant to this paragraph (e) shall not be provided to the public and shall
20 be IS confidential. The state licensing authority shall verify the location
21 of a primary caregiver cultivation operation to a local government or law
22 enforcement agency upon receiving an address-specific request for
23 verification. The location of the cultivation operation shall MUST comply
24 with all applicable local laws, rules, or regulations.

25 SECTION 2. In Colorado Revised Statutes, 29-20-104, amend
26 (1) (g) and (1) (h); and add (1) (i) as follows:

27 29-20-104. Powers of local governments. (1) Except as

1 expressly provided in section 29-20-104.5, the power and authority
2 granted by this section shall not limit any power or authority presently
3 exercised or previously granted. Each local government within its
4 respective jurisdiction has the authority to plan for and regulate the use
5 of land by:

6 (g) Regulating the use of land on the basis of the impact thereof
7 on the community or surrounding areas; and

8 (h) Otherwise planning for and regulating the use of land so as to
9 provide planned and orderly use of land and protection of the
10 environment in a manner consistent with constitutional rights; AND

11 (i) REGULATING MEDICAL MARIJUANA CULTIVATION BY PRIMARY
12 CAREGIVERS.

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.