



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1389

FINAL FISCAL NOTE

Drafting Number:	LLS 18-1218	Date:	August 9, 2018
Prime Sponsors:	Rep. Gray; Van Winkle Sen. Neville T.	Bill Status:	Signed into Law
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Bill Topic: CENTRALIZED MARIJUANA DISTRIBUTION PERMIT

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue (<i>potential, minimal</i>)	<input checked="" type="checkbox"/> TABOR Refund (<i>potential, minimal</i>)
	<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates a centralized marijuana distribution permit that allows a marijuana cultivation facility to temporarily store marijuana concentrate or marijuana products designated for transfer to the permit holder's medical marijuana center or retail marijuana store. It creates a potential, minimal ongoing state revenue and expenditure increase.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

This bill creates a centralized marijuana distribution permit that is available to optional premises cultivation facility licensees regulated by the medical marijuana code and retail marijuana cultivation facility licensees regulated by the retail marijuana code. The Marijuana Enforcement Division (MED) in the Department of Revenue (DOR) may issue a permit to these licensees which allows their facility to store up to 90 days marijuana concentrate or products designated for transfer to their commonly owned medical marijuana center or retail marijuana store. The products must be packaged and labeled for sale. Existing security, surveillance, and tracking requirements apply to activities conducted under this permit.

As part of the permit application process, the optional premises cultivation facility must send a copy of its application to the local licensing authority in addition to the application it sends to the MED. The MED must notify the local licensing authority of its decision regarding the permit.

Background and Assumptions

As of April 2018, there are currently 739 medical marijuana cultivators and 735 retail marijuana cultivators licensed by MED. These licensed cultivators are not currently permitted to store marijuana concentrate or products on-site.

Because the permit is designated for existing licensees, the fiscal note assumes that the MED will be able to accomplish related workload increases within existing appropriations using existing systems in place for these licensees.

State Revenue and TABOR Refund

If the MED charges a fee for the permit created by the bill, state revenue to the Marijuana Cash Fund will increase. The fee will be set administratively by the MED based on cash fund balance, estimated program costs (which are assumed to be minimal), and the number of licensees subject to the fee. Because the fiscal note assumes that the MED can accomplish the workload within existing appropriations, no fee amount has been estimated. This revenue is subject to TABOR.

State Expenditures

In FY 2018-19, the MED will promulgate rules to implement the bill. On an ongoing basis, it will regulate this permit. These workload increases can be accomplished within existing appropriations.

Effective Date

The bill was signed into law by the Governor and took effect on May 24, 2018.

State and Local Government Contacts

Counties	Information Technology	Law
Municipalities	Revenue	