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HB 19-1311

FISCAL NOTE

Drafting Number: LLS 19-1022
Prime Sponsors: Rep. Singer

Date: April 10, 2019
Bill Status: House Finance
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Bill Topic: INSTITUTE OF CANNABIS RESEARCH ROLE AND MISSION

- Summary of Fiscal Impact: State Revenue, State Expenditure (minimal), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill establishes the Institute of Cannabis Research and its role and mission in statute. The bill modifies institute workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

The bill establishes in statute the Institute of Cannabis Research at the Colorado State University (CSU) - Pueblo. The role and mission of the institute is to conduct research related to cannabis, including clinical research, studies related to the efficacy of medical marijuana, biotechnologies, and economic development associated with cannabis in Colorado. The results of the research must be publicly disseminated.

Governing board. The bill also creates a nine-member institute governing board and sets the procedures for the appointment of board members. The board must oversee the institute and its funding, approve the annual budget, and fund research through an open process. The board must advise any state institution of higher education seeking to develop a cannabis-related curriculum, and the Colorado Commission on Higher Education must seek input from the board before approving any cannabis-related degrees or certificates.

Director. The bill establishes provisions for the hiring of and responsibilities for the director of the institute. The director must submit an annual report containing specified information to the General Assembly. The governing board must also comment on the report and advise the General Assembly on the efficacy of the institute.

Research. The governing board may award research funds to any not-for-profit Colorado-based research entity, institution of higher education, and a research entity associated with the institution. Any entity that receives research funding from the institute must present its research results at the institute's annual symposium in the year after the research is completed.

**Funding.** Under current law, money from the Marijuana Tax Cash Fund (MTCF) may be appropriated to the CSU-Board of Governors for research related to marijuana and other matters that impact the state. The bill specifies that money appropriated to support the institute may be spent on institute personnel, to conduct research, hold an annual symposium, and for routine facility and administrative costs. The institute may seek, accept, and expend gifts, grants, and donations from private and public sources, as well as any fee revenue or revenue from the sale or license of intellectual property.

**Change in management.** The institute's host institution may opt out of managing the institute by providing at least one fiscal years notice to the board, the Joint Budget Committee, and the education committees of the General Assembly, and supporting the institute for one year while the board conducts a search for a not-for-profit research entity or institution of higher education to host the institute for at least five years.

## Background and Assumptions

Senate Bill 16-191 established the institute by providing funding to the CSU Board of Governors to fund scientific and social science research at CSU-Pueblo related to marijuana and other matters that impact the state and its regions. Currently, the institute has an executive director and is overseen by CSU-Pueblo. In FY 2017-18 and FY 2018-19, \$1.8 million was appropriated from the MTCF for the institute.

Because it is currently part of CSU-Pueblo, the fiscal note assumes that the institute can accept gifts, grants, donations, or other revenue under current law; as a result, there is no change in revenue as a result of the bill.

## State Expenditures

Beginning in FY 2019-20, the bill increases workload for the institute and may modify how the institute's current appropriation is spent. The institute director and new governing board will ensure that research and funding procedures and topics align with the bill's requirements, which may include modifying how current funding is used. Any expenditures associated with the governing board and director, or future costs associated with changing the institute's host institution, will be accomplished within the institute's current funding levels. No change in appropriations is required.

## Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

## State and Local Government Contacts

Higher Education      Public Health and Environment      Revenue