

# Marijuana

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| <b>Marijuana Revenue and Financial Services</b>   |  |   |
| <b>SB 14-215</b> (Enacted)<br><i>Disposition of Legal Marijuana<br/> Related Revenues</i>               | <b>SR 14-003</b> (Enacted)<br><i>Financial Services Marijuana<br/> Businesses</i>                          | <b>HB 14-1398</b> (Enacted)<br><i>Authorize Marijuana Financial<br/> Service Cooperatives</i>                       |
| <b>Medical Marijuana</b>  |  |   |
| <b>SB 14-155</b> (Enacted)<br><i>Medical Marijuana Health Effects<br/> Grant Program</i>                | <b>HB 14-1364</b> (Postponed Indefinitely)<br><i>Post-traumatic Stress Disorder<br/> Medical Marijuana</i> | <b>HB 14-1396</b> (Enacted)<br><i>Medical Marijuana Registry Access<br/> For Health Department<br/> Contractors</i> |
| <b>Retail Marijuana Products Regulation</b>   |  |   |
| <b>HB 14-1361</b> (Enacted)<br><i>Regulation of Marijuana<br/> Concentrates</i>                         | <b>HB 14-1366</b> (Enacted)<br><i>Sale of Edible Marijuana Products</i>                                    | <b>HB 14-1122</b> (Enacted)<br><i>Keep Legal Marijuana From Those<br/> Under 21</i>                                 |
| <b>Retail Marijuana Impacts and Licensing</b>   |  |   |
| <b>HB 14-1196</b> (Postponed Indefinitely)<br><i>Local Government Marijuana<br/> Impacts Task Force</i> | <b>HB 14-1209</b> (Postponed Indefinitely)<br><i>Marijuana Diversion Prevention<br/> Grant Program</i>     | <b>HB 14-1229</b> (Enacted)<br><i>Retail Marijuana Fingerprint Check<br/> Local Authority</i>                       |
| <b>Criminal Offenses</b>  |  |   |
| <b>SB 14-129</b> (Enacted)<br><i>Marijuana Criminal Provision<br/> Clean Up</i>                         | <b>SB 14-218</b> (Postponed Indefinitely)<br><i>Seal Marijuana Convictions Legal<br/> Amendment 64</i>     |   |
| <b>Industrial Hemp</b>  |  |   |
| <b>SB 14-184</b> (Enacted)<br><i>Oversight of the Industrial Hemp<br/> Program</i>                      |  |   |

In 2000, Colorado voters approved Amendment 20 legalizing medical marijuana. In November 2012, Colorado voters approved Amendment 64 legalizing recreational marijuana possession for adults. The measure also required the state to establish a regulatory structure for retail marijuana. On January 1, 2014, retail marijuana sales became legal, except where local governments prohibit retail marijuana sales. During the 2014 legislative session, the General Assembly considered bills about both medical and retail marijuana. The bills concerned appropriating marijuana tax revenues, regulating retail marijuana products, addressing retail marijuana impacts, and establishing standards for criminal offenses.

## Marijuana Revenue and Financial Services

Prior to the 2014 legislative session, the Marijuana Cash Fund (MCF) consisted of moneys from fees and taxes related to both medical and retail marijuana and the moneys in the MCF were appropriated to certain state departments for specific purposes. **Senate Bill 14-215** creates the Marijuana Tax Cash Fund (MTCF) for tax revenue collected in connection with the marijuana industry. All moneys attributable to fees will remain in the MCF and will continue to be deposited in the MCF. Funds in the MCF not attributable to licensing fees will be transferred to the MTCF on

July 1, 2014. Programs currently funded from the MCF in the Department of Law, Department of Public Health and Environment (CDPHE), Department of Public Safety (DPS), and the Department of Revenue (DOR) will now be funded from the MTCF. The bill appropriates funds from the MTCF to:

- create the School Health Professional Grant Program in the Department of Education;
- create the Office of Marijuana Coordination in the Governor's Office;
- fund two marijuana education and prevention campaigns conducted by the CDPHE;
- create the School-based Substance Abuse Prevention and Intervention Grant Program in the Department of Health Care Policy and Financing;
- expand the Tony Grampsas Youth Services Program in the Department of Human Services (DHS);
- study law enforcement's activity and costs related to the legalization of retail marijuana;
- coordinate the Executive Branch response to the legalization of retail marijuana;
- increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana;
- obtain health data through surveys or other means regarding marijuana and other drug use and monitor the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use;
- advance roadside impaired driving enforcement training and drug recognition expert training for peace officers;
- develop and implement marijuana education and prevention campaigns;
- provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado Mental Health Institute at Pueblo;
- increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children;
- fund community-based programs to provide marijuana prevention and intervention services to youth;
- fund local judicial district-based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- provide substance use disorder treatment services for adolescents and pregnant women; and
- provide child welfare training specific to issues arising from marijuana use and abuse in the DHS.

The bill also authorizes the Division of Criminal Justice in the DPS roll-forward spending authority for gathering data and studying law enforcement's activity and costs related to the implementation of retail marijuana.

Additionally, the Legislative Council Committee approved the Use of Recreational Marijuana Sales Tax Revenues Interim Study Committee. The interim study committee will examine the appropriation and prioritization of retail marijuana sales tax revenues; the impact of the retail sale of marijuana on underage use, substance abuse, and prevention measures; and best practices and evidence-based programs for addressing marijuana-related impacts. The interim study committee can meet up to four times during the 2014 interim.

**Senate Resolution 14-003** discusses current federal laws and regulations concerning financial services for marijuana and hemp businesses and identifies issues regarding banking services for these industries. The resolution states that Colorado cannot address these issues

because all financial institutions are interconnected through federal banking laws and regulations. The resolution recognizes that the best solution is comprehensive federal legislation to authorize banks and credit unions to serve legal marijuana and hemp businesses.

**House Bill 14-1398** allows for the creation and regulation of marijuana financial services cooperatives referred to as "cannabis credit co-ops," a new type of financial services entity with membership restricted to licensed marijuana businesses, industrial hemp business, or entities that provide goods and services to a licensed marijuana business. The act establishes requirements for the regulation of co-ops in a manner similar to credit unions with certain exceptions regarding compliance with federal financial laws. The co-ops are regulated by the Division of Financial Services in the Department of Regulatory Agencies. The regulation of the co-ops is repealed September 1, 2020. Prior to the repeal, the co-ops are subject to a sunset review.

## Medical Marijuana

**House Bill 14-1396** clarifies that the constitutional definition of "authorized employees of the state health agency" includes independent contractors and other agencies with whom the CDPHE contracts or works with under an intergovernmental agreement to provide services related to the administration of the medical marijuana program registry. The bill states that these independent contractors are not state employees for the purposes of state employee benefits, including Public Employees Retirement Association benefits. Additionally, the bill prohibits a primary caregiver from growing, selling, or processing marijuana for any person unless the person is a patient holding a current and valid registry identification card and the caregiver is identified on the medical marijuana registry as that patient's primary caregiver.

**Senate Bill 14-155** creates a grant program to fund scientific research on the use of marijuana and industrial hemp as a part of medical treatment. The State Board of Health will establish rules for the administration of the program based on criteria specified in the bill. The executive director of the CDPHE will appoint a scientific advisory council to provide policy guidance and scientific oversight and review. The Chief Medical Officer of the CDPHE will serve as chair of the council. The council will make recommendations for grant recipients, amounts, and duration to the CDPHE and the board. The board has the authority to approve or disapprove grant recommendations. The grant program must annually report to the board on the progress of the medical marijuana studies and address what diseases or conditions are being studied, the number of patients enrolled, and any scientifically valid preliminary findings. The Attorney General must seek authority from the federal government to permit Colorado institutions of higher education to contract with the National Institute of Drug Abuse to cultivate marijuana for use in research studies funded by the grant program.

**House Bill 14-1364**, which was postponed indefinitely, would have added post-traumatic stress disorder to the list of debilitating medical conditions that may be treated with medical marijuana.

## Retail Marijuana Products Regulation

Colorado law allows individuals who are 21 years old or older to purchase one ounce or less of marijuana. The law does not distinguish between an ounce of marijuana in dry plant or flower form from marijuana included in an edible marijuana or a concentrated form. **House Bill 14-1361** requires that by January 1, 2016, the DOR promulgate rules establishing the equivalency of one ounce of retail marijuana flower in various retail marijuana products including retail marijuana concentrate. The DOR may contract for a scientific study to determine such equivalency before

adopting the rules. The bill clarifies that a retail marijuana store may not sell more than one ounce of retail marijuana or its equivalent in retail marijuana products to a Colorado resident, or not more than a quarter ounce of retail marijuana or its equivalent in marijuana products to a nonresident.

**House Bill 14-1366** requires the DOR to convene a stakeholders group to make recommendations for rules on how edible retail marijuana products can be clearly identifiable. Before February 1, 2015, the DOR must report its findings to the Senate Health and Human Services Committee and the House Health, Insurance, and Environment Committee. The bill requires that on or before January 1, 2016, the DOR must adopt rules requiring that edible retail marijuana products be clearly identifiable, when practicable, with a standard symbol indicating that it contains marijuana and is not for consumption by children.

**House Bill 14-1122** requires that medical marijuana be sold in a container that meets the requirements established by the Marijuana Enforcement Division in the DOR. A retail marijuana store licensee or employee can confiscate fraudulent identification from a person under 21 years of age who is attempting to purchase retail marijuana. Also, a retail marijuana store licensee, employee, or law enforcement officer can detain and question a person who is under 21 years of age and is exhibiting fraudulent identification. The bill changes the classification of the crime for selling, or permitting the sale of, retail marijuana to a person under 21 from a class 2 to a class 1 misdemeanor.

## **Retail Marijuana Impacts and Licensing**

**House Bill 14-1229** makes changes to the retail marijuana licensing law to allow the DOR and local jurisdictions to submit fingerprints of a licensee to the Colorado Bureau of Investigation in the Department of Public Safety to conduct a criminal history background check. The DOR and local jurisdictions can also acquire a name-based criminal history check if the licensee's fingerprints are unclassifiable.

**House Bill 14-1196**, which was postponed indefinitely, would have created the 17-member Marijuana Impacts Task Force within the Department of Local Affairs. The task force would have studied the local government impacts related to the cultivation, testing, sale, consumption, and regulation of retail marijuana and retail marijuana products. The task force's membership would have included representatives of local and state governments, citizens of the community that supports the legalization of retail marijuana, and public defenders. The task force would have developed recommendations for implementation at the state or local level to help address impacts identified by the task force.

**House Bill 14-1209**, which was postponed indefinitely, would have created the Marijuana Diversion Prevention Grant Program. Certain law enforcement agencies would have been eligible to receive grants for efforts to prevent the diversion of retail marijuana outside of Colorado. The bill outlined the grant program review committee and development of a grant application.

## **Criminal Offenses**

**Senate Bill 14-129** modifies laws regarding the criminal penalties for offenses involving marijuana. The act adds consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol. A record of conviction for underage possession or consumption of alcohol or marijuana can be sealed upon dismissal of the case pursuant to a deferred judgement or upon the completion of substance abuse education, and payment of any fine. For a second or subsequent conviction, the record may be

sealed if the person has not been arrested for, charged with, or convicted of any felony, misdemeanor, or petty offense during the year following his or her conviction. In addition, this act makes changes to the open marijuana container crime to require that it be proven that the container has a broken seal, that the contents were partially removed, and that there is evidence that marijuana was consumed within the vehicle.

**Senate Bill 14-218**, which was postponed indefinitely, would have allowed anyone who was convicted of a marijuana offense, which would not have been an offense if Amendment 64 had been in effect, to petition that court to have the conviction sealed.

## **Industrial Hemp**

**Senate Bill 14-184** modifies the Industrial Hemp Registration Program, creates a seed certification program, and establishes an Industrial Hemp Research Grant Program. A cannabis seed certified for industrial use is defined as having no more than three-tenths of one percent of delta-9 tetrahydrocannabinol concentration. The Department of Agriculture began administering the Industrial Hemp Registration Program for industrial hemp growers in 2014. Under the original registration requirements, an industrial hemp grower needed to apply for registration prior to May 1 of the year in which the applicant planned to grow industrial hemp. This requirement is changed to anytime prior to planting the industrial hemp. The act also removes the 10-acre limitation for a person who holds a registration to grow industrial hemp for research and development purposes. The Industrial Hemp Research Grant Program provides funds to state institutions of higher education to conduct research on hemp for industrial applications.