



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 20-1080

# FINAL FISCAL NOTE

<b>Drafting Number:</b>	LLS 20-0549	<b>Date:</b>	August 13, 2020
<b>Prime Sponsors:</b>	Rep. Gray; Van Winkle Sen. Gonzales; Marble	<b>Bill Status:</b>	Signed into Law
		<b>Fiscal Analyst:</b>	Anna Gerstle   303-866-4375 Anna.Gerstle@state.co.us

**Bill Topic:** REMOVE RESIDENCY REQUIREMENT FOR MARIJUANA LICENSE

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill removes the residency requirement for managers and employees of marijuana businesses. The bill increases state revenue and workload by a minimal amount on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

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

## Summary of Legislation

Current law requires that all managers and employees of medical or retail marijuana businesses be residents of Colorado on the date of their license application. The bill removes this requirement.

## State Revenue

Beginning in FY 2020-21, the bill increases state cash fund revenue to the Marijuana Cash Fund in the Marijuana Enforcement Division (MED) in the Department of Revenue by a minimal amount. Fee revenue will increase as a result of applications for marijuana employee licenses from individuals who are not currently Colorado residents. The fee for a new employee license is \$100, and \$75 for a renewal. The number of new applications is unknown; however the increase in fee revenue is expected to be minimal. Fee revenue to Marijuana Cash Fund is subject to TABOR.

## State Expenditures

Beginning in FY 2020-21, the bill increases workload in the MED by a minimal amount to process additional applications for employee licenses. No data is available on the potential increase in applications from non-residents; however, for informational purposes, MED processes about 1,144 employee licenses per month, or 13,728 per year. A five percent increase in license applications would be an increase of 57 applications per month. No change in appropriations is required.

**TABOR refund.** Under the March 2020 Legislative Council Staff Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2020-21 or FY 2021-22, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers.

## Effective Date

The bill was signed into law by the Governor on March 24, 2020, and takes effect September 14, 2020, assuming no referendum petition is filed.

## State and Local Government Contacts

Counties	Law	Municipalities	Revenue
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