



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 23-0365
Prime Sponsors: Rep. Snyder

Date: January 16, 2023
Bill Status: House Finance
Fiscal Analyst: Clayton Mayfield | 303-866-5851
clayton.mayfield@coleg.gov

Bill Topic: **EMBARGO AND DESTROY MARIJUANA**

Summary of Fiscal Impact:

- | | |
|---|--|
| <input 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 allows the Department of Revenue to issue an administrative hold on regulated marijuana products, and to embargo and destroy non-compliant products. The bill may minimally increase state workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

The bill authorizes the Department of Revenue (DOR) to issue an administrative hold on the movement of regulated marijuana products pending an investigation. It also gives the DOR the authority to embargo marijuana products when required for the health, safety, or welfare of the public, and order the destruction of marijuana products after notice and a hearing opportunity is provided to a licensee. The DOR is required to promulgate rules covering embargo and destruction procedures and to seek assistance from the Colorado Department of Public Health and Environment (CDPHE).

Background

Currently, the DOR has rules in place to issue administrative holds and manages approximately 50 product safety cases per year.

State Expenditures

Beginning in FY 2023-24, the bill may increase workload for the DOR, as well as the Department of Law and CDPHE, based on the additional authority to embargo and destroy non-compliant marijuana products. This workload consists of rulemaking, as well as potential administrative hearings and destruction of marijuana. Based on the relatively low occurrence of product safety cases, this workload increase is expected to be minimal and absorbable within existing resources.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Information Technology	Law
Municipalities	Personnel	Public Health and Environment
Revenue		