

MEMORANDUM

TO: Joint Budget Committee

FROM: Scott Thompson, JBC Staff x4957

SUBJECT: Overview of decisions for marijuana programs funded with Marijuana Tax Cash Fund appropriations

DATE: March 17, 2016

The table on the following two pages summarizes all of the budget decisions the Joint Budget Committee has made through March 16, 2016 that appropriate Marijuana Tax Cash Fund revenues.

As a reminder, the Marijuana Tax Cash Fund receives revenue attributed to the 2.9 percent sales tax on retail and medical marijuana and the state-share of the 10 percent special sales tax. Money in the Marijuana Tax Cash Fund can only be appropriated in the year after the one in which they are collected, with the exception of appropriations to the Department of Revenue for enforcement activities. Section 39-28.8-501 (2) (b) (IV), C.R.S. outlines the permissible uses of the Marijuana Tax Cash Fund, which has been reproduced below.

39-28.8-501. Marijuana tax cash fund - creation - distribution - repeal.

(2) (a) (IV) Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any moneys in the fund for any fiscal year following the fiscal year in which they were received by the state for the following purposes:

- (A) To educate people about marijuana to prevent its illegal use or legal abuse;
- (B) To provide services for adolescents and school-aged children in school settings or through community-based organizations;
- (C) To treat people with any type of substance-abuse disorder, especially those with co-occurring disorders;
- (D) For jail-based and other behavioral health services for persons involved in the criminal justice system through the correctional treatment cash fund created in section 18-19-103 (4) (a), C.R.S.;
- (E) For state regulatory enforcement, policy coordination, or litigation defense costs related to retail or medical marijuana;
- (F) For law enforcement and law enforcement training, including any expenses for the police officers standards and training board training or certification;
- (G) For the promotion of public health, including poison control, prescription drug take-back programs, the creation of a marijuana laboratory testing reference library, and other public health services related to controlled substances;
- (H) To study the use of marijuana and other drugs, their health effects, and other social impacts related to them;
- (I) To research, regulate, study, and test industrial hemp or hemp seeds;
- (J) For the start-up expenses of the division of financial services related to the regulation of marijuana financial services cooperatives pursuant to article 33 of title 11, C.R.S., until the state commissioner of financial services first collects assessments on such cooperatives; and
- (K) Grants to local governments for documented retail marijuana impacts through the local government retail marijuana impact grant program created in section 24-32-117, C.R.S.

FY 2016-17 Marijuana Tax Cash Fund Summary			
	Department	Decision	Request
Remaining Previous Year Balance (could be appropriated in FY 2015-16 or later)		8,811,063	
FY 2015-16 Projected Revenue for FY 2016-17 Appropriation (December 2015 Leg Council Forecast)			
State Share of 10% Special Sales Tax		45,006,670	
Regular Sales Tax on Retail Marijuana		10,763,484	
Regular Sales Tax on Medical Marijuana		<u>14,891,540</u>	
Total FY 2015-16 Revenue to Marijuana Tax Cash Fund		70,661,694	
Less			
FY 2015-16 Appropriations from FY 2015-16 Revenue for Regulatory Enforcement	REV	7,967,735	
Final Marijuana Tax Cash Fund Revenue Available for FY 2016-17 Appropriation		71,505,022	
FY 2016-17 Request by Department			
Pesticide Control and Regulation	AGR	314,633	314,633
Colorado State Fair Authority: FFA and 4-H Programming	AGR	300,000	300,000
Hemp Regulatory and Seed Certification Support (SB 15-196)	AGR	269,562	269,562
Hemp Regulatory and Seed Certification (Operating Request)	AGR	270,433	349,810
Pesticide Laboratory Augmentation (Operating Request)	AGR	64,643	90,865
Pesticide Applicator Inspection Enforcement	AGR	1,209,954	1,734,935
Behavioral Health Treatment in Schools	EDU	2,280,833	2,281,147
School Bullying Prevention and Education Cash Fund	EDU	1,000,000	2,000,000
Student Re-engagement Grant Program Fund	EDU	2,000,000	2,000,000
Governor's Office of Marijuana Coordination	GOV	216,944	191,590
Marijuana Data Coordination (MTCF to Multiple Agencies RF to GOV)	GOV	0	1,109,625
SBIRT for Medicaid-eligible Individuals at Risk for Substance Abuse (Transfer to GF)	HCP	750,000	500,000
Tony Gramscas for the Prevention of Youth Marijuana Use	HUM	3,000,000	3,000,000
Mental Health (Circle Program)	HUM	1,852,824	1,850,643
Enhancement of SB 91-94 Programs that Fund Alternatives to Incarceration	HUM	2,000,000	2,000,000
Youth Mentoring Services Cash Fund	HUM	1,000,000	1,000,000
Supportive Employment for Substance Use Clients	HUM	0	500,000
Sober Living Homes	HUM	0	300,000
Treatment for Individuals Requiring Residential Treatment for Substance Use Disorders	HUM	6,000,000	4,726,272
Adult Jail Based Behavioral Health Services	JUD	1,550,000	1,550,000
Develop In-House Legal Expertise and Training	LAW	286,766	436,766
Local Law Enforcement Training for DUID through the POST Board	LAW	750,000	750,000
H.B. 15-1367 Local Government Marijuana Impact Program	LOC	180,695	146,819
Local Government Retail Marijuana Impact Grant Program	LOC	1,000,000	1,000,000
Ft. Lyon Transitional Housing and Supportive Services (JBC funded request with GF)	LOC	0	1,765,786
Study Health Effects of Marijuana (S.B. 13-283)	PUBHEA	320,388	320,388

FY 2016-17 Marijuana Tax Cash Fund Summary			
	Department	Decision	Request
Public Awareness Campaign	PUBHEA	4,650,000	4,650,000
Healthy Kids Colorado Survey	PUBHEA	745,124	781,789
Marijuana Lab Certification	PUBHEA	176,292	176,292
H.B. 15-1283 Marijuana Reference Library and Lab Testing	PUBHEA	23,850	56,998
Enhanced Marijuana Data Collection through Rocky Mountain Poison and Drug	PUBHEA	123,383	346,612
Health Survey Data Collection	PUBHEA	238,000	238,000
Trusted Adult Campaign	PUBHEA	925,000	2,375,000
Marijuana Lab Proficiency Testing	PUBHEA	47,330	72,000
Substance Abuse Prevention	PUBHEA	7,204,555	7,244,087
Retail Marijuana Health Research Grants	PUBHEA	343,622	2,490,875
S.B. 13-283 Data Collection and Analysis	PUBSAF	79,992	161,691
S.B. 15-014 Include Medical Marijuana Info in Law Enforcement Questionnaires	PUBSAF	61,940	61,940
Public Safety Intelligence Support	PUBSAF	56,998	56,998
Jail-based Survey on Homelessness	PUBSAF	0	75,000
Juvenile Diversion Programs	PUBSAF	400,000	400,000
Marijuana Impaired Driving Campaign	TRA	450,000	450,000
Impaired Driving Campaign	TRA	500,000	500,000
Total of Appropriations from MTCF acted on by JBC		<u>42,643,761</u>	
Required 6.5% Reserve		<u>4,647,826</u>	
Estimated Revenue Available for FY 2016-17 Appropriations		24,213,435	
Total Governor's Request			50,626,123
Difference between Request and Action		(7,982,362)	