

2018

Colorado Marijuana Handbook



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Section 1: Marijuana Law

Medical Marijuana

Coloradans initiated and approved a constitutional amendment, Amendment 20, to legalize medical marijuana in 2000.¹ Amendment 20 legalized the acquisition, use, possession, production, and transportation of medical marijuana for patients and caregivers by creating an affirmative defense to the state's criminal marijuana laws.

The state's Department of Public Health and Environment maintains the confidential medical marijuana patient registry. In order to make an application to be placed on the medical marijuana patient registry and to receive a registry identification card, a patient must reside in Colorado and possess written documentation from a licensed physician stating that the patient has been diagnosed with a debilitating medical condition and may benefit from the medical use of marijuana.

Medical marijuana may be used to treat the following debilitating medical conditions: cancer; glaucoma; HIV/AIDS; and chronic or debilitating diseases or medical conditions such as cachexia, severe pain, severe nausea, seizures, and persistent muscle spasms. The Department of Public Health and Environment may also approve other medical conditions that may be treated by medical marijuana. The state legislature added Post-Traumatic Stress Disorder to the list of approved medical conditions in 2017.

Once a patient receives a registry identification card from the department, a patient may designate one primary caregiver on the medical marijuana registry, and may update this designation regularly. The law defines a "primary caregiver" as a person who is 18 years of age or older who has significant responsibility for managing the well-being of the patient. Primary caregivers may be a parent, advising caregiver, transporting caregiver, or cultivating caregiver. Cultivating and transporting caregivers must register with the Marijuana Enforcement Division and may not serve as a caregiver for more than five patients.

Registry identification cards must be renewed annually. If a patient receives a diagnosis that his or her medical condition requiring medical marijuana is cured, the registry identification card must be returned to the department within 24 hours of receiving that diagnosis.

Patients may possess up to two ounces of a usable form of medical marijuana (including the seeds, leaves, buds, and flowers) and no more than six marijuana plants, with three or fewer being mature, flowering plants. However, patients and primary caregivers may claim that amounts in excess of this are medically necessary to address a patient's debilitating medical condition.

Patients may not engage in the medical use of marijuana in a way that endangers the health or well-being of any person or in plain view of, or in a place open to, the public. Employers are not required to accommodate the medical use of marijuana in the workplace, and health insurance providers are not required to provide reimbursement for the medical use of marijuana.

¹Colo. Const. art. XVIII, § 14.

The law specifies additional provisions for the medical use of marijuana for patients under the age of 18. These include requiring two physicians to provide a diagnosis of a debilitating medical condition and requiring at least one of these physicians to explain the possible risks and benefits of the medical use of marijuana to the patient and each of the patient's parents.

The Department of Public Health and Environment must maintain a marijuana laboratory testing reference library. This reference library must include a library of methodologies for marijuana testing in the areas of potency, homogeneity, contaminants, and solvents, and must make these materials available to the public.

Medical Marijuana Code. While the state legalized medical marijuana in 2000, medical marijuana business licensing and enforcement was not codified until 2010 when the Marijuana Enforcement Division in the Department of Revenue was created in law. A temporary statewide moratorium on new medical marijuana licenses was put in place to allow local governments to adopt a resolution or ordinance related to the licensing, regulation, or prohibition of the operation of licensed medical marijuana businesses in their jurisdiction.

Retail Marijuana

In 2012, Coloradans initiated and approved a constitutional amendment, Amendment 64, to legalize the use and possession of marijuana for recreational purposes (retail marijuana) for persons 21 years of age or older.²

Retail marijuana must be taxed and regulated in a manner similar to alcohol in several specific ways, including:

- requiring individuals to show proof of age before purchasing marijuana;
- prohibiting the sale of marijuana to minors;
- prohibiting driving under the influence of marijuana; and
- requiring that marijuana be sold by legitimate businesses and be labeled in a way that informs and protects consumers.

For persons 21 years of age or older in Colorado, the following acts are lawful:

- possessing, using, displaying, purchasing, or transporting up to one ounce of marijuana;
- growing no more than six marijuana plants in an enclosed and locked space, with three or fewer being mature, flowering plants;
- transferring up to one ounce of retail marijuana to another person who is 21 years of age or older without remuneration;
- consuming marijuana, though not openly, publicly, or in a manner that endangers others; and
- assisting another person who is 21 years of age or older with any of the above.

For Colorado retailers and manufacturers, the following acts are lawful:

- the manufacturing, possession, purchase, and sale of marijuana accessories;

²Colo. Const. art. XVIII, § 16.

- the lawful operation of licensed retail marijuana stores, including the purchasing of marijuana and marijuana products from marijuana cultivation facilities and marijuana product manufacturing facilities and the sale of marijuana and marijuana products to consumers;
- the lawful operation of licensed retail marijuana cultivation facilities, including the transfer of marijuana to a marijuana testing facility and the sale of marijuana to other licensed marijuana facilities;
- the lawful operation of licensed retail marijuana product manufacturing facilities, including the manufacturing of marijuana products (concentrated marijuana products and marijuana products that are comprised of marijuana, such as edibles, ointments, and tinctures), and the sale of these marijuana products to licensed retail marijuana stores; and
- the lawful operation of licensed retail marijuana testing facilities.

Local governments may not limit an individual's right to possess, grow, and use marijuana. A locality may enact ordinances or regulations governing various aspects of retail marijuana establishment operations, and may also prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or through an initiated or referred measure. Any initiated or referred measure to prohibit the operation of these establishments must appear on a general election ballot during an even-numbered year.

Additional constitutional provisions specify that:

- employers may have policies restricting the use of marijuana by employees and are not required to permit or accommodate employees' engagement with marijuana in the workplace;
- any person or entity that occupies, owns, or controls a property may prohibit or otherwise regulate the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property; and
- the Department of Revenue is required to manage marijuana licensing and enforcement statewide.

Amendment 64 Task Force. Governor John Hickenlooper created the Amendment 64 Task Force through Executive Order B 2012-004 in December 2012. The task force was directed to identify legal, policy, and procedural issues to be resolved; offer suggestions and proposals for legislative, regulatory and executive actions to be taken; and finish its work by the end of February 2013. The task force was co-chaired by the Governor's Chief Legal Counsel and the Executive Director of the Department of Revenue. Legislators, representatives of local government organizations, state department heads or their designees, and a variety of stakeholders served on the task force and its five working groups.

The task force made 58 recommendations in 17 categories, including: regulation and licensing; taxation and financing; operational and handling requirements; consumer safety; education and health; requests for federal assistance; and criminal law. The Task Force Report on the Implementation of Amendment 64: Regulation of Marijuana in Colorado is available [here](https://www.colorado.gov/pacific/sites/default/files/A64TaskForceFinalReport%5B1%5D_1.pdf).³

Joint Select Committee on Amendment 64. Following the work of the Amendment 64 Task Force, legislative leadership formed the Joint Select Committee on the Implementation of the Amendment 64 Task Force Recommendations. The ten-member committee held a series of ten meetings during the 2013 legislative session to consider the task force's recommendations and refer legislation to the

³https://www.colorado.gov/pacific/sites/default/files/A64TaskForceFinalReport%5B1%5D_1.pdf

General Assembly. At its conclusion, the committee voted to refer three separate bills to the 2013 General Assembly:

- *Senate Bill 13-283* included only recommendations passed unanimously by the committee;
- *House Bill 13-1317* included only recommendations met with majority approval by the committee; and
- *House Bill 13-1318* addressed the taxation component of Amendment 64.

These bills were signed into law by the Governor on May 28, 2013. A summary of all enacted marijuana legislation is provided in Appendix A.

Retail Marijuana Code. When retail marijuana was legalized in 2012, medical marijuana licensees in good standing were the first eligible to apply for retail marijuana licenses on or after October 1, 2013. These persons could either surrender their medical license and convert to a retail marijuana business, or maintain both license types with a physical separation between the licensed premises for each type. Those persons new to marijuana businesses were eligible to apply for licenses beginning July 1, 2014, for issuance on October 1, 2014.

Criminal Code

The following actions related to marijuana are punishable under state law. For more information about criminal penalties, please reference the Legislative Council Staff Crime Classification Guide.

- ***Introducing contraband in the first degree.*** It is a class 4 felony for any person to attempt to introduce a dangerous instrument, alcoholic beverage, controlled substance, or marijuana into a detention facility, or for any person who is confined in a detention facility to make any of these items.⁴
- ***Possession of contraband in the first degree.*** Any person confined in a detention facility who possesses an alcohol beverage, controlled substance, or marijuana commits a class 6 felony.⁵
- ***Unlawful use of marijuana in a detention facility.*** A person confined in a detention facility who possesses or uses marijuana commits a level 1 drug misdemeanor.⁶
- ***Illegal possession of marijuana or marijuana paraphernalia by an underage person.*** It is unlawful and an unclassified petty offense for a person under 21 years of age to possess one ounce or less of marijuana, to consume marijuana, or to possess marijuana paraphernalia.⁷
- ***Offenses related to marijuana and marijuana concentrate and underage persons.*** The sale, transfer, or dispensing of marijuana to a minor by an adult at least two years older than the minor is illegal. Depending on the amount of marijuana or marijuana concentrate involved, the level of offense ranges from a level 4 to a level 1 drug felony.⁸

⁴Section 18-8-203 (2), C.R.S.

⁵Section 18-8-204.1 (2), C.R.S.

⁶Section 18-18-406.5 (1), C.R.S.

⁷Section 18-13-122 (3)(b) and (3)(c), C.R.S.

⁸Section 18-18-406 (1), C.R.S.

- ***Offenses related to marijuana and marijuana concentrate, manufacturing.*** Except as otherwise authorized by law, it is a level 3 drug felony to knowingly process or manufacture any marijuana or marijuana concentrate or knowingly allow marijuana or marijuana concentrate to be processed or manufactured on land owned, occupied, or controlled by an unauthorized person.⁹
- ***Offenses related to marijuana and marijuana concentrate, sales and distribution.*** Except as otherwise authorized by law, it is unlawful to knowingly dispense, sell, distribute, or possess with intent to manufacture, dispense, sell, or distribute marijuana or marijuana concentrate; or attempt, induce, attempt to induce, or conspire with one or more other persons, to dispense, sell, distribute, or possess with intent to manufacture, dispense, sell, or distribute marijuana or marijuana concentrate. Depending on the amount of marijuana or marijuana concentrate involved, the level of offense ranges from a level 1 drug misdemeanor to a level 1 drug felony.¹⁰
- ***Offenses related to marijuana and marijuana concentrate, cultivation.*** It is unlawful for a person to knowingly cultivate, grow, or produce a marijuana plant or knowingly allow a marijuana plant to be cultivated, grown, or produced on land that the person owns, occupies, or controls. Depending on the number of marijuana plants involved, the level of offense ranges from a level 1 drug misdemeanor to a level 3 drug felony. (It is not a violation if the person is cultivating plants as allowed under the constitution in an enclosed and locked space.) There are additional requirements if recreational marijuana is being cultivated in a residence where persons under 21 years of age live.¹¹
- ***Offenses related to marijuana and marijuana concentrate, cultivation limits.*** Beginning January 1, 2018, no more than 12 marijuana plants may be cultivated, grown, or produced on or in a residential property except as otherwise authorized by law. Depending on the number of marijuana plants involved, the level of offense ranges from a level 1 drug petty offense to a level 3 drug felony.¹²
- ***Offenses related to marijuana and marijuana concentrate, possession.*** It is unlawful to possess marijuana above the limits specified in the constitution. Depending on the amount of marijuana in possession, the level of offense ranges from an unclassified drug petty offense to a level 4 drug felony.¹³
- ***Offenses related to marijuana and marijuana concentrate, consumption.*** It is unlawful to openly and publicly display, consume, or use marijuana or marijuana concentrate. Depending on the amount of marijuana involved, the level of offense ranges from an unclassified drug petty offense to a level 4 drug felony.¹⁴
- ***Offenses related to marijuana and marijuana concentrate, transfer.*** The transferring or dispensing of not more than two ounces of marijuana from one person to another for no consideration is an unclassified drug petty offense.¹⁵ The transferring of marijuana or marijuana

⁹Section 18-18-406 (2)(a), C.R.S.

¹⁰Section 18-18-406 (2)(b), C.R.S.

¹¹Section 18-18-406 (3), C.R.S.

¹²Section 18-18-406 (3)(a)(II), C.R.S.

¹³Section 18-18-406 (4) and (5)(a), C.R.S.

¹⁴Section 18-18-406 (5)(b), C.R.S.

¹⁵Section 18-18-406 (5)(c), C.R.S.

concentrate at no cost to a person if the transfer is in any way related to remuneration for any other services or product is a level 1 drug misdemeanor.¹⁶

- ***Unlawful acts related to medical marijuana, fraudulent medical condition.*** A person commits a class 1 misdemeanor by fraudulently representing a medical condition to a physician, the Department of Public Health and Environment, or a state or local law enforcement official for the purpose of falsely obtaining a marijuana registry identification card or for the purpose of avoiding arrest and prosecution for a marijuana-related offense.¹⁷
- ***Unlawful acts related to medical marijuana, fraudulent use of registry cards.*** The fraudulent use or theft of any person's marijuana registry identification card, including any card that is required to be returned to the Department of Public Health and Environment, is a class 1 misdemeanor.¹⁸
- ***Unlawful acts related to medical marijuana, counterfeit registry cards.*** The fraudulent production or counterfeiting of, or tampering with, one or more marijuana registry identification cards is a class 1 misdemeanor.¹⁹
- ***Unlawful acts related to medical marijuana, confidential records.*** Any person who releases or makes public any confidential record or any confidential information contained in any such record that is provided to or by the marijuana registry or primary caregiver registry without the written authorization of the marijuana registry patient commits a class 1 misdemeanor.²⁰
- ***Unlawful advertising of marijuana.*** Any person who knowingly advertises the unlawful sale of marijuana, marijuana concentrate, or marijuana-infused products commits a level 2 drug misdemeanor.²¹
- ***Extraction of marijuana concentrate.*** Unless licensed, any person who knowingly manufactures marijuana concentrate using an inherently hazardous substance, or knowingly allows marijuana concentrate to be manufactured using an inherently hazardous substance on a premises owned, managed, operated, or otherwise controlled by the person, commits a level 2 drug felony.²²
- ***Unlawful acts, licenses.*** It is a level 4 drug felony to dispense any marijuana or marijuana concentrate, except as otherwise permitted under provisions related to pharmacists.²³

¹⁶Section 18-18-406 (5.5), C.R.S.

¹⁷Section 18-18-406.3 (2), C.R.S.

¹⁸Section 18-18-406.3 (3), C.R.S.

¹⁹Section 18-18-406.3 (4), C.R.S.

²⁰Section 18-18-406.3 (5), C.R.S.

²¹Section 18-18-406.4, C.R.S.

²²Section 18-18-406.6, C.R.S.

²³Section 18-18-414 (3), C.R.S.

Driving Laws

Driving under the influence. Under Colorado law, drivers with five nanograms or more of delta 9-tetrahydrocannabinol (THC) per milliliter in whole blood can be prosecuted for driving under the influence (DUI) or driving while ability impaired (DWAI).²⁴

Open marijuana containers. Except as otherwise explicitly permitted, persons in a motor vehicle may not use or consume marijuana or have an open marijuana container in possession.²⁵

Where Marijuana Consumption is Permitted

The open and public consumption of marijuana is prohibited under Colorado law.²⁶ This prohibition applies regardless of the form in which the marijuana is consumed (smoking, eating, vaping, etc.). Any use of marijuana in a manner that endangers others is also prohibited. Examples of public places where marijuana may not be consumed include, but are not limited to, parks, sidewalks, ski resorts, concert venues, businesses, restaurants, bars, and common areas of apartment buildings or condominiums. Consumption of marijuana is also prohibited on federal land, including national parks and wilderness areas.

Marijuana may only be used on private property in a manner that is not open and public. Property owners may choose to restrict the ability of persons on their property to possess or consume marijuana.²⁷ For example, many hotels, apartments, rental properties, businesses, hospitals, and other entities ban the possession and/or consumption of marijuana on their property.

Local governments may also enact laws affecting where marijuana may be consumed. For example, in 2016, voters in Denver approved Initiative 300, which allows the city and county of Denver to issue permits for designated cannabis consumption areas.²⁸ Under this measure, businesses that meet certain criteria and receive a permit may operate a consumption area where persons over the age of 21 may consume marijuana products.

Marijuana-Related Studies

The Department of Public Health and Environment and the Department of Public Safety are required to perform marijuana-related studies funded by the Marijuana Tax Cash Fund. These studies are described below with links to the most recent findings.

Report on marijuana health effects. The General Assembly charged the Department of Public Health and Environment to appoint the Retail Marijuana Public Health Advisory Committee to monitor the health effects of marijuana and publish biennial reports.²⁹ The department presented the most recent

²⁴Section 42-4-1301 (6)(a)(IV), C.R.S.

²⁵Section 42-4-1305.5, C.R.S.

²⁶ Colo. Const., Art. XVIII, Section 16 (3).

²⁷ Colo. Const., Art. XVIII, Section 16 (6)(d).

²⁸<https://www.denvergov.org/content/dam/denvergov/Portals/723/documents/Social%20Consumption%20Rules%20FINAL%206-30-17.pdf>

²⁹Section 25-1.5-110, C.R.S.

report to the General Assembly on January 30, 2017. The report contains survey data from four population-based surveys, a scientific literature review, data from two primary public health datasets, and public health recommendations, and identifies research gaps. Beginning February 1, 2018, the department may also collect Colorado-specific data regarding adverse health events involving marijuana use from the all-payer claims database, hospital discharge data, and behavioral risk factors.

The report is available here: www.colorado.gov/pacific/cdphe/marijuana-health-report.

Study of law enforcement activity related to marijuana. The General Assembly tasked the Division of Criminal Justice in the Department of Public Safety with conducting a two-year scientific study of law enforcement activity related to the implementation of Amendment 64.³⁰ The division published its first report in March 2016.

The 2016 report is available here: cdpsdocs.state.co.us/ors/docs/reports/2016-SB13-283-Rpt.pdf.

The 2018 report is available here: cdpsdocs.state.co.us/ors/docs/reports/2018-SB-13-283_report.pdf.

Marijuana on School Property

Medical marijuana possession and administration by students. Students are prohibited from possessing or self-administering medical marijuana on school grounds, on a school bus, or at any school-sponsored event, with some exceptions. Instead, primary caregivers are allowed to possess and to administer medical marijuana in a non-smokeable form to a student on the grounds of the school in which the student is enrolled, on a school bus, or at a school-sponsored event. With permission from a parent, designated school personnel may administer medical marijuana to a student. Primary caregivers and designated school personnel are prohibited from administering the non-smokeable medical marijuana in a manner that creates disruption or causes exposure to other students, and they must remove any remaining medical marijuana from school property.³¹

Retail marijuana on school property. Colorado law requires school district boards of education to adopt appropriate policies and rules that mandate a prohibition against the use of all tobacco products and all retail marijuana or retail marijuana products on all school property by students, teachers, staff, and visitors.³²

Marijuana-Related Education Efforts

Marijuana Educational Oversight Committee and educational materials. Senate Bill 13-283 required the Governor to designate a state agency to establish an educational oversight committee composed of members with relevant experience in marijuana issues. The committee must develop and implement recommendations for education of all necessary stakeholders on issues related to marijuana use, cultivation, and any other relevant issues. The bill also required the Governor to designate a state agency to establish educational materials regarding appropriate retail marijuana use

³⁰Section 24-33.5-516, C.R.S.

³¹Section 22-1-119.3 (3)(c) and (3)(d), C.R.S.

³²Section 25-14-103.5 (3), C.R.S.

and prevention of marijuana use by those under 21 years of age. Executive Order D 2013-007 established the Governor's Office as the designated agency for these two initiatives.³³

Marijuana resource bank. Senate Bill 17-025 required the Department of Education, with assistance from the Department of Public Health and Environment and the Marijuana Educational Oversight Committee, to create and maintain a resource bank of evidence-based, research-based, and promising program materials and curricula pertaining to marijuana, which may be used in elementary and secondary schools.³⁴ The resource bank can be accessed here: www.cde.state.co.us/healthandwellness/marijuana.

Statewide marijuana education campaign. Senate Bill 14-215 required the Department of Public Health and Environment to develop, implement, and evaluate an ongoing statewide prevention and education campaign to address the long-term marijuana education needs in the state.³⁵ Through this effort, the department launched the Good to Know campaign, goodtoknowcolorado.com, and the colorado.gov/marijuana website.

Marijuana-Related Grant Programs

Behavioral Health Care Professional Matching Grant Program. Senate Bill 14-215 created the Behavioral Health Care Professional Matching Grant Program within the Department of Education.³⁶ The grant program is intended to provide funding to education providers to increase the presence of school health professionals and training and resources for school staff to provide substance abuse and prevention education and other behavioral health care to students. Grant applications are prioritized, in part, based on the local school and community data regarding marijuana and the number of marijuana establishments located within the boundaries of a school district.

Gray and Black Market Marijuana Enforcement Grant Program. House Bill 17-1221 created the Gray and Black Market Marijuana Enforcement Grant Program within the Colorado Department of Local Affairs.³⁷ The grant program is intended to award grants to local law enforcement agencies and district attorneys to cover investigation and prosecution costs associated with unlicensed marijuana cultivation or distribution operations conducted in violation of state law. The grant program is funded with money from the Marijuana Tax Cash Fund.

Medical Marijuana Health Research Grant Program. Senate Bill 14-155 created the Medical Marijuana Health Research Grant Program within the Colorado Department of Public Health and Environment.³⁸ The grant program is intended to fund research designed to ascertain the general medical efficacy and appropriate administration of marijuana and its component parts. The Medical Marijuana Scientific Advisory Council submits recommendations for research grants to the State Board of Health, which then approves or disapproves of grants submitted by the advisory council. The grant program is funded with money from the Health Research Subaccount in the Medical Marijuana Program Cash Fund.

³³Section 24-20-112 (4) and (5), C.R.S.

³⁴Section 22-2-127.7, C.R.S.

³⁵Section 25-3.5-1001, *et seq.*, C.R.S.

³⁶Section 22-96-103, C.R.S.

³⁷Section 24-32-119, C.R.S.

³⁸Section 25-1.5-106.5, C.R.S.

Information about the research grants that have been approved can be found here: <https://www.colorado.gov/pacific/cdphe/approved-medical-marijuana-research-grants>.

Retail Marijuana Impact Grant Program. House Bill 15-1367 created the Retail Marijuana Impact Grant Program within the Department of Local Affairs.³⁹ The grant program is intended to provide grants to eligible local governments that do not allow the sale of retail marijuana within their jurisdiction, but are experiencing the impacts of retail marijuana from surrounding communities or any illegal activity related to marijuana. The grant program is funded with money from the Marijuana Tax Cash Fund. This program was repealed in the 2018 legislative session.

School-based Substance Abuse Prevention and Intervention Grant Program. Senate Bill 14-215 created the School-based Substance Abuse Prevention and Intervention Grant Program within the Department of Health Care Policy and Financing.⁴⁰ The grant program is intended to award competitive grants to eligible entities to provide school-based prevention and intervention programs for youth 12 to 19 years of age primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse. Entities that are eligible to receive grants include schools, school districts, boards of cooperative services, nonprofits, not-for-profit community-based organizations, and community-based behavioral health organizations.

Institute of Cannabis Research, Colorado State University

Under Senate Bill 16-191, Colorado State University at Pueblo received \$900,000 from the Marijuana Tax Cash Fund to establish the Institute of Cannabis Research to advance knowledge and understanding concerning medical and retail marijuana. The institute hosts a multidisciplinary national cannabis conference emphasizing pure and applied academic research and technologies, publishes the peer reviewed multidisciplinary Journal of Cannabis Studies, and supports various cannabis-related research projects in the fields of neuroscience, chemistry, biology, psychology, political science, and business and economics. The institute also receives funding from Pueblo County for medical marijuana research and marijuana-related community impact studies. The institute's website is: www.csupueblo.edu/institute-of-cannabis-research/index.html.

Pesticides

Until recently, Colorado did not regulate pesticide use on cannabis, including marijuana and hemp. Such regulation is complicated by marijuana's illegal status under federal law and by the many ways in which marijuana can be consumed — inhaled, ingested, and topically applied.

The use of pesticides in Colorado is regulated under the Pesticide Applicator's Act, which is administered by the state's Department of Agriculture. In addition, the Environmental Protection Agency administers the Federal Insecticide, Fungicide, and Rodenticide Act, which requires that all pesticides distributed or sold in the United States must be registered by the Environmental Protection Agency. Because marijuana falls within the definition of a raw agricultural commodity, the Colorado

³⁹Section 24-32-117, C.R.S.

⁴⁰Section 25.5-1-206, C.R.S.

Food and Drug Act authorizes the Department of Public Health and Environment to deem a marijuana crop unsafe if the crop is contaminated with pesticides.

The Department of Agriculture has developed rules for determining which pesticides can be used on marijuana crops. Under these rules, the department has determined that less than 200 pesticides can be legally used on marijuana and maintains a list of these pesticides on its website.⁴¹ These products have not been tested to determine their health effects, and the department makes no assurances of their safety or effectiveness when used on marijuana. The department educates the marijuana industry on the safe and proper use of pesticides on marijuana crops.

Marijuana Testing Facilities

The Department of Public Health and Environment coordinates the inspection of retail marijuana testing facilities and determines whether testing facilities qualify for certification by the Marijuana Enforcement Division. The department also maintains a reference library to provide guidance to testing facilities on testing methodologies.

As of December 1, 2017, the Marijuana Enforcement Division has licensed 12 testing facilities for both medical and retail marijuana. Of these facilities, 11 are certified for potency and homogeneity testing, 9 for residual solvents contaminate testing, and 10 for microbial contaminate testing. In addition to listing which pesticides growers may use on marijuana and regulating pesticide use, the Department of Agriculture lab tests marijuana for pesticide residue and the presence of prohibited pesticides.

Beginning January 1, 2019, medical and retail marijuana testing facilities must be accredited pursuant to the *International Organization for Standardization/International Electrotechnical Commission 17025:2005* standard that stipulates general requirements for the competence of testing and calibration laboratories.

⁴¹<http://colorado.gov/pacific/agplants/pesticide-use-cannabis-production-information>

Section 2: Marijuana Licensing

Licensing Process

Medical and retail marijuana businesses must be licensed by both the state and local licensing authorities.

State licensing authority. The Marijuana Enforcement Division in the Department of Revenue is the designated state licensing authority, overseeing the licensing of medical and retail marijuana businesses. The division has the following functions:

- applications and licensing;
- hearings and enforcement;
- developing forms, licenses, identification cards, and applications as necessary;
- maintaining a seed-to-sale tracking system that tracks marijuana from the seed or immature plant stage to when it is sold to a customer, with an exception for marijuana transferred for research purposes;
- promulgating rules related to the operation of medical and retail marijuana businesses, including security requirements for licensed premises, labeling and packaging standards, and restrictions related to advertising by marijuana businesses; and
- annual reporting.

Local licensing authority. A local licensing authority is an authority designated by municipal or county charter, ordinance, or resolution, or the governing body of a municipality, city and county, or the board of county commissioners of a county if no such authority is designated. A local licensing authority may determine its own licensing requirements and forms, and must also consider the minimum licensing requirements set forth by the state. State law suggests considerations related to distance restrictions between licensed premises, premises size restrictions, and other requirements that ensure control of premises and ease of enforcement. Local governments may enact regulations based on local government zoning, health, safety, and public welfare laws that are more restrictive than state law.

Public hearing. For each new license, the local government may schedule a public hearing to take place within 30 days of the application date. If a hearing is scheduled, it must meet public notice requirements, both in publications and posted at the proposed location. If a public hearing is held, the local licensing authority must provide its findings to the applicant at least five days prior to the hearing.

Application investigation results and decision. A local licensing authority must approve or deny an application within 30 days after the public hearing, if applicable, or upon completion of the application investigation. Licensing decisions must be in writing and sent via certified mail. Once an application is approved, the license may not be issued until the building is ready for occupancy and has passed a premises inspection performed by either licensing authority (applicants are required to file plans and specifications for the interior of the building with their application). A license may be denied by either the state or local licensing authority.

Radius restrictions and impact on competition (only applies to medical marijuana businesses). Licensed medical marijuana businesses may not be located within 1,000 feet of a school; alcohol or drug treatment facility; the principal campus of a college, university, or seminary; or a residential childcare facility. The state and local licensing authorities may not approve an application for a second or additional medical marijuana business license for the same licensee or the same owner of another licensed medical marijuana business if the effect would restrain competition.

General Licensing Provisions

A separate license is required for each specific business or business entity and each geographical location.

License validity and renewal. Retail marijuana licenses are valid for a period of one year after the date of issuance unless revoked or suspended. Medical marijuana licenses are valid for a period not to exceed two years after the date of issuance unless revoked or suspended. The state or local licensing authority may revoke or elect not to renew any license if it determines that the licensed premises have been inactive, without good cause, for at least one year. The Marijuana Enforcement Division must notify licensees prior to an upcoming license expiration, and renewal applications must be submitted to the state and local licensing authorities prior to the date of expiration.

Limited access areas. Marijuana must be grown, cultivated, stored, weighed, displayed, packaged, sold, or possessed for sale in a limited access area of the licensed premises, with access limited to persons licensed by the Marijuana Enforcement Division and visitors escorted by these licensees.

Inspections. Licensed premises and transaction records are subject to inspection by the Marijuana Enforcement Division at any time during business hours. Transaction records must be kept for a period of three years.

Unlawful acts. Under the medical and retail marijuana codes, among other provisions, it is unlawful for:

- any person to consume marijuana in a licensed medical or retail marijuana establishment;
- any person to buy, sell, transfer, give away, or acquire marijuana except as permitted by the state constitution or statute;
- licensees to display signs that are inconsistent with local laws or regulations;
- licensees to use advertising that is misleading, deceptive, or false, or that is designed to appeal to minors;
- licensees to provide public premises for the purpose of consumption of marijuana; and
- medical marijuana licensees to sell medical marijuana to a person without a valid registry identification card.

Disciplinary actions. The Marijuana Enforcement Division has the authority to suspend or revoke a license after an investigation and public hearing. The statute outlines procedures and fine amounts, as well as the process for disposition of unauthorized marijuana or marijuana-infused products. All decisions made by the division or local licensing authority are subject to judicial review.

Licensee Requirements

Residency requirements. All managers and employees of a medical or retail marijuana establishment must be residents of Colorado upon the date of their license application.

Background check requirements. All owners, officers, managers, and employees of a medical or retail marijuana establishment must pass a fingerprint-based criminal history record check as required by the state licensing authority and obtain the required identification prior to being associated with, managing, owning, or working at the operation.

Persons prohibited as licensees. Among other criteria, the law prohibits medical and retail marijuana licenses from being issued to or held by:

- a person under 21 years of age;
- a person who is not of good moral character themselves or is financed by a person not of good moral character;
- a person who has discharged a sentence for a conviction of a felony in the five years immediately preceding his or her application date;
- a person who has discharged a sentence for a conviction of a felony related to the possession, distribution, manufacturing, cultivation, or use of a controlled substance in the 10 years immediately preceding his or her application date or 5 years from May 28, 2013, whichever is longer (though a license may be issued to a person with a state felony conviction based on possession or use of marijuana or marijuana concentrate that would not be a felony if the person were convicted of the offense on the date he or she applied for licensure);
- a sheriff, deputy sheriff, police officer, or prosecuting officer, or an officer or employee of the state licensing authority or a local licensing authority; or
- a publicly traded company.

In addition, medical marijuana licenses may not be issued to or held by a licensed physician making patient recommendations or by a person whose authority to be a primary caregiver has been revoked by the state health agency.

Business and owner requirements. All persons having a direct or indirect financial interest, and the extent of such interest, in any medical or retail marijuana license must be disclosed to the state licensing authority. There are two ownership categories: direct beneficial interest owners and indirect beneficial interest owners.

- **Direct beneficial interest owners.** A direct owner is a person or closely held business entity that has an ownership interest in a licensed marijuana business, including the officers, directors, managing members, or partners of the licensed marijuana business or closely held business entity, or a qualified limited passive investor (individuals who own less than a 5 percent share in a marijuana business). A licensed marijuana business can be comprised of an unlimited number of direct owners if all owners have been Colorado residents for at least one year prior to the date of the application. Businesses with any out-of-state owners are limited to 15 direct owners, though the Marijuana Enforcement Division may increase this limit.

- ***Indirect beneficial interest owner.*** The category of indirect owner includes permitted economic interest holders, royalty recipients, licensed employees who receive profit sharing, and qualified institutional investors. Qualified institutional investors may own up to 30 percent of a marijuana business and include banks, insurance companies, investment companies, investment advisers, collective trust funds, employee benefit plans, and pension funds.

Business License Types

Medical marijuana license types. Medical marijuana license types are described below. The number of licenses issued in each category as of December 2018 is shown in Table 1.

- ***Medical marijuana center license.*** These licenses may be issued to persons selling marijuana to medical marijuana patients. Medical marijuana centers may sell marijuana-infused products that are prepackaged and labeled in a way that clearly indicates that the product contains medical marijuana; that the product is manufactured without any regulatory oversight for health, safety, or efficacy; and that there may be health risks associated with the consumption or use of the product. Medical marijuana centers may sell immature plants (nonflowering and no taller than 8 inches) to patients, in an amount not exceeding half of the patient’s recommended plant count, as well as to primary caregivers, other medical marijuana centers, and medical marijuana-infused product manufacturers. A medical marijuana center may not purchase or sell more than 30 percent of its total on-hand inventory of medical marijuana from another licensed medical marijuana center in Colorado, though temporary waivers may be granted by the Marijuana Enforcement Division director.
- ***Optional premises cultivation license.*** These licenses may be issued to persons licensed as a medical marijuana center or medical marijuana-infused products manufacturer. This license allows the licensee to grow and cultivate medical marijuana at an additional Colorado licensed premises that may or may not be contiguous with the licensed premises of the medical marijuana center license or medical marijuana-infused products manufacturing license.
- ***Medical marijuana-infused products manufacturing license.*** These licenses may be issued to persons who manufacture medical marijuana-infused products. These licensees may cultivate their own medical marijuana with an optional premises cultivation license or purchase medical marijuana from a medical marijuana center. A medical marijuana-infused products manufacturer may not use medical marijuana from more than five different medical marijuana centers in the production of one medical marijuana-infused product. A medical marijuana-infused products manufacturer may sell its products to any licensed medical marijuana center. A medical marijuana-infused products manufacturer may not have more than 500 medical marijuana plants on its premises or at its optional premises cultivation operation, unless granted a waiver by the Marijuana Enforcement Division director. There are specific limitations related to medical marijuana-infused products manufacturers’ use or imitation of trademarked food products.
- ***Medical marijuana business operator license.*** These licenses may be issued to persons operating a licensed medical marijuana establishment, owners of such establishments, and those who receive a portion of the profits as compensation.

- **Medical marijuana occupational licenses and registrations.** These licenses and registrations are required for owners, managers, operators, employees, contractors, and other support staff employed by, working in, or having access to restricted areas of the licensed premises, as determined by the Marijuana Enforcement Division.
- **Marijuana research and development license.** These licenses may be issued to persons to possess marijuana for limited research purposes. These research purposes include: testing chemical potency and composition levels; conducting clinical investigations of marijuana-derived medicinal products; conducting research on the efficacy and safety of administering marijuana as part of medical treatment; conducting genomic, horticultural, or agricultural research; and conducting research on marijuana-affiliated products or systems. Research conducted with a public institution or with public money must be reviewed by the Colorado Medical Marijuana Scientific Advisory Council.
- **Marijuana research and development cultivation license.** These licenses may be issued to a person to grow, cultivate, possess, and transfer, by sale or donation, marijuana for limited research purposes. These purposes include: testing chemical potency and composition levels; conducting clinical investigations of marijuana-derived medicinal products; conducting research on the efficacy and safety of administering marijuana as part of medical treatment; conducting genomic, horticultural, or agricultural research; and conducting research on marijuana-affiliated products or systems. Research conducted with a public institution or with public money must be reviewed by the Colorado Medical Marijuana Scientific Advisory Council.
- **Medical marijuana testing facility license.** These licenses may be issued to persons who perform testing and research on medical marijuana for medical marijuana licensees. There are several limitations on interests that a medical marijuana testing facility licensee may have with other medical and retail licensees.
- **Medical marijuana transporter license.** These licenses may be issued to persons providing logistics, distribution, and storage of medical marijuana and medical marijuana-infused products for other medical marijuana licensees. These licensees may maintain a licensed premises for temporary storage needs.

Table 1
Number of Licensed Medical Marijuana Businesses
As of December 1, 2018

License Type	Amount
Medical Marijuana Centers	474
Medical Marijuana Cultivations	680
Medical Marijuana Infused Product Manufacturers	236
Medical Marijuana Business Operators	5
Medical Marijuana Research and Development Cultivation	1
Medical Marijuana Testing Facilities	11
Medical Marijuana Transport Businesses	10

Source: Marijuana Enforcement Division, Department of Revenue.

Retail marijuana license types. Retail marijuana license types are described below. The number of licenses issued in each category as of December 2018 is shown in Table 2.

- ***Retail marijuana store license.*** These licenses may be issued to persons selling retail marijuana or retail marijuana products. Licensees may only sell retail marijuana, retail marijuana products, marijuana accessories, nonconsumable products such as apparel, and marijuana-related products, such as childproof packaging containers. Licensees are prohibited from selling or giving away any consumable product, including cigarettes, alcohol, and edible products that do not contain marijuana. A licensee may sell its own marijuana with a retail marijuana cultivation facility license, or marijuana purchased from a licensed cultivator. A store may not sell more than one ounce of retail marijuana or its equivalent in retail marijuana products, not including nonedible, nonpsychoactive products, during a single transaction. Store employees must verify that a purchaser is 21 years of age or older with a valid identification card.
- ***Retail marijuana cultivation facility license.*** These licenses may be issued to persons who cultivate retail marijuana for sale and distribution to other retail marijuana licensees.
- ***Retail marijuana products manufacturing license.*** These licenses may be issued to persons who manufacture retail marijuana products. These licensees may cultivate their own marijuana by obtaining a retail marijuana cultivation facility license, or they may purchase retail marijuana from a licensed retail marijuana cultivation facility. There are specific limitations related to retail marijuana products manufacturers' use or imitation of trademarked food products.
- ***Retail marijuana business operator license.*** These licenses may be issued to persons operating a licensed retail marijuana establishment, owners of such establishments, and those who receive a portion of the profits as compensation.
- ***Retail marijuana occupational licenses and registrations.*** These licenses and registrations are required for owners, managers, operators, employees, contractors, and other support staff employed by, working in, or having access to restricted areas of the licensed premises, as determined by the Marijuana Enforcement Division.
- ***Retail marijuana testing facility license.*** These licenses may be issued to persons who perform testing and research on retail marijuana and industrial hemp. There are several limitations on interests that a medical marijuana testing facility licensee may have with other medical and retail licensees.
- ***Retail marijuana transporter license.*** These licenses may be issued to persons providing logistics, distribution, and storage of retail marijuana and retail marijuana products for other retail marijuana licensees. These licensees may maintain a licensed premises for temporary storage needs.

Table 2
Number of Licensed Retail Marijuana Businesses
As of December 1, 2018

License Type	Amount
Retail Marijuana Stores	550
Retail Marijuana Cultivations	732
Retail Marijuana Product Manufacturers	278
Retail Marijuana Business Operators	9
Retail Marijuana Research and Development Cultivation	0
Retail Marijuana Testing Facilities	11
Retail Marijuana Transport Businesses	13

Source: Marijuana Enforcement Division, Department of Revenue.

Sunset Review

In Colorado, a program subject to the sunset review process is set to repeal on a specific date unless the General Assembly affirmatively acts to extend it. Both the Medical Marijuana Code and the Retail Marijuana Code are subject to the sunset review process conducted by the Department of Regulatory Agencies. The first review for the Medical Marijuana Code is available at [Medical Marijuana Sunset 2014](#),⁴² and the first review for the Retail Marijuana Code is available at [Retail Marijuana Sunset 2015](#).⁴³ The repeal dates for both codes were set to coincide henceforth, beginning on September 1, 2019. A copy of the current sunset report is available at [Marijuana Sunset Reports 2018](#),⁴⁴ and these recommendations will be considered during the 2019 legislative session.

Local Ordinances

Colorado law allows local governments to prohibit the operation of medical and/or retail marijuana businesses within their jurisdiction.⁴⁵ Local governments may also enact ordinances regulating the operations of medical and retail marijuana businesses that are more restrictive than state law.

For information related to which local authorities allow the operation of medical and/or retail marijuana businesses, see Figure 1, which is also available on Legislative Council Staff's [website](#).⁴⁶

⁴²<https://drive.google.com/file/d/0B8bNvcf083ydTFpkdVRwdnhTazQ/view>

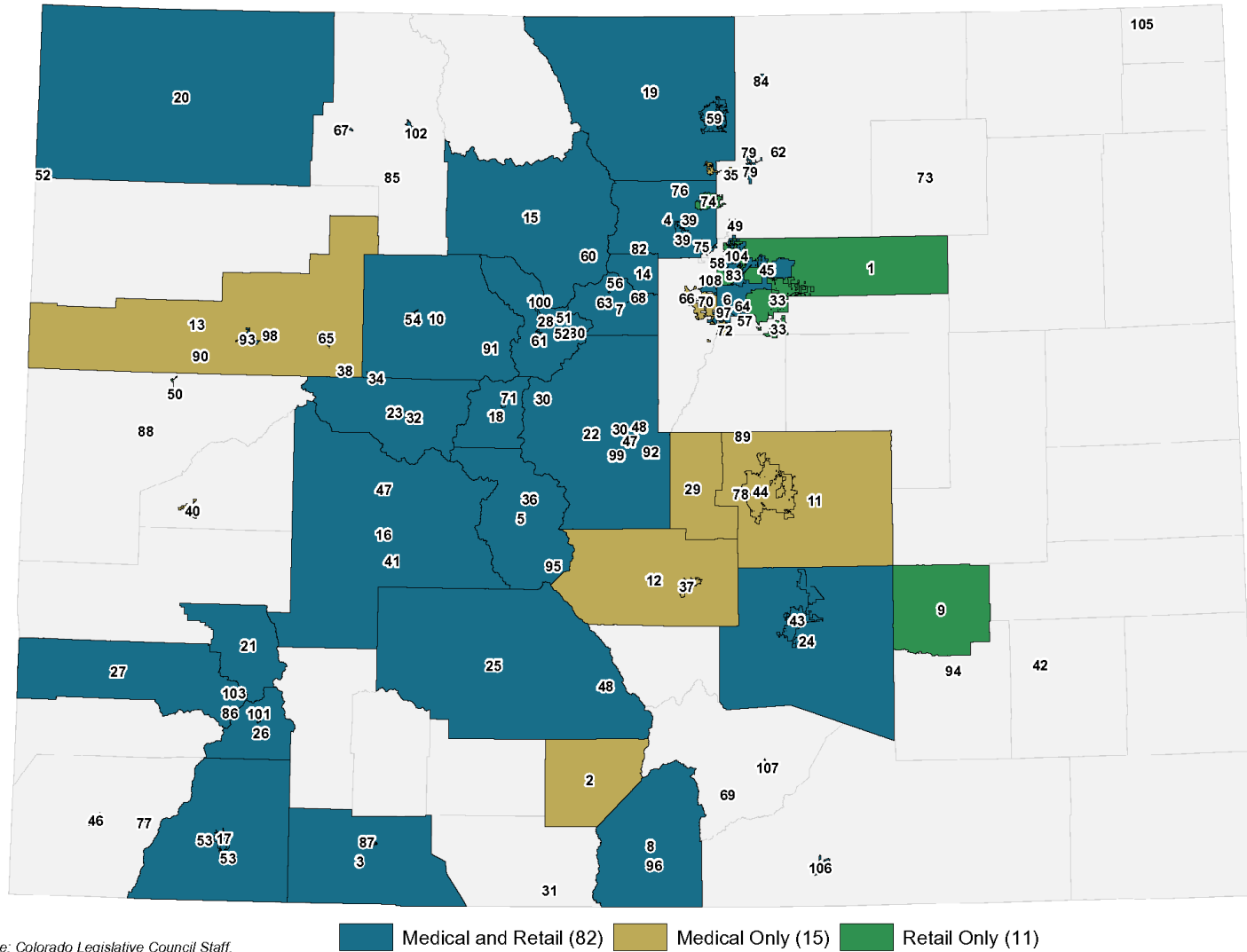
⁴³<https://drive.google.com/file/d/0B8bNvcf083ydSlh4NWtHTjFoa2s/view>

⁴⁴<https://drive.google.com/file/d/1QeSxD7cqil3L5mLulnWze2BsyYpCSQj/view>

⁴⁵Colo. Const. art. XVIII, § 16 (5)(f) and Section 44-11-106, C.R.S.

⁴⁶<http://coleg.maps.arcgis.com/apps/View/index.html?appid=12a59bd1b6814ea8aafe8f4aae0b1f3e>

Figure 1
Local Jurisdictions Where Medical and/or Retail Marijuana is Permitted
See Table 3 for information corresponding to labels



Source: Colorado Legislative Council Staff.
 Last updated on: November 15, 2018

Table 3
Local Jurisdictions Where Medical and/or Retail Marijuana is Permitted
As shown in Figure 1

Label	Jurisdiction	Marijuana Type	Label	Jurisdiction	Marijuana Type	Label	Jurisdiction	Marijuana Type
1	Adams County	Retail Only	37	Canon City	Medical and Retail	73	Town of Log Lane Village	Medical and Retail
2	Alamosa County	Medical Only	38	Town of Carbondale	Medical and Retail	74	City of Longmont	Retail Only
3	Archuleta County	Medical and Retail	39	City of Boulder	Medical and Retail	75	City of Louisville	Medical and Retail
4	Boulder County	Medical and Retail	40	City of Delta	Retail Only	76	Town of Lyons	Medical and Retail
5	Chaffee County	Medical and Retail	41	City of Gunnison	Medical and Retail	77	Town of Mancos	Medical and Retail
6	City & County of Denver	Medical and Retail	42	City of Las Animas	Medical and Retail	78	City of Manitou Springs	Medical and Retail
7	Clear Creek County	Medical and Retail	43	City of Pueblo	Medical and Retail	79	Town of Milliken	Medical and Retail
8	Costilla County	Medical and Retail	44	City of Colorado Springs	Medical and Retail	80	Town of Montezuma	Medical and Retail
9	Crowley County	Retail Only	45	City of Commerce City	Medical and Retail	81	Town of Mountain View	Medical and Retail
10	Eagle County	Medical and Retail	46	City of Cortez	Medical and Retail	82	Town Nederland	Medical and Retail
11	El Paso County	Medical Only	47	Town of Crested Butte	Medical and Retail	83	City of Northglenn	Medical and Retail
12	Fremont County	Medical Only	48	Town of Crestone	Retail Only	84	Town of Nunn	Medical and Retail
13	Garfield County	Medical Only	49	City of Dacono	Medical Only	85	Town of Oak Creek	Medical and Retail
14	Gilpin County	Medical and Retail	50	Town of De Beque	Retail Only	86	Town of Ophir	Medical and Retail
15	Grand County	Medical and Retail	51	Town of Dillon	Retail Only	87	Town of Pagosa Springs	Medical and Retail
16	Gunnison County	Medical and Retail	52	Town of Dinosaur	Medical and Retail	88	Town of Palisade	Medical and Retail
17	La Plata County	Medical and Retail	53	City of Durango	Medical and Retail	89	Town of Palmer Lake	Medical and Retail
18	Lake County	Medical and Retail	54	Town of Eagle	Medical and Retail	90	Town of Parachute	Medical and Retail
19	Larimer County	Medical and Retail	55	City of Edgewater	Medical and Retail	91	Town of Red Cliff	Medical and Retail
20	Moffat County	Medical and Retail	56	Town of Empire	Medical and Retail	92	Town of Ridgway	Medical and Retail
21	Ouray County	Medical and Retail	57	City of Englewood	Medical and Retail	93	City of Rifle	Medical and Retail
22	Park County	Medical and Retail	58	City of Federal Heights	Medical and Retail	94	City of Rocky Ford	Medical Only
23	Pitkin County	Medical and Retail	59	City of Fort Collins	Medical and Retail	95	City of Salida	Medical and Retail
24	Pueblo County	Medical and Retail	60	Town of Fraser	Medical and Retail	96	Town of San Luis	Medical and Retail
25	Saguache County	Medical and Retail	61	Town of Frisco	Medical and Retail	97	Town of Sheridan	Retail Only
26	San Juan County	Medical and Retail	62	Town of Garden City	Medical and Retail	98	Town of Silt	Retail Only
27	San Miguel County	Medical and Retail	63	Town of Georgetown	Medical and Retail	99	Town Silver Plume	Medical and Retail
28	Summit County	Medical and Retail	64	City of Glendale	Medical and Retail	100	Town of Silverthorne	Medical and Retail
29	Teller County	Medical Only	65	City of Glenwood Springs	Medical and Retail	101	Town of Silverton	Medical and Retail
30	Town of Alma	Medical and Retail	66	City of Golden	Medical Only	102	City of Steamboat Springs	Medical and Retail
31	Town of Antonito	Retail Only	67	Town of Hayden	Medical and Retail	103	Town of Telluride	Medical and Retail
32	City of Aspen	Medical and Retail	68	City of Idaho Springs	Medical and Retail	104	City of Thornton	Medical and Retail
33	City of Aurora	Retail Only	69	Town of La Veta	Medical and Retail	105	Town of Sedgwick	Medical and Retail
34	Town of Basalt	Medical and Retail	70	City of Lakewood	Medical and Retail	106	City of Trinidad	Medical and Retail
35	Town of Berthoud	Medical Only	71	City of Leadville	Medical and Retail	107	City of Walsenburg	Retail Only
36	Town of Buena Vista	Medical Only	72	City of Littleton	Medical and Retail	108	City of Wheat Ridge	Medical and Retail

Section 3: Marijuana in the State Budget

Marijuana-Related Cash Funds

The General Assembly has established three marijuana-related cash funds where marijuana-related fee revenue and a percentage of marijuana tax revenue are deposited.

Medical Marijuana Program Cash Fund. All medical marijuana program-related fees collected by the Department of Public Health and Environment are deposited into the Medical Marijuana Program Cash Fund. The moneys in this cash fund are subject to annual appropriation by the General Assembly to the Department of Public Health and Environment for the purpose of establishing, operating, and maintaining the medical marijuana program.⁴⁷

Marijuana Cash Fund. All fees and other moneys collected by the Department of Revenue pursuant to the Medical Marijuana Code and the Retail Marijuana Code are deposited into the Marijuana Cash Fund. The moneys in this cash fund are subject to annual appropriation by the General Assembly to the Department of Revenue for the direct and indirect costs associated with implementing the Medical Marijuana Code, the Retail Marijuana Code, and collecting taxes on marijuana and marijuana products as outlined in article 28.8 of title 39, C.R.S.⁴⁸

Marijuana Tax Cash Fund. Tax revenue collected from the regular state sales tax on medical marijuana and non-marijuana retail product sales and a portion of the tax revenue collected from the special sales tax on retail marijuana sales is deposited into the Marijuana Tax Cash Fund. With the exception of appropriations made to the Department of Revenue for the purpose of implementing the Medical Marijuana Code, the Retail Marijuana Code, and taxes on marijuana, the General Assembly may only appropriate moneys from the Marijuana Tax Cash Fund for the fiscal year after which they were received.⁴⁹

The General Assembly has identified specific purposes toward which moneys from the Marijuana Tax Cash Fund may be appropriated:

- *Education and youth services.* To educate people about marijuana to prevent its illegal use or legal abuse. To provide services for adolescents and school-aged children in school settings or through community-based organizations. For the expenses of the Department of Education and the Department of Public Health and Environment in developing and maintaining the resource bank for educational materials on marijuana and providing required technical assistance.
- *Mental health treatment and study of health impacts.* To treat and provide related services to people with any type of substance use or mental health disorder, including those with co-occurring disorders, or to evaluate the effectiveness and sufficiency of behavioral health services. To provide jail-based and other behavioral health services for persons involved in, or diverted from, the criminal justice system. To promote public health, including poison control,

⁴⁷Section 25-1.5-106 (16) and (17), C.R.S.

⁴⁸Section 44-11-501, C.R.S.

⁴⁹Section 39-28.8-501, C.R.S.

prescription drug take-back programs, the creation of a marijuana laboratory testing reference library, and other public health services related to controlled substances. To study the use of marijuana and other drugs, their health effects, and other social impacts.

- **Regulation and enforcement.** For state regulatory enforcement, policy coordination, or litigation defense costs related to retail or medical marijuana. For law enforcement and law enforcement training, including any expenses for the Police Officers Standards and Training Board training or certification.
- **Hemp research.** To research, regulate, study, and test industrial hemp or hemp seeds.
- **Marijuana banking.** For the start-up expenses of the Division of Financial Services related to the regulation of marijuana financial services cooperatives, until the state Commissioner of Financial Services first collects assessments on such cooperatives.
- **Local government grants.** To provide grants to local governments for documented retail marijuana impacts through the local government Retail Marijuana Impact Grant Program.
- **Veterans' services.** To benefit the Colorado Veterans' Service-to-Career Pilot Program.
- **Housing.** To provide housing, rental assistance, and supportive services, including reentry services, through the Housing Development Grant Fund or the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund.

Taxes on Marijuana

Three unique taxes apply differently to medical and retail marijuana. The state's 2.9 percent sales tax applies to medical marijuana only, and revenue from this tax is subject to the state's constitutional spending limit (TABOR).⁵⁰ Retail marijuana is subject to an excise tax of 15 percent and a special sales tax of 15 percent; these taxes are exempt from TABOR as voter-approved revenue increases. Figure 2 summarizes the taxes that apply to each type of marijuana.

Figure 2
Colorado Marijuana Taxes

	Medical Marijuana	Retail Marijuana
State Sales Tax (2.9%)	✓	
Special Sales Tax (15.0%)		✓
Excise Tax (15.0%)		✓

Note: Prior to July 1, 2017, retail marijuana was subject to the 2.9% sales tax and the excise tax rate was 10%.

⁵⁰Colo. Const. art. X, § 20.

Marijuana Tax Collections

Tax revenue from the marijuana industry totaled \$251.4 million in FY 2017-18. In FY 2018-19, total marijuana revenue is expected to increase 6.9 percent to \$268.7 million. The year-over-year change reflects a maturing marijuana industry with slower growth, as cultivators are able to produce the same amount of marijuana at lower costs. Table 3 shows the total actual and projected retail and medical marijuana tax revenue collections based on the most recent forecast estimates available.

Table 3
Total Colorado Marijuana Tax Revenue

Actuals (Per OSPB)			Legislative Council Staff Forecast		
FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
\$143,015,471	\$211,360,244	\$251,440,810	\$268,723,107	\$284,786,362	\$297,964,521

Source: Office of State Planning and Budgeting (OSPB) and Legislative Council Staff September 2018 Forecast.

Marijuana Tax Revenue Distribution Formulas

Marijuana tax revenue is distributed to four state cash funds, the General Fund, and local governments that allow the sale of retail marijuana based on formulas set in state law.

State sales tax on medical marijuana – 2.9 percent. All of the state sales tax revenue collected on sales of medical marijuana is deposited in the Marijuana Tax Cash Fund.⁵¹

Special sales tax on retail marijuana – 15 percent. Revenue from the special sales tax is divided between state and local governments, with 90 percent of collections deposited into the state General Fund, and 10 percent of collections distributed to local governments.

Starting in FY 2018-19, the state’s share, initially deposited in the state General Fund, has the following distribution:⁵²

- 15.56 percent is retained in the General Fund;
- 12.59 percent is deposited into the State Public School Fund; and
- 71.85 percent is deposited into the Marijuana Tax Cash Fund.

The 10 percent share to local governments is distributed in proportion to the geographic location of retail marijuana sales.⁵³

Excise tax on retail marijuana – 15 percent. The constitution dedicates the first \$40 million in excise tax revenue to school construction.⁵⁴ State statute requires that the greater of the first \$40 million or 90 percent of excise tax revenue each year is deposited into the Building Excellent Schools

⁵¹Section 39-28.8-501 (1), C.R.S.

⁵²Section 39-28.8-203, (1)(b)(1.5), C.R.S.

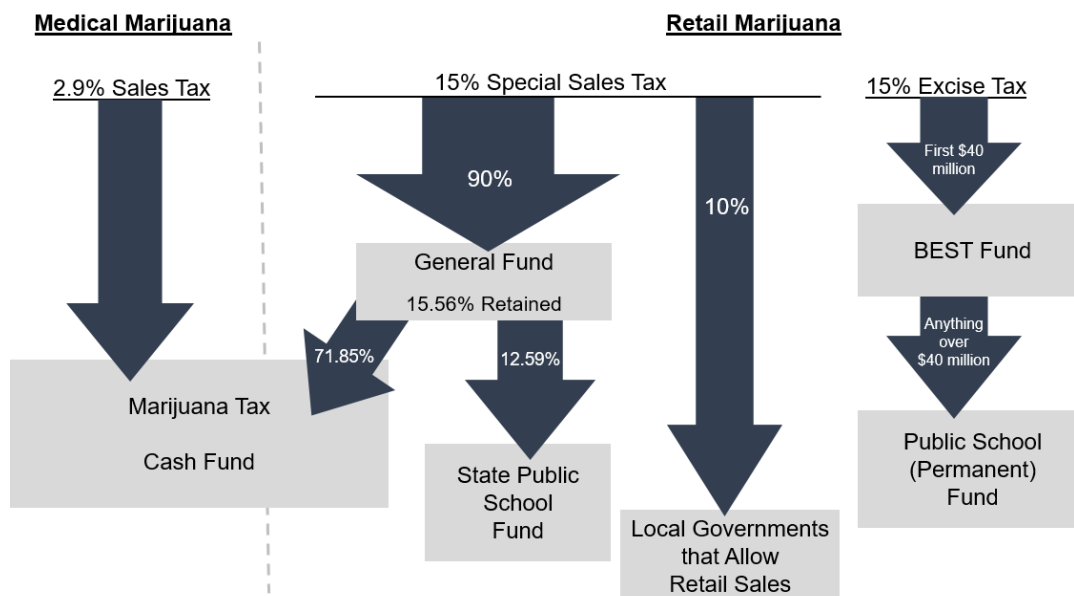
⁵³Section 39-28.8-203, (1)(a)(I), C.R.S.

⁵⁴Colo. Const. art. XVIII, §16 (5)(d).

Today (BEST) fund for school construction.⁵⁵ Any remaining excise tax revenue is deposited in the Public School Fund.⁵⁶

Figure 3 illustrates the distribution of marijuana tax revenue.

Figure 3
Distribution of Marijuana Tax Revenue
As of July 1, 2018



Use of Marijuana Tax Revenue

Marijuana tax revenue is deposited in five separate state funds and distributed to local governments that allow the sale of retail marijuana. Each of these funds has specific requirements on how marijuana tax revenue in the fund can be spent.

Marijuana Tax Cash Fund. Appropriations from the fund are limited to specific uses determined by the General Assembly, as detailed on page 23 of this handbook.⁵⁷ Funds were appropriated to 14 agencies in FY 2018-19 and totaled \$132.4 million.

General Fund. A portion of special sales tax revenue is retained in the state General Fund starting in FY 2017-18. In FY 2017-18, \$12.4 million was retained. The General Fund is used to fund most general government functions of the state.

State Public School Fund. State money used to finance the School Finance Act is deposited in the State Public School Fund. The \$30 million in marijuana revenue deposited in the fund in FY 2017-18 under Senate Bill 17-267 must be distributed to rural school districts. Marijuana tax revenue deposited in the fund in future years will either increase the revenue distributed to school districts and charter schools, or reduce the revenue needed from the General Fund to pay for K-12 education.

⁵⁵Section 39-28.8-305 (1)(a)(2), C.R.S.

⁵⁶Section 39-28.8-305 (1)(b), C.R.S.

⁵⁷Section 39-28.8-501 (2)(b)(IV), C.R.S.

Local governments. The 10 percent local government share of retail marijuana tax revenue is distributed proportionally to where the sales occur, meaning only local governments that allow sales of retail marijuana receive distribution of tax revenue. In FY 2017-18, the local government share totaled \$16.7 million in special sales tax revenue. Local governments are not limited in how they use their share of special sales tax revenue.

In addition to the local share of the state's special sales tax, local governments may collect their own tax revenue on the sale of marijuana. County and municipal sales taxes apply to retail and medical marijuana unless the local government specifically exempts them. Local governments may also levy a special sales tax or an excise tax on retail marijuana with voter approval.

Building Excellent Schools Today Fund. In 2008, the legislature adopted the Building Excellent Schools Today (BEST) Act.⁵⁸ The Department of Education Division of Public School Construction Assistance administers BEST. The BEST program provides public schools with money for capital construction projects with priority given to health and safety concerns, including new roofs and boilers, major renovations, and the construction of new schools. It is a competitive grant program available to all public school districts, charter schools, institute charter schools, boards of cooperative educational services, and the Colorado School for the Deaf and Blind. Grant applications are reviewed on a yearly cycle and recommended for funding by the Capital Construction Assistance Board. The board consists of nine appointed members who, in conjunction with division staff, review all grant applications for the current fiscal year.

Public School (Permanent) Fund. The Public School Fund, also known as the Permanent Fund or the Permanent School Fund, was created when Colorado became a state. The balance of the fund cannot be spent; however, the fund generates interest and other income which must be spent on schools in the state.⁵⁹ The largest source of revenue into the Permanent School Fund is from state public school land. This includes income from sales, rental and lease payments, and royalties from mineral extraction and the sale of timber. The Permanent School Fund received its first distribution of marijuana excise tax revenue in FY 2015-16, when excise tax revenue on retail marijuana exceeded \$40.0 million for the first time.

⁵⁸Section 22-43.7-101, *et seq.*, C.R.S.

⁵⁹Colo. Const. art. IX, § 3.

Section 4: Colorado Regulations

Code of Colorado Regulations

Department of Revenue. State law requires the Department of Revenue to promulgate a variety of rules related to the cultivation, manufacture, distribution, sale, and testing of marijuana, including, but not limited to:

- licensure requirements, including a required fingerprint-based criminal history record check;
- the establishment of an independent testing and certification program for marijuana products;
- licensed premises security requirements, including lighting, physical security, video, and alarm requirements;
- underage sale prevention;
- labeling requirements, including warnings, amount of THC per serving, servings per package, universal marijuana symbol, and product potency;
- health and safety regulations;
- limitations on the display of retail marijuana and marijuana products;
- enforcement procedures;
- penalty schedule;
- rules specific to certain license types and investors; and
- a statewide license class system and fee structure.

Department of Revenue regulations related to marijuana may be found in the following sections of the code:

1 CCR 201-18.	Department of Revenue Retail Marijuana Tax
1 CCR 212-1.	Department of Revenue Medical Marijuana Rules
1 CCR 212-2.	Department of Revenue Retail Marijuana Rules

Department of Public Health and Environment. Department of Public Health and Environment regulations related to marijuana may be found in the following sections of the code:

5 CCR 1006-2.	Department of Public Health and Environment Medical Use of Marijuana
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Department of Agriculture. Department of Agriculture regulations related to marijuana may be found in the following sections of the code:

8 CCR 1203-26.	Department of Agriculture Use of Pesticides in the Cultivation of Retail Marijuana
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The Code of Colorado Regulations is available on the Secretary of State's website at: www.sos.state.co.us/CCR/. The website includes rulemaking details for each state agency.

Section 5: Federal Law and Jurisdictional Issues

Under the federal Controlled Substances Act, "marihuana" is designated as a Schedule I drug.⁶⁰ Drugs, substances, and chemicals with a Schedule I designation are considered to have a high potential for abuse, have no currently accepted medical use in treatment in the United States, and lack accepted safety for use of the drug under medical supervision.

U.S. Department of Justice guidance. Under the Obama administration, the Department of Justice established guidelines for states that had legalized marijuana that endeavored to minimize federal enforcement of the Controlled Substances Act as it related to marijuana, as long as states established certain regulatory and law enforcement systems.

- *The Ogden Memo.* In 2009, the Department of Justice announced formal guidelines for federal prosecutors in states that enacted laws authorizing the use of marijuana for medical purposes. The Ogden Memo, named for Deputy Attorney General David Ogden who issued it, put a low priority on prosecuting those who buy and sell marijuana for medicinal purposes and opened the door for medical marijuana businesses to begin operations throughout Colorado and other states with legalized medical marijuana.
- *The Cole memos.* Deputy Attorney General James Cole released clarifications to the Ogden Memo to provide further guidance to states regarding federal enforcement. The first, in 2011, stated that the "Ogden Memorandum was never intended to shield such activities from federal enforcement action and prosecution, even where those activities purport to comply with state law."

Two years later, in what is known as the "Cole Memo," the Department of Justice again attempted to clarify how federal law enforcement would address legalized marijuana cultivation and use in Colorado and Washington State. The Cole Memo provided guidance to federal prosecutors for federal enforcement activity concerning marijuana and identified certain priorities, the violation of which could trigger federal enforcement action. The memo suggested states that legalize marijuana implement strong regulatory structures to prevent the following:

- distribution of marijuana to minors;
- revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- the diversion of marijuana from states where it is legal under state law in some form to other states;
- state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- violence and the use of firearms in the cultivation and distribution of marijuana;
- drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- marijuana possession or use on federal property.

Finally, in early 2014, a third memorandum from Deputy Attorney General Cole directed prosecutors to use the same regulatory priorities listed in the 2013 Cole Memo to determine

⁶⁰21 USC § 812 (c).

whether to take federal legal action against financial services companies that attempted to provide banking services to marijuana businesses.

- **The Sessions Memo.** In January of 2018, Attorney General Jeff Sessions rescinded all previous guidance regarding marijuana enforcement. The Sessions Memo directs federal prosecutors to use their own discretion in enforcing federal law in states where marijuana is legal for recreational or medical purposes.

Banking. According to the U.S. Treasury Department, nearly 400 banks and credit unions serve the marijuana industry nationwide. Because marijuana is illegal at the federal level, banks are at risk of federal action in response to a number of federal laws, including the Controlled Substances Act, Bank Secrecy Act, Anti-Money Laundering law, and the Know Your Customer doctrine.

The Financial Crimes Enforcement Network (FinCEN) in the U.S. Department of the Treasury oversees and implements policies to prevent and detect money laundering. In 2014, FinCEN issued guidance for financial institutions that provide services to marijuana-related businesses based on the priorities included in the now-rescinded Cole Memo. The guidance requires that financial institutions file suspicious activity reports (SARs) for marijuana businesses based on their compliance with state law and interference with Cole Memo priorities. Levels of SAR filings include:

- *Marijuana Limited SAR* – where a financial institution believes that a business is in compliance with state laws and is not interfering with any of the Cole Memo priorities;
- *Marijuana Priority SAR* – where a financial institution believes that a business is violating state law or interfering with one or more of the Cole Memo priorities; and
- *Marijuana Termination SAR* – where a financial institution deems it necessary to terminate its relationship with a business to maintain an effective anti-money laundering compliance program.

Banks that are willing to serve marijuana businesses can charge high fees to cover the additional monitoring required for those accounts. As of this writing, this guidance is still in effect but does not have the force of law, and the current administration can withdraw the guidance at any time.

Taxing issues – Section 280E. Section 280E of the Internal Revenue Code prohibits businesses from subtracting business expenses to calculate taxable income if the business consists of trafficking in controlled substances. Because marijuana is a Schedule I controlled substance, the federal Internal Revenue Service applies this section to legal marijuana businesses. Congress created section 280E in 1982 to prevent drug dealers from deducting business expenses from their income trafficking controlled substances. Because of the application of 280E, marijuana businesses are subject to a significantly higher effective tax rate than similar non-marijuana businesses. Colorado law allows marijuana businesses to deduct certain business expenses from their state income taxes that are disallowed on federal returns by Section 280E.

Marijuana research. Due to marijuana’s classification as a Schedule I controlled substance, scientific researchers are required to follow specific procedures outlined in federal laws and regulations in order to conduct research involving marijuana. This includes applying for and obtaining registration from a variety of federal agencies, including the Drug Enforcement Administration and the Food and Drug Administration.⁶¹

⁶¹21 C.F.R. 1301.18.

Marijuana used for scientific research must be obtained by a grower licensed by the Drug Enforcement Agency. Currently, the National Institute on Drug Abuse is the only entity licensed by the Drug Enforcement Agency as a marijuana grower. Researchers must apply with the institute to obtain marijuana for specific research purposes through its Drug Supply Program.

The National Institute on Drug Abuse currently contracts with the University of Mississippi to grow marijuana for use in research studies. Both entities are registered by the Drug Enforcement Agency under the U.S. Controlled Substances Act, which requires every person who manufactures or distributes any controlled substance, including marijuana, to be registered annually.⁶² On August 12, 2016, the Drug Enforcement Agency adopted a new policy indicating that additional marijuana growers may apply to become registered marijuana growers and suppliers of marijuana for research purposes.⁶³ However, to date, no additional marijuana growers have been registered by the agency.

⁶²21 U.S.C. 822.

⁶³<http://federalregister.gov/a/2016-17955>.

Section 6: Additional Resources

Legislative Council Staff publications:

- Colorado Marijuana Home Cultivation Laws, *Issue Brief*, January 2018:
<http://leg.colorado.gov/publications/colorado-marijuana-home-cultivation-laws>
- Marijuana Revenue in the State Budget, *Interested Persons Memorandum*, November 2017:
<http://leg.colorado.gov/publications/marijuana-revenue-state-budget>
- Marijuana Regulation in Colorado, *Issue Brief*, December 2016:
<http://leg.colorado.gov/publications/marijuana-regulation-colorado-2016>

Office of Legislative Legal Services publications:

- Retail Marijuana, September 2018:
<https://leg.colorado.gov/sites/default/files/retail-marijuana.pdf>

Joint Budget Committee Staff publications:

- Marijuana Policy Overview, FY 2019-20:
http://leg.colorado.gov/sites/default/files/fy2019-20_marbrf.pdf

State of Colorado resources:

- Official state website on the laws and health effects of retail marijuana:
www.colorado.gov/marijuana

Appendix A
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2000	Amendment 20 Medical Use of Marijuana	<ul style="list-style-type: none"> • Allowed patients diagnosed with a serious or chronic illness and their caregivers to legally grow and possess marijuana for medical purposes. • Defined debilitating medical conditions for which patients may use medical marijuana. • Established an affirmative defense for patients, physicians, and caregivers charged with violating marijuana laws. • Allowed a doctor to legally provide a seriously or chronically ill patient with a written statement that the patient might benefit from medical use of marijuana. • Directed the Department of Public Health and Environment to establish a confidential state registry of patients and their caregivers who are permitted to possess marijuana for medical purposes. • Established limits to the lawful use and possession of marijuana for medical purposes. • Prohibited the public use of medical marijuana. • Restricted medical use of marijuana to patients 18 and over except in certain circumstances. • Specified that an employer does not need to accommodate the use of medical marijuana in the workplace and that health insurance companies are not required to pay for medical marijuana.
2001	HB 01-1371 Restrictions on Medical Marijuana	<ul style="list-style-type: none"> • Enacted Amendment 20. • Established penalties for fraudulent representation of a medical condition, use or production of counterfeit medical marijuana cards, or theft of marijuana cards. • Outlined requirements for medical marijuana cards. • Directed the Department of Public Health and Environment to promulgate rules regarding the addition of debilitating medical conditions.
2010	HB 10-1284 Medical Marijuana Regulations	<ul style="list-style-type: none"> • Created the Medical Marijuana Code in state statute, which established the Medical Marijuana Enforcement Division in the Department of Revenue. • Directed the division to promulgate rules for the regulation and control of the cultivation, manufacture, distribution, and sale of medical marijuana. • Specified the responsibilities of state and local licensing authorities and identified individuals prohibited from holding a medical marijuana license. • Further defined caregiver and the patient caregiver relationship and imposed limitations on caregivers including the number of patients one can care for. • Created the Medical Marijuana Licensing Cash Fund. • Directed the Department of Regulatory Agencies to conduct a sunset review of the medical marijuana program prior to the program's repeal date of July 1, 2015.
	SB 10-109 Medical Marijuana Doctor Patient Relations	<ul style="list-style-type: none"> • Addressed the role of physicians in certifying that an individual may benefit from medical marijuana and clarified the responsibilities of the Department of Public Health and Environment regarding the medical marijuana registry. • Defined bona fide physician-patient relationship for purposes of obtaining medical marijuana.
2011	HB 11-1043 Medical Marijuana	<ul style="list-style-type: none"> • Extended the moratorium on new marijuana businesses until June 30, 2012, and narrowed the two-year residency requirement to owners. • Required marijuana testing.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2011 (cont.)	HB 11-1043 Medical Marijuana (cont.)	<ul style="list-style-type: none"> • Created provisions for the seizure and destruction of medical marijuana. • Limited medical marijuana-infused products manufacturers to 500 plants unless granted a waiver. • Required primary caregivers who cultivate medical marijuana for their patients to register their cultivation sites. • Allowed medical marijuana centers to sell at a reduced cost or donate medical marijuana to indigent patients and to sell up to six immature plants to a patient. • Allowed patients to purchase medical marijuana prior to receiving a registry card by presenting an application and photo identification in lieu of the registry card.
	HB 11-1250 No Medical Marijuana Ingestible Products	<ul style="list-style-type: none"> • Required the Department of Revenue to promulgate rules requiring special packaging and labeling for medical marijuana-infused products. • Specifically required packaging to be significantly difficult for children under the age of five to open and to not allow the product to be seen through the packaging material.
2012	Amendment 64 Use and Regulation of Marijuana	<ul style="list-style-type: none"> • Regulated the growth, manufacture, and sale of marijuana in a system of licensed establishments overseen by state and local governments. • Allowed individuals who are 21 years old or older to possess, use, display, purchase, transport, and transfer — to individuals who are 21 years old or older — one ounce of less of marijuana. • Allowed individuals who are 21 years old or older to possess, grow, process, and transport up to six marijuana plants, with certain restrictions. • Required the state legislature to enact an excise tax on marijuana sales, of which the first \$40 million in revenue raised annually is credited to a state fund used for constructing public schools; the excise tax was required to be approved by a separate statewide vote (see Proposition AA). • Required the state legislature to enact legislation concerning the growth, processing, and sale of industrial hemp.
2013	HB 13-1042 State Income Tax Deduction Disallowed by IRC 280E	<ul style="list-style-type: none"> • Allowed state-licensed medical marijuana businesses to claim a state income tax deduction for business expenses that are otherwise eligible to be claimed as a federal income tax deduction but are disallowed by Section 280E of the Internal Revenue Code, such as rent and personnel costs. • Did not include retail marijuana businesses.
	HB 13-1061 Responsible Medical Marijuana Vendor	<ul style="list-style-type: none"> • Created the Responsible Medical Marijuana Vendor Server and Seller Designation for licensed medical marijuana businesses, and set standards for a training program for achieving the designation.
	HB 13-1238 Transfer Funds for Medical Marijuana Enforcement	<ul style="list-style-type: none"> • Allowed the Marijuana Enforcement Division to conditionally issue a license to a medical marijuana business prior to it being issued a local license on the condition that the business receives its local license within one year. If the local licensing authority denies an application, the conditional license expires and may not be renewed. • Applied only to medical marijuana businesses operating prior to July 1, 2010. • Required state and local licensing authorities to post on their websites annually about the number of medical marijuana applications received, licenses granted, applications denied or withdrawn, and results of enforcement efforts.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2013 (cont.)	HB 13-1317 Implement Amendment 64 Majority Recommendation	<ul style="list-style-type: none"> • Created the Retail Marijuana Code. • Renamed the Medical Marijuana Enforcement Division the Marijuana Enforcement Division and gave it the authority to regulate both medical and retail marijuana. • Created a regulatory system for retail marijuana under which existing medical marijuana businesses have the option to convert to retail or to operate both medical and retail businesses. • Required vertical integration of licensees until September 30, 2014, meaning that a retail marijuana store could only sell marijuana grown in its own retail marijuana cultivation facility, with some exceptions. Beginning October 1, 2014, a licensed retail marijuana store or products manufacturer could grow its marijuana at its own cultivation facility or purchase it from a facility with that does not share common ownership. • Required the Department of Public Health and Environment to provide the Marijuana Enforcement Division with standards for licensing the laboratories that will be responsible for the testing and certification of marijuana. • Made local licensing of retail marijuana businesses optional, but required applicants for licensure to comply with local restrictions on the time, place, manner, and number of retail marijuana businesses permitted. • Limited non-resident purchases to one quarter of an ounce in a single transaction.
	HB 13-1318 Retail Marijuana Taxes	<ul style="list-style-type: none"> • Referred a ballot question, Proposition AA, to the voters at the 2013 general election for approval to levy excise and sales taxes on retail marijuana beginning January 1, 2014. (<i>See also Proposition AA</i>) • Required the Department of Revenue to set the average market rate of unprocessed retail marijuana twice a year. • Required retail marijuana businesses to keep detailed electronic records on all transactions of retail marijuana. • Allowed local governments to apply local sales taxes to retail marijuana in addition to the state sales tax. • Prohibited retail marijuana businesses from maintaining any portion of the retail marijuana sales tax to cover the expenses of collecting and remitting the tax. • Allowed the General Assembly to raise or lower the retail marijuana sales tax at any time through legislation, up to 15 percent. • Required that tax revenues be used for the enforcement of regulations on the retail marijuana industry and gave the Department of Revenue rulemaking authority over implementation of these taxes. • Required marijuana businesses to post a surety bond equal to two months of anticipated tax liability. • Subjected retail marijuana licensees that fail to remit sales and excise taxes, or unlicensed individuals who sell or transfer marijuana, to criminal penalties.
	HB 13-1325 Inferences for Marijuana and Driving Offenses	<ul style="list-style-type: none"> • Created a permissible inference that a driver was under the influence of one or more drugs if their blood contains five nanograms or more of delta 9-tetrahydrocannabinol (THC) per milliliter in whole blood (5 ng/mL) at the time of the offense or within a reasonable time thereafter. • Prohibited a defendant's valid medical marijuana registry identification card from being used in a DUI or DWAI trial as part of the prosecution's case in chief. In addition, in a traffic stop, the driver's possession of a valid medical marijuana registry identification card must not, in the absence of other contributing factors, constitute probable cause for a peace officer to require the analysis of the driver's blood.
	SB 13-250 Drug Sentencing Changes	<ul style="list-style-type: none"> • Created a new sentencing grid for drug offenses and new options for drug offenders to avoid a felony conviction.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2013 (cont.)	SB 13-283 Implement Amendment 64 Consensus	<ul style="list-style-type: none"> • Required the Commission on Criminal and Juvenile Justice to make recommendations to the General Assembly regarding criminal laws that need revision to ensure compatibility with Amendment 64. • Prohibited open containers of marijuana in motor vehicles. • Allowed for license revocation of certain care facilities if marijuana is consumed or cultivated onsite and prohibits marijuana at community residential homes or regional centers. • Allowed retail marijuana businesses to participate in a responsible vendor program. • Made marijuana subject to the same indoor air quality restrictions as tobacco products. • Encouraged the Peace Officer Standards and Training Board to include advanced roadside impairment driving enforcement training curriculum in the peace officer training academy. • Allowed retail marijuana stores to deduct certain business expenses from their state income taxes that are prohibited by federal tax law. • Authorized the Governor to designate state agencies to carry out other duties under the bill.
	Proposition AA Retail Marijuana Taxes	<ul style="list-style-type: none"> • Imposed a 15 percent state excise tax on the average wholesale price of retail marijuana when the product is first sold or transferred by a retail marijuana cultivation facility. Distributed excise tax collections to the Public School Capital Construction Assistance Fund (first \$40 million), and any amount remaining to the Marijuana Cash Fund. • Imposed an additional 10 percent state sales tax on retail marijuana and retail marijuana products to increase funding for the regulation and enforcement of the retail marijuana industry and to fund related health, education, and public safety costs. • Directed 15 percent of the revenue collected from the 10 percent state sales tax to cities and counties where retail marijuana sales occur. • Allowed the state legislature to increase or decrease the excise and sales taxes on retail marijuana so long as the rate of either tax does not exceed 15 percent.
2014	HB 14-1122 Keep Legal Marijuana from Those Under 21	<ul style="list-style-type: none"> • Required medical marijuana be sold in a package or container meeting requirements established by the Marijuana Enforcement Division. • Allowed a retail marijuana store owner or employee to confiscate fraudulent proof of age from a person under 21 years of age attempting to purchase retail marijuana; the owner or employee may also detain and question the person. • Changes the classification of the crime for selling, or permitting the sale of, retail marijuana to a person under 21 years of age from a class 2 to a class 1 misdemeanor. • Specified the enclosure and locked space requirements for cultivation of marijuana in a residence where a person under 21 years of age lives or visits.
	HB 14-1229 Retail Marijuana Fingerprint Check Local Authority	<ul style="list-style-type: none"> • Conformed retail marijuana licensing law with medical marijuana law by allowing a local jurisdiction to submit fingerprints to the Colorado Bureau of Investigation in the Department of Public Safety for the purpose of conducting fingerprint-based criminal history record checks for an individual applying for a retail marijuana establishment license. If the individual's fingerprints are unclassifiable, the local jurisdiction may acquire a name-based criminal history check.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2014 (cont.)	HB 14-1361 Regulation of Marijuana Concentrates	<ul style="list-style-type: none"> • Required the Department of Revenue to promulgate rules establishing the equivalency of one ounce of retail marijuana flower in various retail marijuana products including retail marijuana concentrate. • Permitted a contract for a scientific study to determine such equivalency. • Clarified that a retail marijuana store may not sell more than one ounce of retail marijuana or its equivalent to a resident and not more than a quarter ounce of retail marijuana or its equivalent to a non-resident.
	HB 14-1366 Sale of Edible Marijuana Products	<ul style="list-style-type: none"> • Required the Department of Revenue to promulgate rules requiring edible retail marijuana products be clearly identified, when practicable, with a standard symbol indicating that it contains marijuana and is not for consumption by children. • Required the convening of a stakeholders group to develop recommendations for the rules on standard labeling for edible retail marijuana products, which reported to the General Assembly.
	HB 14-1396 Medical Pot Registry Access Health Department Contractors	<ul style="list-style-type: none"> • Clarified that independent contractors and other agencies with whom the Department of Public Health and Environment contracts or works with under an intergovernmental agreement to provide medical marijuana program registry-related services are included in the constitutional definition of "authorized employees of the state health agency." • Clarified the bona fide doctor-patient relationship definition. • Clarified that primary caregivers may only provide marijuana to those who are registered with the caregiver in the registry.
	HB 14-1398 Authorize Marijuana Financial Service	<ul style="list-style-type: none"> • Conditional on approval from the Federal Reserve System Board, allowed for the creation and regulation of marijuana financial services cooperatives, referred to as "cannabis credit co-ops" or CCCs, with a membership restricted to licensed marijuana businesses able to document the inability to get comparable services from a bank or credit union. • Authorized the Division of Financial Services in the Department of Regulatory Agencies to regulate CCCs in a manner similar to credit unions.
	SB 14-129 Marijuana Criminal Provision Clean Up	<ul style="list-style-type: none"> • Modified criminal provisions related to marijuana, including underage possession and consumption offenses; sealing of records; and open marijuana container violations. • Encouraged the Peace Officer Standards and Training Board to offer an advanced roadside impaired driving enforcement training course.
	SB 14-155 Medical Marijuana Health Effects Grant Program	<ul style="list-style-type: none"> • Created the Medical Marijuana Health Effects Grant Program, with up to \$10 million available for grants, to fund scientific research on the use of marijuana, its component parts, and industrial hemp as part of medical treatment. • Created a scientific advisory council of at least 6, but no more than 12, members to be appointed to provide policy guidance and scientific oversight and review to the program.
	SB 14-215 Disposition of Legal Marijuana Related Revenue	<ul style="list-style-type: none"> • Created the Marijuana Tax Cash Fund for tax revenue collected in connection with the retail marijuana industry. • Required that money not appropriated to fund administration may be appropriated based on the most recent estimate of revenue prepared by the staff of the Legislative Council or the Department of Revenue. • Identified the purposes for which moneys may be appropriated from the fund. • Created the Office of Marijuana Coordination in the Office of the Governor to coordinate executive department information related to regulation, public health, economics, and safety of retail marijuana.

**Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018**

Year	Bill Number and Short Title	Description of Legislation
2014 (cont.)	SB 14-215 Disposition of Legal Marijuana Related Revenue (cont.)	<ul style="list-style-type: none"> Directed the Department of Public Health and Environment to integrate information from each state agency involved in providing retail marijuana information to align the messaging, branding, and education. Required the Department of Public Health and Environment to provide data, training, educational materials, and resources on effective prevention strategies to local community coalitions and marijuana prevention programs, and to evaluate the success of its education efforts.
2015	HB 15-1267 Use of Medical Marijuana During Probation	<ul style="list-style-type: none"> Made an exception to probation conditions to allow a person on probation to possess and use medical marijuana, unless the person was convicted of an offense related to medical marijuana or the court determined such a prohibition was necessary.
	HB 15-1283 Marijuana Reference Library and Lab Testing	<ul style="list-style-type: none"> Required the Department of Public Health and Environment to develop and maintain a marijuana laboratory testing reference library. The reference library must contain methodologies for marijuana testing in the areas of potency, homogeneity, contaminants, and solvents. Made the Department of Public Health and Environment, or its designated contractor, responsible for proficiency testing and remediating problems with medical and retail marijuana laboratories. Expanded the potency testing to include creating process validation for edible and other marijuana products in multi-serving packages. Exempted individual marijuana pieces that have gone through process validation and permitted process validation from continued homogeneity testing. Required the Department of Public Health and Environment to determine an acceptable range in variance for potency.
	HB 15-1305 Unlawful Manufacture Marijuana Concentrate	<ul style="list-style-type: none"> Made it a level 2 drug felony for an unlicensed person to manufacture marijuana concentrate or permit its manufacture using an inherently hazardous substance.
	HB 15-1367 Retail Marijuana Taxes	<ul style="list-style-type: none"> Referred a ballot question, Proposition BB, to the voters at the 2015 general election requesting that the state be permitted to retain and spend excess taxes collected under Proposition AA. <i>See also Proposition BB.</i>
	HB 15-1379 Marijuana Permitted Economic Interest	<ul style="list-style-type: none"> Allowed nonresidents to hold a permitted economic interest in a regulated medical or retail marijuana business. Clarified that only a natural person who is a lawful U.S. resident may obtain an ownership interest and that the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest.
	HB 15-1387 End Transfer of Medical Marijuana to Retail Marijuana	<ul style="list-style-type: none"> Ended the practice of transferring medical marijuana inventory to a retail marijuana establishment when a retail marijuana licensee surrendered his or her existing medical marijuana license. Allowed only the transfer of medical marijuana inventory from a medical to a retail marijuana cultivation facility after July 1, 2016.
	SB 15-014 Medical Marijuana	<ul style="list-style-type: none"> Required the Colorado Medical Board to adopt rules and establish guidelines for physicians making medical marijuana recommendations for patients suffering from severe pain. Required the Department of Public Health and Environment to establish guidelines for physicians to help provide informed consent to medical marijuana patients.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2015 (cont.)	SB 15-014 Medical Marijuana (cont.)	<ul style="list-style-type: none"> • Specified the relationships with a patient required for a primary caregiver and required caregivers to register with the Marijuana Enforcement Division. • Created an exception for students to use medical marijuana at school if a school district adopts a policy authorizing the student's parent or a medical professional to assist the student with the administration of medical marijuana in an appropriate location on school grounds, a school bus, or at a school-sponsored event.
	SB 15-065 Ban Public Benefit Transfers at Certain Establishments	<ul style="list-style-type: none"> • Prohibited recipients of public benefits from using electronic benefit transfer cards at adult-oriented entertainment and licensed marijuana establishments.
	SB 15-115 Sunset Medical Marijuana Programs	<ul style="list-style-type: none"> • Continued the Medical Marijuana Code from July 1, 2015, to September 1, 2019, aligning with the sunset date of the medical marijuana program administered by the Department of Public Health and Environment. • Harmonized certain provisions in the Medical and Retail Marijuana Codes. • Significant changes to the Medical Marijuana Code included: prohibiting a state licensing authority employee from working in or for the marijuana industry for six months after leaving the state; requiring a seed-to-sale tracking system; and repealing the hours during which medical marijuana centers can sell medical marijuana and authorizing the Department of Revenue to set the hours in rule.
	SB 15-167 Modify 2014-15 Appropriation from Marijuana Revenue	<ul style="list-style-type: none"> • Balanced appropriations for programs funded with retail marijuana tax revenue for FY 2014-15 only.
	SB 15-249 Marijuana Tax Cash Fund Transfer to General Fund	<ul style="list-style-type: none"> • Increased the end-of-year transfer from Marijuana Tax Cash Fund to the General Fund for FY 2014-15 only.
	SB 15-260 Medical Marijuana Testing Product	<ul style="list-style-type: none"> • Authorized the creation of a medical marijuana testing facility license and required that medical marijuana and medical marijuana-infused products be tested. Mandatory testing cannot begin until a marijuana laboratory testing reference library is created.
	Proposition BB Retain Revenue in Excess of Blue Book Estimate	<ul style="list-style-type: none"> • Allowed the state to retain and spend \$66.1 million rather than refund it to taxpayers. The refund obligation was a result of Proposition AA, where the ballot information guide underestimated the total state revenue amount for FY 2014-15. Under the state Taxpayer's Bill of Rights, if voters approve a new tax and an estimate of state revenue or new taxes is exceeded, the state must refund the excess up to the amount of revenue collected from the new tax.
2016	HB 16-1041 Repeal Bonding Requirement Marijuana	<ul style="list-style-type: none"> • Repealed the surety bond required of licensed medical marijuana businesses, retail marijuana establishments, and retail marijuana cultivation facilities, as these bonds were unavailable to the industry.
	HB 16-1064 Medical Marijuana Testing Facility Local Licensing	<ul style="list-style-type: none"> • Allowed a local medical marijuana licensing authority to issue medical marijuana testing facility licenses.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2016 (cont.)	HB 16-1211 Marijuana Transporter License	<ul style="list-style-type: none"> Created state medical and retail marijuana transporter licenses and allowed for the issuance of a local medical marijuana transporter license.
	HB 16-1261 Retail Marijuana Sunset	<ul style="list-style-type: none"> Continued the Retail Marijuana Code until September 1, 2019. Made changes regarding licensing, rulemaking, industry operations, county-initiated ballot measures, and criminal provisions. Created a license for retail marijuana establishment operators. Repealed the requirement that a license application be denied based on a previous denial at the same location. Harmonized mandatory testing provisions for retail marijuana with those in the Medical Marijuana Code. Allowed a licensee the opportunity to remediate a product that has tested positive for a microbial. Allowed for performance-based incentives for employees of cultivation facilities and products manufacturers. Repealed the one-quarter ounce limitation on the amount of retail marijuana that can be sold to a nonresident. Required that a display case containing marijuana concentrate include the potency of the concentrate next to the name of the product.
	HB 16-1359 Use of Medical Marijuana While on Probation	<ul style="list-style-type: none"> Required the court to use material evidence rather than a substance abuse assessment when it is deciding whether a person can use medical marijuana while on probation.
	HB 16-1363 Medical Marijuana Advertising Rulemaking Authority	<ul style="list-style-type: none"> Authorized the division to promulgate rules related to medical marijuana advertising that is likely to reach underage persons.
	HB 16-1373 Student Medical Marijuana Use at School	<ul style="list-style-type: none"> Repealed the authorization for school districts to adopt a medical marijuana policy, and instead allowed a primary caregiver to possess and administer, in a non-smokeable form, medical marijuana to a student on school property. Allowed a school district board of education or charter school board to adopt policies regarding who may act as a primary caregiver, and the reasonable parameters for the administration and use of medical marijuana on school property. Made an exception for a school district or charter school board if the district or school risks losing federal funding as a result of complying with the bill. Prohibited school districts and charter schools from denying a student who holds a valid recommendation for medical marijuana the eligibility to attend school.
	HB 16-1408 Cash Fund Allocations for Health-Related Programs	<ul style="list-style-type: none"> Among several other allocations for health-related programs, backfilled Tobacco Master Settlement Agreement Program funding with Marijuana Tax Cash Fund dollars.
	HB 16-1418 Marijuana Tax Cash Fund Transfer to General Fund	<ul style="list-style-type: none"> Transferred money from the Marijuana Tax Cash Fund to the General Fund and eliminated transfers in further fiscal years that would have paid back the General Fund for money in the Proposition AA refund account.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2016 (cont.)	HB 16-1427 Multi-Serving Liquid Marijuana Products	<ul style="list-style-type: none"> Exempted multi-serving liquid retail marijuana products from the edible retail marijuana labeling requirement if the product complies with all statutory and regulatory packaging requirements for multi-serving edibles. Other products must be marked with a standard symbol indicating that the product contains marijuana and is not for consumption by children.
	HB 16-1436 No Edible Marijuana Products Shaped to Entice Kids	<ul style="list-style-type: none"> Required the Marijuana Enforcement Division to promulgate rules to prohibit the production and sale of edible marijuana-infused products shaped like a human, an animal, or fruit.
	SB 16-015 Rules for Allowed Marijuana Pesticides	<ul style="list-style-type: none"> Required the Department of Agriculture to create a list of allowable pesticides for use in the cultivation or processing of retail marijuana.
	SB 16-040 Marijuana Owner Changes	<ul style="list-style-type: none"> Repealed the two-year residency requirement for owners of medical and retail marijuana businesses and replaced the definition of owner with definitions of direct beneficial interest owner and indirect beneficial interest owner. Allowed qualified institutional investors to own up to 30 percent of a medical or a retail marijuana business. Precluded publicly traded companies from ownership.
	SB 16-041 CDPS Data on Law Enforcement Marijuana	<ul style="list-style-type: none"> Repealed the requirement that the Department of Public Safety study enforcement costs related to the implementation of Amendment 64. Added a requirement that the department report on marijuana-initiated contacts by law enforcement.
	SB 16-080 Marijuana Grows Enclosed Space Requirements	<ul style="list-style-type: none"> Removed an exemption from certain offenses relating to marijuana and marijuana concentrate provided for lawfully cultivated medical marijuana. Residential growers of medical marijuana will be subject to the same requirements as other growers unless they are cultivating in an enclosed and locked space.
	SB 16-090 Marijuana Health Effects Data Regional Level	<ul style="list-style-type: none"> Modified current reporting requirements to allow the Department of Public Health and Environment to report data on changes in marijuana use patterns at a county or regional level as determined by the department.
	SB 16-191 Marijuana Research Marijuana Tax Cash Fund	<ul style="list-style-type: none"> Appropriated Marijuana Tax Cash Fund money to fund scientific and social science research on marijuana at Colorado State University–Pueblo and to continue marijuana implementation study research by the Department of Public Safety.
	SB 16-202 Increasing Access Effective Substance Use Services	<ul style="list-style-type: none"> Allowed appropriations from the Marijuana Tax Cash Fund to support the implementation of managed service organizations that provide substance use treatment for designated regions of the state.
2017	HB 17-1034 Medical Marijuana License Issues	<ul style="list-style-type: none"> Created a medical marijuana business operator license. Allowed medical marijuana licensees to relocate anywhere in Colorado. Allowed medical marijuana-infused products manufacturers to buy from and sell to other medical marijuana-infused products manufacturers.

**Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018**

Year	Bill Number and Short Title	Description of Legislation
2017 (cont.)	HB 17-1034 Medical Marijuana License Issues (cont.)	<ul style="list-style-type: none"> Required the division to give a licensee an opportunity to remediate a product if a test indicates the presence of a microbial in the product.
	HB 17-1197 Exclude Marijuana from Farm Products Definition	<ul style="list-style-type: none"> Excluded marijuana from the definition of farm products in the Colorado Farm Products Act, exempting marijuana businesses from the agricultural product licensing and bonding requirements.
	HB 17-1203 Local Government Special Sales Tax on Retail Marijuana	<ul style="list-style-type: none"> Authorized counties and statutory cities to collect voter-approved special sales taxes on retail marijuana.
	HB 17-1220 Prevent Marijuana Diversion to Illegal Market	<ul style="list-style-type: none"> Limited to 12 the total number of medical or recreational use marijuana plants that can be possessed or grown on a residential property. If authorized by local law, and with a 24-plant count exception, allowed a medical marijuana patient or primary caregiver to cultivate, grow, or produce up to 24 plants. Violations are subject to criminal penalties.
	HB 17-1221 Grey and Black Market Marijuana Enforcement Efforts	<ul style="list-style-type: none"> Created the Gray and Black Market Marijuana Enforcement Grant Program in the Department of Local Affairs; and created an offense for a person who is not a primary caregiver for possessing a marijuana plant that he or she is growing on behalf of another person.
	HB 17-1266 Seal Misdemeanor Marijuana Conviction	<ul style="list-style-type: none"> Allowed defendants convicted of a misdemeanor offense for the use or possession of marijuana to petition to seal their criminal records if their offense would not have been a crime if committed on or after December 10, 2012.
	HB 17-1295 Repeal Governor's Office of Marijuana Coordination	<ul style="list-style-type: none"> Repealed the Office of Marijuana Coordination, effective July 1, 2017.
	HB 17-1367 Authorize Marijuana Clinical Research	<ul style="list-style-type: none"> Created two research licenses in the Medical Marijuana Code. Allowed for up to 1 percent of the available money in the Marijuana Tax Cash Fund to be used for medical marijuana health research grants. Allowed for the transfer of medical and retail marijuana to a medical research facility or pesticide manufacturer for research. Required that marijuana testing labs be certified by the Department of Public Health and Environment and the International Organization for Standardization–International Electrotechnical Commission.
	SB 17-015 Unlawful Marijuana Advertising	<ul style="list-style-type: none"> Created a level 2 drug misdemeanor for attempting to sell marijuana or marijuana concentrate by placing an advertisement in print or online. Exempted a primary caregiver who advertises to prospective clients.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2017 (cont.)	SB 17-017 Allow Medical Marijuana Use for Stress Disorders	<ul style="list-style-type: none"> • Created a statutory right for a patient with post-traumatic stress disorder to use medical marijuana. • Specified conditions for the use of medical marijuana by a patient under 18 years of age diagnosed with post-traumatic stress disorder.
	SB 17-025 Marijuana Education Materials Resource Bank	<ul style="list-style-type: none"> • Required the Department of Education, with assistance from the Department of Public Health and Environment and the Marijuana Educational Oversight Committee, to create and maintain a resource bank of materials and curricula related to marijuana available free of charge to school districts, charter schools, and Boards of Cooperative Educational Services.
	SB 17-178 Marijuana Use as a Condition of Bond	<ul style="list-style-type: none"> • Prohibited a court from requiring, as a condition of any bond, that a person who possesses a valid registry identification card abstain from using medical marijuana.
	SB 17-187 Residency Exemption Marijuana Education-based Occupation	<ul style="list-style-type: none"> • Allowed the Marijuana Enforcement Division to exempt someone participating in a marijuana-based education program from the medical or retail marijuana occupational license residency requirement for up to two years.
	SB 17-192 Marijuana Business Efficiency Measures	<ul style="list-style-type: none"> • Created a local medical marijuana business operator license. • Made changes to the process and provisions for calculating excise taxes on retail marijuana. • Allowed a retail marijuana licensee to retest a product if an initial test indicates the presence of any substance determined to be injurious to health.
	SB 17-267 Sustainability of Rural Colorado	<ul style="list-style-type: none"> • Exempted retail marijuana from the 2.9 percent state sales tax. • Raised the rate of the special sales tax on retail marijuana to 15 percent and adjusted the distribution so that the state receives 90 percent and local governments receive 10 percent of the revenue. • Appropriated certain marijuana tax revenue to the Department of Education for disbursement to schools in rural and small rural school districts.
2018	HB 18-1023 Relocate Title 12 Marijuana to New Title	<ul style="list-style-type: none"> • Relocated the statutes regulating medical and retail marijuana and the Marijuana Enforcement Division in the Department of Revenue from Title 12 to a newly created Title 44 of the Colorado Revised Statutes.
	HB 18-1101 Retail Marijuana Sales Tax Appropriation for Schools	<ul style="list-style-type: none"> • Eliminated the continuous appropriation of state retail marijuana sales tax revenue from the State Public School Fund to the Colorado Department of Education. • Beginning in FY 2019-20, the General Assembly may only appropriate transferred revenue in the fiscal year following the transfer.
	HB 18-1187 FDA Approved CBD Drug Use	<ul style="list-style-type: none"> • Amended the definition of "marijuana" to exclude prescription drug products approved by the federal Food and Drug Administration and dispensed by a pharmacy or prescription drug outlet.

Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018

Year	Bill Number and Short Title	Description of Legislation
2018 (cont.)	HB 18-1259 Marijuana Sample for Quality Product Development	<ul style="list-style-type: none"> Allowed certain cultivation facilities and product manufacturers to provide samples to up to five managers per month for quality control and product development purposes.
	HB 18-1280 Court Appointees for Marijuana Businesses	<ul style="list-style-type: none"> Required an individual, before being appointed a receiver for a marijuana business, certify that he or she is not prohibited from holding a marijuana license. If appointed, the receiver must inform the Marijuana Enforcement Division for a temporary appointment that may be subject to administrative action if the appointee fails to comply with state marijuana laws and regulations.
	HB 18-1286 School Nurse Give Medical Marijuana	<ul style="list-style-type: none"> Allowed a nurse, nurse's designee, or school personnel designated by a parent to administer medical marijuana to a student at school.
	HB 18-1362 Drunk and Impaired Driving Task Force Membership	<ul style="list-style-type: none"> Added three members to the Colorado Task Force on Drunk and Impaired Driving to include: a representative from the Marijuana Enforcement Division; a community-based representative of the substance use disorder prevention field; and a representative from the medical or retail marijuana industry who is an owner or manager of a retail dispensary.
	HB 18-1381 Permissive Medical Marijuana Vertical Integration	<ul style="list-style-type: none"> Permitted a medical marijuana establishment to purchase from any cultivator after a transition period.
	HB 18-1389 Centralized Marijuana Distribution Permit	<ul style="list-style-type: none"> Created a permit that allows a marijuana cultivation facility to temporarily store marijuana concentrate or marijuana products designated for transfer to the permit holder's medical marijuana center or retail marijuana store.
	HB 18-1422 Marijuana Testing Facilities Standards	<ul style="list-style-type: none"> Required medical and retail marijuana testing facilities to be accredited pursuant to the International Organization for Standardization/International Electrotechnical Commission standard for the competence of testing and calibration laboratories.
	SB 18-088 Taxation of Retail Marijuana Sales	<ul style="list-style-type: none"> Provides legal authority for special districts to levy sales taxes on retail marijuana as long as they levied sales taxes on retail marijuana prior to July 1, 2017, despite the state sales tax exemption on retail marijuana. Local districts must determine if voter approval is required before resuming the tax. Special district sales taxes on retail marijuana that ceased on July 1, 2017, were collected upon signature of the governor, February 22, 2018.
	SB 18-187 Marijuana Waste Recycling	<ul style="list-style-type: none"> Required the Marijuana Enforcement Division to make rules regarding medical and retail marijuana waste recycling, establishing conditions under which a marijuana licensee may transfer fibrous waste such as roots, stalks, and stems for the purpose of producing industrial fiber products.
	SB 18-259 Local Government Retail Marijuana Taxes	<ul style="list-style-type: none"> Clarified the collection of a 15 percent excise tax on the first transfer of unprocessed marijuana from a cultivation facility. Allowed counties to use either the wholesale price or the calculated wholesale price to determine the tax rate. Clarified that retail marijuana transporting is not a "transfer" of marijuana for tax purposes.

**Appendix A (cont.)
Marijuana Legislation Enacted into Law, 2000 – 2018**

Year	Bill Number and Short Title	Description of Legislation
2018 (cont.)	<p style="text-align: center;">SB 18-259 Local Government Retail Marijuana Taxes (cont.)</p>	<ul style="list-style-type: none"> • Limited metropolitan districts to levying only a general sales tax and not a special marijuana sales tax on retail marijuana.
	<p style="text-align: center;">SB 18-271 Improve Funding for Marijuana Research</p>	<ul style="list-style-type: none"> • Allowed a marijuana research and development licensee or cultivation licensee to share premises with a commonly owned medical marijuana-infused products or retail marijuana product manufacturers under a co-location permit. • Authorized \$100,000 for the administration of the Medical Marijuana Research Grant Program which encourages the State Board of Health to prioritize grants that gather objective scientific research regarding the efficacy and safety of administering medical marijuana for ovarian cancer, dementia, and other conditions that the board finds appropriate.

Prepared by Legislative Council Staff.