



**Colorado
Legislative
Council
Staff**

HB16-1041

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0202
Prime Sponsor(s): Rep. Lebock
Sen. Holbert

Date: January 20, 2016
Bill Status: House Business Affairs and Labor
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: REPEAL BONDING REQUIREMENT MARIJUANA BUSINESSES

Fiscal Impact Summary	FY 2015-2016 <i>(current year)</i>	FY 2016-2017	FY 2017-2018
State Revenue			
State Expenditures	Minimal workload increase.		
FTE Position Change			
Appropriation Required: None.			
Future Year Impacts: None.			

Summary of Legislation

This bill repeals the surety bonding requirement for licensure of medical marijuana businesses, retail marijuana establishments, and retail marijuana cultivation facilities.

Background

Under current law, licensed medical marijuana businesses and retail marijuana establishments must procure and file a \$5,000 surety bond with the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR). Retail marijuana cultivation facilities are required to post a surety bond equal to two months of their anticipated tax liability. Bonds must be renewed each time a marijuana license is renewed.

State Expenditures

In the current fiscal year, this bill requires a minimal increase in workload for the MED in the DOR to update its rules, manuals, and license forms to remove the bonding requirements. This can be addressed within existing appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Law

Office of Information Technology

Revenue