



**Colorado  
Legislative  
Council  
Staff**

**HB16-1041**

**FINAL  
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:** July 12, 2016  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**BILL TOPIC:** REPEAL BONDING REQUIREMENT MARIJUANA BUSINESSES

<b>Fiscal Impact Summary</b>	<b>FY 2015-2016</b> <i>(current year)</i>	<b>FY 2016-2017</b>	<b>FY 2017-2018</b>
<b>State Revenue</b>			
<b>State Expenditures</b>	Minimal workload increase.		
<b>FTE Position Change</b>			
<b>Appropriation Required:</b> None.			
<b>Future Year Impacts:</b> 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 was signed into law by the Governor and took effect on March 11, 2016.

## State and Local Government Contacts

Information Technology

Law

Revenue