



Legislative Council Staff

Research Note

Version: Final

Date: 10/6/2016

Bill Number

House Bill 16-1041

Sponsors

***Representative Lebsock
Senator Holbert***

Short Title

***Repeal Bonding Requirement
Marijuana Businesses***

Research Analyst

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Status

This research note reflects the final version of the bill, which became effective on March 11, 2016.

Summary

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, applicants for a medical or retail marijuana business license are required to procure a \$5,000 surety bond. Retail marijuana cultivation facilities are required to procure a surety bond in an amount equal to two months of the facility's anticipated tax liability. The surety bonds are designed to ensure that the businesses report and pay all sales and use taxes due to the state. However, given the illegality of marijuana at a federal level, both medical and retail marijuana businesses are unable to obtain surety bonds in the current marketplace.

House Action

House Business Affairs and Labor Committee (January 28, 2016). At the hearing, representatives from the Colorado Cannabis Chamber of Commerce, Marijuana Industry Group, Southern Colorado Cannabis Chamber, Medicine Man, and one private citizen testified in support of the bill. A representative from the Department of Revenue responded to questions from the committee. The committee referred the bill, unamended, to the House Committee of the Whole.

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House second reading (February 1, 2016). The House passed the bill, unamended, on second reading.

House third reading (February 2, 2016). The House passed the bill, unamended, on third reading.

Senate Action

Senate Business, Labor, & Technology Committee (February 17, 2016). At the hearing, a representative from Medicine Man testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

Senate second reading (February 23, 2016). The Senate passed the bill, unamended, on second reading.

Senate third reading (February 24, 2016). The Senate passed the bill, unamended, on third reading.