



**Colorado
Legislative
Council
Staff**

SB17-017

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0135
Prime Sponsor(s): Sen. Aguilar
Rep. Singer

Date: August 15, 2017
Bill Status: Signed into Law
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BILL TOPIC: MEDICAL MARIJUANA USE FOR STRESS DISORDERS

Fiscal Impact Summary	FY 2016-2017 (current year)	FY 2017-2018	FY 2018-2019
State Revenue General Fund Cash Funds	Potential increase and decrease.		
State Expenditures Cash Funds Centrally Appropriated Costs	Potential increase and decrease.		
Appropriation Required: None.			
Future Year Impacts: Ongoing potential increases and decreases in state revenue and expenditures.			

Summary of Legislation

The bill creates a statutory right for a patient with post-traumatic stress disorder to use medical marijuana. The bill creates the same rights, limitations, affirmative defense, and exceptions from criminal laws for this condition as the constitutional right to use medical marijuana for other debilitating conditions. The bill specifies the conditions for the use of medical marijuana by a patient under 18 years of age who has been diagnosed with post-traumatic stress disorder.

Background

Medical marijuana registry program information. According to the Colorado Department of Public Health and Environment, as of December 31, 2016, there are 94,577 persons authorized to use medical marijuana. The average age of all these individuals is 44 years and 93.3 percent reported severe pain as their qualifying debilitating medical condition.

Marijuana taxes. Persons purchasing retail marijuana pay a 15 percent excise tax on the wholesale price of marijuana, a 10 percent special sales tax, and the 2.9 percent state sales tax. Under Senate Bill 17-267, the special sales tax rate will increase to 15 percent, and the 2.9 percent sales tax will no longer be applied to retail marijuana on July 1, 2017. Provided a person has been diagnosed with a qualifying debilitating medical condition, he or she may choose to enroll on the medical marijuana registry. After paying a \$15 fee to become registered and receive a "red card,"

medical marijuana patients can purchase medical marijuana, which is exempt from the excise and special sales taxes but subject to the 2.9 percent state sales tax. Excise taxes collected on the sale of retail marijuana are transferred from the General Fund to the Building Excellent Schools Today (BEST) Fund and the Public School Fund while sales taxes collected are transferred to the Marijuana Tax Cash Fund and other cash funds.

State Revenue

Beginning in FY 2016-17, this bill may both increase and decrease state revenue as described below.

Fee impact on individuals and business. The bill may increase state cash fund revenue if more persons choose to enroll on the medical marijuana registry. Persons enrolling on the registry pay a \$15 annual fee to the Colorado Department of Public Health and Environment to receive a red card. These fees are deposited into the Medical Marijuana Program Cash Fund and are used to pay the costs of administering the registry. This analysis assumes the majority of individuals with acute stress or post-traumatic stress disorders are currently enrolled on the registry with a diagnosis of severe pain or other debilitating medical condition and, therefore, any new revenue is assumed to be minimal.

Increases in sales tax revenue. If persons who choose to enroll on the registry with stress disorder diagnoses are not currently using retail marijuana, the amount of tax revenue transferred to the Marijuana Tax Cash Fund will increase as a result of additional sales tax collections from increased medical marijuana sales. This amount is expected to be minimal.

Decreases in special sales tax and excise tax revenue. If persons who choose to enroll on the registry with stress disorder diagnoses are currently using retail marijuana and begin to purchase medical marijuana, special sales and excise tax revenue collected on retail marijuana will decrease. This analysis assumes that any change in revenue is marginal and the overall impact is minimal.

State Expenditures

Beginning in FY 2016-17, this bill may increase cash fund expenditures and workload in the Colorado Department of Public Health and Environment to process and monitor additional enrollment on the medical marijuana registry. As of this writing, any change is assumed to be minimal. Should the volume of new registry applications exceed existing capacity, this analysis assumes the department will request additional appropriations through the annual budget process.

To the extent that less revenue is collected from the excise and sales taxes on retail marijuana, expenditures will decrease for the BEST Program, Public School Fund, and programs funded through the Marijuana Tax Cash Fund. Any decrease is expected to be minimal.

Local Government Impact

If persons who enroll on the registry are currently using retail marijuana, local governments will receive less revenue from special sales taxes. Any reduction in revenue is assumed to be minimal.

Effective Date

The bill was signed into law by the Governor and took effect on June 5, 2017.

State and Local Government Contacts

Corrections
Health Care Policy and Financing
Public Health and Environment
Revenue

Counties
Municipalities
Regulatory Agencies
Special Districts