



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 18-0659 Date: February 14, 2018
Prime Sponsors: Rep. Buckner; Landgraf Bill Status: House Public Health Care and Human Services
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Bill Topic: FDA APPROVED CANNABIDIOL DRUG USE

- Summary of Fiscal Impact: State Revenue (conditional, minimal), State Expenditure (conditional, minimal), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill clarifies that if the federal Food and Drug Administration approves a prescription medication containing cannabidiol, then the drug is legal in Colorado. Conditional upon FDA approval of cannabidiol, the bill creates a one-time workload increase for the Departments of Regulatory Agencies and Revenue, and a minimal workload and revenue reduction for the Judicial Department on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

The bill clarifies that the federal Food and Drug Administration's approval of a prescription drug containing cannabidiol makes the following activities lawful in Colorado:

- prescribing an appropriate dosage of the drug; dispensing a valid prescription; possessing and transporting the drug; and using the prescription.

The bill does not affect access to marijuana permitted under the Colorado constitution or state statutes. It requires state agencies to perform rulemaking to implement the bill where applicable.

Background

Cannabidiol (or CBD) is a cannabis compound that may have medical benefits for certain conditions without the psychoactivity caused by tetrahydrocannabinol (THC). To date, the FDA has not approved a marketing application for marijuana for any indication. A handful of countries, including Australia, New Zealand, and Canada, have made cannabidiol legal to prescribe.

Comparable Crime and Assumptions

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. An individual who possesses a controlled substance not prescribed to them commits a drug petty offense. From January 1, 2015, to December 31, 2017, there were 22 convictions under this statute. Of this number, there were 13 males and 9 females; 19 were Caucasian and 3 were African American. Based on minimal number of convictions under this statute, it is assumed that the reduction in controlled substance violations will be minimal.

State Revenue

Conditional upon FDA approval of cannabidiol, the bill may reduce state cash fund revenue from court filing fees and fines. Revenue decreases are expected to be minimal.

State Expenditures

Conditional upon FDA approval of cannabidiol, the bill will minimally increase state rulemaking workload in the Department of Regulatory Agencies (DORA) and the Department of Revenue (DOR). It will also minimally reduce workload for the Judicial Department.

Departments of Regulatory Agencies and Revenue. DORA and DOR will have a one-time workload impact to perform rulemaking to implement the bill, as well as perform education and outreach efforts. This work will take place during the normal course of business, and no change in appropriations is required for either department.

Judicial Department. The trial courts of the Judicial Department may see a reduction in cases related to controlled substances. As discussed in the Comparable Crime section, this reduction is assumed to be minimal, and no change in appropriations is required.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology
Public Health and Environment

Judicial
Regulatory Agencies

Law
Revenue