



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**HB 18-1259**

# FINAL FISCAL NOTE

**Drafting Number:** LLS 18-0777  
**Prime Sponsors:** Rep. Gray  
Sen. Marble

**Date:** July 31, 2018  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Clare Pramuk | 303-866-2677  
Clare.Pramuk@state.co.us

**Bill Topic:** MARIJUANA SAMPLE FOR QUALITY PRODUCT DEVELOPMENT

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input checked="" type="checkbox"/> Local Government ( <i>potential</i> )
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill allows certain medical and retail marijuana licensees to provide product samples to managers for quality control and product development purposes. This creates an ongoing state workload increase for the Department of Revenue and a potential increase in workload for local governments.

**Appropriation Summary:** No appropriation is required

**Fiscal Note Status:** The fiscal note reflects the enacted bill.

## Summary of Legislation

This bill modifies the Medical Marijuana Code and the Retail Marijuana Code to allow certain licensed cultivation facilities and products manufacturers to provide samples to no more than 5 managers per calendar month for quality control and product development purposes. For a manager to receive a sample of medical marijuana, the manager must have a valid medical marijuana registry identification card. The bill specifies sample sizes and quantity limits and requires that the manager be designated as a recipient of quality control and product development samples and tracked in the seed-to-sale tracking system. The sample cannot:

- be consumed on the licensed premises;
- allow the manager to exceed his or her personal possession limits;
- be used as a means of compensation for the manager; or
- be provided to or sold to anyone else.

The Marijuana Enforcement Division (MED) in the Department of Revenue may establish additional inventory tracking and record keeping requirements.

## State Expenditures

The MED will have an increase in workload to implement the bill beginning in FY 2018-19. The MED will incorporate the rulemaking requirements into its regular rulemaking schedule. The vendor for the seed-to-sale tracking system (METRC) has sufficient capacity within its contract to

make changes to accommodate the sampling option within existing appropriations. Compliance staff will have an increase in workload to monitor compliance with the bill requirements. No additional appropriations are required.

## **Local Government**

This may increase workload for local licensing authorities to account for the allowance of sampling. This workload increase is expected to be minimal.

## **Effective Date**

The bill was signed into law by the Governor on April 30, 2018, and it takes effect August 8, 2018, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Information Technology

Law

Revenue