



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23-0908 Date: August 31, 2023
Prime Sponsors: Sen. Hinrichsen; Van Winkle Bill Status: Signed into Law
Rep. Lindstedt; Weinberg Fiscal Analyst: Clayton Mayfield | 303-866-5851
clayton.mayfield@coleg.gov

Bill Topic: MARIJUANA LICENSE APPLICATIONS AND RENEWALS

- Summary of Fiscal Impact:
[X] State Revenue [] TABOR Refund
[X] State Expenditure [] Local Government
[] State Transfer [] Statutory Public Entity

The bill clarifies how state and local licensing authorities refund fees if a marijuana application is denied, and allows the Department of Revenue to renew state licenses that have not received local jurisdiction approval before state license expiration. Starting in FY 2023-24, the bill may minimally increase state revenue and workload. The bill also makes a one-time transfer from the General Fund.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under SB 23-199

Table with 4 columns: Category, Sub-category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures, Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts.

1 Transfer amounts are preliminary. The actual amount transferred may differ from this estimate.

Summary of Legislation

The bill clarifies that the Department of Revenue (DOR) and local licensing authorities may retain application fees and refund license fees for marijuana license applications that are denied. Additionally, the bill allows DOR to renew for up to one year a state marijuana license that has not yet received local jurisdiction approval prior to the expiration of the state license. An applicant must submit a renewal application and demonstrate to the DOR why local jurisdictional approval has not yet been obtained. The renewed license is conditional upon local jurisdictional approval.

The bill also requires that unused funds from FY 2022-23 in the IDS Print Production line item that would otherwise be reverted to the General Fund instead be transferred to the Marijuana Cash Fund.

State Transfers

On October 1, 2023, the bill transfers any unused FY 2022-23 General Fund appropriation from [House Bill 22-1329](#) from the DOR's IDS Print Production line item to the Marijuana Cash Fund. Based on the DOR's data, the amount of the transfer is preliminarily estimated to be about \$4.0 million.

State Revenue and Expenditures

The bill may increase fee revenue to the Marijuana Cash Fund in the DOR from renewal applications for licenses that have not yet received local jurisdiction approval. Correspondingly, workload in the DOR may increase to process these renewal applications. Any impact is expected to be minimal and no change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on June 5, 2023, and it took effect on August 7, 2023. It applies to marijuana license applications submitted on or after that date.

State and Local Government Contacts

Revenue