



**Colorado
Legislative
Council
Staff**

Bill 10

FISCAL NOTE

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

Drafting Number: LLS 17-0137
Prime Sponsor(s):

Date: September 19, 2016
Bill Status: Committee on Cost-Benefit
Analysis of Legalized Marijuana Bill
Request

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BILL TOPIC: UNLAWFUL MARIJUANA ADVERTISING

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	Potential minimal increase.	
State Expenditures	\$60,000	
Cash Funds	60,000	Minimal workload increase.
TABOR Impact	Potential minimal increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal increase in state revenue and workload.		

Summary of Legislation

This bill, *requested by the Cost-Benefit Analysis of Legalized Marijuana in Colorado Interim Committee*, creates a level 2 drug misdemeanor for attempting to sell marijuana or marijuana concentrate by placing an advertisement in print or online.

Comparable Crime

Pursuant to Section 2-2-322 (2.5), C.R.S., 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. This bill creates a new crime for which there is no direct comparison. However, for illustrative purposes, any person who places an advertisement in any publication with the intent to promote the sale of drug paraphernalia commits a level 2 drug misdemeanor. The minimum penalty for a level 2 drug misdemeanor is a \$50 fine. The maximum penalty is 12 months in jail, a \$750 fine, or both. In the last three fiscal years, there have been no convictions for advertisement of drug paraphernalia.

State Revenue

Overall and beginning in FY 2017-18, the bill may increase state cash fund revenue by a minimal amount, credited to the Fines Collection Cash Fund in the Judicial Department. The fiscal note assumes that the majority of cases involving the conduct contemplated by this bill are being charged under current law, likely as more serious offenses related to the unlawful possession or sale of marijuana. Should any offenders be sentenced to probation, revenue will increase. The fee for probation is currently \$50 per month. Because the courts have the discretion of incarceration, imposing a fine, or both, the precise impact to state revenue cannot be determined.

TABOR Impact

This bill may increase state revenue from fees and fines, which may increase the amount of money required to be refunded under TABOR in FY 2017-18. TABOR refunds are paid out of the General Fund.

State Expenditures

In FY 2017-18, this bill increases one-time cash fund expenditures in the Department of Public Safety by \$60,000. It also increases workload in the Judicial Department. These impacts are discussed below.

Department of Public Safety (DPS). In FY 2017-18, DPS must update the Colorado Crime Information Center (CCIC) system to facilitate law enforcement investigations of unlawful advertising under the bill. The Colorado Bureau of Investigation must make user interface design changes to the CCIC to allow collaboration with the Department of Revenue's Marijuana Enforcement Division (MED) as well as local law enforcement agencies. The one-time cost to make these changes is estimated at \$60,000, paid from the Marijuana Tax Cash Fund. Workload in DPS will also increase for staff to meet with counterparts in the MED to define rules and policies governing the use of the CCIC and to incorporate changes into training materials.

Judicial Department. Workload will increase for the trial courts to process new misdemeanors. If defendants are represented by the Office of the State Public Defender or Alternate Defense Counsel, costs will increase for these agencies, as well. The fiscal note assumes only a small number of new cases under the bill, and these impacts are anticipated to be minimal. If costs require an increase in appropriations in the future, the fiscal note assumes that any affected agencies within the Judicial Department will request them through the annual budget process.

Local Government Impact

This bill will increase revenue and costs to local governments, as described below.

County jail costs. To the extent that this bill increases misdemeanor convictions and offenders are sentenced to jail, costs will increase. The cost to house an offender in county jail varies from about \$53 to \$114 per day. For the current fiscal year, the state reimburses county jails at a daily rate of \$52.74 to house state inmates.

District attorneys. Should district attorneys file additional misdemeanor charges against defendants for engaging in the activity described under the bill, workload may increase. The fiscal note assumes a minimal number of new cases and that any change in workload will be minimal.

Law enforcement. Costs to local law enforcement agencies may increase as these agencies attempt to investigate and build cases against persons engaged in the activity prohibited by the bill.

Denver County Court. To the extent that this bill increases misdemeanor convictions, the bill may increase workload and revenue for the Denver County Court, managed and funded by the City and County of Denver. Probation services in the Denver County Courts may also experience a minimal increase in workload and revenue as a result of more offenders convicted of misdemeanor charges under the bill. It is assumed that any increases will be minimal.

Effective Date

The bill takes effect September 1, 2017, assuming no referendum petition is filed. It applies to offenses committed on or after this date.

State Appropriations

In FY 2017-18, the bill requires a cash fund appropriation of \$60,000 to the Department of Public Safety from the Marijuana Tax Cash Fund.

State and Local Government Contacts

Counties
Municipalities
Sheriffs

District Attorneys
Public Safety

Judicial
Revenue