



COLORADO
Department of Local Affairs
Division of Local Government

Gray & Black Market Marijuana Enforcement Grant Colorado Revised Statute 24-32-119(4)

SMART ACT REPORT

November 1, 2020



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Gray & Black Market Marijuana Enforcement Grant Program

November 1, 2020

Section 24-32-119 (4), of the Colorado Revised Statute (C.R.S) requires the Department of Local Affairs, Division of Local Government, provide an update regarding the effectiveness of the Gray & Black Market Marijuana Enforcement Grant program in the Department’s annual report as required by the “State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act” part 2 of article 7 of title 2. This document serves as response to this report requirement.

Gray & Black Market Marijuana Enforcement Grant Program (GBMJ)

Program Launch and History

In Colorado’s 2017 legislative session, House Bill 17-1221 was passed creating the Gray & Black Market Marijuana Enforcement grant program (GBMJ) in Colorado Revised Statute (C.R.S.) 24-32-119. The program gives grants to Colorado counties and municipalities with the purpose of providing financial assistance to local law enforcement and district attorneys for actual expenses related to investigation and prosecution of unlicensed marijuana cultivation or distribution operations. Annually, approximately \$5.8 million is set aside for grant awards and funds unspent or unencumbered remain in the program for one additional year.

The inaugural appropriation in FY 2017-18 provided \$5.8 million to the Department for the actual grant program. In FY 2017-18, after extensive outreach and stakeholder engagement, only \$1.6 million in grant funding was requested and awarded: 32 applications of a possible 334 eligible entities.

Considering the large amount of funding available and the low level of demand, the Department worked with the State Controller’s Office and interested stakeholders to change the method of financial assistance from a reimbursement model to a formula-based distribution model, similar to that utilized by the Conservation Trust Fund program, which is also managed by DLG, and that reflects the priorities of the original legislation. Under the new model, local governments interested in receiving funds from the GBMJ Program “opt-in” to receive funding and then later provide the Department with information on how the moneys were utilized for investigation and prosecution of unlicensed marijuana.

Program Award

Using the revised model in FY 2018/19, 38 eligible entities opted-in to the GBMJ program. The total amount of the grant was \$5,809,197 and all available funds were awarded. At the end of the grant term, June 30, 2020, \$5,488,511 was expended on program projects, \$320,686 was returned to the Marijuana Tax Cash Fund. In FY 2019/20, 34 eligible entities opted-in and \$5,863,501 was awarded for grant projects. This grant cycle will end June 30, 2021. The appropriation for FY 2020/21 was reduced to \$950,674. The most recent application cycle received 26 applications.

Program Effectiveness

Statute requires that the SMART Act report discuss the effectiveness of the program. To that end, program staff have included in final reporting requirements that all GBMJ grantees provide detail around the effectiveness of the program from their perspective as a recipient of these grant dollars.

With the legalization of some types of possession and use of marijuana, many believed that the black market would cease to exist or at least be dramatically reduced. However grantees report that the marijuana black market has continued to thrive. GBMJ grantees report they are spending thousands of investigation and prosecution hours related to the marijuana black market. These grant funds help subsidize the costs associated these investigations and prosecutions.



With the help of GBMJ grant funds and to meet the demand of controlling this ongoing unlicensed and illegal marijuana activity of cultivation and distribution operations, recipient cities and counties report they have been able to increase law enforcement activities in addressing these illegal operations, perform multi county operations, safely conduct covert surveillance, increase the execution of search warrants, seize tens of thousands of marijuana plants, seize several thousands of pounds of refined marijuana, and shut down hundreds of illegal grows. The funds have made it possible to better outfit detectives and officers with much needed equipment which keeps them safe from the hazards of illegal marijuana grows and dangerous criminal activities.

Prior to this grant program, the manpower, equipment and specialized training needed by local law enforcement, as well as additional staff hours required for prosecution by district attorneys' offices was cost prohibited. However, the resources provided through the GBMJ grant have made it possible to proactively investigate illegal marijuana activities as well as afford collaboration between law enforcement and district attorney's for prosecution of such activity. Rural communities state that without the grant funding they would not have been able to put the man hours needed into illegal marijuana enforcement.

The effectiveness of this program, as reinforced by recipient local governments, is evident in the assistance it has afforded law enforcement in protecting the citizens of their communities, in facilitated the construction of new investigative frameworks, in ensuring the future probative value of cases currently being built. This is critical to both successful prosecution and in aggressively creating a culture that communicates that this type of illegal activity will not be tolerated. The grant increased the operational effectiveness as a result of the additional funding for over-time support, special training and equipment. Without the assistance of the program, grantees will not be able to sustain the effort of increased investigation and prosecution of unlicensed and illegal marijuana activities.

The costs below are indicative of the types of expenses associated with investigating and prosecuting unlicensed marijuana cultivation or distribution operations conducted in violation of state law.

Investigation:

- PPE supplies and equipment, including filtered breathing apparatus which protects from dangerous mold spores and toxins while dismantling an illegal marijuana grow site. Other equipment purchased that helps support the safety of law enforcement officers are drones, cameras, tactical equipment, safety suits, and N95 masks.
- Personnel salaries, including overtime costs that support increased patrol and enforcement, GBMJ funds help to defray costs of personnel dedicated to the detection, surveillance, contact, reporting, and court time regarding illegal marijuana.
- Computers, IT equipment, digital intelligence supporting law enforcement in the field to access actionable intelligence at the scene.
- Training and education for law enforcement regarding drug cartel and culture, investigation, and testifying in court.
- Vehicles, trucks for on and off-road that can travel through bad weather in remote areas, ATVs, equipment trailers, drug incinerators to burn/destroy marijuana that is collected at illegal grow sites. Armored vehicles utilized in defense against heavily armed individuals.

Prosecution:

- Financial assistance for district attorneys addressing and prosecuting unlicensed marijuana in violation of state law.
- Investigation and curtailment of underage possession and consumption.



Exhibit A - Gray and Black Market Marijuana Enforcement Grant Program Awards

FY 18/19	Grantee	Amount Awarded	Funds Returned	FY 19/20	Grantee	Amount Awarded
	Custer County	\$ 17,082.66			Garfield County	\$ 100,725.69
	Baca County	\$ 6,491.71	\$ 3,640.47		Vail, Town of	\$ 23,249.93
	Montrose County	\$ 95,879.14			Mesa County	\$ 294,633.35
	Prowers County	\$ 13,859.33	\$ 13,795.69		Delta County	\$ 56,870.37
	Cortez, City of	\$ 44,976.51	\$ 972.54		Aurora, City of	\$ 767,016.79
	Fremont County	\$ 125,795.08	\$ 7,958.86		Montrose County	\$ 81,184.05
	Teller County	\$ 69,832.21			Montrose, City of	\$ 81,455.28
	Paonia Town of	\$ 8,473.76			Colorado Springs, City of	\$ 976,770.52
	Douglas County	\$ 485,439.47			San Miguel County	\$ 13,816.04
	Grand Junction, City of	\$ 161,739.75	\$ 18,423.34		Durango, City of	\$ 78,857.36
	La Plata County	\$ 168,849.60			Silt, Town of	\$ 13,133.71
	Woodland Park, City of	\$ 21,522.26	\$ 15,434.94		Eagle County	\$ 101,005.40
	Elbert County	\$ 111,970.78	\$ 26,495.69		Fort Collins, City of	\$ 345,227.17
	Conejos County	\$ 21,417.15			El Paso County	\$ 388,631.14
	Arapahoe, County	\$ 239,022.16			Collbran, Town of	\$ 2,928.49
	Pueblo County	\$ 270,184.38	\$ 4,862.97		Denver, City and County	\$ 1,469,062.69
	Greeley, City of	\$ 261,663.07	\$ 26,025.64		Boulder County	\$ 95,722.68
	Routt County	\$ 43,725.21	\$ 28,091.74		Grand Junction, City of	\$ 136,950.41
	Delta County	\$ 67,164.45			Teller County	\$ 59,129.25
	Lincoln County	\$ 12,613.04			Montezuma County	\$ 65,706.70
	La Veta, Town of	\$ 3,889.02	\$ 3,889.02		Pueblo County	\$ 228,774.08
	Otero County	\$ 25,941.83	\$ 22,748.46		Las Animas County	\$ 22,245.51
	Boulder County	\$ 113,049.40	\$ 67,847.59		Lake County	\$ 20,842.72
	Dolores County	\$ 5,260.44			Custer County	\$ 14,464.46
	Pueblo, City of	\$ 276,838.77			Fremont County	\$ 106,514.86
	Park County	\$ 81,489.26			Prowers County	\$ 11,735.16
	Aurora, City of	\$ 905,854.20	\$ 66,024.03		Dinosaur, Town of	\$ 1,351.94
	Delta, City of	\$ 43,600.08			Yuma County	\$ 16,575.01
	Huerfano County	\$ 14,474.97	\$ 14,474.97		Adams County	\$ 208,238.62
	Mancos, Town of	\$ 7,132.38			Grand County	\$ 34,090.86
	San Miguel County	\$ 16,316.87			Costilla County	\$ 11,379.16
	Mesa County	\$ 347,964.81			Edgewater, City of	\$ 11,334.66
	Costilla County	\$ 13,438.90			Palmer, Town of	\$ 5,742.56
	Colorado Springs, City of	\$ 1,153,575.35			Conejos County	\$ 18,134.61
	Moffat, Town of	\$ 580.60				
	Montezuma County	\$ 77,600.24				
	El Paso County	\$ 458,977.11				
	Silt, Town of	\$ 15,511.04				
	Total Awarded	\$ 5,809,196.99	\$ 320,685.95		Total Award	\$ 5,863,501.23
	Returned to MJ Tax Cash Fund	\$ 320,685.95			Grant spending ends June 30, 2021	
	Percent of grant funds expended		94.48%			