

Senate Health & Human Services

03/30/2022 01:30 PM

SB22-149 Improve Marijuana Industry Regulation

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Pamela Jacobsen Against Self	I have been a med card holder in Colorado for 5 years and never had a problem until this year. I had to pay 30 dollars more for my epc and had to pay 60 dollars for a 6 month follow up to make sure I still qualify. I paid my dues and was issued my card, but now NO ONE will honor it because of HB-1317. Dispensary owners are scared to sell over 2 ounces now. Patients are already struggling to get meds in a market that is already more regulated than any other. We don't need more regulations. We need education of the regulations already in effect. These rules and regulations are killing our medical program. PLEASE HEAR OUR CRIES... before it's too late.



03.30.2022

Dear Honorable Members of the Senate Health and Human Services Committee

My name is Truman Bradley. I am the Executive Director of the Marijuana Industry Group. MIG represents businesses in every district where cannabis is legal in Colorado

Founded in 2010, MIG has partnered with lawmakers and regulators for over a decade, prioritizing public safety and helping build a regulatory model that is now widely used as the template for regulation when new states legalize. That's because the system in Colorado works.

**All MIG members are united in our opposition to SB 22-149 because it's ineffective, expensive, and will not improve public safety.**

The regulated Colorado marijuana industry does not have an underage sales problem. As others will attest, for every year we have been in existence, the marijuana industry has maintained a higher compliance rate than any other regulated industry including alcohol. Each of our members has entire compliance departments focused on adhering to the over 470 page marijuana rulebook.

SB-149 would throw taxpayer dollars at a problem that doesn't exist. What's important to remember is that last year during the lengthy discourse around HB 1317, groups on all sides (including the proponents of this bill) testified that there was not an issue with teenagers getting fake ids past dispensary checkpoints. Underage sales weren't happening then and they aren't happening now.

Aside from being costly and ineffective, this bill does not improve public safety, it does the opposite. **If passed, SB-149 will make the public less safe.** It will force regulators to focus their resources on an area that for a decade has achieved record setting levels of compliance instead of focussing on areas that the enforcement division deems to be more important. The MED regulators are the experts on keeping the public safe. It is their mission and they should have the flexibility to focus their attention where it's most needed.

Thank you for your consideration.

Truman Bradley

Executive Director

Marijuana Industry Group



Children's Hospital Colorado

www.childrenscolorado.org

March 23, 2022

Madame Chair and Members of the Committee

I am writing on behalf of Children's Hospital Colorado in support of Senate Bill 149. Since retail marijuana was legalized by Colorado voters nearly a decade ago, I have had the opportunity to participate in countless regulatory workgroups, research studies, and legislative proceedings to integrate considerations related to preventing child and youth access to marijuana. Our state has designed and established one of the very first legal marijuana operations in the world, and we have been grateful that elected officials and regulators have always considered substance use prevention for kids when implementing these policies.

Senate Bill 149 strengthens the existing regulatory system and reinforces this commitment to limiting youth access by setting a baseline of two underage compliance checks per year for marijuana retailers. According to the Healthy Kids Colorado survey from 2019, 1 in 5 Colorado high school students report past 30-day use of marijuana, and high potency cannabis use has been increasing posing a significant health risk to this population. A comprehensive system of two underage compliance checks will provide an equal playing field and ensure business responsibility across all retailers. Underage compliance checks are an enforcement tool to reduce the availability of age-restricted products to minors, and this is a best-practice approach already operationalized by the Department of Revenue for other regulated industries, performed in coordination with local licensing authorities where the agency partners with underage buyers to attempt to purchase products. This model is in place for alcohol, it was recently established by state law for tobacco retailers and this model is needed for marijuana as well. The bill establishes new online transparency regarding compliance checks - this is also analogous for other industries regulated by the Department of Revenue. The bill also establishes common-sense guardrails to ensure a balanced rulemaking process so that rules and regulations are developed based on science and policy, while still benefiting from the subject matter expertise of industry experts.

As the industry has evolved over the last ten years, it is important to ensure a comprehensive and fair process for regulating underage sales and we ask that you support Senate Bill 149 to set a best practice of two underage checks to verify compliance with legal age-of-sales.

Thanks for your leadership on this important bill,

G. Sam Wang MD FAAP FAACT  
Associate Professor of Pediatrics  
Section of Pediatric Emergency Medicine and Medical Toxicology



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March 29, 2022

Dear Honorable Members of the Senate Health and Human Services Committee:

I respectfully submit this written testimony for your consideration concerning SB22-149. While I am regrettably unable to attend the hearing scheduled for tomorrow, I felt it was important for me to share my unique perspectives and some important facts with you concerning this piece of legislation. It is my understanding that Truman Bradley, Executive Director of the Marijuana Industry Group, will be available remotely to testify and answer any questions you may have. The Marijuana Industry Group is one of my clients and I serve as a regulatory advisor to their Board of Directors.

Sincerely,

A handwritten signature in blue ink that reads 'Ron Kammerzell'.

Ron Kammerzell  
President & Managing Member  
Kammerzell Consulting Services, LLC



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**TAKEAWAY:** SB-149 can best be described as a solution in search of a problem. While proponents of SB-149 compare marijuana checks to alcohol, the marijuana industry is better equipped to prevent minors from unlawfully purchasing products, frequently more inspected than alcohol, and has achieved better youth prevention outcomes every year since legalization.

Here are the facts.

**FACT:** Marijuana has stricter ID check requirements than retail liquor establishments

- *Marijuana:* IDs checks are required for ALL consumers before entering the sales area [and then again at the point of sale]. For medical patients, they must show their ID, prove they are of lawful age, and present their valid patient card before they can enter the sales area.
- *Alcohol:* IDs are not generally required to be checked unless the person reasonably appears to be under 50 years of age.

**FACT:** Marijuana has stricter access controls than liquor stores

- *Marijuana:* Only adults (18 for medical and 21 for retail) who have had their ID verified may enter the restricted sales area
- *Marijuana:* In most cases, marijuana and marijuana products within the restricted sales area are controlled behind a counter and only accessible by licensed and badged employees
- *Liquor:* Technically minors may only enter the store with an adult, but there is no ID verification at entry to ensure this happens. Minors can and do enter liquor stores regularly.

**FACT:** The marijuana industry consistently has more underage compliance checks in comparison to the alcohol industry

- *Marijuana:* In 2019, the last full year before the pandemic, more than 600 of 1,073 stores had an underage compliance check, accounting for 60% of stores being checked by MED.
- *Alcohol:* In that same year, LED performed 2,717 underage compliance checks in the approximately 12,000 retail liquor establishments. This means only 22% of these liquor establishments were checked by LED.

**FACT:** Marijuana has exceeded liquor's underage compliance rate every single year since legalization

- *Marijuana:* Licensed stores rank among the best in underage compliance rates for regulated industries in Colorado, consistently between 95-97%.
- *Liquor:* Just a decade ago, liquor stores had compliance check rates well below 90 percent. In recent years, the state has invested more resources into doing underage sale compliance checks in more stores and doing it more frequently. Even with this heavy investment of staff, time, and resources, retail liquor establishments have been unable to exceed a compliance rate of around 90-92% annually.

The regulatory environment for marijuana stores is much more controlled than retail liquor establishments. Age verification requirements at entry and point of sale for the marijuana industry have successfully decreased the instances of underage sales when compared to the retail liquor industry; and underage compliance rates confirm this. A robust regulatory framework and a risk-based compliance check system has led to a significantly lower youth access rate for the marijuana industry when compared to other regulated industries in Colorado.



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By dictating the proscribed inspection level with little leeway, this bill is demanding an inefficient and unnecessary use of Division resources. SB-149 forces MED to focus their resources on compliance checks, instead of providing the Division with the needed flexibility to address emerging public health or safety issues in this rapidly evolving industry.

Furthermore, the statistics presented by the proponents of SB-149 do not consider marijuana compliance efforts at the local level. Local licensing authorities actively monitor underage compliance within their jurisdictions. Underage compliance is not and should not be the sole responsibility of state regulatory agencies. Local regulatory agencies serve a key role in addressing underage compliance.



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**ABOUT RON KAMMERZELL**

Ron is the President and Founding Member of Kammerzell Consulting Services, LLC, an independent consulting firm specializing in regulatory policy and governmental affairs. In August 2017, Ron retired from the Colorado Department of Revenue after more than 25 years of service. Prior to his retirement from the Department, Ron served as the Senior Director of Enforcement for nearly 5 years where he had management oversight responsibilities over five divisions including Liquor/Tobacco Enforcement, Gaming, Racing, Auto Industry and Marijuana Enforcement for the Colorado Department of Revenue. Prior to his appointment as the Senior Director of Enforcement in October 2012, Ron spent nearly 20 years with the Division of Gaming regulating the casino industry in Colorado, including 7 years as the Division Director. Ron also served as the Director of Security for the Colorado Lottery and began his state career with the Colorado Office of the State Auditor. Over the years, Ron has gained extensive experience in complex criminal and financial investigations, auditing, internal controls, regulatory law, public policy and public administration. Several of Ron's most notable accomplishments at the Department were the successful implementation of Amendment 50 expanding betting limits, hours of operation and games offered by the regulated casino industry in Colorado, implementation of Amendment 64 legalizing retail marijuana in the State, and implementation of SB 17-197 expanding the sale of wine, spirits and full-strength beer at grocery stores in Colorado. Ron was appointed by the Governor to the Amendment 64 Implementation Task Force and co-chaired the Regulatory Framework Working Group establishing the initial rules for retail marijuana in Colorado. Ron was intimately involved in the implementation of Amendment 64 and setting marijuana regulatory policy for the Department of Revenue for nearly 5 years. Today, he is widely recognized as an expert in the implementation of marijuana regulatory policy in North America and internationally. Ron provides client services to a number of premier trade associations involved with legalized marijuana and casino gambling. Ron has also been active in evolving marijuana policy in Colorado, Connecticut, Oklahoma, New Hampshire and Virginia.

Ron is a native of Colorado. He graduated from Colorado State University with a BSBA in Finance and Real Estate, with a minor in Economics. Ron was a Colorado POST Certified peace officer for more than 15 years prior to his retirement from the State of Colorado.



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