

April 7, 2021

HB 21-1159 – Concerning Limitations on Regulated Marijuana Delivery

Honorable Members of the House Business Affairs & Labor Committee:

RE: Written testimony for Jonathan Salfeld, Owner, Local Product of Colorado (One Med/Rec Dispensary in Denver) and Tad Bowler, Owner, Rocky Road Remedies (Five Med/Rec Dispensaries in Colorado Springs, Avon, Aurora, & Thornton).

We are writing today to express our strong support for HB 21-1159 in order to maintain and protect the highly regulated “brick and mortar” dispensary model that has been so successful in Colorado for many years. Without the provisions included in this bill we are very concerned about the long-term viability of the current dispensary business model as delivery moves forward throughout the state.

The ability for a company to set up essentially a fake store attached to a large warehouse goes against the intent of the bill passed by the legislature to allow marijuana delivery in 2019. In this fake store/warehouse scenario, a company could virtually eliminate all the expenses of operating a legitimate dispensary and set up a large volume delivery business that small business owners across the state could ultimately not compete with. It is very frustrating to think that a large warehouse on the outskirts of town could quickly dominate the delivery market after small business owners such as ourselves, who have meticulously followed the ever changing state and local laws, gotten the cooperation and buy-in from our neighbors, and have invested so heavily in our store infrastructure and security, be so quickly pushed out of the market.

We are also very concerned about big technology companies looking to place online platforms to circumvent the relationships we have built over the years with our patients and customers. Additionally, we are hearing some of these companies are looking to open up delivery for a variety of products such as food, alcohol and marijuana. It must be noted that our respective stores can't even sell our customers a bottle of water on a hot summer day. We are restricted to only marijuana products and minimal promotional items such as t-shirts.

Lastly, we want to reiterate that we are very supportive of marijuana delivery overall. We are also very supportive of the variety of state and local policies that have been enacted to assist Social Equity individuals getting a start in our industry. Our concerns are with fake stores attached to large warehouses and big tech online platforms upending the carefully crafted rules and regulations developed over a long period of time.

Thank you for your time and attention and a special thanks to Rep. Marc Snyder for his leadership on this important issue.