

2017 Legislative Update – Marijuana Regulation

MACC Meeting
May 26, 2017



Colorado Pot Snapshot

Statistics

- Medical MJ Businesses as of 5/1/17: **1560**
- Retail MJ Businesses as of 5/1/17: **1416**
- Active Occupational Licensees as of 5/1/17: **33,121**
- Tax Revenue to date: **\$423.6M**

There were 15 bills introduced in the 2017 session that had some bearing on retail or medical marijuana.

Eleven of them passed.

HB17-1220, Residential Plant Caps

- Establishes a residential marijuana plant cap of 12 plants (regardless of retail or medical) and puts into place more robust penalties for non-compliance.
- Provides option for locals to allow plant cap of 24 for caregivers and patients IF they register with both state and local entities.
- Respects local plant caps (if they exist).

HB17-1221, Local Law Enforcement Grants

- Creates a new \$5 million grant program at DOLA to assist local law enforcement and district attorneys in investigation and prosecution of illegal grow operations.
- Closes the “assist” loophole in statute that was allowing large scale co-ops to form.

SB17-192, Business Efficiency Measures

- Allows the state to assess and collect marijuana excise tax using EITHER the Average Market Rate (AMR) or the actual transaction cost.
- Directs the DOR to calculate the AMR quarterly instead of twice a year.
- Under the bill, counties will continue to collect their excise tax using the AMR.
- Directs the Department of Revenue to share state excise tax collection information with local governments.

HB17-1034, Medical Pot Licenses

- Aligns medical marijuana statute with retail marijuana statute by creating a medical marijuana business operator license.
- Also allows a medical marijuana licensee to move his or her business anywhere in Colorado upon approval of the state and the local jurisdiction (similar to how relocations are handled under the retail marijuana statute).

HB17-1203, Local Government Sales Tax on Retail Marijuana

- Establishes that a county special sales tax on marijuana may be collected countywide, unless a municipality has its own sales tax on marijuana, in which case a county may only collect inside the municipal boundaries through an intergovernmental agreement.
- Contains a legislative declaration clarifying that this special sales tax authority is distinct from the county general sales tax authority.

SB17-17, Medical Marijuana for PTSD and Stress Disorders

- Adds “stress disorders” and “PTSD” to the list of debilitating medical conditions that medical marijuana can be legally used for under statute.

SB17-15, Unlawful advertising

- Makes it a Level 2 drug misdemeanor for someone not licensed to sell retail or medical marijuana to advertise for the sale of marijuana or marijuana concentrate.

SB17-25, Educational Resources

- Directs Department of Education to establish a “resource bank” of educational materials related to marijuana. Marijuana cash fund is to be used to establish the resource bank.

SB17-111, MMJ Inventory

- Currently, medical marijuana businesses are still “vertically integrated” (meaning that they have to grow at least 70% of what they sell). This bill removes the statutory threshold and directs the MED to establish the threshold instead.

SB17-187, Occupational Badges

- Currently, you have to be a Colorado resident to get an occupational license. This bill would waive that requirement for individuals in education or training programs that prepare them for entry into this line of work.

SB17-267, Rural Sustainability

- Raises state sales tax on retail marijuana from 10% to 15% (statute authorizes state to raise it up to cap of 15%)
- *Eliminates* collection of state GENERAL sales tax (2.9%) on retail marijuana

Dead bills



SB17-63 and SB17-184, Pot Clubs

- SB 184 was based on private clubs where you bring your own pot in (which local governments can already authorize through current land use authority) – it also included a definition of “open and public consumption” which has been missing from statute.
- SB 63 would have created a new license type for basically a dispensary where you could use the pot on site (basically a bar that serves marijuana).

SB17-275, Medical Studies

- Would have authorized the study of the efficacy of Colorado-grown medical marijuana and allowed marijuana businesses to transfer product for study.

HB17-1345, Retail Tax Rate

- Instead of lowering the state sales tax rate to 8%, this bill would have kept the rate at the current 10% rate.

What about the Feds?



Questions?



2017 Legislative Update – Marijuana Regulation

MACC Meeting
May 26, 2017

