



The Implementation of Amendments 20 & 64

Office of Marijuana Coordination

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COLORADO
Office of the Governor

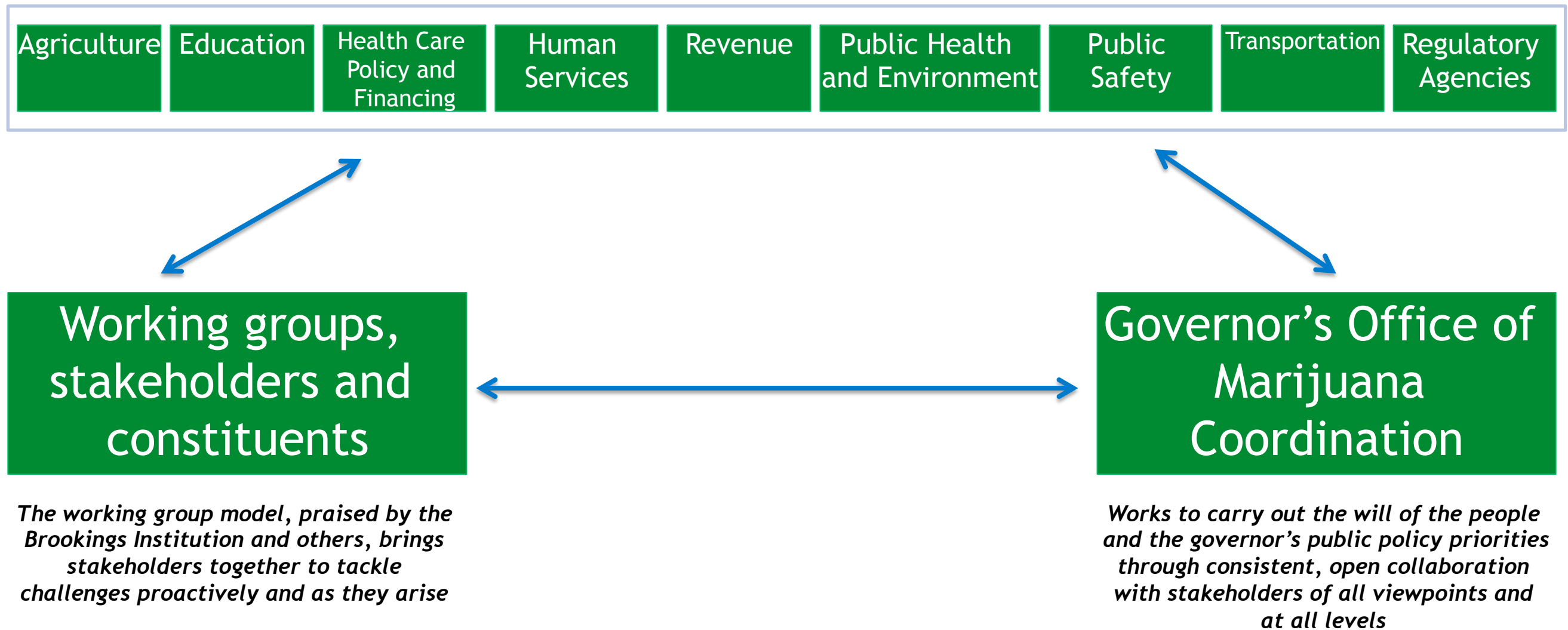
Office of Marijuana Coordination Mission

To carry out the people's will on marijuana legalization through effective and efficient regulations, policies, and initiatives that protect and promote public health, public safety, and keep marijuana out of the hands of kids.

Policy Priorities

- 1) Decrease youth marijuana use and consumption through strong regulations, public education, and proven youth-prevention programs
- 2) Maintain public safety by preventing marijuana-impaired driving and ensuring marijuana-related crimes are effectively policed
- 3) Promote public health by providing options for substance-use disorder treatment services, educating consumers on responsible, legal use, and creating stringent health and safety standards for industry.

Achieving efficient, effective, fair regulations through constant collaboration and mutual respect



Amendment 20

- ✓ Passed by voters in 2000 with 54% of the vote.
- ✓ Amended the State Constitution to allow the possession, cultivation, and use of marijuana for approved patients with written medical consent. Requires a “debilitating medical condition.”
- ✓ Medical Marijuana Registry Identification Card - The “red card” license for medical marijuana use - overseen by the Colorado Department of Public Health (CDPHE)
- ✓ In 2010, in response to federal guidelines - the “Ogden Memo” - the Colorado General Assembly enacted the Colorado Medical Marijuana Code. Under this code, the Department of Revenue is empowered to license and regulate commercial medical dispensaries, cultivations, and marijuana-infused product manufacturers.

Amendment 64

- ✓ Passed by voters in 2012 with 55% of the vote.
- ✓ Amended the State Constitution to allow the possession, cultivation, and use of marijuana for recreational purposes for adults over the age of 21.
- ✓ Regulations promulgated by the Department of Revenue's Marijuana Enforcement Division (MED), which also oversees the commercial medical marijuana market.
- ✓ Initial regulations drafted and presented to the legislature by the Amendment 64 Task Force, a 24-member panel comprising legislators, marijuana legalization advocates, opponents, industry leaders and policy experts.
- ✓ “Working group” model remains instrumental part of implementation and refinement.

Proposition AA

- ✓ Passed by voters in 2013 with 65% of the vote.
- ✓ Imposed two new taxes on **recreational** retail marijuana in addition to the 2.9% regular sales tax.
 - ✓ A 15% excise tax when marijuana is first sold or transferred from a cultivation facility.
 - ✓ A 10% sales tax on the sale of retail marijuana and retail marijuana products.
- ✓ The first \$40,000,000 raised annually by the excise tax is earmarked for public school capital construction.
- ✓ The remaining tax revenue is dedicated to the regulation of the retail recreational marijuana and associated costs - collected into the Marijuana Tax Cash Fund.

Marijuana Tax Structure

Medical Marijuana

- 2.9% Regular State Sales Tax → Marijuana Tax Cash Fund

Recreational Marijuana

- 2.9% Regular State Sales Tax → Marijuana Tax Cash Fund
- 10% Special State Sales Tax → Marijuana Tax Cash Fund
- 15% Excise Tax → Building Excellent Schools Today Fund

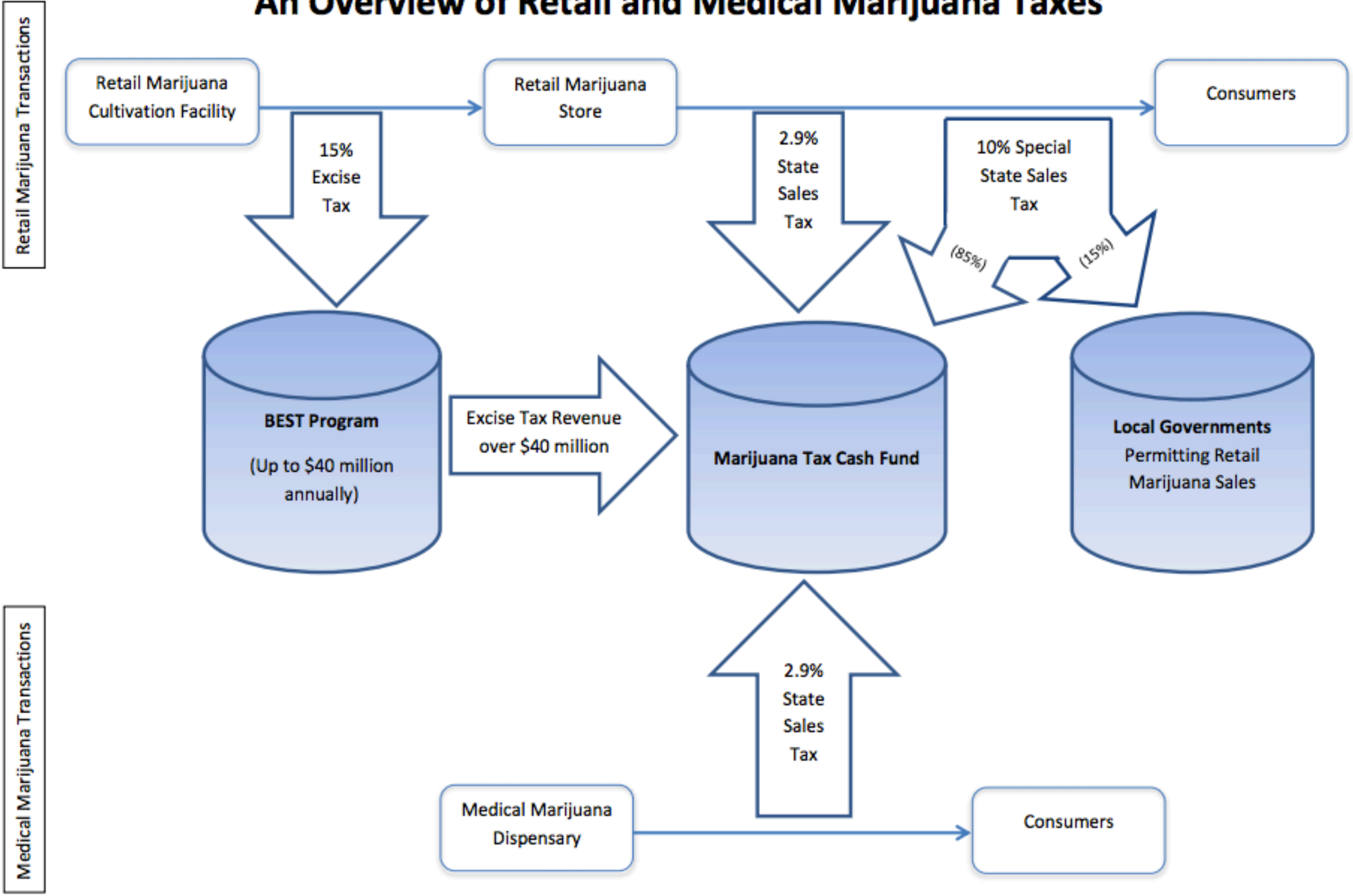
Marijuana Tax Cash Fund

- Dedicated to the regulatory costs of marijuana legalization. Also allocated to policies and initiatives that protect and promote public health, public safety, and keep marijuana out of the hands of kids.
- Our philosophy: **MTCF expenditures require a direct nexus with marijuana legalization.**

Building Excellent Schools Today (BEST) Fund

- First \$40 million raised by 15% excise tax is funneled into BEST, a competitive grant program for school districts and charter schools to construct new schools and renovate existing facilities.

An Overview of Retail and Medical Marijuana Taxes

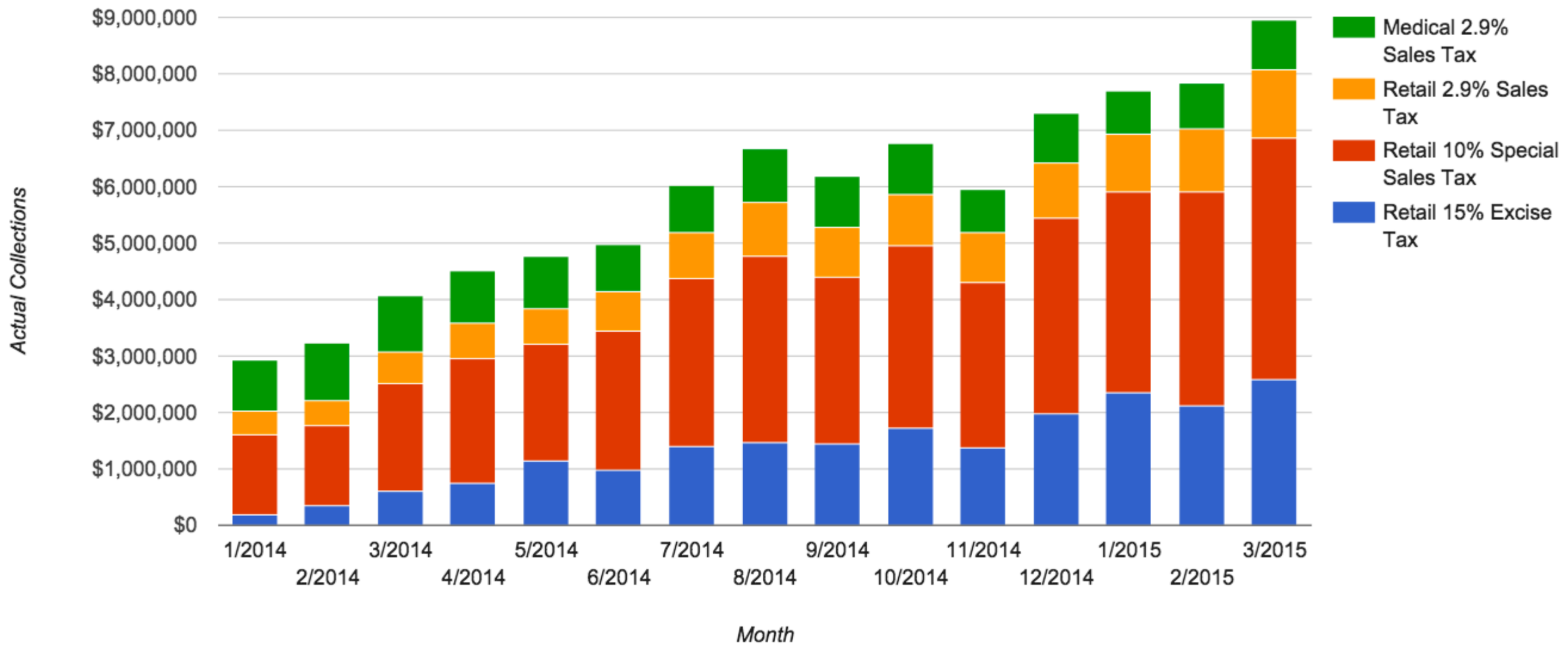


How much revenue has been raised?

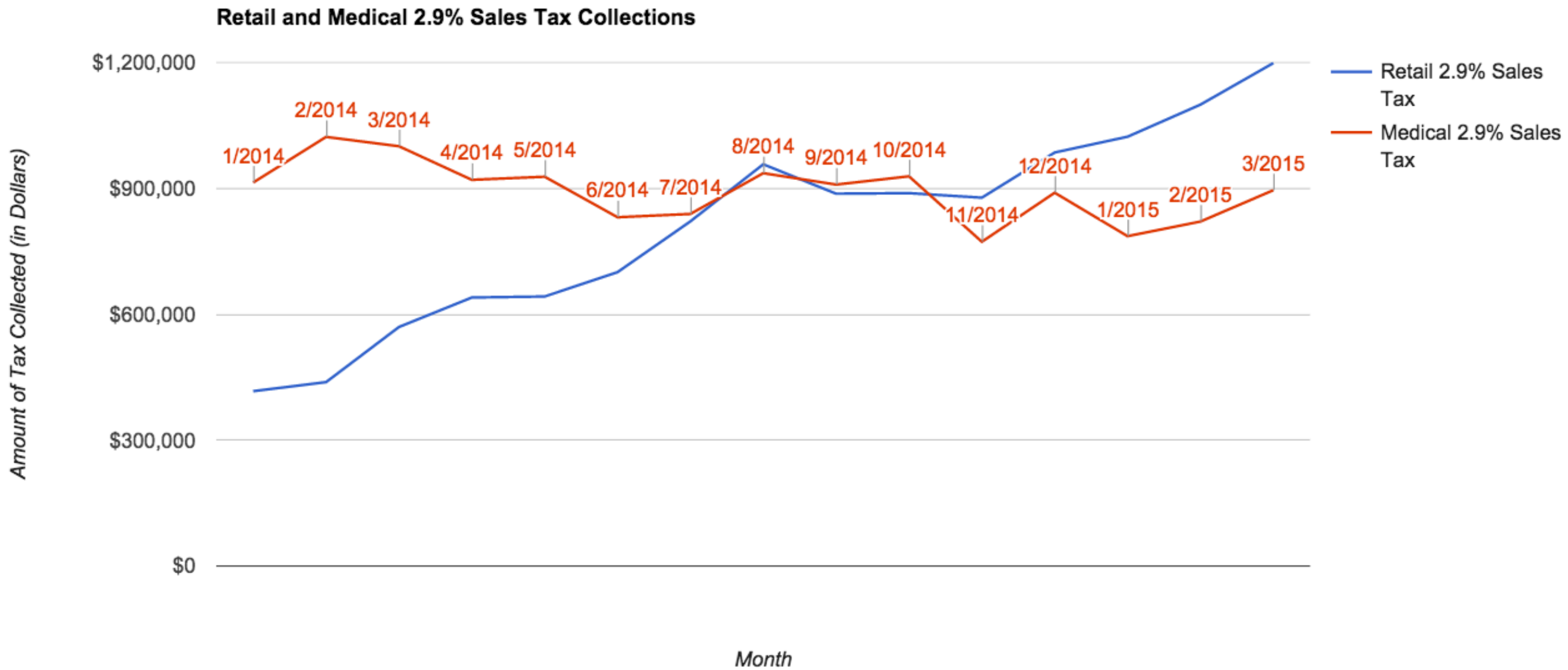
- In 2014, the first full year of recreational legalization, the State of Colorado collected more than \$63 million in taxes from medical and recreational marijuana sales.
- As of March 2015, we've collected more than \$87 million in revenue in total:
 - Medical Marijuana: \$13,388,586
 - Recreational Marijuana: \$74,447,627
 - BEST Fund: \$20,400,662

Overall Taxes Collected Over Time

Retail and Medical Marijuana Taxes

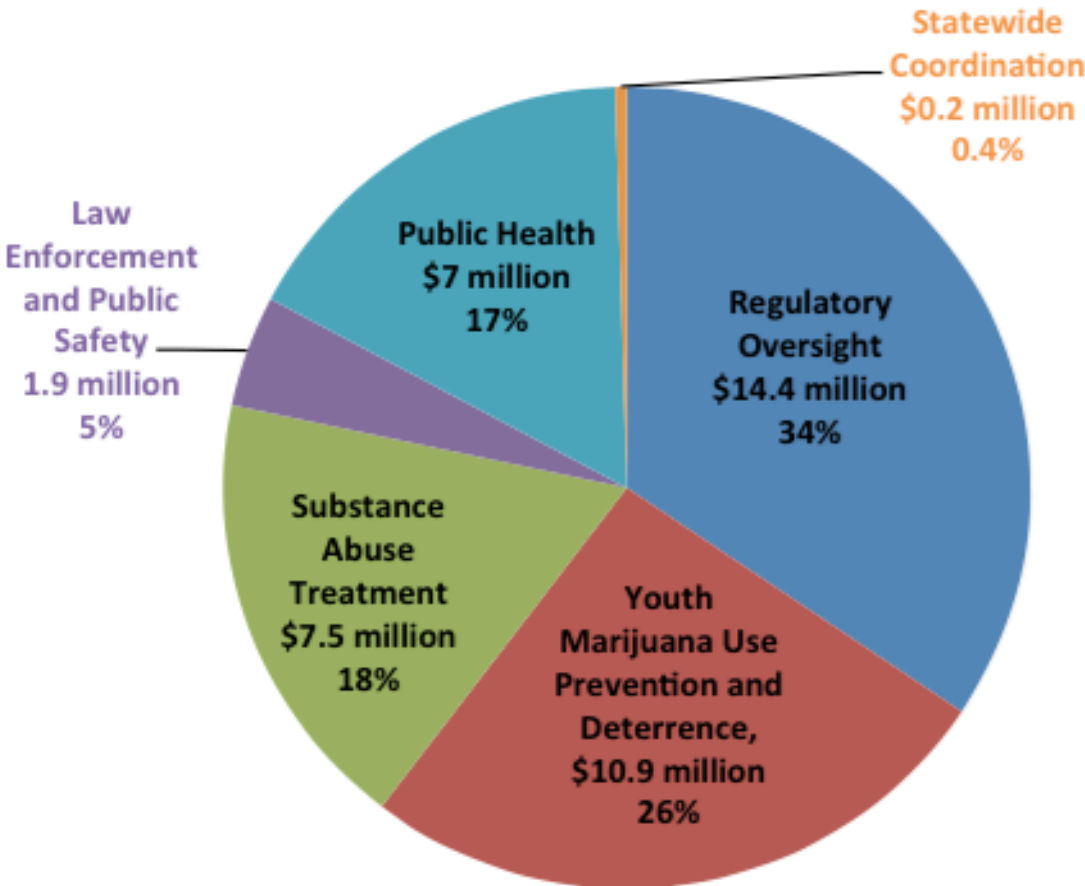


Medical vs. Recreational Taxes



MARIJUANA-RELATED SPENDING

FY 2014-15 Funding

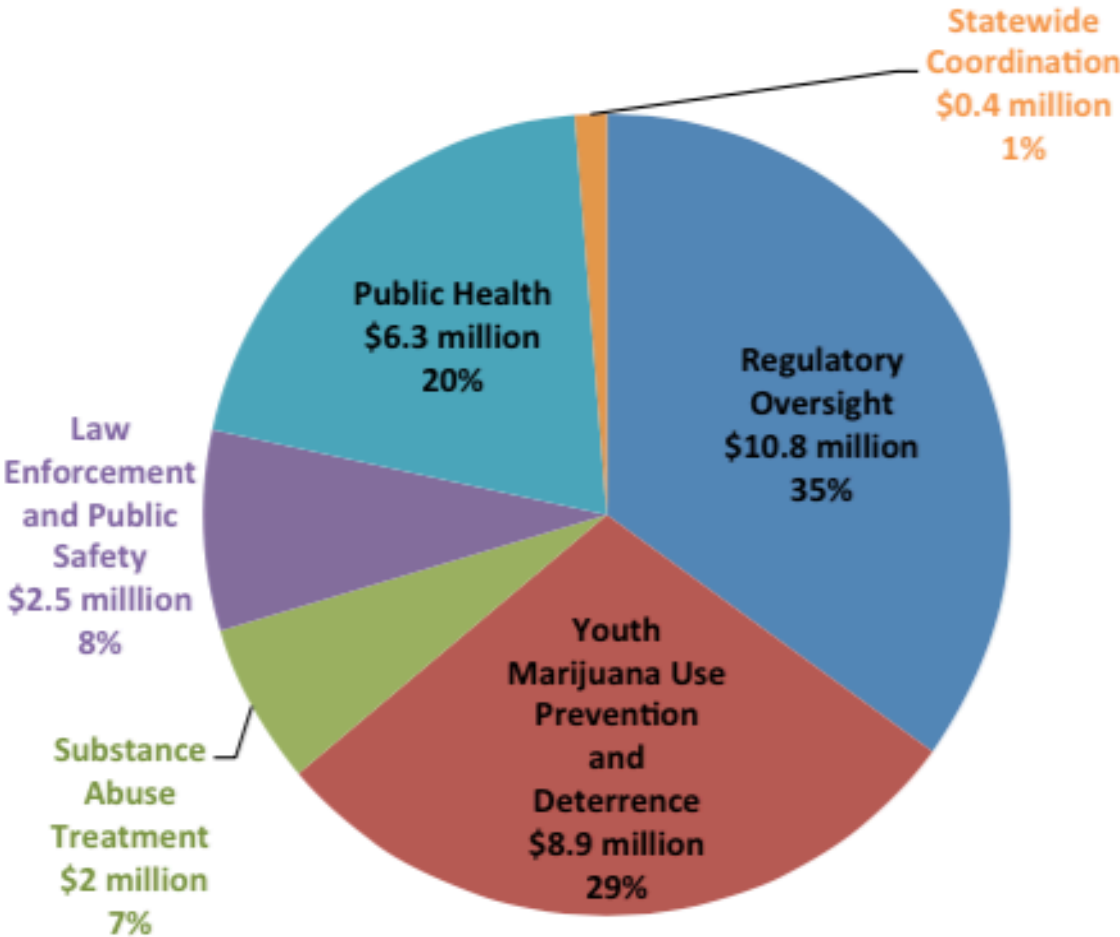


Total: \$41.8 million

S.B. 14-215 Appropriations: \$24.8 million (includes \$2.3 million federal matching funds)

Department of Revenue Funding: \$14.4 million
Other Appropriations: \$2.6 million

FY 2015-16 Request



Total: \$30.8 million

Budget Request: \$18.0 million (includes \$2.2 million federal matching funds)

Department of Revenue Funding: \$10.5 million
Other Appropriations: \$2.3 million

Questions & Contact Information

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