Status of marijuana legalization across the country

Source: https://www.rollingstone.com/culture/culture-features/cannabis-legalization-states-map-831885/

Colorado.Gov/Revenue
A very, very brief history lesson.

When it comes to adult-use, Colorado was first!

2000  2010

2012  2014
Colorado Voters spoke in 2012

The following are official election results:

<table>
<thead>
<tr>
<th>Colorado Amendment 64</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1,383,139</td>
<td>55.32%</td>
</tr>
<tr>
<td>No</td>
<td>1,116,894</td>
<td>44.68%</td>
</tr>
</tbody>
</table>

Results via Colorado Secretary of State.


Colorado.Gov/Revenue
Why is it so complicated?

- Illegal substance under Federal law
  - Cole memo priorities remain relevant
- Limited federal oversight
  - FDA, EPA, NHTSA, etc.
- Innovative, dynamic industry
- Lack of historical science and research
  - Federal role diminished
- Dual licenses required, both state and local
- Industrial hemp cultivations are regulated by the Colorado Department of Agriculture.
- CBD derived from industrial hemp used in food and beverage products are regulated by the Colorado Department of Public Health and Environment
Marijuana Landscape in Colorado

- **Commercial**:Marijuana Enforcement Division
  - Taxed, Tracked, Tested
  - Marijuana Tax Cash Fund

- **Medical**: 20
  - Medical Amendment
  - Colorado Department of Public Health and Environment

- **Adult-use**: 64
  - Medical Amendment
  - Local Law Enforcement

- **CAREGIVER**: 20
  - Medical Amendment

- **PERSONAL GROW**: 64
  - Adult-use Amendment

* Local Licensing Authorities

Colorado.Gov/Revenue
Who we are.

State Licensing Authority (Department of Revenue)

Marijuana Enforcement Division

Licensing  Investigations  Planning

Policy  Analysis

Colorado.Gov/Revenue
Where we are.
What we do.

People

Places

Plants

Products

TRACKED, TAXED, TESTED
## People

<table>
<thead>
<tr>
<th>Occupational License Type</th>
<th>Number of Licenses (as of 12/2/19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners</td>
<td>1,633</td>
</tr>
<tr>
<td>Employees*</td>
<td>39,909</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>41,542</strong></td>
</tr>
</tbody>
</table>

*Employees include those licensed to work under other employees.

---

*Image of occupational licenses: Owner, Employee, Support.*

---

*Source: Colorado.Gov/Revenue*
As of January 2, 2020, there are **2,722** licenses approved across the state.

<table>
<thead>
<tr>
<th>License Types</th>
<th>Medical Licenses</th>
<th>Retail Licenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores</td>
<td>438</td>
<td>572</td>
</tr>
<tr>
<td>Cultivations</td>
<td>465</td>
<td>682</td>
</tr>
<tr>
<td>Infused Product Manufacturers</td>
<td>220</td>
<td>285</td>
</tr>
<tr>
<td>Testing Facilities</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Operators</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Transporters</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>R&amp;D Cultivation</td>
<td>1</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>1,150</strong></td>
<td><strong>1,572</strong></td>
</tr>
</tbody>
</table>
Plants

Colorado.Gov/Revenue
TRACKED, Taxed and Tested

Colorado.Gov/Revenue
Products

Source: TGS

Colorado.Gov/Revenue
Packaging and Labeling Requirements

- Child-resistant packaging is critical
- Putting only the most critical pieces of information on a label to prevent “white noise” effect. For example
  - Warning statements
  - Potency statement
  - Harvest/production batch numbers
  - Universal Symbol
Marijuana testing: including plants and products:

- Potency
- Homogeneity
- Pesticides
- Contaminants
  - Residual Solvents
  - Microbial

Of note:
- All marijuana testing labs must be ISO-accredited as of 1/1/19.
- Labs may elect to go through process validation
- MED aligns with Federal guidelines whenever possible


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Additional Public Safety Priorities

- Advertising
- Enforcement / underage compliance checks
- Edibles legislation
- Production management/limits
- Waste removal
- Restrictions on purchase amounts (looping)
- Restrictions on hours of operation
- Consumption prohibited on any licensed premises
- 24 hour video surveillance requirements

PROHIBITED EDIBLE SHAPES

Colorado.Gov/Revenue
Data Collection & Production Management

2017 TOTAL PLANT NUMBERS
- MEDICAL: 322,819 (58% Utilization)
- ADULT USE: 675,005 (34% Utilization)

PRODUCT TYPE MARKET SHARE COMPARISON
- 2014:
  - FLOWER: 74.5%, 66.1%
  - EDIBLES: 14.7%, 6.2%
  - CONCENTRATE: 14%, 11.6%
  - OTHER: 7.5%

- 2017:
  - FLOWER: 61.2%, 54.1%
  - EDIBLES: 13.4%, 6.5%
  - CONCENTRATE: 28.3%, 23.4%
  - OTHER: 8.8%, 3.7%

TOP 10 OPERATORS
- 23.1% OF TOTAL MARKET
- HIGHLY COMPETITIVE MARKET

Colorado.Gov/Revenue
Sales, Revenue and Taxes
Tracked, **TAXED** and Tested

*State of Colorado*
Marijuana Tax Revenue

- Total Marijuana Taxes, Licenses, and Fees
- State Retail Marijuana Sales Tax
- State Marijuana License and Fees
- State Sales Tax
- State Retail Marijuana Excise Tax

Source: Revenue collected monthly as posted in the Colorado state accounting system. Prepared by: Colorado Department of Revenue, Office of Research and Analysis, dor_ora@state.co.us. Publish date: May 2019.

Colorado.Gov/Revenue
Marijuana Sales and Tax Revenue

1.6B MARIJUANA SALES
FISCAL YEAR 2019

The state collected almost $274 MILLION in marijuana tax revenue in Fiscal Year 2019.

- $16 BILLION revenue the Department of Revenue collects.
- $30.63 BILLION the state of Colorado's annual budget.

Colorado.Gov/Revenue
Marijuana Tax Structure

Distribution of Marijuana Tax and Fee Revenue for FY 2018-19

15% Excise Tax on Retail Marijuana
- First $40 million or 90%, whichever is greater

15% Special Sales Tax on Retail Marijuana
- 90% State Share

2.9% Sales Tax on Medical Marijuana
- 2.9% Sales Tax...
  ...on non-marijuana products sold in marijuana stores

General Fund
- Of the 90% State share, 15.56% is retained in the General Fund

B.E.S.T. Public School Capital Construction Assistance Fund
- (12.5% of which is credited to the Charter School Facilities Assistance Subaccount)

Public School Permanent Fund
- Amount remaining after the greater of $40 million or 90%

Public School Fund (K-12 Education)
- Interest earnings from the Public School Permanent Fund are deposited into the Public School Fund.

Marijuana Tax Cash Fund (MTCF)
- 12.59% of the 90% State Share
- 71.85% of the 90% State Share
Landmark 2019 Legislation

HB19:1090: Publicly Licensed Marijuana Companies

HB19: 1234: Regulated Marijuana Delivery

HB19:1230: Marijuana Hospitality Establishments

SB19: 224: Sunset Regulated Marijuana
For more information...

- MED mid-year and annual updates: [www.colorado.gov/pacific/enforcement/med-updates](http://www.colorado.gov/pacific/enforcement/med-updates)
- Department of Revenue’s 2018 annual report: [www.colorado.gov/pacific/revenue/annual-report](http://www.colorado.gov/pacific/revenue/annual-report)
- 2017 Market and Demand Study: [www.colorado.gov/pacific/enforcement/marijuana-related-reports-studies](http://www.colorado.gov/pacific/enforcement/marijuana-related-reports-studies)
- Marijuana monthly sales reports: [www.colorado.gov/pacific/revenue/colorado-marijuana-sales-reports](http://www.colorado.gov/pacific/revenue/colorado-marijuana-sales-reports)
- Marijuana monthly tax revenue reports: [www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data](http://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data)
Thank you