

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 15-1100.01 Ed DeCecco x4216

HOUSE BILL 15-1367

HOUSE SPONSORSHIP

Hamner, Young, Rankin, Hullinghorst

SENATE SPONSORSHIP

Steadman, Grantham, Lambert, Cadman

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING RETAIL MARIJUANA TAXES, AND, IN CONNECTION**
102 **THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Joint Budget Committee. If necessary, the bill refers a ballot issue to the voters at the November 3, 2015, statewide election to allow the state to retain and spend state revenues that would otherwise be refunded for exceeding an estimate included in the ballot information booklet for proposition AA, which was the referendum by which voters approved retail marijuana taxes. If voters reject the ballot issue, then the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

moneys will be refunded as follows based on current projections:

- ! \$13.3 million will be refunded through a temporary retail marijuana sales tax rate reduction from 10% of the sales price to .01% beginning on January 1, 2016, and ending on or before June 30, 2016;
- ! \$19.7 million will be refunded to the marijuana cultivation facilities for all of the retail marijuana excise taxes collected during the fiscal year 2015-16; and
- ! \$25 million will be refunded through a sales and use tax refund.

If voters approve the ballot measure, then moneys set aside for the potential refund related to proposition AA will instead be used as follows:

- ! \$40 million is transferred to the public school capital construction assistance fund;
- ! \$12 million is appropriated for youth programs, marijuana education and prevention programs, law enforcement services, substance abuse programs, poison control services, which are expanded to include other means of communication such as text messaging, instant messaging, and email, and the newly created local government retail marijuana impact grant program; and
- ! \$6 million will remain in the general fund.

The refund or alternative spending is made or backfilled from revenue in the newly created proposition AA account, which consists of \$27.7 million from the marijuana tax cash fund and \$30.3 million from the general fund. To repay the general fund, the existing transfers of marijuana tax revenue from the general fund to the marijuana tax cash fund are reduced in the future. The amount repaid and the number of years it will take depends on whether a refund is made.

In addition to the rate-reduction refund, if actual fiscal year spending or the marijuana tax revenue for the fiscal year 2014-15 exceeds the estimates included in the ballot information booklet for proposition AA, then the rates for both the retail marijuana taxes are reduced on September 16, 2015, as required by the state constitution. Then, consistent with the authority conferred by voters through proposition AA, the rates are increased back to their current levels on September 17, 2015. Finally, beginning on July 1, 2017, and unrelated to either the potential rate reduction or refund, the retail marijuana sales tax rate is reduced from 10% to 7% of the amount of the sale.

Beginning July 1, 2017, the local government distribution of the retail marijuana tax revenue (local government share) is reduced from 15% of the gross retail marijuana sales tax revenue to 10%. If refunds are required, the local government share is halved until the total reduction in the grants and distributions is equal to the amount of retail marijuana sales tax revenue that the local governments received for the fiscal year

2014-15, which is currently estimated to be to \$5.9 million.

Any marijuana excise taxes above \$40 million collected in a fiscal year are credited to the public school fund created in the state constitution, instead of the marijuana tax cash fund. The permissible uses for the moneys in the marijuana tax cash fund are broadened. The marijuana enforcement division in the department of revenue is required to include a link on its web site that describes how the retail marijuana taxes and the 2.9% state sales tax on retail marijuana are expended for each fiscal year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) In 2012, voters approved amendment 64, which legalized the
5 personal use of marijuana for adults;

6 (b) Amendment 64 required the general assembly to enact an
7 excise tax on marijuana sold or otherwise transferred by a marijuana
8 cultivation facility to a marijuana product manufacturing facility or to a
9 retail marijuana store by January 1, 2017;

10 (c) In 2013, the general assembly enacted House Bill 13-1318,
11 which created a new retail marijuana excise tax and an additional retail
12 marijuana sales tax;

13 (d) Under section 20 (4) (a) of article X of the state constitution,
14 commonly known as TABOR, the voters had to approve these new taxes
15 before they could be imposed;

16 (e) Accordingly, the general assembly referred proposition AA,
17 which sought, among other things, approval for the new taxes and for the
18 state to retain and spend the tax revenue notwithstanding any limitations
19 in law;

20 (f) As a tax increase, proposition AA was subject to the election

1 provision requirements in TABOR;

2 (g) To comply with these requirements, proposition AA's ballot
3 title began: "Shall state taxes be increased by \$70,000,000 annually in the
4 first full fiscal year..." and the following estimates for the fiscal year
5 2014-15 were included as Table 3 in the ballot information booklet,
6 known as the "blue book":

7 (I) \$12.08 billion for state spending without the new taxes; and

8 (II) \$67 million for the state revenue from the new excise and
9 sales tax;

10 (h) Voters resoundingly approved proposition AA, with 902,181
11 votes in favor of the measure and just 479,992 votes against it;

12 (i) And yet, if in the fiscal year 2014-15, the actual revenue the
13 state receives exceeds either of these blue book estimates, then the state
14 may be required to refund revenues related to proposition AA;

15 (j) This potential refund, which is only a possibility for the fiscal
16 year 2014-15, is because paragraph (3) (c) of TABOR requires the
17 combined dollar excess of actual revenues over the estimates in the blue
18 book to be refunded in the next fiscal year, unless there is later voter
19 approval;

20 (k) In their March forecasts, legislative council staff and the office
21 of state planning and budgeting estimate that fiscal year spending for the
22 fiscal year 2014-15 will be hundreds of millions of dollars higher than
23 \$12.08 billion;

24 (l) Based on a reasonable interpretation of the fiscal year spending
25 limitation and the election notice provisions of TABOR, the maximum
26 amount the state may be required to refund for exceeding the blue book
27 estimates is the total amount of the retail marijuana tax collections during

1 the fiscal year 2014-15, which is currently estimated to be \$58 million;

2 (m) This act refers a new ballot issue to the voters to seek the later
3 voter approval necessary to avoid this refund, but it also establishes
4 conditional refund mechanisms in case voters reject the ballot issue;

5 (n) If the voters approve the new ballot issue, those conditional
6 refund mechanisms will be unnecessary and the money that would have
7 otherwise been refunded may be retained and used for important public
8 programs, including public school capital construction;

9 (o) Under paragraph (3) (c) of TABOR, the other consequence for
10 actual revenues exceeding the blue book estimates is that the retail
11 marijuana tax rates are thereafter reduced, unless there is later voter
12 approval;

13 (p) The general assembly does not intend to seek approval to
14 avoid this rate reduction, and, therefore, the retail marijuana sales tax and
15 excise tax rates must be reduced;

16 (q) By approving proposition AA, the voters gave the general
17 assembly the authority for "the rate of either or both taxes being allowed
18 to be decreased or increased without further voter approval so long as the
19 rate of either tax does not exceed 15%";

20 (r) Therefore, after the required rate reduction occurs, the general
21 assembly may again raise the tax rates back to their current levels; and

22 (s) Another purpose of this act is to provide greater transparency
23 of the allocation of the marijuana taxes.

24 (2) Now, therefore, it is the primary intent of this act to refer a
25 ballot issue to seek the later voter approval permitted by TABOR to avoid
26 a refund requirement; to establish conditional refund mechanisms or other
27 uses, depending on whether the ballot issue passes; and to reduce tax rates

1 as required by the state constitution.

2 **SECTION 2.** In Colorado Revised Statutes, 39-28.8-101, **add**
3 (12.5) as follows:

4 **39-28.8-101. Definitions.** Unless the context otherwise requires,
5 any terms not defined in this article shall have the meanings set forth in
6 article 26 of this title. As used in this article, unless the context otherwise
7 requires:

8 (12.5) "RETAIL MARIJUANA TAXES" MEANS THE RETAIL
9 MARIJUANA EXCISE TAX IMPOSED UNDER SECTION 39-28.8-302 AND THE
10 RETAIL MARIJUANA SALES TAX IMPOSED UNDER SECTION 39-28.8-202.

11 **SECTION 3.** In Colorado Revised Statutes, 39-28.8-202, **amend**
12 (1) (a) as follows:

13 **39-28.8-202. Retail marijuana sales tax.** (1) (a) (I) In addition
14 to the tax imposed pursuant to part 1 of article 26 of this title and the sales
15 tax imposed by a local government pursuant to title 29, 30, 31, or 32, BUT
16 EXCEPT AS OTHERWISE SET FORTH IN SUBPARAGRAPHS (II) AND (III) OF
17 THIS PARAGRAPH (a), beginning January 1, 2014, AND THROUGH JUNE 30,
18 2017, there is imposed upon all sales of retail marijuana and retail
19 marijuana products by a retailer a tax at the rate of ten percent of the
20 amount of the sale, ~~to be~~ AND BEGINNING JULY 1, 2017, THERE IS IMPOSED
21 UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA
22 PRODUCTS BY A RETAILER A TAX AT THE RATE OF SEVEN PERCENT OF THE
23 AMOUNT OF THE SALE. THE TAX IMPOSED BY THIS SECTION IS computed in
24 accordance with schedules or forms prescribed by the executive director
25 of the department; except that a retail marijuana store is not allowed to
26 retain any portion of the retail marijuana sales tax collected pursuant to
27 this part 2 to cover the expenses of collecting and remitting the tax and

1 except that the department of revenue may require a retailer to make
2 returns and remit the tax described in this part 2 by electronic means.

3 (II) IF, FOR THE FISCAL YEAR 2014-15, FISCAL YEAR SPENDING IS
4 GREATER THAN TWELVE BILLION EIGHTY MILLION DOLLARS OR IF THE
5 REVENUE FROM RETAIL MARIJUANA TAXES IS GREATER THAN SIXTY-SEVEN
6 MILLION DOLLARS, THEN ON SEPTEMBER 16, 2015, THE RATE OF THE TAX
7 IMPOSED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS REDUCED
8 AS SPECIFIED IN SECTION 20 (3) (c) OF ARTICLE X OF THE STATE
9 CONSTITUTION. ON SEPTEMBER 17, 2015, IN ACCORDANCE WITH
10 PARAGRAPH (b) OF THIS SUBSECTION (1) AND THE AUTHORITY THAT THE
11 VOTERS CONFERRED THROUGH THEIR APPROVAL OF PROPOSITION AA AT
12 THE NOVEMBER 2013 ELECTION, THE RATE IS INCREASED BACK TO TEN
13 PERCENT.

14 (III) (A) IF THE BALLOT ISSUE REFERRED TO THE VOTERS IN
15 ACCORDANCE WITH SECTION 39-28.8-603 (1) IS PLACED ON THE
16 NOVEMBER 3, 2015, BALLOT AND A MAJORITY OF THE ELECTORS VOTING
17 THEREON VOTE "NO/AGAINST", THEN ON JANUARY 1, 2016, THE RATE OF
18 THE TAX IMPOSED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS
19 REDUCED TO ONE-TENTH OF ONE PERCENT AS A METHOD TO REFUND
20 REVENUES THAT EXCEED AN ESTIMATE INCLUDED IN THE BALLOT
21 INFORMATION BOOKLET FOR PROPOSITION AA.

22 (B) IF THE RETAIL MARIJUANA SALES TAX RATE IS REDUCED IN
23 ACCORDANCE WITH SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (III),
24 THEN ON MARCH 3, 2016, AND ON THE THIRD BUSINESS DAY OF THE NEXT
25 THREE MONTHS THEREAFTER, IF NECESSARY, THE EXECUTIVE DIRECTOR OF
26 THE DEPARTMENT SHALL DETERMINE WHETHER THE AMOUNT REFUNDED
27 TO THAT DATE THROUGH THE RATE REDUCTION IS GREATER THAN OR

1 EQUAL TO THE REQUIRED RETAIL MARIJUANA SALES TAX REFUND. IF SO,
2 THEN THE RATE REDUCTION EXPIRES ON THE FIFTH DAY AFTER THE
3 DETERMINATION. IF, AS OF JUNE 3, 2016, THE AMOUNT REFUNDED
4 THROUGH RATE REDUCTION IS STILL LESS THAN THE REQUIRED RETAIL
5 MARIJUANA SALES TAX REFUND, THEN THE RATE REDUCTION EXPIRES ON
6 JUNE 30, 2016. THE EXECUTIVE DIRECTOR SHALL USE AN ESTIMATE OF THE
7 REFUND FOR THE MONTH DURING WHICH THE DETERMINATION IS MADE.

8 (C) ON THE DAY AFTER THE TEMPORARY RETAIL MARIJUANA RATE
9 REDUCTION EXPIRES IN ACCORDANCE WITH SUB-SUBPARAGRAPH (B) OF
10 THIS SUBPARAGRAPH (III), THE RETAIL MARIJUANA TAX RATE IS
11 INCREASED BACK TO TEN PERCENT.

12 (D) AS USED IN THIS SUBPARAGRAPH (III), "REQUIRED RETAIL
13 MARIJUANA SALES TAX REFUND" MEANS AN AMOUNT EQUAL TO THE TOTAL
14 PROPOSITION AA BLUE BOOK REFUND AMOUNT CALCULATED UNDER
15 SECTION 39-28.8-602 (1) MINUS THE SUM OF THE AMOUNTS REFUNDED
16 THROUGH SECTION 39-28.8-605 (3) AND (4).

17 **SECTION 4.** In Colorado Revised Statutes, 39-28.8-203, **amend**
18 (1) (a) (I) and (1) (b); **add** (1) (a) (I.5) and (3); and **repeal** (2) as follows:

19 **39-28.8-203. Disposition of collections - definitions.** (1) The
20 proceeds of all moneys collected from the retail marijuana sales tax ~~shall~~
21 ~~be~~ ARE credited to the old age pension fund created in section 1 of article
22 XXIV of the state constitution in accordance with paragraphs (a) and (f)
23 of section 2 of article XXIV of the state constitution. For each fiscal year
24 in which a tax is collected pursuant to this part 2, an amount shall be
25 APPROPRIATED OR distributed from the general fund as follows:

26 (a) (I) EXCEPT AS OTHERWISE SET FORTH IN SUBPARAGRAPH (I.5)
27 OF THIS PARAGRAPH (a), ■ an amount equal to fifteen percent of the gross

1 retail marijuana sales tax revenues collected by the department ~~shall be~~
2 is apportioned to local governments. The city or town share ~~shall be~~ is
3 apportioned according to the percentage that retail marijuana sales tax
4 revenues collected by the department within the boundaries of the city or
5 town ~~bears BEAR~~ to the total retail marijuana sales tax revenues collected
6 by the department. The county share ~~shall be~~ is apportioned according to
7 the percentage that retail marijuana sales tax revenues collected by the
8 department in the unincorporated area of the county ~~bears BEAR~~ to total
9 retail marijuana sales tax revenues collected by the department.

10 (I.5) IF THE BALLOT ISSUE IS PLACED ON THE NOVEMBER 3, 2015,
11 BALLOT AND A MAJORITY OF THE ELECTORS VOTING THEREON VOTE
12 "NO/AGAINST", THEN BEGINNING JANUARY 1, 2016, THE AMOUNT THAT
13 WOULD OTHERWISE BE DISTRIBUTED TO A LOCAL GOVERNMENT THROUGH
14 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS HALVED UNTIL THE TOTAL
15 REDUCTION THAT RESULTS FROM THIS SUBPARAGRAPH (I.5) IS GREATER
16 THAN OR EQUAL TO THE AMOUNT THAT WAS DISTRIBUTED TO THE LOCAL
17 GOVERNMENT UNDER THIS PARAGRAPH (a) FOR THE FISCAL YEAR 2014-15.
18 THEREAFTER, THE LOCAL GOVERNMENT RECEIVES THE FULL APPORTIONED
19 AMOUNT REQUIRED BY SUBPARAGRAPH (I) OF THIS PARAGRAPH (a). THE
20 REDUCTION IN A LOCAL GOVERNMENT'S DISTRIBUTION DOES NOT INCREASE
21 THE AMOUNT APPORTIONED TO OTHER LOCAL GOVERNMENTS.

22 (b) (I) ~~Following apportionment of local government shares~~
23 ~~pursuant to paragraph (a) of this subsection (1), an amount equal to all~~
24 ~~remaining revenues collected shall be transferred from the general fund~~
25 ~~to the marijuana tax cash fund created in part 5 of this article to be used~~
26 ~~for the enforcement of regulations on the retail marijuana industry and for~~
27 ~~the other purposes of the fund as determined by the general assembly.~~

1 EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF THIS
2 PARAGRAPH (b), THE STATE TREASURER SHALL TRANSFER FROM THE
3 GENERAL FUND TO THE MARIJUANA TAX CASH FUND AN AMOUNT EQUAL
4 TO EIGHTY-FIVE PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX
5 REVENUES COLLECTED BY THE DEPARTMENT.

6 (II) (A) IF THE BALLOT ISSUE IS PLACED ON THE NOVEMBER 3,
7 2015, BALLOT AND A MAJORITY OF THE ELECTORS VOTING THEREON VOTE
8 "NO/AGAINST", THEN FOR THE FISCAL YEAR 2015-16 AND THE NEXT
9 THREE FISCAL YEARS THEREAFTER, THE AMOUNT ANNUALLY
10 TRANSFERRED TO THE MARIJUANA TAX CASH FUND IS REDUCED BY AN
11 AMOUNT EQUAL TO ONE-FIFTH OF THE GENERAL FUND REPAYMENT. THE
12 STATE TREASURER SHALL NOT TRANSFER ANY MONEYS TO THE CASH FUND
13 UNTIL THIS AMOUNT HAS BEEN ACCOUNTED FOR.

14 (B) IF THE BALLOT ISSUE IS PLACED ON THE NOVEMBER 3, 2015,
15 BALLOT AND A MAJORITY OF THE ELECTORS VOTING THEREON VOTE
16 "YES/FOR", THEN FOR THE FISCAL YEAR 2016-17 AND THE NEXT THREE
17 FISCAL YEARS THEREAFTER, THE AMOUNT ANNUALLY TRANSFERRED TO
18 THE MARIJUANA TAX CASH FUND IS REDUCED BY AN AMOUNT EQUAL TO
19 ONE-FIFTH OF THE GENERAL FUND REPAYMENT. THE STATE TREASURER
20 SHALL NOT TRANSFER ANY MONEYS TO THE CASH FUND UNTIL THIS
21 AMOUNT HAS BEEN ACCOUNTED FOR.

22 (C) AS USED IN THIS SUBPARAGRAPH (II), "GENERAL FUND
23 REPAYMENT" IS EQUAL TO THE LESSER OF THIRTY MILLION THREE
24 HUNDRED THOUSAND DOLLARS OR AN AMOUNT EQUAL TO THE
25 PROPOSITION AA BLUE BOOK REFUND AMOUNT CALCULATED IN
26 ACCORDANCE WITH SECTION 39-28.8-602 (1) MINUS TWENTY-SEVEN
27 MILLION SEVEN HUNDRED THOUSAND DOLLARS.

1 (III) The general assembly shall make appropriations from the
2 marijuana tax cash fund for the expenses of the administration of this
3 section.

4 (2) ~~On or before April 1, 2014, and on or before April 1 each year~~
5 ~~thereafter through April 1, 2016, the finance committees of the house of~~
6 ~~representatives and the senate, or any successor committees, shall review~~
7 ~~the provisions of paragraph (a) of subsection (1) of this section to~~
8 ~~determine whether the percentage of the tax imposed pursuant to this part~~
9 ~~2 that is apportioned to local governments is appropriate. The finance~~
10 ~~committees may request assistance and input from the department of~~
11 ~~revenue and the department of local affairs in making this determination.~~

12 (3) AS USED IN THIS SECTION:

13 (a) "BALLOT ISSUE" MEANS THE BALLOT ISSUE REFERRED TO THE
14 VOTERS IN ACCORDANCE WITH SECTION 39-28.8-603 (1).

15 (b) "MARIJUANA TAX CASH FUND" IS THE CASH FUND CREATED IN
16 SECTION 39-28.8-501 (1).

17 **SECTION 5.** In Colorado Revised Statutes, 39-28.8-302, **amend**
18 (1) (a) as follows:

19 **39-28.8-302. Retail marijuana - excise tax levied at first**
20 **transfer from retail marijuana cultivation facility - tax rate.**

21 (1) (a) (I) Beginning January 1, 2014, except as otherwise provided in
22 SUBPARAGRAPH (II) OF THIS PARAGRAPH (a) AND paragraph (b) of this
23 subsection (1), there is levied and shall be collected, in addition to the
24 sales tax imposed pursuant to part 1 of article 26 of this title and part 2 of
25 this article, a tax on the first sale or transfer of unprocessed retail
26 marijuana by a retail marijuana cultivation facility, at a rate of fifteen
27 percent of the average market rate of the unprocessed retail marijuana.

1 The tax shall be imposed at the time when the retail marijuana cultivation
2 facility first sells or transfers unprocessed retail marijuana from the retail
3 marijuana cultivation facility to a retail marijuana product manufacturing
4 facility, a retail marijuana store, or another retail marijuana cultivation
5 facility.

6 (II) IF, FOR THE FISCAL YEAR 2014-15, FISCAL YEAR SPENDING IS
7 GREATER THAN TWELVE BILLION EIGHTY MILLION DOLLARS OR IF THE
8 REVENUE FROM RETAIL MARIJUANA TAXES IS GREATER THAN SIXTY-SEVEN
9 MILLION DOLLARS, THEN ON SEPTEMBER 16, 2015, THE RATE OF THE TAX
10 IMPOSED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS REDUCED
11 AS SPECIFIED IN SECTION 20 (3) (c) OF ARTICLE X OF THE STATE
12 CONSTITUTION. ON SEPTEMBER 17, 2015, IN ACCORDANCE WITH
13 PARAGRAPH (b) OF THIS SUBSECTION (1) AND THE AUTHORITY THAT THE
14 VOTERS CONFERRED THROUGH THEIR APPROVAL OF PROPOSITION AA AT
15 THE NOVEMBER 2013 ELECTION, THE RATE IS INCREASED BACK TO FIFTEEN
16 PERCENT.

17 **SECTION 6.** In Colorado Revised Statutes, 39-28.8-305, **amend**
18 (1) (b) as follows:

19 **39-28.8-305. Distribution of tax collected.** (1) All moneys
20 received and collected in payment of the tax imposed by the provisions
21 of this part 3 shall be transmitted to the state treasurer, who shall
22 distribute the money as follows:

23 (b) Any amount remaining after the transfer pursuant to paragraph
24 (a) of this subsection (1) shall be transferred to the ~~marijuana tax cash~~
25 ~~fund created in part 5 of this article~~ PUBLIC SCHOOL FUND CREATED IN
26 SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION, WHICH IS THE
27 SAME AS THE PUBLIC SCHOOL FUND DESCRIBED IN SECTION 22-41-102,

1 C.R.S.;

2 **SECTION 7.** In Colorado Revised Statutes, 39-28.8-501, **amend**
3 (1); **add** (3); and **repeal and reenact, with amendments,** (2) (b) as
4 follows:

5 **39-28.8-501. Marijuana tax cash fund - creation - distribution**
6 **- repeal.** (1) The marijuana tax cash fund, referred to in this part 5 as the
7 "fund", is created in the state treasury. The fund consists of

8 (a) ~~Any applicable retail marijuana excise tax transferred pursuant~~
9 ~~to section 39-28.8-305 (1) (b) on or after July 1, 2014~~

10 (b) any applicable retail marijuana sales tax transferred pursuant
11 to section 39-28.8-203 (1) (b) on or after July 1, 2014, AND

12 (c) ~~Beginning July 1, 2014,~~ ANY revenues transferred to the fund
13 from any sales tax imposed pursuant to section 39-26-106 on the retail
14 sale of products under articles 43.3 and 43.4 of title 12, C.R.S. ~~and~~

15 (d) ~~Any moneys transferred to the fund from the marijuana cash~~
16 ~~fund pursuant to section 12-43.3-501 (1) (f), C.R.S.~~

17 (2) (b) (I) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
18 THAT THE RETAIL MARIJUANA EXCISE TAX AND SALES TAX CREATED A NEW
19 REVENUE STREAM FOR THE STATE, AND THE BASIS OF THESE TAXES IS THE
20 LEGALIZATION OF MARIJUANA, WHICH PRESENTS UNIQUE ISSUES AND
21 CHALLENGES FOR THE STATE AND LOCAL GOVERNMENTS. THUS, THERE IS
22 A NEED TO USE SOME OF THE SALES TAX REVENUE FOR
23 MARIJUANA-RELATED PURPOSES. BUT, AS THIS IS REVENUE FROM A TAX,
24 THE GENERAL ASSEMBLY MAY APPROPRIATE THIS MONEY FOR ANY
25 PURPOSE.

26 (II) THE GENERAL ASSEMBLY FURTHER DECLARES THAT THE NEW
27 RETAIL MARIJUANA TAX REVENUE PRESENTS AN OPPORTUNITY TO INVEST

1 IN SERVICES, SUPPORT, INTERVENTION, AND TREATMENT RELATED TO
2 MARIJUANA AND OTHER DRUGS.

3 (III) THEREFORE, THE PURPOSES IDENTIFIED IN THIS SUBSECTION
4 (2) PRIORITIZE APPROPRIATIONS RELATED TO LEGALIZED MARIJUANA,
5 SUCH AS DRUG USE PREVENTION AND TREATMENT, PROTECTING THE
6 STATE'S YOUTH, AND ENSURING THE PUBLIC PEACE, HEALTH, AND SAFETY.

7 (IV) SUBJECT TO THE LIMITATION IN SUBSECTION (5) OF THIS
8 SECTION, THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE ANY
9 MONEYS IN THE FUND FOR ANY FISCAL YEAR FOLLOWING THE FISCAL YEAR
10 IN WHICH THEY WERE RECEIVED BY THE STATE FOR THE FOLLOWING
11 PURPOSES:

12 (A) TO EDUCATE PEOPLE ABOUT MARIJUANA TO PREVENT ITS
13 ILLEGAL USE OR LEGAL ABUSE;

14 (B) TO PROVIDE SERVICES FOR ADOLESCENTS AND SCHOOL-AGED
15 CHILDREN IN SCHOOL SETTINGS OR THROUGH COMMUNITY-BASED
16 ORGANIZATIONS;

17 (C) TO TREAT PEOPLE WITH ANY TYPE OF SUBSTANCE-ABUSE
18 DISORDER, ESPECIALLY THOSE WITH CO-OCCURRING DISORDERS;

19 (D) FOR JAIL-BASED AND OTHER BEHAVIORAL HEALTH SERVICES
20 FOR PERSONS INVOLVED IN THE CRIMINAL JUSTICE SYSTEM THROUGH THE
21 CORRECTIONAL TREATMENT CASH FUND CREATED IN SECTION 18-19-103
22 (4) (a), C.R.S.;

23 (E) FOR STATE REGULATORY ENFORCEMENT, POLICY
24 COORDINATION, OR LITIGATION DEFENSE COSTS RELATED TO RETAIL OR
25 MEDICAL MARIJUANA;

26 (F) FOR LAW ENFORCEMENT SERVICES AND TRAINING, INCLUDING
27 ANY EXPENSES FOR THE POLICE OFFICERS STANDARDS AND TRAINING

1 BOARD TRAINING OR CERTIFICATION;

2 (G) FOR THE PROMOTION OF PUBLIC HEALTH, INCLUDING POISON
3 CONTROL, PRESCRIPTION DRUG TAKE-BACK PROGRAMS, AND OTHER PUBLIC
4 HEALTH SERVICES RELATED TO CONTROLLED SUBSTANCES;

5 (H) TO STUDY THE USE OF MARIJUANA AND OTHER DRUGS, THEIR
6 HEALTH EFFECTS, AND OTHER SOCIAL IMPACTS RELATED TO THEM;

7 (I) TO RESEARCH AND STUDY INDUSTRIAL HEMP;

8 (J) FOR THE START-UP EXPENSES OF THE DIVISION OF FINANCIAL
9 SERVICES RELATED TO THE REGULATION OF MARIJUANA FINANCIAL
10 SERVICES COOPERATIVES PURSUANT TO ARTICLE 33 OF TITLE 11, C.R.S.,
11 UNTIL THE STATE COMMISSIONER OF FINANCIAL SERVICES FIRST COLLECTS
12 ASSESSMENTS ON SUCH COOPERATIVES; AND

13 (K) GRANTS TO LOCAL GOVERNMENTS FOR DOCUMENTED RETAIL
14 MARIJUANA IMPACTS THROUGH THE LOCAL GOVERNMENT RETAIL
15 MARIJUANA IMPACT GRANT PROGRAM CREATED IN SECTION 24-32-117,
16 C.R.S.

17 (3) TO INCREASE TRANSPARENCY, THE MARIJUANA ENFORCEMENT
18 DIVISION IN THE DEPARTMENT SHALL INCLUDE A LINK ON ITS WEB SITE
19 THAT DESCRIBES THE DISPOSITION OF THE RETAIL MARIJUANA EXCISE TAX
20 REVENUE AND HOW THE REVENUE FROM THE FUND WAS APPROPRIATED
21 FOR THE FISCAL YEAR 2015-16 AND EACH FISCAL YEAR THEREAFTER.

22 **SECTION 8.** In Colorado Revised Statutes, **add** part 6 to article
23 28.8 of title 39 as follows:

24 PART 6

25 BALLOT ISSUE RELATED TO PROPOSITION AA

26 REFUNDS - PERMITTED USES

27 **39-28.8-601. Definitions.** AS USED IN THIS PART 6, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "BALLOT ISSUE" MEANS THE BALLOT ISSUE REFERRED TO THE
3 VOTERS IN ACCORDANCE WITH SECTION 39-28.8-603 (1).

4 (2) "MARIJUANA TAX CASH FUND" MEANS THE CASH FUND
5 CREATED IN SECTION 39-28.8-501 (1).

6 (3) "PROPOSITION AA REFUND ACCOUNT" OR "ACCOUNT" MEANS
7 THE ACCOUNT WITHIN THE GENERAL FUND CREATED IN SECTION
8 39-28.8-604.

9 **39-28.8-602. Proposition AA blue book - potential refund.**

10 (1) (a) A REFUND OF STATE REVENUES MAY BE REQUIRED IF, FOR THE
11 FISCAL YEAR 2014-15, FISCAL YEAR SPENDING IS GREATER THAN TWELVE
12 BILLION EIGHTY MILLION DOLLARS OR IF THE REVENUE FROM RETAIL
13 MARIJUANA TAXES IS GREATER THAN SIXTY-SEVEN MILLION DOLLARS. THE
14 AMOUNT OF THE POTENTIAL REFUND IS EQUAL TO THE COMBINED AMOUNT
15 BY WHICH FISCAL YEAR SPENDING AND RETAIL MARIJUANA TAXES EXCEED
16 THESE AMOUNTS, OR THE ACTUAL AMOUNT OF THE REVENUE FROM RETAIL
17 MARIJUANA TAXES FOR THE FISCAL YEAR 2014-15, WHICHEVER IS LESS.

18 (b) THE CALCULATION TO DETERMINE IF THERE IS A PROPOSITION
19 AA BLUE BOOK REFUND IS BASED ON THE AUDITED FINANCIAL REPORT
20 PREPARED IN ACCORDANCE WITH SECTION 24-77-106.5, C.R.S., AND THE
21 ACTUAL REVENUE FROM RETAIL MARIJUANA TAXES RECEIVED BY THE
22 DEPARTMENT.

23 (2) IF THE CALCULATION SET FORTH IN SUBSECTION (1) OF THIS
24 SECTION INDICATES THAT A PROPOSITION AA BLUE BOOK REFUND IS
25 REQUIRED UNDER SECTION 20 (3) (c) OF ARTICLE X OF THE STATE
26 CONSTITUTION, THEN A REFUND SHALL BE MADE IN ACCORDANCE WITH
27 SECTIONS 39-28.8-202 (1) (a) (III) AND 39-28.8-605 (3) AND (4), UNLESS

1 THE VOTERS APPROVE THE BALLOT ISSUE.

2 **39-28.8-603. Ballot issue - proposition AA - later voter**
3 **approval.** (1) IF A PROPOSITION AA BLUE BOOK REFUND IS REQUIRED
4 UNDER SECTION 39-28.8-602, THEN AT THE ELECTION HELD ON NOVEMBER
5 3, 2015, THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED
6 ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION THE
7 FOLLOWING BALLOT ISSUE: "MAY THE STATE RETAIN AND SPEND STATE
8 REVENUES THAT OTHERWISE WOULD BE REFUNDED FOR EXCEEDING AN
9 ESTIMATE INCLUDED IN THE BALLOT INFORMATION BOOKLET FOR
10 PROPOSITION AA AND USE THESE REVENUES TO PROVIDE FORTY MILLION
11 DOLLARS FOR PUBLIC SCHOOL BUILDING CONSTRUCTION AND FOR OTHER
12 NEEDS, SUCH AS LAW ENFORCEMENT, YOUTH PROGRAMS, AND MARIJUANA
13 EDUCATION AND PREVENTION PROGRAMS, INSTEAD OF REFUNDING THESE
14 REVENUES TO RETAIL MARIJUANA CULTIVATION FACILITIES, RETAIL
15 MARIJUANA PURCHASERS, AND OTHER TAXPAYERS?"

16 (2) APPROVAL OF THE BALLOT ISSUE BY A MAJORITY OF THE
17 ELECTORS THAT VOTE ON THE BALLOT ISSUE CONSTITUTES LATER VOTER
18 APPROVAL TO AVOID THE POTENTIAL REFUND REQUIRED BY SECTION 20 (3)
19 (c) OF ARTICLE X OF THE STATE CONSTITUTION IDENTIFIED IN SECTION
20 39-28.8-602.

21 (3) FOR PURPOSES OF SECTION 1-5-407 (5) (b), C.R.S., THE BALLOT
22 ISSUE IS A PROPOSITION. SECTION 1-40-106 (3) (d), C.R.S., DOES NOT
23 APPLY TO THE BALLOT ISSUE.

24 **39-28.8-604. Proposition AA refund account - restricted**
25 **revenues.** (1) THE PROPOSITION AA REFUND ACCOUNT IS CREATED IN THE
26 GENERAL FUND. THE ACCOUNT CONSISTS OF TWENTY-SEVEN MILLION
27 SEVEN HUNDRED THOUSAND DOLLARS FROM THE MONEYS TRANSFERRED

1 FROM THE MARIJUANA TAX CASH FUND IN ACCORDANCE WITH SECTION
2 39-28.8-501 (4) (b) AND ANOTHER THIRTY MILLION THREE HUNDRED
3 THOUSAND DOLLARS FROM THE GENERAL FUND. THE MONEYS IN THE
4 ACCOUNT ARE RESTRICTED FROM USE UNTIL JANUARY 1, 2016, AND ARE
5 NOT INCLUDED IN THE YEAR-END BALANCE REQUIRED BY SECTION
6 24-75-201.1 (1) (d) (XIV), C.R.S.

7 (2) IF A PROPOSITION AA BLUE BOOK REFUND IS NOT REQUIRED
8 UNDER SECTION 39-28.8-602, THEN ON JANUARY 1, 2016, THE ACCOUNT
9 IS REPEALED AND THE STATE TREASURER SHALL TRANSFER TWENTY-SEVEN
10 MILLION SEVEN HUNDRED THOUSAND DOLLARS FROM THE ACCOUNT BACK
11 TO THE MARIJUANA TAX CASH FUND. THE REMAINING THIRTY MILLION
12 THREE HUNDRED THOUSAND DOLLARS SHALL REMAIN IN THE GENERAL
13 FUND AND BE AVAILABLE FOR APPROPRIATION.

14 **39-28.8-605. Refunds - retail marijuana sales tax rate**
15 **reduction - revenue backfill - legislative declaration - repeal.** (1) THE
16 GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

17 (a) IF THE BALLOT ISSUE IS REFERRED TO THE VOTERS AND A
18 MAJORITY OF THOSE VOTING THEREON REJECT THE BALLOT ISSUE, THE
19 STATE WILL BE REQUIRED BY SECTION 20 (3) (c) OF ARTICLE X OF THE
20 STATE CONSTITUTION TO MAKE REFUNDS PRIOR TO JULY 1, 2016;

21 (b) AS OF THE EFFECTIVE DATE OF THIS SECTION, THE AMOUNT OF
22 THE REFUND IS EXPECTED TO BE FIFTY-EIGHT MILLION DOLLARS, WHICH IS
23 EQUAL TO THE ANTICIPATED TOTAL AMOUNT OF ALL OF THE RETAIL
24 MARIJUANA TAX REVENUES COLLECTED IN THE STATE DURING THE FISCAL
25 YEAR 2014-15;

26 (c) TO THE EXTENT POSSIBLE, THE REFUND SHOULD BE MADE FROM
27 REVENUES THAT THE STATE RECEIVED DURING THE FISCAL YEAR 2014-15;

1 AND

2 (d) THE REFUND MECHANISMS SET FORTH IN SECTION 39-28.8-202
3 (1) (a) (III) AND IN THIS PART 6 ARE REASONABLE WAYS TO REFUND
4 REVENUES THAT EXCEED AN ESTIMATE INCLUDED IN THE BALLOT
5 INFORMATION BOOKLET FOR PROPOSITION AA, IF REQUIRED BY SECTION
6 20 (3) (c) OF ARTICLE X OF THE STATE CONSTITUTION.

7 (2) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
8 VOTE "NO/AGAINST", THEN ON JANUARY 1, 2016, THE STATE TREASURER
9 SHALL TRANSFER THIRTEEN MILLION THREE HUNDRED THOUSAND DOLLARS
10 FROM THE PROPOSITION AA REFUND ACCOUNT TO THE MARIJUANA TAX
11 CASH FUND TO REPLACE THE ANTICIPATED DECREASE IN REVENUE THAT
12 WILL RESULT FROM THE RETAIL MARIJUANA SALES TAX RATE REDUCTION
13 IN SECTION 39-28.8-202 (1) (a) (III) (B).

14 (3) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
15 VOTE "NO/AGAINST", THEN AFTER MARCH 1, 2016, BUT PRIOR TO JULY 1,
16 2016, THE DEPARTMENT OF REVENUE SHALL REFUND TO A RETAIL
17 MARIJUANA CULTIVATION FACILITY ALL OF THE TAXES THE FACILITY PAID
18 DURING THE 2014-15 FISCAL YEAR IN ACCORDANCE WITH SECTION
19 39-28.8-302 (1). THE DEPARTMENT SHALL PAY THE REFUND FROM THE
20 MONEYS IN THE PROPOSITION AA REFUND ACCOUNT. THE DEPARTMENT
21 SHALL ESTABLISH PROCEDURES FOR THE REFUNDS BUT SHALL NOT
22 REQUIRE A FACILITY TO APPLY FOR A REFUND TO RECEIVE ONE.

23 (4) (a) (I) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
24 ISSUE VOTE "NO/AGAINST", THEN TWENTY-FIVE MILLION DOLLARS FROM
25 THE PROPOSITION AA REFUND ACCOUNT IS EXCESS STATE REVENUES, AS
26 DEFINED IN SECTION 39-22-2004 (1) (b), FOR THE FISCAL YEAR 2014-15
27 THAT ARE REQUIRED TO BE REFUNDED TO QUALIFIED INDIVIDUALS FOR THE

1 TAXABLE YEAR COMMENCING ON JANUARY 1, 2015, IN ACCORDANCE WITH
2 THE PROVISIONS OF SECTION 39-22-2004. IF THERE ARE OTHER EXCESS
3 STATE REVENUES REFUNDED, THE DEPARTMENT SHALL INCLUDE A
4 SEPARATE LINE ON THE 2015 INCOME TAX RETURN FOR THE REFUND
5 REQUIRED BY THIS SUBSECTION (4) THAT IS NAMED "SALES TAX REFUND
6 RELATED TO PROPOSITION AA BLUE BOOK ESTIMATES".

7 (II) IF SENATE BILL 15-001 DOES NOT BECOME LAW, THEN THIS
8 PARAGRAPH (a) IS REPEALED, EFFECTIVE JULY 1, 2016.

9 (b) (I) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
10 ISSUE VOTE "NO/AGAINST", THEN TWENTY-FIVE MILLION DOLLARS FROM
11 THE PROPOSITION AA REFUND ACCOUNT IS EXCESS STATE REVENUES, AS
12 DEFINED IN SECTION 39-22-2002 (3) (c), FOR THE FISCAL YEAR 2014-15
13 THAT ARE REQUIRED TO BE REFUNDED TO QUALIFIED INDIVIDUALS FOR THE
14 TAXABLE YEAR COMMENCING ON JANUARY 1, 2015, IN ACCORDANCE WITH
15 THE PROVISIONS OF SECTION 39-22-2002. IF THERE ARE OTHER EXCESS
16 STATE REVENUES REFUNDED, THE DEPARTMENT SHALL INCLUDE A
17 SEPARATE LINE ON THE 2015 INCOME TAX RETURN FOR THE REFUND
18 REQUIRED BY THIS SUBSECTION (4) THAT IS NAMED "SALES TAX REFUND
19 RELATED TO PROPOSITION AA BLUE BOOK ESTIMATES".

20 (II) IF SENATE BILL 15-001 IS ENACTED AND BECOMES LAW, THEN
21 THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2016.

22 **39-28.8-606. Approval of ballot issue - account - use of**
23 **revenues.** (1) IF A PROPOSITION AA BLUE BOOK REFUND IS REQUIRED
24 UNDER SECTION 39-28.8-602 BUT A MAJORITY OF THE ELECTORS THAT
25 VOTE ON THE BALLOT ISSUE VOTE "YES/FOR", THEN:

26 (a) THE STATE TREASURER SHALL TRANSFER FORTY MILLION
27 DOLLARS FROM THE PROPOSITION AA REFUND ACCOUNT TO THE PUBLIC

1 SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND CREATED IN SECTION
2 22-43.7-104 (1), C.R.S.; AND

3 (b) THE GENERAL ASSEMBLY SHALL APPROPRIATE TWELVE
4 MILLION DOLLARS FROM THE PROPOSITION AA REFUND ACCOUNT FOR ANY
5 USE AUTHORIZED IN SECTION 39-28.8-501.

6 **39-28.8-607. Repeal of part.** THIS PART 6 IS REPEALED, EFFECTIVE
7 JULY 1, 2017.

8 **SECTION 9.** In Colorado Revised Statutes, 1-41-102, **amend** (4)
9 (f); and **add** (4) (g) as follows:

10 **1-41-102. State ballot issue elections in odd-numbered years.**

11 (4) As used in this section, "state matters arising under section 20 of
12 article X of the state constitution" includes:

13 (f) Approval of the weakening of a state limit on revenue,
14 spending, and debt pursuant to section 20 (1) of article X of the state
15 constitution; AND

16 (g) APPROVAL FOR THE STATE TO RETAIN AND SPEND STATE
17 REVENUES THAT OTHERWISE WOULD BE REFUNDED FOR EXCEEDING AN
18 ESTIMATE INCLUDED IN THE BALLOT INFORMATION BOOKLET IN
19 ACCORDANCE WITH SECTION 20 (3) (c) OF ARTICLE X OF THE STATE
20 CONSTITUTION.

21 **SECTION 10.** In Colorado Revised Statutes, 18-19-103, **amend**
22 (4) (a) as follows:

23 **18-19-103. Source of revenues - allocation of moneys.**

24 (4) (a) There is hereby created in the state treasury the correctional
25 treatment cash fund, referred to in this paragraph (a) as the "fund", which
26 ~~shall consist~~ CONSISTS OF MONEYS APPROPRIATED PURSUANT TO SECTION
27 39-28.8-501, C.R.S., moneys received by the state treasurer pursuant to

1 paragraph (d) of subsection (3) of this section and subsection (3.5) of this
2 section, and, in addition, each year, the general assembly shall appropriate
3 at least two million two hundred thousand dollars generated from
4 estimated savings from the enactment of Senate Bill 03-318, enacted in
5 2003, to the fund. The moneys in the fund shall be used for the purposes
6 described in paragraph (c) of subsection (5) of this section. All interest
7 derived from the deposit and investment of moneys in the fund shall be
8 credited to the fund. Any moneys not appropriated by the general
9 assembly shall remain in the fund and shall not be transferred or revert to
10 the general fund of the state at the end of any fiscal year.

11 **SECTION 11.** In Colorado Revised Statutes, 22-14-109, **amend**
12 (4) (a) as follows:

13 **22-14-109. Student re-engagement grant program - rules -**
14 **application - grants - fund created - report.** (4) (a) There is hereby
15 created in the state treasury the student re-engagement grant program
16 fund, referred to in this subsection (4) as the "fund", that shall consist of
17 any moneys credited to the fund pursuant to paragraph (b) of this
18 subsection (4) and any additional moneys that the general assembly may
19 appropriate to the fund, INCLUDING MONEYS FROM THE MARIJUANA TAX
20 CASH FUND CREATED IN SECTION 39-28.8-501, C.R.S., OR THE
21 PROPOSITION AA REFUND ACCOUNT CREATED IN SECTION 39-28.8-604 (1),
22 C.R.S. The moneys in the fund shall be subject to annual appropriation by
23 the general assembly to the department for the direct and indirect costs
24 associated with the implementation of this section.

25 **SECTION 12.** In Colorado Revised Statutes, 22-93-105, **amend**
26 (1) and (3) (a) as follows:

27 **22-93-105. School bullying prevention and education cash**

1 **fund - created.** (1) There is hereby established in the state treasury the
2 school bullying prevention and education cash fund. The cash fund shall
3 consist of moneys transferred OR APPROPRIATED thereto pursuant to
4 subsection (3) of this section and any other moneys that may be made
5 available by the general assembly. The moneys in the cash fund are
6 continuously appropriated to the department for the direct and indirect
7 costs associated with implementing this article. Any moneys not provided
8 as grants may be invested by the state treasurer as provided in section
9 24-36-113, C.R.S. All interest and income derived from the investment
10 and deposit of moneys in the cash fund shall be credited to the cash fund.
11 Any amount remaining in the cash fund at the end of any fiscal year shall
12 remain in the cash fund and shall not be credited or transferred to the
13 general fund or to any other fund.

14 (3) (a) ~~No general fund moneys shall be appropriated to the cash~~
15 ~~fund for the implementation of this article.~~ THE GENERAL ASSEMBLY MAY
16 APPROPRIATE MONEYS TO THE BULLYING PREVENTION AND EDUCATION
17 CASH FUND FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION
18 39-28.8-501, C.R.S., OR FROM THE PROPOSITION AA REFUND ACCOUNT
19 CREATED IN SECTION 39-28.8-604 (1), C.R.S.

20 **SECTION 13.** In Colorado Revised Statutes, **add** 24-32-117 as
21 follows:

22 **24-32-117. Retail marijuana impact grants - program -**
23 **creation - definitions.** (1) AS USED IN THIS SECTION:

24 (a) "DIVISION" MEANS THE DIVISION OF LOCAL GOVERNMENT.

25 (b) "DOCUMENTED RETAIL MARIJUANA IMPACTS" MEANS THE
26 DOCUMENTED EXPENSES, COSTS, AND OTHER IMPACTS INCURRED AS A
27 RESULT OF LEGAL OR ILLEGAL ACTIVITY RELATED TO SALES OF RETAIL

1 MARIJUANA.

2 (c) "ELIGIBLE LOCAL GOVERNMENT" MEANS A LOCAL
3 GOVERNMENT THAT, OTHER THAN A SALES TAX THAT APPLIES EQUALLY TO
4 ALL TANGIBLE GOODS WITHIN ITS JURISDICTION, DOES NOT IMPOSE, LEVY,
5 OR COLLECT ANY TAX ON RETAIL MARIJUANA OR UPON THE OCCUPATION
6 OR PRIVILEGE OF SELLING RETAIL MARIJUANA, AND IF:

7 (I) A COUNTY, ONE THAT DOES NOT HAVE ANY SALES OF RETAIL
8 MARIJUANA WITHIN ITS UNINCORPORATED AREAS AND THAT:

9 (A) HAS AT LEAST ONE CITY OR TOWN WITHIN THE COUNTY
10 BOUNDARIES THAT HAS SALES OF RETAIL MARIJUANA WITHIN ITS
11 BOUNDARIES; OR

12 (B) IS CONTIGUOUS WITH A COUNTY THAT HAS SALES OF RETAIL
13 MARIJUANA ANYWHERE WITHIN THE COUNTY BOUNDARIES; OR

14 (II) A CITY OR TOWN, ONE THAT DOES NOT HAVE ANY SALES OF
15 RETAIL MARIJUANA WITHIN ITS BOUNDARIES AND THAT:

16 (A) IS WITHIN A COUNTY THAT ALLOWS SALES OF RETAIL
17 MARIJUANA WITHIN ITS UNINCORPORATED AREAS;

18 (B) IS WITHIN A COUNTY THAT HAS WITHIN ITS BOUNDARIES AT
19 LEAST ONE OTHER CITY OR TOWN THAT HAS SALES OF RETAIL MARIJUANA
20 WITHIN ITS BOUNDARIES; OR

21 (C) IS WITHIN A COUNTY THAT IS CONTIGUOUS WITH ANOTHER
22 COUNTY THAT HAS SALES OF RETAIL MARIJUANA ANYWHERE WITHIN THE
23 COUNTY BOUNDARIES.

24 (d) "GRANT PROGRAM" MEANS THE LOCAL GOVERNMENT RETAIL
25 MARIJUANA IMPACT GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS
26 SECTION.

27 (e) "RETAIL MARIJUANA" HAS THE SAME MEANING AS SET FORTH

1 IN SECTION 39-28.8-101 (7), C.R.S.; EXCEPT THAT THE TERM ALSO
2 INCLUDES "RETAIL MARIJUANA PRODUCTS", AS DEFINED IN SECTION
3 39-28.8-101 (9), C.R.S.

4 (2) THE LOCAL GOVERNMENT RETAIL MARIJUANA IMPACT GRANT
5 PROGRAM IS CREATED IN THE DIVISION. THROUGH THE PROGRAM, THE
6 DIVISION SHALL AWARD GRANTS TO ELIGIBLE LOCAL GOVERNMENTS FOR
7 DOCUMENTED RETAIL MARIJUANA IMPACTS. IN AWARDING GRANTS, THE
8 DIVISION SHALL GIVE PRIORITY TO AN ELIGIBLE LOCAL GOVERNMENT THAT
9 INTENDS TO USE THE MONEY FOR ONE OR MORE OF THE FOLLOWING
10 PURPOSES:

11 (a) TO PAY FOR ADDITIONAL LAW ENFORCEMENT ACTIVITIES
12 RELATED TO RETAIL MARIJUANA, INCLUDING COSTS ASSOCIATED WITH
13 INCREASED ARRESTS, INCREASED TRAFFIC VIOLATIONS, AND PREVENTION
14 OF OUT-OF-STATE DIVERSIONS AND TRAFFICKING OF MARIJUANA;

15 (b) TO FUND YOUTH SERVICES, ESPECIALLY THOSE THAT PREVENT
16 THE USE OF MARIJUANA; AND

17 (c) TO MITIGATE OTHER IMPACTS THAT THE CULTIVATION,
18 TESTING, SALE, CONSUMPTION, OR REGULATION OF RETAIL MARIJUANA
19 HAS ON SERVICES PROVIDED BY AN ELIGIBLE LOCAL GOVERNMENT.

20 (3) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE
21 MONEYS FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION
22 39-28.8-501, C.R.S., OR THE PROPOSITION AA REFUND ACCOUNT CREATED
23 IN SECTION 39-28.8-604 (1), C.R.S., TO THE DIVISION TO MAKE THE
24 GRANTS DESCRIBED IN SUBSECTION (2) OF THIS SECTION AND FOR THE
25 DIVISION'S REASONABLE ADMINISTRATIVE EXPENSES RELATED TO THE
26 GRANTS.

27 (4) THE DIVISION SHALL ADOPT RULES, IN ACCORDANCE WITH THE

1 "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF THIS TITLE,
2 THAT ARE NECESSARY FOR THE ADMINISTRATION OF THE GRANT PROGRAM,
3 INCLUDING RULES RELATED TO THE APPLICATION PROCESS AND THE GRANT
4 AWARD CRITERIA.

5 (5) FOR EACH YEAR OF A GRANT TERM, A COUNTY THAT RECEIVES
6 A GRANT THROUGH THE GRANT PROGRAM SHALL REPORT TO THE DIVISION
7 HOW THE COUNTY SPENT THE GRANT.

8 (6) (a) ON OR BEFORE NOVEMBER 1, 2018, AND ON OR BEFORE
9 NOVEMBER 1 EACH YEAR THEREAFTER, THE DIVISION SHALL INCLUDE AN
10 UPDATE REGARDING THE EFFECTIVENESS OF THE GRANT PROGRAM IN ITS
11 REPORT TO THE MEMBERS OF THE APPLICABLE COMMITTEES OF REFERENCE
12 IN THE SENATE AND HOUSE OF REPRESENTATIVES REQUIRED BY THE
13 "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND
14 TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF
15 TITLE 2, C.R.S.

16 (b) THE REPORTING REQUIREMENT IN PARAGRAPH (a) OF THIS
17 SUBSECTION (6) IS NOT SUBJECT TO THE PROVISIONS OF SECTION 24-1-136
18 (11) (a) (I).

19 **SECTION 14.** In Colorado Revised Statutes, 25-32-105, **amend**
20 (1) (b) as follows:

21 **25-32-105. Department - poison control services - duties -**
22 **contract.** (1) The department has the following powers and duties with
23 respect to the provision of poison control services on a statewide basis
24 and for the dissemination of information as provided in this article:

25 (b) (I) To contract with private, nonprofit, or public entities for the
26 continuing provision of statewide poison control services and the
27 continuing dissemination of poison control information to the citizens of

1 the state by means of a toll-free telephone network, the provision of
2 which services initially commenced on July 1, 1995. The department shall
3 review the contract at least once each year and shall solicit and receive
4 bids on the provision of poison control services no less than once every
5 five years. This paragraph (b) shall apply to contract years commencing
6 July 1, 1995, and thereafter.

7 (II) ON OR AFTER JANUARY 1, 2016, TO CONTRACT WITH PRIVATE,
8 NONPROFIT, OR PUBLIC ENTITIES FOR THE CONTINUING PROVISION OF
9 STATEWIDE POISON CONTROL SERVICES AND THE CONTINUING
10 DISSEMINATION OF POISON CONTROL INFORMATION TO THE CITIZENS OF
11 THE STATE BY MEANS OTHER THAN A TOLL-FREE TELEPHONE NETWORK,
12 SUCH AS TEXT MESSAGING, INSTANT MESSAGING, AND EMAIL. THE ENTITY
13 OR ENTITIES SHALL COORDINATE THESE SERVICES WITH THE TOLL-FREE
14 TELEPHONE NETWORK DESCRIBED IN SUBPARAGRAPH (I) OF THIS
15 PARAGRAPH (b). THE GENERAL ASSEMBLY SHALL APPROPRIATE AT LEAST
16 ONE MILLION DOLLARS FOR THE FISCAL YEAR 2015-16 TO THE
17 DEPARTMENT FOR IT TO CONTRACT WITH AN ENTITY TO BUILD THE
18 INFRASTRUCTURE NECESSARY FOR THE SERVICES IDENTIFIED IN THIS
19 SUBPARAGRAPH (II), AND ANY UNEXPENDED AND UNENCUMBERED
20 MONEYS FROM THE APPROPRIATION REMAIN AVAILABLE FOR EXPENDITURE
21 BY THE DEPARTMENT IN THE NEXT FISCAL YEAR WITHOUT FURTHER
22 APPROPRIATION. IN ADDITION, THE GENERAL ASSEMBLY MAY ANNUALLY
23 APPROPRIATE MONEYS FROM THE MARIJUANA TAX CASH FUND CREATED IN
24 SECTION 39-28.8-501, C.R.S., OR THE PROPOSITION AA REFUND ACCOUNT
25 CREATED IN SECTION 39-28.8-604 (1), C.R.S., TO THE DEPARTMENT FOR
26 THE SERVICES IDENTIFIED IN THIS SUBPARAGRAPH (II).

27 **SECTION 15.** In Colorado Revised Statutes, 26-6.8-104, **amend**

1 (6) as follows:

2 **26-6.8-104. Colorado Youth Mentoring Services Act.**

3 (6) **Youth mentoring services cash fund.** There is hereby created in the
4 state treasury the youth mentoring services cash fund. The moneys in the
5 youth mentoring services cash fund are subject to annual appropriation by
6 the general assembly for the direct and indirect costs of implementing this
7 section. The executive director may accept on behalf of the state any
8 grants, gifts, or donations from any private or public source for the
9 purpose of this section. All private and public funds received through
10 grants, gifts, or donations shall be transmitted to the state treasurer, who
11 shall credit the same to the youth mentoring services cash fund. THE
12 GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM THE MARIJUANA
13 TAX CASH FUND CREATED IN SECTION 39-28.8-501, C.R.S., OR THE
14 PROPOSITION AA REFUND ACCOUNT CREATED IN SECTION 39-28.8-604 (1),
15 C.R.S. All investment earnings derived from the deposit and investment
16 of moneys in the fund shall remain in the fund and shall not be transferred
17 or revert to the general fund of the state at the end of any fiscal year.

18 **SECTION 16.** In Colorado Revised Statutes, 39-22-2004, **amend**
19 **as added by SB15-001** (1) (b) as follows:

20 **39-22-2004. State sales tax refund of excess state revenues for**
21 **taxable years commencing on or after January 1, 2015 - offset against**
22 **state income tax for qualified individuals - authority and duties of**
23 **executive director - definitions - repeal.** (1) As used in this section,
24 unless the context otherwise requires:

25 (b) "Excess state revenues" means the total combined amount as
26 certified by the state controller pursuant to section ~~24-77-106.5, C.R.S.,~~
27 of:

1 (I) Excess revenues for a state fiscal year, AS CERTIFIED BY THE
2 STATE CONTROLLER PURSUANT TO SECTION 24-77-106.5, C.R.S., that
3 voters statewide have not authorized the state to retain and spend, that are
4 required to be refunded pursuant to section 20 (7) (d) of article X of the
5 state constitution, and that are not refunded by another method established
6 by law; ~~and~~

7 (II) Excess revenues for a state fiscal year preceding said state
8 fiscal year, AS CERTIFIED BY THE STATE CONTROLLER PURSUANT TO
9 SECTION 24-77-106.5, C.R.S., that voters statewide did not authorize the
10 state to retain and spend, that were required to be refunded pursuant to
11 section 20 (7) (d) of article X of the state constitution, that were intended
12 to be refunded by another method previously established by law, but that
13 were not actually refunded by the state as required; AND

14 (III) (A) REVENUES SPECIFIED IN SECTION 39-28.8-605 (4).

15 (B) THIS SUBPARAGRAPH (III) IS REPEALED, EFFECTIVE JULY 1,
16 2017.

17 **SECTION 17.** In Colorado Revised Statutes, 39-22-2002, **amend**
18 (3) as follows:

19 **39-22-2002. Fiscal years commencing on or after July 1, 1998**
20 **- state sales tax refund - authority of executive director - repeal.**

21 (3) As used in this section, unless the context otherwise requires, "excess
22 state revenues" means the total combined amount of:

23 (a) Excess revenues that voters statewide have not authorized the
24 state to retain and spend and that are required to be refunded pursuant to
25 section 20 (7) (d) of article X of the state constitution and that are not
26 refunded by another method established by law for said fiscal year ending
27 in that calendar year; ~~and~~

1 (b) Excess revenues that voters statewide did not authorize the
2 state to retain and spend and were required to be refunded pursuant to
3 section 20 (7) (d) of article X of the state constitution for any other fiscal
4 year and that were not refunded by another method established by law
5 prior to said fiscal year, but that were not refunded by the state as
6 required; AND

7 (c) (I) REVENUES SPECIFIED IN SECTION 39-28.8-605 (4).

8 (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2017.

9 **SECTION 18. Appropriation.** (1) For the 2015-16 state fiscal
10 year, \$2,500,000 is appropriated to the department of public health and
11 environment for use by the prevention services division. This
12 appropriation is from the proposition AA refund account in the general
13 fund. The division may use this appropriation for the marijuana education
14 campaign as part of the chronic disease prevention programs.

15 (2) For the 2015-16 state fiscal year, \$1,000,000 is appropriated
16 to the department of public health and environment. This appropriation
17 is from the proposition AA refund account in the general fund. The
18 department may use this appropriation for poison control centers as
19 specified in section 25-32-102 (1) (b) (II), C.R.S.

20 (3) For the 2015-16 state fiscal year, \$2,000,000 is appropriated
21 to the school bullying prevention and education cash fund created in
22 section 22-93-105 (1), C.R.S. This appropriation is from the proposition
23 AA refund account in the general fund. The department of education is
24 responsible for the accounting related to this appropriation.

25 (4) (a) For the 2015-16 state fiscal year, \$2,000,000 is
26 appropriated to the student re-engagement grant program fund created in
27 section 22-14-109 (4) (a), C.R.S. This appropriation is from the

1 proposition AA refund account in the general fund. The department of
2 education is responsible for the accounting related to this appropriation.

3 (b) For the 2015-16 state fiscal year, \$2,000,000 is appropriated
4 to the department of education. This appropriation is from reappropriated
5 funds in the student re-engagement grant program fund under paragraph
6 (a) of this subsection (4). The department may use the appropriation for
7 the direct and indirect costs associated with the student re-engagement
8 grant program.

9 (5) (a) For the 2015-16 state fiscal year, \$1,000,000 is
10 appropriated to the youth mentoring services cash fund created in section
11 26-6.8-104 (6), C.R.S. This appropriation is from the proposition AA
12 refund account in the general fund. The department of human services is
13 responsible for the accounting related to this appropriation.

14 (b) For the 2015-16 state fiscal year, \$1,000,000 is appropriated
15 to the department of human services. This appropriation is from
16 reappropriated funds in the youth mentoring services cash fund under
17 paragraph (a) of this subsection (5). The department may use the
18 appropriation for the provision of youth mentoring services in accordance
19 with section 26-6.8-104, C.R.S.

20 (6) For the 2015-16 state fiscal year, \$1,000,000 is appropriated
21 to the department of human services. This appropriation is from the
22 proposition AA refund account in the general fund. The department may
23 use the appropriation for the purpose of providing grants through the
24 Tony Grampsas youth mentoring program to statewide membership
25 organizations.

26 (7) For the 2015-16 state fiscal year, \$500,000 is appropriated to
27 the department of health care policy and financing. This appropriation is

1 from the proposition AA refund account in the general fund. The
2 department may use this appropriation for screening, brief intervention,
3 and referral to treatment for individuals at risk of substance abuse
4 pursuant to section 25.5-5-202 (1) (u), C.R.S.

5 (8) For the 2015-16 state fiscal year, \$300,000 is appropriated to
6 the department of agriculture for use by the Colorado state fair authority.
7 This appropriation is from the proposition AA refund account in the
8 general fund. The authority may use this appropriation for FFA and 4-H.

9 (9) For the 2015-16 state fiscal year, \$1,000,000 is appropriated
10 to the department of local affairs for use by the division of local
11 government. This appropriation is from the proposition AA refund
12 account in the general fund. The division may use this appropriation for
13 grants through the local government retail marijuana impact grant
14 program created in section 24-32-117 (2), C.R.S.

15 (10) For the 2015-16 state fiscal year, \$500,000 is appropriated to
16 the department of human services. This appropriation is from the
17 proposition AA refund account in the general fund. The department may
18 use this money for treatment and detoxification contracts.

19 (11) For the 2015-16 state fiscal year, \$200,000 is appropriated to
20 the department of law for use by the peace officers standards and training
21 board. This appropriation is from the proposition AA refund account in
22 the general fund. The board may use this appropriation for advanced
23 roadside impaired driving enforcement training for peace officers.

24 **SECTION 19. Appropriation.** (1) For the 2015-16 state fiscal
25 year, \$212,369 is appropriated to the department of local affairs. This
26 appropriation is from the marijuana tax cash fund created in section 39-
27 28.8-501 (1), C.R.S. To implement this act, the department may use this

1 appropriation as follows:

2 (a) \$132,599 for use by division of local government for the local
3 government retail marijuana impact grant program, which amount is
4 based on an assumption that the division will require an additional 2.0
5 FTE;

6 (b) \$79,770 for the purchase of information technology services.

7 (2) For the 2015-16 state fiscal year, \$79,770 is appropriated to
8 the office of the governor for use by the office of information technology.
9 This appropriation is from reappropriated funds received from the
10 department of local affairs under paragraph (b) of subsection (1) of this
11 section. To implement this act, the office may use this appropriation to
12 provide information technology services for the department of local
13 affairs.

14 (3) For the 2015-16 state fiscal year, \$25,440 is appropriated to
15 the department of revenue. This appropriation is from the marijuana cash
16 tax fund created in section 39-28.8-501 (1), C.R.S. To implement this act,
17 the department may use this appropriation for CITA annual maintenance
18 and support.

19 **SECTION 20. Effective date - applicability.** (1) Except as
20 otherwise provided in subsections (2) and (3) of this section, this act takes
21 effect upon passage.

22 (2) (a) Sections 14 and 18 of this act take effect only if, at the
23 November 2015 statewide election, a majority of voters approve the ballot
24 issue referred in accordance with section 39-28.8-603 (1), Colorado
25 Revised Statutes.

26 (b) If the voters at the November 2015 statewide election approve
27 a measure described in paragraph (a) of this subsection (2), then sections

1 14 and 18 of this act take effect on the date of the official declaration of
2 the vote thereon by the governor, or January 1, 2016, whichever is later.

3 (3) (a) Section 39-22-2004 (1) (b), Colorado Revised Statutes, as
4 amended in section 16 of this act, takes effect only if Senate Bill 15-001
5 becomes law and takes effect either upon the effective date of this act or
6 Senate Bill 15-001, whichever is later.

7 (b) Section 17 of this act takes effect only if Senate Bill 15-001
8 does not become law.

9 **SECTION 21. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, and safety.