



Overview of Marijuana History

<p>Cannabis domesticated for 3000 years</p> 	<p>Commercial cultivation methods depend on laws/ climate</p>	<p>Common consumption methods: inhalation, oral, transdermal</p>	<p>Legal marijuana in 29 states + DC</p> 	<p>CO 1st taxed & regulated state: (\$3B econ impact, 20K jobs, \$.5B taxes, public-private partnerships, state MJ appointments)</p>
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Colorado Policy Objectives/Considerations: Cole vs. Today

<p>Create world's first constitutionally protected, licensed, taxed & regulated (med/rec) mj business model</p>	<p>Honors voters</p>	<p>Monitor Public health & safety outcomes: (youth, impaired driving)</p>	<p>Diversion Prevention (controlled in state borders, away from minors and cartels)</p>	<p>No growing on public lands or possession on federal property</p>
	<p>Safe/private access</p>			
	<p>Self-funded (application, license fees, taxes)</p>	<p>Tracked seed-to-sale</p>	<p>Prevents onsite violence</p>	<p>Identifies abuses and closes gaps</p>

The Colorado Program: Leadership, Stewardship, Collaboration & Education

	Successes	Needs Improvement
State & Local licensing & regulation - Added layer of local control & opt-out - Oversees cultivators, processors, dispensaries, labs, transporters	Centralized through enforcement, with additional oversight by other dpts designed to minimize and prevent illegal activity.	Complex operational/enforcement structure creates confusion.
Taxed & Regulated - 2.9% sales tax - 15% retail mj sales tax - 15% retail mj excise tax - After first \$40M allocated to school construction, balance goes to MJ Tax Fund - Local taxes additional	Fees and taxes fund regulation and enforcement, contribute to state programs, public health/safety outcomes. Additional taxes used to close budget gaps, such as additional tax for rural hospitals as special excise tax. 11 th largest source of state revenues from taxes/fees.	Operating at top of tax threshold. Need to stay within consumer expectation of price, or sales will divert to the untaxed, unregulated illegal market. Allows state business deductions but does not solve 280E at federal level. Banking access is still an issue.
State & Local public health/environment oversight - Oversees patients and health issues - Retail MJ Health Advisory - Education campaign	Collaborative process, interdisciplinary health advisory. Embraced the data and available medical research. Educational messages target customers, not gov't audiences. Leads youth research.	Subject matter expertise in a federally illegal product is a challenge. Testing program is still working out kinks.
State Agriculture oversight, pesticide restrictions, OSHA conformance	Reviewed against food/tobacco/site of application to create first standards	No federal guidance on MJ – partnered with a zero tolerance policy which has no scientific baseline.
Owner & Employee background checks	Minimizes risk of organized crime/cartels from participating. 20K jobs.	Criticized for exclusion of audiences that have historically been disenfranchised; disproportionately benefits the wealthy.
Seed-to-sale product tracking in closed loop system	Internal diversion patterns easily identified in audits.	Laws constantly change, updates are slow and costly for exclusive vendor. Diversion into black market requires constant attention.
Packaging and labeling requirements; advertising restrictions	Prohibits marketing to children, clarifies use, potency, safety information.	Still refining – frequent changes present operational issues.
Product testing through state-approved labs	Identifies potency, molds, mildews, pesticides.	Subject matter expertise in federally illegal product is a challenge.
ID verifications prior to purchase; purchase limits, no onsite consumption	Only authorized patrons can access dispensaries.	Forgot to include Canadian/Mexican drivers licenses and other forms of ID accepted by federal gov't, tribal ID
Cannot sell to minors (exception: children w/ medical necessity)	Underage enforcement checks at compliance in high 90%.	Parental caregivers of very sick children being targeted by child welfare agencies
Permits home cultivation	Protected in constitution.	Diversion is an ongoing concern.

Areas of Ongoing Consideration

<p>Pragmatic pathway forward:</p> <p>Rescission of DOJ guidance documents/State impacts vs. 2/3 of nation is living under legal marijuana laws</p>	<p>Financial/banking security:</p> <p>Banking access specified vs. no banking guidance and operational & safety impacts</p>	<p>Striking a tax balance:</p> <p>Establishment of appropriate taxation levels; 280E concessions (revenue goes to operations and taxes)</p>	<p>Federal vs. State issues:</p> <p>Credentialed subject matter experts to inform pesticides, testing, OSHA, sources of investment, banking, child welfare, CBDs</p>	<p>Public Health & Safety programs:</p> <p>Youth education and prevention, impaired driving prevention, education about laws and safe consumption behaviors</p>
<p>Sizing the market:</p> <p>Limited vs. open market licensure</p> <p>Protecting permits</p> <p>Creating sustainable model</p>	<p>Illegal Markets:</p> <p>Caregiver autonomy/rights vs. enforcement</p> <p>Interstate diversion: Border management</p> <p>Purchase limit controls</p>	<p>Packaging and Labeling:</p> <p>Striking the right balance between consumer information and oversaturation</p>	<p>Local revenue allocations if they opt-out:</p> <p>Allocations, if any?</p> <p>Law enforcement revenue disbursement?</p>	<p>State vs. Local control:</p> <p>Centralized vs. decentralized control, regulation & enforcement</p> <p>Matters of statewide concern</p>
<p>Savior of Schools?</p> <p>K12 receives \$40M for school construction annually</p> <p>Add'l funding for educational programs, bullying, supplies</p>	<p>Innovation:</p> <p>The Pueblo example revived a local economy</p> <p>The Edgewater example built city infrastructure</p>	<p>Risk of Reversal:</p> <p>Surge in illegal markets</p> <p>Economic impacts</p> <p>Budget impacts</p>		

Action Items/Next Steps

1. Approaching time where federal/state challenges require thoughtful discussion. Build public-industry-private stakeholder coalitions to discuss challenges and develop solutions at all levels. Collaborate w/ congressional delegations.
 - Banking, 280E, CBDs => short term
 - Federal status => long term
2. Maintain accurate data. Use it to identify trends/solve problems.
3. Test, learn, refine.