



**State Revenue**

***This bill will increase revenue to the Marijuana Cash Fund by \$129,600 in FY 2016-17 and by \$59,400 in FY 2017-18.*** Licensees pay a one-time application fee and annual license fees.

***Assumptions.*** The fiscal analysis is based on the following assumptions:

- 18 medical marijuana testing facilities will apply for licensure in FY 2016-17; and
- 2 medical marijuana testing facilities will apply for licensure in FY 2017-18.

***Fee impact on individuals and business.*** Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 below identifies the fee impact of this bill.

<b>Table 1. Fee Impact on Medical Marijuana Testing Facilities</b>			
<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
Application Fee - FY 2016-17	\$5,000	18	\$90,000
License Fee - FY 2016-17	2,200	18	39,600
<b>FY 2016-17 TOTAL</b>			<b>\$129,600</b>
Application Fee - FY 2017-18	\$5,000	2	\$10,000
License Fee - FY 2017-18	2,200	20	44,000
Renewal Fee - FY 2017-18	300	18	5,400
<b>FY 2017-18 TOTAL</b>			<b>\$59,400</b>

**TABOR Impact**

This bill increases state revenue from fees, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund.

**State Expenditures**

***This bill increases expenditures for the Department of Revenue by \$78,930 and 1.0 FTE in FY 2016-17 and \$64,717 and 1.0 FTE in FY 2017-18.*** Costs are shown in Table 2 and explained below.

<b>Table 2. Expenditures Under SB15-260</b>			
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Personal Services		\$51,345	\$51,345
FTE		1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs		5,653	950
Computer Programming		9,510	0
Centrally Appropriated Costs*		12,422	12,422
<b>TOTAL</b>		<b>\$78,930</b>	<b>\$64,717</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Marijuana Enforcement Division, Department of Natural Resources.** Beginning in FY 2016-17, the MED will promulgate rules related to the new license and begin processing applications. The MED will add a compliance investigator so that there will be sufficient staffing to regularly inspect the increased number of laboratory testing facilities and analyze an increased number of test results for accuracy of findings. The MED will have a one-time programming cost of \$8,480 for the GenTax system. The Office of Information Technology will update the MED licensing system to accommodate the new license at a cost of \$1,030.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)		\$8,028	\$8,028
Supplemental Employee Retirement Payments		4,394	4,394
<b>TOTAL</b>		<b>\$12,422</b>	<b>\$12,422</b>

\*More information is available at: <http://colorado.gov/fiscalnotes>

**Effective Date**

The bill takes effect July 1, 2016, if no referendum petition is filed.

**State and Local Government Contacts**

Revenue

Public Health and Environment

Governor's Marijuana Office