

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 14-0541  
**Prime Sponsor(s):** Rep. Kagan

**Date:** February 3, 2014  
**Bill Status:** House Judiciary  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**SHORT TITLE:** KEEP LEGAL MARIJUANA FROM THOSE UNDER 21

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b> Fines Collection Cash Fund	<u>&lt;\$1,000</u> <1,000	<u>&lt;1,000</u> <1,000
<b>State Expenditures</b>	Minimal increase.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

This bill requires that medical marijuana be sold in child-proof packaging unless a patient provides a doctor's note explaining that opening the child-proof packaging is difficult. It also gives a retail marijuana store owner or employee the ability to confiscate proof of age suspected to be fraudulent from a person under 21 years of age who is attempting to purchase retail marijuana. The licensee or employee or a member of law enforcement may also detain and question the person. Finally, the bill changes the classification of the crime for selling retail marijuana to a person under 21 from a class 2 to a class 1 misdemeanor.

**State Revenue**

Beginning in FY 2014-15, the bill is anticipated to increase state cash fund revenue by less than \$1,000 per year, credited to the Fines Collection Cash Fund in the Judicial Branch. The penalty for a class 1 misdemeanor is a fine of up to \$5,000, incarceration in a county jail for up to 18 months, or both. The penalty for this offense under current law (class 2 misdemeanor) is a fine of up to \$1,000, incarceration in a county jail for up to 12 months, or both, so convictions may result in higher fines being levied. Because the courts have the discretion of incarceration, imposing a fine, or both, the impact to state revenue cannot be determined.

**Assumptions.** The fiscal note assumes that the owners and employees of licensed retail marijuana establishments have a strong incentive to sell only to people 21 years of age and up.

**State Expenditures**

This bill will create a minimal one-time increase in workload for the Marijuana Enforcement Division (MED) in the Department of Revenue in FY 2014-15. Packaging requirements for medical marijuana are included in MED rules and already require child-proof packaging. The MED will

amend the rules to remove the requirement for labeling the product as "medicinal" and to provide an exception to the child-proof packaging for patients who provide a doctor's note. These changes do not require new appropriations.

**Local Government Impact**

This bill impacts local governments by changing the classification of the crime for selling retail marijuana to a person under 21 from a class 2 to a class 1 misdemeanor. The penalty for a class 1 misdemeanor is a fine of up to \$5,000, incarceration in a county jail for up to 18 months, or both. Because the courts have the discretion of incarceration, imposing a fine, or both, the fiscal impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails at a daily rate of \$51.45 to house state inmates.

**Comparable Crime Section**

Pursuant to Section 2-2-322 (2.5), C.R.S., Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. This bill changes the classification of the crime for selling retail marijuana to a person under 21 from a class 2 to a class 1 misdemeanor. Because this offense has only been effective since January 1, 2014, the crime for selling medical marijuana to a person without a valid medical marijuana registry card by a medical marijuana licensee is used as a proxy. One person has been found guilty of selling medical marijuana to a person without a valid registry card in the past 5 years, indicating that the penalty under this will be a strong deterrent and not create a significant increase in offenses.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Judicial  
Municipalities

Revenue  
Counties

Public Safety  
Sheriffs

Corrections  
Public Health