

First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 13-0929.01 Nicole Myers x4326

**HOUSE BILL 13-1318**

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**HOUSE SPONSORSHIP**

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**SENATE SPONSORSHIP**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE RECOMMENDATIONS MADE IN THE PUBLIC PROCESS**  
102 **FOR THE PURPOSE OF IMPLEMENTING CERTAIN STATE TAXES ON**  
103 **RETAIL MARIJUANA LEGALIZED BY SECTION 16 OF ARTICLE**  
104 **XVIII OF THE COLORADO CONSTITUTION, AND, IN CONNECTION**  
105 **THEREWITH, MAKING AN APPROPRIATION.**

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**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>.)*

Subject to voter approval at the statewide election in November

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.*

HOUSE  
3rd Reading Unamended  
April 30, 2013

HOUSE  
Amended 2nd Reading  
April 29, 2013

2013, the bill imposes a sales tax and an excise tax on the sale of retail marijuana, which was legalized by section 16 of article XVIII of the state constitution.

**Sales tax:** Beginning January 1, 2014, the bill imposes a tax of 15% on the sale of retail marijuana or retail marijuana products to a consumer by a retail marijuana store. The tax imposed is in addition to the 2.9% state sales tax and any local government sales tax that is imposed on the sale of all property and services pursuant to current law.

On or after January 1, 2014, the general assembly is authorized to establish a rate that is lower than 15% by a bill enacted by the general assembly and signed into law by the governor. After establishing a tax rate that is lower than 15% the general assembly may increase the rate by bill enacted by the general assembly and signed into law by the governor, so long as the rate does not exceed 15%. An increase in the rate does not require additional voter approval.

A retail marijuana store is required to add the tax imposed as a separate and distinct item, and when added, the tax constitutes a part of the total price of the retail marijuana or retail marijuana products purchased. A retail marijuana store is required to collect and remit the tax to the department in the same manner as the state sales tax is collected and remitted to the department pursuant to current law.

Of the revenues collected pursuant to the 15% sales tax, 10% will be distributed to each local government in the state that has one or more retail marijuana stores within its boundaries. Each local government's share of the revenues collected shall be apportioned according to the percentage of retail marijuana and retail marijuana products sales tax revenues collected by the department in the local government as compared to the total retail marijuana and retail marijuana products sales tax collections that may be allocated to all local governments in the state. The remaining revenues shall be deposited in the marijuana cash fund and appropriated as directed by the general assembly.

**Excise tax:** Beginning January 1, 2014, the bill imposes a tax on the sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility to a retail marijuana store, retail marijuana product manufacturing facility, or another retail marijuana cultivation facility. The amount of the tax is 15% of the average market rate of unprocessed retail marijuana statewide on the date that it is sold or transferred, as determined by the department, and the tax is imposed when a retail marijuana cultivation facility sells or transfers unprocessed retail marijuana to a retail marijuana store, a retail marijuana product manufacturing facility or another retail marijuana cultivation facility.

On or after January 1, 2014, the general assembly is authorized to establish a rate that is lower than 15% of the average market rate by a bill enacted by the general assembly and signed into law by the governor. After establishing a tax rate that is lower than 15% the general assembly

may increase the rate by bill enacted by the general assembly and signed into law by the governor, so long as the rate does not exceed 15%. An increase in the rate does not require additional voter approval.

The bill specifies that every retail marijuana cultivation facility is required to keep certain records regarding the sale or transfer of unprocessed retail marijuana and is required to collect and remit the tax to the department.

As required by section 16 of article XVIII of the state constitution, the bill specifies that the first \$40 million received and collected in payment of the excise tax on unprocessed retail marijuana shall be transferred to the public school capital construction assistance fund currently created in law. Any amount remaining after the transfer shall be transferred to the marijuana cash fund.

**Revenue and spending limitations:** The bill allows the state to collect and spend any revenues generated by the retail marijuana sales tax and retail marijuana excise tax as voter approved revenue changes.

**Submission of ballot questions by the secretary of state:** The bill requires the secretary of state to submit a ballot question at the statewide election to be held in November 2013 asking the voters to:

- ! Allow the general assembly to impose a retail marijuana sales tax at a rate not to exceed 15% of the sale of retail marijuana and retail marijuana products;
- ! Allow the general assembly to impose a retail excise tax at a rate not to exceed 15% of the average market rate of unprocessed retail marijuana on unprocessed retail marijuana at the time when a retail marijuana cultivation facility sells or transfers retail marijuana to a retail marijuana product manufacturing facility, a retail marijuana store, or another retail marijuana cultivation facility;
- ! Allow the general assembly to decrease or increase the rate of either tax without further voter approval so long as the rate does not exceed 15% for either tax; and
- ! Allow any additional tax revenue to be collected and spent notwithstanding any limitations in TABOR or any other law.

**Marijuana cash fund:** The bill changes the name of the existing medical marijuana license cash fund to the marijuana cash fund.

The bill specifies that the sale of marijuana or marijuana products by a medical marijuana center to a consumer and the sale or transfer of unprocessed marijuana by a marijuana cultivation facility to a medical marijuana center are not subject to either tax. The department of revenue (department) is required to promulgate rules for the implementation of both taxes.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 28.8 to  
3 title 39 as follows:

4 **ARTICLE 28.8**

5 **Taxes on Marijuana and Marijuana Products**

6 **PART 1**

7 **DEFINITIONS**

8 **39-28.8-101. Definitions.** **UNLESS THE CONTEXT OTHERWISE**  
9 **REQUIRES, ANY TERMS NOT DEFINED IN THIS ARTICLE SHALL HAVE THE**  
10 **MEANINGS SET FORTH IN ARTICLE 26 OF THIS TITLE.** AS USED IN THIS  
11 ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

12 **(1) "AVERAGE MARKET RATE" MEANS THE AVERAGE PRICE, AS**  
13 **DETERMINED BY THE DEPARTMENT ON A BIENNIAL BASIS IN SIX-MONTH**  
14 **INTERVALS, OF ALL UNPROCESSED RETAIL MARIJUANA THAT IS SOLD OR**  
15 **TRANSFERRED FROM RETAIL MARIJUANA CULTIVATION FACILITIES IN THE**  
16 **STATE TO RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITIES,**  
17 **RETAIL MARIJUANA STORES, OR OTHER RETAIL MARIJUANA CULTIVATION**  
18 **FACILITIES. AN "AVERAGE MARKET RATE" MAY BE BASED ON THE**  
19 **PURCHASER OR TRANSFEREE OF UNPROCESSED RETAIL MARIJUANA OR ON**  
20 **THE NATURE OF THE UNPROCESSED RETAIL MARIJUANA THAT IS SOLD OR**  
21 **TRANSFERRED.**

22 **(2) "CONSUMER" MEANS A PERSON TWENTY-ONE YEARS OF AGE OR**  
23 **OLDER WHO PURCHASES RETAIL MARIJUANA OR RETAIL MARIJUANA**  
24 **PRODUCTS FOR PERSONAL USE BY PERSONS TWENTY-ONE YEARS OF AGE OR**  
25 **OLDER BUT NOT FOR RESALE TO OTHERS.**

26 **(3) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.**

1           (4) "INDUSTRIAL HEMP" MEANS THE PLANT OF THE GENUS  
2 CANNABIS AND ANY PART OF SUCH PLANT, WHETHER GROWING OR NOT,  
3 WITH A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION THAT DOES  
4 NOT EXCEED THREE-TENTHS PERCENT ON A DRY WEIGHT BASIS.

5           (5) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, OR  
6 CITY AND COUNTY.

7           (6) "MEDICAL MARIJUANA CENTER" MEANS AN ENTITY LICENSED  
8 BY THE DEPARTMENT TO SELL MARIJUANA AND MARIJUANA PRODUCTS  
9 PURSUANT TO SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION  
10 AND THE "COLORADO MEDICAL MARIJUANA CODE", ARTICLE 43.3 OF  
11 TITLE 12, C.R.S.

12           (7) "RETAIL MARIJUANA" MEANS ALL PARTS OF THE PLANT OF THE  
13 GENUS CANNABIS WHETHER GROWING OR NOT, THE SEEDS THEREOF, THE  
14 RESIN EXTRACTED FROM ANY PART OF THE PLANT, AND EVERY COMPOUND,  
15 MANUFACTURE, SALT, DERIVATIVE, MIXTURE, OR PREPARATION OF THE  
16 PLANT, ITS SEEDS, OR ITS RESIN, INCLUDING MARIJUANA CONCENTRATE.  
17 "RETAIL MARIJUANA" DOES NOT INCLUDE INDUSTRIAL HEMP, NOR DOES IT  
18 INCLUDE FIBER PRODUCED FROM THE STALKS, OIL, CAKE MADE FROM THE  
19 SEEDS OF THE PLANT, STERILIZED SEED OF THE PLANT THAT IS INCAPABLE  
20 OF GERMINATION, OR THE WEIGHT OF ANY OTHER INGREDIENT COMBINED  
21 WITH MARIJUANA TO PREPARE TOPICAL OR ORAL ADMINISTRATIONS, FOOD,  
22 DRINK, OR OTHER PRODUCT.

23           (8) "RETAIL MARIJUANA CULTIVATION FACILITY" MEANS AN  
24 ENTITY LICENSED TO CULTIVATE, PREPARE, AND PACKAGE RETAIL  
25 MARIJUANA AND SELL RETAIL MARIJUANA TO RETAIL MARIJUANA STORES,  
26 TO RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITIES, AND TO  
27 OTHER RETAIL MARIJUANA CULTIVATION FACILITIES, BUT NOT TO

1 CONSUMERS.

2 (9) "RETAIL MARIJUANA PRODUCTS" MEANS CONCENTRATED  
3 RETAIL MARIJUANA PRODUCTS AND RETAIL MARIJUANA PRODUCTS THAT  
4 ARE COMPRISED OF RETAIL MARIJUANA AND OTHER INGREDIENTS AND ARE  
5 INTENDED FOR USE OR CONSUMPTION, SUCH AS, BUT NOT LIMITED TO,  
6 EDIBLE PRODUCTS, OINTMENTS, AND TINCTURES.

7 (10) "RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITY"  
8 MEANS AN ENTITY LICENSED TO PURCHASE RETAIL MARIJUANA;  
9 MANUFACTURE, PREPARE, AND PACKAGE RETAIL MARIJUANA PRODUCTS;  
10 AND SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO  
11 OTHER RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITIES AND TO  
12 RETAIL MARIJUANA STORES, BUT NOT TO CONSUMERS.

13 (11) "RETAIL MARIJUANA SALES TAX" MEANS THE SALES TAX  
14 IMPOSED ON RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS  
15 PURSUANT TO PART 2 OF THIS ARTICLE.

16 (12) "RETAIL MARIJUANA STORE" MEANS AN ENTITY LICENSED BY  
17 THE DEPARTMENT TO PURCHASE RETAIL MARIJUANA FROM RETAIL  
18 MARIJUANA CULTIVATION FACILITIES AND RETAIL MARIJUANA AND RETAIL  
19 MARIJUANA PRODUCTS FROM RETAIL MARIJUANA PRODUCT  
20 MANUFACTURING FACILITIES AND TO SELL RETAIL MARIJUANA AND RETAIL  
21 MARIJUANA PRODUCTS TO CONSUMERS.

22 (13) "SALE" MEANS ANY TRANSFER, EXCHANGE, OR BARTER, IN  
23 ANY MANNER OR BY ANY MEANS WHATSOEVER, FOR A CONSIDERATION.

24 (14) "UNPROCESSED RETAIL MARIJUANA" MEANS MARIJUANA AT  
25 THE TIME OF THE FIRST TRANSFER OR SALE FROM A RETAIL MARIJUANA  
26 CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT  
27 MANUFACTURING FACILITY OR A RETAIL MARIJUANA STORE.

1 PART 2

2 RETAIL MARIJUANA SALES TAX

3 **39-28.8-201. Retail marijuana sales tax - administration -**  
4 **enforcement.** THE TAX IMPOSED PURSUANT TO THIS PART 2 SHALL BE  
5 ADMINISTERED AND ENFORCED IN ACCORDANCE WITH THE PROVISIONS OF  
6 ARTICLE 21 OF THIS TITLE AND PART 1 OF ARTICLE 26 OF THIS TITLE,  
7 INCLUDING, WITHOUT LIMITATION, ANY PENALTIES FOR FAILURE TO MAKE  
8 ANY RETURN OR TO COLLECT OR PAY ANY TAX; EXCEPT THAT, IN THE  
9 EVENT OF A CONFLICT BETWEEN THE PROVISIONS OF THIS PART 2 AND THE  
10 PROVISIONS OF ARTICLE 21 OF THIS TITLE OR PART 1 OF ARTICLE 26 OF THIS  
11 TITLE, THE PROVISIONS OF THIS PART 2 SHALL CONTROL.

12 **39-28.8-202. Retail marijuana sales tax.** (1) (a) IN ADDITION TO  
13 THE TAX IMPOSED PURSUANT TO PART 1 OF ARTICLE 26 OF THIS TITLE AND  
14 THE SALES TAX IMPOSED BY A LOCAL GOVERNMENT PURSUANT TO TITLE  
15 29, 30, 31, OR 32, BEGINNING JANUARY 1, 2014, THERE IS IMPOSED UPON  
16 ALL SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS BY  
17 A RETAILER A TAX AT THE RATE OF TEN PERCENT OF THE AMOUNT OF THE  
18 SALE, TO BE COMPUTED IN ACCORDANCE WITH SCHEDULES OR FORMS  
19 PRESCRIBED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT; EXCEPT  
20 THAT A RETAIL MARIJUANA STORE IS NOT ALLOWED TO RETAIN ANY  
21 PORTION OF THE RETAIL MARIJUANA SALES TAX COLLECTED PURSUANT TO  
22 THIS PART 2 TO COVER THE EXPENSES OF COLLECTING AND REMITTING THE  
23 TAX AND EXCEPT THAT THE DEPARTMENT OF REVENUE MAY REQUIRE A  
24 RETAILER TO MAKE RETURNS AND REMIT THE TAX DESCRIBED IN THIS PART  
25 2 BY ELECTRONIC MEANS.

26 (b) THE MAXIMUM TAX RATE THAT MAY BE IMPOSED PURSUANT TO  
27 THIS SECTION IS FIFTEEN PERCENT. AT ANY TIME ON OR AFTER JANUARY

1 1, 2014, THE GENERAL ASSEMBLY MAY, BY A BILL ENACTED BY THE  
2 GENERAL ASSEMBLY AND SIGNED INTO LAW BY THE GOVERNOR:

3 (I) ESTABLISH A TAX RATE TO BE IMPOSED PURSUANT TO THIS  
4 SUBSECTION (1) THAT IS LOWER THAN FIFTEEN PERCENT OF THE SALE OF  
5 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS; OR

6 (II) AFTER ESTABLISHING A TAX RATE THAT IS LOWER THAN  
7 FIFTEEN PERCENT PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH  
8 (b), INCREASE THE TAX RATE TO BE IMPOSED PURSUANT TO THIS  
9 SUBSECTION (1); EXCEPT THAT, IN NO EVENT SHALL THE GENERAL  
10 ASSEMBLY INCREASE THE TAX RATE ABOVE FIFTEEN PERCENT OF THE SALE  
11 OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS.  
12 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN INCREASE IN THE  
13 TAX RATE PURSUANT TO THIS SUBPARAGRAPH (II) SHALL NOT REQUIRE  
14 VOTER APPROVAL SUBSEQUENT TO THE VOTER APPROVAL REQUIRED  
15 PURSUANT PART 4 OF THIS ARTICLE.

16 (2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO IMPOSE A  
17 TAX ON THE SALE OF MARIJUANA OR MARIJUANA PRODUCTS TO ANY  
18 PERSON BY A MEDICAL MARIJUANA CENTER.

19 (3) THE DEPARTMENT MAY REQUIRE RETAIL MARIJUANA STORES  
20 TO FILE TAX RETURNS AND REMIT PAYMENTS DUE PURSUANT TO THIS PART  
21 2 ELECTRONICALLY. THE DEPARTMENT SHALL PROMULGATE RULES  
22 GOVERNING ELECTRONIC PAYMENT AND FILING.

23 (4) A RETAIL MARIJUANA STORE SHALL FILE WITH THE  
24 DEPARTMENT EVIDENCE OF A SURETY BOND ISSUED BY A COMPANY  
25 AUTHORIZED TO DO BUSINESS IN THIS STATE FOR THE BENEFIT OF THE  
26 DEPARTMENT IN AN AMOUNT EQUAL TO TWO MONTHS OF THE STORE'S  
27 ANTICIPATED COLLECTIONS OF THE TAX IMPOSED PURSUANT TO THIS PART



1 2. THE AMOUNT OF THE STORE'S ANTICIPATED COLLECTIONS SHALL BE  
2 DETERMINED SOLELY IN THE DISCRETION OF THE RETAIL MARIJUANA  
3 STORE. A STORE MAY FILE A REPLACEMENT SURETY BOND IF THE AMOUNT  
4 OF THE STORE'S ANTICIPATED COLLECTIONS CHANGES AFTER THE STORE  
5 HAS FILED A BOND WITH THE DEPARTMENT PURSUANT TO THIS SUBSECTION  
6 (4).

7 **39-28.8-203. Disposition of collections.** (1) THE PROCEEDS OF  
8 ALL MONEYS COLLECTED FROM THE RETAIL MARIJUANA SALES TAX SHALL  
9 BE CREDITED TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF  
10 ARTICLE XXIV OF THE STATE CONSTITUTION IN ACCORDANCE WITH  
11 PARAGRAPHS (a) AND (f) OF SECTION 2 OF ARTICLE XXIV OF THE STATE  
12 CONSTITUTION. FOR EACH FISCAL YEAR IN WHICH A TAX IS COLLECTED  
13 PURSUANT TO THIS PART 2, AN AMOUNT SHALL BE DISTRIBUTED FROM THE  
14 GENERAL FUND AS FOLLOWS:

15 (a) (I) AN AMOUNT EQUAL TO FIFTEEN PERCENT OF THE GROSS  
16 RETAIL MARIJUANA SALES TAX REVENUES COLLECTED BY THE  
17 DEPARTMENT SHALL BE APPORTIONED TO LOCAL GOVERNMENTS. THE CITY  
18 OR TOWN SHARE SHALL BE APPORTIONED ACCORDING TO THE PERCENTAGE  
19 THAT RETAIL MARIJUANA SALES TAX REVENUES COLLECTED BY THE  
20 DEPARTMENT WITHIN THE BOUNDARIES OF THE CITY OR TOWN BEARS TO  
21 THE TOTAL RETAIL MARIJUANA SALES TAX REVENUES COLLECTED BY THE  
22 DEPARTMENT. THE COUNTY SHARE SHALL BE APPORTIONED ACCORDING  
23 TO THE PERCENTAGE THAT RETAIL MARIJUANA SALES TAX REVENUES  
24 COLLECTED BY THE DEPARTMENT IN THE UNINCORPORATED AREA OF THE  
25 COUNTY BEARS TO TOTAL RETAIL MARIJUANA SALES TAX REVENUES  
26 COLLECTED BY THE DEPARTMENT.

27 (II) THE DEPARTMENT OF REVENUE SHALL CERTIFY TO THE STATE

1     TREASURER, AT LEAST ANNUALLY, THE PERCENTAGE FOR APPORTIONMENT  
2     TO EACH LOCAL GOVERNMENT, AND THE PERCENTAGE FOR  
3     APPORTIONMENT SO CERTIFIED SHALL BE APPLIED BY SAID DEPARTMENT  
4     IN ALL DISTRIBUTIONS TO LOCAL GOVERNMENTS UNTIL CHANGED BY  
5     CERTIFICATION TO THE STATE TREASURER.

6             (III) DISTRIBUTION TO EACH LOCAL GOVERNMENT PURSUANT TO  
7     THIS PARAGRAPH (a) SHALL BE MADE MONTHLY, NO LATER THAN THE  
8     FIFTEENTH DAY OF THE SECOND SUCCESSIVE MONTH AFTER THE MONTH  
9     FOR WHICH RETAIL MARIJUANA SALES TAX COLLECTIONS ARE MADE.

10            (IV) EACH LOCAL GOVERNMENT, UPON REQUEST AND DURING  
11     ESTABLISHED BUSINESS HOURS, SHALL BE ENTITLED TO VERIFY WITH THE  
12     EXECUTIVE DIRECTOR OF THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S  
13     DESIGNEE THE PROCEEDS TO WHICH THE LOCAL GOVERNMENT IS ENTITLED  
14     PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH (a).

15            (V) MONEYS APPORTIONED PURSUANT TO THIS PARAGRAPH (a)  
16     SHALL BE INCLUDED FOR INFORMATIONAL PURPOSES IN THE GENERAL  
17     APPROPRIATION BILL OR IN SUPPLEMENTAL APPROPRIATION BILLS FOR THE  
18     PURPOSE OF COMPLYING WITH THE LIMITATION ON STATE FISCAL YEAR  
19     SPENDING IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE  
20     CONSTITUTION AND SECTION 24-77-103, C.R.S.

21            (VI) NOTHING IN THIS PARAGRAPH (a) SHALL BE CONSTRUED TO  
22     PREVENT A LOCAL GOVERNMENT FROM IMPOSING, LEVYING, AND  
23     COLLECTING ANY FEE OR ANY TAX UPON THE SALE OF RETAIL MARIJUANA  
24     OR RETAIL MARIJUANA PRODUCTS OR UPON THE OCCUPATION OR PRIVILEGE  
25     OF SELLING RETAILS MARIJUANA PRODUCTS, NOR SHALL THE PROVISIONS  
26     OF THIS PARAGRAPH (a) BE INTERPRETED TO AFFECT ANY EXISTING  
27     AUTHORITY OF A LOCAL GOVERNMENT TO IMPOSE A TAX ON RETAIL

1 MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO BE USED FOR LOCAL AND  
2 MUNICIPAL PURPOSES; HOWEVER, ANY LOCAL TAX IMPOSED AT OTHER  
3 THAN THE LOCAL JURISDICTION'S GENERAL SALES TAX RATE SHALL NOT BE  
4 COLLECTED, ADMINISTERED, AND ENFORCED BY THE DEPARTMENT OF  
5 REVENUE PURSUANT TO SECTION 29-2-106, C.R.S., BUT SHALL INSTEAD BE  
6 COLLECTED, ADMINISTERED, AND ENFORCED BY THE LOCAL GOVERNMENT  
7 ITSELF.

8 (b) FOLLOWING APPORTIONMENT OF LOCAL GOVERNMENT SHARES  
9 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1), AN AMOUNT EQUAL  
10 TO ALL REMAINING REVENUES COLLECTED SHALL BE TRANSFERRED FROM  
11 THE GENERAL FUND TO THE MARIJUANA CASH FUND CREATED IN SECTION  
12 12-43.3-501, C.R.S., TO BE USED FOR THE ENFORCEMENT OF REGULATIONS  
13 ON THE RETAIL MARIJUANA INDUSTRY AND FOR THE OTHER PURPOSES OF  
14 THE FUND AS DETERMINED BY THE GENERAL ASSEMBLY. THE GENERAL  
15 ASSEMBLY SHALL MAKE APPROPRIATIONS FROM THE MARIJUANA CASH  
16 FUND FOR THE EXPENSES OF THE ADMINISTRATION OF THIS SECTION.

17 (2) ON OR BEFORE APRIL 1, 2014, AND ON OR BEFORE APRIL 1  
18 EACH YEAR THEREAFTER THROUGH APRIL 1, 2016, THE FINANCE  
19 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR  
20 ANY SUCCESSOR COMMITTEES, SHALL REVIEW THE PROVISIONS OF  
21 PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION TO DETERMINE  
22 WHETHER THE PERCENTAGE OF THE TAX IMPOSED PURSUANT TO THIS PART  
23 2 THAT IS APPORTIONED TO LOCAL GOVERNMENTS IS APPROPRIATE. THE  
24 FINANCE COMMITTEES MAY REQUEST ASSISTANCE AND INPUT FROM THE  
25 DEPARTMENT OF REVENUE AND THE DEPARTMENT OF LOCAL AFFAIRS IN  
26 MAKING THIS DETERMINATION.

27 **39-28.8-204. Revenue and spending limitations.**

1 NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR  
2 APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE  
3 CONSTITUTION OR ANY OTHER PROVISION OF LAW, ANY REVENUES  
4 GENERATED BY THE RETAIL MARIJUANA SALES TAX IMPOSED PURSUANT TO  
5 THIS PART 2 AS APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION  
6 IN NOVEMBER 2013, MAY BE COLLECTED AND SPENT AS VOTER-APPROVED  
7 REVENUE CHANGES AND SHALL NOT REQUIRE VOTER APPROVAL  
8 SUBSEQUENT TO THE VOTER APPROVAL REQUIRED PURSUANT TO PART 4 OF  
9 THIS ARTICLE.

10 **39-28.8-205. Rules.** THE DEPARTMENT SHALL PROMULGATE RULES  
11 FOR THE IMPLEMENTATION OF THIS PART 2 IN ACCORDANCE WITH THE  
12 "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24,  
13 C.R.S.

### 14 PART 3

#### 15 RETAIL MARIJUANA EXCISE TAX

16 **39-28.8-301. Retail marijuana excise tax - administration -**  
17 **enforcement.** THE TAX IMPOSED PURSUANT TO THIS PART 3 SHALL BE  
18 ADMINISTERED AND ENFORCED IN ACCORDANCE WITH THE PROVISIONS OF  
19 ARTICLE 21 OF THIS TITLE AND PART 1 OF ARTICLE 26 OF THIS TITLE,  
20 INCLUDING, WITHOUT LIMITATION, ANY PENALTIES FOR FAILURE TO MAKE  
21 ANY RETURN OR TO COLLECT OR PAY ANY TAX; EXCEPT THAT, IN THE  
22 EVENT OF A CONFLICT BETWEEN THE PROVISIONS OF THIS PART 3 AND THE  
23 PROVISIONS OF ARTICLE 21 OF THIS TITLE OR PART 1 OF ARTICLE 26 OF THIS  
24 TITLE, THE PROVISIONS OF THIS PART 3 SHALL CONTROL.

25 **39-28.8-302. Retail marijuana - excise tax levied at first**  
26 **transfer from retail marijuana cultivation facility - tax rate.**

27 (1) (a) BEGINNING JANUARY 1, 2014, EXCEPT AS OTHERWISE PROVIDED

1 IN PARAGRAPH (b) OF THIS SUBSECTION (1), THERE IS LEVIED AND SHALL  
2 BE COLLECTED, IN ADDITION TO THE SALES TAX IMPOSED PURSUANT TO  
3 PART 1 OF ARTICLE 26 OF THIS TITLE AND PART 2 OF THIS ARTICLE, A TAX  
4 ON THE FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY  
5 A RETAIL MARIJUANA CULTIVATION FACILITY, AT A RATE OF FIFTEEN  
6 PERCENT OF THE AVERAGE MARKET RATE OF THE UNPROCESSED RETAIL  
7 MARIJUANA. THE TAX SHALL BE IMPOSED AT THE TIME WHEN THE RETAIL  
8 MARIJUANA CULTIVATION FACILITY FIRST SELLS OR TRANSFERS  
9 UNPROCESSED RETAIL MARIJUANA FROM THE RETAIL MARIJUANA  
10 CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT  
11 MANUFACTURING FACILITY, A RETAIL MARIJUANA STORE, OR ANOTHER  
12 RETAIL MARIJUANA CULTIVATION FACILITY.

13 (b) THE FIFTEEN PERCENT TAX RATE SPECIFIED IN PARAGRAPH (a)  
14 OF THIS SUBSECTION (1) IS THE MAXIMUM TAX RATE THAT MAY BE  
15 IMPOSED PURSUANT TO THIS SECTION. AT ANY TIME ON OR AFTER  
16 JANUARY 1, 2014, THE GENERAL ASSEMBLY MAY, BY A BILL ENACTED BY  
17 THE GENERAL ASSEMBLY AND SIGNED INTO LAW BY THE GOVERNOR:

18 (I) ESTABLISH A TAX RATE TO BE IMPOSED PURSUANT TO THIS  
19 SUBSECTION (1) THAT IS LOWER THAN FIFTEEN PERCENT OF THE AVERAGE  
20 MARKET RATE OF UNPROCESSED RETAIL MARIJUANA AT THE TIME THAT IT  
21 IS SOLD OR TRANSFERRED; OR

22 (II) AFTER ESTABLISHING A TAX RATE THAT IS LOWER THAN  
23 FIFTEEN PERCENT PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH  
24 (b), INCREASE THE TAX RATE TO BE IMPOSED PURSUANT TO THIS  
25 SUBSECTION (1); EXCEPT THAT, IN NO EVENT SHALL THE GENERAL  
26 ASSEMBLY INCREASE THE TAX RATE ABOVE FIFTEEN PERCENT OF THE  
27 AVERAGE MARKET RATE OF UNPROCESSED RETAIL MARIJUANA AT THE

1 TIME THAT IT IS SOLD OR TRANSFERRED. NOTWITHSTANDING ANY OTHER  
2 PROVISION OF LAW, AN INCREASE IN THE TAX RATE PURSUANT TO THIS  
3 SUBPARAGRAPH (II) SHALL NOT REQUIRE VOTER APPROVAL SUBSEQUENT  
4 TO THE VOTER APPROVAL REQUIRED PURSUANT TO PART 4 OF THIS  
5 ARTICLE.

6 (2) THE TAX IMPOSED PURSUANT TO SUBSECTION (1) OF THIS  
7 SECTION SHALL NOT BE LEVIED ON THE SALE OR TRANSFER OF  
8 UNPROCESSED MARIJUANA BY A MARIJUANA CULTIVATION FACILITY TO A  
9 MEDICAL MARIJUANA CENTER.

10 **39-28.8-303. Books and records to be preserved.** (1) EVERY  
11 RETAIL MARIJUANA CULTIVATION FACILITY SHALL KEEP AT EACH LICENSED  
12 PLACE OF BUSINESS COMPLETE AND ACCURATE ELECTRONIC RECORDS FOR  
13 THAT PLACE OF BUSINESS, INCLUDING ITEMIZED INVOICES OF ALL RETAIL  
14 MARIJUANA GROWN, HELD, SHIPPED, OR OTHERWISE TRANSPORTED OR  
15 SOLD TO RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITIES,  
16 RETAIL MARIJUANA STORES, OR OTHER RETAIL MARIJUANA CULTIVATION  
17 FACILITIES IN THIS STATE.

18 (2) THE RECORDS REQUIRED BY SUBSECTION (1) OF THIS SECTION  
19 SHALL INCLUDE THE NAMES AND ADDRESSES OF RETAIL MARIJUANA  
20 PRODUCT MANUFACTURING FACILITIES, RETAIL MARIJUANA STORES, OR  
21 OTHER RETAIL MARIJUANA CULTIVATION FACILITIES TO WHICH  
22 UNPROCESSED RETAIL MARIJUANA IS SOLD OR TRANSFERRED, THE  
23 INVENTORY OF ALL UNPROCESSED RETAIL MARIJUANA ON HAND, AND  
24 OTHER PERTINENT PAPERS AND DOCUMENTS RELATING TO THE SALE OR  
25 TRANSFER OF UNPROCESSED RETAIL MARIJUANA.

26 (3) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL KEEP  
27 ITEMIZED INVOICES OF ALL UNPROCESSED MARIJUANA TRANSFERRED TO

1 RETAIL MARIJUANA STORES OWNED OR CONTROLLED BY THE OWNERS OF  
2 THE RETAIL MARIJUANA CULTIVATION FACILITY.

3 (4) (a) EVERY RETAIL MARIJUANA STORE SHALL KEEP AT ITS PLACE  
4 OF BUSINESS COMPLETE AND ACCURATE RECORDS TO SHOW THAT ALL  
5 RETAIL MARIJUANA RECEIVED BY THE RETAIL MARIJUANA STORE WAS  
6 PURCHASED FROM A RETAIL MARIJUANA CULTIVATION FACILITY. THE  
7 RETAIL MARIJUANA STORE SHALL PROVIDE A COPY OF SUCH RECORDS TO  
8 THE DEPARTMENT IF SO REQUESTED. THE DEPARTMENT MAY ESTABLISH  
9 THE ACCEPTABLE FORM OF SUCH RECORDS.

10 (b) ANY EXPENSES INCURRED BY THE DEPARTMENT RELATED TO  
11 ENFORCING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (4)  
12 SHALL BE PAID FROM THE MARIJUANA CASH FUND CREATED IN SECTION  
13 12-43.3-501, C.R.S.

14 **39-28.8-304. Returns and remittance of tax - civil penalty.**

15 (1) EVERY RETAIL MARIJUANA CULTIVATION FACILITY SHALL FILE A  
16 RETURN WITH THE DEPARTMENT EACH MONTH. THE RETURN, WHICH SHALL  
17 BE UPON FORMS PRESCRIBED AND FURNISHED BY THE DEPARTMENT, SHALL  
18 CONTAIN, AMONG OTHER THINGS, THE TOTAL AMOUNT OF UNPROCESSED  
19 RETAIL MARIJUANA SOLD OR TRANSFERRED DURING THE PRECEDING  
20 MONTH AND THE TAX DUE THEREON.

21 (2) EVERY RETAIL MARIJUANA CULTIVATION FACILITY SHALL FILE  
22 A RETURN WITH THE DEPARTMENT BY THE TWENTIETH DAY OF THE MONTH  
23 FOLLOWING THE MONTH REPORTED AND WITH THE REPORT SHALL REMIT  
24 THE AMOUNT OF TAX DUE.

25 (3) THE DEPARTMENT MAY REQUIRE RETAIL MARIJUANA  
26 CULTIVATION FACILITIES TO FILE TAX RETURNS AND REMIT PAYMENTS DUE  
27 PURSUANT TO THIS PART 3 ELECTRONICALLY. THE DEPARTMENT SHALL

1 PROMULGATE RULES GOVERNING ELECTRONIC PAYMENT AND FILING.

2 (4) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL FILE WITH  
3 THE DEPARTMENT EVIDENCE OF A SURETY BOND ISSUED BY A COMPANY  
4 AUTHORIZED TO DO BUSINESS IN THIS STATE FOR THE BENEFIT OF THE  
5 DEPARTMENT IN AN AMOUNT EQUAL TO TWO MONTHS OF THE FACILITY'S  
6 ANTICIPATED LIABILITY FOR THE TAX IMPOSED PURSUANT TO THIS PART 3.  
7 THE AMOUNT OF THE FACILITY'S ANTICIPATED TAX LIABILITY SHALL BE  
8 DETERMINED SOLELY IN THE DISCRETION OF THE RETAIL MARIJUANA  
9 CULTIVATION FACILITY. A FACILITY MAY FILE A REPLACEMENT SURETY  
10 BOND IF THE AMOUNT OF THE FACILITY'S ANTICIPATED TAX LIABILITY  
11 CHANGES AFTER THE FACILITY HAS FILED A BOND WITH THE DEPARTMENT  
12 PURSUANT TO THIS SUBSECTION (4).

13 **39-28.8-305. When credit may be obtained for tax paid.**

14 (1) (a) THE DEPARTMENT SHALL GIVE CREDIT TO A RETAIL MARIJUANA  
15 CULTIVATION FACILITY FOR ALL TAXES LEVIED AND PAID PURSUANT TO  
16 THIS PART 3 THAT ARE A TAX ON BAD DEBTS. SUCH CREDIT SHALL OFFSET  
17 TAXES LEVIED PURSUANT TO THIS PART 3 ONLY. THE DEPARTMENT SHALL  
18 ONLY GIVE CREDIT IF THE BAD DEBT HAS BEEN CHARGED OFF AS  
19 UNCOLLECTIBLE ON THE BOOKS OF THE RETAIL MARIJUANA CULTIVATION  
20 FACILITY. SUBSEQUENT TO RECEIVING THE CREDIT, IF THE RETAIL  
21 MARIJUANA CULTIVATION FACILITY RECEIVES A PAYMENT FOR THE BAD  
22 DEBT, THE RETAIL MARIJUANA CULTIVATION FACILITY SHALL BE LIABLE TO  
23 THE DEPARTMENT FOR THE AMOUNT RECEIVED UP TO THE AMOUNT OF THE  
24 CREDIT RECEIVED AND SHALL REMIT THIS AMOUNT IN THE NEXT PAYMENT  
25 TO THE DEPARTMENT UNDER SECTION 39-28.8-304.

26 (b) ANY CLAIM FOR A TAX ON BAD DEBT CREDIT UNDER THIS  
27 SUBSECTION (1) SHALL BE SUPPORTED BY ALL OF THE FOLLOWING:



1 (I) A COPY OF THE ORIGINAL INVOICE ISSUED BY THE RETAIL  
2 MARIJUANA CULTIVATION FACILITY;

3 (II) EVIDENCE THAT THE UNPROCESSED RETAIL MARIJUANA  
4 DESCRIBED IN THE INVOICE WAS DELIVERED TO THE RETAIL MARIJUANA  
5 PRODUCT MANUFACTURING FACILITY, RETAIL MARIJUANA STORE, OR  
6 OTHER RETAIL MARIJUANA CULTIVATION FACILITY THAT ORDERED IT; AND

7 (III) EVIDENCE THAT THE RETAIL MARIJUANA PRODUCT  
8 MANUFACTURING FACILITY, RETAIL MARIJUANA STORE, OR OTHER RETAIL  
9 MARIJUANA CULTIVATION FACILITY THAT ORDERED AND RECEIVED THE  
10 UNPROCESSED RETAIL MARIJUANA DID NOT PAY THE RETAIL MARIJUANA  
11 CULTIVATION FACILITY FOR IT AND THAT THE RETAIL MARIJUANA  
12 CULTIVATION FACILITY USED REASONABLE COLLECTION PRACTICES IN  
13 ATTEMPTING TO COLLECT THE DEBT.

14 (c) IF THE DEPARTMENT GIVES CREDIT TO A RETAIL MARIJUANA  
15 CULTIVATION FACILITY FOR A TAX ON BAD DEBT, THE ENTITY THAT  
16 ORDERED AND RECEIVED THE UNPROCESSED RETAIL MARIJUANA BUT DID  
17 NOT PAY THE RETAIL MARIJUANA CULTIVATION FACILITY FOR IT SHALL BE  
18 LIABLE IN AN AMOUNT EQUAL TO THE CREDIT FOR THE TAX IMPOSED IN  
19 THIS ARTICLE ON THE UNPROCESSED RETAIL MARIJUANA. SUBSEQUENT TO  
20 RECEIVING THE CREDIT, IF THE RETAIL MARIJUANA CULTIVATION FACILITY  
21 RECEIVES A PAYMENT FOR THE BAD DEBT AND THE RETAIL MARIJUANA  
22 CULTIVATION FACILITY MAKES A PAYMENT TO THE DEPARTMENT, THE  
23 AMOUNT OF TAXES OWED SHALL BE REDUCED BY THE AMOUNT PAID TO  
24 THE DEPARTMENT.

25 (2) AS USED IN THIS SECTION, "TAX ON BAD DEBT" MEANS THE  
26 TAXES ATTRIBUTABLE TO ANY PORTION OF A DEBT THAT IS RELATED TO A  
27 SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA SUBJECT TO TAX

1 UNDER THIS PART 3, THAT IS NOT OTHERWISE DEDUCTIBLE OR  
2 EXCLUDABLE, THAT HAS BECOME WORTHLESS OR UNCOLLECTIBLE IN THE  
3 TIME AFTER THE TAX HAS BEEN PAID PURSUANT TO SECTION 39-28.8-304,  
4 AND THAT IS ELIGIBLE, OR WOULD BE ELIGIBLE BUT FOR THE PROVISIONS  
5 OF SECTION 280E OF THE INTERNAL REVENUE CODE, TO BE CLAIMED AS A  
6 DEDUCTION PURSUANT TO SECTION 166 OF THE FEDERAL "INTERNAL  
7 REVENUE CODE OF 1986", AS AMENDED. "TAX ON BAD DEBT" SHALL NOT  
8 INCLUDE THE TAX RELATED TO UNCOLLECTIBLE AMOUNTS ON PROPERTY  
9 THAT REMAIN IN THE POSSESSION OF THE RETAIL MARIJUANA CULTIVATION  
10 FACILITY UNTIL THE FULL PURCHASE PRICE IS PAID, AN ACCOUNT  
11 RECEIVABLE THAT HAS BEEN SOLD TO A THIRD PARTY FOR COLLECTION, OR  
12 REPOSSESSED PROPERTY.

13 **39-28.8-306. Distribution of tax collected.** (1) ALL MONEYS  
14 RECEIVED AND COLLECTED IN PAYMENT OF THE TAX IMPOSED BY THE  
15 PROVISIONS OF THIS PART 3 SHALL BE TRANSMITTED TO THE STATE  
16 TREASURER, WHO SHALL DISTRIBUTE THE MONEY AS FOLLOWS:

17 (a) THE FIRST FORTY MILLION DOLLARS RECEIVED AND COLLECTED  
18 ANNUALLY SHALL BE TRANSFERRED TO THE PUBLIC SCHOOL CAPITAL  
19 CONSTRUCTION ASSISTANCE FUND CREATED BY ARTICLE 43.7 OF TITLE 22,  
20 C.R.S., OR TO ANY SUCCESSOR FUND DEDICATED TO A SIMILAR PURPOSE;  
21 AND

22 (b) ANY AMOUNT REMAINING AFTER THE TRANSFER PURSUANT TO  
23 PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL BE TRANSFERRED TO THE  
24 MARIJUANA CASH FUND CREATED IN SECTION 12-43.3-501, C.R.S.

25 **39-28.8-307. Prohibited acts - penalties.** IT IS UNLAWFUL FOR  
26 ANY RETAIL MARIJUANA CULTIVATION FACILITY TO SELL OR TRANSFER  
27 RETAIL MARIJUANA WITHOUT A LICENSE AS REQUIRED BY LAW, OR TO

1 WILLFULLY MAKE ANY FALSE OR FRAUDULENT RETURN OR FALSE  
2 STATEMENT ON ANY RETURN, OR TO WILLFULLY EVADE THE PAYMENT OF  
3 THE TAX, OR ANY PART THEREOF, AS IMPOSED BY THIS PART 3. ANY RETAIL  
4 MARIJUANA CULTIVATION FACILITY OR AGENT THEREOF WHO WILLFULLY  
5 VIOLATES ANY PROVISION OF THIS PART 3 SHALL BE PUNISHED AS  
6 PROVIDED BY SECTION 39-21-118.

7 **39-28.8-308. Revenue and spending limitations.**  
8 NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR  
9 APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE  
10 CONSTITUTION OR ANY OTHER PROVISION OF LAW, ANY REVENUES  
11 GENERATED BY THE RETAIL MARIJUANA EXCISE TAX IMPOSED PURSUANT  
12 TO THIS PART 3 AS APPROVED BY THE VOTERS AT THE STATEWIDE  
13 ELECTION IN NOVEMBER 2013 MAY BE COLLECTED AND SPENT AS  
14 VOTER-APPROVED REVENUE CHANGES AND SHALL NOT REQUIRE VOTER  
15 APPROVAL SUBSEQUENT TO THE VOTER APPROVAL REQUIRED PURSUANT  
16 TO PART 4 OF THIS ARTICLE.

17 **39-28.8-309. Rules.** THE DEPARTMENT SHALL PROMULGATE RULES  
18 FOR THE IMPLEMENTATION OF THIS PART 3 IN ACCORDANCE WITH THE  
19 "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24,  
20 C.R.S.

21 PART 4

22 SUBMISSION OF BALLOT QUESTIONS REGARDING  
23 RETAIL MARIJUANA SALES AND EXCISE TAX

24 **39-28.8-401. Submission of ballot questions regarding**  
25 **imposition of retail marijuana sales and excise tax.** (1) THE  
26 SECRETARY OF STATE SHALL SUBMIT A BALLOT QUESTION TO A VOTE OF  
27 THE REGISTERED ELECTORS OF THE STATE OF COLORADO AT THE

1 STATEWIDE ELECTION TO BE HELD IN NOVEMBER 2013, FOR THEIR  
2 APPROVAL OR REJECTION. FOR PURPOSES OF TITLE 1, C.R.S., THE BALLOT  
3 QUESTION IS A PROPOSITION. EACH ELECTOR VOTING AT SAID NOVEMBER  
4 ELECTION SHALL CAST A VOTE AS PROVIDED BY LAW EITHER "YES/FOR" OR  
5 "NO/AGAINST" ON THE PROPOSITION: "SHALL STATE TAXES BE INCREASED  
6 BY \$70,000,000 ANNUALLY IN THE FIRST FULL FISCAL YEAR AND BY SUCH  
7 AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER BY IMPOSING AN EXCISE  
8 TAX OF 15% WHEN UNPROCESSED RETAIL MARIJUANA IS FIRST SOLD OR  
9 TRANSFERRED BY A RETAIL MARIJUANA CULTIVATION FACILITY WITH THE  
10 FIRST FORTY MILLION DOLLARS OF TAX REVENUES BEING USED FOR PUBLIC  
11 SCHOOL CAPITAL CONSTRUCTION AS REQUIRED BY THE STATE  
12 CONSTITUTION, AND BY IMPOSING AN ADDITIONAL SALES TAX OF 10% ON  
13 THE SALE OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS WITH  
14 THE TAX REVENUES BEING USED FOR THE ENFORCEMENT OF REGULATIONS  
15 ON THE RETAIL MARIJUANA INDUSTRY, WITH SUCH TAXES BEING  
16 NECESSARY TO IMPLEMENT THE USE AND REGULATION OF RETAIL  
17 MARIJUANA AS APPROVED BY THE VOTERS, WITH THE RATE OF EITHER OR  
18 BOTH TAXES BEING ALLOWED TO BE DECREASED OR INCREASED WITHOUT  
19 FURTHER VOTER APPROVAL SO LONG AS THE RATE OF EITHER TAX DOES  
20 NOT EXCEED 15%, AND WITH THE RESULTING TAX REVENUE BEING  
21 ALLOWED TO BE COLLECTED AND SPENT NOTWITHSTANDING ANY  
22 LIMITATIONS PROVIDED BY LAW?"

23 (2) THE VOTES CAST FOR THE ADOPTION OR REJECTION OF THE  
24 QUESTION SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION  
25 SHALL BE CANVASSED AND THE RESULT DETERMINED IN THE MANNER  
26 PROVIDED BY LAW FOR THE CANVASSING OF VOTES FOR REPRESENTATIVES  
27 IN CONGRESS.

1           **SECTION 2.** In Colorado Revised Statutes, 12-43.3-501, **amend**  
2 (1) as follows:

3           **12-43.3-501. Marijuana cash fund.** (1) All moneys collected by  
4 the state licensing authority pursuant to this article shall be transmitted to  
5 the state treasurer, who shall credit the same to the ~~medical~~ marijuana  
6 ~~license~~ cash fund, which fund is hereby created and referred to in this  
7 section as the "fund". The moneys in the fund shall be subject to annual  
8 appropriation by the general assembly to the department of revenue for  
9 the direct and indirect costs associated with implementing this article.  
10 Any moneys in the fund not expended for the purpose of this article may  
11 be invested by the state treasurer as provided by law. All interest and  
12 income derived from the investment and deposit of moneys in the fund  
13 shall be credited to the fund. Any unexpended and unencumbered moneys  
14 remaining in the fund at the end of a fiscal year shall remain in the fund  
15 and shall not be credited or transferred to the general fund or another  
16 fund.

17           **SECTION 3.** In Colorado Revised Statutes, **add** 17-18-108 as  
18 follows:

19           **17-18-108. Appropriation to comply with section 2-2-703 - HB**  
20 **13-1318 - repeal.** (1) PURSUANT TO SECTION 2-2-703, C.R.S., THE  
21 FOLLOWING STATUTORY APPROPRIATION, OR SO MUCH THEREOF AS MAY  
22 BE NECESSARY, IS MADE IN ORDER TO IMPLEMENT HOUSE BILL 13-1318,  
23 ENACTED IN 2013:

24           (a) FOR THE FISCAL YEAR BEGINNING JULY 1, 2014, IN ADDITION  
25 TO ANY OTHER APPROPRIATION, THERE IS HEREBY APPROPRIATED TO THE  
26 DEPARTMENT, OUT OF ANY MONEYS IN THE GENERAL FUND NOT  
27 OTHERWISE APPROPRIATED, THE SUM OF TWENTY THOUSAND EIGHT

1 HUNDRED SIXTEEN DOLLARS (\$20,816).

2 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

3 **SECTION 4. Appropriation.** In addition to any other  
4 appropriation, there is hereby appropriated, out of any moneys in the  
5 marijuana cash fund created in section 12-43.3-501 (1) (a), Colorado  
6 Revised Statutes, not otherwise appropriated, to the department of  
7 revenue, for the fiscal year beginning July 1, 2013, the sum of \$4,113,952  
8 and 11.5 FTE, or so much thereof as may be necessary, to be allocated for  
9 the implementation of this act as follows:

10	Executive Director's Office, Personal	
11	Services and Operating Expenses	\$93,415 and 1.5 FTE
12	Executive Director's Office, Vehicle Lease	
13	Payments	\$19,913
14	Taxation Business Group, CITA Annual	
15	Maintenance and Support	\$3,400,000
16	Taxation Business Group,	
17	Taxation and Compliance Division	\$516,455 and 8.3 FTE
18	Taxation Business Group,	
19	Taxpayer Services Division	\$84,169 and 1.7 FTE

20 **SECTION 5. Effective date.** (1) Except as specified in  
21 subsection (2) of this section, this act takes effect upon passage.

22 (2) (a) Sections 3 and 4 of this act take effect only if, at the  
23 November 2013 statewide election, a majority of voters approve the ballot  
24 question submitted pursuant to section 39-28.8-401, Colorado Revised  
25 Statutes, enacted in section 1 of this act.

26 (b) If the voters at the November 2013 statewide election approve  
27 the ballot question described in paragraph (a) of this subsection (2), then

1 sections 3 and 4 of this act take effect on the date of the official  
2 declaration of the vote thereon by the governor.

3 **SECTION 6. Safety clause.** The general assembly hereby finds,  
4 determines, and declares that this act is necessary for the immediate  
5 preservation of the public peace, health, and safety.