

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0095	Date: February 5, 2013
Prime Sponsor(s): Sen. Baumgardner Rep. McCann	Bill Status: Senate Judiciary
	Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING FIRE INSPECTIONS FOR MARIJUANA CULTIVATION LOCATIONS.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill requires that local fire departments conduct an annual fire inspection on all licensed medical and recreational marijuana cultivation facilities and registered primary caregiver medical marijuana cultivation locations. Each fire chief may charge a fee of no more than \$100 per inspection.

Background

There are currently 739 licenced medical marijuana cultivation facilities operating in Colorado. The fiscal note assumes that licensed recreational marijuana cultivation facilities will begin operating in 2014, but the number of these facilities is unknown. Although there are approximately 6,000 caregivers in Colorado, only 12 have registered their cultivation locations with the Department of Revenue (DOR). Only 23 counties currently allow the cultivation of medical marijuana so the majority of counties have no licensed medical marijuana cultivation facilities and will presumably not license recreational marijuana cultivation facilities. The ability of primary caregivers to cultivate medical marijuana is protected by Article XVIII, Section 14, of the Colorado Constitution and is not subject to local prohibitions. As a result, cultivation locations for primary caregivers likely exist in most, if not all counties.

State Expenditures

This bill increases the number of inquiries the Department of Revenue will receive from local fire departments particularly with respect to caregiver cultivation locations and recreational marijuana cultivation facilities once these are established. The Department of Public Health and Environment may also see an increase in inquiries for caregiver locations but they are prohibited by the Colorado Constitution from providing anything other than a confirmation of a caregiver's registration to law enforcement. This workload is expected to be addressed within existing appropriations.

Local Government Impact

To the extent that local fire departments are not currently inspecting medical marijuana cultivation facilities, this bill will result in an increase in workload and fee revenue. The Denver Fire Department (DFD), for example, has a large number of medical marijuana cultivation facilities in its jurisdiction, which are already inspected annually. The fees for DFD fire inspections are based on building square footage. For larger medical marijuana cultivation facilities, the bill's \$100 cap on fees may lower the amount DFD can charge for those inspections.

The fiscal note assumes that no fire departments are inspecting primary caregiver medical marijuana cultivation locations, so this bill will increase workload and revenue for those locations. Since only 12 primary caregiver locations are registered with the DOR, local fire departments may have difficulty in identifying all primary caregiver cultivation locations in their jurisdictions and may not be able to fully comply with the required inspections.

Based on the potential for large cultivation operations to support the recreational marijuana market allowed by Amendment 64, the bill increases local revenues and expenditures by a substantial but unknown amount to inspect these facilities. The cap of \$100 may require local governments to subsidize inspections of larger operations.

Departments Contacted

Counties
Public Safety

Fire Chiefs
Revenue

Municipalities
Sheriffs