

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-1005
Prime Sponsor(s): Rep. Singer

Date: April 13, 2014
Bill Status: House Health, Insurance, & Environment
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SHORT TITLE: POST-TRAUMATIC STRESS DISORDER MEDICAL MARIJUANA

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue Cash Funds	Minimal revenue change. See State Revenue section.	
State Expenditures	Minimal workload increase. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

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

Summary of Legislation

The bill adds post-traumatic stress disorder (PTSD) to the list of debilitating medical conditions that may be treated with medical marijuana.

Background

PTSD is an anxiety disorder that can occur after a traumatic event such as occurs during military service or after experiencing or witnessing a mugging, rape, torture, kidnapping, child abuse, car accident, train wreck, plane crash, bombing, or natural disaster such as a flood or earthquake. PTSD symptoms can include reliving the event, avoiding situations that are reminiscent of the event, feeling numb, or feeling keyed up. PTSD can occur soon after an event, or months or years later. According to the National Institutes of Health, 7.7 million American adults have PTSD.

Article XVIII of the Colorado Constitution specifies that medical marijuana may be used to treat certain debilitating conditions. These are listed as: cancer, glaucoma, AIDS, cachexia, severe pain, severe nausea, seizures, and persistent muscle spasms. The State Board of Health (board) in the Colorado Department of Public Health and Environment (CDPHE) is authorized to add debilitating medical conditions that medical marijuana can be used to treat, but to date has not approved the addition of any new conditions. PTSD is one of the conditions that the board evaluated and denied.

State Revenue

This bill may result in a reduction in revenue to the Marijuana Cash Fund from the 10 percent sales tax on retail marijuana. This reduction will occur if individuals with PTSD who are currently purchasing marijuana at a retail store, obtain registry cards and begin purchasing medical marijuana which is not subject to the 10 percent sales tax. This amount cannot be determined because of the following unknown variables:

- number of people in Colorado with PTSD who have medical marijuana registry cards for other conditions; and
- number of people in Colorado with PTSD who are currently purchasing retail marijuana.

The CDPHE may see a minimal increase in revenue to the Medical Marijuana Cash Fund from new registry applications. The cost per application is currently \$15 so it would require a large number of individuals with PTSD seeking registry cards to generate significant revenue.

State Expenditures

The CDPHE will have an increase in workload from this bill. The board will update its rules to include PTSD as a condition qualified for medical marijuana. Medical marijuana registry applications will need to be updated and staff who process registry cards will have an increase in applications from individuals with PTSD. Both activities are expected to result in a minimal workload increase and to not require new appropriations

Local Government Impact

Local governments that allow the sale of retail marijuana receive a 15 percent share of the 10 percent state sales tax. If individuals with PTSD who have been purchasing retail marijuana begin purchasing medical marijuana, those governments will experience a reduction in marijuana revenues. The reduction will depend on the number of people who change from retail marijuana to medical marijuana.

School District Impact

The Public School Capital Construction Assistance Fund currently receives the first \$40 million in revenue generated by the 15 percent excise tax on retail marijuana when it is first transferred from the grower to a marijuana manufacturer or store. If less than \$40 million is generated, the amount of excise tax deposited in the fund will be reduced by an amount that depends on the number of people who switch from retail marijuana to medical marijuana as a result of this bill. If the fund receives its full \$40 million, no reduction will occur.

Effective Date

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

State and Local Government Contacts

Public Health and Environment

Revenue