

# MARIJUANA UPDATE 2015 CCI SUMMER CONFERENCE

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# LEGISLATIVE UPDATE

## 2015 Legislative Session:

- 20 Marijuana Related Bills Introduced
- 13 Bills Passed
- 7 Bills Died



# LEGISLATIVE UPDATE

## Summary of 2015 Session:

- **Prohibition of Use of EBT Cards (HB 15-1255 & SB 15-065)**
- **MJ Reference Lab (HB 15-1283)**
- **Unregulated MJ Concentrate (HB 15-1305)**
- **Retail MJ Taxes (HB 15-1367)**
- **Permitted Economic Interest (HB 15-1379)**
- **Restrictions on One Time Transfer of MJ (HB 15-1387)**
- **Caregivers (SB 15-014)**



# LEGISLATIVE UPDATE

## Summary of 2015 Session:

**Medical MJ Sunset Review (SB 15-115)**

**Industrial Hemp Testing (SB 15-196)**

**Medical MJ Mandatory Testing (SB-260)**



# MED RULEMAKING 2015

## Rulemaking Agenda 2015:

- **Implementation of 2015 Legislation**
- **Implementation of Prior Year Legislation**
  - **HB 14-1361 Equivalency of Flower to Concentrate**
    - **Equivalency Study**
  - **HB 14-1366 Retail Marijuana Edible Products**
    - **HB 14-1366 Report**
- **Update Production Management Rules**
- **Housekeeping Rule Changes**



# MED RULEMAKING 2015

## 2015 Rulemaking Timeline:

- **July & August - Numerous Working Group Meetings**
- **July 31 – Permanent Rulemaking Notice**
- **Late August & Early September – Permanent Rulemaking Hearings**
- **Early October - Adopt Rules**
- **Late November – Permanent Rules Effective**



# RULES ON RETAIL MJ EDIBLES

## **Edibles Serving Size Working Group:**

- **Diverse working group convened by MED to discuss enhancing consumer safety through edible potency and serving sizes**
- **Met 4 times between April 30 and June 18, 2014**
- **Emergency rules promulgated and adopted July 31, 2014**
- **Permanent Rulemaking Hearing September 2, 2014**
- **Permanent rules adopted and effective October 30, 2014**
- **February 1, 2015 date for compliance with new edibles rules**



# RULES ON RETAIL MJ EDIBLES

## Changes to Rule R 103 – 4 definitions added:

- **Liquid Edible Retail Marijuana Product**
- **Multiple-Serving Edible Retail Marijuana Product**
- **Single-Serving Edible Retail Marijuana Product**
- **Standardized Serving of Marijuana**

## Changes to Rule R 604:

- **Establishes size of Standardized Serving of Marijuana (10mg THC)**
- **Manufacturer must create a SOP for each product**
- **Standardized Serving in SOP and the number of servings**
- **Physical demarcations required on the product for visible identification of each serving of active THC**
- **If demarcation not possible, then product must be no more than 10mg active THC**





# RULES ON RETAIL MJ EDIBLES

## **New Rule R 1004.5**

- **Packaging and labeling of edibles shifts to the manufacturers**
- **Child Resistant packaging required, and based on type of edible**

## **New Rule R 1006.5**

- **Violation for Store to have non-compliant edibles**

## **Changes to Rule R 1503**

- **Potency/homogeneity process validation for Single Serving edibles**



# MJ INVENTORY TRACKING

## **METRC - Marijuana Enforcement Tracking and Reporting for Compliance:**

- **Track and record a chain of custody from “Seed” to “Sale”.**
- **Provide MED with inspection process tools necessary to complete on-site validation of inventory.**
- **Provide MED with a series of exception reports and analytics to monitor the industry.**
- **Provide mechanism to produce standardized manifests for transportation of marijuana within Colorado – law enforcement priority**
- **More than 37 million events logged by licensees in 2014**



# MJ INVENTORY TRACKING



# MJ INVENTORY TRACKING

## Advantages of RFID Technology:

- Read Distance and Speed
- RFID's unique ability to isolate and cingulate a single ID number
- RFID's unique ability to capture and ignore ID's it has already identified
- RFID improves and simplifies reporting and compliance processes
- RFID can automate inventory processes saving the user time resulting in reduced labor cost
- Creates a strong chain of custody and traceability



# MJ INVENTORY TRACKING



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# RETAIL MJ TESTING

- **May 2014 - MED began testing for potency of retail marijuana and retail marijuana products.**
- **July 2014 - MED began testing for homogeneity of retail marijuana products.**
- **April 2015 - MED began beta testing for residual solvents.**
- **MED expects to begin beta testing for microbials in the coming months.**
- **19 Licensed Retail Testing Facilities**
- **10 Licensed Retail Testing Facilities Certified for Potency/Homogeneity Testing**
- **6 Licensed Retail Testing Facilities Certified for Residual Solvent Testing**
- **3 Licensed Retail Testing Facilities Certified for Microbial Testing**



# RETAIL MJ TESTING

- **Nearly 4,000 potency tests reported in METRC in 2014 and 2,815 in the first quarter of 2015**
- **98.2 percent passing rate for potency tests in 2014 and 99.3 percent for the first quarter of 2015**
- **Nearly 2,300 homogeneity tests reported in METRC in 2014 and 1,150 in the first quarter of 2015**
- **99.2 percent passing rate for homogeneity tests in 2014 and 100 percent for the first quarter of 2015**
- **SB 15-260 will require the implementation of testing for MMJ by July 1, 2016**



# REGULATED MJ MARKET IN COLORADO

## Facts from the 2014 Annual Update:

- **1,426 Licensed Medical Marijuana Businesses and 937 Retail Marijuana Establishments**
- **18,651 Occupational Licensees**
- **109,578 pounds of MMJ flower sold in 2014**
- **38,660 pounds of RMJ flower sold in 2014**
- **Current trends from the first quarter of 2015 suggest that the sale of retail marijuana flower is outpacing 2014 and is much closer to the sales volumes of marijuana flower in the regulated MMJ segment of the industry**



# REGULATED MJ MARKET IN COLORADO

## Facts from the 2014 Annual Update:

- 1.96 million units of MMJ infused edibles sold in 2014
- 2.85 million units of RMJ infused edibles sold in 2014
- Current trends from the first quarter of 2015 suggest that the sale of infused edibles units in the regulated retail segment continue grow and significantly outpace sales of infused edibles units in the medical segment
- As of March 31, 2015:
  - 223 local jurisdictions have banned both MMJ and RMJ
  - 70 local jurisdictions allow both MMJ and RMJ
  - 21 local jurisdictions allow only MMJ
  - 8 local jurisdictions allow only RMJ



