

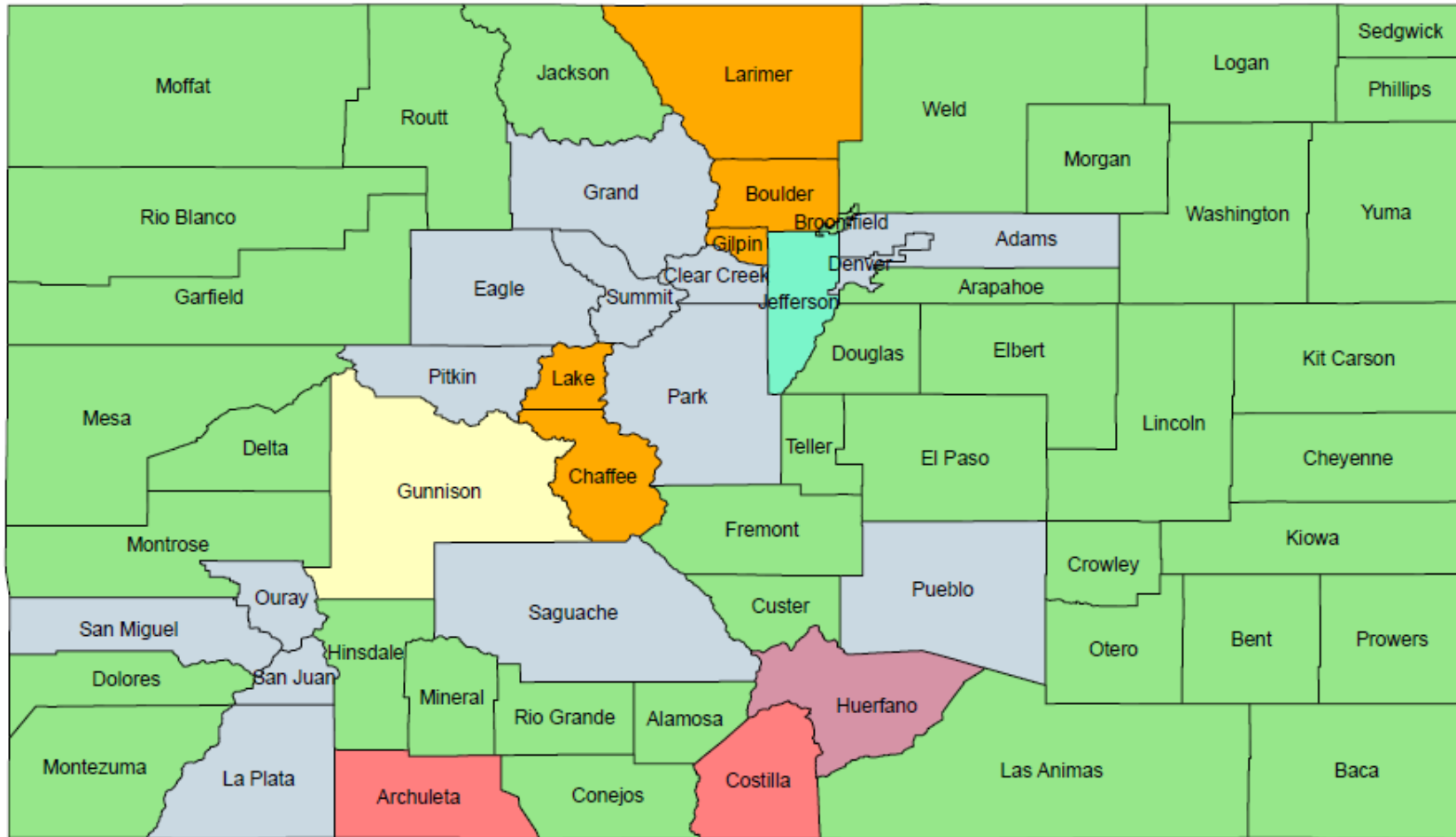
Ben Tisdel  
Ouray County Commissioner

Understanding and Updating Marijuana's Impact on Your County  
CCI Summer Conference, 2017





# County Regulatory Status - Recreational Marijuana



- Allowing Sales, Cultivation, Product Manufacturing & Testing
- Prohibiting New Establishments, but Allowing Migration of Existing MMJ to Recreational
- Allowing Cultivation, Product Manufacturing & Testing Only
- Ban or Moratoria in Effect
- Allowing Cultivation Only
- Allowing Sales and Cultivation Only
- Allowing Testing Only

Created by Trent Pingnot for CCI For information purposes ONLY. Please contact individual counties for specifics on their regulatory status.

Map Revision:  
August 15, 2016

# Opening the Door Slowly: History of Ouray County Ordinance

- 2014: Allowed 5 Licenses to be issued in 2015
- 2015: November ballot, voters approved 5% excise tax
- 2016: Repeal and Replace 2014 Ordinance
  - Expand to 8 Licenses
  - Enhanced requirements for reporting by growers due to lack of data sharing by MED and DOR
  - Enhanced ability to transfer license when property sells
- 2017: (In process): Likely to allow Outdoor Grows
  - Draft of 1<sup>st</sup> Reading is 17 pages long!



# Lessons taken from 2016 CCI Conference

- Eagle County Attorney
  - Retention of Police Powers
  - Concern re: Caretaker licenses with many plants in tight development spaces, odors to neighbors
- MED / DOR Enforcement:
  - Open Invitation to comment, participate in rule-making



# Ouray County Excise Tax Analysis

- Allowed by 2015 Ballot
- Projected revenue for 2016 Budget fell far short
  - Received \$47,850.
  - Only 2 of 8 licenses actually then in production
  - Some compliance issues with MED; Pesticide zero tolerance issue
- Projected revenue for 2017 Budget on track: Projected \$125,000 in revenue
  - Collections through May, 2017: \$26,512
  - Lower projected revenue than for 2016
  - But more grows coming into production
  - Some consolidation of inactive licenses (subject to non-renewal) to more professional (not mom and pop operations), well-funded licensees



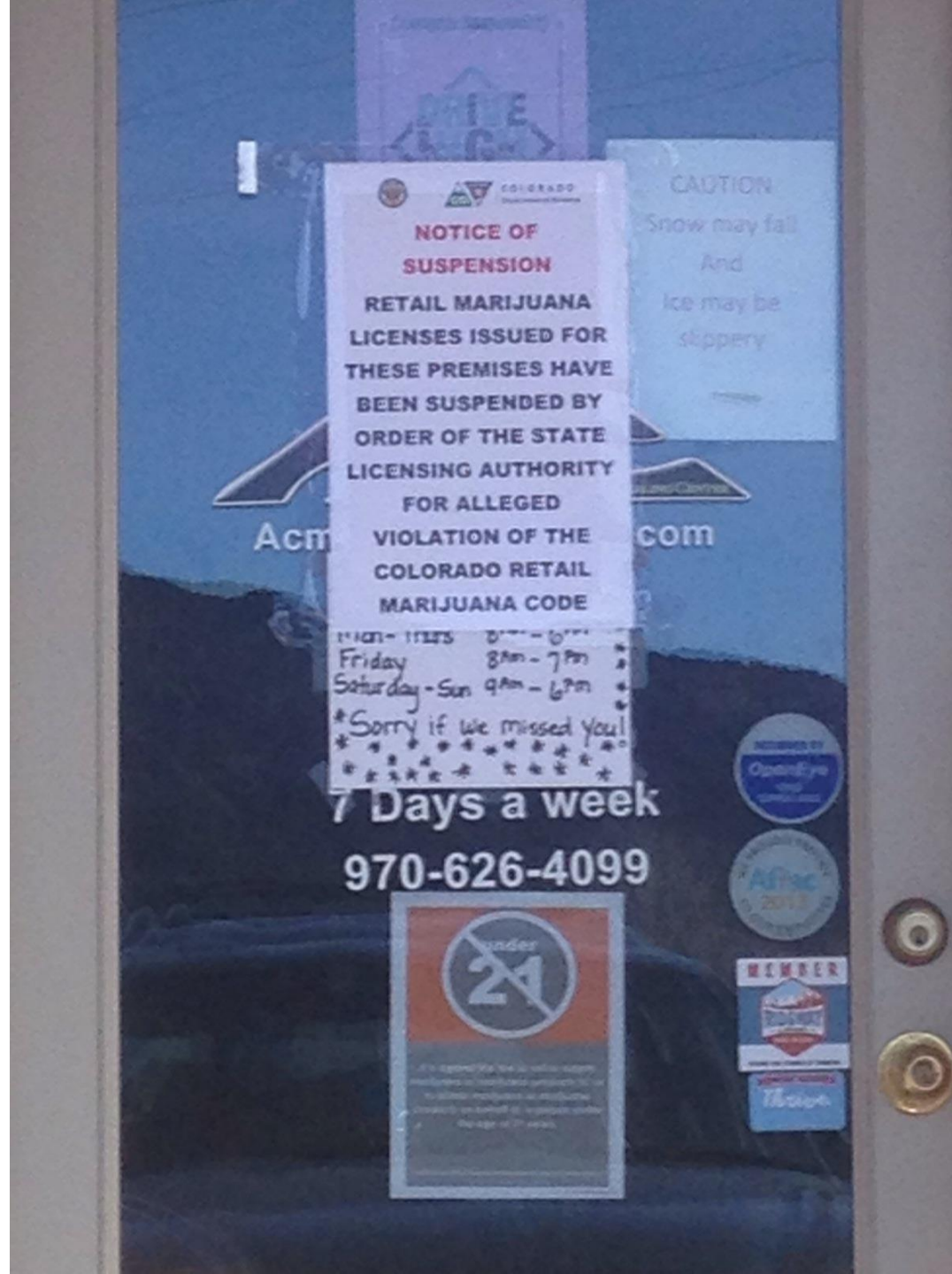
# Ouray County Excise Tax Collection Process

- Remittance of the 5% Ouray County Marijuana Excise Tax shall be paid to Ouray County not later than the 20<sup>th</sup> day of the month following the month in which sale or transfer of unprocessed retail marijuana occurred
- A copy of the excise tax return filed with CDOR must accompany the County excise tax payment, along with the Reporting form and payment (cash or check) to Ouray County. Checks are preferred.
- Reporting form must be submitted each month by every retail grow facility, even if no sales or transfer occurred. Late payments assessed \$100 per day penalty.
- MED and CDOR have separate process for non-compliance, and can and do shut down businesses for non-compliance.



A Big Stick:

What happens when retail non-compliance with MED rules happens:



# Remaining Concerns and Observations for 2017

- Concerns from public regarding outdoor grow possibility
  - Especially regarding dispersed odors v. concentrated odors
- Concerns from Licensees about not moving into permitting of outdoor grows quickly enough
- Uncertainty regarding Federal situation
- State expands its sales tax in 2018, instead of reducing it as promised in 2015 to allow for excise tax
  - increasing sales tax from 10% to 15% instead of reducing from 10% to 8%
- Effects of nationally expanded industry on state market
- Expanded number of grows and static growth in sales / consumption
  - Resulting in reduced market rate and excise tax revenue per permitted grow
- State-based funds increasingly looking towards Marijuana revenue to fund everything
- Many neighborhoods have moved on from fear-based opposition to acceptance of Marijuana as a legitimate business





Thankyou!

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