

# INDUSTRY UPDATE:

## 2017 YEAR IN REVIEW & 2018 OUTLOOK

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February 12, 2018

presented by:

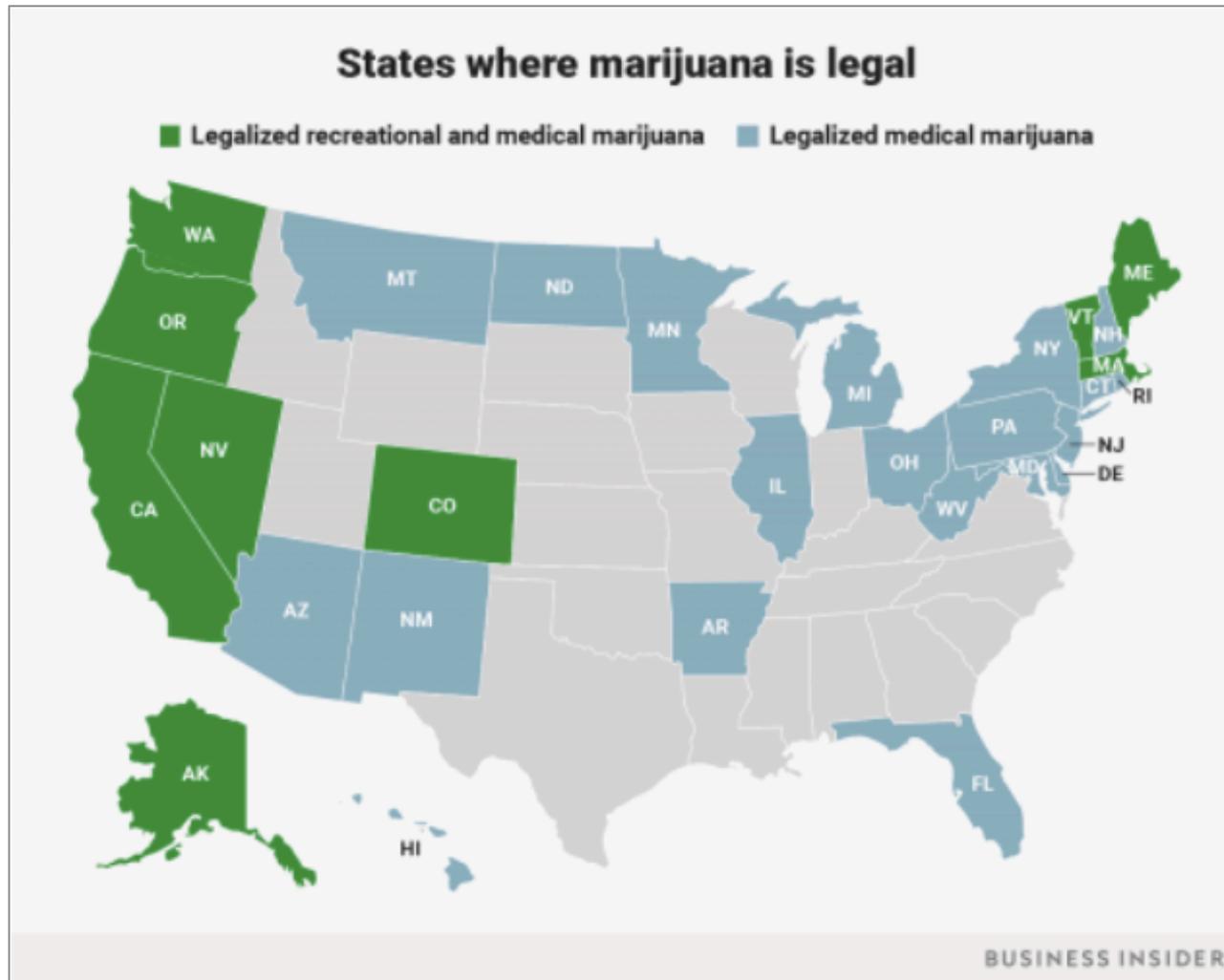


# COLE MEMORANDUM GUIDANCE EXTENDED UNDER COLORADO U.S. ATTORNEY

## ENFORCEMENT PRIORITIES (8/29/13)

Preventing distribution of mj to minors	Preventing state-authorized mj activity from being used as a cover or pretext for the trafficking of other illegal drugs or illegal activity	Preventing revenue from the sale of mj from going to criminal enterprises and cartels	Preventing diversion of mj from states where it is legal under state law in some form to other states
Preventing violence and the use of firearms in the cultivation and distribution of mj	Preventing drugged driving and the exacerbation of other adverse public health consequences associated with mj use	Preventing the growing of mj on public lands and the attendant environmental dangers posed by mj production on public lands	Preventing mj possession or use on federal property

# MARIJUANA STATUS IN U.S.



8

## MED/REC

WA, OR, CA,  
NV, CO, AK,  
ME, VT, MA

21

## MEDICAL

AZ, NM, MT,  
ND, MN, AR,  
IL, MI, OH,  
WV, NH, NY,  
CT, RI, PA, NJ,  
DE, MD, IL, HI  
+ DC



# COLORADO ECONOMIC IMPACT



In 2017, Colorado regulated marijuana reported **\$1.5B in sales**, with **\$3B economic impact**.

Since legalization, Colorado legal sales have totaled \$4.5B.

Highlight	2017
State Sales Tax (2.9%)	\$30,536,901
State Retail MJ Sales Tax (15%)	\$131,512,817
Local Govt Distribution	\$16.2M
MJ Tax Fund	\$97.4M
Public School Fund	\$18.2M
State Retail MJ Excise Tax (15%)	\$71,965,027
School Capital Construction (BEST)	\$40.2M
Public School Fund	\$31.6M
License & Application Fees	\$13,353,728
<b>Total MJ Taxes, Licenses, Fees</b>	<b>\$247,368,473</b>

# MARIJUANA TAXES REMAIN SIGNIFICANT & GROWING SOURCE OF STATE REVENUE

## Department of Revenue Gross Receipts Realized (Net Collections) by Source

State Taxes (Sales, Use, Excise)	FY2016	FY2017
Sales	\$2.6B	\$2.7B
Highway Fuel	\$611.3M	\$629.8M
Use	\$243.8M	\$258.6M
<b>Marijuana (combined)</b>	<b>\$141.3M</b>	<b>\$210.4M</b>
Cigarette	\$162.4M	\$158.9M
Limited Stakes Gaming/Racing	\$116.9M	\$117.2M
Alcoholic Bev	\$44.1M	\$45.7M
Tobacco Products	\$38.7M	\$41.1M
Aviation Fuel	\$16.5M	\$23.9M
<b>TOTAL</b>	<b>\$3.971B</b>	<b>\$4.2B</b>

# COLORADO LICENSEES

There are over 3000 licensed medical & retail businesses in Colorado.

Licensed Facilities	MEDICAL	RETAIL
Centers/Stores	503	518
Cultivation	751	722
Product Manufacturers	255	7
Operators	5	280
Testing Facilities	11	12
Transporters	8	10

Occupational Licensees	Licensed Individuals
Support	25,895
Key	11,866
Associated Keys (Owners)	1,620

**39,381** direct jobs  
from mj industry

[ 7 ]

## AT A GLANCE



**3000+** licensed medical  
& retail businesses in Colorado.



**93,000+** patients in the medical mj registry

**586** active recommending physicians

**44** average patient age



**39,381**

Badged employees  
& owners in MJ



**12** Responsible  
Vendor Programs

**\$1.5B** 2017 sales  
economic impact **\$3B**

# COLORADO: 2017 IN REVIEW

## MED/REC HARMONIZATION

([HB17-1034](#))

Operator licenses & creation of a pathway for licensees to change locations/ municipalities



## ESTABLISH MJ RESEARCH LICENSES

([HB17-1367](#))

Allows limited research to grow, cultivate, possess, & transfer mj by sale or donation: chemical potency & composition levels; mj-derived medicinal products clinicals; efficacy & safety of mj as part of medical treatment; marijuana-affiliated products or systems.



## EXCLUDE MJ FROM FARM PRODUCTS DEFINITION

([HB17-1197](#))



## TARGETING MJ ABUSES IN ILLEGAL MARKETS

([HB17-1220](#) & [HB17-1221](#))

Limit 16 plants for caregivers & provides grants to local law enforcement to support grey/black market enforcement



## BEST FUNDING: TAX EARMARK FOR TECHNOLOGY

([HB17-1082](#))

Expansion of BEST funding to include technology.



# COLORADO: 2017 IN REVIEW

## EDUCATION-BASED LICENSES

[\(SB17-187\)](#)

Establishment Marijuana Education-based occupational licenses (w/ residency exemption)



## MARIJUANA EDUCATION RESOURCE BANK

[\(SB17-025\)](#)

Med/Rec prevention & education materials & curricula; mj training for teachers and school staff. Free to school districts, charter schools, and Boards of Cooperative Educational Services (BOCES).



## RURAL CO SUSTAINABILITY

[\(SB17-267\)](#) exempts retail mj from 2.9% state sales tax & increases mj special sales tax to 15%. Allows mj dollars to be disbursed to rural schools & rural hospitals.



## Mj BUSINESS EFFICIENCY

[\(SB17-192\)](#) Provides new calculus for the mj average market rate, creates new categories for unprocessed mj for extraction & remediated product.



## LOCAL SPECIAL SALES TAX

[\(HB17-1203\)](#)

Local government special sales tax on retail mj if there are no municipal sales taxes on retail mj



# COLORADO: 2017 IN REVIEW

## ILLEGAL MJ ADVERTISING

[\(HB17-1034\)](#)

Makes solicitations of mj sales from online/print illegal.



## MJ USE AS CONDITION OF BOND

[\(SB17-178\)](#)

Prohibition of court from requiring, as condition of any bond, that a person who possesses a valid registry identification card abstain from using medical mj.



## SEAL MISDEMEANOR MJ CONVICTION RECORDS

[\(HB17-1266\)](#)

Allows for petition to seal criminal records if offense not a crime if committed on/after 12/10/12



## ALLOW MEDICAL MJ FOR STRESS DISORDERS

[\(SB17-017\)](#)

Makes PTSD an accepted condition under the medical mj program



## REPEAL GOVERNOR'S OFFICE OF MARIJUANA COORDINATION

[\(HB17-1295\)](#)



# SIGNIFICANT PROGRAM CHANGES

## NEW TESTING & SAMPLING PROTOCOLS



- Testing laboratory recertification
- Pesticide MDLs established
- Increased sampling
- Working towards statistical sampling model

**15%**

*Retail mj special sales taxes increase & 2.9% sale tax exempted*

**AMR**

*Calculated quarterly, w/ new rates for unprocessed mj for extraction & remediated product*



## NEW PACKAGING & LABELING REQUIREMENTS

- Expanded public safety messages
- Hierarchy of consumer information
- Testing results
- Med/Rec universal symbol

## LICENSE TYPES

- Center/Store
- Cultivation
- Product Manufacturer
- Testing Facility
- Transporter
- Operator
- **Medical R&D Facility**

# ONGOING CHALLENGES

## FEDERAL STATUS COMPLICATES CERTAIN ASPECTS OF OVERSIGHT

### FINANCIAL LIMITATIONS

- Access to banking and merchant services
- 280E and Taxation

### REGULATORY

- No single method of oversight as more states come on board under already complex models w/ med/ retail

### RESEARCH & DEVELOPMENT

- Medical efficacy
- FDA & access challenges
- Pesticide use & scientific standards
- Impairment studies

### SOCIAL

- Child welfare laws
- Deportation for immigrants seeking permanent residency
- Historical impact on persons of color & legal access

## ENFORCEMENT REQUIRE MORE FOCUS ON ILLEGAL MARKETS

### BASELINE DATA COLLECTION EVOLVING

- Hospital and police data is inconsistent prior to A64 – but improving
- As data collection improves, other factors (i.e., population growth) complicate analysis, particularly for driving impairment data
- Youth use is stable or decreasing since legalization

### LEGAL VS. ILLEGAL MARKETS

- People abusing state laws to conduct illegal activity – confusing for enforcement & public awareness
- Diverting more enforcement resources towards local enforcement
- Illegal (not legal) markets are concern



# COLORADO: 2018 INTRODUCED & ACTIVE BILLS

## PUBLIC COMPANIES

(HB18-1011)

Allows publicly-traded owners.



## TITLE 12 RECODIFICATION

(HB18-1023)

Relocates med/rec code to 44.



## RETAIL MJ SALES TAX APPROPRIATION: SCHOOLS

(HB18-1101)



## FDA CBD DRUG USE

(HB18-1187)

Prescription drugs containing CBD that are approved by FDA can be dispensed through pharmacies.



## FIBROUS WASTE RECYCLING PROCESSOR REGISTRATION

(HB18-1133)

Allows processing facilities to recycle mj plant waste.



## MJ DELIVERY PILOT PROGRAM

(HB18-1092)

Memo of Understanding: 3 municipalities; 15 licenses.



## BILL FIXES: "AND/OR" & RTD/ SCFD/SPEC. DISTRICTS RMJ TAX

(SB18-105) to remove dual ISO & state certification requirements for labs & tax fix to allow collection of taxes that were accidentally removed (SB18-088)



## RECLAIMED WATER USE FOR MJ CULTIVATION

(HB18-1053)

# ONGOING LOCAL DISCUSSION



## CITYWIDE INSPECTION PROCESSES

*Revisit Omnibus and Moratorium to discuss 1000 sf distance requirements & clarify standards of denial*

- Requested evaluation of citywide inspection processes to improve transparency and consistency/standards.
- Have been meeting with E&L and relevant departments to address. Improvements in identification of inspection checklists, access to anonymous feedback channels, and greater training have occurred. Discussions continue.
- Efficiencies to application process were also identified & improved.

## SOCIAL CONSUMPTION

- Applications and licenses are slowed. Causes range from zoning requirements established in the rulemaking process to lack of financial incentives for businesses to apply.

## DDPHE MARIJUANA ADVISORY GROUP

- Awaiting state outcomes for advancements to sample collection and testing protocols
- Advisory expressed interest in exploring impacts of additives (cannabis-derived cannabinoids and terpenes, as well as flavor additives)

# SPOTLIGHT: MARIJUANA VS. HEMP

	 <b>HEMP</b>	 <b>Marijuana</b>
<b>Cannabis?</b>	Yes	Yes
<b>Chemical makeup?</b>	↓ THC	↑ THC
<b>Psychoactive?</b>	No	Yes
<b>Cultivation?</b>	Requires minimal care & Adaptable to grow in most climates	Grown in carefully controlled atmosphere
<b>Applications?</b>	Automobiles, body care, clothing, constructions, food, supplements, plastic, etc.	Medical & Recreational Uses

MINISTRY  
OF HEMP

# SPOTLIGHT: MAJOR CANNABINOIDS & APPLICATIONS

	CBD	CBD/THC	CBN	THCa	THC-Indica	THC-Sativa	CBD	CBN	THC-Indica	THC-Sativa	CBD	CBN	CBC	CBD/THC
ANALGESIC	+	+	+	+	+		*	*	*		♦	♦	●	●
ANTI-ARTHRITIC		+	+	+	+	+	*	*	*	*	♦	♦	●	●
ANTI-BACTERIAL	+	+					*				♦		●	
ANTI-CONVULSIVE	+	+	+	+	+	+	*	*	*	*	♦	♦		
ANTI-EMETIC	+	+	+	+	+	+	*	*	*	*	♦	♦		
ANTI-EPILEPTIC	+	+	+	+	+	+	*	*	*	*	♦	♦		
ANTI-PROLIFERATIVE	+			+	+	+	*		*	*	♦		●	●
ANTI-INFLAMMATORY	+	+	+	+	+	+	*	*	*	*	♦	♦	●	●
ANTI-SPASMODIC	+	+	+	+	+	+	*	*	*	*	♦	♦	●	●
APPETITE STIMULANT					+	+			*	*				
BLOOD SUGAR BALANCING	+						*				♦			
ENERGY SUPPORT				+		+				*				
GASTROINTESTINAL RELIEF	+	+	+	+	+		*	*	*		♦	♦	●	●
IMMUNE SUPPORT	+	+	+	+			*	*			♦	♦		
NEUROPROTECTIVE	+			+			*				♦			
NON-PSYCHOACTIVE	+	+	+	+			*	*			♦	♦	●	●
SLEEP SUPPORT	+	+	+	+	+		*	*	*		♦	♦		
STRESS/ANXIETY RELIEF	+	+	+	+	+	+	*	*	*	*	♦	♦		

Source: Mary's Medicinals

# SPOTLIGHT: MAJOR TERPENOIDS & APPLICATIONS

## A-PINENE

ANTI-INFLAMMATORY  
BRONCHODILATOR  
AIDS MEMORY  
ANTI-BACTERIAL

also found in  
pine needles



## LINALOOL

ANESTHETIC  
ANTI-CONVULSANT  
ANALGESIC  
ANTI-ANXIETY

also found in  
lavender



## BETA

## CARYOPHYLLENE

ANTI-INFLAMMATORY  
ANALGESIC  
PROTECTS CELLS LINING THE  
DIGESTIVE TRACT

also found in  
black pepper



## MYRCENE

CONTRIBUTES TO  
SEDATIVE EFFECT OF  
STRONG INDICAS  
SLEEP AID  
MUSCLE RELAXANT

also found in  
hops



## LIMONENE

TREATS ACID REFLUX  
ANTI-ANXIETY  
ANTIDEPRESSANT

also found in  
citrus



# ABOUT MARIJUANA INDUSTRY GROUP

- Marijuana Industry Group's is the oldest, largest, most diverse and most impactful group of licensed marijuana businesses in Colorado.
  - Advance safe policy and practice in Colorado on behalf of legal cannabis industry
  - Safe access to clean product for Colorado's patients, residents and visitors
  - Effective regulations advance a successful model
- MIG's mission is to advance appropriate legislation, regulation and implementation of Colorado's licensed cannabis program, which is the world's first example of taxed, regulated, legal cannabis.

# MIG COLLABORATIONS/PARTNERSHIPS



Governor's Marijuana  
Education Oversight  
Committee



# COLLABORATIONS



**IT'S ILLEGAL**  
Driving even a little high can land you a DUI.

**IT'S UNSAFE**  
You (yeah even you) are less alert when you're high and that makes you a bad driver.

**IT'S AVOIDABLE**  
Plan ahead and get a sober ride – there are plenty of ways to get around.

**IT'S NOT WORTH THE RISK**  
Seriously, you could go to jail.

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Our dispensary is a proud supporter of CDOT's *Drive High, Get A DUI* campaign. Help us keep our customers and communities safe.

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**A DUI WILL RUIN YOUR HIGH**

**DRIVING HIGH IS ILLEGAL**  
Driving with any amount of cannabis in your system puts you at risk for a DUI.

**DRIVING HIGH IS UNSAFE**  
You (yes, even you) are less alert when you're high and that makes you an unsafe driver.

**DRIVING HIGH IS AVOIDABLE**  
Plan a sober ride before you're high – there are plenty of ways to get around.

**DRIVING HIGH IS NOT WORTH THE RISK**  
A DUI will cost you money and even jail time.

Our dispensary is a proud supporter of CDOT's *Drive High, Get A DUI* campaign. Help us keep our customers and communities safe.

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# GENERAL EDUCATION

Marijuana Industry Group April 18, 2017 V.1

## Summary: Cannabis and Opioids

**What is the Opioid Epidemic?**

Chronic pain affects 78.2M Americans, according to the National Centers for Health Statistics, more than diabetes, heart disease, and cancer combined. Opioids are commonly used to treat patients with chronic pain, but there is a high potential for abuse and dependence, and 2.5M people have been diagnosed with opioid use disorder (OUD). 4 in 5 new heroin users started out missing opioid painkillers. This has significant implications because 200M opioid prescriptions are being written each year, and 80 people dying each day from opioid overdose.

**Can Cannabis Help?**

Cannabis, which has low lethality and minimal adverse effects, can be used to help block pain, relieve pain, curb addictive (craving) impulses, and serve as a long-term, effective treatment to opioids. State-level medical cannabis laws have a 2% base annual opioid mortality rate. Cannabis use is associated with 84% lower opioid use in patients with chronic pain. And additionally, cannabis, along with opioids (combination of opioids) resulted in significant pain reduction (27%).

Today, chronic pain relief is still the primary reason that 93% of medical patients in Colorado seek their medical authorization and registry card.

**\*Epidemics require a paradigm shift in thinking about all possible solutions.\***

Source: West, PhD, Professor of Psychiatry, Neuroscience, Pharmacology, and Director, Center for Addictive Disorders, Mount Sinai

**Cannabinoid-Opioid Interaction in Chronic Pain**

- Vaporized cannabis augments the pain-relieving effects of opioids without significantly altering plasma opioid levels. Cannabis also blocks pain.
- Pain was significantly decreased (average 27% decrease).
- The combination of cannabis and opioids may allow for opioid treatment at lower doses with fewer side effects. Cannabis slows morphine absorption such that maximal concentrations for a dosing interval are lower.

**Cannabis is associated with 84% lower opioid use in patients with chronic pain.**

**Cannabinoids have low lethality and minimal adverse effects.**

**Cannabis + Opioids → lower opioid doses with fewer side effects.**

**Medical Cannabis Laws and Opioid Analgesic Overdose Mortality Rates in the U.S.**

- States with medical cannabis laws had a 24.8% lower mean annual opioid overdose mortality rate compared to states without medical cannabis laws.
- Examination of the association between medical cannabis laws and opioid analgesic overdose mortality in each year after implementation of the law showed that such laws were associated with a lower rate of overdose mortality that generalized over time.
- The combination of cannabis and opioid may allow for opioid treatment at lower doses with fewer side effects. Cannabis slows morphine absorption such that maximal concentrations for a dosing interval are lower.

Attanasio, DL, Chung P, Smith SB, Wiley ME, Barwick N. Cannabis-Opioid Interaction in Chronic Pain. *Drugs: Metabolism & Therapeutics*. 2015; 30(5):884-893. doi:10.1007/s12026-015-0288-0

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2.5M have Opioid Use Disorder → 80 people died daily → Cannabis helps relieve & block pain → Medical cannabis slows 25% of opioid OD mortality rate → Combined cannabis slows 27% of pain 27%

## HEALTH TRENDS IN MARIJUANA

Summary of CDPHE's Jan. 30, 2017 Report: Monitoring Health Concerns Related to Marijuana in Colorado: 2016

For adults & adolescents, past month use has not changed since legalization in terms of number of people using or frequency of use. Past month use among Colorado adolescents is nearly identical to national average. No new age, gender, race, ethnicity or sexual orientation disparities since legalization.

Full Report: <https://www.colorado.gov/pacific/cdphe/marijuana-health-repo>

### Daily Use: Adults Use Marijuana < Other Substances

**ADULT USE UNCHANGED**

- Adult use of marijuana unchanged year over year (17%), but higher than national average (8%).
- Past month usage highest among males (26%); 18-25 (17%); those who identify as LGBTQ (37%).
- ER visits, poison control calls down
- 7% of homes with kids <14 have mj onsite. 82% of those homes store mj safely.

\* For daily or near-daily use  
\*\* Methods of marijuana use (prevalence)

6% Marijuana\*  
22% Alcohol\*  
18% Tobacco\*  
3% E-cigarettes\*

### Monthly Use: Adolescent Marijuana Use < Alcohol

**ADOLESCENT USE UNCHANGED/ LOWER THAN 2013**

- Adolescent use unchanged from 2013, < 22% national average.
- Past month usage highest among juniors and seniors (55%); students who identify as LGBTQ (35%).
- Edible use ↓ from 5% (2013) to 2% (2015).
- 5% high schoolers use daily/near daily.
- 1/3 cite first use by age 14, supporting prevention before 9<sup>th</sup> grade.

\* For past month use  
\*\* Methods of marijuana use (prevalence)

21% Marijuana\*  
30% Alcohol\*  
9% Tobacco\*  
3% E-cigarettes\*

**HIGHLIGHTS OF REVIEW OF AVAILABLE RESEARCH**

- Better studies are needed to assess causality rather than association, which may be confounded by other factors.
- Infrequent users of mj should wait 6+ hours to drive b/c of higher impairment likelihood. Crash risk ↑ w/ alcohol.
- Some association exists between chronic daily use and cyclic vomiting.
- Chronic bronchitis is associated w/ chronic smoking; vaping ↓ symptoms.
- Child safety packaging ↓ exposure to THC.

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marijuanaindustrygroup.org  
v. 2 020117

Marijuana Industry Group Jan. 24, 2017 V.1

## Summary: Cannabinoid Hyperemesis Syndrome (CHS)

**Cause Unknown—Is cannabis even the cause?**

One study hypothesizes that selective breeding of cannabis plants, or exposure to substances, such as pesticides, additives, preservatives, or chemicals used in marijuana preparation, may contribute to symptoms that are being attributed to CHS, but there is no evidence to support this. (Lee Chen, 2013)

**About CHS: No Epidemiological Data, Limited Studies**

According to limited medical studies, symptoms attributed to CHS include recurrent, hyper-emetic episodic cyclic nausea and vomiting & compulsive bathing in the context of chronic, daily cannabis use. Researchers identify the average age of onset as 25.6 years (range 18 to 51 years). Ninety-five percent of CHS patients say they used cannabis daily for an average 8.8 years before symptom onset. The amount of cannabis used, although generally high, is difficult to quantify, and has been described as heavy and frequent in units of blunts, cones, joints, etc. (Lee Chen, 2013)

“There is no epidemiological data on the incidence...of CHS among regular Cannabis users.” (Lee Chen, 2013)

“Despite a high rate of marijuana use in our community, the prevalence of cyclic vomiting remained low, underscoring that CHS is a relatively uncommon condition.” (Hewitt et al., 2015)

**Solution: Research & Data Needed**

Symptoms resolve with hot showers, for reasons unknown, and cannabis cessation. (Lee Chen, 2013). Greater transparency in cultivation standards and research are needed to better understand the condition, causes and effects. Of the limited studies, the Chen study is an evidence-based (vs. peer-reviewed) study. Consider investigating causes such as allergens or external additives or contaminants.

**Patients Presenting w/ Cyclic Vomiting in Emergency Dept Pre- & Post-Legalization: Low Prevalence** (Hewitt et al., 2015)

	Pre-Legalization	Post-Legalization
Total ED Visits	115,262	125,095
Cyclic Vomiting Incidents	41	87
CH Incidents w/ Marijuana	7	27
% of Overall ED Visits	0.002%	0.006%

Winkles Cited  
Hewitt D, Kim M, J. (2015). Cyclic Vomiting Presentations Following Marijuana Liberalization in Colorado. *Acad Emerg Med*. 22 (6), 624-628.  
Lee Chen, M. a. (2013, October). Cannabinoid Hyperemesis Syndrome: A result of chronic, heavy Cannabis use. *Current Psychiatry*. 40-54.

**MARIJUANA INDUSTRY GROUP**

CannAbility, NVR, Marijuana Industry Group, Flowering Food Foundation

# GENERAL EDUCATION ON BEHALF OF STATE AGENCIES

**MARIJUANA**  
INDUSTRY GROUP

March 28, 2017

Senator Irene Aguilar  
Colorado State Capitol  
200 East Colfax Avenue, Room 346  
Denver, CO 80202

Senator Aguilar:

We are writing on behalf of our membership to request that the Healthy Kids Colorado Survey funding be preserved. This funding is a necessity in identifying, understanding and working to resolve public health challenges for Colorado's young populations. The data derived from the survey provides insights that inform the creation of extremely meaningful strategies, tactics and educational tools to allow public health professionals to better respond to youth challenges.

The survey methodology eliminates fear of judgment, punishment, or being ostracized. Therefore, the survey is predisposed to provide more accurate information. That's important, particularly as youth may struggle to otherwise vocalize their challenges related to substance and physical abuse, bullying and gender identity. These are serious issues that have serious consequences, including death and suicide. It would be a significant oversight to defund this study when it is one of the best tools we have to honestly address real youth issues.

At Marijuana Industry Group, we are using the survey data to identify vulnerable populations that may be susceptible to cannabis consumption before it is legal. We are working with grassroots community organizations and governmental agencies to develop strategies and tactics to educate youth about the risks of early cannabis consumption, and also working with dispensaries to disseminate educational information to parents. We couldn't do this effectively without the guidance of the Healthy Kids Colorado Survey.

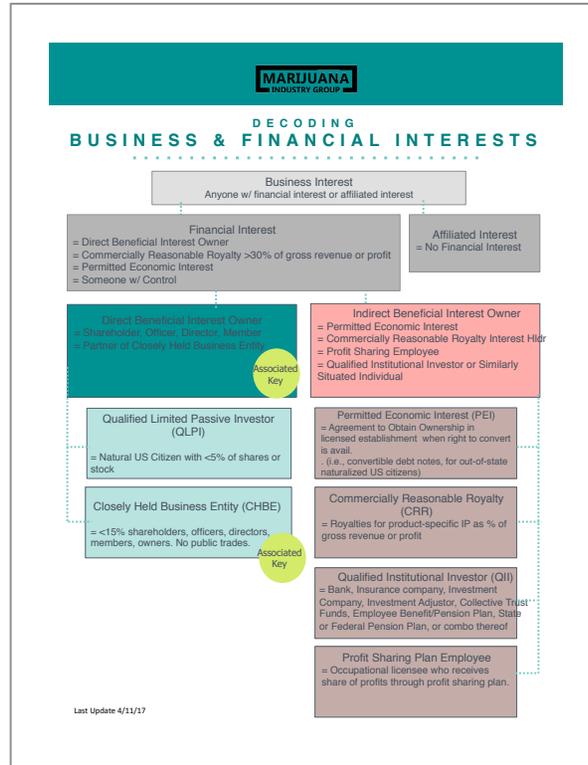
Defunding the study won't make youth issues disappear. It will just deprive public health officials of an important tool that makes them more effective. This survey does not replace the role of the family. It amplifies our collective ability to target issues in real time.

We respectfully request that you continue supporting the Healthy Kids Colorado Survey.

Sincerely,

  
Kristi Kelly  
Executive Director  
Marijuana Industry Group  
[info@marijuanaindustrygroup.com](mailto:info@marijuanaindustrygroup.com)  
720-550-0518

Marijuana Industry Group | 1700 Lincoln Street, Suite 1530, Denver, CO 80202



Marijuana Industry Group

Jan. 27, 2017

### Industry Alert: MED Strictly Enforces Underage Sales Requirements

**What Dispensary Staff Should Know: Vertical IDs are a RED FLAG**

If you see a Vertical ID that indicates the patron is 21+, consider asking for an alternate form of ID Verification at entry to the Restricted Access Area and at the point of sale. Valid forms of age verification:

- Operators, chauffeur's or similar type driver's license, issued by any state within the U.S. or a U.S. Territory.
- Identification card, issued by the state for the purpose of proof of age using requirements such as those in sections 42-2-302 and 42-2-303, C.R.S.
- United States military identification card.
- Passport.
- Enrollment card issued by the governing authority of a federally recognized Indian Tribe located in the State of Colorado, if the enrollment card incorporates proof of age requirements similar to sections 42-2-302 and 42-2-303, C.R.S.

**Penalties**

Serving someone under 21 is a violation affecting public safety – the most serious category of violations. Penalties may include:

- License suspension
- A fine per individual violation
- A fine in lieu of suspension up to \$100,000 and/or license revocation, depending on the mitigating and aggravating circumstances.
- Sanctions may also include restrictions on the license.

**Tips**

- Consider a "no vertical ID" policy.
- Post a sign in the lobby and notify patrons on your website/social media page before they visit.
- Get an ID checking guide - It may be an affirmative defense to any administrative action brought against a Licensee for illegal sale to a minor if the minor presented fraudulent identification and the Licensee possessed an identification guide book issued with the past 3 years.
- Consider obtaining ID scanners and incorporating use of scanners into your policy.

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[marijuanaindustrygroup.com](http://marijuanaindustrygroup.com)

# **MARIJUANA INDUSTRY GROUP**

THANK YOU.

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[www.marijuanaindustrygroup.org](http://www.marijuanaindustrygroup.org)