STATE OF COLORADO

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John W. Hickenlooper Governor

> Barbara J. Brohl Executive Director

Colorado Department of Revenue Marijuana Enforcement Division

Emergency Rules:

Revised Rules, Medical Marijuana, 1 CCR 212-1

Rule M 207 – Schedule of Application Fees: Medical Marijuana Businesses

Rule M 208 – Schedule of Business License Fees: Medical Marijuana Businesses

Rule M 209 - Schedule of Business License Renewal Fees: Medical Marijuana Businesses

Rule M 210 – Schedule of Administrative Service Fees: All Licenses

Rule M 234 – Schedule of Application Fees: Individuals

Rule M 235 – Schedule of License Fees: Individuals

Rule M 236 - Schedule of Renewal Fees: Individuals

Statement of Emergency Justification and Adoption

Pursuant to sections 24-4-103 and 12-43.4-202, C.R.S, I, Barbara J. Brohl, Executive Director of the Department of Revenue and State Licensing Authority, hereby adopt the aforementioned revised Medical Marijuana Rules, which are attached hereto.

Section 24-4-103(6), C.R.S., authorizes the State Licensing Authority to issue an emergency rule if the State Licensing Authority finds that the immediate adoption of the rule is imperatively necessary to comply with a state law or for the preservation of public health, safety, or welfare and compliance with the requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

I find that the immediate adoption of these revised rules is necessary to comply with the statutory mandates of the Medical Marijuana Code.

Statutory Authority

The statutory authority for these rules is found at subsections 12-43.3-202(1)(b)(I), 12-43.3-202(1)(e), 12-43.3-202(2)(a)(XVI), and 12-43.3-202(2)(a)(XX), and sections 12-43.3-501 and 12-43.3-502; and Colorado Constitution Article XVIII, Subsection 16(5)(a)(II).

Purpose

The purpose of the revisions to Rules M 207, M 208, M 209, M 210, M 234, M 235 and M 236 on an emergency basis is to update the fee levels in accordance with statutory requirements and the needs of the

Marijuana Enforcement Division. Section 12-43.3-501, C.R.S. governs the marijuana cash fund, which includes but is not limited to all funds collected pursuant to both the Medical Code and the Retail Code. The State Licensing Authority is required to adjust such fees to reflect direct and indirect costs of the State Licensing Authority and to avoid exceeding the statutory limit on uncommitted reserves in administrative agency cash funds. The State Licensing Authority must review the fees at least annually.

The State Licensing Authority is adopting these rules on an emergency basis to assure the public is provided with notice of the fees prior to July 1, 2014, the first day on which persons who did not qualify for retail marijuana licensure pursuant to subsection 12-43.4-104(1)(a), C.R.S., may apply for a retail marijuana license pursuant to the Retail Code. The State Licensing Authority finds that fees pursuant to the Retail and Medical Codes must be considered together, because both impact the marijuana cash fund. These emergency rules adjust fees to reflect information gained during the first year of accepting retail license applications and the needs of the Marijuana Enforcement Division. Adoption of these emergency rules will clarify the schedule of fees for new applicants and licensees.

Simultaneously with the adoption of these emergency revised rules, the State Licensing Authority has filed a Notice of Rulemaking to commence the permanent rulemaking process. The process will also include the opportunity for substantial stakeholder and public participation, including working group meetings, the opportunity to submit written views and comments and the opportunity for public testimony at the rulemaking hearing.

These emergency rules are effective immediately upon adoption. The prior versions of Rules M 207, M 208, M 209, M 210, M 234, M 235 and M 236, 1 CCR 212-1, are hereby repealed and replaced by the attached revised emergency rules. These emergency rules will remain in effect until replaced by permanent rules.

Barbara J. Brohl

Executive Director

Colorado Department of Revenue

State Licensing Authority