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New marijuana dispensary rules to take effect Friday

By [Joe Hanel](#) Herald Staff Writer

DENVER – Friday will be another big day for the owners of medical-marijuana shops, as new rules and a state law will take effect.

Dispensaries will have to comply with 72 pages of rules that require detailed controls over shops' inventories and record keeping. The shops also will have to install 24-hour video security cameras, and they will face penalties for not growing at least 70 percent of their own marijuana.

The Department of Revenue wrote the rules after the Legislature in 2010 set up a licensing scheme for the hundreds of marijuana shops that opened in the last few years.

When the Legislature passed the bill, both opponents and supporters predicted it would drive many shops out of business.

"I still think things are shaking out, and I think July 1 is going to be an important date in that process," said Sen. Pat Steadman, D-Denver, who has worked on medical-marijuana bills the last two years.

Some dispensaries will have to shut down, he said. But he predicted that hundreds of shops would stay in business, and the industry would get more legitimate as a result.

The new rules will be expensive, said Travis Pollock, owner of the Natures Own Wellness Centers in Durango and Cortez. Pollock has had to buy security equipment and has hired a full-time compliance manager to make sure his shops are following the details of the law.

But the medical-marijuana market is so competitive that he will not be passing costs on to patients, he said.

"The patient won't come in and see anything different," except for new identification checks, he said.

A group called The Patient and Caregiver Rights Litigation Project is planning to sue the state soon over the new rules.

Steadman sponsored a follow-up bill this year that also will take effect Friday.

House Bill 1043 extends the statewide moratorium on new marijuana shops for another year. However, it allows people who applied for a license before August 2010 and paid hefty fees to

transfer their license to another city if their hometown has banned dispensaries.

“It’s really a fairness issue to people that got iced out,” Steadman said.

HB 1043 also:

- Makes public the location of large growing operations but keeps secret the location of private caregivers’ plants.
- Slightly relaxes requirements that employees be state residents with clean criminal records.
- Allows patients who make less than 185 percent of the federal poverty level to avoid the license fee and the sales tax on marijuana.

Finally, the bill requires private caregivers – who can grow up to six plants each for up to five patients – to register with the state.

Bill Delany of Pagosa Springs used to be a private caregiver until he opened his dispensary, Good Earth Meds, this year.

Although Delany said it is hard to get information from the Department of Revenue, he welcomed the new rules because they will make the industry more legitimate.

“You have to have health instead of profit as your primary motivation,” Delany said.

Delany says marijuana is the only treatment that has relieved his years of pain from Crohn’s disease, and most of his customers are older people with real medical needs.

As of May 31, 127,444 Coloradans possessed cards that allow them to buy medical marijuana. They are spread across the state – less than half a percent of the population of Southwest Colorado’s five counties has a card.

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