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MEDICAL MARIJUANA

New Colorado rules not curbing growth of medical-marijuana industry

By John Ingold
The Denver Post

POSTED: 05/31/2011 01:00:00 AM MDT

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(David Brooks, The San Diego Union-Tribune)

As Colorado's new tougher regulations on the medical marijuana business take hold — rules its sponsors predicted would curb sales — the industry is showing remarkable resilience.

The state Department of Revenue is preparing to issue its first dispensary licenses and to aggressively enforce the new regulations.

Still, of the 818 dispensaries that originally applied for licenses in August, 759 have managed to navigate the rules and remain on track to receive one. That is a drop-off of about 7 percent.

If there is a pot bubble in Colorado, it hasn't popped yet.

When the bill creating the new rules was passed by the legislature last year, one of the sponsors, then-state Sen. Chris Romer, predicted it would "close down as much as 50 percent of the existing retail structure."

That doesn't appear to have happened yet due to a combination of a product "that so many need" and the industry's ability to cope with the changing rules, said Aaron Smith, executive director of the National Cannabis Industry Association, a trade group.

"There will be probably some fallout, but I think this industry is pretty well grounded," Smith said.

Romer, a Denver Democrat, and co-sponsor Rep. Tom Massey, a Poncha Springs Republican, say dispensary numbers are likely to shrink after July 1, the date when Revenue Department auditors begin actively checking on compliance.

"My priority was responsible regulation, so I'm pleased that the initial phase has worked to ensure compliance with the law," Romer, who is running for Denver mayor, said in a statement. "As we move into full implementation, I expect we'll see additional dispensaries that don't meet the strict state regulations closed."

Dispensary license application fees run between \$7,500 and \$18,000. The mandated security systems and other items run thousands more.

Faced with such bills, some dispensary owners have called it quits — by selling to dispensaries looking to expand.

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"At some point, there's got to be competition in the market that's going to eliminate some of the centers that are less viable," Massey said.

Ryan Cook, a co-owner of The Clinic in Denver, said his business plans to double its number of locations to four.

The Clinic is also looking at opening another location outside Denver.

Facing a statewide moratorium on opening new dispensaries, the only way to expand is by purchasing a dispensary that is already in the license-application queue, Cook said.

"We're not going to see a huge reduction in the number of dispensaries, probably just a reduction in the number of different names we see," Cook said.

So far, eight dispensaries have been denied licenses for failing to show they are growing 70 percent of the marijuana they sell, said Julie Postlethwait, a spokeswoman for the Revenue Department's Medical Marijuana Enforcement Division.

Other dispensaries have withdrawn their applications, including several that are in areas that have recently banned marijuana businesses.

After July 1, when a number of new rules officially take effect, the division will also begin denying licenses for more reasons, such as an owner failing to pass a background check.

John Ingold: 303-954-1068 or jingold@denverpost.com

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I'll watch it on my smart phone - the very small screen is the way to go.

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*f150man wrote:*Time for you pot heads to quit smoking and get a real life. Seems to me it is still a federal crime, no matter what Colorado says. So, are you people willing to let this state get cuts on federal funding just so you can smoke? By the way, smoking causes cancer, or did you not get the message? Does not matter what type of smoke is inhaled into your already filthy lungs, it can kill you. Then, I suppose your families will want to sue the government? You people are going down a road that leads to nowhere. This is not just about medical use and you all know it.

vaporizing doesn't cause cancer-brownies don't either-time to brush up on the latest trends in consumption.



bobaloo a | 9:50 AM on Tuesday May 31 | [Reply to this comment](#)



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*fryfat wrote:*Stop fooling around and make it illegal like a sane state.

Now we have high-out-of-their mind drivers, dope-smoking teachers with our children, and peddlers in every shopping center. Colorado is the laughing stock of America, thanks to the hippies that voted to legalize this devil weed.

Sir, you are no conservative, you are a big government shill. Smaller, less obtrusive government is the key, along with personal responsibility. Put your "reefer madness" mentality away with the other fairy tales used to frighten little children. And for your edification, the hippie movement died in the 70's. Get a life!



Steve B | 9:38 AM on Tuesday May 31 | [Reply to this comment](#)



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*f150man wrote:*I vote in Denver, Colorado, planet earth, thank you very much. At least I vote. Seems that my truths have hit a sore spot for all you pot smokers. If you do not think that only the medical patients will get weed, well then, you are from another planet. This only opens the door to more abuse to a federal crime.

Dan,
I think that you live in the wrong nation.
China or northwest pakistan sounds more like where you should consider moving to. You seem to share similar concepts of freedom and liberty that they have.



g.r. r. | 9:35 AM on Tuesday May 31 | [Reply to this comment](#)



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By mining the ground, man is subduing the earth as God intended. It may make the waters dirty, as b...

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This cake was a HUGE hit with the family over the memorial day weekend. We didn't have enough rubar...

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Thankfully, the antiquated walls of Prohibition are rapidly falling. This industry is growing everyday, not just in Colorado, but across the country. It's hard for some to accept, but about half of the country is ready for change... remove the Bible Belt from the equation and it's no contest. There are over 1 million patients registered nationwide, Colorado has 140,000.... it's not just here, Arizona received over 4,000 applications in the first month of its program in April and their app. process is online only!

<http://networkedblogs.com/ix7zc>



Jim R | 9:33 AM on Tuesday May 31 | [Reply to this comment](#)



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*f150man wrote:*I vote in Denver, Colorado, planet earth, thank you very much. At least I vote. Seems that my truths have hit a sore spot for all you pot smokers. If you do not think that only the medical patients will get weed, well then, you are from another planet. This only opens the door to more abuse to a federal crime.

I highly doubt the percent of people smoking pot has gone up much. I know studies have shown in other places people who want it obtain it, and people who don't want it don't buy it and the legal status matters little.

The only difference is you wish to spend tax dollar arresting the pot smokers you so detest, while I wish to save that money plus get taxes revenue that comes with legalization.

Plenty of pot smokers by the way are full time workers with families. They have a life, but I guess a "life" only counts if approved by you.



Tim A | 9:29 AM on Tuesday May 31 | [Reply to this comment](#)



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Such BS. Lets get done with it and legalize pot, but with heavy regs (esp. no imports or exports; no using of un-stamped pot).



g.r. r. | 9:18 AM on Tuesday May 31 | [Reply to this comment](#)



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Tom Massey is a liar and a limelight seeking hoaxter. Remember THIS little charade?

[http://www.denverpost.com/news/marijuan ... ?source=bb](http://www.denverpost.com/news/marijuan...?source=bb)

Romer is a conservatively compassionate neo-con chameleon . . . effectively camouflaged as a moderate Dem. He IS a hoax himself.



bill moss | 9:14 AM on Tuesday May 31 | [Reply to this comment](#)



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Dan L | 9:11 AM on Tuesday May 31 | [Reply to this comment](#)



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*f150man wrote:*Time for you pot heads to quit smoking and get a real life. Seems to me it is still a federal crime, no matter what Colorado says. So, are you people willing to let this state get cuts on federal funding just so you can smoke? By the way, smoking causes cancer, or did you not get the message? Does not matter what type of smoke is inhaled into your already filthy lungs, it can kill you. Then, I suppose your families will want to sue the government? You people are going down a road that leads to nowhere. This is not just about medical use and you all know it.

Lots of people use Vaporizers to avoid the smoking aspect. You sir, are a closed-minded bigot. Which federal funding has been cut? If you don't need the MMJ, don't use it. If people do need it, they should be able to use it (in proper environments). Get a clue and join the 21st century. You jumped to so many conclusions that your legs must be tired. To each his own....



Mark Walker | 8:59 AM on Tuesday May 31 | [Reply to this comment](#)



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It is pretty rare for politicians to overtly try to shut a legal industry down, but that is what they try to do secretly every day.

Politicians constantly regulate, contain, and kill industries to help their friends and donors. This outrage is nothing new.

I live within walking distance of about six pot shops, and there is no trouble at all. It is a big source of nothing.



Shout B | 8:42 AM on Tuesday May 31 | [Reply to this comment](#)



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fryfat wrote: Stop fooling around and make it illegal like a sane state.

Now we have high-out-of-their mind drivers, dope-smoking teachers with our children, and peddlers in every shopping center. Colorado is the laughing stock of America, thanks to the hippies that voted to legalize this devil weed.

Are you allowed to vote on your home planet?



bubba w | 8:38 AM on Tuesday May 31 | [Reply to this comment](#)



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Stop fooling around and make it illegal like a sane state.

Now we have high-out-of-their mind drivers, dope-smoking teachers with our children, and peddlers in every shopping center. Colorado is the laughing stock of America, thanks to the hippies that voted to legalize this devil weed.



william beamish | 8:35 AM on Tuesday May 31 | [Reply to this comment](#)



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So now we know the real reason the MMJ-hysterical DP endorsed Romer for Denver mayor.



Robby | 8:24 AM on Tuesday May 31 | [Reply to this comment](#)



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Advice to LAWMAKERS instead of curbing the GROWTH of this new Industry.....JUST.....GOOO.....WITH.....IT....

If we make it legal we can TAX it...Ohhhh more money for them to SPEND...Pandora is out...you cannot put it back.. You cant wish is away with rules and regulation.... The Peaople of Coloraad have spoken....Just Go With It....



Colorado Man | 8:21 AM on Tuesday May 31 | [Reply to this comment](#)



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mandos wrote: It's time to 'Just Say NO!' to the Pot Nazis who pretend they own the nation's moral compass.

They have bankrupted the country, and are now in the process of shutting down schools and libraries, to fund their prisons and jails.

Have we not had enough of their lies and deceit?

They DON'T care about your children.

Let me try to understand you: Are you saying that the "Pot Nazis" as you call them, have bankrupted the country, shut down schools, and defunded jails and prisons? Are you mad? What possible connection is there between pot use and economic collapse. If anything, taxing pot has helped Colorado with its deficit. Again, are you mad? Where do you guys come from? Jeees!

Or is it my bad? Were you being sarcastic/ironic? I hope so.



will walker | 8:07 AM on Tuesday May 31 | [Reply to this comment](#)



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How do you like them apples, Chris ("I'm going to shut 80% of you down") Romer?



J garcia | 7:58 AM on Tuesday May 31 | [Reply to this comment](#)



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