

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 17-0713.01 Michael Dohr x4347

HOUSE BILL 17-1034

HOUSE SPONSORSHIP

Pabon,

SENATE SPONSORSHIP

Baumgardner,

House Committees
Finance

Senate Committees
Business, Labor, & Technology

A BILL FOR AN ACT

101 CONCERNING LICENSING CHANGES TO THE MEDICAL MARIJUANA CODE
102 TO CONFORM WITH THE RETAIL MARIJUANA CODE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The retail marijuana code requires a license for retail marijuana business operators. The bill creates a corresponding medical marijuana business operator license. Under current law, a medical marijuana licensee may move his or her location within the city or county where the business is licensed upon approval of the local and state licensing authority. Under the retail marijuana code, a licensee can move his or her

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
March 3, 2017

HOUSE
3rd Reading Unamended
February 2, 2017

HOUSE
Amended 2nd Reading
February 1, 2017

business anywhere in Colorado upon approval of the state and local jurisdiction. The bill allows a medical marijuana licensee to move his or her business anywhere in Colorado upon approval of the state and local jurisdiction to conform with the retail marijuana code.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-104, **amend**
3 the introductory portion; and **add** (7.5) as follows:

4 **12-43.3-104. Definitions.** As used in this ~~article~~ ARTICLE 43.3,
5 unless the context otherwise requires:

6 (7.5) "MEDICAL MARIJUANA BUSINESS OPERATOR" MEANS AN
7 ENTITY OR PERSON WHO IS NOT AN OWNER AND WHO IS LICENSED TO
8 PROVIDE PROFESSIONAL OPERATIONAL SERVICES TO A MEDICAL
9 MARIJUANA ESTABLISHMENT FOR DIRECT REMUNERATION FROM THE
10 MEDICAL MARIJUANA ESTABLISHMENT.

11 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-202, **amend**
12 (2)(a) introductory portion, (2.5)(a) introductory portion, and
13 (2.5)(a)(I)(C); and **add** (2)(a)(XVIII.7) as follows:

14 **12-43.3-202. Powers and duties of state licensing authority -**
15 **rules.** (2) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
16 ~~(1)~~ SUBSECTION (1)(b) of this section may include, but need not be limited
17 to, the following subjects:

18 (XVIII.7) MEDICAL MARIJUANA BUSINESS OPERATOR LICENSEES,
19 INCLUDING THE FORM AND STRUCTURE OF ALLOWABLE AGREEMENTS
20 BETWEEN OPERATORS AND OWNERS.

21 (2.5) (a) Rules promulgated pursuant to ~~paragraph (b) of~~
22 ~~subsection (1)~~ SUBSECTION (1)(b) of this section must include, but need
23 not be limited to, the following subjects:

1 (I) (C) In the event that test results indicate the presence of
2 quantities of any substance determined to be injurious to health, the
3 licensee shall immediately quarantine the products and notify the state
4 licensing authority. THE STATE LICENSING AUTHORITY SHALL GIVE THE
5 LICENSEE AN OPPORTUNITY TO REMEDIATE THE PRODUCT IF THE TEST
6 INDICATED THE PRESENCE OF A MICROBIAL. IF THE LICENSEE IS UNABLE TO
7 REMEDIATE THE PRODUCT, the licensee shall document and properly
8 destroy the adulterated product.

9 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-401, **amend**
10 (1) introductory portion; and **add** (1)(f) as follows:

11 **12-43.3-401. Classes of licenses.** (1) For the purpose of
12 regulating the cultivation, manufacture, distribution, and sale of medical
13 marijuana, the state licensing authority in its discretion, upon application
14 in the prescribed form made to it, may issue and grant to the applicant a
15 license from any of the following classes, subject to the provisions and
16 restrictions provided by this ~~article~~ ARTICLE 43.3:

17 (f) MEDICAL MARIJUANA BUSINESS OPERATOR LICENSE.

18 **SECTION 4.** In Colorado Revised Statutes, 12-43.3-404, **amend**
19 (1)(b), (3), (8), and (9)(a) as follows:

20 **12-43.3-404. Medical marijuana-infused products**
21 **manufacturing license - rules.** (1) (b) A medical marijuana-infused
22 products manufacturer may cultivate its own medical marijuana if it
23 obtains a medical marijuana optional premises cultivation facility license,
24 ~~or~~ it may purchase medical marijuana from a ~~licensed~~ medical marijuana
25 center pursuant to subsection (3) of this section, OR IT MAY PURCHASE
26 MEDICAL MARIJUANA FROM ANOTHER MEDICAL MARIJUANA-INFUSED
27 PRODUCTS MANUFACTURER. A medical marijuana-infused products

1 manufacturer shall track all of its medical marijuana from the point it is
2 either transferred from its medical marijuana optional premises
3 cultivation facility or the point when it is delivered to the medical
4 marijuana-infused products manufacturer from a ~~licensed~~ medical
5 marijuana center, ~~or a licensed~~ A MEDICAL MARIJUANA-INFUSED
6 PRODUCTS MANUFACTURER, OR ONE OF THEIR medical marijuana optional
7 premises cultivation ~~facility~~ FACILITIES to the point of transfer to a
8 ~~licensed~~ medical marijuana center OR A MEDICAL MARIJUANA-INFUSED
9 PRODUCTS MANUFACTURER.

10 (3) A medical marijuana-infused products ~~licensee~~
11 MANUFACTURER shall have a written agreement or contract with a medical
12 marijuana center ~~licensee~~ OR A MEDICAL MARIJUANA-INFUSED PRODUCTS
13 MANUFACTURER, which contract shall at a minimum set forth the total
14 amount of medical marijuana obtained from ~~a~~ THE medical marijuana
15 center ~~licensee~~ OR THE MEDICAL MARIJUANA-INFUSED PRODUCTS
16 MANUFACTURER to be used in the manufacturing process, and the total
17 amount of medical marijuana-infused products to be manufactured from
18 the medical marijuana obtained from the medical marijuana center OR THE
19 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER. A medical
20 marijuana-infused products ~~licensee~~ MANUFACTURER shall not use
21 medical marijuana from more than five different medical marijuana
22 centers OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURERS IN
23 TOTAL in the production of one medical marijuana-infused product. The
24 medical marijuana-infused products ~~manufacturing~~ ~~licensee~~
25 MANUFACTURER may sell its products to any ~~licensed~~ medical marijuana
26 center OR TO ANY MEDICAL MARIJUANA-INFUSED PRODUCTS
27 MANUFACTURER.

1 (8) A medical marijuana-infused products licensee
2 MANUFACTURER that has an optional premises cultivation license shall not
3 sell any of the medical marijuana that it cultivates except for the medical
4 marijuana that is contained in medical marijuana-infused products.

5 (9) (a) A medical marijuana-infused products licensee
6 MANUFACTURER may not have more than five hundred medical marijuana
7 plants on its premises or at its optional premises cultivation operation;
8 except that the director of the division that regulates medical marijuana
9 may grant a waiver in excess of five hundred marijuana plants based on
10 the consideration of the factors in ~~paragraph (b) of this subsection (9)~~
11 ~~SUBSECTION (9)(b) OF THIS SECTION.~~

12 **SECTION 5.** In Colorado Revised Statutes, **add** 12-43.3-407 as
13 follows:

14 **12-43.3-407. Medical marijuana business operator license.** A
15 MEDICAL MARIJUANA BUSINESS OPERATOR LICENSE MAY BE ISSUED TO AN
16 ENTITY OR PERSON WHO OPERATES A MEDICAL MARIJUANA
17 ESTABLISHMENT LICENSED PURSUANT TO THIS ARTICLE 43.3, FOR AN
18 OWNER LICENSED PURSUANT TO THIS ARTICLE 43.3, AND WHO MAY
19 RECEIVE A PORTION OF THE PROFITS AS COMPENSATION.

20 **SECTION 6.** In Colorado Revised Statutes, 12-43.3-310, **amend**
21 (13) as follows:

22 **12-43.3-310. Licensing in general.** (13)(a) A licensee may move
23 his or her permanent location to any other place in ~~the same municipality~~
24 ~~or city and county for which the license was originally granted, or in the~~
25 ~~same county if the license was granted for a place outside the corporate~~
26 ~~limits of a municipality or city and county, but it shall be unlawful to~~
27 ~~cultivate, manufacture, distribute, or sell medical marijuana at any such~~

1 ~~place until permission to do so is granted by the state and local licensing~~
2 ~~authorities provided for in this article~~ COLORADO ONCE PERMISSION TO DO
3 SO IS GRANTED BY THE STATE AND LOCAL LICENSING AUTHORITIES
4 PROVIDED FOR IN THIS ARTICLE 43.3. UPON RECEIPT OF AN APPLICATION
5 FOR CHANGE OF LOCATION, THE STATE LICENSING AUTHORITY SHALL,
6 WITHIN SEVEN DAYS, SUBMIT A COPY OF THE APPLICATION TO THE LOCAL
7 LICENSING AUTHORITY TO DETERMINE WHETHER THE TRANSFER COMPLIES
8 WITH ALL LOCAL RESTRICTIONS ON CHANGE OF LOCATION.

9 (b) In permitting a change of location, the state and local licensing
10 authorities shall consider all reasonable restrictions that are or may be
11 placed upon the new location by the governing board or local licensing
12 authority of the municipality, city and county, or county, and any such
13 change in location shall be in accordance with all requirements of this
14 ~~article~~ ARTICLE 43.3 and rules promulgated pursuant to this ~~article~~
15 ARTICLE 43.3.

16 **SECTION 7. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.