

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-0437.02 Michael Dohr x4347

HOUSE BILL 17-1367

HOUSE SPONSORSHIP

Pabon and Arndt,

SENATE SPONSORSHIP

Jahn and Baumgardner,

House Committees

Agriculture, Livestock, & Natural Resources

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MARIJUANA RESEARCH AUTHORIZATION.**

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 bill creates a marijuana research and development license or endorsement to an existing license that allows the production and processing of marijuana for research purposes. An applicant must submit with the license application a description of the research to be conducted, and if the research involves a public entity or public money, then the scientific advisory commission shall review and assess the research project. A marijuana research and development licensee may only sell marijuana it grows to other marijuana research and development

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.

licensees. A marijuana research and development licensee may contract with a public research institution of higher education or another marijuana research and development licensee. The state licensing authority may promulgate rules related to marijuana research and development licenses.

The bill requires the state licensing authority to create a registration for researchers that authorizes a registered researcher to use a retail marijuana testing facility licensee to test marijuana or marijuana products for research purposes.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-202, **amend**
3 (2)(a) introductory portion, (2)(a)(XX), and (2)(a)(XXI); and **add**
4 (2)(a)(XXII) as follows:

5 **12-43.3-202. Powers and duties of state licensing authority -**
6 **rules.** (2) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
7 ~~(†) SUBSECTION (1)(b)~~ of this section may include, but need not be limited
8 to, the following subjects:

9 (XX) Such other matters as are necessary for the fair, impartial,
10 stringent, and comprehensive administration of this ~~article~~, and ARTICLE
11 43.3;

12 (XXI) The parameters and qualifications of an indirect beneficial
13 interest owner and a qualified limited passive investor; AND

14 (XXII) MARIJUANA RESEARCH AND DEVELOPMENT LICENSES AND
15 MARIJUANA RESEARCH AND DEVELOPMENT ENDORSEMENTS TO EXISTING
16 MEDICAL MARIJUANA CENTER, MEDICAL MARIJUANA-INFUSED PRODUCTS
17 MANUFACTURER, OR OPTIONAL PREMISES CULTIVATION LICENSES,
18 INCLUDING APPLICATION REQUIREMENTS; RENEWAL REQUIREMENTS,
19 INCLUDING WHETHER ADDITIONAL RESEARCH PROJECTS MAY BE ADDED OR
20 CONSIDERED; CONDITIONS FOR LICENSE REVOCATION; SECURITY
21 MEASURES TO ENSURE MARIJUANA IS NOT DIVERTED TO PURPOSES OTHER

1 THAN RESEARCH; THE AMOUNT OF PLANTS, USEABLE MARIJUANA,
2 MARIJUANA CONCENTRATES, OR MARIJUANA-INFUSED PRODUCTS A
3 LICENSEE MAY HAVE ON ITS PREMISES; LICENSEE REPORTING
4 REQUIREMENTS; THE CONDITIONS UNDER WHICH MARIJUANA GROWN BY
5 MARIJUANA PROCESSORS MAY BE DONATED TO MARIJUANA RESEARCH AND
6 DEVELOPMENT LICENSEES AND CONDITIONS UNDER WHICH PRODUCTS
7 DEVELOPED BY MARIJUANA RESEARCH AND DEVELOPMENT LICENSEES CAN
8 BE DONATED TO MARIJUANA PROCESSORS; AND ANY ADDITIONAL
9 REQUIREMENTS.

10 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-301, **amend**
11 (1)(d) and (1)(e); and **add** (1)(f) as follows:

12 **12-43.3-301. Local licensing authority - applications - licenses.**

13 (1) A local licensing authority may issue only the following medical
14 marijuana licenses upon payment of the fee and compliance with all local
15 licensing requirements to be determined by the local licensing authority:

16 (d) A medical marijuana testing facility license; ~~and~~

17 (e) A medical marijuana transporter license; AND

18 (f) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSE.

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

21 **12-43.3-401. Classes of licenses.** (1) For the purpose of
22 regulating the cultivation, manufacture, distribution, and sale of medical
23 marijuana, the state licensing authority in its discretion, upon application
24 in the prescribed form made to it, may issue and grant to the applicant a
25 license from any of the following classes, subject to the provisions and
26 restrictions provided by this ~~article~~ ARTICLE 43.3:

27 (e) Medical marijuana transporter license; AND

1 (f) MARIJUANA RESEARCH AND DEVELOPMENT LICENSE.

2 SECTION 4. In Colorado Revised Statutes, add 12-43.3-407 as
3 follows:

4 12-43.3-407. Marijuana research and development license -
5 marijuana research and development endorsement - definition. (1) A
6 MARIJUANA RESEARCH AND DEVELOPMENT LICENSE OR MARIJUANA
7 RESEARCH AND DEVELOPMENT ENDORSEMENT SHALL BE ISSUED TO A
8 PERSON TO PRODUCE, PROCESS, AND POSSESS MARIJUANA FOR THE
9 FOLLOWING LIMITED RESEARCH PURPOSES:

10 (a) TO TEST CHEMICAL POTENCY AND COMPOSITION LEVELS;

11 (b) TO CONDUCT CLINICAL INVESTIGATIONS OF
12 MARIJUANA-DERIVED MEDICINAL PRODUCTS;

13 (c) TO CONDUCT RESEARCH ON THE EFFICACY AND SAFETY OF
14 ADMINISTERING MARIJUANA AS PART OF MEDICAL TREATMENT;

15 (d) TO CONDUCT GENOMIC, HORTICULTURAL, OR AGRICULTURAL
16 RESEARCH; AND

17 (e) TO CONDUCT RESEARCH ON MARIJUANA-AFFILIATED PRODUCTS
18 OR SYSTEMS.

19 (2) (a) AS PART OF THE APPLICATION PROCESS FOR A MARIJUANA
20 RESEARCH AND DEVELOPMENT LICENSE OR MARIJUANA RESEARCH AND
21 DEVELOPMENT ENDORSEMENT, AN APPLICANT SHALL SUBMIT TO THE
22 STATE LICENSING AUTHORITY A DESCRIPTION OF THE RESEARCH THAT THE
23 APPLICANT INTENDS TO CONDUCT AND WHETHER THE RESEARCH WILL BE
24 CONDUCTED WITH A PUBLIC INSTITUTION OR USING PUBLIC MONEY. IF THE
25 RESEARCH WILL NOT BE CONDUCTED WITH A PUBLIC INSTITUTION OR WITH
26 PUBLIC MONEY, THE STATE LICENSING AUTHORITY SHALL GRANT THE
27 APPLICATION IF IT DETERMINES THAT THE APPLICATION MEETS THE

1 CRITERIA IN SUBSECTION (1) OF THIS SECTION.

2 (b) IF THE RESEARCH WILL BE CONDUCTED WITH A PUBLIC
3 INSTITUTION OR PUBLIC MONEY, THE SCIENTIFIC ADVISORY COUNCIL
4 ESTABLISHED IN SECTION 25-1.5-106.5 (3) SHALL REVIEW AN APPLICANT'S
5 RESEARCH PROJECT TO DETERMINE THAT IT MEETS THE REQUIREMENTS OF
6 SUBSECTION (1) OF THIS SECTION AND TO ASSESS THE FOLLOWING:

7 (I) THE PROJECT'S QUALITY, STUDY DESIGN, VALUE, OR IMPACT;

8 (II) WHETHER THE APPLICANT HAS THE APPROPRIATE PERSONNEL;
9 EXPERTISE; FACILITIES; INFRASTRUCTURE; FUNDING; AND HUMAN, ANIMAL,
10 OR OTHER APPROVALS IN PLACE TO SUCCESSFULLY CONDUCT THE PROJECT;
11 AND

12 (III) WHETHER THE AMOUNT OF MARIJUANA TO BE GROWN BY THE
13 APPLICANT IS CONSISTENT WITH THE PROJECT'S SCOPE AND GOALS.

14 (c) IF THE SCIENTIFIC ADVISORY COUNCIL DETERMINES THAT THE
15 RESEARCH PROJECT DOES NOT MEET THE REQUIREMENTS OF SUBSECTION
16 (1) OF THIS SECTION OR ASSESSES THE CRITERIA IN THIS SUBSECTION (2) TO
17 BE INADEQUATE, THE APPLICATION MUST BE DENIED.

18 (3) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE MAY
19 ONLY SELL MARIJUANA GROWN WITHIN ITS OPERATION TO OTHER
20 MARIJUANA RESEARCH AND DEVELOPMENT LICENSEES. THE STATE
21 LICENSING AUTHORITY MAY REVOKE A MARIJUANA RESEARCH AND
22 DEVELOPMENT LICENSE FOR VIOLATIONS OF THIS SUBSECTION (3).

23 (4) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR
24 ENDORSEE MAY CONTRACT TO PERFORM RESEARCH IN CONJUNCTION WITH
25 A PUBLIC HIGHER EDUCATION RESEARCH INSTITUTION OR ANOTHER
26 MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR ENDORSEE. ALL
27 RESEARCH PROJECTS MUST BE APPROVED BY THE SCIENTIFIC ADVISORY

1 COUNCIL AND MEET THE REQUIREMENTS OF SUBSECTION (1) OF THIS
2 SECTION.

3 (5) THE PRODUCTION, PROCESSING, POSSESSION, DELIVERY,
4 DONATION, AND SALE OF MARIJUANA IN ACCORDANCE WITH THIS SECTION
5 AND THE RULES ADOPTED PURSUANT TO IT, BY A MARIJUANA RESEARCH
6 AND DEVELOPMENT LICENSEE, IS NOT A CRIMINAL OR CIVIL OFFENSE
7 UNDER STATE LAW. A MARIJUANA RESEARCH AND DEVELOPMENT LICENSE
8 MUST BE ISSUED IN THE NAME OF THE APPLICANT AND MUST SPECIFY THE
9 LOCATION IN COLORADO AT WHICH THE MARIJUANA RESEARCH AND
10 DEVELOPMENT LICENSEE INTENDS TO OPERATE. A MARIJUANA RESEARCH
11 AND DEVELOPMENT LICENSEE SHALL NOT ALLOW ANY OTHER PERSON TO
12 USE THE LICENSE.

13 (6) IF THE RESEARCH CONDUCTED INCLUDES A PUBLIC INSTITUTION
14 OR PUBLIC MONEY, THE SCIENTIFIC ADVISORY COUNCIL SHALL REVIEW ANY
15 REPORTS MADE BY MARIJUANA RESEARCH PRODUCTION AND
16 DEVELOPMENT LICENSEES UNDER STATE LICENSING AUTHORITY RULE AND
17 PROVIDE THE STATE LICENSING AUTHORITY WITH ITS DETERMINATION ON
18 WHETHER THE RESEARCH PROJECT CONTINUES TO MEET RESEARCH
19 QUALIFICATIONS PURSUANT TO THIS SECTION.

20 **SECTION 5.** In Colorado Revised Statutes, 12-43.3-405, **amend**
21 (1) as follows:

22 **12-43.3-405. Medical marijuana testing facility license - rules.**

23 (1) A medical marijuana testing facility license may be issued to a person
24 who performs testing and research on medical marijuana for medical
25 marijuana licensees AND MARIJUANA FOR MARIJUANA RESEARCH AND
26 DEVELOPMENT LICENSEES. The facility may develop and test medical
27 marijuana products.

1 **SECTION 6.** In Colorado Revised Statutes, 12-43.4-202, **amend**
2 (3)(a) introductory portion; and **add** (3)(a)(IV.5) as follows:

3 **12-43.4-202. Powers and duties of state licensing authority -**
4 **rules.** (3) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
5 ~~(2)~~ SUBSECTION (2)(b) of this section must include, but need not be
6 limited to, the following subjects:

7 (IV.5) RULES EFFECTIVE ON OR BEFORE JANUARY 1, 2018,
8 PERMITTING INSTITUTIONS AND RESEARCHERS TO USE LICENSED RETAIL
9 MARIJUANA TESTING FACILITIES TO TEST MARIJUANA AND MARIJUANA
10 PRODUCTS, WHETHER OR NOT SUCH MARIJUANA OR MARIJUANA PRODUCTS
11 COMPRISE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS, FOR
12 PURPOSES OF MEDICAL OR SCIENTIFIC RESEARCH. THE RULES MUST
13 ADDRESS THE FOLLOWING:

14 (A) DELIVERY OF THE MARIJUANA AND MARIJUANA PRODUCTS TO
15 THE TESTING FACILITIES FOR TESTING;

16 (B) PROVIDING TESTING RESULTS TO THE RESEARCHERS AND
17 INVESTIGATORS UNDERTAKING SUCH RESEARCH;

18 (C) A MECHANISM FOR THE REGISTRATION OF THE RESEARCH
19 PROGRAMS WITH THE STATE LICENSING AUTHORITY AND A REGISTRATION
20 FEE THAT SHALL NOT EXCEED TWO HUNDRED FIFTY DOLLARS PER YEAR;

21 (D) THE INSTITUTIONS AND RESEARCHERS ELIGIBLE FOR
22 REGISTRATION UNDER THIS SUBSECTION (3)(a)(IV.5), INCLUDING ANY
23 INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-3.1-102
24 (5); ANY HOSPITAL, AS DEFINED IN SECTION 8-70-103 (14); AND ALL
25 RECIPIENTS OF GRANTS FOR MARIJUANA RESEARCH APPROVED BY THE
26 COLORADO BOARD OF HEALTH OR THE NATIONAL INSTITUTES OF HEALTH
27 AND THEIR RESPECTIVE AFFILIATED RESEARCHERS AND RESEARCH

1 CENTERS; AND

2 (E) ANY OTHER MATTERS NECESSARY FOR THE IMPLEMENTATION
3 OF THIS SUBSECTION (3)(a)(IV.5).

4 **SECTION 7.** In Colorado Revised Statutes, 12-43.4-405, **amend**
5 (1) as follows:

6 **12-43.4-405. Retail marijuana testing facility license - rules.**

7 (1) A retail marijuana testing facility license may be issued to a person
8 who performs testing and research on retail marijuana, ~~and~~ industrial
9 hemp as regulated by article 61 of title 35, ~~C.R.S.~~, AND SAMPLES
10 PROVIDED BY REGISTERED RESEARCH INSTITUTIONS AND PROGRAMS
11 PURSUANT TO SECTION 12-43.4-202 (3)(a)(IV.5). The facility may develop
12 and test retail marijuana products, ~~and~~ industrial hemp as regulated by
13 article 61 of title 35, ~~C.R.S.~~, AND SAMPLES PROVIDED BY REGISTERED
14 RESEARCH INSTITUTIONS AND PROGRAMS PURSUANT TO SECTION
15 12-43.4-202 (3)(a)(IV.5). Prior to performing testing on industrial hemp,
16 a facility shall verify that the person requesting the testing has received
17 a registration from the commissioner as required by section 35-61-104.
18 ~~C.R.S.~~

19 **SECTION 8. Act subject to petition - effective date.** This act
20 takes effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly (August
22 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within such period, then the act, item, section, or part will not take effect
26 unless approved by the people at the general election to be held in

1 November 2018 and, in such case, will take effect on the date of the
2 official declaration of the vote thereon by the governor.