A BILL FOR AN ACT

Concerning provisions to allow marijuana businesses to operate more efficiently.

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 allows a medical marijuana center and a retail marijuana store to apply for an endorsement that allows the center or store to deliver marijuana. The centers and stores with the delivery endorsement may use an employee or contract with a medical or retail marijuana transporter to make the deliveries. The endorsements for medical marijuana begin January 2, 2018, and the endorsements for retail marijuana begin January...
The bill allows the state licensing authority to authorize single-instance transfers of retail marijuana or retail marijuana products from a retail marijuana licensee to a medical marijuana licensee based on a business need due to a change in local, state, or federal law or enforcement policy. If granted, the transfer must be completed within 6 months of the date the transfer was approved.

Under current law, the department of revenue determines the average market rate for purposes of excise tax collection on retail marijuana every 6 months. The bill gives the authority to calculate the average market rate to the marijuana state licensing authority and requires calculation on a quarterly basis. The average market rate cannot include taxes paid on sales or transfers. The bill requires a separate average market rate for unprocessed marijuana for extraction that is lower than the average market rate for unprocessed marijuana for direct sale. The bill states that the average market rate should be used to calculate the excise tax on affiliated transactions, and the contract price should be used to calculate the excise tax on unaffiliated transactions.

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

SECTION 1. In Colorado Revised Statutes, 12-43.3-104, amend the introductory portion and (8.5) as follows:

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

(8.5) "Medical marijuana transporter" means an entity or person that is licensed to transport medical marijuana, MEDICAL MARIJUANA CONCENTRATE, and medical marijuana-infused products from one medical marijuana establishment to another medical marijuana establishment; DELIVER MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, AND MEDICAL MARIJUANA-INFUSED PRODUCTS FROM A MEDICAL MARIJUANA CENTER TO A PRIVATE RESIDENCE PURSUANT TO SECTION 12-43.3-402 (10); and to temporarily store the transported medical marijuana, MEDICAL MARIJUANA CONCENTRATE, and medical marijuana-infused products at its licensed premises, but is not authorized to sell medical marijuana,
MEDICAL MARIJUANA CONCENTRATE, or medical marijuana-infused products under any circumstances.

SECTION 2. In Colorado Revised Statutes, 12-43.3-202, amend (2)(a) introductory portion, (2)(a)(XVIII.6), (2)(a)(XX) and (2)(a)(XXI); and add (2)(a)(XXII) as follows:

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

(XVIII.6) Medical marijuana transporter licensed businesses, including requirements for drivers, including obtaining and maintaining a valid Colorado driver's license; insurance requirements; acceptable time frames for transport, storage, and delivery; requirements for transport vehicles; REQUIREMENTS FOR DELIVERIES TO PRIVATE RESIDENCES; and requirements for licensed premises;

(XX) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this article; and

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

(XXII) MEDICAL MARIJUANA DELIVERY AS DESCRIBED IN SECTION 12-43.3-402 (10), INCLUDING:

(A) ELIGIBILITY REQUIREMENTS FOR QUALIFIED LICENSED MEDICAL MARIJUANA CENTERS;

(B) TRAINING REQUIREMENTS FOR PERSONNEL OF MEDICAL MARIJUANA CENTERS THAT HOLD A DELIVERY ENDORSEMENT WHO WILL DELIVER MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO THIS SECTION:
(C) Procedures for proof of age identification and verification;

(D) Delivery vehicle requirements;

(E) Security requirements;

(F) Record-keeping requirements;

(G) Limits on the amounts that may be carried in a delivery vehicle; and

(H) Practices and procedures to ensure that the products delivered pursuant to this section are subject to the medical marijuana center's inventory.

SECTION 3. In Colorado Revised Statutes, 12-43.3-401, add (4) as follows:

12-43.3-401. Classes of licenses. (4) A medical marijuana licensee may accept a transfer of retail marijuana or retail marijuana products from a retail marijuana licensee authorized pursuant to the authority in section 12-43.4-401 (5). The transfer must be completed within six months of the date the transfer was approved.

SECTION 4. In Colorado Revised Statutes, 12-43.3-402, add (10) as follows:

12-43.3-402. Medical marijuana center license - repeal. (10) (a) There is authorized a medical marijuana delivery endorsement to a medical marijuana center license authorizing the holder to deliver to a private residence medical marijuana, medical marijuana concentrate, and medical marijuana-infused products to a registered medical marijuana card holder twenty-one years of age or older or to a card holder's parent.
OR GUARDIAN. THE MEDICAL MARIJUANA CENTER MAY USE AN EMPLOYEE OR CONTRACT WITH A LICENSED MEDICAL MARIJUANA TRANSPORTER TO MAKE THE DELIVERIES.

(b) THE MEDICAL MARIJUANA DELIVERY ENDORSEMENT IS VALID FOR ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE MEDICAL MARIJUANA CENTER LICENSE.

(c) THE STATE LICENSING AUTHORITY MAY ISSUE A DELIVERY ENDORSEMENT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A MEDICAL MARIJUANA CENTER LICENSE ISSUED PURSUANT TO THIS ARTICLE 43.3. THE STATE LICENSING AUTHORITY HAS DISCRETION IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A DELIVERY ENDORSEMENT.

(d) A LOCAL JURISDICTION MAY NOT PROHIBIT THE DELIVERY OF MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL MARIJUANA-INFUSED PRODUCTS BY A LICENSED ENTITY.

(e) (I) THE STATE LICENSING AUTHORITY SHALL BY RULE ESTABLISH AN APPLICATION FEE AND ANNUAL RENEWAL FEE FOR THE DELIVERY ENDORSEMENT.

(II) THE AMOUNT OF THE FEE MUST REFLECT THE EXPECTED COSTS OF ADMINISTERING THE ENDORSEMENT AND MAY BE SUBSEQUENTLY ADJUSTED BY THE STATE LICENSING AUTHORITY TO REFLECT THE ENDORSEMENT'S ACTUAL COSTS.

(f) (I) EACH DELIVERY ENDORSEMENT ISSUED PURSUANT TO THIS SECTION APPLIES TO ONLY ONE LICENSED MEDICAL MARIJUANA CENTER.

(II) IF A PERSON OR ENTITY THAT APPLIES FOR A DELIVERY ENDORSEMENT HOLDS MORE THAN ONE MEDICAL MARIJUANA CENTER LICENSE, A SEPARATE DELIVERY ENDORSEMENT IS REQUIRED FOR EACH
LICENSED MEDICAL MARIJUANA CENTER FROM WHICH THE HOLDER WISHES TO CONDUCT THE DELIVERY OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS; EXCEPT THAT, IF THE MEDICAL MARIJUANA CENTERS ARE UNDER COMMON OWNERSHIP, THEN ONLY ONE DELIVERY ENDORSEMENT IS REQUIRED.

(g) (I) THE DELIVERY OF MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, AND MEDICAL MARIJUANA-INFUSED PRODUCTS BY A MEDICAL MARIJUANA CENTER WITH A DELIVERY ENDORSEMENT MAY BE MADE ONLY TO A PERSON WHO PLACED THE ORDER AND WHO:

(A) IS A CURRENT REGISTRANT OF THE MEDICAL MARIJUANA PATIENT REGISTRY AND IS EIGHTEEN YEARS OF AGE OR OLDER OR THE PARENT OR GUARDIAN OF A MINOR WHO IS A CURRENT REGISTRANT;

(B) RECEIVES THE DELIVERY PURSUANT TO RULES; AND

(C) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

(II) ANY PERSON DELIVERING MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL MARIJUANA-INFUSED PRODUCTS MUST POSSESS A VALID OCCUPATIONAL LICENSE AND BE A CURRENT EMPLOYEE OF THE LICENSED MEDICAL MARIJUANA CENTER WITH A VALID DELIVERY ENDORSEMENT OR MEDICAL MARIJUANA TRANSPORTER AND MUST HAVE UNDERGONE TRAINING REGARDING PROOF OF AGE IDENTIFICATION AND VERIFICATION, INCLUDING ALL STATE LICENSING AUTHORITY ACCEPTABLE FORMS OF IDENTIFICATION.

(h) (I) IN ACCORDANCE WITH THIS SUBSECTION (10) AND RULES ADOPTED TO IMPLEMENT THIS SUBSECTION (10), A LICENSED MEDICAL MARIJUANA CENTER WITH A DELIVERY ENDORSEMENT MAY:

(A) RECEIVE AN ORDER OVER THE TELEPHONE OR INTERNET BY THE REGISTERED MEDICAL MARIJUANA PATIENT OR THE PARENT OR
GUARDIAN OF A MINOR WHO IS A CURRENT REGISTRANT OF THE MEDICAL MARIJUANA PATIENT REGISTRY FOR THE PURCHASE AND DELIVERY OF MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL MARIJUANA-INFUSED PRODUCTS NOT IN EXCESS OF THE AMOUNTS AUTHORIZED IN THIS ARTICLE 43.3;

(B) DELIVER MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, AND MEDICAL MARIJUANA-INFUSED PRODUCTS NOT IN EXCESS OF THE AMOUNTS AUTHORIZED IN THIS ARTICLE 43.3; AND

(C) PROCESS THE ORDER FOR MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL MARIJUANA-INFUSED PRODUCTS FOR DELIVERY THAT WILL OCCUR AND BE COMPLETED AT THE LICENSED MEDICAL MARIJUANA CENTER AND BE INCLUDED IN THAT DAYS POINT-OF-SALE REPORTING;

(II) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES REGARDING THE PERMITTED HOURS OF DELIVERY.

(i) (I) A PERSON PLACING AN ORDER FOR THE PURCHASE AND DELIVERY OF MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN ACCORDANCE WITH THIS SECTION MUST BE A CURRENT REGISTRANT OF THE MEDICAL MARIJUANA PATIENT REGISTRY OR THE PARENT OR GUARDIAN OF A MINOR WHO IS A CURRENT REGISTRANT WITH VALID IDENTIFICATION AS DEFINED BY THE STATE LICENSING AUTHORITY. THE REGISTERED PATIENT OR PARENT OR GUARDIAN OF A MINOR WHO IS A REGISTERED PATIENT MUST ALLOW THE MEDICAL MARIJUANA CENTER OR MEDICAL MARIJUANA TRANSPORTER DELIVERY PERSON TO INSPECT HIS OR HER VALID IDENTIFICATION FOR PROOF OF AGE.

(II) AT THE TIME OF THE ORDER, THE MEDICAL MARIJUANA CENTER
SHALL CONFIRM THE VALIDITY OF THE PERSON'S MEDICAL MARIJUANA
REGISTRY IDENTIFICATION NUMBER AS REQUIRED BY THE STATE LICENSING
AUTHORITY, AND THE MEDICAL MARIJUANA CENTER OR MEDICAL
MARIJUANA TRANSPORTER DELIVERY PERSON SHALL CONFIRM THE
PERSON'S POSSESSION OF THE MEDICAL MARIJUANA REGISTRY CARD THAT
MATCHES THE MEDICAL MARIJUANA REGISTRY NUMBER PROVIDED WITH
THE ORDER AT THE POINT OF DELIVERY.

(III) INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING
AND LABELING REQUIREMENTS REQUIRED BY THIS ARTICLE 43.3 OR RULES
PROMULGATED BY THE STATE LICENSING AUTHORITY APPLY TO THE
DELIVERY OF MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE,
AND MEDICAL MARIJUANA-INFUSED PRODUCTS TO REGISTERED PATIENTS
OR THE PARENTS OR LEGAL GUARDIANS OF REGISTERED PATIENTS.

(j) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR
CRIMINAL LAW FOR A MEDICAL MARIJUANA CENTER WITH A VALID
DELIVERY ENDORSEMENT, OR ITS PERSONNEL OR A MEDICAL MARIJUANA
TRANSPORTER OR ITS PERSONNEL WHO ARE TRAINED IN ACCORDANCE
WITH RULES ADOPTED PURSUANT TO THIS SECTION, TO POSSESS,
TRANSPORT, AND DELIVER MEDICAL MARIJUANA, MEDICAL MARIJUANA
CONCENTRATE, AND MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT
TO A DELIVERY ENDORSEMENT IN AMOUNTS THAT DO NOT EXCEED
AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

(k) (I) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING
ENDORSEMENTS ON JANUARY 2, 2018.

(II) THIS SUBSECTION (10)(k) IS REPEALED, EFFECTIVE JULY 1,
2018.

SECTION 5. In Colorado Revised Statutes, 12-43.3-406, amend
(1)(a) as follows:

12-43.3-406. **Medical marijuana transporter license.** (1) (a) A medical marijuana transporter license may be issued to a person to provide logistics, distribution, delivery to a private residence pursuant to section 12-43.3-402 (10), and storage of medical marijuana, medical marijuana concentrate, and medical marijuana-infused products. Notwithstanding any other provisions of law, a medical marijuana transporter license is valid for two years, but cannot be transferred with a change of ownership. A licensed medical marijuana transporter is responsible for the medical marijuana and medical marijuana-infused products once it takes control of the product.

**SECTION 6.** In Colorado Revised Statutes, 12-43.4-103, **amend** the introductory portion and (21.5) as follows:

12-43.4-103. **Definitions.** As used in this **article** article 43.4, unless the context otherwise requires:

(21.5) "Retail marijuana transporter" means an entity or person that is licensed to transport retail marijuana and retail marijuana products from one retail marijuana establishment to another retail marijuana establishment, deliver retail marijuana and retail marijuana products from a retail marijuana store to a private residence pursuant to section 12-43.4-402 (12), and to temporarily store the transported retail marijuana and retail marijuana products at its licensed premises, but is not authorized to sell retail marijuana or retail marijuana products under any circumstances.

**SECTION 7.** In Colorado Revised Statutes, 12-43.4-202, **amend** (3)(a) introductory portion, (3)(a)(XVII), and (3)(a)(XIX); and **add** (3)(a)(XXI) and (3)(a)(XXII) as follows:
12-43.4-202. Powers and duties of state licensing authority - rules. (3) (a) Rules promulgated pursuant to paragraph (b) of subsection (2) of this section must include, but need not be limited to, the following subjects:

(XVII) Retail marijuana transporter licensed businesses, including requirements for drivers, including obtaining and maintaining a valid Colorado driver's license; insurance requirements; acceptable time frames for transport, storage, and delivery; requirements for transport vehicles; requirements for deliveries to private residences; and

(XIX) Nonescorted visitors in limited access areas; and

(XXI) Single-instance transfers of retail marijuana or retail marijuana products from a retail marijuana licensee to a medical marijuana licensee based on a business need due to a change in local, state, or federal law or enforcement policy.

(XXII) Retail marijuana delivery as described in section 12-43.4-402 (12), including:

(A) Eligibility requirements for qualified licensed retail marijuana stores;

(B) Training requirements for personnel of retail marijuana stores that hold a delivery endorsement who will deliver retail marijuana or retail marijuana products pursuant to that section;

(C) Procedures for proof of age identification and verification;

(D) Delivery vehicle requirements;

(E) Security requirements;
(F) RECORD-KEEPING REQUIREMENTS;

(G) LIMITS ON THE AMOUNTS THAT MAY BE CARRIED IN A
DELIVERY VEHICLE;

(H) PRACTICES AND PROCEDURES TO ENSURE THAT THE PRODUCTS
DELIVERED PURSUANT TO THIS SECTION ARE SUBJECT TO THE RETAIL
MARIJUANA STORE’S INVENTORY; AND

(I) HOURS OF DELIVERY.

SECTION 8. In Colorado Revised Statutes, 12-43.4-401, add (5)
as follows:

12-43.4-401. Classes of licenses. (5) The state licensing
authority may authorize single-instance transfers of retail
marijuana or retail marijuana products from a retail marijuana
licensee to a medical marijuana licensee based on a business need
due to a change in local, state, or federal law or enforcement
policy. If granted, the transfer must be completed within six
months of the date the transfer was approved.

SECTION 9. In Colorado Revised Statutes, 12-43.4-402, add
(12) as follows:

12-43.4-402. Retail marijuana store license - definitions -
repeal. (12) (a) There is authorized a marijuana delivery
endorsement to a retail marijuana store license authorizing the
holder to deliver retail marijuana and retail marijuana
products to a person twenty-one years of age or older at a
private residence. The retail marijuana center may use an
employee or contract with a licensed medical marijuana
transporter to make the deliveries.

(b) The retail marijuana delivery endorsement is valid for
ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE
RETAIL MARIJUANA STORE LICENSE.

(c) The state licensing authority may issue a delivery
endorsement to a qualified applicant, as determined by the state
licensing authority, that holds a retail marijuana store license
issued pursuant to this article 43.4. The state licensing
authority has discretion in determining whether an applicant is
qualified to receive a delivery endorsement.

(d) A local jurisdiction may not prohibit the delivery of
retail marijuana or retail marijuana products by a licensed
entity.

(e) (I) The state licensing authority shall by rule
establish an application fee and annual renewal fee for the
delivery endorsement.

(II) The amount of the fee must reflect the expected costs
of administering the endorsement and may be subsequently
adjusted by the state licensing authority to reflect the
endorsement's actual costs.

(f) (I) Each delivery endorsement issued pursuant to this
section applies to only one licensed retail marijuana store.

(II) If a person or entity that applies for a delivery
endorsement holds more than one retail marijuana store
license, a separate delivery endorsement is required for each
licensed retail marijuana store from which the holder wishes to
conduct the delivery of retail marijuana and retail marijuana
products; except that, if the retail marijuana stores are under
common ownership, then only one delivery endorsement is
REQUIRED.

(g) (I) The delivery of retail marijuana or retail marijuana products by a retail marijuana store with a delivery endorsement may be made only to a private residence to the person who placed the order, who is twenty-one years of age or older and receives the delivery pursuant to rules, and who possesses an acceptable form of identification.

(II) Any person delivering retail marijuana or retail marijuana products must possess a valid occupational license and be a current employee of the licensed retail marijuana store with a valid delivery endorsement or medical marijuana transporter and must have undergone training regarding proof of age identification and verification, including all state licensing authority acceptable forms of identification.

(h) In accordance with this section and rules adopted to implement this section, a licensed retail marijuana store with a delivery endorsement may:

(I) Receive an order over the telephone or internet by a person twenty-one years of age or older for the purchase and delivery of retail marijuana or retail marijuana products not in excess of the amounts authorized in this article 43.4;

(II) Deliver retail marijuana and retail marijuana products not in excess of the amounts authorized in this article 43.4; and

(III) Process the order for retail marijuana or retail marijuana products for delivery that will occur and be completed at the licensed retail marijuana store and be
INCLUDED IN THAT DAYS POINT-OF-SALE REPORTING.

(i) (I) A person placing an order must allow the retail marijuana store delivery or retail marijuana transporter personnel to inspect his or her valid identification for proof of age.

(II) Inventory tracking, transportation, and packaging and labeling requirements required by this article 43.4 or rules promulgated by the state licensing authority apply to the delivery of retail marijuana or retail marijuana products.

(j) It is not a violation of any provision of state, civil, or criminal law for a retail marijuana store with a valid delivery endorsement, or its personnel or a retail marijuana transporter or its personnel who are trained in accordance with rules adopted pursuant to this section, to possess, transport, and deliver retail marijuana or retail marijuana products pursuant to a delivery endorsement in amounts that do not exceed amounts established by the state licensing authority.

(k) (I) The state licensing authority shall begin issuing endorsements on January 2, 2019.

(II) This subsection (12)(k) is repealed, effective July 1, 2019.

SECTION 10. In Colorado Revised Statutes, 12-43.4-406, amend (1)(a) as follows:

12-43.4-406. Retail marijuana transporter license. (1) (a) A retail marijuana transporter license may be issued to a person to provide logistics, distribution, delivery to a private residence pursuant to section 12-43.4-402 (12), and storage of retail marijuana and retail stocks.
marijuana products. Notwithstanding any other provisions of law, a retail
marijuana transporter license is valid for two years, but cannot be
transferred with a change of ownership. A licensed retail marijuana
transporter is responsible for the retail marijuana and retail marijuana
products once it takes control of the product.

the introductory portion and (1) as follows:

39-28.8-101. Definitions. Unless the context otherwise requires,
any terms not defined in this article shall have the meanings
set forth in article 26 of this title TITLE 39. As used in this article
28.8, unless the context otherwise requires:

(1) "Average market rate" means the average price, as determined
by the department STATE LICENSING AUTHORITY CREATED IN SECTION
12-43.4-201, on a biannual basis in six-month intervals QUARTERLY
basis, of all unprocessed retail marijuana that is sold or transferred from
retail marijuana cultivation facilities in the state to retail marijuana
product manufacturing facilities, retail marijuana stores, or other retail
marijuana cultivation facilities, LESS TAXES PAID ON THE SALES OR
TRANSFERS. An "average market rate" may be based on the purchaser or
transferee of unprocessed retail marijuana or on the nature of the
unprocessed retail marijuana that is sold or transferred. THE "AVERAGE
MARKET RATE" MUST INCLUDE A TIER THAT COVERS UNPROCESSED
MARIJUANA THAT IS ALLOCATED TO EXTRCTIONS, AND THE RATE FOR
THAT TIER MUST BE LOWER THAN THE RATE FOR UNPROCESSED MARIJUANA
THAT IS ALLOCATED FOR DIRECT SALE TO CONSUMERS.

SECTION 12. In Colorado Revised Statutes, 39-28.8-302, amend (1)(a)(I) as follows:
39-28.8-302. Retail marijuana - excise tax levied at first transfer from retail marijuana cultivation facility - tax rate.  

(1) (a) (I) Beginning January 1, 2014, Except as otherwise provided in subparagraph (II) of this paragraph (a) and paragraph (b) of this subsection (1) SUBSECTION (1)(b) OF THIS SECTION, there is levied and shall be collected, in addition to the sales tax imposed pursuant to part 1 of article 26 of this title TITLE 39 and part 2 of this article ARTICLE 28.8, a tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility, at a rate of fifteen percent of the average market rate of the unprocessed retail marijuana IF THE TRANSACTION IS BETWEEN AFFILIATED RETAIL MARIJUANA BUSINESS LICENSEES. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION, THERE IS LEVIED AND SHALL BE COLLECTED, IN ADDITION TO THE SALES TAX IMPOSED PURSUANT TO PART 1 OF ARTICLE 26 OF THIS TITLE 39 AND PART 2 OF THIS ARTICLE 28.8, A TAX ON THE FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA CULTIVATION FACILITY, AT A RATE OF FIFTEEN PERCENT OF THE CONTRACT PRICE FOR UNPROCESSED RETAIL MARIJUANA IF THE TRANSACTION IS BETWEEN UNAFFILIATED RETAIL MARIJUANA BUSINESS LICENSEES. The tax shall be imposed at the time when the retail marijuana cultivation facility first sells or transfers unprocessed retail marijuana from the retail marijuana cultivation facility to a retail marijuana product manufacturing facility, a retail marijuana store, or another retail marijuana cultivation facility.  

SECTION 13. In Colorado Revised Statutes, 29-2-114, amend (1)(a) and (2)(a) as follows:  

29-2-114. Retail marijuana excise tax - county - municipality
election. (1) (a) In addition to any sales tax imposed pursuant to section 29-2-103 and articles 26 and 28.8 of title 39, C.R.S., and in addition to the excise tax imposed pursuant to article 28.8 of title 39, C.R.S., each county in the state is authorized to levy, collect, and enforce a county excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility authorized by the county; except that a county is not authorized to levy, collect, and enforce a county excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility pursuant to this subsection (1) within any municipality that levies such an excise tax pursuant to subsection (2) of this section. The tax shall be imposed at the time when the retail marijuana cultivation facility first sells or transfers unprocessed retail marijuana from the retail marijuana cultivation facility to a retail marijuana product manufacturing facility, a retail marijuana store, or another retail marijuana cultivation facility. The tax rate imposed pursuant to this paragraph (a) SUBSECTION (1)(a) shall not exceed five percent of the average market rate, as determined by the department of revenue STATE LICENSING AUTHORITY CREATED IN SECTION 12-43.4-201 pursuant to section 39-28.8-101 (1), C.R.S., of the unprocessed retail marijuana.

(2) (a) In addition to any sales tax imposed pursuant to section 29-2-102 and articles 26 and 28.8 of title 39, C.R.S., and in addition to the excise tax imposed pursuant to article 28.8 of title 39, C.R.S., each municipality in the state is authorized to levy, collect, and enforce a municipal excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility. The tax shall be imposed at the time when the retail marijuana cultivation facility first
sells or transfers unprocessed retail marijuana from the retail marijuana
cultivation facility to a retail marijuana product manufacturing facility, a
retail marijuana store, or another retail marijuana cultivation facility. The
tax rate imposed by any statutory municipality pursuant to this paragraph
(a) subsection (2)(a) shall not exceed five percent of the average market
rate, as determined by the department of revenue. STATE LICENSING
AUTHORITY CREATED IN SECTION 12-43.4-201 pursuant to section
39-28.8-101 (1), C.R.S., of the unprocessed retail marijuana.

SECTION 14. In Colorado Revised Statutes, 32-1-1004, amend
(10)(b) as follows:

32-1-1004. Metropolitan districts - additional powers and
duties. (10) (b) If the boundaries of a metropolitan district are within a
county that imposes an additional excise tax on the first sale or transfer
of unprocessed retail marijuana by a retail marijuana cultivation facility
pursuant to section 29-2-114, C.R.S., the excise tax rate imposed by the
metropolitan district pursuant to this subsection (10) shall not exceed such
tax rate imposed by the county. In no event shall the tax rate imposed
pursuant to this subsection (10) exceed five percent of the average market
rate, as determined by the department of revenue. STATE LICENSING
AUTHORITY CREATED IN SECTION 12-43.4-201 pursuant to section
39-28.8-101 (1), C.R.S., of the unprocessed retail marijuana.

SECTION 15. Act subject to petition - effective date. This act
takes effect at 12:01 a.m. on the day following the expiration of the
ninety-day period after final adjournment of the general assembly (August
9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
referendum petition is filed pursuant to section 1 (3) of article V of the
state constitution against this act or an item, section, or part of this act
within such period, then the act, item, section, or part will not take effect
unless approved by the people at the general election to be held in
November 2018 and, in such case, will take effect on the date of the
official declaration of the vote thereon by the governor.