

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

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

LLS NO. 18-1033.01 Michael Dohr x4347

HOUSE BILL 18-1280

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Coram,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING REGULATORY PROCEDURES RELATED TO THE**
102 **APPOINTMENT OF A COURT APPOINTEE FOR A REGULATED**
103 **MARIJUANA BUSINESS, AND, IN CONNECTION THEREWITH,**
104 **MAKING AN APPROPRIATION.**

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>.)

Under current law, there are no provisions that specifically address what happens to a regulated marijuana business when a representative is appointed for the business. The bill requires a potential appointee to

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

SENATE
3rd Reading Unamended
April 26, 2018

SENATE
2nd Reading Unamended
April 25, 2018

HOUSE
3rd Reading Unamended
April 11, 2018

HOUSE
Amended 2nd Reading
April 10, 2018

certify to the court prior to the appointment that he or she is suitable to hold a marijuana business license. After the appointment, the appointee shall apply to the state licensing authority for a finding of suitability. The state licensing authority must provide the appointee with a temporary appointee registration after receiving notification of the initial appointment. The bill gives the state licensing authority rule-making authority regarding temporary appointee registrations.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-401, **add**
3 (1.5) as follows:

4 **12-43.3-401. Classes of licenses.** (1.5) (a) PRIOR TO ACCEPTING
5 A COURT APPOINTMENT AS A RECEIVER, PERSONAL REPRESENTATIVE,
6 EXECUTOR, ADMINISTRATOR, GUARDIAN, CONSERVATOR, TRUSTEE, OR
7 ANY OTHER SIMILARLY SITUATED PERSON TO TAKE POSSESSION OF,
8 OPERATE, MANAGE, OR CONTROL A LICENSED MEDICAL MARIJUANA
9 BUSINESS, THE PROPOSED APPOINTEE SHALL CERTIFY TO THE COURT THAT
10 THE PROPOSED APPOINTEE IS NOT PROHIBITED FROM BEING ISSUED A
11 MEDICAL MARIJUANA LICENSE PURSUANT TO SECTION 12-43.3-307 (1).
12 WITHIN THE TIME FRAME ESTABLISHED BY RULES PROMULGATED BY THE
13 STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-202
14 (2)(a)(XXIII), AN APPOINTEE SHALL NOTIFY THE STATE AND LOCAL
15 LICENSING AUTHORITIES OF THE APPOINTMENT AND SHALL APPLY TO THE
16 STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY.

17 (b) UPON NOTIFICATION OF AN APPOINTMENT REQUIRED BY
18 SUBSECTION (1.5)(a) OF THIS SECTION, THE STATE LICENSING AUTHORITY
19 SHALL ISSUE A TEMPORARY APPOINTEE REGISTRATION TO THE APPOINTEE
20 EFFECTIVE AS OF THE DATE OF THE APPOINTMENT. PURSUANT TO SECTIONS
21 12-43.3-202 (1)(a), 12-43.3-601, AND 24-4-104, THE APPOINTEE'S
22 TEMPORARY APPOINTEE REGISTRATION MAY BE SUSPENDED, REVOKED, OR

1 SUBJECT TO OTHER SANCTION IF THE STATE LICENSING AUTHORITY FINDS
2 THE APPOINTEE TO BE UNSUITABLE OR IF THE APPOINTEE FAILS TO COMPLY
3 WITH THIS ARTICLE 43.3 OR ARTICLE 43.4 OF THIS TITLE 12, THE RULES
4 PROMULGATED PURSUANT THERETO, OR ANY ORDER OF THE STATE
5 LICENSING AUTHORITY. IF AN APPOINTEE'S TEMPORARY APPOINTEE
6 REGISTRATION IS SUSPENDED OR REVOKED, THE APPOINTEE SHALL
7 IMMEDIATELY CEASE PERFORMING ALL ACTIVITIES FOR WHICH A LICENSE
8 IS REQUIRED BY THIS ARTICLE 43.3. FOR PURPOSES OF SECTION
9 12-43.3-601 (1), THE APPOINTEE IS DEEMED AN AGENT OF THE LICENSED
10 MEDICAL MARIJUANA BUSINESS.

11 (c) THE APPOINTEE SHALL INFORM THE COURT OF ANY ACTION
12 TAKEN AGAINST THE TEMPORARY APPOINTEE REGISTRATION BY THE STATE
13 LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-601 OR 24-4-104
14 WITHIN TWO BUSINESS DAYS OF ANY SUCH ACTION.

15 (d) UNLESS OTHERWISE PERMITTED BY THIS ARTICLE 43.3 AND
16 RULES PROMULGATED PURSUANT TO THIS ARTICLE 43.3, A PERSON SHALL
17 NOT TAKE POSSESSION OF, OPERATE, MANAGE, OR CONTROL A MEDICAL
18 MARIJUANA BUSINESS ON BEHALF OF ANOTHER EXCEPT BY COURT
19 APPOINTMENT AND IN ACCORDANCE WITH THIS SUBSECTION (1.5) AND
20 RULES PROMULGATED PURSUANT THERETO.

21 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-202, **add**
22 (2)(a)(XXIII) as follows:

23 **12-43.3-202. Powers and duties of state licensing authority -**
24 **rules.** (2) (a) Rules promulgated pursuant to subsection (1)(b) of this
25 section may include, but need not be limited to, the following subjects:

26 (XXIII) TEMPORARY APPOINTEE REGISTRATIONS ISSUED
27 PURSUANT TO SECTION 12-43.3-401 (1.5), INCLUDING OCCUPATIONAL AND

1 BUSINESS REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES;
2 NOTIFICATION REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL,
3 SUSPENSION, AND REVOCATION OF A TEMPORARY APPOINTEE
4 REGISTRATION; AND CONDITIONS OF REGISTRATION.

5 **SECTION 3.** In Colorado Revised Statutes, 12-43.4-401, **add**
6 (1.5) as follows:

7 **12-43.4-401. Classes of licenses.** (1.5) (a) PRIOR TO ACCEPTING
8 A COURT APPOINTMENT AS A RECEIVER, PERSONAL REPRESENTATIVE,
9 EXECUTOR, ADMINISTRATOR, GUARDIAN, CONSERVATOR, TRUSTEE, OR
10 ANY OTHER SIMILARLY SITUATED PERSON TO TAKE POSSESSION OF,
11 OPERATE, MANAGE, OR CONTROL A LICENSED RETAIL MARIJUANA
12 ESTABLISHMENT, THE PROPOSED APPOINTEE SHALL CERTIFY TO THE COURT
13 THAT THE PROPOSED APPOINTEE IS NOT PROHIBITED FROM BEING ISSUED
14 A RETAIL MARIJUANA LICENSE PURSUANT TO SECTION 12-43.4-306 (1).
15 WITHIN THE TIME FRAME ESTABLISHED BY RULES PROMULGATED BY THE
16 STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-202
17 (3)(a)(XXI), AN APPOINTEE SHALL NOTIFY THE STATE AND LOCAL
18 LICENSING AUTHORITIES OF THE APPOINTMENT AND SHALL APPLY TO THE
19 STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY.

20 (b) UPON NOTIFICATION OF AN APPOINTMENT REQUIRED BY
21 SUBSECTION (1.5)(a) OF THIS SECTION, THE STATE LICENSING AUTHORITY
22 SHALL ISSUE A TEMPORARY APPOINTEE REGISTRATION TO THE APPOINTEE
23 EFFECTIVE AS OF THE DATE OF THE APPOINTMENT. PURSUANT TO SECTIONS
24 12-43.4-202 (2)(a), 12-43.4-601, AND 24-4-104, THE APPOINTEE'S
25 TEMPORARY APPOINTEE REGISTRATION MAY BE SUSPENDED, REVOKED, OR
26 SUBJECT TO OTHER SANCTION IF THE STATE LICENSING AUTHORITY FINDS
27 THE APPOINTEE TO BE UNSUITABLE OR IF THE APPOINTEE FAILS TO COMPLY

1 WITH THIS ARTICLE 43.4 OR ARTICLE 43.3 OF THIS TITLE 12, THE RULES
2 PROMULGATED PURSUANT THERETO, OR ANY ORDER OF THE STATE
3 LICENSING AUTHORITY. IF AN APPOINTEE'S TEMPORARY APPOINTEE
4 REGISTRATION IS SUSPENDED OR REVOKED, THE APPOINTEE SHALL
5 IMMEDIATELY CEASE PERFORMING ALL ACTIVITIES FOR WHICH A LICENSE
6 IS REQUIRED BY THIS ARTICLE 43.4. FOR PURPOSES OF SECTION
7 12-43.4-601 (1), THE APPOINTEE IS DEEMED AN AGENT OF THE LICENSED
8 RETAIL MARIJUANA ESTABLISHMENT.

9 (c) THE APPOINTEE SHALL INFORM THE COURT OF ANY ACTION
10 TAKEN AGAINST THE TEMPORARY APPOINTEE REGISTRATION BY THE STATE
11 LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-601 OR 24-4-104
12 WITHIN TWO BUSINESS DAYS OF ANY SUCH ACTION.

13 (d) UNLESS OTHERWISE PERMITTED BY THIS ARTICLE 43.4 AND
14 RULES PROMULGATED PURSUANT TO THIS ARTICLE 43.4, A PERSON SHALL
15 NOT TAKE POSSESSION OF, OPERATE, MANAGE, OR CONTROL A RETAIL
16 MARIJUANA ESTABLISHMENT ON BEHALF OF ANOTHER EXCEPT BY COURT
17 APPOINTMENT AND IN ACCORDANCE WITH THIS SUBSECTION (1.5) AND
18 RULES PROMULGATED PURSUANT THERETO.

19 **SECTION 4.** In Colorado Revised Statutes, 12-43.4-202, **amend**
20 (3)(a)(XIX) and (3)(a)(XX); and **add** (3)(a)(XXI) as follows:

21 **12-43.4-202. Powers and duties of state licensing authority -**
22 **rules.** (3) (a) Rules promulgated pursuant to subsection (2)(b) of this
23 section must include, but need not be limited to, the following subjects:

24 (XIX) Nonescorted visitors in limited access areas; ~~and~~

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

27 (XXI) TEMPORARY APPOINTEE REGISTRATIONS ISSUED PURSUANT

1 TO SECTION 12-43.4-401 (1.5), INCLUDING OCCUPATIONAL AND BUSINESS
2 REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES; NOTIFICATION
3 REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL, SUSPENSION, AND
4 REVOCATION OF A TEMPORARY APPOINTEE REGISTRATION; AND
5 CONDITIONS OF REGISTRATION.

6 **SECTION 5. Appropriation.** (1) For the 2018-19 state fiscal
7 year, \$28,950 is appropriated to the department of revenue. This
8 appropriation is from the marijuana cash fund created in section
9 12-43.3-501 (1)(a), C.R.S. To implement this act, the department may use
10 this appropriation as follows:

11 (a) \$14,032 for tax administration IT system (GenTax) support;
12 and

13 (b) \$14,918 for the purchase of legal services.

14 (2) For the 2018-19 state fiscal year, \$14,918 is appropriated to
15 the department of law. This appropriation is from reappropriated funds
16 received from the department of revenue under subsection (1)(b) of this
17 section and is based on an assumption that the department of law will
18 require an additional 0.1 FTE. To implement this act, the department of
19 law may use this appropriation to provide legal services for the
20 department of revenue.

21 **SECTION 6. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, and safety.