

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

INTRODUCED

LLS NO. 19-0954.01 Jerry Barry x4341

HOUSE BILL 19-1230

HOUSE SPONSORSHIP

Singer and Melton, Coleman, Gray, Landgraf, Michaelson Jenet

SENATE SPONSORSHIP

Marble, Pettersen, Rodriguez

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MARIJUANA HOSPITALITY ESTABLISHMENTS.**

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>.)

If approval is received by both the state and local licensing authorities, the bill authorizes legal cannabis hospitality spaces in which legal cannabis may be consumed on site and retail cannabis hospitality and sales establishments in which retail marijuana, retail marijuana concentrate, and retail marijuana products may be sold and consumed on site in the establishment's hospitality space.

The bill establishes requirements and prohibitions for the new hospitality spaces and requires the state licensing authority to promulgate

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.

rules governing the new hospitality licenses and spaces.

The bill makes the hospitality spaces an exception to the "Colorado Clean Air Act" and makes conforming amendments.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-12-103, **amend**
3 (24); and **add** (3.6), (3.8), (5.6), (5.8), (15.5), and (21.4) as follows:

4 **44-12-103. Definitions.** As used in this article 12, unless the
5 context otherwise requires:

6 (3.6) "HOSPITALITY" MEANS THE OPERATION OF A LICENSED
7 FACILITY FOR THE CONSUMPTION OF LEGAL CANNABIS IN A HOSPITALITY
8 SPACE PURSUANT TO SECTION 44-12-408 OR FOR THE LIMITED SALE AND
9 CONSUMPTION OF RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE,
10 OR RETAIL MARIJUANA PRODUCTS PURSUANT TO SECTION 44-12-409.

11 (3.8) "HOSPITALITY SPACE" MEANS A PERMANENT OR TEMPORARY
12 FACILITY, WHICH MAY BE MOBILE, LICENSED TO OPERATE FOR THE
13 PURPOSE OF ON-SITE CONSUMPTION OF LEGAL CANNABIS OR LIMITED SALE
14 AND CONSUMPTION OF RETAIL MARIJUANA, RETAIL MARIJUANA
15 CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS PURSUANT TO STATE
16 AND LOCAL AUTHORITY APPROVAL.

17 (5.6) "LEGAL CANNABIS" MEANS RETAIL OR MEDICAL MARIJUANA,
18 RETAIL OR MEDICAL MARIJUANA CONCENTRATE, RETAIL MARIJUANA
19 PRODUCTS, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR ANY
20 MARIJUANA, MARIJUANA CONCENTRATE, OR MARIJUANA PRODUCT THAT
21 IS LEGAL UNDER SECTION 14 OR 16 OF ARTICLE XVIII OF THE STATE
22 CONSTITUTION.

23 (5.8) "LEGAL CANNABIS HOSPITALITY ESTABLISHMENT" MEANS A
24 FACILITY LICENSED TO PERMIT THE CONSUMPTION OF LEGAL CANNABIS

1 PURSUANT TO PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED
2 ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE
3 LICENSEE OPERATES.

4 (15.5) "OPERATE" MEANS THE EXERCISE OF THE PRIVILEGES OF THE
5 STATE LICENSING AUTHORITY PURSUANT TO PROVISIONS, LAWS, AND
6 RULES OF THE STATE LICENSING AUTHORITY AND THE PROVISIONS,
7 REQUIREMENTS, AND RULES OF THE ORDINANCE OR RESOLUTION OF THE
8 LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.

9 (21.4) "RETAIL CANNABIS HOSPITALITY AND SALES
10 ESTABLISHMENT" MEANS A FACILITY LICENSED TO PERMIT THE
11 CONSUMPTION OF ONLY THE RETAIL MARIJUANA, RETAIL MARIJUANA
12 CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS IT HAS SOLD PURSUANT
13 TO THE PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE
14 OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE
15 OPERATES.

16 (24) "Retail marijuana establishment" means a retail marijuana
17 store, a retail marijuana cultivation facility, a retail marijuana products
18 manufacturer, A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT, A RETAIL
19 CANNABIS HOSPITALITY AND SALES ESTABLISHMENT, or a retail marijuana
20 testing facility.

21 **SECTION 2.** In Colorado Revised Statutes, 44-12-202, **amend**
22 (1) introductory portion and (2)(a); and **add** (3)(a)(XXV) as follows:

23 **44-12-202. Powers and duties of state licensing authority -**
24 **rules.** (1) To ensure that no marijuana grown or processed by a retail
25 marijuana establishment is sold or otherwise transferred except by a retail
26 marijuana store, A RETAIL CANNABIS HOSPITALITY AND SALES
27 ESTABLISHMENT, or as authorized by law, the state licensing authority

1 shall develop and maintain a seed-to-sale tracking system that tracks retail
2 marijuana from either seed or immature plant stage until the marijuana or
3 retail marijuana product is sold to a customer at a retail marijuana store
4 OR TO A PATRON AT A RETAIL CANNABIS HOSPITALITY AND SALES
5 ESTABLISHMENT; except that retail marijuana or retail marijuana product
6 is PRODUCTS ARE no longer subject to the tracking system once the retail
7 marijuana has been:

8 (2) The state licensing authority has the authority to:

9 (a) Grant or refuse state licenses for the cultivation, manufacture,
10 distribution, sale, HOSPITALITY, and testing of retail marijuana and retail
11 marijuana products as provided by law; suspend, fine, restrict, or revoke
12 such licenses, whether active, expired, or surrendered, upon a violation
13 of this article 12 or any rule promulgated pursuant to this article 12; and
14 impose any penalty authorized by this article 12 or any rule promulgated
15 pursuant to this article 12. The state licensing authority may take any
16 action with respect to a registration pursuant to this article 12 as it may
17 with respect to a license pursuant to this article 12, in accordance with the
18 procedures established pursuant to this article 12.

19 (3) (a) Rules promulgated pursuant to subsection (2)(b) of this
20 section must include, but need not be limited to, the following subjects:

21 (XXV) THE IMPLEMENTATION OF LEGAL CANNABIS HOSPITALITY
22 AND RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
23 LICENSES, INCLUDING BUT NOT LIMITED TO A SALES LIMIT AND
24 RESTRICTIONS ON THE TYPES OF RETAIL MARIJUANA, RETAIL MARIJUANA
25 CONCENTRATE, AND RETAIL MARIJUANA PRODUCTS THAT MAY BE SOLD TO
26 A PATRON OF A RETAIL CANNABIS HOSPITALITY AND SALES
27 ESTABLISHMENT; EXCEPT THAT THE SALES LIMIT ESTABLISHED BY THE

1 STATE LICENSING AUTHORITY MUST NOT BE AN AMOUNT LESS THAN THREE
2 AND ONE-HALF GRAMS OF RETAIL MARIJUANA, ONE-QUARTER OF ONE
3 GRAM OF RETAIL MARIJUANA CONCENTRATE, OR A RETAIL MARIJUANA
4 PRODUCT CONTAINING NOT MORE THAN TEN MILLIGRAMS OF ACTIVE THC
5 AND THAT THE RESTRICTIONS ON THE TYPE OF ANY RETAIL MARIJUANA,
6 RETAIL MARIJUANA CONCENTRATE, OR RETAIL MARIJUANA PRODUCT
7 AUTHORIZED TO BE SOLD MUST INCLUDE THAT THE MARIJUANA,
8 CONCENTRATE, OR PRODUCT BE MEANT FOR CONSUMPTION IN THE
9 HOSPITALITY SPACE OF THE ESTABLISHMENT.

10 **SECTION 3.** In Colorado Revised Statutes, 44-12-401, **amend**
11 (1)(f); and **add** (1)(h) and (1)(i) as follows:

12 **44-12-401. Classes of licenses.** (1) For the purpose of regulating
13 the cultivation, manufacture, distribution, sale, and testing of retail
14 marijuana and retail marijuana products, the state licensing authority in
15 its discretion, upon receipt of an application in the prescribed form, may
16 issue and grant to the applicant a license from any of the following
17 classes, subject to the provisions and restrictions provided by this article
18 12:

19 (f) Retail marijuana transporter license; ~~and~~

20 (h) LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSE; AND

21 (i) RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
22 LICENSE.

23 **SECTION 4.** In Colorado Revised Statutes, 44-12-402, **add**
24 (2)(c) as follows:

25 **44-12-402. Retail marijuana store license - definition.** (2)(c) A
26 RETAIL MARIJUANA STORE MAY SELL RETAIL MARIJUANA AND RETAIL
27 MARIJUANA PRODUCTS TO A RETAIL CANNABIS HOSPITALITY AND SALES

1 ESTABLISHMENT LICENSEE.

2 **SECTION 5.** In Colorado Revised Statutes, 44-12-403, **amend**
3 (1) as follows:

4 **44-12-403. Retail marijuana cultivation facility license - rules**
5 **- definitions.** (1) A retail marijuana cultivation facility license may be
6 issued only to a person who cultivates retail marijuana for sale and
7 distribution to licensed retail marijuana stores, retail marijuana products
8 manufacturing licensees, RETAIL CANNABIS HOSPITALITY AND SALES
9 ESTABLISHMENT LICENSEES, or other retail marijuana cultivation facilities.

10 **SECTION 6.** In Colorado Revised Statutes, 44-12-404, **add**
11 (1)(e) as follows:

12 **44-12-404. Retail marijuana products manufacturing license**
13 **- rules - definitions.** (1) (e) A RETAIL MARIJUANA PRODUCTS
14 MANUFACTURER MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA
15 PRODUCTS TO A RETAIL CANNABIS HOSPITALITY AND SALES
16 ESTABLISHMENT.

17 **SECTION 7.** In Colorado Revised Statutes, **add** 44-12-408 and
18 44-12-409 as follows:

19 **44-12-408. Legal cannabis hospitality establishment license -**
20 **rules - definition.** (1) (a) ON AND AFTER JANUARY 1, 2020, SUBJECT TO
21 APPROVAL BY THE LOCAL JURISDICTION AND THE NECESSARY LICENSE
22 PURSUANT TO THIS SECTION, A LICENSED LEGAL CANNABIS HOSPITALITY
23 ESTABLISHMENT MAY OPERATE A HOSPITALITY SPACE IN WHICH LEGAL
24 CANNABIS MAY BE CONSUMED PURSUANT TO PROVISIONS OF THE
25 ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE
26 LICENSEE OPERATES.

27 (b) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT SHALL NOT

1 ENGAGE IN OR PERMIT THE SALE OR EXCHANGE FOR REMUNERATION OF
2 RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA
3 CONCENTRATE, RETAIL MARIJUANA PRODUCTS, OR MEDICAL
4 MARIJUANA-INFUSED PRODUCTS IN THE HOSPITALITY SPACE OF THE
5 ESTABLISHMENT.

6 (c) SUBJECT TO PROVISIONS OF THE ORDINANCE OR RESOLUTION OF
7 THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES, A LEGAL
8 CANNABIS HOSPITALITY ESTABLISHMENT MAY OPERATE AS A RETAIL FOOD
9 ESTABLISHMENT AS DEFINED IN SECTION 25-4-1602 (14).

10 (2)(a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF
11 LEGAL CANNABIS HOSPITALITY ESTABLISHMENTS WITHIN ITS JURISDICTION
12 THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED
13 OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY ACTS
14 THROUGH AN INITIATED MEASURE, THE PROPONENTS SHALL SUBMIT A
15 PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE REGISTERED
16 ELECTORS IN THE COUNTY OR CITY AND COUNTY.

17 (b) IF A MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY
18 AUTHORIZES THE OPERATION OF LEGAL CANNABIS HOSPITALITY
19 ESTABLISHMENTS, IT MAY ADOPT AN APPROVAL REQUIREMENT THAT
20 COMPLIES WITH THE REQUIREMENTS OF THIS ARTICLE 12. THE
21 MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY MAY REQUIRE
22 ADDITIONAL OR MORE STRINGENT REQUIREMENTS THAN THOSE PROVIDED
23 IN THIS SECTION.

24 (c) IF A MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY HAS
25 IN EFFECT AS OF THE EFFECTIVE DATE OF THIS SECTION AN ORDINANCE OR
26 RESOLUTION RELATED TO CONSUMPTION OF MARIJUANA, NOTHING IN THIS
27 SECTION RESTRICTS THE ENFORCEMENT OF THAT ORDINANCE OR

1 RESOLUTION, AND THE LOCAL JURISDICTION MAY, BY ORDINANCE OR
2 RESOLUTION, REQUIRE A BUSINESS OPERATING AS A PLACE FOR ON-SITE
3 MARIJUANA CONSUMPTION TO BE LICENSED PURSUANT TO THIS SECTION.

4 (3) (a) ON AND AFTER JANUARY 1, 2020, THE STATE LICENSING
5 AUTHORITY MAY ISSUE A LEGAL CANNABIS HOSPITALITY LICENSE
6 AUTHORIZING THE LICENSEE TO OPERATE A HOSPITALITY SPACE IN WHICH
7 LEGAL CANNABIS MAY BE CONSUMED PURSUANT TO THIS SECTION.

8 (b) APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION
9 MUST BE MADE TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED
10 AND FURNISHED BY THE STATE LICENSING AUTHORITY AND MUST SET
11 FORTH SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY
12 REQUIRE TO ENABLE THE STATE LICENSING AUTHORITY TO DETERMINE
13 WHETHER A STATE LICENSE SHOULD BE GRANTED. THE INFORMATION
14 MUST INCLUDE THE NAME AND ADDRESS OF THE APPLICANT AND ANY
15 OTHER INFORMATION REQUESTED BY THE STATE LICENSING AUTHORITY.
16 EACH APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF
17 SUCH PERSON OR PERSONS AS THE STATE LICENSING AUTHORITY MAY
18 PRESCRIBE. THE STATE LICENSE IS CONDITIONED UPON LOCAL LICENSING
19 AUTHORITY APPROVAL. AN APPLICANT IS PROHIBITED FROM OPERATING A
20 LEGAL CANNABIS HOSPITALITY ESTABLISHMENT WITHOUT STATE AND
21 LOCAL LICENSING AUTHORITY APPROVAL; EXCEPT THAT, ON OR BEFORE
22 DECEMBER 31, 2019, A BUSINESS OPERATING A LOCATION AT WHICH THE
23 CONSUMPTION OF CANNABIS IS PERMITTED PURSUANT TO A LOCAL
24 ORDINANCE OR RESOLUTION MAY CONTINUE TO OPERATE UNTIL A STATE
25 LICENSE IS APPROVED OR DENIED. IF THE APPLICANT DOES NOT RECEIVE
26 LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR AFTER THE
27 DATE OF STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE

1 EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE
2 LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE LOCAL LICENSING
3 AUTHORITY IS REVOKED, THE STATE LICENSING AUTHORITY SHALL REVOKE
4 THE STATE-ISSUED LICENSE.

5 (c) THE STATE LICENSING AUTHORITY SHALL DENY A STATE
6 LICENSE IF THE HOSPITALITY SPACE IN WHICH THE APPLICANT PROPOSES TO
7 CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS
8 ARTICLE 12 OR FOR REASONS SET FORTH IN SUBSECTION (3)(b) OF THIS
9 SECTION. THE STATE LICENSING AUTHORITY MAY REVOKE OR DENY A
10 LICENSE RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR
11 GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (3)(c), "GOOD CAUSE"
12 MEANS THAT:

13 (I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET,
14 OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR
15 PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO
16 THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR
17 REGULATIONS;

18 (II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH
19 ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE
20 PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY;
21 OR

22 (III) THE HOSPITALITY SPACE HAS BEEN OPERATED IN A MANNER
23 THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE
24 IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.

25 (d) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSE IS
26 VALID FOR A PERIOD TO BE SET PURSUANT TO THE PROVISIONS OF THE
27 LICENSE PERIOD NOT LONGER THAN ONE YEAR, AS APPROVED FOR THE

1 ESTABLISHMENT BY THE LOCAL JURISDICTION, AND SUCH LICENSE MAY BE
2 RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE
3 THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE
4 LICENSE.

5 (e) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF
6 ALL LEGAL CANNABIS HOSPITALITY ESTABLISHMENTS IN THE STATE AND
7 SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.

8 (4) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSEE
9 AND ITS EMPLOYEES SHALL NOT:

10 (a) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO
11 CONSUME ANY LEGAL CANNABIS IN THE HOSPITALITY SPACE OF THE
12 ESTABLISHMENT; OR

13 (b) ALLOW DISTRIBUTION OF FREE SAMPLES OF LEGAL CANNABIS
14 IN THE HOSPITALITY SPACE OF THE ESTABLISHMENT.

15 (5) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT AND ITS
16 EMPLOYEES SHALL ADMIT INTO THE HOSPITALITY SPACE OF THE
17 ESTABLISHMENT ONLY PATRONS WHO ARE TWENTY-ONE YEARS OF AGE OR
18 OLDER.

19 (6) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT AND ITS
20 EMPLOYEES:

21 (a) SHALL OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY,
22 AND RESPECTABLE MANNER AND SHALL NOT SERVE ANY PATRON WHO
23 DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

24 (b) MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR
25 ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF
26 INTOXICATION;

27 (c) SHALL NOT KNOWINGLY PERMIT ANY ACTIVITY OR ACTS OF

1 DISORDERLY CONDUCT AS DEFINED BY AND PROVIDED FOR IN SECTION
2 18-9-106;

3 (d) SHALL NOT PERMIT ROWDINESS, UNDUE NOISE, OR OTHER
4 DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO
5 THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED
6 ESTABLISHMENT IS LOCATED; AND

7 (e) SHALL NOT ALLOW THE USE OF ANY DEVICE USING ANY LIQUID
8 PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN
9 THE ESTABLISHMENT IF PROHIBITED BY LOCAL ORDINANCE OR
10 RESOLUTION.

11 (7) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT AND ALL OF
12 ITS EMPLOYEES WHO WORK AT THE LICENSED HOSPITALITY SPACE SHALL
13 SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING
14 PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101.

15 (8) (a) TO EDUCATE CONSUMERS OF LEGAL CANNABIS, A LEGAL
16 CANNABIS HOSPITALITY ESTABLISHMENT SHALL PROVIDE INFORMATION
17 REGARDING THE SAFE CONSUMPTION OF LEGAL CANNABIS. THE
18 MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED
19 PURSUANT TO SECTION 24-20-112 (4), SHALL ESTABLISH THE
20 REQUIREMENTS FOR SUCH INFORMATION. THE CONTENT OF THE
21 INFORMATION ON HEALTH AND SAFETY MUST BE BASED ON THE RELEVANT
22 RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED
23 PURSUANT TO SECTION 25-1.5-110.

24 (b) A LOCAL JURISDICTION MAY REQUIRE INFORMATION
25 REGARDING THE SAFE CONSUMPTION OF LEGAL CANNABIS IN ADDITION TO
26 THAT REQUIRED BY SUBSECTION (8)(a) OF THIS SECTION.

27 (c) THE INFORMATION REQUIRED BY SUBSECTIONS (8)(a) AND

1 (8)(b) OF THIS SECTION MUST BE MAINTAINED IN THE LICENSED
2 HOSPITALITY SPACE FOR INSPECTION BY STATE AND LOCAL LICENSING
3 AUTHORITIES AND LAW ENFORCEMENT.

4 (9) THE LEGAL CANNABIS HOSPITALITY ESTABLISHMENT SHALL
5 ENSURE THAT THE DISPLAY AND CONSUMPTION OF ANY LEGAL CANNABIS
6 IS NOT VISIBLE FROM OUTSIDE OF THE HOSPITALITY SPACE OF THE
7 ESTABLISHMENT.

8 (10) IF AN EMERGENCY REQUIRES LAW ENFORCEMENT,
9 FIREFIGHTERS, EMERGENCY MEDICAL SERVICE PROVIDERS, OR OTHER
10 PUBLIC SAFETY PERSONNEL TO ENTER A LEGAL CANNABIS HOSPITALITY
11 ESTABLISHMENT, EMPLOYEES OF THE ESTABLISHMENT SHALL CEASE ALL
12 OPERATION UNTIL SUCH PERSONNEL HAVE COMPLETED THEIR
13 INVESTIGATION OR SERVICES AND HAVE LEFT THE HOSPITALITY SPACE.

14 **44-12-409. Retail cannabis hospitality and sales establishment**
15 **license - rules - definition.** (1) (a) ON AND AFTER JANUARY 1, 2020,
16 SUBJECT TO APPROVAL BY THE LOCAL JURISDICTION AND THE NECESSARY
17 LICENSE PURSUANT TO THIS SECTION, A LICENSED RETAIL CANNABIS
18 HOSPITALITY AND SALES ESTABLISHMENT MAY OPERATE A HOSPITALITY
19 SPACE IN WHICH RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE,
20 AND RETAIL MARIJUANA PRODUCTS MAY BE CONSUMED PURSUANT TO
21 PROVISIONS OF THE ORDINANCE OR RESOLUTION OF THE LOCAL
22 JURISDICTION IN WHICH THE LICENSEE OPERATES.

23 (b) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
24 SHALL NOT ALLOW A PATRON TO BRING OR ENGAGE IN OR PERMIT THE SALE
25 OR EXCHANGE FOR REMUNERATION OF RETAIL OR MEDICAL MARIJUANA,
26 RETAIL OR MEDICAL MARIJUANA CONCENTRATE, RETAIL MARIJUANA
27 PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE

1 HOSPITALITY SPACE OF THE ESTABLISHMENT.

2 (c) SUBJECT TO PROVISIONS OF THE ORDINANCE OR RESOLUTION OF
3 THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES, A RETAIL
4 CANNABIS HOSPITALITY AND SALES ESTABLISHMENT MAY OPERATE AS A
5 RETAIL FOOD ESTABLISHMENT AS DEFINED IN SECTION 25-4-1602 (14).

6 (d) (I) A RETAIL CANNABIS HOSPITALITY AND SALES
7 ESTABLISHMENT MAY PURCHASE RETAIL MARIJUANA, RETAIL MARIJUANA
8 CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS FROM ANY RETAIL
9 MARIJUANA STORE, RETAIL MARIJUANA CULTIVATION FACILITY, OR RETAIL
10 MARIJUANA PRODUCTS MANUFACTURER.

11 (II) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
12 SHALL NOT ACCEPT ANY RETAIL MARIJUANA, RETAIL MARIJUANA
13 CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS FROM ANY RETAIL
14 MARIJUANA STORE, RETAIL MARIJUANA CULTIVATION FACILITY, OR RETAIL
15 MARIJUANA PRODUCTS MANUFACTURER UNLESS THE RETAIL MARIJUANA
16 STORE IS PROVIDED WITH EVIDENCE THAT ANY APPLICABLE EXCISE TAX
17 DUE, PURSUANT TO ARTICLE 28.8 OF TITLE 39, WAS PAID.

18 (III) THE RETAIL CANNABIS HOSPITALITY AND SALES
19 ESTABLISHMENT SHALL TRACK ALL OF ITS RETAIL MARIJUANA AND RETAIL
20 MARIJUANA PRODUCTS FROM THE POINT THAT THEY ARE TRANSFERRED
21 FROM A RETAIL MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA
22 PRODUCTS MANUFACTURER TO THE POINT OF SALE TO ITS PATRON.

23 (2) (a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF
24 RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENTS WITHIN ITS
25 JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH
26 A REFERRED OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY
27 ACTS THROUGH AN INITIATED MEASURE, THE PROPONENTS SHALL SUBMIT

1 A PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE
2 REGISTERED ELECTORS IN THE COUNTY OR CITY AND COUNTY.

3 (b) IF A MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY
4 AUTHORIZES THE OPERATION OF RETAIL CANNABIS HOSPITALITY AND
5 SALES ESTABLISHMENTS, IT MAY ADOPT AN APPROVAL REQUIREMENT THAT
6 COMPLIES WITH THE REQUIREMENTS OF THIS ARTICLE 12. THE
7 MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY MAY REQUIRE
8 ADDITIONAL OR MORE STRINGENT REQUIREMENTS THAN THOSE PROVIDED
9 IN THIS SECTION.

10 (3) ON AND AFTER JANUARY 1, 2020, THE STATE LICENSING
11 AUTHORITY MAY ISSUE A RETAIL CANNABIS HOSPITALITY AND SALES
12 ESTABLISHMENT LICENSE AUTHORIZING THE LICENSEE TO OPERATE A
13 HOSPITALITY SPACE IN WHICH RETAIL MARIJUANA, RETAIL MARIJUANA
14 CONCENTRATE, AND RETAIL MARIJUANA PRODUCTS MAY BE CONSUMED
15 AND SOLD PURSUANT TO THIS SECTION.

16 (4) (a) APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION
17 MUST BE MADE TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED
18 AND FURNISHED BY THE STATE LICENSING AUTHORITY AND MUST SET
19 FORTH SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY
20 REQUIRE TO ENABLE THE STATE LICENSING AUTHORITY TO DETERMINE
21 WHETHER A STATE LICENSE SHOULD BE GRANTED. THE INFORMATION
22 MUST INCLUDE THE NAME AND ADDRESS OF THE APPLICANT AND ANY
23 OTHER INFORMATION REQUESTED BY THE STATE LICENSING AUTHORITY.
24 EACH APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF
25 SUCH PERSON OR PERSONS AS THE STATE LICENSING AUTHORITY MAY
26 PRESCRIBE. THE STATE LICENSE IS CONDITIONED UPON LOCAL LICENSING
27 AUTHORITY APPROVAL. AN APPLICANT IS PROHIBITED FROM OPERATING A

1 RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT WITHOUT
2 STATE AND LOCAL LICENSING AUTHORITY APPROVAL. IF THE APPLICANT
3 DOES NOT RECEIVE LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE
4 YEAR AFTER THE DATE OF STATE LICENSING AUTHORITY APPROVAL, THE
5 STATE LICENSE EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION
6 IS DENIED BY THE LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE
7 LOCAL LICENSING AUTHORITY IS REVOKED, THE STATE LICENSING
8 AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

9 (b) THE STATE LICENSING AUTHORITY SHALL DENY A STATE
10 LICENSE IF THE HOSPITALITY SPACE IN WHICH THE APPLICANT PROPOSES TO
11 CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS
12 ARTICLE 12 OR FOR REASONS SET FORTH IN SUBSECTION (4)(a) OF THIS
13 SECTION. THE STATE LICENSING AUTHORITY MAY REVOKE OR DENY A
14 LICENSE RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR
15 GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (4)(b), "GOOD CAUSE"
16 MEANS THAT:

17 (I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET,
18 OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR
19 PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO
20 THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR
21 REGULATIONS;

22 (II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH
23 ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE
24 PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY;
25 OR

26 (III) THE HOSPITALITY SPACE HAS BEEN OPERATED IN A MANNER
27 THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE

1 IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.

2 (c) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
3 LICENSE IS VALID FOR A PERIOD TO BE SET PURSUANT TO THE PROVISIONS
4 OF THE LICENSE PERIOD APPROVED FOR THE ESTABLISHMENT BY THE
5 LOCAL JURISDICTION OF NO LONGER THAN ONE YEAR, AND SUCH LICENSE
6 MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH
7 BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR
8 THE LICENSE.

9 (d) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF
10 ALL RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENTS IN THE
11 STATE AND SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.

12 (5) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
13 LICENSEE AND ITS EMPLOYEES SHALL ADMIT INTO THE ESTABLISHMENT
14 ONLY PATRONS WHO ARE TWENTY-ONE YEARS OF AGE OR OLDER.

15 (6) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
16 LICENSEE AND ITS EMPLOYEES SHALL NOT:

17 (a) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO
18 CONSUME ANY MEDICAL OR RETAIL MARIJUANA, MEDICAL OR RETAIL
19 MARIJUANA CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR
20 RETAIL MARIJUANA PRODUCTS IN THE HOSPITALITY SPACE; OR

21 (b) ALLOW DISTRIBUTION OF FREE SAMPLES OF MEDICAL OR RETAIL
22 MARIJUANA, MEDICAL OR RETAIL MARIJUANA CONCENTRATE, MEDICAL
23 MARIJUANA-INFUSED PRODUCTS, OR RETAIL MARIJUANA PRODUCTS IN THE
24 HOSPITALITY SPACE OF THE ESTABLISHMENT.

25 (7) (a) A RETAIL CANNABIS HOSPITALITY AND SALES
26 ESTABLISHMENT SHALL LIMIT A PATRON TO ONE TRANSACTION OF NO
27 MORE THAN THE SALES LIMIT SET BY THE STATE LICENSING AUTHORITY BY

1 RULE PURSUANT TO SECTION 44-12-202 (3)(a)(XXV). A RETAIL CANNABIS
2 HOSPITALITY AND SALES ESTABLISHMENT SHALL NOT ENGAGE IN MULTIPLE
3 SALES TRANSACTIONS TO THE SAME PATRON DURING THE SAME BUSINESS
4 DAY WHEN THE ESTABLISHMENT'S EMPLOYEE KNOWS OR REASONABLY
5 SHOULD HAVE KNOWN THAT THE SALES TRANSACTION WOULD RESULT IN
6 THE PATRON POSSESSING MORE THAN THE SALES LIMIT ESTABLISHED BY
7 THE STATE LICENSING AUTHORITY. A PATRON MAY LEAVE THE
8 ESTABLISHMENT WITH A PRODUCT THAT HE OR SHE DOES NOT CONSUME
9 ONLY IF, PRIOR TO LEAVING THE HOSPITALITY SPACE, THE RETAIL
10 MARIJUANA, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA
11 PRODUCT IS PACKAGED AND LABELED PURSUANT TO THE REQUIREMENTS
12 OF SECTION 44-12-202 (3)(a)(VIII) AND (3)(d)(II).

13 (b) WHEN A PATRON LEAVES A RETAIL CANNABIS HOSPITALITY
14 AND SALES ESTABLISHMENT HOSPITALITY SPACE, THE ESTABLISHMENT
15 SHALL DESTROY ANY REMAINING UNCONSUMED RETAIL MARIJUANA,
16 RETAIL MARIJUANA CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS
17 THAT ARE NOT TAKEN BY A PATRON PURSUANT TO SUBSECTION (7)(a) OF
18 THIS SECTION.

19 (8) A LICENSED RETAIL CANNABIS HOSPITALITY AND SALES
20 ESTABLISHMENT AND ITS EMPLOYEES:

21 (a) SHALL OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY,
22 AND RESPECTABLE MANNER AND SHALL NOT SERVE ANY PATRON WHO
23 DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

24 (b) MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR
25 ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF
26 INTOXICATION;

27 (c) SHALL NOT KNOWINGLY PERMIT ANY ACTIVITY OR ACTS OF

1 DISORDERLY CONDUCT AS DEFINED BY AND PROVIDED FOR IN SECTION
2 18-9-106;

3 (d) SHALL NOT PERMIT ROWDINESS, UNDUE NOISE, OR OTHER
4 DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO
5 THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED
6 ESTABLISHMENT IS LOCATED; AND

7 (e) SHALL NOT ALLOW THE USE OF ANY DEVICE USING ANY LIQUID
8 PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN
9 THE ESTABLISHMENT IF PROHIBITED BY LOCAL ORDINANCE OR
10 RESOLUTION.

11 (9) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
12 AND ALL OF ITS EMPLOYEES WHO WORK AT THE HOSPITALITY SPACE SHALL
13 SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING
14 PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101.

15 (10) (a) TO EDUCATE CONSUMERS OF LEGAL CANNABIS, A RETAIL
16 CANNABIS HOSPITALITY AND SALES ESTABLISHMENT SHALL PROVIDE
17 INFORMATION REGARDING THE SAFE CONSUMPTION OF LEGAL CANNABIS.
18 THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED
19 PURSUANT TO SECTION 24-20-112 (4), SHALL ESTABLISH THE
20 REQUIREMENTS FOR SUCH INFORMATION. THE CONTENT OF THE
21 INFORMATION ON HEALTH AND SAFETY MUST BE BASED ON THE RELEVANT
22 RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED
23 PURSUANT TO SECTION 25-1.5-110.

24 (b) A LOCAL JURISDICTION MAY REQUIRE INFORMATION
25 REGARDING THE SAFE CONSUMPTION OF RETAIL MARIJUANA CONCENTRATE
26 OR RETAIL MARIJUANA PRODUCTS IN ADDITION TO THAT REQUIRED BY
27 SUBSECTION (10)(a) OF THIS SECTION.

1 (c) THE INFORMATION REQUIRED BY SUBSECTIONS (10)(a) AND
2 (10)(b) OF THIS SECTION MUST BE MAINTAINED IN THE HOSPITALITY SPACE
3 FOR INSPECTION BY STATE AND LOCAL LICENSING AUTHORITIES AND LAW
4 ENFORCEMENT.

5 (11) THE RETAIL CANNABIS HOSPITALITY AND SALES
6 ESTABLISHMENT SHALL ENSURE THAT THE DISPLAY AND CONSUMPTION OF
7 ANY RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE, OR RETAIL
8 MARIJUANA PRODUCT IS NOT VISIBLE FROM OUTSIDE OF THE
9 ESTABLISHMENT.

10 (12) IF AN EMERGENCY REQUIRES LAW ENFORCEMENT,
11 FIREFIGHTERS, EMERGENCY MEDICAL SERVICE PROVIDERS, OR OTHER
12 PUBLIC SAFETY PERSONNEL TO ENTER A RETAIL CANNABIS HOSPITALITY
13 AND SALES ESTABLISHMENT, EMPLOYEES OF THE ESTABLISHMENT SHALL
14 CEASE ALL OPERATION UNTIL SUCH PERSONNEL HAVE COMPLETED THEIR
15 INVESTIGATION OR SERVICES AND HAVE LEFT THE HOSPITALITY SPACE.

16 **SECTION 8.** In Colorado Revised Statutes, 44-12-901, **amend**
17 (1) as follows:

18 **44-12-901. Unlawful acts - exceptions.** (1) Except IN THE
19 HOSPITALITY SPACE OF A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT
20 LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL CANNABIS
21 HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO
22 SECTION 44-12-409 OR as otherwise provided in this article 12, it is
23 unlawful for a person to consume retail marijuana or retail marijuana
24 products in a licensed retail marijuana establishment, and it is unlawful
25 for a retail marijuana licensee to allow retail marijuana or retail marijuana
26 products to be consumed upon its licensed premises.

27 **SECTION 9.** In Colorado Revised Statutes, 18-18-406, **add**

1 (5)(b)(IV) as follows:

2 **18-18-406. Offenses related to marijuana and marijuana**
3 **concentrate - definitions.** (5) (b) (IV) EXCEPT AS DESCRIBED IN SECTION
4 44-12-408 (10) OR 44-12-409 (11), PUBLIC DISPLAY, CONSUMPTION, OR
5 USE OF UP TO ONE OUNCE OF RETAIL MARIJUANA OR ONE-QUARTER OF ONE
6 GRAM OF RETAIL MARIJUANA CONCENTRATE IN A HOSPITALITY SPACE
7 LICENSED AS A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT PURSUANT
8 TO SECTION 44-12-408 OR A RETAIL CANNABIS HOSPITALITY AND SALES
9 ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409 IS NOT A
10 VIOLATION OF THIS SUBSECTION (5).

11 **SECTION 10.** In Colorado Revised Statutes, 25-14-205, **amend**
12 (1) introductory portion, (1)(i), and (1)(k)(I)(C); and **add** (1)(l) as
13 follows:

14 **25-14-205. Exceptions to smoking restrictions.** (1) This part 2
15 ~~shall~~ DOES not apply to:

16 (i) A private, nonresidential building on a farm or ranch, as
17 defined in section 39-1-102, ~~C.R.S.~~, that has annual gross income of less
18 than five hundred thousand dollars; ~~or~~

19 (k) (I) The areas of assisted living facilities:

20 (C) To which access is restricted to the residents or their guests;

21 OR

22 (l) THE HOSPITALITY SPACE OF A LEGAL CANNABIS HOSPITALITY
23 ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL
24 CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT
25 TO SECTION 44-11-409.

26 **SECTION 11. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2020 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.