

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 19-0365.02 Michael Dohr x4347

SENATE BILL 19-224

SENATE SPONSORSHIP

Gonzales and Fenberg, Tate

HOUSE SPONSORSHIP

Herod,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF THE REGULATED MARIJUANA**
102 **PROGRAMS, AND, IN CONNECTION THEREWITH, IMPLEMENTING**
103 **THE RECOMMENDATIONS CONTAINED IN THE 2018 SUNSET**
104 **REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES AND**
105 **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/>.)

Sunset Process - Senate Finance Committee. Sections 1 to 44 of the bill make changes to the retail and medical marijuana codes and

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
Amended 3rd Reading
April 22, 2019

SENATE
Amended 2nd Reading
April 19, 2019

continue those codes until 2028 with a sunset review prior to 2028. The bill requires industrial hemp that is used in medical marijuana-infused products or retail marijuana products to be tested prior to manufacturing the product. The bill allows retail marijuana stores to sell industrial hemp consumables. The bill requires the state licensing authority to adopt equivalency standards for medical marijuana products and concentrate by July 1, 2020.

Under current law, there is an exception to the "Colorado Food and Drug Act" for medical marijuana but not one for retail marijuana. The bill repeals the exception for medical marijuana.

The bill streamlines the statutes related to license renewal by:

- ! Eliminating statutory timelines for local licensing and allowing local ordinance to determine the application timelines;
- ! Allowing a licensee that has submitted a timely renewal application to operate until the application is acted upon; and
- ! Repealing statutes related to the order in which state and local licenses must be processed.

Under current law, there are 2 separate licenses related to research: A research and development license and the research and development cultivation license. The bill merges the 2 licenses into one.

Current law allows medical research facilities and pesticide manufacturers to obtain medical marijuana without a license. The bill repeals that provision.

The bill gives the state licensing authorities the ability to seek injunctive relief and investigatory subpoenas from district courts.

Under current law, there is a broad grant of confidentiality to records and information related to licensees. The bill provides similar protections to applicants, patients, and customers. The bill also makes the following information that was confidential available to the public: Final agency actions, testing records on an aggregated and de-identified basis, applicant and licensee demographic information on an aggregated and de-identified basis, and enforcement forms and compliance checklists.

In both the medical marijuana code and the retail marijuana code, there are unlawful acts sections that create criminal violations, but the provisions in the 2 codes are not the same. The bill makes the unlawful acts consistent.

The bill makes it an unlawful act to engage in a regulated marijuana business without the proper license and to adulterate or alter samples of marijuana or marijuana products to circumvent testing requirements.

Under current law, a person is prohibited from being licensed if the person discharged a sentence for a felony within 5 years of applying for licensure or discharged a drug felony conviction within 10 years of

applying for licensure. The bill changes the law so a person is prohibited from licensure if the person was convicted of a felony within 3 years of applying for licensure or is currently serving a sentence for a felony or a deferred judgment or sentence.

The bill creates the following new categories of ownership: Controlling beneficial owner, passive beneficial owner, and indirect financial interest holder.

Under current law, a patient who has submitted an application to be on the registry but has not received a patient card must present a copy of the application and a certified mail return receipt when purchasing medical marijuana at a center. The bill repeals the requirement for a certified mail return receipt and requires proof of application.

Under current law, all fine revenue in the medical marijuana and retail marijuana programs goes to the marijuana cash fund. Generally, state fine revenue is credited to the general fund. The bill directs all fine revenue to the general fund.

The bill directs the state licensing authorities to track information on license disqualifications based on criminal history.

The bill makes technical changes and repeals obsolete provisions.

Sections 45 and 47 of the bill combine the laws for regulated medical marijuana and retail marijuana, currently separate articles in title 44, into one article in title 44.

Sections 48 to 76 of the bill make conforming amendments.

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

2 == ===== ==

3 **SECTION 1.** In Colorado Revised Statutes, 44-11-1001, **amend**
4 (1) as follows:

5 **44-11-1001. Sunset review - repeal of article.** (1) This article
6 11 is repealed, effective September 1, ~~2019~~ 2028.

7 **SECTION 2.** In Colorado Revised Statutes, 44-12-1001, **amend**
8 (1) as follows:

9 **44-12-1001. Sunset review - repeal of article.** (1) This article
10 12 is repealed, effective September 1, ~~2019~~ 2028.

11 **SECTION 3.** In Colorado Revised Statutes, 24-34-104, **repeal**
12 (17)(a)(XIII) and (17)(a)(XV); and **add** (29)(a)(V) and (29)(a)(VI) as

1 follows:

2 **24-34-104. General assembly review of regulatory agencies**
3 **and functions for repeal, continuation, or reestablishment - legislative**
4 **declaration - repeal.** (17) (a) The following agencies, functions, or both,
5 are scheduled for repeal on September 1, 2019:

6 (XIII) ~~The regulation of persons licensed in accordance with~~
7 ~~article 11 of title 44;~~

8 (XV) ~~The regulation of persons licensed pursuant to article 12 of~~
9 ~~title 44.~~

10 (29) (a) The following agencies, functions, or both, are scheduled
11 for repeal on September 1, 2028:

12 (V) (A) THE MEDICAL MARIJUANA CODE CREATED IN ARTICLE 11
13 OF TITLE 44.

14 (B) THIS SUBSECTION (29)(a)(V) IS REPEALED, EFFECTIVE
15 JANUARY 1, 2020.

16 (VI) (A) THE RETAIL MARIJUANA CODE CREATED IN ARTICLE 12 OF
17 TITLE 44.

18 (B) THIS SUBSECTION (29)(a)(VI) IS REPEALED, EFFECTIVE
19 JANUARY 1, 2020.

20

21 SECTION 4. In Colorado Revised Statutes, 18-18-102, add
22 (20.3) as follows:

23 18-18-102. Definitions. As used in this article 18:

24 (20.3) (a) "OPEN" OR "OPENLY" MEANS OBSERVABLE BY THE
25 PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC.

26 (b) "PUBLIC" OR "PUBLICLY" MEANS A PLACE TO WHICH THE
27 PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC HAS ACCESS WITHOUT

1 RESTRICTION, INCLUDING BUT NOT LIMITED TO STREETS AND HIGHWAYS,
2 TRANSPORTATION FACILITIES, PLACES OF AMUSEMENT, PARKS,
3 PLAYGROUNDS, AND THE COMMON AREAS OF BUILDINGS AND OTHER
4 FACILITIES.

5 (c) "OPEN AND PUBLIC" OR "OPENLY AND PUBLICLY" DOES NOT
6 INCLUDE ANY ACTIVITY OCCURRING ON PRIVATE RESIDENTIAL PROPERTY
7 BY THE OCCUPANT OR HIS OR HER GUESTS.

8 **SECTION 5.** In Colorado Revised Statutes, **add with amended**
9 **and relocated provisions**, as those provisions will exist on July 1, 2019,
10 article 10 to title 44 as follows:

11 **ARTICLE 10**

12 **Regulated Marijuana**

13 **PART 1**

14 **COLORADO MARIJUANA CODE**

15 **44-10-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 10 IS
16 THE "COLORADO MARIJUANA CODE".

17 **44-10-102. Legislative declaration.** (1) [**Formerly 44-11-102 (1)**
18 **and similar to 44-12-102 (1)**] The general assembly hereby declares that
19 this ~~article 11 shall be~~ ARTICLE 10 IS deemed an exercise of the police
20 powers of the state for the protection of the economic and social welfare
21 and the health, peace, and morals of the people of this state.

22 (2) [**Formerly 44-11-102 (2)**] The general assembly further
23 declares that it is unlawful under state law to cultivate, manufacture,
24 distribute, ~~or~~ sell, OR TEST medical marijuana AND MEDICAL MARIJUANA
25 PRODUCTS, except in compliance with the terms, conditions, limitations,
26 and restrictions in section 14 of article XVIII of the state constitution and
27 this ~~article 11~~ ARTICLE 10 or when acting as a primary caregiver in

1 compliance with the terms, conditions, limitations, and restrictions of
2 section 25-1.5-106.

3 (3) [Formerly 44-12-102 (2)] The general assembly further
4 declares that it is unlawful under state law to cultivate, manufacture,
5 distribute, or sell retail marijuana and retail marijuana products, except in
6 compliance with the terms, conditions, limitations, and restrictions in
7 section 16 of article XVIII of the state constitution and this ~~article 12~~
8 ARTICLE 10.

9 **44-10-103. Definitions. [Formerly 44-11-104 introductory**
10 **portion and similar to 44-12-103 introductory portion]** As used in this
11 ~~article 11~~ ARTICLE 10, unless the context otherwise requires:

12 (1) "ACCELERATOR CULTIVATOR" MEANS A PERSON QUALIFIED FOR
13 AN ACCELERATOR LICENSE, LICENSED TO CULTIVATE ON THE PREMISES OF
14 A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE AND DISTRIBUTE
15 RETAIL MARIJUANA TO RETAIL MARIJUANA PRODUCTS MANUFACTURERS
16 AND RETAIL MARIJUANA STORES.

17 (2) "ACCELERATOR-ENDORSED LICENSEE" MEANS A RETAIL
18 MARIJUANA CULTIVATION FACILITY LICENSEE OR RETAIL MARIJUANA
19 PRODUCTS MANUFACTURER LICENSEE WHO HAS, PURSUANT TO RULE, BEEN
20 ENDORSED TO HOST AND OFFER TECHNICAL AND CAPITAL SUPPORT TO AN
21 ACCELERATOR LICENSEE OPERATING ON ITS PREMISES.

22 (3) "ACCELERATOR LICENSEE" MEANS A PERSON WHO HAS RESIDED
23 IN A CENSUS TRACT DESIGNATED BY THE OFFICE OF ECONOMIC
24 DEVELOPMENT AND INTERNATIONAL TRADE AS AN OPPORTUNITY ZONE FOR
25 FIVE OF THE TEN YEARS PRIOR TO APPLICATION AND HAS NOT BEEN THE
26 BENEFICIAL OWNER OF A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10.

27 (4) "ACCELERATOR MANUFACTURER" MEANS A PERSON QUALIFIED

1 FOR AN ACCELERATOR LICENSE, LICENSED TO MANUFACTURE AND
2 DISTRIBUTE RETAIL MARIJUANA CONCENTRATES AND RETAIL MARIJUANA
3 PRODUCTS ON THE PREMISES OF AN ACCELERATOR-ENDORSED
4 MANUFACTURING LICENSEE.

5 (5) "AFFILIATE" OF A PERSON OR "AFFILIATED" WITH A SPECIFIED
6 PERSON MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE
7 OR MORE INTERMEDIARIES, CONTROLS OR IS CONTROLLED BY, OR IS UNDER
8 COMMON CONTROL WITH, THE PERSON SPECIFIED.

9 (6) "CONTROL", "CONTROLS", "CONTROLLED", "CONTROLLING",
10 "CONTROLLED BY", AND "UNDER COMMON CONTROL WITH", MEANS THE
11 POSSESSION, DIRECT OR INDIRECT, OF THE POWER TO DIRECT OR CAUSE THE
12 DIRECTION OF THE MANAGEMENT OR POLICIES OF A PERSON, WHETHER
13 THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT, OR
14 OTHERWISE.

15 (7) "CONTROLLING BENEFICIAL OWNER" MEANS A PERSON THAT:

16 (a) IS THE BENEFICIAL OWNER OF FIVE PERCENT OR MORE OF THE
17 SECURITIES OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
18 BUSINESS;

19 (b) IS AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS, RETAIL
20 MARIJUANA BUSINESS, OR OF ANY OTHER CONTROLLING BENEFICIAL
21 OWNER OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
22 BUSINESS AND INCLUDES WITHOUT LIMITATION ANY OFFICER, DIRECTOR,
23 MANAGING MEMBER, GENERAL PARTNER, OR TRUSTEE; OR

24 (c) IS OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE
25 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, EXCEPT
26 AS AUTHORIZED BY SECTION 44-10-506.

27 (8) [Formerly 44-12-103 (2)] "Escorted" means appropriately

1 checked into ~~the~~ A limited access area and accompanied by a person
2 licensed by the state licensing authority; except that trade craftspeople not
3 normally engaged in the business of cultivating, processing, ~~or~~ selling, OR
4 TESTING ~~retail~~ REGULATED marijuana need not be accompanied on a
5 full-time basis, but only reasonably monitored.

6 (9) [Formerly 44-12-103 (3)] "Executive director" means the
7 executive director of the department of revenue.

8 (10) [Formerly 44-11-104 (1.7) and similar to 44-12-103
9 (3.3)] "Fibrous waste" means any roots, stalks, and stems from a medical
10 OR RETAIL marijuana plant.

11 (11) [Formerly 44-11-104 (2)] "Good cause", for purposes of
12 refusing or denying a license renewal, reinstatement, or initial license
13 issuance, means:

14 (a) The licensee or applicant has violated, does not meet, or has
15 failed to comply with any of the terms, conditions, or provisions of this
16 ~~article~~ ~~or~~ ARTICLE 10; any rules promulgated pursuant to this ~~article~~ ~~or~~
17 ARTICLE 10; or any supplemental local law, rules, or regulations;

18 (b) The licensee or applicant has failed to comply with any special
19 terms or conditions that were placed on its license pursuant to an order of
20 the state or local licensing authority;

21 (c) The licensed premises have been operated in a manner that
22 adversely affects the public health or welfare or the safety of the
23 immediate neighborhood in which the establishment is located.

24 (12) [Formerly 44-12-103 (4) and similar to 44-11-104
25 (3)] "Immature plant" means a nonflowering marijuana plant that is no
26 taller than eight inches and no wider than eight inches; is produced from
27 a cutting, clipping, or seedling; and is in a cultivating container.

1 (13) [Formerly 44-11-104 (4) and 44-12-103 (5)] "Indirect
2 beneficial interest owner" means a holder of a permitted economic
3 interest, a recipient of a commercially reasonable royalty associated with
4 the use of intellectual property by a licensee, a licensed employee who
5 receives a share of the profits from an employee benefit plan, a qualified
6 institutional investor, or another similarly situated person or entity as
7 determined by the state licensing authority. "INDIRECT FINANCIAL
8 INTEREST HOLDER" MEANS A PERSON THAT IS NOT AN AFFILIATE OF A
9 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND IS
10 NOT OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE MEDICAL
11 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND THAT:

12 (a) HOLDS A COMMERCIALY REASONABLE ROYALTY INTEREST IN
13 EXCHANGE FOR A MEDICAL MARIJUANA BUSINESS'S OR RETAIL MARIJUANA
14 BUSINESS'S USE OF THE PERSON'S INTELLECTUAL PROPERTY;

15 (b) HOLDS A PERMITTED ECONOMIC INTEREST THAT WAS ISSUED
16 PRIOR TO JANUARY 1, 2020, AND THAT HAS NOT BEEN CONVERTED INTO AN
17 OWNERSHIP INTEREST; OR

18 (c) IS A CONTRACT COUNTERPARTY WITH A MEDICAL MARIJUANA
19 BUSINESS OR RETAIL MARIJUANA BUSINESS THAT HAS A DIRECT NEXUS TO
20 THE CULTIVATION, MANUFACTURE, SALE, OR TESTING OF REGULATED
21 MARIJUANA, INCLUDING BUT NOT LIMITED TO A LEASE OF REAL PROPERTY
22 ON WHICH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
23 BUSINESS OPERATES, A LEASE OF EQUIPMENT USED IN THE CULTIVATION,
24 MANUFACTURING, SALE, OR TESTING OF REGULATED MARIJUANA, A
25 SECURED OR UNSECURED FINANCING AGREEMENT WITH THE MEDICAL
26 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR A SECURITY
27 CONTRACT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL

1 MARIJUANA BUSINESS; EXCEPT THAT THE CONTRACT SHALL NOT
2 COMPENSATE THE CONTRACT COUNTERPARTY WITH A PERCENTAGE OF
3 REVENUE OR PROFITS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
4 MARIJUANA BUSINESS.

5 (14) [Formerly 44-11-104 (4.2) and similar to 44-12-103
6 (5.2)] "Industrial fiber products" means intermediate or finished products
7 made from fibrous waste that are not intended for human or animal
8 consumption and are not usable or recognizable as medical OR RETAIL
9 marijuana. Industrial fiber products include but are not limited to cordage,
10 paper, fuel, textiles, bedding, insulation, construction materials, compost
11 materials, and industrial materials.

12 (15) "INDUSTRIAL HEMP" MEANS A PLANT OF THE GENUS CANNABIS
13 AND ANY PART OF THE PLANT, WHETHER GROWING OR NOT, CONTAINING
14 A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN
15 THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS.

16 (16) "INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCT
17 CONTAINING INDUSTRIAL HEMP THAT:

- 18 (a) IS A COSMETIC, FOOD, FOOD ADDITIVE, OR HERB;
- 19 (b) IS FOR HUMAN USE OR CONSUMPTION;
- 20 (c) CONTAINS ANY PART OF THE HEMP PLANT, INCLUDING
21 NATURALLY OCCURRING CANNABINOIDS, COMPOUNDS, CONCENTRATES,
22 EXTRACTS, ISOLATES, RESINS, OR DERIVATIVES; AND
- 23 (d) CONTAINS A DELTA-9 TETRAHYDROCANNABINOL
24 CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON
25 A DRY WEIGHT BASIS.

26 (17) [Formerly 44-11-104 (5) and similar to 44-12-103
27 (6)] "License" means to grant a license or registration pursuant to this

1 ~~article 11~~ ARTICLE 10.

2 (18) [Formerly 44-12-103 (7) and similar to 44-11-104
3 (6)] "Licensed premises" means the premises specified in an application
4 for a license under this ~~article 12, which~~ ARTICLE 10 THAT are owned or
5 in possession of the licensee and within which the licensee is authorized
6 to cultivate, manufacture, distribute, sell, or test ~~retail~~ REGULATED
7 marijuana and ~~retail-marijuana~~ REGULATED MARIJUANA products in
8 accordance with this ~~article 12~~ ARTICLE 10.

9 (19) [Formerly 44-11-104 (7) and similar to 44-12-103
10 (8)] "Licensee" means a person licensed or registered pursuant to this
11 ~~article 11~~ ARTICLE 10.

12 (20) [Formerly 44-12-105 and similar to 44-11-105] "LIMITED
13 ACCESS AREAS", subject to the provisions of ~~section 44-12-701, a limited~~
14 ~~access area shall be~~ SECTION 44-10-1001, MEANS a building, room, or
15 other contiguous area upon the licensed premises where ~~retail~~ REGULATED
16 marijuana and ~~retail-marijuana~~ REGULATED MARIJUANA products are
17 cultivated, MANUFACTURED, stored, weighed, packaged, SOLD, POSSESSED
18 FOR SALE, or tested, under control of the licensee, with access limited to
19 only those persons licensed by the state licensing authority and those
20 visitors escorted by a person licensed by the state licensing authority. All
21 areas of ingress or egress to limited access areas ~~shall~~ MUST be clearly
22 identified as such by a sign as designated by the state licensing authority.

23 (21) [Formerly 44-12-103 (9)] "Local jurisdiction" means a
24 locality as defined in section 16 (2)(e) of article XVIII of the state
25 constitution.

26 (22) [Formerly 44-12-103 (10) and similar to 44-11-104
27 (8)] "Local licensing authority" means ~~for any local jurisdiction that has~~

1 ~~chosen to adopt a local licensing requirement in addition to the state~~
2 ~~licensing requirements of this article 12,~~ an authority designated by
3 municipal, county, or city and county charter, ordinance, or resolution, or
4 the governing body of a municipality or city and county, or the board of
5 county commissioners of a county if no such authority is designated.

6 (23) [Formerly 44-11-104 (9) and 44-12-103 (11)] "Location"
7 means a particular parcel of land that may be identified by an address or
8 other descriptive means.

9 (24) [Formerly 44-12-103 (12)] "Marijuana accessories" has the
10 same meaning as defined in section 16 (2)(g) of article XVIII of the state
11 constitution.

12 (25) [Formerly 44-11-104 (10) and similar to 44-12-103
13 (13)] "Marijuana-based workforce development or training program"
14 means a program designed to train individuals to work in the ~~legal~~
15 ~~medical~~ REGULATED marijuana industry operated by an entity licensed
16 under this ~~article~~ ~~+~~ ARTICLE 10 or by a school that is authorized by the
17 private occupational school division.

18 (26) [Formerly 44-11-104 (11)] "Medical marijuana" means
19 marijuana that is grown and sold pursuant to the provisions of this ~~article~~
20 ~~+~~ ARTICLE 10 and for a purpose authorized by section 14 of article XVIII
21 of the state constitution but shall not be considered a nonprescription drug
22 for purposes of section 12-42.5-102 (21) or 39-26-717, or an
23 over-the-counter medication for purposes of section 25.5-5-322. IF THE
24 CONTEXT REQUIRES, MEDICAL MARIJUANA INCLUDES MEDICAL MARIJUANA
25 CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS.

26 (27) "MEDICAL MARIJUANA BUSINESS" MEANS ANY OF THE
27 FOLLOWING ENTITIES LICENSED PURSUANT TO THIS ARTICLE 10: A

1 MEDICAL MARIJUANA STORE, A MEDICAL MARIJUANA CULTIVATION
2 FACILITY, A MEDICAL MARIJUANA PRODUCTS MANUFACTURER, A MEDICAL
3 MARIJUANA TESTING FACILITY, A MARIJUANA RESEARCH AND
4 DEVELOPMENT LICENSEE, A MEDICAL MARIJUANA BUSINESS OPERATOR, OR
5 A MEDICAL MARIJUANA TRANSPORTER.

6 (28) [Formerly 44-11-104 (12)] "Medical marijuana business
7 operator" means an entity or person ~~who~~ THAT is not an owner and ~~who~~
8 THAT is licensed to provide professional operational services to a medical
9 marijuana ~~establishment~~ BUSINESS for direct remuneration from the
10 medical marijuana ~~establishment~~ BUSINESS.

11 (29) [Formerly 44-11-104 (19)] "~~Optional premises cultivation~~
12 ~~operation~~" "MEDICAL MARIJUANA CULTIVATION FACILITY" means a person
13 licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10 to operate a business as
14 described in ~~section 44-11-403~~ SECTION 44-10-502.

15 (30) [Formerly 44-11-104 (15)] "Medical ~~marijuana-infused~~
16 MARIJUANA product" means a product infused with medical marijuana
17 that is intended for use or consumption other than by smoking, including
18 but not limited to edible products, ointments, and tinctures. ~~These~~
19 ~~products, when manufactured or sold by a licensed medical marijuana~~
20 ~~center or a medical marijuana-infused products manufacturer, shall not be~~
21 ~~considered a food or drug for the purposes of the "Colorado Food and~~
22 ~~Drug Act", part 4 of article 5 of title 25.~~

23 (31) [Formerly 44-11-104 (16)] "Medical ~~marijuana-infused~~
24 MARIJUANA products manufacturer" means a person licensed pursuant to
25 this ~~article~~ ~~11~~ ARTICLE 10 to operate a business as described in ~~section~~
26 ~~44-11-404~~ SECTION 44-10-503.

27 (32) [Formerly 44-11-104 (13)] "Medical marijuana center

1 STORE" means a person licensed pursuant to this ~~article 11~~ ARTICLE 10 to
2 operate a business as described in ~~section 44-11-402~~ SECTION 44-10-501
3 that sells medical marijuana to registered patients or primary caregivers
4 as defined in section 14 of article XVIII of the state constitution, but is
5 not a primary caregiver.

6 (33) [Formerly 44-11-104 (14)] "Medical marijuana transporter"
7 means an entity or person that is licensed to transport medical marijuana
8 and medical ~~marijuana-infused~~ MARIJUANA products from one medical
9 marijuana ~~establishment~~ BUSINESS to another medical marijuana
10 ~~establishment~~ BUSINESS and to temporarily store the transported medical
11 marijuana and medical ~~marijuana-infused~~ MARIJUANA products at its
12 licensed premises, but is not authorized to sell medical marijuana or
13 medical ~~marijuana-infused~~ MARIJUANA products under any circumstances.

14 (34) [Formerly 44-12-103 (14)] "Mobile distribution center"
15 means any vehicle other than a common passenger light-duty vehicle with
16 a short wheel base used to carry a quantity of marijuana greater than one
17 ounce.

18 (35) [Formerly 44-11-104 (17) and 44-12-103 (15)] "Opaque"
19 means that the packaging does not allow the product to be seen without
20 opening the packaging material.

21 (36) [Formerly 44-12-103 (16)] "Operating fees", as referred to
22 in section 16 (5)(f) of article XVIII of the state constitution, means fees
23 that may be charged by a local jurisdiction for costs, including but not
24 limited to inspection, administration, and enforcement of retail marijuana
25 ~~establishments~~ BUSINESSES authorized pursuant to this ~~article 12~~ ARTICLE
26 10.

27 (37) "PASSIVE BENEFICIAL OWNER" MEANS A PERSON THAT IS NOT

1 AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS OR A RETAIL
2 MARIJUANA BUSINESS, IS NOT OTHERWISE IN A POSITION TO EXERCISE
3 CONTROL OVER THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
4 BUSINESS, AND IS THE BENEFICIAL OWNER OF LESS THAN FIVE PERCENT OF
5 THE SECURITIES OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
6 MARIJUANA BUSINESS OR IS A QUALIFIED INSTITUTIONAL INVESTOR.

7 (38) [Formerly 44-11-104 (20) and similar to 44-12-103
8 (17)] "Permitted economic interest" means any unsecured convertible
9 debt instrument, option agreement, warrant, or any other right to obtain
10 an ownership interest when the holder of such interest is a natural person
11 who is a lawful United States resident and whose right to convert into an
12 ownership interest is contingent on the holder qualifying and obtaining a
13 license as an owner under this ~~article~~ ARTICLE 10, or such other
14 agreements as may be permitted by rule of the state licensing authority.

15 (39) [Formerly 44-12-103 (18) and similar to 44-11-104
16 (21)] "Person" means a natural person, partnership, association, company,
17 corporation, limited liability company, or organization; except that
18 "person" does not include any governmental organization.

19 (40) [Formerly 44-12-103 (19) and similar to 44-11-104
20 (22)] "Premises" means a distinctly identified, as required by the state
21 licensing authority, and definite location, which may include a building,
22 a part of a building, a room, or any other definite contiguous area.

23 (41) [Similar to 44-11-307 (7) and 44-12-306 (7)] "QUALIFIED
24 INSTITUTIONAL INVESTOR" MEANS AN INSTITUTIONAL INVESTOR THAT IS
25 A PASSIVE BENEFICIAL OWNER HOLDING NO MORE THAN THIRTY PERCENT
26 IN THE LICENSEE AND THAT IS:

27 (a) A BANK AS DEFINED IN SECTION 3 (a)(6) OF THE FEDERAL

1 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED;

2 (b) AN INSURANCE COMPANY AS DEFINED IN SECTION 2 (a)(17) OF
3 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED;

4 (c) AN INVESTMENT COMPANY REGISTERED UNDER SECTION 8 OF
5 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED;

6 (d) AN INVESTMENT ADVISER REGISTERED UNDER SECTION 203 OF
7 THE FEDERAL "INVESTMENT ADVISERS ACT OF 1940", AS AMENDED;

8 (e) COLLECTIVE TRUST FUNDS AS DEFINED IN SECTION 3 (c)(11) OF
9 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED;

10 (f) AN EMPLOYEE BENEFIT PLAN OR PENSION FUND THAT IS
11 SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY
12 ACT OF 1974", AS AMENDED, EXCLUDING AN EMPLOYEE BENEFIT PLAN OR
13 PENSION FUND SPONSORED BY A LICENSEE OR AN INTERMEDIARY OR
14 HOLDING COMPANY LICENSEE THAT DIRECTLY OR INDIRECTLY OWNS FIVE
15 PERCENT OR MORE OF A LICENSEE;

16 (g) A STATE OR FEDERAL GOVERNMENT PENSION PLAN;

17 (h) A GROUP COMPRISED ENTIRELY OF PERSONS SPECIFIED IN
18 SUBSECTIONS (38)(a) TO (38)(g) OF THIS SECTION; OR

19 (i) ANY OTHER ENTITY IDENTIFIED THROUGH RULE BY THE STATE
20 LICENSING AUTHORITY.

21 (42) "REGULATED MARIJUANA" MEANS MEDICAL MARIJUANA AND
22 RETAIL MARIJUANA. IF THE CONTEXT REQUIRES, REGULATED MARIJUANA
23 INCLUDES MEDICAL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA
24 PRODUCTS, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA
25 PRODUCTS.

26 (43) "REGULATED MARIJUANA PRODUCTS" MEANS MEDICAL
27 MARIJUANA PRODUCTS AND RETAIL MARIJUANA PRODUCTS.

1 (44) [Formerly 44-12-103 (21) and similar to 44-11-104
2 (24)] "Resealable" means that the package continues to function within
3 effectiveness specifications, which shall be established by the state
4 licensing authority similar to the federal "Poison Prevention Packaging
5 Act of 1970", 15 U.S.C. sec. 1471 et seq., for the number of openings and
6 closings customary for its size and contents, which shall be determined
7 by the state licensing authority.

8 (45) [Formerly 44-12-103 (22)] "Retail marijuana" means
9 "marijuana" or "marihuana", as defined in section 16 (2)(f) of article
10 XVIII of the state constitution, that is cultivated, manufactured,
11 distributed, or sold by a licensed retail marijuana establishment BUSINESS.
12 IF THE CONTEXT REQUIRES, RETAIL MARIJUANA INCLUDES RETAIL
13 MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS.

14 (46) [Formerly 44-12-103 (24)] "Retail marijuana establishment
15 BUSINESS" means a retail marijuana store, a retail marijuana cultivation
16 facility, a retail marijuana products manufacturer, or a retail marijuana
17 testing facility, A RETAIL MARIJUANA BUSINESS OPERATOR, OR A RETAIL
18 MARIJUANA TRANSPORTER LICENSED PURSUANT TO THIS ARTICLE 10.

19 (47) [Formerly 44-12-103 (25)] "Retail marijuana establishment
20 BUSINESS operator" means an entity or person that is not an owner and
21 that is licensed to provide professional operational services to a retail
22 marijuana establishment BUSINESS for direct remuneration from the retail
23 marijuana establishment BUSINESS.

24 (48) [Formerly 44-12-103 (23)] "Retail marijuana cultivation
25 facility" has the same meaning as "marijuana cultivation facility" as
26 defined in section 16 (2)(h) of article XVIII of the state constitution.

27 (49) [Formerly 44-12-103 (26)] "Retail marijuana products"

1 means "marijuana products" as defined in section 16 (2)(k) of article
2 XVIII of the state constitution that are produced at a retail marijuana
3 products manufacturer.

4 (50) [Formerly 44-12-103 (27)] "Retail marijuana products
5 manufacturer" has the same meaning as "marijuana product
6 manufacturing facility" as defined in section 16 (2)(j) of article XVIII of
7 the state constitution.

8 (51) [Formerly 44-12-103 (28)] "Retail marijuana store" has the
9 same meaning as defined in section 16 (2)(n) of article XVIII of the state
10 constitution.

11 (52) [Formerly 44-12-103 (29)] "Retail marijuana testing facility"
12 means "marijuana testing facility" as defined in section 16 (2)(l) of article
13 XVIII of the state constitution that is licensed pursuant to this ~~article 12~~
14 ARTICLE 10.

15 (53) [Formerly 44-12-103 (30)] "Retail marijuana transporter"
16 means an entity or person that is licensed to transport retail marijuana and
17 retail marijuana products from one retail marijuana ~~establishment~~
18 BUSINESS to another retail marijuana ~~establishment~~ BUSINESS and to
19 temporarily store the transported retail marijuana and retail marijuana
20 products at its licensed premises, but is not authorized to sell retail
21 marijuana or retail marijuana products under any circumstances.

22 (54) [Formerly 44-12-103 (31)] "Sale" or "sell" includes to
23 exchange, barter, or traffic in; to solicit or receive and order except
24 through a licensee licensed under this ~~article 12~~ ARTICLE 10; to deliver for
25 value in any way other than gratuitously; to peddle or possess with intent
26 to sell; or to traffic in for any consideration promised or obtained directly
27 or indirectly.

1 (55) [Formerly 44-12-103 (32) and similar to 44-11-104
2 (25)] "School" means a public or private preschool or a public or private
3 elementary, middle, junior high, or high school or institution of higher
4 education.

5 (56) [Formerly 44-12-103 (33) and similar to 44-11-104
6 (26)] "State licensing authority" means the authority created for the
7 purpose of regulating and controlling the licensing of the cultivation,
8 manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana
9 in this state pursuant to ~~section 44-12-201~~ SECTION 44-10-201.

10 **44-10-104. Applicability - medical marijuana - retail**
11 **marijuana.** [Formerly 44-11-103 (1)] ~~(1)(a) On July 1, 2010, a person~~
12 ~~who is operating an established, locally approved business for the purpose~~
13 ~~of cultivation, manufacture, or sale of medical marijuana or medical~~
14 ~~marijuana-infused products or a person who has applied to a local~~
15 ~~government to operate a locally approved business for the purpose of~~
16 ~~cultivation, manufacture, or sale of medical marijuana or medical~~
17 ~~marijuana-infused products that is subsequently granted may continue to~~
18 ~~operate that business in accordance with any applicable state or local~~
19 ~~laws. "Established", as used in this subsection (1)(a), shall mean owning~~
20 ~~or leasing a space with a storefront and remitting sales taxes in a timely~~
21 ~~manner on retail sales of the business as required pursuant to section~~
22 ~~39-26-105, as well as any applicable local sales taxes.~~

23 ~~(b) To continue operating a business or operation as described in~~
24 ~~subsection (1)(a) of this section, the owner shall, on or before August 1,~~
25 ~~2010, complete forms as provided by the department of revenue and shall~~
26 ~~pay a fee, which shall be credited to the medical marijuana license cash~~
27 ~~fund established pursuant to section 44-11-501. The purpose of the fee~~

1 shall be to pay for the direct and indirect costs of the state licensing
2 authority and the development of application procedures and rules
3 necessary to implement this article 11. Payment of the fee and completion
4 of the form shall not create a local or state license or a present or future
5 entitlement to receive a license. An owner issued a local license after
6 August 1, 2010, shall complete the forms and pay the fee pursuant to this
7 subsection (1)(b) within thirty days after issuance of the local license. In
8 addition to any criminal penalties for selling without a license, it shall be
9 unlawful to continue operating a business or operation without filing the
10 forms and paying the fee as described in this subsection (1)(b), and any
11 violation of this section shall be prima facie evidence of unsatisfactory
12 character, record, and reputation for any future application for license
13 under this article 11.

14 (c) A county, city and county, or municipality shall provide to the
15 state licensing authority, upon request, a list that includes the name and
16 location of each local center or operation licensed in said county, city and
17 county, or municipality so that the state licensing authority can identify
18 any center or operation operating unlawfully.

19 (2) (1) (a) [Formerly 44-11-103 (2)(a)] Prior to July 1, 2011, A
20 county, city and county, or municipality may adopt and enforce a
21 resolution or ordinance licensing, regulating, or prohibiting the cultivation
22 or sale of medical marijuana. In a county, city and county, or municipality
23 where such an ordinance or resolution has been adopted, a person who is
24 not registered as a patient or primary caregiver pursuant to section
25 25-1.5-106 and who is cultivating or selling medical marijuana shall IS
26 not be entitled to an affirmative defense to a criminal prosecution as
27 provided for in section 14 of article XVIII of the state constitution unless

1 the person is in compliance with the applicable county or municipal law.

2 ~~[Formerly 44-11-103 (2)(b)] (b) On or before September 1,~~
3 ~~2010, a business or operation shall certify that it is cultivating at least~~
4 ~~seventy percent of the medical marijuana necessary for its operation.~~

5 (b) ~~[Formerly 44-11-106]~~ The operation of this ~~article 11~~ ARTICLE
6 10 AS IT RELATES TO MEDICAL MARIJUANA shall be statewide unless a
7 municipality, county, city, or city and county, by either a majority of the
8 registered electors of the municipality, county, city, or city and county
9 voting at a regular election or special election called in accordance with
10 the "Colorado Municipal Election Code of 1965", article 10 of title 31, or
11 the "Uniform Election Code of 1992", articles 1 to 13 of title 1, as
12 applicable, or a majority of the members of the governing board for the
13 municipality, county, city, or city and county, vote to prohibit the
14 operation of medical marijuana ~~centers, optional premises cultivation~~
15 ~~operations~~ STORES, MEDICAL MARIJUANA CULTIVATION FACILITIES, and
16 medical ~~marijuana-infused~~ MARIJUANA products manufacturers' licenses.

17 (c) ~~[Formerly 44-11-103 (2)(c)] On and after July 1, 2011,~~ All
18 businesses for the purpose of cultivation, manufacture, or sale of medical
19 marijuana or medical ~~marijuana-infused~~ MARIJUANA products, as defined
20 in this ~~article 11, shall be~~ ARTICLE 10 ARE subject to the terms and
21 conditions of this ~~article 11~~ ARTICLE 10 and any rules promulgated
22 pursuant to this ~~article 11~~; except that a person that has met the deadlines
23 set forth in subsections (1)(a) and (1)(b) of this section that has not had
24 its application acted upon by the state licensing authority may continue to
25 operate until action is taken on the application, unless the person is
26 operating in a jurisdiction that has imposed a prohibition on licensure.
27 While continuing to operate prior to the licensing authority acting on the

1 application, the person shall otherwise be subject to the terms and
2 conditions of this article 11 and all rules promulgated pursuant to this
3 article 11 ARTICLE 10.

4 **[Formerly 44-11-103 (2)(d)]** ~~(d) (I) On and after July 1, 2012,~~
5 ~~persons who did not meet all requirements of subsection (1)(a) of this~~
6 ~~section as of July 1, 2010, may begin to apply for a license pursuant to~~
7 ~~this article 11. A business or operation that applies and is approved for its~~
8 ~~license after July 1, 2012, shall certify to the state licensing authority that~~
9 ~~it is cultivating at least seventy percent of the medical marijuana~~
10 ~~necessary for its operation within ninety days after being licensed.~~

11 ~~(H) For those persons that are licensed prior to July 1, 2012, the~~
12 ~~person may apply to the local and state licensing authorities regarding~~
13 ~~changes to its license and may apply for a new license if the license is for~~
14 ~~a business that has been licensed and the person is purchasing that~~
15 ~~business or if the business is changing license type.~~

16 ~~(HH) For a person who has met the deadlines set forth in~~
17 ~~subsections (1)(a) and (1)(b) of this section and who has lost his or her~~
18 ~~location because a city or county has voted pursuant to section 44-11-106~~
19 ~~to ban his or her operation, the person may apply for a new license with~~
20 ~~a local licensing authority and transfer the location of its pending~~
21 ~~application with the state licensing authority.~~

22 **[Formerly 44-11-103 (2)(e)]** ~~(e) This article 11 sets forth the~~
23 ~~exclusive means by which manufacture, sale, distribution, and dispensing~~
24 ~~of medical marijuana may occur in the state of Colorado. Licensees shall~~
25 ~~not be subject to the terms of section 14 of article XVIII of the state~~
26 ~~constitution, except where specifically referenced in this article 11.~~

27 **[Formerly 44-12-104 (1)]** ~~(1)(a)(I) On or after October 1, 2013,~~

1 a person who is operating in good standing a licensed medical marijuana
2 center, an optional premises cultivation license, or a licensed medical
3 marijuana-infused products business or a person who had a pending
4 application with the state licensing authority prior to December 10, 2012,
5 has paid all applicable licensing fees, and has not yet had that application
6 approved may apply for a retail marijuana establishment license under
7 this article 12:

8 (H) An applicant pursuant to this subsection (1)(a) shall indicate
9 whether he or she wants to surrender the current medical marijuana
10 license issued pursuant to part 4 of article 11 of this title 44 or intends to
11 retain the license in addition to the retail marijuana establishment license:

12 (HH) If the applicant indicates a desire to surrender the medical
13 marijuana license, the applicant shall continue to operate under that
14 license so long as the license remains in effect until a retail marijuana
15 establishment license is approved. If the retail marijuana establishment
16 license is granted, the applicant shall have fourteen days from the
17 effective date of the license to surrender the medical marijuana license to
18 the state licensing authority. If the retail marijuana license is granted, on
19 the effective date of the license, all medical marijuana plants and
20 inventory shall become retail marijuana plants and inventory on the date
21 of the retail marijuana establishment license; except that beginning on
22 July 1, 2016, an applicant shall not be allowed to transfer medical
23 marijuana plants and inventory from a medical marijuana center or from
24 a medical marijuana-infused products manufacturer to any retail
25 marijuana establishment. Beginning on July 1, 2016, the only transfer of
26 medical marijuana allowed pursuant to this subsection (1)(a)(HH) is the
27 transfer of medical marijuana plants and inventory from a medical

1 marijuana cultivation facility to a retail marijuana cultivation facility.

2 ~~(IV) An applicant pursuant to this subsection (1)(a) may apply for~~
3 ~~a retail marijuana establishment license and retain the medical marijuana~~
4 ~~license. The applicant may apply to have the medical marijuana licensed~~
5 ~~operation and the retail marijuana establishment at the same location only~~
6 ~~if the local jurisdiction permits the medical marijuana licensed operation~~
7 ~~and the retail marijuana establishment to be operated at the same location.~~
8 ~~At the time that the retail marijuana establishment license becomes~~
9 ~~effective, the applicant shall identify the medical marijuana inventory that~~
10 ~~will become retail marijuana inventory; except that beginning on July 1,~~
11 ~~2016, an applicant shall not be allowed to transfer medical marijuana~~
12 ~~inventory from a medical marijuana center or from a medical~~
13 ~~marijuana-infused products manufacturer to any retail marijuana~~
14 ~~establishment. Beginning on July 1, 2016, the only transfer of medical~~
15 ~~marijuana allowed pursuant to this subsection (1)(a)(IV) is the transfer of~~
16 ~~medical marijuana inventory from a medical marijuana cultivation facility~~
17 ~~to a retail marijuana cultivation facility.~~

18 ~~(V) An applicant pursuant to this subsection (1)(a) who retains a~~
19 ~~medical marijuana license and obtains a retail marijuana establishment~~
20 ~~license for the two licensed premises must maintain actual physical~~
21 ~~separation between the two or only sell medical marijuana to persons~~
22 ~~twenty-one years of age or older.~~

23 ~~(b) On and after July 1, 2014, persons who did not meet the~~
24 ~~requirements of subsection (1)(a)(I) of this section may apply for~~
25 ~~licensure pursuant to this article 12. A license issued to a person pursuant~~
26 ~~to this subsection (1)(b) is not effective until October 1, 2014.~~

27 (2) [Formerly 44-12-104 (2)] (a) A person applying pursuant to

1 ~~subsection (1) of this section shall~~ FOR LICENSURE PURSUANT TO THIS
2 ARTICLE 10 MUST complete forms as provided by the state licensing
3 authority and ~~shall~~ MUST pay the application fee and the licensing fee,
4 which ~~shall~~ MUST be credited to the marijuana cash fund established
5 pursuant to ~~section 44-11-501~~ SECTION 44-10-801. The state licensing
6 authority shall forward, within seven days, one-half of the RETAIL
7 MARIJUANA BUSINESS license application fee to the local jurisdiction
8 unless the local jurisdiction has prohibited the operation of retail
9 marijuana ~~establishments~~ BUSINESSES pursuant to section 16 (5)(f) of
10 article XVIII of the state constitution. If the license is denied, the state
11 licensing authority shall refund the licensing fee to the applicant.

12 (b) The state licensing authority shall act upon ~~an~~ A RETAIL
13 MARIJUANA BUSINESS LICENSE application made pursuant to ~~subsection~~
14 ~~(1)~~ SUBSECTION (1)(a) of this section no sooner than forty-five days and
15 no later than ninety days after the date of the RETAIL MARIJUANA
16 BUSINESS LICENSE application. The state licensing authority shall process
17 RETAIL MARIJUANA BUSINESS LICENSE applications in the order in which
18 complete applications are received by the state licensing authority.

19 (3) **[Formerly 44-12-104 (3)]** As provided in section 16 (5)(f) of
20 article XVIII of the state constitution, any local jurisdiction may enact
21 ordinances or regulations governing the time, place, manner, and number
22 of retail marijuana ~~establishments~~ BUSINESSES, which may include a local
23 licensing requirement, or may prohibit the operation of retail marijuana
24 ~~establishments~~ BUSINESSES through the enactment of an ordinance or
25 through a referred or initiated measure. If a county acts through an
26 initiated measure, the proponents shall submit a petition signed by not
27 less than fifteen percent of the registered electors in the county.

1 (4) [Formerly 44-12-104 (4) and similar to 44-11-103
2 (2)(e)] This ~~article 12~~ ARTICLE 10 sets forth the exclusive means by which
3 cultivation, manufacture, sale, distribution, dispensing, and testing of
4 ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana products
5 may occur in the state of Colorado.

6 (5) (a) [Formerly 44-12-104 (5)] Nothing in this ~~article 12~~
7 ARTICLE 10 is intended to require an employer to permit or accommodate
8 the use, consumption, possession, transfer, display, transportation, sale,
9 or cultivating of REGULATED marijuana in the workplace or to affect the
10 ability of employers to have policies restricting the use of marijuana by
11 employees.

12 (b) Nothing in this ~~article 12~~ ARTICLE 10 prohibits a person,
13 employer, school, hospital, detention facility, corporation, or any other
14 entity ~~who~~ THAT occupies, owns, or controls a property from prohibiting
15 or otherwise regulating the possession, consumption, use, display,
16 transfer, distribution, sale, transportation, or cultivating of REGULATED
17 marijuana on or in that property.

18 (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
19 SUBSECTION (5), HOLDING OR EXERCISING THE PRIVILEGES OF ANY LICENSE
20 ISSUED PURSUANT TO THIS ARTICLE 10 SHALL NOT CONSTITUTE AN
21 UNSUITABLE OR UNLAWFUL ACT OR PRACTICE WITHIN THE MEANING OF
22 THE STATUTES AND RULES GOVERNING THE COLORADO LIMITED GAMING
23 CONTROL COMMISSION.

24 44-10-105. Marijuana employee designation. AN EMPLOYEE OF
25 A LICENSEE IS NOT AN AGRICULTURAL WORKER UNLESS THE EMPLOYEE IS
26 A FARM LABORER AS DESCRIBED IN SECTION 8-3-104 (11).

27 44-10-106. Marijuana employee labor rights. IF THE NATIONAL

1 LABOR RELATIONS BOARD OR A COURT RULES THAT MARIJUANA OR
2 MARIJUANA-RELATED BUSINESSES ARE NOT COVERED BY THE FEDERAL
3 "NATIONAL LABOR RELATIONS ACT", 29 U.S.C. SEC. 151 ET SEQ., THEN
4 A MARIJUANA BUSINESS OR MARIJUANA-RELATED BUSINESS AND ITS
5 EMPLOYEES DOING BUSINESS IN COLORADO ARE COVERED BY THE "LABOR
6 PEACE ACT", PART 1 OF ARTICLE 3 OF TITLE 8, TO THE SAME EXTENT THAT
7 A BUSINESS WOULD BE COVERED BY THE FEDERAL "NATIONAL LABOR
8 RELATIONS ACT", 29 U.S.C. SEC. 151 ET SEQ., ABSENT SUCH A RULING.

9 PART 2

10 STATE LICENSING AUTHORITY

11 **44-10-201. State licensing authority - creation.**

12 (1) (a) [Formerly 44-11-201 (1) and similar to 44-12-201] For the
13 purpose of regulating and controlling the licensing of the cultivation,
14 manufacture, distribution, and sale, AND TESTING of ~~medical marijuana~~
15 ~~and retail marijuana~~ REGULATED MARIJUANA in this state, there is hereby
16 created the state licensing authority, which ~~shall be~~ IS the executive
17 director or the deputy director of the department if the executive director
18 so designates. ~~The state licensing authority shall adopt regulations~~
19 ~~regarding retail marijuana and retail marijuana products by July 1, 2013.~~

20 (b) [Formerly 44-12-201] ~~For the purpose of regulating and~~
21 ~~controlling the licensing of the cultivation, manufacture, distribution,~~
22 ~~sale, and testing of retail marijuana and retail marijuana products in this~~
23 ~~state,~~ The state licensing authority created in section 44-11-201 shall also
24 ~~have~~ ALSO HAS regulatory authority for retail marijuana and retail
25 marijuana products as permitted in section 16 of article XVIII of the state
26 constitution and this ~~article 12~~ ARTICLE 10.

27 (2) [Formerly 44-11-201 (2)] The executive director ~~shall be~~ IS

1 the chief administrative officer of the state licensing authority and may
2 employ, pursuant to section 13 of article XII of the state constitution, such
3 officers and employees as may be determined to be necessary, which
4 officers and employees ~~shall be~~ ARE part of the department.

5 (3) **[Formerly 44-11-201 (3)]** A state licensing authority employee
6 with regulatory oversight responsibilities for marijuana businesses
7 licensed by the state licensing authority shall not work for, represent, or
8 provide consulting services to or otherwise derive pecuniary gain from a
9 MEDICAL OR RETAIL marijuana business licensed by the state licensing
10 authority or other business entity established for the primary purpose of
11 providing services to the marijuana industry for a period of six months
12 following his or her last day of employment with the state licensing
13 authority.

14 (4) **[Formerly 44-11-201 (4)]** Any person who discloses
15 confidential records or information in violation of the provisions of this
16 ~~article~~ ~~+~~ ARTICLE 10 commits a class 1 misdemeanor and shall be
17 punished as provided in section 18-1.3-501. Any criminal prosecution
18 pursuant to the provisions of this section must be brought within five
19 years from the date the violation occurred.

20 **44-10-202. Powers and duties of state licensing authority -**
21 **rules - legislative declaration. [Formerly 44-12-202 (2) introductory**
22 **portion] (1) Powers and duties.** The state licensing authority ~~has the~~
23 ~~authority to~~ SHALL:

24 (a) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM
25 THAT TRACKS REGULATED MARIJUANA FROM EITHER THE SEED OR
26 IMMATURE PLANT STAGE UNTIL THE REGULATED MARIJUANA OR
27 REGULATED MARIJUANA PRODUCT IS SOLD TO A PATIENT AT A MEDICAL

1 MARIJUANA STORE OR TO A CUSTOMER AT A RETAIL MARIJUANA STORE TO
2 ENSURE THAT NO REGULATED MARIJUANA GROWN OR PROCESSED BY A
3 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS IS SOLD
4 OR OTHERWISE TRANSFERRED EXCEPT BY A MEDICAL OR RETAIL
5 MARIJUANA STORE; EXCEPT THAT THE MEDICAL MARIJUANA OR MEDICAL
6 MARIJUANA PRODUCT IS NO LONGER SUBJECT TO THE TRACKING SYSTEM
7 ONCE THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCT HAS
8 BEEN:

9 (I) TRANSFERRED TO A MEDICAL RESEARCH FACILITY PURSUANT
10 TO SECTION 25-1.5-106.5 (5)(b); OR

11 (II) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES
12 THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
13 LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF
14 PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST
15 DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
16 RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO
17 CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
18 THE USE OF PESTICIDES ON MEDICAL MARIJUANA. NOTWITHSTANDING ANY
19 OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
20 PURSUANT TO THIS SUBSECTION (1)(a)(II) TO CONDUCT PESTICIDE
21 RESEARCH REGARDING MARIJUANA MUST BE LOCATED IN COLORADO,
22 MUST CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL
23 OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF
24 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS;
25 EXCEPT THAT THE MANUFACTURER SHALL:

26 (A) NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL
27 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT IN EXCESS OF THE

1 LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING
2 AUTHORITY;

3 (B) USE THE MEDICAL MARIJUANA AND MEDICAL
4 MARIJUANA-INFUSED PRODUCT ONLY FOR THE PESTICIDE RESEARCH
5 AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(a)(II);

6 (C) DESTROY, IN COMPLIANCE WITH RULES PROMULGATED BY THE
7 STATE LICENSING AUTHORITY, ALL MEDICAL MARIJUANA AND MEDICAL
8 MARIJUANA-INFUSED PRODUCTS REMAINING AFTER THE RESEARCH HAS
9 BEEN COMPLETED; AND

10 (D) NOT APPLY PESTICIDES FOR RESEARCH PURPOSES ON THE
11 LICENSED PREMISES OF A MEDICAL MARIJUANA BUSINESS.

12 (b) [Formerly 44-12-202 (2)(a)] Grant or refuse state licenses for
13 the cultivation, manufacture, distribution, sale, and testing of ~~retail~~
14 REGULATED marijuana and ~~retail~~ REGULATED marijuana products as
15 provided by law; suspend, fine, restrict, or revoke such licenses, whether
16 active, expired, or surrendered, upon a violation of this ~~article 12~~ ARTICLE
17 10 or any rule promulgated pursuant to this ~~article 12~~ ARTICLE 10; and
18 impose any penalty authorized by this ~~article 12~~ ARTICLE 10 or any rule
19 promulgated pursuant to this ~~article 12~~ ARTICLE 10. The state licensing
20 authority may take any action with respect to a registration pursuant to
21 this ~~article 12~~ ARTICLE 10 as it may with respect to a license pursuant to
22 this ~~article 12~~ ARTICLE 10, in accordance with the procedures established
23 pursuant to this ~~article 12~~ ARTICLE 10.

24 (c) [Formerly 44-12-202 (2)(b)] Promulgate, ~~on or before July 1,~~
25 ~~2013,~~ rules for the proper regulation and control of the cultivation,
26 manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana
27 and ~~retail~~ REGULATED marijuana products and for the enforcement of this

1 ~~article 12~~ ARTICLE 10 and promulgate amended rules and such special
2 rulings and findings as necessary;

3 (d) **[Formerly 44-11-202 (1)(c)]** Hear and determine at a public
4 hearing any contested state license denial and any complaints against a
5 licensee and administer oaths and issue subpoenas to require the presence
6 of persons and the production of papers, books, and records necessary to
7 the determination of any hearing so held, all in accordance with article 4
8 of title 24. The state licensing authority may, at its discretion, delegate to
9 the department hearing officers the authority to conduct licensing,
10 disciplinary, and rule-making hearings ~~under~~ PURSUANT TO section
11 24-4-105. When conducting the hearings, the hearing officers ~~shall be~~
12 ARE employees of the state licensing authority under the direction and
13 supervision of the executive director and the state licensing authority.

14 (e) **[Formerly 44-11-202 (1)(e)]** Develop such forms, licenses,
15 identification cards, and applications as are necessary or convenient in the
16 discretion of the state licensing authority for the administration of this
17 ~~article 11~~ ARTICLE 10 or any of the rules promulgated ~~under~~ PURSUANT TO
18 this ~~article 11~~ ARTICLE 10;

19 (f) **[Formerly 44-11-202 (1)(f)]** Prepare and transmit annually, in
20 the form and manner prescribed by the heads of the principal departments
21 pursuant to section 24-1-136, a report accounting to the governor for the
22 efficient discharge of all responsibilities assigned by law or directive to
23 the state licensing authority; AND

24 (g) COLLECT AND MAINTAIN DATA RELATED TO LICENSING
25 DISQUALIFICATIONS AND ALL SANCTIONS BASED ON PAST CRIMINAL
26 HISTORY PURSUANT TO THE REQUIREMENTS IN SECTION 24-34-104
27 (6)(b)(IX).

1 (2) NOTHING IN THIS ARTICLE 10 DELEGATES TO THE STATE
2 LICENSING AUTHORITY THE POWER TO FIX PRICES FOR REGULATED
3 MARIJUANA.

4 (3) NOTHING IN THIS ARTICLE 10 LIMITS A LAW ENFORCEMENT
5 AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO
6 A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS. A LAW
7 ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN A COLORADO CRIME
8 INFORMATION CENTER CRIMINAL HISTORY RECORD CHECK OF A PRIMARY
9 CAREGIVER, LICENSEE, OR EMPLOYEE OF A LICENSEE DURING AN
10 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO MEDICAL
11 MARIJUANA. A LAW ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN
12 A COLORADO CRIME INFORMATION CENTER CRIMINAL HISTORY RECORD
13 CHECK OF A LICENSEE OR EMPLOYEE OF A LICENSEE DURING AN
14 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO REGULATED
15 MARIJUANA AND REGULATED MARIJUANA PRODUCTS.

16 (4) **[Formerly 44-12-202 (3)(a)(IV)(G)]** The executive director
17 of the department of public health and environment shall provide to the
18 state licensing authority standards for licensing laboratories pursuant to
19 the requirements as outlined in ~~subsection (3)(a)(IV)(A) of this section~~
20 SECTION 44-10-203 (2)(d)(II) for REGULATED marijuana and REGULATED
21 marijuana products.

22 (5) (a) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO
23 PETITION A DISTRICT COURT FOR AN INVESTIGATIVE SUBPOENA
24 APPLICABLE TO A PERSON WHO IS NOT LICENSED PURSUANT TO THIS
25 ARTICLE 10 TO OBTAIN DOCUMENTS OR INFORMATION NECESSARY TO
26 ENFORCE THE PROVISIONS OF THIS ARTICLE 10 AND ANY RULES
27 PROMULGATED PURSUANT TO THIS ARTICLE 10 AFTER REASONABLE

1 EFFORTS HAVE BEEN MADE TO OBTAIN REQUESTED DOCUMENTS OR
2 INFORMATION WITHOUT A SUBPOENA.

3 (b) THE STATE LICENSING AUTHORITY MAY APPLY TO ANY COURT
4 OF COMPETENT JURISDICTION TO TEMPORARILY RESTRAIN OR
5 PRELIMINARILY OR PERMANENTLY ENJOIN THE ACT IN QUESTION OF A
6 PERSON WHO IS NOT LICENSED PURSUANT TO THIS ARTICLE 10 AND TO
7 ENFORCE COMPLIANCE WITH THIS ARTICLE 10 OR ANY RULE OR ORDER
8 ISSUED PURSUANT TO THIS ARTICLE 10 WHENEVER IT APPEARS TO THE
9 STATE LICENSING AUTHORITY UPON SUFFICIENT EVIDENCE SATISFACTORY
10 TO THE STATE LICENSING AUTHORITY THAT ANY PERSON HAS BEEN OR IS
11 COMMITTING AN ACT PROHIBITED BY THIS ARTICLE 10, A RULE
12 PROMULGATED PURSUANT TO THIS ARTICLE 10, A RULE OR AN ORDER
13 ISSUED PURSUANT TO THIS ARTICLE 10, AND THE ACT:

- 14 (I) THREATENS PUBLIC HEALTH OR SAFETY;
- 15 (II) CONSTITUTES AN UNLAWFUL ACT FOR WHICH THE PERSON
16 DOES NOT HOLD THE REQUIRED LICENSE UNDER THIS ARTICLE 10; OR
- 17 (III) CONSTITUTES A VIOLATION OF AN ORDER OF THE STATE
18 LICENSING AUTHORITY.

19 (6) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT MATTERS
20 RELATED TO LABELING AS REGULATED PURSUANT TO THIS SECTION AND
21 SECTION 44-10-203 (2)(f), PACKAGING AS REGULATED PURSUANT TO THIS
22 SECTION AND SECTION 44-10-203 (3)(b), AND TESTING AS REGULATED
23 PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(d) ARE MATTERS
24 OF STATEWIDE CONCERN AND THE SOLE REGULATORY AUTHORITY FOR
25 LABELING, PACKAGING, AND TESTING IS SECTION 44-10-203.

26 **44-10-203. State licensing authority - rules. (1) Permissive**
27 **rule-making.** RULES PROMULGATED PURSUANT TO SECTION 44-10-202

1 (1)(c) MAY INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING
2 SUBJECTS:

3 (a) [Formerly 44-12-202 (3)(d)(V)] Labeling guidelines
4 concerning the total content of THC per unit of weight;

5 (b) [Formerly 44-11-202 (2)(a)(VII)] Control of informational
6 and product displays on licensed premises;

7 (c) [Formerly 44-11-202 (2)(a)(XVI) and 44-12-202
8 (3)(a)(XII)] Records to be kept by licensees and the required availability
9 of the records;

10 (d) [Formerly 44-11-202 (2)(a)(XX) and 44-12-202
11 (3)(a)(XV)] ~~Rules effective on or before January 1, 2016, relating to~~
12 Permitted economic interests ISSUED PRIOR TO JANUARY 1, 2020,
13 including a process for a criminal history record check, a requirement that
14 a permitted economic interest applicant submit to and pass a criminal
15 history record check, a divestiture, and other agreements that would
16 qualify as permitted economic interests;

17 (e) [Formerly 44-11-202 (2)(a)(II) and 44-12-202
18 (3)(c)(I)] Specifications of duties of officers and employees of the state
19 licensing authority;

20 (f) [Formerly 44-11-202 (2)(a)(III) and similar to 44-12-202
21 (3)(c)(II)] Instructions for local licensing authorities and law enforcement
22 officers;

23 (g) [Formerly 44-11-202 (2)(a)(IV) and 44-12-202
24 (3)(c)(III)] Requirements for inspections, investigations, searches,
25 seizures, forfeitures, and such additional activities as may become
26 necessary from time to time;

27 (h) [Formerly 44-11-202 (2)(a)(VI)] Prohibition of

1 misrepresentation and unfair practices;

2 (i) [**Formerly 44-11-202 (2)(a)(XXVI)**] Marijuana research and
3 development licenses, ~~and marijuana research and development~~
4 ~~cultivation licenses~~, including application requirements; renewal
5 requirements, including whether additional research projects may be
6 added or considered; conditions for license revocation; security measures
7 to ensure marijuana is not diverted to purposes other than research or
8 diverted outside of the regulated marijuana market; the amount of plants,
9 useable marijuana, marijuana concentrates, or ~~marijuana-infused~~
10 MARIJUANA products a licensee may have on its premises; licensee
11 reporting requirements; the conditions under which marijuana possessed
12 by medical marijuana licensees may be donated to marijuana research and
13 development licensees ~~and marijuana research and development~~
14 ~~cultivation licensees~~ or transferred to a nonmetric-based research facility;
15 provisions to prevent contamination; requirements for destruction or
16 transfer of marijuana after the research is concluded; and any additional
17 requirements; AND

18 (j) [**Formerly 44-11-202 (2)(a)(XXIV) and similar to 44-12-202**
19 **(3)(c)(VIII)**] Such other matters as are necessary for the fair, impartial,
20 stringent, and comprehensive administration of this ~~article~~ ~~11~~ ARTICLE 10.

21 (2) **Mandatory rule-making.** RULES PROMULGATED PURSUANT
22 TO SECTION 44-10-202 (1)(c) MUST INCLUDE BUT NEED NOT BE LIMITED TO
23 THE FOLLOWING SUBJECTS:

24 (a) [**Formerly 44-12-202 (3)(a)(I)**] Procedures consistent with this
25 ~~article 12~~ ARTICLE 10 for the issuance, renewal, suspension, and
26 revocation of licenses to operate MEDICAL MARIJUANA BUSINESSES AND
27 retail marijuana ~~establishments~~ BUSINESSES;

1 (b) **[Formerly 44-12-202 (3)(a)(II)]** Subject to the limitations
2 contained in section 16 (5)(a)(II) of article XVIII of the state constitution
3 and consistent with this ~~article 12~~ ARTICLE 10, a schedule of application,
4 licensing, and renewal fees for MEDICAL MARIJUANA BUSINESSES AND
5 retail marijuana ~~establishments~~ BUSINESSES;

6 (c) **[Formerly 44-12-202 (3)(a)(III)]** Qualifications for licensure
7 ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE 10, including but not limited
8 to the requirement for a fingerprint-based criminal history record check
9 for all CONTROLLING BENEFICIAL owners, ~~officers~~ PASSIVE BENEFICIAL
10 OWNERS, managers, contractors, employees, and other support staff of
11 entities licensed pursuant to this ~~article 12~~ ARTICLE 10;

12 (d) (I) **[Similar to 44-11-202 (3)(a)(I) and 44-12-202**
13 **(3)(a)(IV)]** ESTABLISHMENT OF A MARIJUANA AND MARIJUANA PRODUCTS
14 INDEPENDENT TESTING AND CERTIFICATION PROGRAM FOR MARIJUANA
15 BUSINESS LICENSEES, WITHIN AN IMPLEMENTATION TIME FRAME
16 ESTABLISHED BY THE DEPARTMENT, REQUIRING LICENSEES TO TEST
17 MARIJUANA AND INDUSTRIAL HEMP PRODUCTS TO ENSURE, AT A MINIMUM,
18 THAT PRODUCTS SOLD FOR HUMAN CONSUMPTION BY PERSONS LICENSED
19 PURSUANT TO THIS ARTICLE 10 DO NOT CONTAIN CONTAMINANTS THAT
20 ARE INJURIOUS TO HEALTH AND TO ENSURE CORRECT LABELING.

21 (II) TESTING MAY INCLUDE ANALYSIS FOR MICROBIAL AND
22 RESIDUAL SOLVENTS AND CHEMICAL AND BIOLOGICAL CONTAMINANTS
23 DEEMED TO BE PUBLIC HEALTH HAZARDS BY THE COLORADO DEPARTMENT
24 OF PUBLIC HEALTH AND ENVIRONMENT BASED ON MEDICAL REPORTS AND
25 PUBLISHED SCIENTIFIC LITERATURE.

26 (III) (A) IF TEST RESULTS INDICATE THE PRESENCE OF QUANTITIES
27 OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO HEALTH, THE

1 MEDICAL MARIJUANA OR RETAIL MARIJUANA LICENSEE SHALL
2 IMMEDIATELY QUARANTINE THE PRODUCTS AND NOTIFY THE STATE
3 LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL GIVE THE
4 LICENSEE AN OPPORTUNITY TO REMEDIATE THE PRODUCT IF THE TEST
5 INDICATED THE PRESENCE OF A MICROBIAL. IF THE LICENSEE IS UNABLE TO
6 REMEDIATE THE PRODUCT, THE LICENSEE SHALL DOCUMENT AND
7 PROPERLY DESTROY THE ADULTERATED PRODUCT.

8 (B) IF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT TEST
9 RESULTS INDICATE THE PRESENCE OF QUANTITIES OF ANY SUBSTANCE
10 DETERMINED TO BE INJURIOUS TO HEALTH, THE STATE LICENSING
11 AUTHORITY SHALL GIVE THE LICENSEE AN OPPORTUNITY TO RETEST THE
12 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT.

13 (C) IF TWO ADDITIONAL TESTS OF THE RETAIL MARIJUANA OR
14 RETAIL MARIJUANA PRODUCT DO NOT INDICATE THE PRESENCE OF
15 QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO
16 HEALTH, THE PRODUCT MAY BE USED OR SOLD BY THE RETAIL MARIJUANA
17 LICENSEE.

18 (IV) (A) TESTING MUST ALSO VERIFY THC POTENCY
19 REPRESENTATIONS AND HOMOGENEITY FOR CORRECT LABELING AND
20 PROVIDE A CANNABINOID PROFILE FOR THE REGULATED MARIJUANA
21 PRODUCT.

22 (B) AN INDIVIDUAL RETAIL MARIJUANA PIECE OF TEN MILLIGRAMS
23 OR LESS THAT HAS GONE THROUGH PROCESS VALIDATION IS EXEMPT FROM
24 CONTINUED HOMOGENEITY TESTING.

25 (C) HOMOGENEITY TESTING FOR ONE HUNDRED MILLIGRAM
26 SERVINGS OF RETAIL MARIJUANA MAY UTILIZE VALIDATION MEASURES.

27 (V) THE STATE LICENSING AUTHORITY SHALL DETERMINE AN

1 ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND
2 PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS. THE STATE
3 LICENSING AUTHORITY SHALL DETERMINE AN ACCEPTABLE VARIANCE OF
4 AT LEAST PLUS OR MINUS FIFTEEN PERCENT FOR POTENCY
5 REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY
6 MISREPRESENTATIONS.

7 (VI) THE STATE LICENSING AUTHORITY SHALL DETERMINE THE
8 PROTOCOLS AND FREQUENCY OF REGULATED MARIJUANA TESTING BY
9 LICENSEES.

10 (VII) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY
11 OR USE THE RESULTS OF ANY TEST OF REGULATED MARIJUANA OR
12 REGULATED MARIJUANA PRODUCTS CONDUCTED BY AN ANALYTICAL
13 LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION
14 (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR THAT IS NOT
15 ACCREDITED TO THE INTERNATIONAL ORGANIZATION FOR
16 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
17 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
18 IN THAT FIELD OF TESTING. STARTING JANUARY 1, 2018, A STATE, LOCAL,
19 OR MUNICIPAL AGENCY MAY USE OR EMPLOY THE RESULTS OF ANY TEST
20 OF REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS
21 CONDUCTED ON OR AFTER JANUARY 1, 2018, BY AN ANALYTICAL
22 LABORATORY THAT IS CERTIFIED PURSUANT TO THIS SUBSECTION
23 (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR IS ACCREDITED
24 PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR
25 STANDARDIZATION/ INTERNATIONAL ELECTROTECHNICAL COMMISSION
26 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
27 IN THAT FIELD OF TESTING.

1 (VIII) ON OR BEFORE JANUARY 1, 2019, THE STATE LICENSING
2 AUTHORITY SHALL REQUIRE A MEDICAL MARIJUANA TESTING FACILITY OR
3 RETAIL MARIJUANA TESTING FACILITY TO BE ACCREDITED BY A BODY THAT
4 IS ITSELF RECOGNIZED BY THE INTERNATIONAL LABORATORY
5 ACCREDITATION COOPERATION IN A CATEGORY OF TESTING PURSUANT TO
6 THE INTERNATIONAL ORGANIZATION FOR
7 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
8 17025:2005 STANDARD, OR A SUBSEQUENT SUPERSEDING STANDARD, IN
9 ORDER TO RECEIVE CERTIFICATION OR MAINTAIN CERTIFICATION; EXCEPT
10 THAT THE STATE LICENSING AUTHORITY MAY BY RULE ESTABLISH
11 CONDITIONS FOR PROVIDING EXTENSIONS TO A NEWLY LICENSED MEDICAL
12 MARIJUANA TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY
13 FOR A PERIOD NOT TO EXCEED TWELVE MONTHS OR A MEDICAL MARIJUANA
14 TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY FOR GOOD
15 CAUSE AS DEFINED BY RULES PROMULGATED BY THE STATE LICENSING
16 AUTHORITY, WHICH MUST INCLUDE BUT MAY NOT BE LIMITED TO WHEN AN
17 APPLICATION FOR ACCREDITATION HAS BEEN SUBMITTED AND IS PENDING
18 WITH A RECOGNIZED ACCREDITING BODY.

19 (IX) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
20 THAT PREVENT REDUNDANT TESTING OF MARIJUANA AND MARIJUANA
21 CONCENTRATE, INCLUDING, BUT NOT LIMITED TO, POTENCY TESTING OF
22 MARIJUANA ALLOCATED TO EXTRACTIONS, AND RESIDUAL SOLVENT
23 TESTING OF MARIJUANA CONCENTRATE WHEN ALL INPUTS OF THE
24 MARIJUANA CONCENTRATE HAVE PASSED RESIDUAL SOLVENT TESTING
25 PURSUANT TO THIS SUBSECTION (2)(d).

26 (e) [Formerly 44-12-202 (3)(a)(V) and similar to 44-11-202
27 (2)(a)(X)] Security requirements for any premises licensed pursuant to

1 this ~~article 12~~ ARTICLE 10, including, at a minimum, lighting, physical
2 security, video, and alarm requirements, and other minimum procedures
3 for internal control as deemed necessary by the state licensing authority
4 to properly administer and enforce the provisions of this ~~article 12~~
5 ARTICLE 10, including reporting requirements for changes, alterations, or
6 modifications to the premises;

7 (f) [**Similar to 44-11-202 (2)(a)(XIV) and 44-12-202**
8 **(3)(a)(VII)**] LABELING REQUIREMENTS FOR REGULATED MARIJUANA AND
9 REGULATED MARIJUANA PRODUCTS SOLD BY A MEDICAL MARIJUANA
10 BUSINESS OR RETAIL MARIJUANA BUSINESS THAT ARE AT LEAST AS
11 STRINGENT AS THOSE IMPOSED BY SECTION 25-4-1614 (3)(a) AND INCLUDE
12 BUT ARE NOT LIMITED TO:

13 (I) WARNING LABELS;

14 (II) AMOUNT OF THC PER SERVING AND THE NUMBER OF SERVINGS
15 PER PACKAGE FOR REGULATED MARIJUANA PRODUCTS;

16 (III) A UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE
17 CONTAINS MARIJUANA; AND

18 (IV) POTENCY OF THE REGULATED MARIJUANA AND REGULATED
19 MARIJUANA PRODUCTS;

20 (g) [**Formerly 44-12-202 (3)(a)(VIII)**] Health and safety
21 regulations and standards for the manufacture of ~~retail~~ REGULATED
22 marijuana products and the cultivation of ~~retail~~ REGULATED marijuana;

23 (h) [**Formerly 44-12-202 (3)(a)(X) and similar to 44-11-202**
24 **(2)(a)(XI)**] Regulation of the storage of, warehouses for, and
25 transportation of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED
26 marijuana products;

27 (i) [**Formerly 44-12-202 (3)(a)(XI) and similar to 44-11-202**

1 **(2)(a)(XII)** Sanitary requirements for MEDICAL MARIJUANA BUSINESSES
2 AND retail marijuana ~~establishments~~ BUSINESSES, including but not
3 limited to sanitary requirements for the preparation of ~~retail~~ REGULATED
4 marijuana products;

5 (j) **[Formerly 44-12-202 (3)(a)(XIII) and similar to 44-11-202**
6 **(2)(a)(XVIII)]** The reporting and transmittal of monthly sales tax
7 payments by MEDICAL MARIJUANA STORES AND retail marijuana stores and
8 any applicable excise tax payments by retail marijuana cultivation
9 facilities;

10 (k) **[Formerly 44-12-202 (3)(a)(XIV) and similar to 44-11-202**
11 **(2)(a)(XIX)]** Authorization for the department of ~~revenue~~ to have access
12 to licensing information to ensure sales, excise, and income tax payment
13 and the effective administration of this ~~article 12~~ ARTICLE 10;

14 (l) **[Formerly 44-12-202 (3)(a)(XVI) and similar to 44-11-202**
15 **(2)(a)(I)]** Compliance with, enforcement of, or violation of any provision
16 of this ~~article 12~~ ARTICLE 10, section 18-18-406.3 (7), or any rule ~~issued~~
17 PROMULGATED pursuant to this ~~article 12~~ ARTICLE 10, including
18 procedures and grounds for denying, suspending, fining, restricting, or
19 revoking a state license issued pursuant to this ~~article 12~~ ARTICLE 10;

20 (m) **[Formerly 44-12-202 (3)(a)(XVII)]** Establishing a schedule
21 of penalties and procedures for issuing and appealing citations for
22 violation of statutes and rules and issuing administrative citations;

23 (n) **[Formerly 44-12-202 (3)(a)(XVIII) and similar to 44-11-202**
24 **(2)(a)(XXI)]** MEDICAL MARIJUANA TRANSPORTER LICENSED BUSINESSES
25 AND retail marijuana transporter licensed businesses, including
26 requirements for drivers, including obtaining and maintaining a valid
27 Colorado driver's license; insurance requirements; acceptable time frames

1 for transport, storage, and delivery; requirements for transport vehicles;
2 and requirements for licensed premises;

3 (o) [Formerly 44-12-202 (3)(a)(XIX) and similar to 44-11-202
4 (2)(a)(XXII)] MEDICAL MARIJUANA BUSINESS OPERATOR LICENSES AND
5 retail marijuana ~~establishment~~ BUSINESS operator licensees, including the
6 form and structure of allowable agreements between operators and
7 ~~owners~~ THE MEDICAL OR RETAIL MARIJUANA BUSINESS;

8 (p) [Formerly 44-12-202 (3)(a)(XX)] Nonescorted visitors in
9 limited access areas;

10 (q) [Formerly 44-12-202 (3)(a)(XXII) and similar to 44-11-202
11 (2)(a)(XXVII)] Temporary appointee registrations issued pursuant to
12 ~~section 44-12-401 (1.5)~~ SECTION 44-10-401 (2), including occupational
13 and business registration requirements; application time frames;
14 notification requirements; issuance, expiration, renewal, suspension, and
15 revocation of a temporary appointee registration; and conditions of
16 registration;

17 (r) [Formerly 44-12-202 (3)(a)(XXIII) and similar to 44-11-202
18 (2)(a)(XXVIII)] Requirements for a centralized distribution permit for
19 MEDICAL MARIJUANA CULTIVATION FACILITIES OR retail marijuana
20 cultivation facilities issued pursuant to ~~section 44-12-403 (7)~~ SECTION
21 44-10-503 (6) OR 44-10-602 (7), including but not limited to permit
22 application requirements and privileges and restrictions of a centralized
23 distribution permit; and

24 (s) [Formerly 44-12-202 (3)(a)(XXIV) and similar to 44-11-202
25 (2)(a)(XXIX)] Requirements for issuance of colocation permits to a
26 marijuana research and development licensee ~~or a marijuana research and~~
27 ~~development cultivation licensee~~ authorizing colocation with a MEDICAL

1 MARIJUANA PRODUCTS MANUFACTURER OR retail marijuana products
2 ~~manufacturing~~ MANUFACTURER licensed premises, including application
3 requirements, eligibility, restrictions to prevent cross-contamination and
4 to ensure physical separation of inventory and research activities, and
5 other privileges and restrictions of permits;

6 (t) **[Formerly 44-12-202 (3)(c)(IV) and similar to 44-11-202**
7 **(2)(a)(VIII)]** Development of individual identification cards for ~~owners,~~
8 ~~officers,~~ NATURAL PERSONS WHO ARE CONTROLLING BENEFICIAL OWNERS,
9 PASSIVE BENEFICIAL OWNERS, managers, contractors, employees, and
10 other support staff of entities licensed pursuant to this ~~article 12~~ ARTICLE
11 10, including a fingerprint-based criminal history record check as may be
12 required by the state licensing authority prior to issuing a card;

13 (u) **[Formerly 44-11-202 (2)(a)(IX) and 44-12-202 (3)(c)(V)]**
14 Identification of state licensees and their ~~owners, officers~~ CONTROLLING
15 BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, managers, and
16 employees;

17 (v) **[Formerly 44-12-202 (3)(c)(VI) and similar to 44-11-202**
18 **(2)(a)(XIII)]** The specification of acceptable forms of picture
19 identification that a MEDICAL MARIJUANA STORE OR retail marijuana store
20 may accept when verifying a sale, including but not limited to
21 government-issued identification cards;

22 (w) **[Formerly 44-11-202 (2)(a)(XVII) and similar to 44-12-202**
23 **(3)(c)(VII)]** State licensing procedures, including procedures for
24 renewals, reinstatements, initial licenses, and the payment of licensing
25 fees;

26 (x) **[Formerly 44-11-202 (3)(a)(IV) and 44-12-202 (5)]** THE
27 conditions under which a licensee is authorized to transfer fibrous waste

1 to a person for the purpose of producing only industrial fiber products.
2 The conditions must include contract requirements that stipulate that the
3 fibrous waste will only be used to produce industrial fiber products;
4 record-keeping requirements; security measures related to the transport
5 and transfer of fibrous waste; REQUIREMENTS FOR handling contaminated
6 fibrous waste; ~~requirements~~; and processes associated with handling
7 fibrous waste. The rules ~~shall~~ MUST not require licensees to alter fibrous
8 waste from its natural state prior to transfer.

9 (y) **[Similar to 44-12-202 (3)(e)]** REQUIRING THAT EDIBLE
10 REGULATED MARIJUANA PRODUCTS BE CLEARLY IDENTIFIABLE, WHEN
11 PRACTICABLE, WITH A STANDARD SYMBOL INDICATING THAT THEY
12 CONTAIN MARIJUANA AND ARE NOT FOR CONSUMPTION BY CHILDREN. THE
13 SYMBOLS PROMULGATED BY RULE OF THE STATE LICENSING AUTHORITY
14 MUST NOT APPROPRIATE SIGNS OR SYMBOLS ASSOCIATED WITH ANOTHER
15 COLORADO BUSINESS OR INDUSTRY;

16 (z) **[Formerly 44-12-202 (3)(a)(VI)]** Requirements to prevent the
17 sale or diversion of retail marijuana and retail marijuana products to
18 persons under twenty-one years of age;

19 (aa) THE IMPLEMENTATION OF AN ACCELERATOR PROGRAM
20 INCLUDING BUT NOT LIMITED TO RULES TO ESTABLISH SEVERED LIABILITY
21 FOR LICENSEES OPERATING ON THE SAME PHYSICAL PREMISES, SEVERED
22 CUSTODIANSHIP OF REGULATED PRODUCTS, PROTECTIONS OF THE
23 INTELLECTUAL PROPERTY OF THE ACCELERATOR LICENSEE, INCENTIVES
24 FOR LICENSEES ENDORSED AS ACCELERATORS, AND ADDITIONAL
25 REQUIREMENTS IF A PERSON APPLYING FOR AN ACCELERATOR
26 ENDORSEMENT HAS LESS THAN TWO YEARS EXPERIENCE OPERATING A
27 LICENSED FACILITY UNDER THIS TITLE 10; AND

1 (bb) CONDITIONS UNDER WHICH A LICENSEE IS AUTHORIZED TO
2 TRANSFER ELECTRONIC CANNABIS WASTE TO A PERSON FOR THE PURPOSES
3 OF RECYCLING OR REUSE. THE CONDITIONS MUST INCLUDE CONTRACT
4 REQUIREMENTS THAT STIPULATE WHAT THE ELECTRONIC CANNABIS WASTE
5 WILL BE USED FOR; RECORD-KEEPING REQUIREMENTS; SECURITY
6 MEASURES RELATED TO THE TRANSPORT AND TRANSFER OF ELECTRONIC
7 CANNABIS WASTE; HANDLING CONTAMINATED ELECTRONIC CANNABIS
8 WASTE REQUIREMENTS; AND PROCESSES ASSOCIATED WITH HANDLING
9 ELECTRONIC CANNABIS WASTE. THE RULES SHALL NOT REQUIRE LICENSEES
10 TO ALTER OR DESTROY ELECTRONIC CANNABIS WASTE PRIOR TO TRANSFER.

11 (3) IN PROMULGATING RULES PURSUANT TO THIS SECTION, THE
12 STATE LICENSING AUTHORITY MAY SEEK THE ASSISTANCE OF THE
13 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WHEN NECESSARY
14 BEFORE PROMULGATING RULES ON THE FOLLOWING SUBJECTS:

15 (a) **[Similar to 44-11-202 (3)(a)(II) and 44-12-202**
16 **(3)(d)(I)]** SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT
17 LIMITED TO A PROHIBITION ON MASS-MARKET CAMPAIGNS THAT HAVE A
18 HIGH LIKELIHOOD OF REACHING PERSONS UNDER EIGHTEEN YEARS OF AGE
19 FOR MEDICAL MARIJUANA AND HAVE A HIGH LIKELIHOOD OF REACHING
20 PERSONS UNDER TWENTY-ONE YEARS OF AGE FOR RETAIL MARIJUANA AND
21 OTHER SUCH RULES THAT MAY INCLUDE:

22 (I) ALLOWING PACKAGING AND ACCESSORY BRANDING;

23 (II) PROHIBITING HEALTH OR PHYSICAL BENEFIT CLAIMS IN
24 ADVERTISING, MERCHANDISING, AND PACKAGING;

25 (III) PROHIBITING UNSOLICITED POP-UP ADVERTISING ON THE
26 INTERNET;

27 (IV) PROHIBITING BANNER ADS ON MASS-MARKET WEBSITES;

1 (V) PROHIBITING OPT-IN MARKETING THAT DOES NOT PERMIT AN
2 EASY AND PERMANENT OPT-OUT FEATURE; AND

3 (VI) PROHIBITING MARKETING DIRECTED TOWARD
4 LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR
5 PHONES, UNLESS THE MARKETING IS A MOBILE DEVICE APPLICATION
6 INSTALLED ON THE DEVICE BY THE OWNER OF THE DEVICE WHO IS
7 EIGHTEEN YEARS OF AGE OR OLDER FOR MEDICAL MARIJUANA AND
8 TWENTY-ONE YEARS OF AGE OR OLDER FOR RETAIL MARIJUANA AND
9 INCLUDES A PERMANENT AND EASY OPT-OUT FEATURE;

10 (b) [Similar to 44-11-202 (2)(a)(XV) and 44-12-202 (3)(d)(II)] A
11 PROHIBITION ON THE SALE OF REGULATED MARIJUANA AND REGULATED
12 MARIJUANA PRODUCTS UNLESS THE PRODUCT IS:

13 (I) PACKAGED IN PACKAGING MEETING REQUIREMENTS
14 ESTABLISHED BY THE STATE LICENSING AUTHORITY SIMILAR TO THE
15 FEDERAL "POISON PREVENTION PACKAGING ACT OF 1970", 15 U.S.C. SEC.
16 1471 ET SEQ., AS AMENDED; AND

17 (II) PLACED IN AN OPAQUE AND RESEALABLE EXIT PACKAGE OR
18 CONTAINER MEETING REQUIREMENTS ESTABLISHED BY THE STATE
19 LICENSING AUTHORITY AT THE POINT OF SALE PRIOR TO EXITING THE
20 STORE;

21 (c) [Formerly 44-12-202 (3)(d)(III)] The safe and lawful
22 transport of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana
23 products between the licensed business and testing laboratories;

24 (d) [Formerly 44-12-202 (3)(d)(IV)] A standardized marijuana
25 serving size amount for edible retail marijuana products that does not
26 contain more than ten milligrams of active THC, designed only to provide
27 consumers with information about the total number of servings of active

1 THC in a particular retail marijuana product, not as a limitation on the
2 total amount of THC in any particular item; labeling requirements
3 regarding servings for edible retail marijuana products; and limitations on
4 the total amount of active THC in a sealed internal package that is no
5 more than one hundred milligrams of active THC;

6 (e) **[Formerly 44-12-202 (3)(d)(VI)]** Prohibition ON or regulation
7 of additives to any ~~retail~~ REGULATED marijuana product, including but not
8 limited to those that are toxic, designed to make the product more
9 addictive, designed to make the product more appealing to children, or
10 misleading to consumers, but not including common baking and cooking
11 items;

12 (f) **[Formerly 44-12-202 (3)(d)(VII)]** Permission for a local fire
13 department to conduct an annual fire inspection of a MEDICAL MARIJUANA
14 CULTIVATION FACILITY OR retail marijuana cultivation facility; and

15 (g) **[Formerly 44-12-202 (3)(d)(VIII)(A) and similar to**
16 **44-11-202 (3)(a)(III)(A)]** A prohibition on the production and sale of
17 edible ~~retail~~ REGULATED marijuana products that are in the distinct shape
18 of a human, animal, or fruit. Geometric shapes and products that are
19 simply fruit flavored are not considered fruit. Products in the shape of a
20 marijuana leaf are permissible. Nothing in this ~~subsection (3)(a)(VIII)~~
21 SUBSECTION (3)(g) applies to a company logo.

22 (h) A REQUIREMENT THAT EVERY MEDICAL MARIJUANA STORE AND
23 RETAIL MARIJUANA STORE POST, AT ALL TIMES AND IN A PROMINENT
24 PLACE, A WARNING THAT HAS A MINIMUM HEIGHT OF THREE INCHES AND
25 A WIDTH OF SIX INCHES AND THAT READS:

26 **WARNING: USING MARIJUANA, IN ANY FORM, WHILE YOU**
27 **ARE PREGNANT OR BREASTFEEDING PASSES THC TO YOUR**

1 BABY AND MAY BE HARMFUL TO YOUR BABY. THERE IS NO
2 KNOWN SAFE AMOUNT OF MARIJUANA USE DURING
3 PREGNANCY OR BREASTFEEDING.

4 (4) [Similar to 44-12-202 (3)(b)(I)] Equivalency. RULES
5 PROMULGATED PURSUANT TO SECTION 44-10-202 (1)(c) MUST ALSO
6 INCLUDE ESTABLISHING THE EQUIVALENT OF ONE OUNCE OF RETAIL
7 MARIJUANA FLOWER IN VARIOUS RETAIL MARIJUANA PRODUCTS,
8 INCLUDING RETAIL MARIJUANA CONCENTRATE. PRIOR TO PROMULGATING
9 THE RULES REQUIRED BY THIS SUBSECTION (4)(b), THE STATE LICENSING
10 AUTHORITY MAY CONTRACT FOR A SCIENTIFIC STUDY TO DETERMINE THE
11 EQUIVALENCY OF MARIJUANA FLOWER IN RETAIL MARIJUANA PRODUCTS,
12 INCLUDING RETAIL MARIJUANA CONCENTRATE.

13 (5) **[Formerly 44-11-202 (4)] Statewide class system cultivation**
14 **facility rules - medical marijuana.** ~~Rules promulgated pursuant to~~
15 ~~subsection (1)(b) of this section must include, but need not be limited to,~~
16 ~~the following subjects:~~

17 (a) The state licensing authority shall create a statewide licensure
18 class system for ~~optional premises~~ MEDICAL MARIJUANA cultivation
19 facility licenses. The classifications may be based upon square footage of
20 the facility; lights, lumens, or wattage; lit canopy; the number of
21 cultivating plants; other reasonable metrics; or any combination thereof.
22 The state licensing authority shall create a fee structure for the licensure
23 class system.

24 (b) (I) The state licensing authority may establish limitations ~~upon~~
25 ON medical marijuana production through one or more of the following
26 methods:

27 (A) Placing or modifying a limit on the number of licenses that it

1 issues, by class or overall, but in placing or modifying the limits, the
2 STATE LICENSING authority shall consider the reasonable availability of
3 new licenses after a limit is established or modified;

4 (B) Placing or modifying a limit on the amount of production
5 permitted by ~~an optional premises~~ A MEDICAL MARIJUANA cultivation
6 facility license or class of licenses based upon some reasonable metric or
7 set of metrics, including but not limited to those items detailed in
8 ~~subsection (4)(a)~~ SUBSECTION (5)(a) of this section, previous months'
9 sales, pending sales, or other reasonable metrics as determined by the
10 state licensing authority; and

11 (C) Placing or modifying a limit on the total amount of production
12 by ~~optional premises~~ MEDICAL MARIJUANA cultivation facility licensees
13 in the state collectively, based upon some reasonable metric or set of
14 metrics including but not limited to those items detailed in ~~subsection~~
15 ~~(4)(a)~~ SUBSECTION (5)(a) of this section, as determined by the state
16 licensing authority.

17 (II) When considering any such limitations, the state licensing
18 authority shall:

19 (A) Consider the total current and anticipated demand for medical
20 marijuana and medical ~~marijuana-infused~~ MARIJUANA products in
21 Colorado;

22 (B) Consider any other relevant factors; and

23 (C) Attempt to minimize the market for unlawful marijuana; and

24 (c) The state licensing authority may adopt ~~regulations~~ RULES that
25 limit the amount of medical marijuana inventory that a medical marijuana
26 ~~center~~ STORE may have on hand. If the state licensing authority adopts a
27 limitation, the limitation must be commercially reasonable and consider

1 factors including a medical marijuana center's STORE'S sales history and
2 the number of patients that WHO are registered at a medical marijuana
3 center STORE as their primary center STORE.

4 (6) [Formerly 44-12-202 (4)] **Statewide class system cultivation**
5 **facility rules - retail marijuana.** (a) The state licensing authority shall
6 create a statewide licensure class system for retail marijuana cultivation
7 facilities FACILITY LICENSES. The classifications may be based upon
8 square footage of the facility; lights, lumens, or wattage; lit canopy; the
9 number of cultivating plants; ~~a combination of the foregoing; or other~~
10 reasonable metrics; OR ANY COMBINATION THEREOF. The state licensing
11 authority shall create a fee structure for the ~~license~~ LICENSURE class
12 system.

13 (b) ~~(f)~~ The state licensing authority may establish limitations upon
14 ON retail marijuana production through one or more of the following
15 methods:

16 ~~(A)~~ (I) Placing or modifying a limit on the number of licenses that
17 it issues, by class or overall, but in placing or modifying the limits, the
18 authority shall consider the reasonable availability of new licenses after
19 a limit is established or modified;

20 ~~(B)~~ (II) Placing or modifying a limit on the amount of production
21 permitted by a retail marijuana cultivation facility license or class of
22 licenses based upon some reasonable metric or set of metrics including
23 but not limited to those items detailed in ~~subsection (4)(a)~~ SUBSECTION
24 (6)(a) of this section, previous months' sales, pending sales, or other
25 reasonable metrics as determined by the state licensing authority; and

26 ~~(C)~~ (III) Placing or modifying a limit on the total amount of
27 production by retail marijuana cultivation facility licensees in the state

1 collectively, based upon some reasonable metric or set of metrics
2 including but not limited to those items detailed in ~~subsection (4)(a)~~
3 SUBSECTION (6)(a) of this section, as determined by the state licensing
4 authority.

5 ~~(H)~~ (c) Notwithstanding anything contained in this ~~article 12~~
6 ARTICLE 10 to the contrary, in considering any such limitations, the state
7 licensing authority, in addition to any other relevant considerations, shall:

8 ~~(A)~~ (I) Consider the total current and anticipated demand for retail
9 marijuana and retail marijuana products in Colorado; and

10 ~~(B)~~ (II) Attempt to minimize the market for unlawful marijuana.

11 **44-10-204. Confidentiality.** (1) THE STATE LICENSING
12 AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

13 (a) REPORTS OR OTHER INFORMATION OBTAINED FROM A MEDICAL
14 MARIJUANA OR RETAIL MARIJUANA LICENSEE OR A MEDICAL MARIJUANA
15 OR RETAIL MARIJUANA LICENSE APPLICANT CONTAINING ANY
16 INDIVIDUALIZED DATA, INFORMATION, OR RECORDS RELATED TO THE
17 APPLICANT OR LICENSEE OR ITS OPERATION, INCLUDING SALES
18 INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS, FINANCIAL
19 RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION INFORMATION,
20 TESTING RESULTS, AND SECURITY INFORMATION AND PLANS, OR
21 REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER RECORDS THAT
22 ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO STATE LAW. SUCH
23 REPORTS OR OTHER INFORMATION MAY BE USED ONLY FOR A PURPOSE
24 AUTHORIZED BY THIS ARTICLE 10 OR FOR ANY OTHER STATE OR LOCAL
25 LAW ENFORCEMENT PURPOSE. ANY INFORMATION RELEASED RELATED TO
26 PATIENTS MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS
27 ARTICLE 10, TO VERIFY THAT A PERSON WHO PRESENTED A REGISTRY

1 IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9) TO A
2 STATE OR LOCAL LAW ENFORCEMENT OFFICIAL IS LAWFULLY IN
3 POSSESSION OF SUCH CARD, AS A PART OF AN ACTIVE INVESTIGATION, AS
4 A PART OF A PROCEEDING AUTHORIZED BY THIS ARTICLE 10 OR ARTICLE 1.5
5 OF TITLE 25, OR FOR ANY STATE OR LOCAL LAW ENFORCEMENT PURPOSE
6 INVOLVING EVIDENCE OF SALES TRANSACTIONS IN VIOLATION OF THIS
7 ARTICLE 10 OR EVIDENCE OF CRIMINAL ACTIVITY. THE INFORMATION OR
8 RECORDS RELATED TO A PATIENT CONSTITUTE MEDICAL DATA AS
9 DESCRIBED BY SECTION 24-72-204 (3)(a)(I), AND THE INFORMATION OR
10 RECORDS MAY ONLY BE DISCLOSED TO THOSE PERSONS DIRECTLY
11 INVOLVED WITH AN ACTIVE INVESTIGATION OR PROCEEDING. ANY
12 CUSTOMER INFORMATION MAY BE USED ONLY FOR A PURPOSE AUTHORIZED
13 BY THIS ARTICLE 10.

14 (b) INVESTIGATIVE RECORDS AND DOCUMENTS RELATED TO
15 ONGOING INVESTIGATIONS. THOSE RECORDS AND DOCUMENTS MAY BE
16 USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10, OR FOR ANY
17 OTHER STATE OR LOCAL LAW ENFORCEMENT PURPOSE.

18 (c) COMPUTER SYSTEMS MAINTAINED BY THE STATE LICENSING
19 AUTHORITY AND THE VENDORS WITH WHICH THE STATE LICENSING
20 AUTHORITY HAS CONTRACTED.

21 (2) THE STATE LICENSING AUTHORITY SHALL MAKE AVAILABLE
22 FOR PUBLIC INSPECTION:

23 (a) DOCUMENTS RELATED TO FINAL AGENCY ACTIONS AND
24 ORDERS;

25 (b) RECORDS RELATED TO TESTING ON AN AGGREGATED AND
26 DE-IDENTIFIED BASIS;

27 (c) DEMOGRAPHIC INFORMATION RELATED TO APPLICANTS AND

1 LICENSEES AVAILABLE ON AN AGGREGATED AND DE-IDENTIFIED BASIS;
2 AND
3 (d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

4 PART 3
5 LICENSING PROCEDURES

6 **44-10-301. [Formerly 44-11-301] Local licensing authority -**
7 **applications - licenses.** (1) A local licensing authority may issue only the
8 following medical marijuana licenses upon payment of the fee and
9 compliance with all local licensing requirements to be determined by the
10 local licensing authority:

- 11 (a) A medical marijuana ~~center~~ STORE license;
- 12 (b) ~~An optional premises cultivation~~ A MEDICAL MARIJUANA
13 CULTIVATION FACILITY license;
- 14 (c) A medical ~~marijuana-infused~~ MARIJUANA products
15 ~~manufacturing~~ MANUFACTURER license;
- 16 (d) A medical marijuana testing facility license;
- 17 (e) A medical marijuana transporter license;
- 18 (f) A medical marijuana business operator license; AND
- 19 (g) A marijuana research and development license. ~~and~~
- 20 ~~(h) A marijuana research and development cultivation license.~~

21 (2) (a) (I) A local licensing authority shall not issue a local license
22 TO A MEDICAL MARIJUANA BUSINESS within a municipality, city and
23 county, or the unincorporated portion of a county unless the governing
24 body of the municipality or city and county has adopted an ordinance, or
25 the governing body of the county has adopted a resolution, containing
26 specific standards for license issuance, or if no such ordinance or
27 resolution is adopted prior to July 1, 2012, then a local licensing authority

1 shall consider the minimum licensing requirements of this part 3 when
2 issuing a license.

3 ~~(b)~~ (II) In addition to all other standards applicable to the issuance
4 of licenses under this ~~article~~ ~~11~~ ARTICLE 10, the local governing body may
5 adopt additional standards for the issuance of medical marijuana ~~center~~
6 STORE, ~~optional premises cultivation~~ MEDICAL MARIJUANA CULTIVATION
7 FACILITY, or medical ~~marijuana-infused~~ MARIJUANA products
8 manufacturer licenses consistent with the intent of this ~~article~~ ~~11~~ ARTICLE
9 10 that may include, but need not be limited to:

10 ~~(H)~~ (A) Distance restrictions between premises for which local
11 licenses are issued;

12 ~~(H)~~ (B) Reasonable restrictions on the size of an applicant's
13 licensed premises; and

14 ~~(H)~~ (C) Any other requirements necessary to ensure the control
15 of the premises and the ease of enforcement of the terms and conditions
16 of the license.

17 ~~(3)~~ (b) An application for a license specified in subsection (1) of
18 this section ~~shall~~ MUST be filed with the state licensing authority and the
19 appropriate local licensing authority on forms provided by the state
20 licensing authority and ~~shall~~ MUST contain such information as the state
21 licensing authority may require and any forms as the local licensing
22 authority may require. Each application ~~shall~~ MUST be verified by the oath
23 or affirmation of the persons prescribed by the state licensing authority.

24 ~~(4)~~ (c) An applicant shall file, at the time of application for a
25 license, plans and specifications for the interior of the building if the
26 building to be occupied is in existence at the time. If the building is not
27 in existence, the applicant shall file a plot plan and a detailed sketch for

1 the interior and submit an architect's drawing of the building to be
2 constructed. In its discretion, the local or state licensing authority may
3 impose additional requirements necessary for the approval of the
4 application.

5 (3) **[Formerly 44-12-301 (1)] Retail marijuana businesses.**

6 (a) When the state licensing authority receives an application for original
7 licensing or renewal of an existing license for any RETAIL marijuana
8 ~~establishment~~ BUSINESS, the state licensing authority shall provide, within
9 seven days, a copy of the application to the local jurisdiction in which the
10 ~~establishment~~ BUSINESS is to be located unless the local jurisdiction has
11 prohibited the operation of retail marijuana ~~establishments~~ BUSINESSES
12 pursuant to section 16 (5)(f) of article XVIII of the state constitution. The
13 local jurisdiction shall determine whether the application complies with
14 local restrictions on time, place, manner, and the number of RETAIL
15 marijuana businesses. The local jurisdiction shall inform the state
16 licensing authority whether the application complies with local
17 restrictions on time, place, manner, and the number of RETAIL marijuana
18 businesses.

19 (b) **[Formerly 44-12-301 (2)]** A local jurisdiction may impose a
20 separate local licensing requirement FOR RETAIL MARIJUANA BUSINESSES
21 as a part of its restrictions on time, place, manner, and the number of
22 marijuana businesses. A local jurisdiction may decline to impose any
23 local licensing requirements, but a local jurisdiction shall notify the state
24 licensing authority that it either approves or denies each application
25 forwarded to it.

26 **44-10-302. [Formerly 44-11-503] Local license fees - medical**
27 **marijuana.** (1) Each application for a local license FOR A MEDICAL

1 MARIJUANA BUSINESS provided for in ~~this article~~ ~~11~~ SECTION 44-10-301

2 (1) filed with a local licensing authority ~~shall~~ MUST be accompanied by
3 an application fee in an amount determined by the local licensing
4 authority.

5 (2) License fees as determined by the local licensing authority
6 ~~shall~~ MUST be paid to the treasurer of the municipality, city and county,
7 or county where the licensed premises is located in advance of the
8 approval, denial, or renewal of the license.

9 **44-10-303. [Formerly 44-11-302] Public hearing notice -**
10 **posting and publication. (1) Medical marijuana business licenses.**

11 (a) Upon receipt of an application for a local license FOR A MEDICAL
12 MARIJUANA BUSINESS, except an application for renewal or for transfer of
13 ownership, a local licensing authority may schedule a public hearing upon
14 the application to be held not less than thirty days after the date of the
15 application. If the local licensing authority schedules a hearing for a
16 MEDICAL MARIJUANA BUSINESS license application, it shall post and
17 publish public notice thereof not less than ten days prior to the hearing.
18 The local licensing authority shall give public notice by posting a sign in
19 a conspicuous place on the license applicant's premises for which license
20 application has been made and by publication in a newspaper of general
21 circulation in the county in which the applicant's premises are located.

22 ~~(2)~~ (b) Public notice given by posting ~~shall~~ MUST include a sign
23 of suitable material, not less than twenty-two inches wide and twenty-six
24 inches high, composed of letters not less than one inch in height and
25 stating the type of license applied for, the date of the application, the date
26 of the hearing, the name and address of the applicant, and such other
27 information as may be required to fully apprise the public of the nature of

1 the application. The sign ~~shall~~ MUST contain the names and addresses of
2 the officers, directors, or manager of the facility to be licensed.

3 ~~(3)~~ (c) Public notice given by publication ~~shall~~ MUST contain the
4 same information as that required for signs.

5 ~~(4)~~ (d) If the building in which medical marijuana is to be
6 cultivated, manufactured, or distributed is in existence at the time of the
7 application, a sign posted as required in subsections (1) and (2) of this
8 section ~~shall~~ MUST be placed so as to be conspicuous and plainly visible
9 to the general public. If the building is not constructed at the time of the
10 application, the applicant shall post a sign at the premises upon which the
11 building is to be constructed in such a manner that the notice ~~shall be~~ IS
12 conspicuous and plainly visible to the general public.

13 ~~(5)~~ (2) **Medical marijuana application review.** (a) When
14 conducting its application review, the state licensing authority may advise
15 the local licensing authority of any items that it finds that could result in
16 the denial of the license application. Upon correction of the noted
17 discrepancies, if the correction is permitted by the state licensing
18 authority, the state licensing authority shall notify the local licensing
19 authority of its conditional approval of the license application
20 amendments. The state licensing authority shall then issue the applicant's
21 state license, which ~~shall remain~~ IS conditioned upon local authority
22 approval.

23 (b) All applications submitted for review ~~shall~~ MUST be
24 accompanied by all applicable state and local license and application fees.
25 Any applications that are later denied or withdrawn may allow for a
26 refund of license fees only. All application fees provided by an applicant
27 ~~shall~~ MUST be retained by the respective licensing authority.

1 (3) **[Formerly 44-12-302 (1)] Retail marijuana business**
2 **licenses.** (a) If a local jurisdiction issues local licenses for a retail
3 marijuana ~~establishment~~ BUSINESS, a local jurisdiction may schedule a
4 public hearing on the application. If the local jurisdiction schedules a
5 hearing, it shall post and publish public notice thereof not less than ten
6 days prior to the hearing. The local jurisdiction shall give public notice by
7 posting a sign in a conspicuous place on the license applicant's premises
8 for which a local license application has been made and by publication in
9 a newspaper of general circulation in the county in which the applicant's
10 premises are located.

11 (b) **[Formerly 44-12-302 (2)]** If a local jurisdiction does not issue
12 local RETAIL MARIJUANA BUSINESS licenses, the local jurisdiction may
13 give public notice of the state license application by posting a sign in a
14 conspicuous place on the state license applicant's premises for which a
15 state license application has been made and by publication in a newspaper
16 of general circulation in the county in which the applicant's premises are
17 located.

18 **44-10-304. [Formerly 44-11-303] Results of investigation -**
19 **decision of authorities - medical marijuana.** (1) Not less than five days
20 prior to the date of the public hearing authorized in ~~section 44-11-302~~
21 SECTION 44-10-303, the local licensing authority shall make known its
22 findings, based on its investigation, in writing to the applicant and other
23 parties of interest. The local licensing authority has authority to refuse to
24 issue a license provided for in this section for good cause, subject to
25 judicial review.

26 (2) Before entering a decision approving or denying the
27 application for a local MEDICAL MARIJUANA BUSINESS license, the local

1 licensing authority may consider, except where this ~~article 11~~ ARTICLE 10
2 specifically provides otherwise, the facts and evidence adduced as a result
3 of its investigation, as well as any other facts pertinent to the type of
4 license for which application has been made, including the number, type,
5 and availability of medical marijuana ~~centers, optional premises~~
6 ~~cultivation operations~~ STORES, MEDICAL MARIJUANA CULTIVATION
7 FACILITIES, or medical ~~marijuana-infused~~ MARIJUANA products
8 manufacturers located in or near the premises under consideration, and
9 any other pertinent matters affecting the qualifications of the applicant for
10 the conduct of the type of business proposed.

11 (3) Within thirty days after the public hearing or completion of the
12 application investigation, a local licensing authority shall issue its
13 decision approving or denying an application for local licensure. The
14 decision ~~shall~~ MUST be in writing and ~~shall~~ MUST state the reasons for the
15 decision. The local licensing authority shall send a copy of the decision
16 by certified mail to the applicant at the address shown in the application.

17 (4) After approval of an application, the local licensing authority
18 shall not issue a local license until the building in which the business to
19 be conducted is ready for occupancy with such furniture, fixtures, and
20 equipment in place as are necessary to comply with the applicable
21 provisions of this ~~article 11~~ ARTICLE 10, and then only after the state or
22 local licensing authority has inspected the premises to determine that the
23 applicant has complied with the architect's drawing and the plot plan and
24 detailed sketch for the interior of the building submitted with the
25 application PURSUANT TO SECTION 44-10-301 (4).

26 (5) After approval of an application for conditional state licensure,
27 the state licensing authority shall notify the local licensing authority of

1 such approval. After approval of an application for local licensure, the
2 local licensing authority shall notify the state licensing authority of such
3 approval, ~~who~~ AND THE STATE LICENSING AUTHORITY shall investigate
4 and either approve or disapprove the application for state licensure.

5 **44-10-305. [Formerly 44-11-304 (1)] State licensing authority**
6 **- application and issuance procedures.** (1) Applications for a state
7 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license
8 under the provisions of this ~~article 11 shall~~ ARTICLE 10 MUST be made to
9 the state licensing authority on forms prepared and furnished by the state
10 licensing authority and ~~shall~~ MUST set forth such information as the state
11 licensing authority may require to enable the state licensing authority to
12 determine whether a state MEDICAL MARIJUANA BUSINESS OR RETAIL
13 MARIJUANA BUSINESS license should be granted. The information ~~shall~~
14 MUST include the name and address of the applicant, the names and
15 addresses of the ~~officers, directors,~~ CONTROLLING BENEFICIAL OWNERS or
16 managers, and all other information deemed necessary by the state
17 licensing authority. Each application ~~shall~~ MUST be verified by the oath
18 or affirmation of such person or persons as the state licensing authority
19 may prescribe.

20 (2) (a) **[Formerly 44-11-304 (2)]** The state licensing authority
21 shall issue a state license to a medical marijuana ~~center, an optional~~
22 ~~premises cultivation operation~~ STORE, A MEDICAL MARIJUANA
23 CULTIVATION FACILITY, ~~or a medical marijuana-infused~~ MARIJUANA
24 products manufacturer, A MEDICAL MARIJUANA TESTING FACILITY, A
25 MEDICAL MARIJUANA TRANSPORTER, A MEDICAL MARIJUANA BUSINESS
26 OPERATOR, OR A MARIJUANA RESEARCH AND DEVELOPMENT FACILITY
27 pursuant to this section upon satisfactory completion of the applicable

1 criminal history background check associated with the application, and
2 the state license is conditioned upon local licensing authority approval. A
3 license applicant is prohibited from operating a licensed medical
4 marijuana business without both state and local licensing authority
5 approval. The denial of an application by the local licensing authority
6 shall be considered as a basis for the state licensing authority to revoke
7 the state-issued license.

8 (b) [Similar to 44-12-303 (1)] THE STATE LICENSING AUTHORITY
9 MAY ISSUE A STATE LICENSE TO AN APPLICANT PURSUANT TO THIS SECTION
10 FOR A RETAIL MARIJUANA BUSINESS UPON COMPLETION OF THE
11 APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED WITH
12 THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON LOCAL
13 JURISDICTION APPROVAL. A LICENSE APPLICANT IS PROHIBITED FROM
14 OPERATING A LICENSED RETAIL MARIJUANA BUSINESS WITHOUT STATE AND
15 LOCAL JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE
16 LOCAL JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF
17 STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND
18 MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL
19 LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE
20 THE STATE-ISSUED LICENSE.

21 [Formerly 44-11-304 (3)] ~~(3) An applicant that has been~~
22 ~~permitted to operate a medical marijuana business under the provisions~~
23 ~~of section 44-11-103 (1)(b) and has been issued a conditional license by~~
24 ~~the state licensing authority pursuant to subsection (2) of this section may~~
25 ~~continue to operate the business while an application is pending with the~~
26 ~~local licensing authority. If the local licensing authority denies the license~~
27 ~~application, the medical marijuana business shall cease operations upon~~

1 receiving the denial. The denial of an application by the local licensing
2 authority shall be considered as a basis for the state licensing authority to
3 revoke the state-issued license.

4 (4) (3) [Formerly 44-11-304 (4)] Nothing in this article 11 shall
5 preempt ARTICLE 10 PREEMPTS or otherwise impair IMPAIRS the power of
6 a local government to enact ordinances or resolutions concerning matters
7 authorized to local governments.

8 **44-10-306. [Formerly 44-11-305 and similar to**
9 **44-12-304] Denial of application.** (1) The state licensing authority shall
10 deny a state license if the premises on which the applicant proposes to
11 conduct its business does not meet the requirements of this article 11
12 ARTICLE 10 or for reasons set forth in section 44-11-104 (2)(c) or
13 ~~44-11-304~~ SECTION 44-10-103 (13)(c) OR 44-10-305, and the state
14 licensing authority may REFUSE OR deny a license, RENEWAL,
15 REINSTATEMENT, OR INITIAL LICENSE for good cause as defined by section
16 ~~44-11-104 (2)(a) or (2)(b)~~ SECTION 44-10-103 (13)(a) OR (13)(b).

17 (2) If the state licensing authority denies a state license pursuant
18 to subsection (1) of this section, the applicant shall be IS entitled to a
19 hearing pursuant to section 24-4-104 (9) and judicial review pursuant to
20 section 24-4-106. The state licensing authority shall provide written
21 notice of the grounds for denial of the state license to the applicant and
22 to the local licensing authority at least fifteen days prior to the hearing.

23 **44-10-307. [Formerly 44-11-306 and similar to**
24 **44-12-305] Persons prohibited as licensees - definition.** (1) A license
25 provided by this article 11 ARTICLE 10 shall not be issued to or held by:

- 26 (a) A person until the fee therefore has been paid;
27 (b) ~~A person~~ AN INDIVIDUAL whose criminal history indicates that

1 he or she is not of good moral character AFTER CONSIDERING THE
2 FACTORS IN SECTION 24-5-101 (2);

3 (c) A ~~corporation~~, PERSON OTHER THAN AN INDIVIDUAL if the
4 criminal history of any of its ~~officers, directors, or stockholders~~
5 CONTROLLING BENEFICIAL OWNERS OR PASSIVE BENEFICIAL OWNERS
6 indicates that ~~the officer, director, or stockholder~~ A CONTROLLING
7 BENEFICIAL OWNER OR PASSIVE BENEFICIAL OWNER is not of good moral
8 character AFTER CONSIDERING THE FACTORS IN SECTION 24-5-101 (2);

9 ~~(d) A licensed physician making patient recommendations;~~

10 ~~(e)~~ (d) A person employing, assisted by, or financed in whole or
11 in part by any other person whose criminal history indicates he or she is
12 not of good character and reputation satisfactory to the respective
13 licensing authority;

14 ~~(f)~~ (e) A person under twenty-one years of age;

15 ~~(g)~~ (f) A person licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10
16 who, during a period of licensure, or who, at the time of application, has
17 failed to:

18 (I) File any tax return with a taxing agency related to a medical
19 marijuana business or retail marijuana ~~establishment~~ BUSINESS;

20 (II) Pay any taxes, interest, or penalties due AS DETERMINED BY
21 FINAL AGENCY ACTION related to a medical marijuana business or retail
22 marijuana ~~establishment~~ BUSINESS;

23 ~~(h)~~ (g) A person who fails to meet qualifications for licensure that
24 directly and demonstrably relate to the operation of a medical marijuana
25 ~~establishment~~ BUSINESS;

26 ~~(i)~~ (h) (I) A person who ~~has discharged a sentence for a conviction~~
27 WAS CONVICTED of a felony in the ~~five~~ THREE years immediately

1 preceding his or her application date OR WHO IS CURRENTLY SUBJECT TO
2 A SENTENCE FOR A FELONY CONVICTION; EXCEPT FOR AN ACCELERATOR
3 LICENSE, A MARIJUANA CONVICTION IS NOT THE SOLE BASIS FOR LICENSE
4 DENIAL; or

5 (II) A person who ~~has discharged a sentence for a conviction of~~
6 ~~a felony pursuant to any state or federal law regarding the possession,~~
7 ~~distribution, manufacturing, cultivation, or use of a controlled substance~~
8 ~~in the ten years immediately preceding his or her application date or five~~
9 ~~years from May 28, 2013, whichever is longer, except that the licensing~~
10 ~~authority may grant a license to a person if the person has a state felony~~
11 ~~conviction based on possession or use of marijuana or marijuana~~
12 ~~concentrate that would not be a felony if the person were convicted of the~~
13 ~~offense on the date he or she applied for licensure~~ IS CURRENTLY SUBJECT
14 TO A DEFERRED JUDGMENT OR SENTENCE FOR A FELONY;

15 ~~(j) (i) A person who employs another person at a medical~~
16 ~~marijuana facility who has not passed a criminal history record check~~ A
17 PERSON WHO EMPLOYS ANOTHER PERSON AT A MEDICAL MARIJUANA
18 BUSINESS OR RETAIL MARIJUANA BUSINESS WHO HAS NOT SUBMITTED
19 FINGERPRINTS FOR A CRIMINAL HISTORY RECORD CHECK OR WHOSE
20 CRIMINAL HISTORY RECORD CHECK REVEALS THAT THE PERSON IS
21 INELIGIBLE;

22 ~~(k) (j) A sheriff, deputy sheriff, police officer, or prosecuting~~
23 ~~officer, or an officer or employee of the state licensing authority or a local~~
24 ~~licensing authority;~~

25 ~~(l) A person whose authority to be a primary caregiver as defined~~
26 ~~in section 25-1.5-106 (2) has been revoked by the state health agency;~~

27 ~~(m) (k) A person APPLYING for a license for a location that is~~

1 currently licensed as a retail food establishment; ~~or wholesale food~~
2 ~~registrant~~; or

3 ~~(n)~~ (1) A publicly traded company.

4 (2) THE STATE LICENSING AUTHORITY MAY DENY OR REVOKE A
5 LICENSE IF THE APPLICANT OR LICENSEE'S CRIMINAL CHARACTER OR
6 CRIMINAL RECORD POSES A THREAT TO THE REGULATION OR CONTROL OF
7 MARIJUANA.

8 (3) A MEDICAL MARIJUANA LICENSE PROVIDED BY THIS ARTICLE 10
9 SHALL NOT BE ISSUED TO OR HELD BY:

10 (a) A LICENSED PHYSICIAN MAKING PATIENT RECOMMENDATIONS;
11 OR

12 (b) A PERSON WHOSE AUTHORITY TO BE A PRIMARY CAREGIVER AS
13 DEFINED IN SECTION 25-1.5-106 (2) HAS BEEN REVOKED BY THE STATE
14 HEALTH AGENCY.

15 ~~(2)~~ (4) (a) In investigating the qualifications of an applicant or a
16 licensee, the state and local licensing authorities may have access to
17 criminal history record information furnished by a criminal justice agency
18 subject to any restrictions imposed by such agency. In the event the state
19 or local licensing authority considers the applicant's criminal history
20 record, the state or local licensing authority shall also consider any
21 information provided by the applicant regarding such criminal history
22 record, including but not limited to evidence of rehabilitation, character
23 references, and educational achievements, especially those items
24 pertaining to the period of time between the applicant's last criminal
25 conviction and the consideration of the application for a state license.

26 (b) As used in ~~subsection (2)(a)~~ SUBSECTION (4)(a) of this section,
27 "criminal justice agency" means any federal, state, or municipal court or

1 any governmental agency or subunit of such agency that administers
2 criminal justice pursuant to a statute or executive order and that allocates
3 a substantial part of its annual budget to the administration of criminal
4 justice.

5 (c) At the time of filing an application for issuance or renewal of
6 a state medical marijuana ~~center~~ BUSINESS license ~~medical~~
7 ~~marijuana-infused product manufacturer license, or optional premises~~
8 ~~cultivation~~ OR RETAIL MARIJUANA BUSINESS license, an applicant shall
9 submit a set of his or her fingerprints and file personal history information
10 concerning the applicant's qualifications for a state license on forms
11 prepared by the state licensing authority. The state or local licensing
12 authority OR LOCAL JURISDICTION shall submit the fingerprints to the
13 Colorado bureau of investigation for the purpose of conducting
14 fingerprint-based criminal history record checks. The Colorado bureau of
15 investigation shall forward the fingerprints to the federal bureau of
16 investigation for the purpose of conducting fingerprint-based criminal
17 history record checks. The state or local licensing authority OR LOCAL
18 JURISDICTION may acquire a name-based criminal history record check for
19 an applicant or a license holder who has twice submitted to a
20 fingerprint-based criminal history record check and whose fingerprints
21 are unclassifiable. An applicant who has previously submitted
22 fingerprints for state OR LOCAL licensing purposes may request that the
23 fingerprints on file be used. The state or local licensing authority OR
24 LOCAL JURISDICTION shall use the information resulting from the
25 fingerprint-based criminal history record check to investigate and
26 determine whether an applicant is qualified to hold a state OR LOCAL
27 license pursuant to this ~~article 11~~ ARTICLE 10. The state or local licensing

1 authority OR LOCAL JURISDICTION may verify any of the information an
2 applicant is required to submit.

3 **44-10-308. [Formerly 44-11-307 and similar to**
4 **44-12-306] Business and owner requirements - legislative declaration**
5 **- definition.** (1) (a) The general assembly hereby finds and declares that:

6 (I) Medical marijuana businesses AND RETAIL MARIJUANA
7 BUSINESSES need to be able to access capital in order to effectively grow
8 their businesses and remain competitive in the marketplace;

9 (II) The current regulatory structure for ~~medical~~ REGULATED
10 marijuana AND REGULATED MARIJUANA PRODUCTS creates a substantial
11 barrier to investment from out-of-state interests;

12 (III) There is insufficient capital in the state to properly fund the
13 capital needs of Colorado medical marijuana businesses AND RETAIL
14 MARIJUANA BUSINESSES;

15 (IV) Colorado medical marijuana businesses AND RETAIL
16 MARIJUANA BUSINESSES need to have ready access to capital from
17 investors in states outside of Colorado; and

18 (V) Providing access to legitimate sources of capital helps prevent
19 the opportunity for those who engage in illegal activity to gain entry into
20 the state's regulated medical AND RETAIL marijuana market.

21 (b) Therefore, the general assembly is providing a mechanism for
22 Colorado medical marijuana businesses AND RETAIL MARIJUANA
23 BUSINESSES to access capital from investors in other states.

24 (2) A ~~direct beneficial interest owner~~ CONTROLLING BENEFICIAL
25 OWNER OR PASSIVE BENEFICIAL OWNER who is a natural person must
26 either:

27 (a) Have been a resident of Colorado for at least one year prior to

1 the date of the application; or

2 (b) Be a United States citizen prior to the date of the application.

3 (3) (a) A medical marijuana business OR RETAIL MARIJUANA
4 BUSINESS may be comprised of an unlimited number of ~~direct beneficial~~
5 ~~interest owners~~ CONTROLLING BENEFICIAL OWNERS OR PASSIVE
6 BENEFICIAL OWNERS that have been residents of Colorado for at least one
7 year prior to the date of the application.

8 (b) On and after January 1, 2017, a medical marijuana business OR
9 RETAIL MARIJUANA BUSINESS that is composed of one or more ~~direct~~
10 ~~beneficial interest owners~~ CONTROLLING BENEFICIAL OWNERS OR PASSIVE
11 BENEFICIAL OWNERS who have not been Colorado residents for at least
12 one year prior to application shall have at least one officer who has been
13 a Colorado resident for at least one year prior to application, and all
14 officers with day-to-day operational control over the business must be
15 Colorado residents for at least one year prior to application. A medical
16 marijuana business OR RETAIL MARIJUANA BUSINESS under this subsection
17 (3)(b) is limited to no more than fifteen ~~direct beneficial interest owners~~
18 CONTROLLING BENEFICIAL OWNERS AND PASSIVE BENEFICIAL OWNERS,
19 including all parent and subsidiary entities, all of whom are natural
20 persons.

21 (c) Notwithstanding the requirements of subsection (3)(b) of this
22 section, the state licensing authority may review the limitation on the
23 number of ~~direct beneficial interest owners~~ CONTROLLING BENEFICIAL
24 OWNERS AND PASSIVE BENEFICIAL OWNERS and may increase the number
25 of allowable interests above fifteen based on reasonable considerations
26 such as developments in state and federal financial regulations, market
27 conditions, and the licensee's ability to access legitimate sources of

1 capital.

2 (d) A ~~direct beneficial interest owner~~ CONTROLLING BENEFICIAL
3 OWNER OR PASSIVE BENEFICIAL OWNER that is a closely held business
4 entity must consist entirely of natural persons who are United States
5 citizens prior to the date of the application, including all parent and
6 subsidiary entities.

7 (4) A medical marijuana business OR RETAIL MARIJUANA BUSINESS
8 may include qualified institutional investors that own thirty percent or less
9 of the medical marijuana business OR RETAIL MARIJUANA BUSINESS.

10 (5) PRIOR TO SUBMITTING AN INITIAL APPLICATION AND AT ANY
11 TIME THEREAFTER WHEN REQUESTED BY THE STATE LICENSING AUTHORITY
12 IN ITS REASONABLE DISCRETION, A PERSON THAT IS OR INTENDS TO
13 BECOME A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
14 BUSINESS LICENSEE SHALL DISCLOSE TO THE STATE LICENSING AUTHORITY
15 A COMPLETE AND ACCURATE LIST OF THE FOLLOWING:

16 (a) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
17 MARIJUANA BUSINESS'S OFFICERS, DIRECTORS, AND AFFILIATES;

18 (b) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
19 MARIJUANA BUSINESS'S CONTROLLING BENEFICIAL OWNERS, AND IF THE
20 CONTROLLING BENEFICIAL OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS,
21 DIRECTORS, BENEFICIAL OWNERS, AND AFFILIATES OF THE CONTROLLING
22 BENEFICIAL OWNER; AND

23 (c) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
24 MARIJUANA BUSINESS'S PASSIVE BENEFICIAL OWNERS AND, IF THE PASSIVE
25 BENEFICIAL OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS, DIRECTORS,
26 BENEFICIAL OWNERS, AND AFFILIATES OF THE PASSIVE BENEFICIAL OWNER.

27 ~~(5)~~ (6) (a) A person ~~who~~ THAT intends to apply ~~as a direct~~

1 ~~beneficial interest owner~~ TO BECOME A CONTROLLING BENEFICIAL OWNER
2 OR PASSIVE BENEFICIAL OWNER and is not a Colorado resident for at least
3 one year prior to the date of application shall first submit a request to the
4 state licensing authority for a finding of suitability. ~~as a direct beneficial~~
5 ~~interest owner. The person shall~~ FAILURE TO PROVIDE ALL REQUESTED
6 INFORMATION IN CONNECTION WITH A REQUEST FOR A FINDING OF
7 SUITABILITY IS GROUNDS FOR DENIAL OF THAT FINDING OF SUITABILITY.
8 EVERY PROPOSED CONTROLLING BENEFICIAL OWNER OR PASSIVE
9 BENEFICIAL OWNER MUST receive a finding of suitability OR AN
10 EXEMPTION FROM A FINDING OF SUITABILITY BY THE STATE LICENSING
11 AUTHORITY prior to submitting ~~an~~ A MEDICAL MARIJUANA BUSINESS OR
12 RETAIL MARIJUANA BUSINESS application to the state licensing authority.
13 ~~to be a direct beneficial interest owner.~~ Failure to receive a ~~finding~~ ALL
14 REQUIRED FINDINGS of suitability prior to application is grounds for denial
15 OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER
16 SANCTION AGAINST THE LICENSEE by the state licensing authority.

17 (b) ~~The state licensing authority shall perform a limited initial~~
18 ~~background check on qualified limited passive investors. If the initial~~
19 ~~background check provides reasonable cause for additional investigation,~~
20 ~~the state licensing authority may require a full background check~~ THE
21 STATE LICENSING AUTHORITY MAY REQUIRE ANY PERSON THAT WAS
22 DISCLOSED OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO SUBSECTION
23 (5) OF THIS SECTION TO OBTAIN A FINDING OF SUITABILITY PRIOR TO
24 SUBMISSION OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
25 BUSINESS APPLICATION. FAILURE TO PROVIDE ANY INFORMATION
26 REQUESTED IN CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS
27 FOR DENIAL OF THAT REQUEST FOR A FINDING OF SUITABILITY. ALL

1 INDIVIDUALS WHO ARE NOT COLORADO RESIDENTS FOR AT LEAST ONE
2 YEAR PRIOR TO THE DATE OF APPLICATION SHALL OBTAIN ANY REQUIRED
3 FINDING OF SUITABILITY PRIOR TO SUBMITTING A MEDICAL MARIJUANA
4 BUSINESS OR RETAIL MARIJUANA BUSINESS APPLICATION TO THE STATE
5 LICENSING AUTHORITY. FAILURE OF A PERSON TO OBTAIN ANY REQUIRED
6 FINDING OF SUITABILITY PRIOR TO APPLICATION IS GROUNDS FOR DENIAL
7 OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER
8 SANCTION AGAINST THE LICENSEE BY THE STATE LICENSING AUTHORITY.

9 ~~(6) The state licensing authority shall review the medical~~
10 ~~marijuana business's operating documents to ensure compliance with this~~
11 ~~section.~~

12 (7) IN ITS REASONABLE DISCRETION, AT ANY TIME, THE STATE
13 LICENSING AUTHORITY MAY REQUIRE ANY PERSON THAT WAS DISCLOSED
14 OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO THIS SECTION TO OBTAIN
15 A FINDING OF SUITABILITY. FAILURE TO PROVIDE ANY INFORMATION
16 REQUESTED IN CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS
17 FOR DENIAL OF THAT REQUEST FOR A FINDING OF SUITABILITY. FAILURE OF
18 A PERSON TO OBTAIN ANY REQUIRED FINDING OF SUITABILITY MAY BE
19 GROUNDS FOR DENIAL OF AN APPLICATION OR FOR SUSPENSION,
20 REVOCATION, OR OTHER SANCTION AGAINST THE LICENSE BY THE STATE
21 LICENSING AUTHORITY.

22 (8) A PERSON, OTHER THAN AN INDIVIDUAL, THAT IS A
23 CONTROLLING BENEFICIAL OWNER SHALL APPOINT AND CONTINUOUSLY
24 MAINTAIN A REGISTERED AGENT THAT SATISFIES THE REQUIREMENTS OF
25 SECTION 7-90-701. THE MEDICAL MARIJUANA BUSINESS OR RETAIL
26 MARIJUANA BUSINESS SHALL INFORM THE STATE LICENSING AUTHORITY OF
27 A CHANGE IN THE REGISTERED AGENT WITHIN TEN DAYS AFTER THE

1 CHANGE.

2 ~~(7) For purposes of this section, unless the context otherwise~~
3 ~~requires, "institutional investor" means:~~

4 ~~(a) A bank as defined in section 3 (a)(6) of the federal "Securities~~
5 ~~Exchange Act of 1934", as amended;~~

6 ~~(b) An insurance company as defined in section 2 (a)(17) of the~~
7 ~~federal "Investment Company Act of 1940", as amended;~~

8 ~~(c) An investment company registered under section 8 of the~~
9 ~~federal "Investment Company Act of 1940", as amended;~~

10 ~~(d) An investment adviser registered under section 203 of the~~
11 ~~federal "Investment Advisers Act of 1940", as amended;~~

12 ~~(e) Collective trust funds as defined in section 3 (c)(11) of the~~
13 ~~federal "Investment Company Act of 1940", as amended;~~

14 ~~(f) An employee benefit plan or pension fund that is subject to the~~
15 ~~federal "Employee Retirement Income Security Act of 1974", as~~
16 ~~amended, excluding an employee benefit plan or pension fund sponsored~~
17 ~~by a licensee or an intermediary or holding company licensee that directly~~
18 ~~or indirectly owns five percent or more of a licensee;~~

19 ~~(g) A state or federal government pension plan;~~

20 ~~(h) A group comprised entirely of persons specified in subsections~~
21 ~~(7)(a) to (7)(g) of this section; or~~

22 ~~(i) Any other entity identified through rule by the state licensing~~
23 ~~authority.~~

24 **44-10-309. [Formerly 44-11-308] Restrictions for applications**
25 **for new licenses.** (1) The state or a local licensing authority shall not
26 receive or act upon an application for the issuance of a state or local
27 MEDICAL MARIJUANA BUSINESS license pursuant to this ~~article~~ **ARTICLE**

1 10:

2 (a) If the application for a state or local license concerns a
3 particular location that is the same as or within one thousand feet of a
4 location for which, within the two years immediately preceding the date
5 of the application, the state or a local licensing authority denied an
6 application for the same class of license due to the nature of the use or
7 other concern related to the location;

8 (b) Until it is established that the applicant is, or will be, entitled
9 to possession of the premises for which application is made under a lease,
10 rental agreement, or other arrangement for possession of the premises or
11 by virtue of ownership of the premises;

12 (c) For a location in an area where the cultivation, manufacture,
13 and sale of medical marijuana as contemplated is not permitted under the
14 applicable zoning laws of the municipality, city and county, or county;

15 (d) (I) If the building in which medical marijuana is to be sold is
16 located within one thousand feet of a school; an alcohol or drug treatment
17 facility; the principal campus of a college, university, or seminary; or a
18 residential child care facility. The provisions of this section ~~shall~~ DO not
19 affect the renewal or reissuance of a license once granted or apply to
20 licensed premises located or to be located on land owned by a
21 municipality, nor ~~shall~~ DO the provisions of this section apply to an
22 existing licensed premises on land owned by the state or apply to a license
23 in effect and actively doing business before said principal campus was
24 constructed. The local licensing authority of a city and county, by rule or
25 regulation; the governing body of a municipality, by ordinance; and the
26 governing body of a county, by resolution, may vary the distance
27 restrictions imposed by this subsection (1)(d)(I) for a license or may

1 eliminate one or more types of schools, campuses, or facilities from the
2 application of a distance restriction established by or pursuant to this
3 subsection (1)(d)(I).

4 (II) The distances referred to in this subsection (1)(d) are to be
5 computed by direct measurement from the nearest property line of the
6 land used for a school or campus to the nearest portion of the building in
7 which medical marijuana is to be sold, using a route of direct pedestrian
8 access.

9 (III) In addition to the requirements of ~~section 44-11-303 (2)~~
10 SECTION 44-10-304 (2), the local licensing authority shall consider the
11 evidence and make a specific finding of fact as to whether the building in
12 which the medical marijuana is to be sold is located within any distance
13 restrictions established by or pursuant to this subsection (1)(d).

14 (2) **[Formerly 44-12-307]** The state licensing authority shall not
15 approve an application for the issuance of a state RETAIL MARIJUANA
16 BUSINESS license pursuant to this ~~article 12~~ ARTICLE 10 until it is
17 established that the applicant is, or will be, entitled to possession of the
18 premises for which application is made under a lease, rental agreement,
19 or other arrangement for possession of the premises or by virtue of
20 ownership of the premises.

21 **44-10-310. [Formerly 44-11-309 and similar to**
22 **44-12-308] Transfer of ownership.** (1) A state or local license granted
23 under the provisions of this ~~article 11 shall not be~~ ARTICLE 10 ARE NOT
24 transferable except as provided in this section, but this section ~~shall~~ DOES
25 not prevent a change of location as provided in ~~section 44-11-310 (13)~~
26 SECTION 44-10-311 (13).

27 (2) For a transfer of ownership, a license holder shall apply to the

1 state and local licensing authorities on forms prepared and furnished by
2 the state licensing authority. In determining whether to permit a transfer
3 of ownership, the state and local licensing authorities shall consider only
4 the requirements of this ~~article 11~~ ARTICLE 10, any rules promulgated by
5 the state licensing authority, and any other local restrictions. The local
6 licensing authority OR LOCAL JURISDICTION may hold a hearing on the
7 application for transfer of ownership. The local licensing authority OR
8 LOCAL JURISDICTION shall not hold a hearing pursuant to this subsection
9 (2) until the local licensing authority OR LOCAL JURISDICTION has posted
10 a notice of hearing in the manner described in ~~section 44-11-302 (2)~~
11 SECTION 44-10-303 (2) on the licensed ~~medical marijuana center~~ premises
12 for a period of ten days and has provided notice of the hearing to the
13 applicant at least ten days prior to the hearing. Any transfer of ownership
14 hearing by the state licensing authority ~~shall~~ MUST be held in compliance
15 with the requirements specified in ~~section 44-11-302~~ SECTION 44-10-303.

16 **44-10-311. [Formerly 44-11-310 and similar to**
17 **44-12-309] Licensing in general.** (1) (a) This ~~article 11~~ ARTICLE 10
18 authorizes a county, municipality, or city and county to prohibit the
19 operation of ~~medical marijuana centers, optional premises cultivation~~
20 ~~operations, and medical marijuana-infused products manufacturers'~~
21 ~~licenses~~ A MEDICAL MARIJUANA BUSINESS and to enact reasonable
22 regulations or other restrictions applicable to medical marijuana ~~centers,~~
23 ~~optional premises cultivation licenses, and medical marijuana-infused~~
24 ~~products manufacturers' licenses~~ BUSINESSES based on local government
25 zoning, health, safety, and public welfare laws for the distribution of
26 medical marijuana that are more restrictive than this ~~article 11~~ ARTICLE
27 10.

1 (b) LOCAL JURISDICTIONS ARE AUTHORIZED TO ADOPT AND
2 ENFORCE REGULATIONS FOR RETAIL MARIJUANA BUSINESSES THAT ARE AT
3 LEAST AS RESTRICTIVE AS THE PROVISIONS OF THIS ARTICLE 10 AND ANY
4 RULE PROMULGATED PURSUANT TO THIS ARTICLE 10.

5 (2) (a) A medical marijuana center, optional premises cultivation
6 operation, or medical marijuana-infused products manufacturer BUSINESS
7 may not operate until it has been licensed by the local licensing authority
8 and the state licensing authority pursuant to this ~~article~~ ~~11~~ ARTICLE 10. If
9 the state licensing authority issues the applicant a state license and the
10 local licensing authority subsequently denies the applicant a license, the
11 state licensing authority shall consider the local licensing authority denial
12 as a basis for the revocation of the state-issued license. In connection with
13 a license, the applicant shall provide a complete and accurate list of all
14 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL owners, ~~officers,~~
15 and employees who manage, own, or are otherwise substantially
16 associated with the operation and shall provide a complete and accurate
17 application as required by the state licensing authority.

18 (b) A RETAIL MARIJUANA BUSINESS MAY NOT OPERATE UNTIL IT IS
19 LICENSED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS
20 ARTICLE 10 AND APPROVED BY THE LOCAL JURISDICTION. IF AN
21 APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE
22 LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE. IN
23 CONNECTION WITH A LICENSE, THE APPLICANT SHALL PROVIDE A
24 COMPLETE AND ACCURATE APPLICATION AS REQUIRED BY THE STATE
25 LICENSING AUTHORITY.

26 (3) A medical marijuana center, optional premises cultivation
27 operation, or medical marijuana-infused products manufacturer BUSINESS

1 shall notify the state licensing authority in writing within ten days after an
2 A CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER,
3 or manager ceases to work at, manage, own, or otherwise be associated
4 with the operation. The CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
5 BENEFICIAL OWNER, or manager shall surrender to the state licensing
6 authority any identification card that may have been issued by the state
7 licensing authority on or before the date of the notification.

8 (4) A medical marijuana ~~center, optional premises cultivation~~
9 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
10 OR RETAIL MARIJUANA BUSINESS shall notify the state licensing authority
11 in writing of the name, address, and date of birth of an A CONTROLLING
12 BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager
13 before the new CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
14 BENEFICIAL OWNER, or manager begins managing ~~owning~~, or associating
15 with the operation. Any CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
16 BENEFICIAL OWNER, manager, or employee ~~shall~~ MUST pass a
17 fingerprint-based criminal history record check as required by the state
18 licensing authority and obtain the required identification prior to being
19 associated with, managing, owning, or working at the operation.

20 (5) (a) A medical marijuana ~~center, optional premises cultivation~~
21 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
22 shall not acquire, possess, cultivate, deliver, transfer, transport, supply, or
23 dispense marijuana for any purpose except to assist patients, as defined
24 by section 14 (1) of article XVIII of the state constitution.

25 (b) A RETAIL MARIJUANA BUSINESS SHALL NOT ACQUIRE, POSSESS,
26 CULTIVATE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, OR DISPENSE
27 MARIJUANA FOR ANY PURPOSE EXCEPT AS AUTHORIZED BY SECTION 16 OF

1 ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE 10.

2 (6) (a) All managers and employees of a medical marijuana center,
3 ~~optional premises cultivation operation, or medical marijuana-infused~~
4 ~~products manufacturer~~ BUSINESS shall be residents of Colorado upon the
5 date of their license application. All licenses granted pursuant to this
6 ~~article~~ ~~shall be~~ ARTICLE 10 ARE valid for a period not to exceed two
7 years after the date of issuance unless revoked or suspended pursuant to
8 this ~~article~~ ~~or~~ ARTICLE 10 or the rules promulgated pursuant to this ~~article~~
9 ~~or~~ ARTICLE 10.

10 (b) ALL MANAGERS AND EMPLOYEES OF A RETAIL MARIJUANA
11 BUSINESS SHALL BE RESIDENTS OF COLORADO UPON THE DATE OF THEIR
12 LICENSE APPLICATION. ALL LICENSES GRANTED PURSUANT TO THIS
13 ARTICLE 10 ARE VALID FOR A PERIOD OF ONE YEAR AFTER THE DATE OF
14 ISSUANCE UNLESS REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE
15 10 OR THE RULES PROMULGATED PURSUANT TO THIS ARTICLE 10.

16 (7) Before granting a local or state license, the respective
17 licensing authority may consider, except where this ~~article~~ ~~or~~ ARTICLE 10
18 specifically provides otherwise, the requirements of this ~~article~~ ~~or~~
19 ARTICLE 10 and any rules promulgated pursuant to this ~~article~~ ~~or~~ ARTICLE
20 10, and all other reasonable restrictions that are or may be placed upon
21 the licensee by the licensing authority. With respect to a second or
22 additional license for the same MEDICAL MARIJUANA BUSINESS licensee
23 or the same owner of another licensed MEDICAL MARIJUANA business
24 pursuant to this ~~article~~ ~~or~~ ARTICLE 10, each licensing authority shall
25 consider the effect on competition of granting or denying the additional
26 licenses to such licensee and shall not approve an application for a second
27 or additional license that would have the effect of restraining competition.

1 (8) (a) Each license issued under this ~~article 11~~ ARTICLE 10 is
2 separate and distinct. It is unlawful for a person to exercise any of the
3 privileges granted under a license other than the license that the person
4 holds or for a licensee to allow any other person to exercise the privileges
5 granted under the licensee's license. A separate license ~~shall be~~ IS required
6 for each specific business or business entity and each geographical
7 location.

8 (b) At all times, a licensee shall possess and maintain possession
9 of the premises ~~or optional premises~~ for which the license is issued by
10 ownership, lease, rental, or other arrangement for possession of the
11 premises.

12 (9) (a) The licenses provided pursuant to this ~~article 11~~ shall
13 ARTICLE 10 MUST specify the date of issuance, the period of licensure, the
14 name of the licensee, and the premises ~~or optional premises~~ licensed. The
15 licensee shall conspicuously place the license at all times on the licensed
16 premises. ~~or optional premises.~~

17 (b) A local licensing authority shall not transfer location of or
18 renew a license to sell medical marijuana until the applicant for the
19 license provides verification that a license was issued and granted by the
20 state licensing authority for the previous license term. The state licensing
21 authority shall not transfer location of or renew a state license until the
22 applicant provides verification that a license was issued and granted by
23 the local licensing authority for the previous license term.

24 (10) In computing any period of time prescribed by this ~~article 11~~
25 ARTICLE 10, the day of the act, event, or default from which the
26 designated period of time begins to run ~~shall~~ IS not ~~be~~ included.
27 Saturdays, Sundays, and legal holidays ~~shall be~~ ARE counted as any other

1 day.

2 (11) (a) A MEDICAL MARIJUANA BUSINESS licensee shall report
3 each transfer or change of financial interest in the license to the state and
4 local licensing authorities thirty days prior to any transfer or change
5 pursuant to ~~section 44-11-309~~ SECTION 44-10-310. A report ~~shall be~~ IS
6 required for transfers of capital stock of any corporation regardless of
7 size.

8 (b) A RETAIL MARIJUANA BUSINESS LICENSEE SHALL REPORT EACH
9 TRANSFER OR CHANGE OF FINANCIAL INTEREST IN THE LICENSE TO THE
10 STATE AND LOCAL LICENSING AUTHORITIES AND RECEIVE APPROVAL PRIOR
11 TO ANY TRANSFER OR CHANGE PURSUANT TO SECTION 44-10-310. A
12 REPORT IS REQUIRED FOR TRANSFERS OF CAPITAL STOCK OF ANY
13 CORPORATION REGARDLESS OF SIZE.

14 (12) Each licensee shall manage the licensed premises himself or
15 herself or employ a separate and distinct manager on the premises and
16 shall report the name of the manager to the state and local licensing
17 authorities. The licensee shall report any change in manager to the state
18 and local licensing authorities prior to the change pursuant to subsection
19 (4) of this section.

20 (13) (a) A licensee may move ~~his or her~~ THE permanent location
21 to any other place in Colorado once permission to do so is granted by the
22 state and local licensing authorities OR LOCAL JURISDICTION provided for
23 in this ~~article 11~~ ARTICLE 10. Upon receipt of an application for change
24 of location, the state licensing authority shall, within seven days, submit
25 a copy of the application to the local licensing authority OR LOCAL
26 JURISDICTION to determine whether the transfer complies with all local
27 restrictions on change of location.

1 (b) In permitting a change of location, the state and local licensing
2 authorities OR LOCAL JURISDICTION shall consider all reasonable
3 restrictions that are or may be placed upon the new location by the
4 governing board or local licensing authority of the municipality, city and
5 county, or county, and any such change in location ~~shall~~ MUST be in
6 accordance with all requirements of this ~~article~~ ~~11~~ ARTICLE 10 and rules
7 promulgated pursuant to this ~~article~~ ~~11~~ ARTICLE 10.

8 (c) (I) A MEDICAL MARIJUANA CULTIVATION FACILITY OR RETAIL
9 MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED AN APPROVED
10 CHANGE OF LOCATION FROM THE STATE LICENSING AUTHORITY MAY
11 OPERATE ONE LICENSE AT TWO GEOGRAPHICAL LOCATIONS FOR THE
12 PURPOSE OF TRANSITIONING OPERATIONS FROM ONE LOCATION TO
13 ANOTHER IF:

14 (A) THE TOTAL PLANTS CULTIVATED AT BOTH LOCATIONS DO NOT
15 EXCEED ANY PLANT COUNT LIMIT IMPOSED ON THE LICENSE BY THIS
16 ARTICLE 10 AND ANY RULES PROMULGATED BY THE STATE LICENSING
17 AUTHORITY;

18 (B) THE LICENSED PREMISES OF BOTH GEOGRAPHICAL LOCATIONS
19 COMPLY WITH ALL SURVEILLANCE, SECURITY, AND INVENTORY TRACKING
20 REQUIREMENTS IMPOSED BY THIS ARTICLE 10 AND ANY RULES
21 PROMULGATED BY THE STATE LICENSING AUTHORITY;

22 (C) BOTH THE TRANSFERRING LOCATION AND THE RECEIVING
23 LOCATION TRACK ALL PLANTS VIRTUALLY IN TRANSITION IN THE
24 SEED-TO-SALE TRACKING SYSTEM TO ENSURE PROPER TRACKING FOR
25 TAXATION AND TRACKING PURPOSES;

26 (D) OPERATION AT BOTH GEOGRAPHICAL LOCATIONS DOES NOT
27 EXCEED ONE HUNDRED EIGHTY DAYS, UNLESS FOR GOOD CAUSE SHOWN,

1 THE ONE-HUNDRED-EIGHTY-DAY DEADLINE MAY BE EXTENDED FOR AN
2 ADDITIONAL ONE HUNDRED TWENTY DAYS; AND

3 (E) THE MEDICAL MARIJUANA CULTIVATION FACILITY OR RETAIL
4 MARIJUANA CULTIVATION FACILITY LICENSEE OBTAINS THE PROPER STATE
5 PERMIT AND LOCAL PERMIT OR LICENSE. IF THE CHANGE OF LOCATION IS
6 WITHIN THE SAME LOCAL JURISDICTION, THE LICENSEE MUST FIRST OBTAIN
7 A TRANSITION PERMIT FROM THE STATE LICENSING AUTHORITY AND, IF
8 REQUIRED BY THE LOCAL JURISDICTION, A TRANSITION PERMIT OR OTHER
9 FORM OF APPROVAL FROM THE LOCAL LICENSING AUTHORITY OR LOCAL
10 JURISDICTION. IF THE CHANGE OF LOCATION IS TO A DIFFERENT LOCAL
11 JURISDICTION, THE LICENSEE MUST FIRST OBTAIN A LICENSE FROM THE
12 LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION WHERE IT INTENDS
13 TO LOCATE, A TRANSITION PERMIT FROM THE STATE LICENSING
14 AUTHORITY, AND, IF REQUIRED BY THE LOCAL JURISDICTION, A TRANSITION
15 PERMIT OR OTHER FORM OF APPROVAL FROM THE LOCAL LICENSING
16 AUTHORITY OR LOCAL JURISDICTION FOR THE LOCAL JURISDICTION WHERE
17 IT INTENDS TO LOCATE.

18 (II) CONDUCT AT EITHER LOCATION MAY BE BASIS FOR FINE,
19 SUSPENSION, REVOCATION, OR OTHER SANCTION AGAINST THE LICENSE.

20 **44-10-312. License renewal.** (1) [Formerly 44-11-311
21 (1)] Ninety days prior to the expiration date of an existing MEDICAL
22 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license, the state
23 licensing authority shall notify the licensee of the expiration date by
24 first-class mail at the licensee's address of record with the state licensing
25 authority. A licensee shall MUST apply for the renewal of an existing
26 license to the local licensing authority ~~not less than forty-five days and to~~
27 ~~the state licensing authority not less than thirty days prior to the date of~~

1 expiration. A local licensing authority shall not accept an application for
2 renewal of a license after the date of expiration, except as provided in
3 subsection (3) of this section. The state licensing authority may extend the
4 expiration date of the license and accept a late application for renewal of
5 a license provided that the applicant has filed a timely renewal application
6 with the local licensing authority. All renewals filed with the local
7 licensing authority and subsequently approved by the local licensing
8 authority shall next be processed by the state licensing authority. The state
9 licensing authority may administratively continue the license and accept
10 a later application for renewal of a license at the discretion of the state
11 licensing authority WITHIN THE TIME FRAME REQUIRED BY LOCAL
12 ORDINANCE OR REGULATION AND TO THE STATE LICENSING AUTHORITY
13 PRIOR TO THE EXPIRATION OF THE LICENSE. THE LICENSEE SHALL PROVIDE
14 THE STATE LICENSING AUTHORITY WITH INFORMATION ESTABLISHING THAT
15 THE APPLICATION COMPLIES WITH ALL LOCAL REQUIREMENTS FOR THE
16 RENEWAL OF A LICENSE. IF A LICENSEE SUBMITS A TIMELY AND SUFFICIENT
17 RENEWAL APPLICATION, THE LICENSEE MAY CONTINUE TO OPERATE UNTIL
18 THE APPLICATION IS FINALLY ACTED UPON BY THE STATE LICENSING
19 AUTHORITY. The local licensing authority may hold a hearing on the
20 application for renewal OF A MEDICAL MARIJUANA BUSINESS LICENSE only
21 if the licensee has had complaints filed against it, has a history of
22 violations, or there are allegations against the licensee that would
23 constitute good cause. The local licensing authority shall not hold a
24 renewal hearing provided for by this subsection (1) for a medical
25 marijuana center STORE until it has posted a notice of hearing on the
26 licensed medical marijuana center STORE premises in the manner
27 described in section 44-11-302. (2) SECTION 44-10-303 (2) for a period of

1 ten days and provided notice to the applicant at least ten days prior to the
2 hearing. The local licensing authority may refuse to renew any license for
3 good cause, subject to judicial review.

4 ~~[Formerly 44-12-310 (1)] Ninety days prior to the expiration date~~
5 ~~of an existing license, the state licensing authority shall notify the licensee~~
6 ~~of the expiration date by first-class mail at the licensee's address of record~~
7 ~~with the state licensing authority. A licensee may apply for the renewal~~
8 ~~of an existing license to the state licensing authority not less than thirty~~
9 ~~days prior to the date of expiration. Upon receipt of an application for~~
10 ~~renewal of an existing license and any applicable fees, the state licensing~~
11 ~~authority shall submit, within seven days, a copy of the application to the~~
12 ~~local jurisdiction to determine whether the application complies with all~~
13 ~~local restrictions on renewal of licenses. The state licensing authority~~
14 ~~shall not accept an application for renewal of a license after the date of~~
15 ~~expiration, except as provided in subsection (3) of this section. The state~~
16 ~~licensing authority may extend the expiration date of the license and~~
17 ~~accept a late application for renewal of a license if the applicant has filed~~
18 ~~a timely renewal application with the local licensing authority. The state~~
19 ~~or the local licensing authority, in its discretion, subject to the~~
20 ~~requirements of this subsection (1) and subsection (3) of this section and~~
21 ~~based upon reasonable grounds, may waive the thirty-day time~~
22 ~~requirements set forth in this subsection (1).~~

23 (2) [Formerly 44-11-311 (2)] The state licensing authority may
24 require an additional fingerprint request when there is a demonstrated
25 investigative need.

26 **44-10-313. [Formerly 44-11-312 and similar to**
27 **44-12-311] Inactive licenses.** The state or local licensing authority, in its

1 discretion, may revoke or elect not to renew any license if it determines
2 that the licensed premises have been inactive, without good cause, for at
3 least one year.

4 **44-10-314. [Formerly 44-11-313 and similar to**
5 **44-12-312] Unlawful financial assistance.** (1) The state licensing
6 authority, by rule, shall require a complete disclosure of all persons
7 ~~having a direct or indirect financial interest, and the extent of such~~
8 ~~interest, in each license issued under this article 11~~ THAT ARE
9 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, AND
10 INDIRECT FINANCIAL INTEREST HOLDERS OF THE MEDICAL MARIJUANA
11 BUSINESS OR RETAIL MARIJUANA BUSINESS.

12 ~~(2) A person shall not have an unreported financial interest in a~~
13 ~~license pursuant to this article 11 unless that person has undergone a~~
14 ~~fingerprint-based criminal history record check as provided for by the~~
15 ~~state licensing authority in its rules; except that this subsection (2) does~~
16 ~~not apply to banks or savings and loan associations supervised and~~
17 ~~regulated by an agency of the state or federal government, or to~~
18 ~~FHA-approved mortgagees, or to stockholders, directors, or officers~~
19 ~~thereof.~~

20 ~~(3)~~ (2) This section is intended to prohibit and prevent the control
21 of the outlets for the sale of ~~medical~~ REGULATED marijuana AND
22 REGULATED MARIJUANA PRODUCTS by a person or party other than the
23 persons licensed pursuant to the provisions of this ~~article 11~~ ARTICLE 10.

24 PART 4

25 LICENSE TYPES

26 **44-10-401. [Formerly 44-11-401 and similar to**
27 **44-12-401] Classes of licenses.** (1) For the purpose of regulating the

1 cultivation, manufacture, distribution, and sale of ~~medical~~ REGULATED
2 marijuana AND REGULATED MARIJUANA PRODUCTS, the state licensing
3 authority in its discretion, upon application in the prescribed form made
4 to it, may issue and grant to the applicant a license from any of the
5 following classes, subject to the provisions and restrictions provided by
6 this ~~article 11~~ ARTICLE 10.

7 (2) (a) THE FOLLOWING ARE MEDICAL MARIJUANA LICENSES:

8 (a) (I) Medical marijuana ~~center~~ STORE license;

9 (b) (II) ~~Optional premises cultivation~~ MEDICAL MARIJUANA
10 CULTIVATION FACILITY license;

11 (c) (III) Medical ~~marijuana-infused~~ MARIJUANA products
12 ~~manufacturing~~ MANUFACTURER license;

13 (d) (IV) Medical marijuana testing facility license;

14 (e) ~~Occupational licenses and registrations for owners, managers,~~
15 ~~operators, employees, contractors, and other support staff employed by,~~
16 ~~working in, or having access to restricted areas of the licensed premises,~~
17 ~~as determined by the state licensing authority. Upon receipt of an~~
18 ~~affirmation under penalty of perjury that the applicant is enrolled in a~~
19 ~~marijuana-based workforce development or training program operated by~~
20 ~~an entity licensed under this article 11 or by a school that is authorized by~~
21 ~~the private occupational school division in Colorado that will require~~
22 ~~access or employment within a premises licensed pursuant to this article~~
23 ~~11 or article 12 of this title 44, the state licensing authority may exempt~~
24 ~~for up to two years based on the length of the program the residency~~
25 ~~requirement in section 44-11-310 (6) for a person applying for an~~
26 ~~occupational license for participation in a marijuana-based workforce~~
27 ~~development or training program. The state licensing authority may take~~

1 ~~any action with respect to a registration pursuant to this article 11 as it~~
2 ~~may with respect to a license pursuant to this article 11, in accordance~~
3 ~~with the procedures established pursuant to this article 11.~~

- 4 ~~(f)~~ (V) Medical marijuana transporter license;
- 5 ~~(g)~~ (VI) Medical marijuana business operator license; AND
- 6 ~~(h)~~ (VII) Marijuana research and development license. ~~and~~
- 7 ~~(i) Marijuana research and development cultivation license.~~

8 (b) THE FOLLOWING ARE RETAIL MARIJUANA LICENSES:

- 9 (I) RETAIL MARIJUANA STORE LICENSE;
- 10 (II) RETAIL MARIJUANA CULTIVATION FACILITY LICENSE;
- 11 (III) RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSE;
- 12 (IV) RETAIL MARIJUANA TESTING FACILITY LICENSE;
- 13 (V) RETAIL MARIJUANA TRANSPORTER LICENSE;
- 14 (VI) RETAIL MARIJUANA BUSINESS OPERATOR LICENSE;
- 15 (VII) RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE;

16 AND

- 17 (VIII) RETAIL MARIJUANA ACCELERATOR MANUFACTURER
- 18 LICENSE;

19 (c) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,
20 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER
21 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO
22 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE
23 STATE LICENSING AUTHORITY. UPON RECEIPT OF AN AFFIRMATION UNDER
24 PENALTY OF PERJURY THAT THE APPLICANT IS ENROLLED IN A
25 MARIJUANA-BASED WORKFORCE DEVELOPMENT OR TRAINING PROGRAM
26 OPERATED BY AN ENTITY LICENSED UNDER THIS ARTICLE 10 OR BY A
27 SCHOOL THAT IS AUTHORIZED BY THE PRIVATE OCCUPATIONAL SCHOOL

1 DIVISION IN COLORADO THAT WILL REQUIRE ACCESS OR EMPLOYMENT
2 WITHIN A PREMISES LICENSED PURSUANT TO THIS ARTICLE 10, THE STATE
3 LICENSING AUTHORITY MAY EXEMPT FOR UP TO TWO YEARS BASED ON THE
4 LENGTH OF THE PROGRAM THE RESIDENCY REQUIREMENT IN SECTION
5 44-10-311 (6) FOR A PERSON APPLYING FOR AN OCCUPATIONAL LICENSE
6 FOR PARTICIPATION IN A MARIJUANA-BASED WORKFORCE DEVELOPMENT
7 OR TRAINING PROGRAM. THE STATE LICENSING AUTHORITY MAY TAKE ANY
8 ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS ARTICLE 10
9 AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE 10, IN
10 ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS
11 ARTICLE 10.

12 ~~(1.5)~~ (3) (a) Prior to accepting a court appointment as a receiver,
13 personal representative, executor, administrator, guardian, conservator,
14 trustee, or any other similarly situated person to take possession of,
15 operate, manage, or control a licensed medical marijuana business, the
16 proposed appointee shall certify to the court that the proposed appointee
17 is not prohibited from being issued a medical marijuana license pursuant
18 to ~~section 44-11-306 (1)~~ SECTION 44-10-307 (1). Within the time frame
19 established by rules promulgated by the state licensing authority pursuant
20 to ~~section 44-11-202 (2)(a)(XXVII)~~ SECTION 44-10-203 (2)(q), an
21 appointee shall notify the state and local licensing authorities of the
22 appointment and shall apply to the state licensing authority for a finding
23 of suitability.

24 (b) Upon notification of an appointment required by ~~subsection~~
25 ~~(1.5)(a)~~ SUBSECTION (3)(a) of this section, the state licensing authority
26 shall issue a temporary appointee registration to the appointee effective
27 as of the date of the appointment. Pursuant to ~~sections 44-11-202 (1)(a),~~

1 ~~44-11-601, and 24-4-104~~ SECTIONS 24-4-104, 44-10-202 (1)(b), AND
2 44-10-901, the appointee's temporary appointee registration may be
3 suspended, revoked, or subject to other sanction if the state licensing
4 authority finds the appointee to be unsuitable or if the appointee fails to
5 comply with this ~~article 11 or article 12 of this title 44~~ ARTICLE 10, the
6 rules promulgated pursuant thereto, or any order of the state licensing
7 authority. If an appointee's temporary appointee registration is suspended
8 or revoked, the appointee shall immediately cease performing all
9 activities for which a license is required by this ~~article 11~~ ARTICLE 10. For
10 purposes of ~~section 44-11-601 (1)~~ SECTION 44-10-901 (1), the appointee
11 is deemed an agent of the licensed medical marijuana business.

12 (c) The appointee shall inform the court of any action taken
13 against the temporary appointee registration by the state licensing
14 authority pursuant to ~~section 44-11-601 or 24-4-104~~ SECTION 24-4-104 OR
15 44-10-901 within two business days of any such action.

16 (d) Unless otherwise permitted by this ~~article 11~~ ARTICLE 10 and
17 rules promulgated pursuant to this ~~article 11~~ ARTICLE 10, a person shall
18 not take possession of, operate, manage, or control a medical marijuana
19 business on behalf of another except by court appointment and in
20 accordance with this ~~subsection (1.5)~~ SUBSECTION (3) and rules
21 promulgated pursuant thereto.

22 ~~(2)~~ (4) All persons licensed pursuant to this ~~article 11~~ ARTICLE 10
23 shall collect sales tax on all sales made pursuant to the licensing
24 activities.

25 ~~(3)~~ (5) A state chartered bank or a credit union may loan money
26 to any person licensed pursuant to this ~~article 11~~ ARTICLE 10 for the
27 operation of a licensed MEDICAL OR RETAIL MARIJUANA business. A

1 marijuana financial services cooperative organized pursuant to article 33
2 of title 11 may accept as a member, loan money to, and accept deposits
3 from any entity licensed pursuant to this ~~article 11~~ ARTICLE 10 for the
4 operation of a licensed MEDICAL OR RETAIL MARIJUANA business.

5 (6) FOR A PERSON APPLYING FOR AN ACCELERATOR LICENSE, THE
6 STATE LICENSING AUTHORITY SHALL NOT DENY AN APPLICATION ON THE
7 SOLE BASIS OF THE PRIOR MARIJUANA CONVICTION OF THE APPLICANT AND
8 AT ITS DISCRETION MAY WAIVE OTHER REQUIREMENTS.

9 PART 5

10 MEDICAL MARIJUANA LICENSE TYPES

11 **44-10-501. [Formerly 44-11-402] Medical marijuana store**
12 **license.** (1) (a) A medical marijuana ~~center~~ STORE license ~~shall~~ MAY be
13 issued only to a person selling medical marijuana pursuant to the terms
14 and conditions of this ~~article 11~~ ARTICLE 10.

15 (b) The medical marijuana ~~center~~ STORE shall track all of its
16 medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products
17 from the point that they are transferred from a ~~medical marijuana optional~~
18 ~~premises cultivation facility~~ MEDICAL MARIJUANA CULTIVATION FACILITY
19 or medical ~~marijuana-infused~~ MARIJUANA products manufacturer to the
20 point of sale.

21 (2) (a) Notwithstanding the provisions of this section, a medical
22 marijuana ~~center~~ STORE licensee may also sell medical ~~marijuana-infused~~
23 MARIJUANA products that are prepackaged and labeled so as to clearly
24 indicate all of the following:

- 25 (I) That the product contains medical marijuana;
- 26 (II) That the product is manufactured without any regulatory
27 oversight for health, safety, or efficacy; and

1 (III) That there may be health risks associated with the
2 consumption or use of the product.

3 (b) A medical marijuana STORE licensee may contract with a
4 medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~
5 MANUFACTURER licensee for the manufacture of medical
6 ~~marijuana-infused~~ MARIJUANA products upon a medical
7 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
8 licensee's licensed premises.

9 (3) (a) Every person selling medical marijuana as provided for in
10 this ~~article~~ ~~||~~ ARTICLE 10 shall sell only medical marijuana acquired from
11 ~~an optional premises cultivation facility~~ A MEDICAL MARIJUANA
12 CULTIVATION FACILITY licensee, medical ~~marijuana-infused~~ MARIJUANA
13 products manufacturer licensee, or another medical marijuana ~~center~~
14 STORE.

15 (b) A medical marijuana ~~center~~ STORE may not sell more than two
16 ounces of medical marijuana to a patient or caregiver; except that a
17 medical marijuana ~~center~~ STORE may sell more than two ounces to a
18 patient or caregiver who has been recommended an extended ounce count
19 by his or her recommending physician in accordance with regulations
20 adopted by the state licensing authority.

21 (c) In addition to medical marijuana, a medical marijuana ~~center~~
22 STORE may sell no more than six immature plants to a patient; except that
23 a medical marijuana ~~center~~ STORE may sell more than six immature
24 plants, but may not exceed half the recommended plant count, to a patient
25 who has been recommended an expanded plant count by his or her
26 recommending physician in accordance with regulations adopted by the
27 state licensing authority. A medical marijuana ~~center~~ STORE may sell

1 immature plants to a primary caregiver, another medical marijuana ~~center~~
2 STORE, or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer
3 pursuant to rules promulgated by the state licensing authority.

4 (d) A medical marijuana ~~center~~ STORE may sell medical marijuana
5 to another medical marijuana ~~center~~, ~~an optional premises cultivation~~
6 ~~facility~~ STORE, A MEDICAL MARIJUANA CULTIVATION FACILITY, or a
7 medical ~~marijuana-infused~~ MARIJUANA products manufacturer pursuant
8 to rules promulgated by the state licensing authority.

9 (e) (I) A MEDICAL MARIJUANA STORE THAT SELLS AN INDUSTRIAL
10 HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS
11 PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE
12 LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO
13 TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A MEDICAL
14 MARIJUANA STORE SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED
15 ALL TESTING REQUIRED FOR MEDICAL MARIJUANA PRODUCTS AT A
16 LICENSED MEDICAL MARIJUANA TESTING FACILITY AND THAT THE PERSON
17 TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A
18 REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND
19 ENVIRONMENT PURSUANT TO SECTION 25-5-426.

20 (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
21 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
22 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
23 TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO A MEDICAL MARIJUANA
24 STORE PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND
25 TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE
26 STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE
27 LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC

1 HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF
2 VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO
3 SECTION 25-5-426.

4 ~~(e)~~ (f) The provisions of this subsection (3) do not apply to
5 medical ~~marijuana-infused~~ MARIJUANA products.

6 ~~(4) Repealed.~~

7 ~~(5)~~ (4) Prior to initiating a sale, the employee of the medical
8 marijuana ~~center~~ STORE making the sale shall verify that the purchaser has
9 a valid registry identification card issued pursuant to section 25-1.5-106
10 or a copy of a current and complete new application for the medical
11 marijuana registry administered by the department of public health and
12 environment that is documented by a ~~certified mail return receipt~~ PROOF
13 as having been submitted to the department of public health and
14 environment within the preceding thirty-five days, and a valid picture
15 identification card that matches the name on the registry identification
16 card. A purchaser may not provide a copy of a renewal application in
17 order to make a purchase at a medical marijuana ~~center~~ STORE. A
18 purchaser may only make a purchase using a copy of his or her
19 application from 8 a.m. to 5 p.m., Monday through Friday. If the
20 purchaser presents a copy of his or her application at the time of purchase,
21 the employee must contact the department of public health and
22 environment to determine whether the purchaser's application has been
23 denied. The employee shall not complete the transaction if the purchaser's
24 application has been denied. If the purchaser's application has been
25 denied, the employee ~~shall be~~ IS authorized to confiscate the purchaser's
26 copy of the application and the documentation of the ~~certified mail return~~
27 ~~receipt~~ PROOF OF SUBMITTAL, if possible, and shall, within seventy-two

1 hours after the confiscation, turn it over to the department of public health
2 and environment or a local law enforcement agency. The failure to
3 confiscate the copy of the application and document of ~~the certified mail~~
4 ~~return receipt~~ PROOF OF SUBMITTAL or to turn it over to the state health
5 department or a state or local law enforcement agency within seventy-two
6 hours after the confiscation ~~shall not constitute~~ IS NOT a criminal offense.

7 ~~(6)~~ (5) Transactions for the sale of medical marijuana or a medical
8 ~~marijuana-infused~~ MARIJUANA product at a medical marijuana ~~center~~
9 STORE may be completed by using an automated machine that is in a
10 restricted access area of the ~~center~~ STORE if the machine complies with
11 the rules promulgated by the state licensing authority regarding the
12 transaction of sale of product at a medical marijuana ~~center~~ STORE and the
13 transaction complies with ~~subsection (5)~~ SUBSECTION (4) of this section.

14 ~~(7)~~ (6) A medical marijuana ~~center~~ STORE may provide, except as
15 required by ~~section 44-11-202 (3)(a)(f)~~ SECTION 44-10-203 (2)(d), a
16 sample of its products to a facility that has a medical marijuana testing
17 facility license from the state licensing authority for testing and research
18 purposes. A medical marijuana ~~center~~ STORE shall maintain a record of
19 what was provided to the testing facility, the identity of the testing
20 facility, and the results of the testing.

21 ~~(8)~~ (7) All medical marijuana sold at a licensed medical marijuana
22 center shall be labeled with a list of all chemical additives, including but
23 not limited to nonorganic pesticides, herbicides, and fertilizers, that were
24 used in the cultivation and the production of the medical marijuana.

25 ~~(9)~~ (8) A licensed medical marijuana ~~center~~ STORE shall comply
26 with all provisions of article 34 of title 24, as the provisions relate to
27 persons with disabilities.

1 ~~(10)~~ (9) Notwithstanding the provisions of ~~section 44-11-901~~
2 ~~(4)(f)~~ SECTION 44-10-701 (3)(g), a medical marijuana ~~center~~ STORE may
3 sell below cost or donate to a patient who has been designated indigent
4 by the state health agency or who is in hospice care:

5 (a) Medical marijuana; or

6 (b) No more than six immature plants; except that a medical
7 marijuana ~~center~~ STORE may sell or donate more than six immature plants,
8 but may not exceed half the recommended plant count, to a patient who
9 has been recommended an expanded plant count by his or her
10 recommending physician; or

11 (c) Medical ~~marijuana-infused~~ MARIJUANA products to patients.

12 (10) (a) A MEDICAL MARIJUANA STORE SHALL NOT, INDIVIDUALLY
13 OR IN ANY COMBINATION, SELL MORE THAN TWO OUNCES OF MEDICAL
14 MARIJUANA FLOWER, FORTY GRAMS OF MEDICAL MARIJUANA
15 CONCENTRATE, OR MEDICAL MARIJUANA PRODUCTS CONTAINING A
16 COMBINED TOTAL OF TWENTY THOUSAND MILLIGRAMS TO A PATIENT IN A
17 SINGLE BUSINESS DAY.

18 (b) (I) A MEDICAL MARIJUANA STORE MAY SELL MEDICAL
19 MARIJUANA FLOWER IN AN AMOUNT THAT EXCEEDS THE SALES LIMITATION
20 ESTABLISHED PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION ONLY TO
21 A PATIENT WHO HAS A PHYSICIAN RECOMMENDATION FOR MORE THAN TWO
22 OUNCES OF FLOWER AND IS REGISTERED WITH THE MEDICAL MARIJUANA
23 STORE.

24 (II) A MEDICAL MARIJUANA STORE MAY SELL MEDICAL MARIJUANA
25 CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS IN AN AMOUNT THAT
26 EXCEEDS THE SALES LIMITATION PURSUANT TO SUBSECTION (10)(a) OF
27 THIS SECTION ONLY TO A PATIENT WHO HAS A PHYSICIAN EXEMPTION FROM

1 THE SALES LIMITATION AND IS REGISTERED WITH THE MEDICAL MARIJUANA
2 STORE. A PHYSICIAN MAKING MEDICAL MARIJUANA RECOMMENDATIONS
3 FOR A DEBILITATING MEDICAL CONDITION OR DISABLING MEDICAL
4 CONDITION PURSUANT TO ARTICLE 1.5 OF TITLE 25 MAY EXEMPT A PATIENT
5 FROM THE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA
6 PRODUCTS SALES LIMITATION ESTABLISHED IN SUBSECTION (10)(a) OF THIS
7 SECTION. A PHYSICIAN PROVIDING AN EXEMPTION SHALL DOCUMENT AND
8 MAINTAIN THE EXEMPTION IN THE PHYSICIAN'S RECORD-KEEPING SYSTEM
9 FOR THE PATIENT AND SHALL PROVIDE WRITTEN DOCUMENTATION TO THE
10 PATIENT TO ALLOW A MEDICAL MARIJUANA STORE TO VERIFY THE
11 EXEMPTION. THE WRITTEN DOCUMENTATION OF THE EXEMPTION PROVIDED
12 TO A PATIENT MUST, AT A MINIMUM, INCLUDE THE PATIENT'S NAME AND
13 REGISTRY NUMBER, THE PHYSICIAN'S NAME, VALID LICENSE NUMBER,
14 PHYSICAL BUSINESS ADDRESS, ANY ELECTRONIC MAILING ADDRESS, AND
15 PHONE NUMBER. THE STATE HEALTH AGENCY MAY REQUIRE A PHYSICIAN
16 PROVIDING AN EXEMPTION TO THE SALES LIMITATION TO DOCUMENT THE
17 EXEMPTION IN THE MEDICAL MARIJUANA REGISTRY.

18 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
19 ESTABLISH CERTAIN EXEMPTIONS TO THE MEDICAL MARIJUANA
20 CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS SALES LIMITATION AND
21 MAY ESTABLISH RECORD-KEEPING REQUIREMENTS FOR MEDICAL
22 MARIJUANA STORES ENGAGING IN SALES TRANSACTIONS PURSUANT TO
23 ANY EXEMPTION TO THE SALES LIMITATION. WHEN ESTABLISHING ANY
24 EXEMPTIONS, THE STATE LICENSING AUTHORITY SHALL CONSULT WITH
25 MEMBERS OF THE MEDICAL MARIJUANA PATIENT COMMUNITY AND
26 PHYSICIANS MAKING MEDICAL MARIJUANA RECOMMENDATIONS PURSUANT
27 TO SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND

1 ARTICLE 1.5 OF TITLE 25.

2 (d) A MEDICAL MARIJUANA STORE SHALL NOT ENGAGE IN SALES
3 TRANSACTIONS TO THE SAME PATIENT DURING THE SAME BUSINESS DAY
4 WHEN THE MEDICAL MARIJUANA STORE OR ITS EMPLOYEE KNOWS OR
5 REASONABLY SHOULD HAVE KNOWN THAT THE SALES TRANSACTION
6 WOULD RESULT IN THE PATIENT POSSESSING MORE THAN THE SALES
7 LIMITATION ESTABLISHED BY THIS SUBSECTION SUBSECTION (10)(a) OF
8 THIS SECTION.

9 **44-10-502. [Formerly 44-11-403] Medical marijuana**
10 **cultivation facility license - rules - definitions.** (1) ~~An optional~~
11 ~~premises cultivation facility license~~ A MEDICAL MARIJUANA CULTIVATION
12 FACILITY may be issued only to a person who cultivates medical
13 marijuana for sale and distribution to licensed medical marijuana ~~centers~~
14 STORES, medical ~~marijuana-infused~~ MARIJUANA products manufacturer
15 licensees, or other ~~optional premises cultivation facilities~~ MEDICAL
16 MARIJUANA CULTIVATION FACILITIES.

17 (2) ~~An optional premises cultivation facility~~ A MEDICAL
18 MARIJUANA CULTIVATION FACILITY shall track the marijuana it cultivates
19 from seed or immature plant to wholesale purchase.

20 (3) ~~An optional premises cultivation facility~~ A MEDICAL
21 MARIJUANA CULTIVATION FACILITY may provide, except as required by
22 ~~section 44-11-202 (3)(a)(I)~~ SECTION 44-10-203 (2)(d), a sample of its
23 products to a facility that has a MEDICAL marijuana testing facility license
24 from the state licensing authority for testing and research purposes. ~~An~~
25 ~~optional premises cultivation facility~~ A MEDICAL MARIJUANA
26 CULTIVATION FACILITY shall maintain a record of what was provided to
27 the testing facility, the identity of the testing facility, and the testing

1 results.

2 (4) Medical marijuana or medical ~~marijuana-infused~~ MARIJUANA
3 products may not be consumed on the premises of ~~an optional premises~~
4 ~~cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY.

5 (5) (a) A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE
6 MAY PROVIDE A MEDICAL MARIJUANA SAMPLE AND A MEDICAL MARIJUANA
7 CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY
8 THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT
9 DEVELOPMENT. A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE
10 MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH
11 AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT
12 SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (5)(a).

13 (b) MANAGERS WHO RECEIVE A SAMPLE PURSUANT TO SUBSECTION
14 (5)(a) OF THIS SECTION MUST HAVE A VALID REGISTRY IDENTIFICATION
15 CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9).

16 (c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF
17 THIS SECTION IS LIMITED TO ONE GRAM OF MEDICAL MARIJUANA PER
18 BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING
19 AUTHORITY AND ONE-QUARTER GRAM OF A MEDICAL MARIJUANA
20 CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE
21 STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM
22 OF MEDICAL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE
23 FINAL MEDICAL MARIJUANA PRODUCT IS TO BE USED IN A DEVICE THAT
24 CAN DELIVER MEDICAL MARIJUANA CONCENTRATE IN A VAPORIZED FORM
25 TO THE PERSON INHALING FROM THE DEVICE.

26 (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF
27 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES

1 PROMULGATED PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).

2 (e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (5)(a) OF THIS
3 SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM.
4 PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE
5 DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF
6 QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER
7 RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED
8 IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER
9 PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE
10 CONSTITUTION. THE MEDICAL MARIJUANA CULTIVATION FACILITY
11 LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL
12 MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING
13 AUTHORITY.

14 (f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO
15 SUBSECTION (5)(a) OF THIS SECTION, A MEDICAL MARIJUANA CULTIVATION
16 FACILITY LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE
17 TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION
18 AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

19 (g) A MANAGER SHALL NOT:

20 (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF MEDICAL
21 MARIJUANA SAMPLES OR FIFTEEN GRAMS OF MEDICAL MARIJUANA
22 CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE
23 NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

24 (II) PROVIDE OR RESELL THE SAMPLE TO ANOTHER LICENSED
25 EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

26 (h) A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE
27 SHALL NOT:

1 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
2 LICENSED PREMISES; OR

3 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
4 MANAGER.

5 (i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL
6 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
7 REPORTING REQUIRED FOR IMPLEMENTATION. THE MEDICAL MARIJUANA
8 CULTIVATION FACILITY LICENSEE SHALL MAINTAIN THE INFORMATION
9 REQUIRED BY THIS SUBSECTION (5)(i) ON THE LICENSED PREMISES FOR
10 INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

11 (j) FOR PURPOSES OF THIS SUBSECTION (5) ONLY, "MANAGER"
12 MEANS AN EMPLOYEE OF THE MEDICAL MARIJUANA BUSINESS WHO HOLDS
13 A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY
14 DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE
15 MANAGER OF THE MEDICAL MARIJUANA BUSINESS.

16 (6) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A
17 CENTRALIZED DISTRIBUTION PERMIT TO A MEDICAL MARIJUANA
18 CULTIVATION FACILITY AUTHORIZING TEMPORARY STORAGE ON ITS
19 LICENSED PREMISES OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
20 MARIJUANA PRODUCTS RECEIVED FROM A MEDICAL MARIJUANA PRODUCTS
21 MANUFACTURER FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT
22 HOLDER'S COMMONLY OWNED MEDICAL MARIJUANA STORES. PRIOR TO
23 EXERCISING THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT, A
24 MEDICAL MARIJUANA CULTIVATION FACILITY LICENSED PURSUANT TO THIS
25 SECTION SHALL, AT THE TIME OF APPLICATION TO THE STATE LICENSING
26 AUTHORITY, SEND A COPY OF THE APPLICATION OR SUPPLEMENTAL
27 APPLICATION FOR A CENTRALIZED DISTRIBUTION PERMIT TO THE LOCAL

1 LICENSING AUTHORITY IN THE JURISDICTION IN WHICH THE CENTRALIZED
2 DISTRIBUTION PERMIT IS PROPOSED. THE STATE LICENSING AUTHORITY
3 SHALL NOTIFY THE LOCAL LICENSING AUTHORITY OF ITS DECISION
4 REGARDING THE CENTRALIZED DISTRIBUTION PERMIT.

5 (b) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL NOT
6 STORE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA
7 PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT FOR MORE
8 THAN NINETY DAYS.

9 (c) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL NOT
10 ACCEPT ANY MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA
11 PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT UNLESS
12 THE MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA
13 PRODUCTS ARE PACKAGED AND LABELED FOR SALE TO A PATIENT AS
14 REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY
15 PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).

16 (d) ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
17 MARIJUANA PRODUCTS STORED AND PREPARED FOR TRANSPORT ON A
18 MEDICAL MARIJUANA CULTIVATION FACILITY'S LICENSED PREMISES
19 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE
20 TRANSFERRED TO A MEDICAL MARIJUANA CULTIVATION FACILITY
21 LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA STORES. ALL
22 TRANSFERS OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
23 MARIJUANA PRODUCTS BY A MEDICAL MARIJUANA CULTIVATION FACILITY
24 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT
25 CONSIDERATION.

26 (e) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY
27 TO A MEDICAL MARIJUANA CULTIVATION FACILITY APPLY TO ACTIVITIES

1 CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED
2 DISTRIBUTION PERMIT.

3 (f) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL TRACK
4 ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA
5 PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT
6 IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE POINT THEY ARE
7 RECEIVED FROM A MEDICAL MARIJUANA PRODUCTS MANUFACTURER TO
8 THE POINT OF TRANSFER TO A MEDICAL MARIJUANA CULTIVATION FACILITY
9 LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA STORES.

10 (g) FOR PURPOSES OF THIS SUBSECTION (6) ONLY, "COMMONLY
11 OWNED" MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT
12 LEAST ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT
13 OWNERSHIP IN EACH LICENSE.

14 **44-10-503. [Formerly 44-11-404] Medical marijuana products**
15 **manufacturer license - rules - definition.** (1) (a) A medical
16 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
17 license may be issued to a person ~~who~~ THAT manufactures medical
18 ~~marijuana-infused~~ MARIJUANA products, pursuant to the terms and
19 conditions of this ~~article 11~~ ARTICLE 10.

20 (b) A medical ~~marijuana-infused~~ MARIJUANA products
21 manufacturer may cultivate its own medical marijuana if it obtains a
22 ~~medical marijuana optional premises cultivation facility~~ MEDICAL
23 MARIJUANA CULTIVATION FACILITY license, it may purchase medical
24 marijuana from a medical marijuana ~~center~~ STORE pursuant to subsection
25 (3) of this section, it may purchase medical marijuana from an ~~optional~~
26 ~~premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION
27 FACILITY licensee, or it may purchase medical marijuana from another

1 medical ~~marijuana-infused~~ MARIJUANA products manufacturer. A medical
2 ~~marijuana-infused~~ MARIJUANA products manufacturer shall track all of its
3 medical marijuana from the point it is either transferred from its ~~medical~~
4 ~~marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA
5 CULTIVATION FACILITY or the point when it is delivered to the medical
6 ~~marijuana-infused~~ MARIJUANA products manufacturer from a medical
7 marijuana center, a ~~medical marijuana optional premises cultivation~~
8 ~~facility~~ STORE, MEDICAL MARIJUANA CULTIVATION FACILITY licensee, OR
9 a medical ~~marijuana-infused~~ MARIJUANA products manufacturer or one of
10 their ~~medical marijuana optional premises cultivation facilities~~ to the
11 point of transfer to a medical marijuana center STORE or a medical
12 ~~marijuana-infused~~ MARIJUANA products manufacturer OR A MEDICAL
13 MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED A CENTRALIZED
14 DISTRIBUTION PERMIT.

15 (2) Medical ~~marijuana-infused~~ MARIJUANA products shall MUST
16 be prepared on a licensed premises that is used exclusively for the
17 manufacture and preparation of medical ~~marijuana-infused~~ MARIJUANA
18 products and using equipment that is used exclusively for the manufacture
19 and preparation of medical ~~marijuana-infused~~ MARIJUANA products;
20 except that, subject to rules of the state licensing authority, a medical
21 ~~marijuana-infused~~ MARIJUANA products manufacturing MANUFACTURER
22 licensee may share the same premises as a commonly owned marijuana
23 research and development licensee or ~~marijuana research and~~
24 ~~development cultivation licensee~~ so long as virtual or physical separation
25 of inventory and research activity is maintained.

26 (3) A medical ~~marijuana-infused~~ MARIJUANA products
27 manufacturer shall have a written agreement or contract with a medical

1 marijuana center STORE or a medical marijuana-infused MARIJUANA
2 products manufacturer, which contract shall MUST at a minimum set forth
3 the total amount of medical marijuana obtained from the medical
4 marijuana center STORE or the medical marijuana-infused MARIJUANA
5 products manufacturer to be used in the manufacturing process, and the
6 total amount of medical marijuana-infused MARIJUANA products to be
7 manufactured from the medical marijuana obtained from the medical
8 marijuana center STORE or the medical marijuana-infused MARIJUANA
9 products manufacturer. A medical marijuana-infused products
10 manufacturer shall not use medical marijuana from more than five
11 different medical marijuana centers or medical marijuana-infused
12 products manufacturers in total in the production of one medical
13 marijuana-infused product. The medical marijuana-infused MARIJUANA
14 products manufacturer may sell its products to any medical marijuana
15 center STORE or to any medical marijuana-infused MARIJUANA products
16 manufacturer.

17 (4) All licensed premises on which medical marijuana-infused
18 MARIJUANA products are manufactured shall MUST meet the sanitary
19 standards for medical marijuana-infused MARIJUANA product preparation
20 promulgated pursuant to section ~~44-11-202 (2)(a)(XII)~~ SECTION
21 44-10-203 (2)(i).

22 (5) (a) The medical marijuana-infused MARIJUANA product shall
23 MUST be sealed and conspicuously labeled in compliance with this article
24 ~~11~~ ARTICLE 10 and any rules promulgated pursuant to this article ~~11~~
25 ARTICLE 10. The labeling of medical marijuana-infused MARIJUANA
26 products is a matter of statewide concern.

27 (b) (I) A MEDICAL MARIJUANA PRODUCTS MANUFACTURER THAT

1 USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A MEDICAL
2 MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP
3 PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY
4 THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203
5 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT,
6 A MEDICAL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THE
7 INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR MEDICAL
8 MARIJUANA PRODUCTS AT A LICENSED MEDICAL MARIJUANA TESTING
9 FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP
10 PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF
11 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

12 (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
13 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
14 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
15 TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO A MEDICAL MARIJUANA
16 PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY
17 WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE
18 ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS
19 ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE
20 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS
21 OR FINDINGS OF VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED
22 PURSUANT TO SECTION 25-5-426.

23 (6) MEDICAL MARIJUANA OR medical ~~marijuana-infused~~
24 MARIJUANA products may not be consumed on a premises licensed
25 pursuant to this ~~article 11~~ ARTICLE 10.

26 (7) Notwithstanding any other provision of state law, sales of
27 medical ~~marijuana-infused~~ MARIJUANA products shall not be exempt from

1 state or local sales tax.

2 ~~(8) Repealed.~~

3 ~~(9) (a) A medical marijuana-infused products manufacturer may~~
4 ~~not have more than five hundred medical marijuana plants on its premises~~
5 ~~or at its optional premises cultivation operation; except that the director~~
6 ~~of the division that regulates medical marijuana may grant a waiver in~~
7 ~~excess of five hundred marijuana plants based on the consideration of the~~
8 ~~factors in subsection (9)(b) of this section.~~

9 ~~(b) The director of the division that regulates medical marijuana~~
10 ~~shall consider the following factors in determining whether to grant the~~
11 ~~waiver described in subsection (9)(a) of this section:~~

12 ~~(I) The nature of the products manufactured;~~

13 ~~(II) The business need;~~

14 ~~(III) Existing business contracts with licensed medical marijuana~~
15 ~~centers for the production of medical marijuana-infused products; and~~

16 ~~(IV) The ability to contract with licensed medical marijuana~~
17 ~~centers for the production of medical marijuana-infused products.~~

18 ~~(10) (8) A medical marijuana-infused MARIJUANA products~~
19 ~~manufacturer may provide, except as required by section 44-11-202~~
20 ~~(3)(a)(I) SECTION 44-10-203 (2)(d), a sample of its products to a facility~~
21 ~~that has a medical marijuana testing facility license from the state~~
22 ~~licensing authority for testing and research purposes. A medical~~
23 ~~marijuana products manufacturer shall maintain a record of what was~~
24 ~~provided to the testing facility, the identity of the testing facility, and the~~
25 ~~results of the testing.~~

26 ~~(11) (9) A medical marijuana-infused MARIJUANA products~~
27 ~~manufacturer shall not:~~

1 (a) Add any medical marijuana to a food product where the
2 manufacturer of the food product holds a trademark to the food product's
3 name; except that a MEDICAL MARIJUANA PRODUCTS manufacturer may
4 use a trademarked food product if the manufacturer uses the product as
5 a component or as part of a recipe and where the medical
6 ~~marijuana-infused~~ MARIJUANA products manufacturer does not state or
7 advertise to the ~~consumer~~ PATIENT that the final medical
8 ~~marijuana-infused~~ MARIJUANA product contains a trademarked food
9 product;

10 (b) Intentionally or knowingly label or package a medical
11 ~~marijuana-infused~~ MARIJUANA product in a manner that would cause a
12 reasonable ~~consumer~~ PATIENT confusion as to whether the medical
13 ~~marijuana-infused~~ MARIJUANA product was a trademarked food product;
14 or

15 (c) Label or package a medical ~~marijuana-infused~~ MARIJUANA
16 product in a manner that violates any federal trademark law or regulation.

17 ~~(12)~~ (10) (a) A medical ~~marijuana-infused~~ MARIJUANA products
18 ~~manufacturing~~ MANUFACTURER licensee may provide a medical marijuana
19 concentrate and a medical ~~marijuana-infused~~ MARIJUANA product sample
20 to no more than five managers employed by the licensee for purposes of
21 quality control and product development. A medical ~~marijuana-infused~~
22 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee may
23 designate no more than five managers per calendar month as recipients
24 of quality control and product development samples authorized pursuant
25 to this ~~subsection (12)(a)~~ SUBSECTION (10)(a).

26 (b) Managers who receive a sample pursuant to ~~subsection (12)(a)~~
27 SUBSECTION (10)(a) of this section must have a valid registry

1 identification card issued pursuant to section 25-1.5-106 (9).

2 (c) A sample authorized pursuant to ~~subsection (12)(a)~~
3 SUBSECTION (10)(a) of this section is limited to one serving size of edible
4 medical ~~marijuana-infused~~ MARIJUANA product and its applicable
5 equivalent serving size of nonedible medical ~~marijuana-infused~~
6 MARIJUANA product per batch as defined in rules promulgated by the state
7 licensing authority and one-quarter gram of medical marijuana
8 concentrate per batch as defined in rules promulgated by the state
9 licensing authority; except that the limit is one-half gram of medical
10 marijuana concentrate if the intended use of the final product is to be used
11 in a device that can be used to deliver medical marijuana concentrate in
12 a vaporized form to the person inhaling from the device.

13 (d) A sample authorized pursuant to ~~subsection (12)(a)~~
14 SUBSECTION (10)(a) of this section must be labeled and packaged
15 pursuant to the rules promulgated pursuant to ~~section 44-11-202~~
16 ~~(2)(a)(XIV) and (2)(a)(XV)~~ SECTION 44-10-203 (2)(f) AND (3)(b).

17 (e) A sample provided pursuant to ~~subsection (12)(a)~~ SUBSECTION
18 (10)(a) of this section must be tracked with the seed-to-sale tracking
19 system. Prior to a manager receiving a sample, a manager must be
20 designated in the seed-to-sale tracking system as a recipient of quality
21 control and product development samples. A manager receiving a sample
22 must make a voluntary decision to be tracked in the seed-to-sale tracking
23 system and is not a consumer pursuant to section 16 (5)(c) of article
24 XVIII of the state constitution. The medical ~~marijuana-infused~~
25 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall
26 maintain documentation of all samples and shall make the documentation
27 available to the state licensing authority.

1 (f) Prior to a manager receiving a sample pursuant to ~~subsection~~
2 ~~(12)(a)~~ SUBSECTION (10)(a) of this section, a medical ~~marijuana-infused~~
3 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall
4 provide a standard operating procedure to the manager explaining
5 requirements pursuant to this section and personal possession limits
6 pursuant to section 18-18-406.

7 (g) A manager shall not:

8 (I) Receive more than a total of fifteen grams of medical
9 marijuana concentrate or fourteen individual serving-size edibles or its
10 applicable equivalent in nonedible medical ~~marijuana-infused~~ MARIJUANA
11 products per calendar month, regardless of the number of licenses that the
12 manager is associated with; or

13 (II) Provide to or resell the sample to another licensed employee,
14 a customer, or any other individual.

15 (h) A medical ~~marijuana-infused~~ MARIJUANA products
16 ~~manufacturing~~ MANUFACTURER licensee shall not:

17 (I) Allow a manager to consume the sample on the licensed
18 premises; or

19 (II) Use the sample as a means of compensation to a manager.

20 (i) The state licensing authority may establish additional inventory
21 tracking and record keeping, including additional reporting required for
22 implementation. The medical ~~marijuana-infused~~ MARIJUANA products
23 ~~manufacturing~~ MANUFACTURER licensee shall maintain the information
24 required by this ~~subsection (12)(i)~~ SUBSECTION (10)(i) on the licensed
25 premises for inspection by the state and local licensing authorities.

26 (j) For purposes of this ~~subsection (12)~~ SUBSECTION (10) only,
27 "manager" means an employee of the medical ~~marijuana-business~~

1 MARIJUANA PRODUCTS MANUFACTURER who holds a valid key license or
2 associated key license and is currently designated pursuant to state
3 licensing authority rules as the manager of the medical ~~marijuana~~
4 ~~business~~ MARIJUANA PRODUCTS MANUFACTURER.

5 **44-10-504. [Formerly 44-11-405] Medical marijuana testing**
6 **facility license - rules.** (1) (a) A medical marijuana testing facility
7 license may be issued to a person who performs testing and research on
8 medical marijuana, INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART
9 4 OF ARTICLE 5 OF TITLE 25, for medical marijuana licensees, medical
10 marijuana and medical ~~marijuana-infused~~ MARIJUANA products for
11 marijuana and research development licensees, ~~and marijuana research~~
12 ~~and development cultivation licensees~~, and marijuana or
13 ~~marijuana-infused~~ MARIJUANA products grown or produced by a
14 registered patient or registered primary caregiver on behalf of a registered
15 patient, upon verification of registration pursuant to section 25-1.5-106
16 (7)(e) and verification that the patient is a participant in a clinical or
17 observational study conducted by a marijuana research and development
18 licensee, AND INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF
19 ARTICLE 5 OF TITLE 25. ~~or marijuana research and development cultivation~~
20 ~~licensee~~. The facility may develop and test medical marijuana products.

21 (b) The testing of medical marijuana, medical ~~marijuana-infused~~
22 MARIJUANA products, and medical marijuana concentrate, and the
23 associated standards, is a matter of statewide concern.

24 (2) The state licensing authority shall promulgate rules pursuant
25 to its authority in ~~section 44-11-202 (1)(b)~~ SECTION 44-10-202 (1)(c)
26 related to acceptable testing and research practices, including but not
27 limited to testing, standards, quality control analysis, equipment

1 certification and calibration, and chemical identification and other
2 substances used in bona fide research methods.

3 (3) A person who has an interest in a medical marijuana testing
4 facility license from the state licensing authority for testing purposes shall
5 not have any interest in a licensed medical marijuana ~~center~~ STORE, a
6 licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA
7 CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA
8 products manufacturer, a licensed retail marijuana store, a licensed retail
9 marijuana cultivation facility, or a licensed retail marijuana products
10 manufacturer. A person that has an interest in a licensed medical
11 marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation~~
12 ~~operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed
13 medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed
14 retail marijuana store, a licensed retail marijuana cultivation facility, or
15 a licensed retail marijuana products manufacturer shall not have an
16 interest in a facility that has a medical marijuana testing facility license.

17 **44-10-505. [Formerly 44-11-406] Medical marijuana**
18 **transporter license.** (1) (a) A medical marijuana transporter license may
19 be issued to a person to provide logistics, distribution, and storage of
20 medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products.
21 Notwithstanding any other provisions of law, a medical marijuana
22 transporter license is valid for two years but cannot be transferred with a
23 change of ownership. A licensed medical marijuana transporter is
24 responsible for the medical marijuana and medical ~~marijuana-infused~~
25 MARIJUANA products once it takes control of the product.

26 (b) A licensed medical marijuana transporter may contract with
27 multiple licensed medical marijuana businesses.

1 (c) On and after July 1, 2017, all medical marijuana transporters
2 shall hold a valid medical marijuana transporter license; except that an
3 entity licensed pursuant to this ~~article 11~~ ARTICLE 10 that provides its own
4 distribution is not required to have a medical marijuana transporter
5 license to transport and distribute its products. The state licensing
6 authority shall begin accepting applications after January 1, 2017.

7 (2) A medical marijuana transporter licensee may maintain a
8 licensed premises to temporarily store medical marijuana and medical
9 ~~marijuana-infused~~ MARIJUANA products and to use as a centralized
10 distribution point. The licensed premises must be located in a jurisdiction
11 that permits the operation of medical marijuana ~~centers~~ STORES. A
12 licensed medical marijuana transporter may store and distribute medical
13 marijuana and medical ~~marijuana-infused~~ MARIJUANA products from this
14 location. A storage facility must meet the same security requirements that
15 are required to obtain a medical marijuana ~~optional-premise cultivation~~
16 CULTIVATION FACILITY license.

17 (3) A medical marijuana transporter licensee shall use the
18 seed-to-sale tracking system developed pursuant to ~~section 44-12-202 (1)~~
19 SECTION 44-10-202 (1)(a) to create shipping manifests documenting the
20 transport of medical marijuana and medical ~~marijuana-infused~~
21 MARIJUANA products throughout the state.

- 22 (4) A medical marijuana transporter licensee may:
- 23 (a) Maintain and operate one or more warehouses in the state to
24 handle medical marijuana and medical ~~marijuana-infused~~ MARIJUANA
25 products; and
 - 26 (b) Deliver medical marijuana and medical ~~marijuana-infused~~
27 MARIJUANA products on orders previously taken if the place where orders

1 are taken and delivered is licensed.

2 **44-10-506. [Formerly 44-11-407] Medical marijuana business**
3 **operator license.** A medical marijuana business operator license may be
4 issued to an entity or person who operates a medical marijuana
5 ~~establishment~~ BUSINESS licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10,
6 for an owner licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10, and who may
7 receive a portion of the profits as compensation.

8 **44-10-507. [Formerly 44-11-408] Marijuana research and**
9 **development license.** (1) ~~(a)~~ A marijuana research and development
10 license may be issued to a person to ~~possess marijuana for the limited~~
11 ~~research purposes identified in subsection (2) of this section~~ GROW,
12 CULTIVATE, POSSESS, AND TRANSFER, BY SALE OR DONATION, MARIJUANA
13 PURSUANT TO SECTION 44-10-203 (1)(i) OR SUBSECTION (4) OF THIS
14 SECTION FOR THE LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION
15 (2) OF THIS SECTION.

16 ~~(b) A marijuana research and development cultivation license may~~
17 ~~be issued to a person to grow, cultivate, possess, and transfer, by sale or~~
18 ~~donation, marijuana pursuant to section 44-11-202 (2)(a)(XXVI) or~~
19 ~~subsection (4) of this section for the limited research purposes identified~~
20 ~~in subsection (2) of this section.~~

21 (2) A license identified in subsection (1) of this section may be
22 issued for the following limited research purposes:

23 (a) To test chemical potency and composition levels;

24 (b) To conduct clinical investigations of marijuana-derived
25 medicinal products;

26 (c) To conduct research on the efficacy and safety of
27 administering marijuana as part of medical treatment;

1 (d) To conduct genomic, horticultural, or agricultural research;
2 and

3 (e) To conduct research on marijuana-affiliated products or
4 systems.

5 (3) (a) As part of the application process for a marijuana research
6 and development license, ~~or marijuana research and development~~
7 ~~cultivation license~~, an applicant shall submit to the state licensing
8 authority a description of the research that the applicant intends to
9 conduct and whether the research will be conducted with a public
10 institution or using public money. If the research will not be conducted
11 with a public institution or with public money, the state licensing
12 authority shall grant the application if it determines that the application
13 meets the criteria in subsection (2) of this section.

14 (b) If the research will be conducted with a public institution or
15 public money, the scientific advisory council established in section
16 25-1.5-106.5 (3) shall review an applicant's research project to determine
17 that it meets the requirements of subsection (2) of this section and to
18 assess the following:

19 (I) The project's quality, study design, value, or impact;

20 (II) Whether the applicant has the appropriate personnel;
21 expertise; facilities; infrastructure; funding; and human, animal, or other
22 approvals in place to successfully conduct the project; and

23 (III) Whether the amount of marijuana to be grown by the
24 applicant is consistent with the project's scope and goals.

25 (c) If the scientific advisory council determines that the research
26 project does not meet the requirements of subsection (2) of this section or
27 assesses the criteria in this subsection (3) to be inadequate, the application

1 must be denied.

2 (4) A marijuana research and development ~~cultivation~~ licensee
3 may only transfer, by sale or donation, marijuana grown within its
4 operation to other marijuana research and development licensees. ~~or~~
5 ~~marijuana research and development cultivation licensees~~. The state
6 licensing authority may ~~revoke~~ IMPOSE SANCTIONS ON a marijuana
7 research and development ~~cultivation~~ license for violations of this
8 subsection (4) and any other violation of this ~~article~~ ~~11~~ ARTICLE 10.

9 (5) A marijuana research and development licensee ~~or marijuana~~
10 ~~research and development cultivation licensee~~ may contract to perform
11 research in conjunction with a public higher education research institution
12 or another marijuana research and development licensee. ~~or marijuana~~
13 ~~research and development cultivation licensee~~.

14 (6) The growing, cultivating, possessing, or transferring, by sale
15 or donation, of marijuana in accordance with this section and the rules
16 adopted pursuant to it, by a marijuana research and development licensee,
17 ~~or marijuana research and development cultivation licensee~~, is not a
18 criminal or civil offense under state law. A marijuana research and
19 development license ~~or marijuana research and development cultivation~~
20 ~~license~~ must be issued in the name of the applicant and must specify the
21 location in Colorado at which the marijuana research and development
22 licensee ~~or marijuana research and development cultivation licensee~~
23 intends to operate. A marijuana research and development licensee ~~or~~
24 ~~marijuana research and development cultivation licensee~~ shall not allow
25 any other person to exercise the privilege of the license.

26 (7) If the research conducted includes a public institution or public
27 money, the scientific advisory council shall review any reports made by

1 marijuana research and development licensees ~~and marijuana research~~
2 ~~and development cultivation licensees~~ under state licensing authority rule
3 and provide the state licensing authority with its determination on
4 whether the research project continues to meet research qualifications
5 pursuant to this section.

6 PART 6

7 RETAIL MARIJUANA LICENSE TYPES

8 **44-10-601. [Formerly 44-12-402] Retail marijuana store license**

9 **- rules - definition.** (1) (a) A retail marijuana store license ~~shall~~ MAY be
10 issued only to a person selling retail marijuana or retail marijuana
11 products pursuant to the terms and conditions of this ~~article 12~~ ARTICLE
12 10.

13 (b) A retail marijuana store may cultivate its own retail marijuana
14 if it obtains a retail marijuana cultivation facility license, or it may
15 purchase retail marijuana from a licensed retail marijuana cultivation
16 facility.

17 (c) A retail marijuana store shall not accept any retail marijuana
18 purchased from a retail marijuana cultivation facility unless the retail
19 marijuana store is provided with evidence that any applicable excise tax
20 due, pursuant to article 28.8 of title 39, was paid.

21 (d) The retail marijuana store shall track all of its retail marijuana
22 and retail marijuana products from the point that they are transferred from
23 a retail marijuana cultivation facility or retail marijuana products
24 manufacturer to the point of sale.

25 (2) (a) Notwithstanding the provisions of this section, a retail
26 marijuana store licensee may also sell retail marijuana products that are
27 prepackaged and labeled as required by rules of the state licensing

1 authority pursuant to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND
2 (3)(b).

3 (b) A retail marijuana store licensee may transact with a retail
4 marijuana products ~~manufacturing~~ MANUFACTURER licensee for the
5 purchase of retail marijuana products upon a retail marijuana products
6 ~~manufacturing~~ MANUFACTURER licensee's licensed premises or a retail
7 marijuana store's licensed premises.

8 (3) (a) (I) A retail marijuana store may not sell more than one
9 ounce of retail marijuana or its equivalent in retail marijuana products,
10 including retail marijuana concentrate, except for nonedible,
11 nonpsychoactive retail marijuana products, including ointments, lotions,
12 balms, and other nontransdermal topical products, during a single
13 transaction to a person.

14 (II) As used in this subsection (3)(a), "equivalent in retail
15 marijuana products" has the same meaning as established by the state
16 licensing authority by rule pursuant to ~~section 44-12-202 (3)(b)~~ SECTION
17 44-10-203 (4).

18 (b) (I) Prior to initiating a sale, the employee of the retail
19 marijuana store making the sale shall verify that the purchaser has a valid
20 identification card showing the purchaser is twenty-one years of age or
21 older. If a person under twenty-one years of age presents a fraudulent
22 proof of age, any action relying on the fraudulent proof of age shall not
23 be grounds for the revocation or suspension of any license issued under
24 this ~~article 12~~ ARTICLE 10.

25 (II) (A) If a retail marijuana store licensee or employee has
26 reasonable cause to believe that a person is under twenty-one years of age
27 and is exhibiting fraudulent proof of age in an attempt to obtain any retail

1 marijuana or ~~marijuana-infused~~ MARIJUANA product, the licensee or
2 employee is authorized to confiscate such fraudulent proof of age, if
3 possible, and shall, within seventy-two hours after the confiscation, remit
4 to a state or local law enforcement agency. The failure to confiscate such
5 fraudulent proof of age or to remit to a state or local law enforcement
6 agency within seventy-two hours after the confiscation does not constitute
7 a criminal offense.

8 (B) If a retail marijuana store licensee or employee believes that
9 a person is under twenty-one years of age and is exhibiting fraudulent
10 proof of age in an attempt to obtain any retail marijuana or retail
11 ~~marijuana-infused~~ MARIJUANA product, the licensee or employee or any
12 peace or police officer, acting in good faith and upon probable cause
13 based upon reasonable grounds therefor, may detain and question such
14 person in a reasonable manner for the purpose of ascertaining whether the
15 person is guilty of any unlawful act regarding the purchase of retail
16 marijuana. The questioning of a person by an employee or a peace or
17 police officer does not render the licensee, the employee, or the peace or
18 police officer civilly or criminally liable for slander, false arrest, false
19 imprisonment, malicious prosecution, or unlawful detention.

20 (c) (I) A RETAIL MARIJUANA STORE THAT SELLS AN INDUSTRIAL
21 HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS
22 PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE
23 LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO
24 TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A RETAIL
25 MARIJUANA STORE SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED
26 ALL TESTING REQUIRED FOR RETAIL MARIJUANA PRODUCTS AT A LICENSED
27 RETAIL MARIJUANA TESTING FACILITY AND THAT THE PERSON

1 TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A
2 REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND
3 ENVIRONMENT PURSUANT TO SECTION 25-5-426.

4 (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
5 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
6 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
7 TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA
8 STORE PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND
9 TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE
10 STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE
11 LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC
12 HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF
13 VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO
14 SECTION 25-5-426.

15 (4) A retail marijuana store may provide, except as required by
16 ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a sample of its
17 products to a facility that has a marijuana testing facility license from the
18 state licensing authority for testing and research purposes. A retail
19 marijuana store shall maintain a record of what was provided to the
20 testing facility, the identity of the testing facility, and the results of the
21 testing.

22 (5) All retail marijuana and retail marijuana products sold at a
23 licensed retail marijuana store shall be packaged and labeled as required
24 by rules of the state licensing authority pursuant to ~~section 44-12-202~~
25 SECTION 44-10-203 (2)(f) AND (3)(b).

26 (6) A licensed retail marijuana store shall comply with all
27 provisions of article 34 of title 24, as the provisions relate to persons with

1 disabilities.

2 (7) (a) A licensed retail marijuana store may only sell retail
3 marijuana, retail marijuana products, marijuana accessories,
4 nonconsumable products such as apparel, and marijuana related products
5 such as childproof packaging containers, but ~~shall be~~ IS prohibited from
6 selling or giving away any consumable product, including but not limited
7 to cigarettes or alcohol, or edible product that does not contain marijuana,
8 including but not limited to sodas, candies, or baked goods; EXCEPT THAT
9 A RETAIL MARIJUANA STORE MAY SELL INDUSTRIAL HEMP PRODUCTS.

10 (b) A licensed retail marijuana store may not sell any retail
11 marijuana or retail marijuana products that contain nicotine or alcohol, if
12 the sale of the alcohol would require a license pursuant to article 3 or 4
13 of this title 44.

14 (c) A licensed retail marijuana store shall not sell retail marijuana
15 or retail marijuana products over the internet nor deliver retail marijuana
16 or retail marijuana products to a person not physically present in the retail
17 marijuana store's licensed premises.

18 (8) The premises of a licensed retail marijuana store is the only
19 place where an automatic dispensing machine that contains retail
20 marijuana or retail marijuana products may be located. If a licensed retail
21 marijuana store uses an automatic dispensing machine that contains retail
22 marijuana and retail marijuana products, it must comply with the
23 regulations promulgated by the state licensing authority for its use.

24 (9) Retail marijuana or retail marijuana products may not be
25 consumed on the premises of a retail marijuana store.

26 (10) Notwithstanding any other provision of state law, sales of
27 retail marijuana and retail marijuana products are not exempt from state

1 or local sales tax.

2 (11) A display case containing marijuana concentrate must include
3 the potency of the marijuana concentrate next to the name of the product.

4 (12) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
5 CONTRARY, A LICENSED RETAIL MARIJUANA STORE MAY COMPENSATE ITS
6 EMPLOYEES USING PERFORMANCE-BASED INCENTIVES, INCLUDING
7 SALES-BASED PERFORMANCE-BASED INCENTIVES.

8 **44-10-602. [Formerly 44-12-403] Retail marijuana cultivation**
9 **facility license - rules - definitions.** (1) A retail marijuana cultivation
10 facility license may be issued only to a person who cultivates retail
11 marijuana for sale and distribution to licensed retail marijuana stores,
12 retail marijuana products ~~manufacturing~~ MANUFACTURER licensees, or
13 other retail marijuana cultivation facilities.

14 (2) A retail marijuana cultivation facility shall remit any
15 applicable excise tax due in accordance with article 28.8 of title 39, based
16 on the average wholesale prices set by the state licensing authority.

17 (3) A retail marijuana cultivation facility shall track the marijuana
18 it cultivates from seed or immature plant to wholesale purchase. Prior to
19 delivery of any sold retail marijuana, the retail marijuana cultivation
20 facility shall provide evidence that it paid any applicable excise tax on the
21 retail marijuana due pursuant to article 28.8 of title 39.

22 (4) A retail marijuana cultivation facility may provide, except as
23 required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a
24 sample of its products to a facility that has a RETAIL marijuana testing
25 facility license from the state licensing authority for testing and research
26 purposes. A retail marijuana cultivation facility shall maintain a record of
27 what was provided to the testing facility, the identity of the testing

1 facility, and the testing results.

2 (5) Retail marijuana or retail marijuana products may not be
3 consumed on the premises of a retail marijuana cultivation facility.

4 (6) (a) A retail marijuana cultivation facility licensee may provide
5 a retail marijuana sample and a retail marijuana concentrate sample to no
6 more than five managers employed by the licensee for purposes of quality
7 control and product development. A retail marijuana cultivation facility
8 licensee may designate no more than five managers per calendar month
9 as recipients of quality control and product development samples
10 authorized pursuant to this subsection (6)(a).

11 (b) An excise tax shall be levied and collected on the sample of
12 unprocessed retail marijuana by a retail marijuana cultivation facility. The
13 excise tax must be calculated based on the average market rate of the
14 unprocessed retail marijuana.

15 (c) A sample authorized pursuant to subsection (6)(a) of this
16 section is limited to one gram of retail marijuana per batch as defined in
17 rules promulgated by the state licensing authority, and one-quarter gram
18 of a retail marijuana concentrate per batch as defined in rules
19 promulgated by the state licensing authority; except that the limit is
20 one-half gram of retail marijuana concentrate if the intended use of the
21 final product is to be used in a device that can be used to deliver retail
22 marijuana concentrate in a vaporized form to the person inhaling from the
23 device.

24 (d) A sample authorized pursuant to subsection (6)(a) of this
25 section must be labeled and packaged pursuant to the rules promulgated
26 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
27 44-10-203 (2)(f) AND (3)(b).

1 (e) A sample provided pursuant to subsection (6)(a) of this section
2 must be tracked with the seed-to-sale tracking system. Prior to a manager
3 receiving a sample, a manager must be designated in the seed-to-sale
4 tracking system as a recipient of quality control and product development
5 samples. A manager receiving a sample must make a voluntary decision
6 to be tracked in the seed-to-sale tracking system and is not a consumer
7 pursuant to section 16 (5)(c) of article XVIII of the state constitution. The
8 retail marijuana cultivation facility licensee shall maintain documentation
9 of all samples and shall make the documentation available to the state
10 licensing authority.

11 (f) Prior to a manager receiving a sample pursuant to subsection
12 (6)(a) of this section, a retail marijuana cultivation facility licensee shall
13 provide a standard operating procedure to the manager explaining
14 requirements pursuant to this section and personal possession limits
15 pursuant to section 18-18-406.

16 (g) A manager shall not:

17 (I) Receive more than one ounce total of retail marijuana or eight
18 grams of retail marijuana concentrate samples per calendar month,
19 regardless of the number of licenses that the manager is associated with;
20 or

21 (II) Provide to or resell the sample to another licensed employee,
22 a customer, or any other individual.

23 (h) A retail marijuana cultivation facility licensee shall not:

24 (I) Allow a manager to consume the sample on the licensed
25 premises; or

26 (II) Use the sample as a means of compensation to a manager.

27 (i) The state licensing authority may establish additional inventory

1 tracking and record keeping, including additional reporting required for
2 implementation. The retail marijuana cultivation facility licensee shall
3 maintain the information required by this subsection (6)(i) on the licensed
4 premises for inspection by the state and local licensing authorities.

5 (j) For purposes of this subsection (6) only, "manager" means an
6 employee of the retail marijuana ~~business~~ CULTIVATION FACILITY who
7 holds a valid key license or associated key license and is currently
8 designated pursuant to state licensing authority rules as the manager of
9 the retail marijuana ~~business~~ CULTIVATION FACILITY.

10 (7) (a) The state licensing authority may issue a centralized
11 distribution permit to a retail marijuana cultivation facility authorizing
12 temporary storage on its licensed premises of retail marijuana concentrate
13 and retail marijuana products received from a retail marijuana
14 ~~establishment~~ BUSINESS for the sole purpose of transfer to the permit
15 holder's commonly owned retail marijuana stores. Prior to exercising the
16 privileges of a centralized distribution permit, a retail marijuana
17 cultivation facility licensed pursuant to this section shall, at the time of
18 application to the state licensing authority, send a copy of the application
19 or supplemental application for a centralized distribution permit to the
20 local jurisdiction in which the centralized distribution permit is proposed.
21 The state licensing authority shall notify the local jurisdiction of its
22 decision regarding the centralized distribution permit.

23 (b) A retail marijuana cultivation facility shall not store retail
24 marijuana concentrate or retail marijuana products pursuant to a
25 centralized distribution permit for more than ninety days.

26 (c) A retail marijuana cultivation facility shall not accept any retail
27 marijuana concentrate or retail marijuana products pursuant to a

1 centralized distribution permit unless the retail marijuana concentrate and
2 retail marijuana products are packaged and labeled for sale to a consumer
3 as required by rules promulgated by the state licensing authority pursuant
4 to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

5 (d) All retail marijuana concentrate and retail marijuana products
6 stored and prepared for transport on a retail marijuana cultivation
7 facility's licensed premises pursuant to a centralized distribution permit
8 must only be transferred to a retail marijuana cultivation facility licensee's
9 commonly owned retail marijuana stores. All transfers of retail marijuana
10 concentrate and retail marijuana products by a retail marijuana cultivation
11 facility pursuant to a centralized distribution permit are without
12 consideration.

13 (e) All security and surveillance requirements that apply to a retail
14 marijuana cultivation facility apply to activities conducted pursuant to the
15 privileges of a centralized distribution permit.

16 (f) A retail marijuana cultivation facility shall track all retail
17 marijuana concentrate and retail marijuana products possessed pursuant
18 to a centralized distribution permit in the seed-to-sale tracking system
19 from the point it is received from a retail marijuana ~~establishment~~
20 BUSINESS to the point of transfer to a retail marijuana cultivation facility
21 licensee's commonly owned retail marijuana stores.

22 (g) For purposes of this section only, "commonly owned" means
23 licenses that have an ownership structure with at least one natural person
24 with a minimum of five percent ownership in each license.

25 (8) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
26 CONTRARY, A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY MAY
27 COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES.

1 INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

2 (9) AN ACCELERATOR CULTIVATOR LICENSEE MAY OPERATE ON
3 THE PREMISES OF A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE
4 IF BEFORE EACH ACCELERATOR LICENSEE OPERATES, THE RETAIL
5 MARIJUANA CULTIVATION FACILITY LICENSEE HAS ITS PREMISES ENDORSED
6 PURSUANT TO RULE AND EACH ACCELERATOR LICENSEE IS LICENSED TO
7 OPERATE ON THAT PREMISES.

8 (10) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT
9 HOSTS AN ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE
10 TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR LICENSEE
11 OPERATING ON ITS PREMISES. A RETAIL MARIJUANA PRODUCTS
12 MANUFACTURER LICENSEE THAT HOSTS A CANNABIS OPPORTUNITY
13 MANUFACTURER LICENSEE MAY, PURSUANT TO RULE, PROVIDE CAPITAL
14 ASSISTANCE TO A CANNABIS OPPORTUNITY MANUFACTURER LICENSEE
15 OPERATING ON ITS PREMISES.

16 (11) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT
17 HOSTS AN ACCELERATOR LICENSEE, PURSUANT TO RULE AND AGENCY
18 DISCRETION, MAY BE ELIGIBLE FOR REDUCTION IN LICENSE FEES OR OTHER
19 INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE
20 OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

21 **44-10-603. [Formerly 44-12-404] Retail marijuana products**
22 **manufacturer license - rules - definition.** (1) (a) A retail marijuana
23 products ~~manufacturing~~ MANUFACTURER license may be issued to a
24 person who manufactures retail marijuana products pursuant to the terms
25 and conditions of this ~~article 12~~ ARTICLE 10.

26 (b) A retail marijuana products manufacturer may cultivate its
27 own retail marijuana if it obtains a retail marijuana cultivation facility

1 license, or it may purchase retail marijuana from a licensed retail
2 marijuana cultivation facility. A retail marijuana products manufacturer
3 shall track all of its retail marijuana from the point it is either transferred
4 from its retail marijuana cultivation facility or the point when it is
5 delivered to the retail marijuana products manufacturer from a licensed
6 retail marijuana cultivation facility to the point of transfer to a licensed
7 retail marijuana store, a licensed retail marijuana products manufacturer,
8 a retail marijuana testing facility, or a licensed retail marijuana cultivation
9 facility with a centralized distribution permit pursuant to ~~section~~
10 ~~44-12-403 (7)~~ SECTION 44-10-602 (7).

11 (c) A retail marijuana products manufacturer shall not accept any
12 retail marijuana purchased from a retail marijuana cultivation facility
13 unless the retail marijuana products manufacturer is provided with
14 evidence that any applicable excise tax due pursuant to article 28.8 of title
15 39 was paid.

16 (d) A retail marijuana products manufacturer shall not:

17 (I) Add any marijuana to a food product where the manufacturer
18 of the food product holds a trademark to the food product's name; except
19 that a RETAIL MARIJUANA PRODUCTS manufacturer may use a trademarked
20 food product if the manufacturer uses the product as a component or as
21 part of a recipe and where the RETAIL marijuana ~~product~~ PRODUCTS
22 manufacturer does not state or advertise to the consumer that the final
23 retail marijuana product contains a trademarked food product;

24 (II) Intentionally or knowingly label or package a retail marijuana
25 product in a manner that would cause a reasonable consumer confusion
26 as to whether the retail marijuana product was a trademarked food
27 product; or

1 (III) Label or package a product in a manner that violates any
2 federal trademark law or regulation.

3 (2) Retail marijuana products ~~shall~~ MUST be prepared on a
4 licensed premises that is used exclusively for the manufacture and
5 preparation of retail marijuana or retail marijuana products and using
6 equipment that is used exclusively for the manufacture and preparation
7 of retail marijuana products; except that, if permitted by the local
8 jurisdiction and subject to rules of the state licensing authority, a retail
9 marijuana products ~~manufacturing~~ MANUFACTURER licensee may share
10 the same premises as a:

11 (a) Medical ~~marijuana-infused~~ MARIJUANA products
12 ~~manufacturing~~ MANUFACTURER licensee so long as a virtual or physical
13 separation of inventory is maintained; or

14 (b) Commonly owned marijuana research and development
15 licensee ~~or marijuana research and development cultivation licensee~~ so
16 long as virtual or physical separation of inventory and research activity
17 is maintained; OR

18 (c) ACCELERATOR MANUFACTURER LICENSEE IF THE RETAIL
19 MARIJUANA PRODUCTS MANUFACTURER HAS ITS PREMISES ENDORSED
20 PURSUANT TO RULE BEFORE EACH ACCELERATOR MANUFACTURER
21 LICENSEE OPERATES AND EACH ACCELERATOR LICENSEE IS LICENSED TO
22 OPERATE ON THAT PREMISES.

23 (3) All licensed premises on which retail marijuana products are
24 manufactured ~~shall~~ MUST meet the sanitary standards for retail marijuana
25 product preparation promulgated pursuant to ~~section 44-12-202 (3)(a)(XI)~~
26 SECTION 44-10-203 (2)(i).

27 (4) (a) The retail marijuana product ~~shall~~ MUST be sealed and

1 conspicuously labeled in compliance with this ~~article 12~~ ARTICLE 10 and
2 any rules promulgated pursuant to this ~~article 12~~ ARTICLE 10. The labeling
3 of retail marijuana products is a matter of statewide concern.

4 (b) The standard symbol requirements as promulgated pursuant to
5 ~~section 44-12-202 (3)(e)~~ SECTION 44-10-203 (2)(y) do not apply to a
6 multi-serving liquid retail marijuana product, which is impracticable to
7 mark, if the product complies with all statutory and rule packaging
8 requirements for multi-serving edibles and complies with the following
9 enhanced requirements to reduce the risk of accidental ingestion. A
10 multi-serving liquid must:

11 (I) Be packaged in a structure that uses a single mechanism to
12 achieve both child-resistance and accurate pouring measurement of each
13 liquid serving in increments equal to or less than ten milligrams of active
14 THC per serving, with no more than one hundred milligrams of active
15 THC total per package; and

16 (II) The measurement component is within the child-resistant cap
17 or closure of the bottle and is not a separate component.

18 (5) Retail marijuana or retail marijuana products may not be
19 consumed on the premises of a retail marijuana products ~~manufacturing~~
20 ~~facility~~ MANUFACTURER.

21 (6) A retail marijuana products manufacturer may provide, except
22 as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a
23 sample of its products to a facility that has a retail marijuana testing
24 facility license from the state licensing authority for testing and research
25 purposes. A retail marijuana products manufacturer shall maintain a
26 record of what was provided to the testing facility, the identity of the
27 testing facility, and the results of the testing.

1 (7) An edible retail marijuana product may list its ingredients and
2 compatibility with dietary practices.

3 (8) A licensed retail marijuana products manufacturer shall
4 package and label each product manufactured as required by rules of the
5 state licensing authority pursuant to ~~section 44-12-202~~ SECTION
6 44-10-203 (2)(f) AND (3)(b).

7 (9) All retail marijuana products that require refrigeration to
8 prevent spoilage must be stored and transported in a refrigerated
9 environment.

10 (10) (a) A retail marijuana products ~~manufacturing~~
11 MANUFACTURER licensee may provide a retail marijuana product sample
12 and a retail marijuana concentrate sample to no more than five managers
13 employed by the licensee for purposes of quality control and product
14 development. A retail marijuana products ~~manufacturing~~ MANUFACTURER
15 licensee may designate no more than five managers per calendar month
16 as recipients of quality control and product development samples
17 authorized pursuant to this subsection (10)(a).

18 (b) A sample authorized pursuant to subsection (10)(a) of this
19 section is limited to one serving size of an edible retail marijuana product
20 not exceeding ten milligrams of THC and its applicable equivalent
21 serving size of nonedible retail marijuana product per batch as defined in
22 rules promulgated by the state licensing authority and one-quarter gram
23 of retail marijuana concentrate per batch as defined in rules promulgated
24 by the state licensing authority; except that the limit is one-half gram of
25 retail marijuana concentrate if the intended use of the final product is to
26 be used in a device that can be used to deliver retail marijuana
27 concentrate in a vaporized form to the person inhaling from the device.

1 (c) A sample authorized pursuant to subsection (10)(a) of this
2 section must be labeled and packaged pursuant to the rules promulgated
3 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
4 44-10-203 (2)(f) AND (3)(b).

5 (d) A sample provided pursuant to subsection (10)(a) of this
6 section must be tracked with the seed-to-sale tracking system. Prior to a
7 manager receiving a sample, a manager must be designated in the
8 seed-to-sale tracking system as a recipient of quality control and product
9 development samples. A manager receiving a sample must make a
10 voluntary decision to be tracked in the seed-to-sale tracking system and
11 is not a consumer pursuant to section 16 (5)(c) of article XVIII of the
12 state constitution. The retail marijuana products ~~manufacturing~~
13 MANUFACTURER licensee shall maintain documentation of all samples and
14 shall make the documentation available to the state licensing authority.

15 (e) Prior to a manager receiving a sample pursuant to subsection
16 (10)(a) of this section, a retail marijuana products ~~manufacturing~~
17 MANUFACTURER licensee shall provide a standard operating procedure to
18 the manager explaining requirements pursuant to this section and personal
19 possession limits pursuant to section 18-18-406.

20 (f) A manager shall not:

21 (I) Receive more than a total of eight grams of retail marijuana
22 concentrate or fourteen individual serving-size edibles or its applicable
23 equivalent in nonedible retail marijuana products per calendar month,
24 regardless of the number of licenses that the manager is associated with;
25 or

26 (II) Provide to or resell the sample to another licensed employee,
27 a customer, or any other individual.

1 (g) A retail marijuana products manufacturing licensee shall not:

2 (I) Allow a manager to consume the sample on the licensed
3 premises; or

4 (II) Use the sample as a means of compensation to a manager.

5 (h) The state licensing authority may establish additional
6 inventory tracking and record keeping, including additional reporting
7 required for implementation. The retail marijuana products ~~manufacturing~~
8 MANUFACTURER licensee shall maintain the information required by this
9 subsection (10)(h) on the licensed premises for inspection by the state and
10 local licensing authorities.

11 (i) For purposes of this subsection (10) only, "manager" means an
12 employee of the retail marijuana ~~business~~ PRODUCTS MANUFACTURER
13 who holds a valid key license or associated key license and is currently
14 designated pursuant to state licensing authority rules as the manager of
15 the retail marijuana ~~business~~ PRODUCTS MANUFACTURER.

16 (11) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURER THAT
17 USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A RETAIL
18 MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP
19 PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY
20 THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203
21 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT,
22 A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THAT THE
23 INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL
24 MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING
25 FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP
26 PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF
27 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

1 (b) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
2 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
3 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
4 TRANSFERRING INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA
5 PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY
6 WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE
7 ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS
8 ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE
9 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS
10 OR FINDINGS IN VIOLATION OF THIS SECTION BY A PERSON REGISTERED
11 PURSUANT TO SECTION 25-5-426.

12 (12) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
13 CONTRARY, A LICENSED RETAIL MARIJUANA PRODUCTS MANUFACTURER
14 MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED
15 INCENTIVES, INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

16 (13) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE
17 THAT HOSTS AN ACCELERATOR MANUFACTURER LICENSEE MAY, PURSUANT
18 TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE TO AN
19 ACCELERATOR LICENSEE OPERATING ON ITS PREMISES. A RETAIL
20 MARIJUANA PRODUCTS MANUFACTURER LICENSEE THAT HOSTS A
21 CANNABIS OPPORTUNITY MANUFACTURER LICENSEE MAY, PURSUANT TO
22 RULE, PROVIDE CAPITAL ASSISTANCE TO A CANNABIS OPPORTUNITY
23 MANUFACTURER LICENSEE OPERATING ON ITS PREMISES.

24 (14) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE,
25 PURSUANT TO RULE AND AGENCY DISCRETION, MAY BE ELIGIBLE FOR
26 REDUCTION IN LICENSE FEES AND FOR GRANTS THROUGH THE OFFICE OF
27 ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

1 **44-10-604. [Formerly 44-12-405] Retail marijuana testing**

2 **facility license - rules.** (1) (a) A retail marijuana testing facility license
3 may be issued to a person who performs testing and research on retail
4 marijuana and industrial hemp as regulated by article 61 of title 35 AND
5 INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF
6 TITLE 25. The facility may develop and test retail marijuana products, ~~and~~
7 industrial hemp as regulated by article 61 of title 35, AND INDUSTRIAL
8 HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25.
9 Prior to performing testing on industrial hemp, a facility shall verify that
10 the person requesting the testing has received a registration from the
11 commissioner as required by section 35-61-104. PRIOR TO PERFORM
12 TESTING ON INDUSTRIAL HEMP PRODUCTS, A FACILITY SHALL VERIFY THAT
13 THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION AS
14 REQUIRED BY SECTION 25-5-426.

15 (b) The testing of retail marijuana, retail marijuana products, and
16 retail marijuana concentrate, and the associated standards, is a matter of
17 statewide concern.

18 (2) The state licensing authority shall promulgate rules pursuant
19 to its authority in ~~section 44-12-202 (1)(b)~~ SECTION 44-10-202 (1)(c)
20 related to acceptable testing and research practices, including but not
21 limited to testing, standards, quality control analysis, equipment
22 certification and calibration, and chemical identification and other
23 substances used in bona fide research methods.

24 (3) A person who has an interest in a retail marijuana testing
25 facility license from the state licensing authority for testing purposes shall
26 not have any interest in a licensed medical marijuana ~~center~~ STORE, a
27 licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA

1 CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA
2 products manufacturer, a licensed retail marijuana store, a licensed retail
3 marijuana cultivation facility, or a licensed retail marijuana products
4 manufacturer. A person that has an interest in a licensed medical
5 marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation~~
6 ~~operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed
7 medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed
8 retail marijuana store, a licensed retail marijuana cultivation facility, or
9 a licensed retail marijuana products manufacturer shall not have an
10 interest in a facility that has a retail marijuana testing facility license.

11 **44-10-605. [Formerly 44-12-406] Retail marijuana transporter**
12 **license.** (1) (a) A retail marijuana transporter license may be issued to a
13 person to provide logistics, distribution, and storage of retail marijuana
14 and retail marijuana products. Notwithstanding any other provisions of
15 law, a retail marijuana transporter license is valid for two years but cannot
16 be transferred with a change of ownership. A licensed retail marijuana
17 transporter is responsible for the retail marijuana and retail marijuana
18 products once it takes control of the product.

19 (b) A licensed retail marijuana transporter may contract with
20 multiple licensed retail marijuana businesses.

21 (c) On and after July 1, 2017, all retail marijuana transporters shall
22 hold a valid retail marijuana transporter license; except that an entity
23 licensed pursuant to this ~~article 12~~ ARTICLE 10 that provides its own
24 distribution is not required to have a retail marijuana transporter license
25 to transport and distribute its products. The state licensing authority shall
26 begin accepting applications after January 1, 2017.

27 (2) A retail marijuana transporter licensee may maintain a licensed

1 premises to temporarily store retail marijuana and retail marijuana
2 products and to use as a centralized distribution point. The licensed
3 premises must be located in a jurisdiction that permits the operation of
4 retail marijuana stores. A licensed retail marijuana transporter may store
5 and distribute retail marijuana and retail marijuana products from this
6 location. A storage facility must meet the same security requirements that
7 are required to obtain a retail marijuana cultivation FACILITY license.

8 (3) A retail marijuana transporter licensee shall use the
9 seed-to-sale tracking system developed pursuant to ~~section 44-12-202 (1)~~
10 SECTION 44-10-202 (1)(a) to create shipping manifests documenting the
11 transport of retail marijuana and retail marijuana products throughout the
12 state.

13 (4) A retail marijuana transporter licensee may:

14 (a) Maintain and operate one or more warehouses in the state to
15 handle retail marijuana and retail marijuana products; and

16 (b) Deliver retail marijuana products on orders previously taken
17 if the place where orders are taken and delivered is licensed.

18 **44-10-606. [Formerly 44-12-407] Retail marijuana business**
19 **operator license.** A retail marijuana business operator license may be
20 issued to a person who operates a retail marijuana ~~establishment~~ BUSINESS
21 licensed pursuant to this ~~article 12~~ ARTICLE 10, for an owner licensed
22 pursuant to this ~~article 12~~ ARTICLE 10, and who may receive a portion of
23 the profits as compensation.

24 **44-10-607. Retail marijuana accelerator cultivator license. A**
25 **RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE MAY BE ISSUED**
26 **TO A PERSON TO OPERATE A CULTIVATION OPERATION ON THE SITE OF**
27 **RETAIL MARIJUANA CULTIVATION FACILITY WITH AN ACCELERATOR**

1 ENDORSEMENT. THE RETAIL MARIJUANA ACCELERATOR CULTIVATOR MAY
2 RECEIVE TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT FROM THE
3 RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE WITH AN
4 ACCELERATOR ENDORSEMENT.

5 **44-10-608. Retail marijuana accelerator manufacturer**
6 **license. A RETAIL MARIJUANA ACCELERATOR MANUFACTURER LICENSE**
7 **MAY BE ISSUED TO A PERSON TO OPERATE A RETAIL MARIJUANA PRODUCTS**
8 **MANUFACTURING OPERATION ON THE SITE OF RETAIL MARIJUANA**
9 **PRODUCTS MANUFACTURING FACILITY WITH AN ACCELERATOR**
10 **ENDORSEMENT. THE RETAIL MARIJUANA ACCELERATOR MANUFACTURER**
11 **MAY RECEIVE TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT FROM THE**
12 **RETAIL MARIJUANA PRODUCTS MANUFACTURER WITH AN ACCELERATOR**
13 **ENDORSEMENT.**

14 PART 7

15 UNLAWFUL ACTS

16 **44-10-701. [Similar to 44-11-901 and 44-12-901] Unlawful acts**
17 **- exceptions. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE 10,**
18 **IT IS UNLAWFUL FOR A PERSON:**

19 (a) TO CONSUME REGULATED MARIJUANA OR REGULATED
20 MARIJUANA PRODUCTS IN A LICENSED MEDICAL MARIJUANA BUSINESS OR
21 RETAIL MARIJUANA BUSINESS, AND IT SHALL BE UNLAWFUL FOR A MEDICAL
22 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS TO ALLOW
23 REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS TO BE
24 CONSUMED UPON ITS LICENSED PREMISES;

25 (b) WITH KNOWLEDGE, TO PERMIT OR FAIL TO PREVENT THE USE OF
26 HIS OR HER MEDICAL MARIJUANA PATIENT REGISTRY IDENTIFICATION BY
27 ANY OTHER PERSON FOR THE UNLAWFUL PURCHASING OF MEDICAL

1 MARIJUANA.

2 (2) IT IS UNLAWFUL FOR A PERSON TO:

3 (a) BUY, SELL, TRANSFER, GIVE AWAY, OR ACQUIRE REGULATED
4 MARIJUANA OR REGULATED MARIJUANA PRODUCTS EXCEPT AS ALLOWED
5 PURSUANT TO THIS ARTICLE 10 OR SECTION 14 OR SECTION 16 OF ARTICLE
6 XVIII OF THE STATE CONSTITUTION;

7 (b) HAVE AN UNREPORTED CONTROLLING BENEFICIAL OWNERSHIP,
8 PASSIVE BENEFICIAL OWNERSHIP, OR INDIRECT FINANCIAL INTEREST IN A
9 LICENSE PURSUANT TO THIS ARTICLE 10; EXCEPT THAT THIS SUBSECTION
10 (2)(b) DOES NOT APPLY TO BANKS OR SAVINGS AND LOAN ASSOCIATIONS
11 SUPERVISED AND REGULATED BY AN AGENCY OF THE STATE OR FEDERAL
12 GOVERNMENT, OR TO FHA-APPROVED MORTGAGEES, OR TO
13 STOCKHOLDERS, DIRECTORS, OR OFFICERS THEREOF;

14 (c) EXERCISE ANY PRIVILEGE OF A LICENSE ISSUED PURSUANT TO
15 THIS ARTICLE 10 THAT THE PERSON DOES NOT HOLD;

16 (d) EXERCISE ANY PRIVILEGE ASSOCIATED WITH HOLDING A
17 CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP,
18 OR INDIRECT FINANCIAL INTEREST IN A LICENSE WITHOUT PRIOR APPROVAL
19 FROM THE STATE LICENSING AUTHORITY; OR

20 (e) ENGAGE IN TRANSFER OF OWNERSHIP WITHOUT PRIOR
21 APPROVAL AS REQUIRED BY THIS ARTICLE 10, INCLUDING BUT NOT LIMITED
22 TO:

23 (I) A PROPOSED TRANSFEREE OPERATING A MEDICAL MARIJUANA
24 BUSINESS OR RETAIL MARIJUANA BUSINESS BEFORE A TRANSFER OF
25 OWNERSHIP REQUEST FOR THAT BUSINESS IS APPROVED IN WRITING BY THE
26 STATE LICENSING AUTHORITY; OR

27 (II) A CURRENT CONTROLLING BENEFICIAL OWNER, PASSIVE

1 BENEFICIAL OWNER, OR PROPOSED TRANSFEROR FAILING TO RETAIN FULL
2 RESPONSIBILITY FOR A MEDICAL MARIJUANA BUSINESS OR RETAIL
3 MARIJUANA BUSINESS IDENTIFIED IN THE TRANSFER OF OWNERSHIP
4 APPLICATION UNTIL THE TRANSFER REQUEST IS APPROVED IN WRITING BY
5 THE STATE LICENSING AUTHORITY.

6 (3) IT IS UNLAWFUL FOR A PERSON LICENSED PURSUANT TO THIS
7 ARTICLE 10:

8 (a) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
9 44-10-311 (11);

10 (b) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO
11 ADULTERATE OR ALTER, ANY SAMPLES OF REGULATED MARIJUANA OR
12 REGULATED MARIJUANA PRODUCTS FOR THE PURPOSE OF CIRCUMVENTING
13 CONTAMINANT TESTING DETECTION LIMITS OR POTENCY TESTING
14 REQUIREMENTS;

15 (c) TO USE ADVERTISING MATERIAL THAT IS MISLEADING,
16 DECEPTIVE, OR FALSE, OR THAT IS DESIGNED TO APPEAL TO MINORS;

17 (d) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR
18 THE PURPOSE OF CONSUMPTION OF REGULATED MARIJUANA IN ANY FORM;

19 (e) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
20 REGULATED MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE
21 LICENSE; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

22 (f) TO HAVE ON THE LICENSED PREMISES ANY REGULATED
23 MARIJUANA OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF
24 THE REGULATED MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY
25 CONSUMED; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

26 (g) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105;

27 (h) TO ABANDON A LICENSED PREMISES OR OTHERWISE CEASE

1 OPERATION WITHOUT NOTIFYING THE STATE AND LOCAL LICENSING
2 AUTHORITIES AT LEAST FORTY-EIGHT HOURS IN ADVANCE AND WITHOUT
3 ACCOUNTING FOR AND FORFEITING TO THE STATE LICENSING AUTHORITY
4 FOR DESTRUCTION ALL REGULATED MARIJUANA OR REGULATED
5 MARIJUANA PRODUCTS;

6 (i) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR REGULATED
7 MARIJUANA IN PERSON EXCEPT WITHIN THE LICENSED PREMISES;

8 (j) TO BUY REGULATED MARIJUANA FROM A PERSON NOT LICENSED
9 TO SELL AS PROVIDED BY THIS ARTICLE 10;

10 (k) TO SELL REGULATED MARIJUANA EXCEPT IN THE PERMANENT
11 LOCATION SPECIFICALLY DESIGNATED IN THE LICENSE FOR SALE; OR

12 (l) TO BURN OR OTHERWISE DESTROY REGULATED MARIJUANA OR
13 ANY SUBSTANCE CONTAINING REGULATED MARIJUANA FOR THE PURPOSE
14 OF EVADING AN INVESTIGATION OR PREVENTING SEIZURE.

15 (4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL MEDICAL
16 MARIJUANA PURSUANT TO THIS ARTICLE 10:

17 (a) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED
18 PURSUANT TO THIS ARTICLE 10 OR TO A PERSON NOT ABLE TO PRODUCE A
19 VALID PATIENT REGISTRY IDENTIFICATION CARD, UNLESS THE PERSON HAS
20 A COPY OF A CURRENT AND COMPLETE NEW APPLICATION FOR THE
21 MEDICAL MARIJUANA REGISTRY ADMINISTERED BY THE DEPARTMENT OF
22 PUBLIC HEALTH AND ENVIRONMENT THAT IS DOCUMENTED BY A CERTIFIED
23 MAIL RETURN RECEIPT AS HAVING BEEN SUBMITTED TO THE DEPARTMENT
24 OF PUBLIC HEALTH AND ENVIRONMENT WITHIN THE PRECEDING
25 THIRTY-FIVE DAYS AND THE EMPLOYEE ASSISTING THE PERSON HAS
26 CONTACTED THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
27 AND, AS A RESULT, DETERMINED THE PERSON'S APPLICATION HAS NOT

1 BEEN DENIED. NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION
2 (4)(a)(I) TO THE CONTRARY, A PERSON UNDER TWENTY-ONE YEARS OF AGE
3 SHALL NOT BE EMPLOYED TO SELL OR DISPENSE MEDICAL MARIJUANA AT
4 A MEDICAL MARIJUANA STORE OR GROW OR CULTIVATE MEDICAL
5 MARIJUANA AT A MEDICAL MARIJUANA CULTIVATION FACILITY.

6 (II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE
7 CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT
8 REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL
9 MARIJUANA, THE LICENSEE OR EMPLOYEE IS AUTHORIZED TO CONFISCATE
10 THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD, IF POSSIBLE,
11 AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION,
12 TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR LOCAL LAW
13 ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE FRAUDULENT
14 PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT OVER TO THE
15 STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW ENFORCEMENT
16 AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION DOES
17 NOT CONSTITUTE A CRIMINAL OFFENSE.

18 (b) TO REQUIRE A MEDICAL MARIJUANA STORE OR MEDICAL
19 MARIJUANA STORE WITH A MEDICAL MARIJUANA CULTIVATION FACILITY
20 LICENSE TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC
21 LICENSED PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

22 (5) [Formerly 44-12-901 (4)] It is unlawful for any person
23 licensed to sell retail marijuana or retail marijuana products pursuant to
24 this ~~article 12~~ ARTICLE 10:

25 (a) ~~To display any signs that are inconsistent with local laws or~~
26 ~~regulations;~~

27 (b) ~~To use advertising material that is misleading, deceptive, or~~

- 1 false, or that is designed to appeal to minors;
- 2 (c) ~~To provide public premises, or any portion thereof, for the~~
3 ~~purpose of consumption of retail marijuana or retail marijuana products~~
4 ~~in any form;~~
- 5 (d) ~~To have in possession or upon the licensed premises any~~
6 ~~marijuana, the sale of which is not permitted by the license;~~
- 7 (e) (a) To sell or permit the sale of retail marijuana or retail
8 marijuana products to a person under twenty-one years of age; OR
- 9 (f) ~~To sell more than a quarter of an ounce of retail marijuana and~~
10 ~~no more than a quarter of an ounce equivalent of a retail marijuana~~
11 ~~product during a single transaction to a nonresident of the state;~~
- 12 (g) ~~To have on the licensed premises any retail marijuana, retail~~
13 ~~marijuana products, or marijuana paraphernalia that shows evidence of~~
14 ~~the retail marijuana having been consumed or partially consumed;~~
- 15 (h) (b) To distribute marijuana or marijuana products, with or
16 without remuneration, directly to another person using a mobile
17 distribution center STORE.
- 18 (i) ~~To violate the provisions of section 6-2-103 or 6-2-105; or~~
- 19 (j) ~~To abandon a licensed premises or otherwise cease operation~~
20 ~~without notifying the state and local licensing authorities at least~~
21 ~~forty-eight hours in advance and without accounting for and forfeiting to~~
22 ~~the state licensing authority for destruction all marijuana or products~~
23 ~~containing marijuana;~~
- 24 (6) [Formerly 44-11-901 (6)] It shall be unlawful for a physician
25 who makes patient referrals to a licensed medical marijuana center STORE
26 to receive anything of value from the medical marijuana center STORE
27 licensee or its agents, servants, officers, or owners or anyone financially

1 interested in the licensee, and it shall be unlawful for a licensee licensed
2 pursuant to this ~~article 11~~ ARTICLE 10 to offer anything of value to a
3 physician for making patient referrals to the licensed medical marijuana
4 ~~center~~ STORE.

5 (7) [Formerly 44-11-901 (7)] A peace officer or a law
6 enforcement agency shall not use any patient information to make traffic
7 stops pursuant to section 42-4-1302.

8 (8) [Formerly 44-11-901 (8)] A person who commits any acts that
9 are unlawful pursuant to this ~~article 11~~ or the rules authorized and
10 ~~adopted pursuant to this article 11~~ ARTICLE 10 commits a class 2
11 misdemeanor and shall be punished as provided in section 18-1.3-501;
12 except for, THAT A VIOLATION OF SUBSECTION (5)(a) OF THIS SECTION IS
13 A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN
14 SECTION 18-1.3-501. For violations that would also constitute a violation
15 of title 18, ~~which~~ THE violation shall be charged and prosecuted pursuant
16 to title 18.

17 **44-10-702. Unlawful open and public consumption.** (1) THE
18 OPEN AND PUBLIC, AS DEFINED IN SECTION 18-18-102 (20.3),
19 CONSUMPTION OF MARIJUANA IS PROHIBITED.

20 (2) THE GOVERNING BODY OF A COUNTY, CITY, CITY AND COUNTY,
21 OR MUNICIPALITY MAY ADOPT AN ORDINANCE OR RESOLUTION
22 AUTHORIZING MARIJUANA CONSUMPTION LOCATIONS OR CIRCUMSTANCES
23 THAT ARE EXCEPTIONS TO THE PROHIBITION DESCRIBED IN SUBSECTION (1)
24 OF THIS SECTION IF THE LOCATIONS ARE NOT ACCESSIBLE TO THE PUBLIC
25 OR A SUBSTANTIAL NUMBER OF THE PUBLIC WITHOUT RESTRICTION,
26 INCLUDING BUT NOT LIMITED TO RESTRICTIONS ON THE AGE OF THE
27 MEMBERS OF THE PUBLIC WHO ARE ALLOWED ACCESS TO SUCH LOCATION.

1 marijuana tax cash fund created in section 39-28.8-501 any money in the
2 fund that is attributable to the retail marijuana excise tax transferred
3 pursuant to section 39-28.8-305 (1)(b), the retail marijuana sales tax
4 transferred pursuant to section 39-28.8-203 (1)(b), or the sales tax
5 imposed pursuant to section 39-26-106, on the retail sale of marijuana
6 products ~~under this article 11 and article 12 of this title 44~~ PURSUANT TO
7 THIS ARTICLE 10.

8 (II) On the date on which the state controller publishes the
9 comprehensive annual financial report of the state for the 2013-14 state
10 fiscal year, the state treasurer shall transfer to the marijuana tax cash fund
11 created in section 39-28.8-501 any remaining money in the fund that is
12 attributable to the retail marijuana excise tax transferred pursuant to
13 section 39-28.8-305 (1)(b), the retail marijuana sales tax transferred
14 pursuant to section 39-28.8-203 (1)(b), or the sales tax imposed pursuant
15 to section 39-26-106, on the retail sale of marijuana products under this
16 ~~article 11 and article 12 of this title 44~~ ARTICLE 10.

17 (2) The executive director by rule or as otherwise provided by law
18 may reduce the amount of one or more of the fees if necessary pursuant
19 to section 24-75-402 (3) to reduce the uncommitted reserves of the fund
20 to which all or any portion of one or more of the fees is credited. After the
21 uncommitted reserves of the fund are sufficiently reduced, the executive
22 director by rule or as otherwise provided by law may increase the amount
23 of one or more of the fees as provided in section 24-75-402 (4).

24 (3) (a) The state licensing authority shall establish fees for
25 processing the following types of applications, licenses, notices, or
26 reports required to be submitted to the state licensing authority:

27 (I) Applications for licenses listed in ~~section 44-11-401~~ SECTION

1 44-10-401 and rules promulgated pursuant to that section;

2 (II) Applications to change location pursuant to ~~section 44-11-310~~
3 SECTIONS 44-10-311 (13) and rules promulgated pursuant to that section;

4 (III) Applications for transfer of ownership pursuant to ~~section~~
5 ~~44-11-310~~ SECTION 44-10-310 and rules promulgated pursuant to that
6 section;

7 (IV) License renewal and expired license renewal applications
8 pursuant to ~~section 44-11-311~~ SECTION 44-10-312; and

9 (V) Licenses as listed in ~~section 44-11-401~~ SECTION 44-10-401.

10 (b) The amounts of such fees, when added to the other fees
11 transferred to the fund pursuant to this section, ~~shall~~ MUST reflect the
12 actual direct and indirect costs of the state licensing authority in the
13 administration and enforcement of this ~~article 11~~ ARTICLE 10 so that the
14 fees avoid exceeding the statutory limit on uncommitted reserves in
15 administrative agency cash funds as set forth in section 24-75-402 (3).

16 (c) The state licensing authority may charge applicants licensed
17 under this ~~article 11~~ ARTICLE 10 a fee for the cost of each fingerprint
18 analysis and background investigation undertaken to qualify new officers,
19 directors, managers, or employees.

20 (d) At least annually, the state licensing authority shall review the
21 amounts of the fees and, if necessary, adjust the amounts to reflect the
22 direct and indirect costs of the state licensing authority.

23 (4) Except as provided in subsection (5) of this section, the state
24 licensing authority shall establish a basic fee that shall be paid at the time
25 of service of any subpoena upon the state licensing authority, plus a fee
26 for meals and a fee for mileage at the rate prescribed for state officers and
27 employees in section 24-9-104 for each mile actually and necessarily

1 traveled in going to and returning from the place named in the subpoena.
2 If the person named in the subpoena is required to attend the place named
3 in the subpoena for more than one day, there ~~shall~~ MUST be paid, in
4 advance, a sum to be established by the state licensing authority for each
5 day of attendance to cover the expenses of the person named in the
6 subpoena.

7 (5) The subpoena fee established pursuant to subsection (4) of this
8 section ~~shall~~ IS not ~~be~~ applicable to any federal, state or local
9 governmental agency.

10 **44-10-802. [Formerly 44-11-502] Fees - allocation.** (1) Except
11 as otherwise provided, all fees and fines provided for by this ~~article 11~~
12 ~~and article 12 of this title 44~~ ARTICLE 10 shall be paid to the department,
13 which shall transmit the fees to the state treasurer. The state treasurer
14 shall credit the fees to the marijuana cash fund created in ~~section~~
15 ~~44-11-501~~ SECTION 44-10-801. ==

16 (2) The expenditures of the state licensing authority ~~shall be~~ ARE
17 paid out of appropriations from the marijuana cash fund created in ~~section~~
18 ~~44-11-501~~ SECTION 44-10-801.

19 **44-10-803. [Formerly 44-12-501] Fees.** (1) The state licensing
20 authority may charge and collect fees ~~under~~ PURSUANT TO this ~~article 12.~~
21 ~~The application fee for a person applying pursuant to section 44-12-104~~
22 ~~(1)(a) shall be five hundred dollars~~ ARTICLE 10. FOR A PERSON LICENSED
23 TO CULTIVATE OR SELL MEDICAL MARIJUANA OR TO MANUFACTURE
24 MEDICAL MARIJUANA PRODUCTS ON OR BEFORE DECEMBER 10, 2012, THE
25 APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS IS FIVE HUNDRED
26 DOLLARS. The state licensing authority shall transfer two hundred fifty
27 dollars of the fee to the marijuana cash fund and submit two hundred fifty

1 dollars to the local jurisdiction in which the license is proposed to be
2 issued.

3 (2) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, the
4 application fee for a ~~person applying pursuant to section 44-12-104(1)(b)~~
5 ~~shall be~~ RETAIL MARIJUANA BUSINESS IS five thousand dollars. The state
6 licensing authority shall transfer two thousand five hundred dollars of the
7 fee to the marijuana cash fund and remit two thousand five hundred
8 dollars to the local jurisdiction in which the license is proposed to be
9 issued. If the state licensing authority is considering raising the
10 five-thousand-dollar application fee, it shall confer with each local
11 jurisdiction in which a license ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE
12 10 is issued prior to raising the application fee. If the application fee
13 amount is changed, it must be split evenly between the marijuana cash
14 fund and the local jurisdiction in which the license is proposed to be
15 issued.

16 (3) A local jurisdiction in which a license under this ~~article 12~~
17 ARTICLE 10 may be permitted may adopt and impose operating fees in an
18 amount determined by the local jurisdiction on marijuana BUSINESSES
19 AND establishments located within the local jurisdiction.

20 PART 9

21 DISCIPLINARY ACTIONS

22 **44-10-901. [Formerly 44-12-601 and similar to**
23 **44-11-601] Suspension - revocation - fines.** (1) In addition to any other
24 sanctions prescribed by this ~~article 12~~ ARTICLE 10 or rules promulgated
25 pursuant to this ~~article 12~~ ARTICLE 10, the state licensing authority OR
26 LOCAL LICENSING AUTHORITY has the power, on its own motion or on
27 complaint, after investigation and opportunity for a public hearing at

1 which the licensee must be afforded an opportunity to be heard, to fine a
2 licensee or to suspend or revoke a license issued by the authority for a
3 violation by the licensee or by any of the agents or employees of the
4 licensee of the provisions of this ~~article 12~~ ARTICLE 10, or any of the rules
5 promulgated pursuant to this ~~article 12~~ ARTICLE 10, or of any of the terms,
6 conditions, or provisions of the license issued by the state OR LOCAL
7 licensing authority. The state OR LOCAL licensing authority has the power
8 to administer oaths and issue subpoenas to require the presence of persons
9 and the production of papers, books, and records necessary to the
10 determination of a hearing that the state OR LOCAL LICENSING authority is
11 authorized to conduct.

12 (2) The state OR LOCAL licensing authority shall provide notice of
13 suspension, revocation, fine, or other sanction, as well as the required
14 notice of the hearing pursuant to subsection (1) of this section, by mailing
15 the same in writing to the licensee at the address contained in the license
16 and, if different, at the last address furnished to the authority by the
17 licensee. Except in the case of a summary suspension, a suspension ~~shall~~
18 IS not ~~be~~ for a period longer than six months. If a license is suspended or
19 revoked, a part of the fees paid therefor ~~shall~~ ARE not ~~be~~ returned to the
20 licensee. Any license, REGISTRATION, OR PERMIT may be summarily
21 suspended by the ~~state licensing~~ ISSUING authority without notice pending
22 any prosecution, investigation, or public hearing pursuant to the terms of
23 section 24-4-104 (4). Nothing in this section ~~shall prevent~~ PREVENTS the
24 summary suspension of a license pursuant to section 24-4-104 (4). EACH
25 PATIENT REGISTERED WITH A MEDICAL MARIJUANA STORE THAT HAS HAD
26 ITS LICENSE SUMMARILY SUSPENDED MAY IMMEDIATELY TRANSFER HIS OR
27 HER PRIMARY STORE TO ANOTHER LICENSED MEDICAL MARIJUANA STORE.

1 (3) (a) Whenever a decision of the state OR LOCAL licensing
2 authority suspending a license for fourteen days or less becomes final, the
3 licensee may, before the operative date of the suspension, petition for
4 permission to pay a fine in lieu of having the license suspended for all or
5 part of the suspension period. Upon the receipt of the petition, the state
6 OR LOCAL LICENSING authority may, in its sole discretion, stay the
7 proposed suspension and cause any investigation to be made ~~which~~ THAT
8 it deems desirable and may, in its sole discretion, grant the petition if the
9 state OR LOCAL licensing authority is satisfied that:

10 (I) The public welfare would not be impaired by permitting the
11 licensee to operate during the period set for suspension and that the
12 payment of the fine will achieve the desired disciplinary purposes; ~~and~~

13 (II) The books and records of the licensee are kept in such a
14 manner that the loss of sales that the licensee would have suffered had the
15 suspension gone into effect can be determined with reasonable accuracy;
16 AND

17 (III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED
18 OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE,
19 DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE
20 MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND
21 THE LICENSE OR PERMIT.

22 (b) The fine accepted ~~shall~~ MUST be not less than five hundred
23 dollars nor more than one hundred thousand dollars.

24 (c) Payment of a fine pursuant to the provisions of this subsection
25 (3) ~~shall~~ MUST be in the form of cash or in the form of a certified check
26 or cashier's check made payable to the state or local licensing authority,
27 whichever is appropriate.

1 (4) Upon payment of the fine pursuant to subsection (3) of this
2 section, the state licensing authority shall enter its further order
3 permanently staying the imposition of the suspension. Fines paid to the
4 state licensing authority pursuant to subsection (3) of this section ~~shall be~~
5 ARE transmitted to the state treasurer, who shall credit the same to the
6 ~~marijuana cash fund created in section 44-11-501~~ GENERAL FUND.

7 (5) In connection with a petition pursuant to subsection (3) of this
8 section, the authority of the state OR LOCAL licensing authority is limited
9 to the granting of such stays as are necessary for the authority to complete
10 its investigation and make its findings and, if the authority makes such
11 findings, to the granting of an order permanently staying the imposition
12 of the entire suspension or that portion of the suspension not otherwise
13 conditionally stayed.

14 (6) If the state OR LOCAL licensing authority does not make the
15 findings required in subsection (3)(a) of this section and does not order
16 the suspension permanently stayed, the suspension ~~shall go~~ GOES into
17 effect on the operative date finally set by the state OR LOCAL licensing
18 authority.

19 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL
20 ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO
21 THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE
22 LICENSING AUTHORITY. No later than January 15 of each year, the state
23 licensing authority shall compile a report of the preceding year's actions
24 in which fines, suspensions, or revocations were imposed by the state
25 licensing authority. The state licensing authority shall file one copy of the
26 report with the chief clerk of the house of representatives, one copy with
27 the secretary of the senate, and six copies in the joint legislative library.

1 **44-10-902. [Formerly 44-12-602 and similar to**
2 **44-11-602] Disposition of unauthorized marijuana or marijuana**
3 **products and related materials - rules.** (1) The provisions of this
4 section ~~shall~~ apply in addition to any criminal, civil, or administrative
5 penalties and in addition to any other penalties prescribed by this ~~article~~
6 ~~12~~ ARTICLE 10 or any rules promulgated pursuant to this ~~article 12~~
7 ARTICLE 10. Any provisions in this ~~article 12~~ ARTICLE 10 related to law
8 enforcement ~~shall be~~ ARE considered a cumulative right of the people in
9 the enforcement of the criminal laws.

10 (2) Every licensee licensed under this ~~article 12~~ ~~shall be~~ ARTICLE
11 10 IS deemed, by virtue of applying for, holding, or renewing such
12 person's license, to have expressly consented to the procedures set forth
13 in this section.

14 (3) A state or local agency ~~shall~~ IS not ~~be~~ required to cultivate or
15 care for any ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana
16 product belonging to or seized from a licensee. A state or local agency
17 ~~shall~~ IS not ~~be~~ authorized to sell marijuana, ~~retail~~ REGULATED or
18 otherwise.

19 (4) If the state OR LOCAL licensing authority issues a final agency
20 order imposing a disciplinary action against a licensee pursuant to ~~section~~
21 ~~44-12-601~~ SECTION 44-10-901, then, in addition to any other remedies,
22 the licensing authority's final agency order may specify that some or all
23 of the licensee's marijuana or marijuana product is not ~~retail~~ REGULATED
24 marijuana or a ~~retail~~ REGULATED marijuana product and is an illegal
25 controlled substance. The order may further specify that the licensee ~~shall~~
26 ~~lose~~ LOSES any interest in any of the marijuana or marijuana product even
27 if the marijuana or marijuana product previously qualified as ~~retail~~

1 REGULATED marijuana or a ~~retail~~ REGULATED marijuana product. The
2 final agency order may direct the destruction of any such marijuana and
3 marijuana products, except as provided in subsections (5) and (6) of this
4 section. The authorized destruction may include the incidental destruction
5 of any containers, equipment, supplies, and other property associated with
6 the marijuana or marijuana product.

7 (5) Following the issuance of a final agency order by the state OR
8 LOCAL licensing authority against a licensee and ordering destruction
9 authorized by subsection (4) of this section, a licensee ~~shall have~~ HAS
10 fifteen days within which to file a petition for stay of agency action with
11 the district court. The action ~~shall~~ MUST be filed in the city and county of
12 Denver, which ~~shall be~~ IS deemed to be the residence of the state
13 licensing authority for purposes of this section. The licensee shall serve
14 the petition in accordance with the Colorado rules of civil procedure. The
15 district court shall promptly rule upon the petition and determine whether
16 the licensee has a substantial likelihood of success on judicial review so
17 as to warrant delay of the destruction authorized by subsection (4) of this
18 section or whether other circumstances, including but not limited to the
19 need for preservation of evidence, warrant delay of such destruction. If
20 destruction is so delayed pursuant to judicial order, the court shall issue
21 an order setting forth terms and conditions pursuant to which the licensee
22 may maintain the ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED
23 marijuana product pending judicial review and prohibiting the licensee
24 from using or distributing the ~~retail~~ REGULATED marijuana or ~~retail~~
25 REGULATED marijuana product pending the review. The licensing
26 authority shall not carry out the destruction authorized by subsection (4)
27 of this section until fifteen days have passed without the filing of a

1 petition for stay of agency action or until the court has issued an order
2 denying stay of agency action pursuant to this subsection (5).

3 (6) A district attorney shall notify the state licensing authority if
4 it begins investigating a MEDICAL MARIJUANA BUSINESS OR retail
5 marijuana establishment BUSINESS. If the state licensing authority has
6 received notification from a district attorney that an investigation is being
7 conducted, the state licensing authority shall not destroy any marijuana or
8 marijuana products from the MEDICAL MARIJUANA BUSINESS OR retail
9 marijuana establishment BUSINESS until the destruction is approved by the
10 district attorney.

11 (7) ~~On or before January 1, 2014,~~ The state licensing authority
12 shall promulgate rules governing the implementation of this section.

13 PART 10

14 INSPECTION OF BOOKS AND RECORDS

15 **44-10-1001. [Formerly 44-12-701 and similar to**
16 **44-11-701] Inspection procedures.** (1) Each licensee shall keep a
17 complete set of all records necessary to show fully the business
18 transactions of the licensee, all of which ~~shall be~~ ARE open at all times
19 during business hours for the inspection and examination by the state
20 licensing authority or its duly authorized representatives. The state
21 licensing authority may require any licensee to furnish such information
22 as it considers necessary for the proper administration of this ~~article 12~~
23 ARTICLE 10 and may require an audit to be made of the books of account
24 and records on such occasions as it may consider necessary by an auditor
25 to be selected by the state licensing authority who shall likewise have
26 access to all books and records of the licensee, and the expense thereof
27 ~~shall~~ MUST be paid by the licensee.

1 "approved training program". The state licensing authority, in
2 consultation with the department of public health and environment, shall
3 approve the submitted program if the submitted program meets the
4 minimum criteria described in subsection (2) of this section. The
5 department of public health and environment shall review each submitted
6 program and shall provide the state licensing authority with the
7 department's analysis of whether the portions of the program related to
8 the department's oversight meet the minimum criteria described in this
9 section.

10 (2) An approved training program ~~shall~~ MUST contain, at a
11 minimum, the following standards and ~~shall~~ be taught in a classroom
12 setting in a minimum of a two-hour period:

13 (a) Program standards that specify, at a minimum, who must
14 attend, the time frame for new staff to attend, recertification requirements,
15 record keeping, testing and assessment protocols, and effectiveness
16 evaluations; and

17 (b) A core curriculum of pertinent statutory and regulatory
18 provisions, which curriculum includes but need not be limited to:

19 (I) Information on required licenses, age requirements, patient
20 registry cards issued by the department of public health and environment,
21 maintenance of records, privacy issues, and unlawful acts;

22 (II) Administrative and criminal liability and license and court
23 sanctions;

24 (III) Statutory and regulatory requirements for employees and
25 owners;

26 (IV) Acceptable forms of identification, including patient registry
27 cards and associated documents and procedures; and

1 (V) Local and state licensing and enforcement, which may include
2 but need not be limited to key statutes and rules affecting patients,
3 owners, managers, and employees.

4 (3) When promulgating program standards pursuant to subsection
5 (2) of this section, the state licensing authority shall consider input from
6 other state agencies, local jurisdictions, the medical and retail marijuana
7 industry, and any other state or national seller server program.

8 (4) A provider of an approved training program shall maintain its
9 training records at its principal place of business during the applicable
10 year and for the preceding three years, and the provider shall make the
11 records available for inspection by the licensing authority during normal
12 business hours.

13 **44-10-1202. [Formerly 44-11-1102] Responsible vendor -**
14 **designation.** (1) (a) A medical marijuana business licensed pursuant to
15 ~~this article 11~~ or a retail marijuana business licensed pursuant to ~~article~~
16 ~~12 of this title 44~~ THIS ARTICLE 10 may receive a responsible vendor
17 designation from the program vendor after successfully completing a
18 responsible medical or retail marijuana vendor server and seller training
19 program approved by the state licensing authority. A responsible vendor
20 designation is valid for two years from the date of issuance.

21 (b) Successful completion of an approved training program is
22 achieved when the program has been attended by and, as determined by
23 the program provider, satisfactorily completed by all employees selling
24 and handling medical or retail marijuana, all managers, and all resident
25 on-site owners, if any.

26 (c) In order to maintain the responsible vendor designation, the
27 licensed medical MARIJUANA BUSINESS or retail marijuana business must

1 have each new employee who sells or handles medical or retail marijuana,
2 manager, or resident on-site owner attend and satisfactorily complete a
3 responsible medical or retail marijuana vendor server and seller training
4 program within ninety days after being employed or becoming an owner.
5 The licensed medical MARIJUANA BUSINESS or retail marijuana business
6 shall maintain documentation of completion of the program by new
7 employees, managers, or owners.

8 (2) A licensed medical MARIJUANA BUSINESS or retail marijuana
9 business that receives a responsible vendor designation from the program
10 vendor shall maintain information on all persons licensed pursuant to this
11 ~~article 11~~ ARTICLE 10 who are in its employment and who have been
12 trained in an approved training program. The information includes the
13 date, place, time, and duration of training and a list of all licensed persons
14 attending each specific training class, which class includes a training
15 examination or assessment that demonstrates proficiency.

16 (3) If a local or state licensing authority initiates an administrative
17 action against a licensee who has complied with the requirements of this
18 section and has been designated a responsible vendor, the licensing
19 authority shall consider the designation as a mitigating factor when
20 imposing sanctions or penalties on the licensee.

21 PART 13

22 SEVERABILITY

23 **44-10-1301. [Formerly 44-12-1101] Severability.** If any
24 provision of this ~~article 12~~ ARTICLE 10 is found by a court of competent
25 jurisdiction to be unconstitutional, the remaining provisions of this ~~article~~
26 ~~12~~ ARTICLE 10 are valid, unless it appears to the court that the valid
27 provisions of the statute are so essentially and inseparably connected

1 with, and so dependent upon, the void provision that it cannot be
2 presumed that the legislature would have enacted the valid provisions
3 without the void one; or unless the court determines that the valid
4 provisions, standing alone, are incomplete and are incapable of being
5 executed in accordance with the legislative intent.

6 PART 14

7 SUNSET REVIEW - ARTICLE REPEAL

8 **44-10-1401. [Formerly 44-11-1001 and similar to**
9 **44-12-1001] Sunset review - repeal of article.** (1) This ~~article~~
10 ARTICLE 10 is repealed, effective September 1, 2019 2028.

11 (2) Prior to the repeal of this ~~article~~ ARTICLE 10, the department
12 of regulatory agencies shall conduct a sunset review as described in
13 section 24-34-104 (5).

14 **SECTION 6. Repeal of provisions being relocated in this act.**
15 In Colorado Revised Statutes, **repeal** sections 44-11-102, 44-11-103,
16 44-11-104, 44-11-105, and 44-11-106; parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and
17 11 of article 11 of title 44; sections 44-12-102, 44-12-103, 44-12-104, and
18 44-12-105; and parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of article 12 of title
19 44.

20 **SECTION 7. Repeal of provisions not being relocated in this**
21 **act.** In Colorado Revised Statutes, **repeal** sections 44-11-101 and
22 44-12-101 that were not relocated.

23 **SECTION 8.** In Colorado Revised Statutes, 6-1-105, **amend**
24 (1)(hhh) as follows:

25 **6-1-105. Deceptive trade practices.** (1) A person engages in a
26 deceptive trade practice when, in the course of the person's business,
27 vocation, or occupation, the person:

1 (hhh) Knowingly represents that hemp, hemp oil, or any derivative
2 of a hemp plant constitutes retail marijuana or medical marijuana unless
3 it fully satisfies the definition of such products pursuant to ~~section~~
4 ~~44-12-103 (22) or section 44-11-104 (11)~~ SECTION 44-10-103 (26) OR
5 (45);

6 SECTION 9. In Colorado Revised Statutes, 11-33-103, **amend**
7 (4) as follows:

8 **11-33-103. Definitions.** As used in this article 33, unless the
9 context otherwise requires:

10 (4) "Licensed marijuana business" means an entity licensed
11 pursuant to ~~section 44-11-402, 44-11-403, 44-11-404, 44-12-402,~~
12 ~~44-12-403, 44-12-404, or 44-12-405~~ PARTS 5 AND 6 OF ARTICLE 10 OF
13 TITLE 44.

14 SECTION 10. In Colorado Revised Statutes, 11-33-104, **amend**
15 (2)(a)(II) as follows:

16 **11-33-104. Organization - charter - investigation.** (2) A co-op
17 may be organized in the following manner:

18 (a) (II) A co-op may be incorporated and organized for the
19 purpose of providing financial services to licensed marijuana businesses
20 in good standing with the executive director of the state licensing
21 authority created in ~~section 44-11-201~~ SECTION 44-10-201, industrial
22 hemp businesses, and entities that provide goods or services to licensed
23 marijuana businesses and that provide documentation to the co-op of an
24 inability to get comparable services from a bank or credit union.

25 SECTION 11. In Colorado Revised Statutes, 11-33-106, **amend**
26 (2) as follows:

27 **11-33-106. Membership - disclosures.** (2) (a) Co-op

1 membership is limited to only entities that own, operate, or are licensed
2 marijuana businesses in good standing with the executive director of the
3 state licensing authority created in ~~section 44-11-201~~ SECTION 44-10-201,
4 industrial hemp businesses, and entities that provide goods or services to
5 licensed marijuana businesses and that provide documentation to the
6 co-op of an inability to get comparable services from a bank or credit
7 union.

8 (b) An individual is not qualified to be a member of a co-op,
9 regardless of whether the individual is licensed, including pursuant to
10 ~~section 44-11-401 (1)(c) or 44-12-401 (1)(c)~~ SECTION 44-10-401 (2)(c),
11 to own, operate, manage, or be employed by a licensed marijuana
12 business, either as a sole proprietor or any other form of ownership that
13 gives the individual sole control over the licensed marijuana business.

14 **SECTION 12.** In Colorado Revised Statutes, 13-21-121, **amend**
15 (2)(b) as follows:

16 **13-21-121. Agricultural recreation or agritourism activities -**
17 **legislative declaration - inherent risks - limitation of civil liability -**
18 **duty to post warning notice - definitions.** (2) As used in this section,
19 unless the context otherwise requires:

20 (b) "Agricultural recreation or agritourism activity" means an
21 activity related to the normal course of agriculture, as defined in section
22 35-1-102 (1), which activity is engaged in by participants for
23 entertainment, pleasure, or other recreational purposes, or for educational
24 purposes, regardless of whether a fee is charged to the participants.
25 "Agricultural recreation or agritourism activity" also means hunting,
26 shooting, swimming, diving, tubing, and riding or operating a motorized
27 recreational vehicle that occurs on or in proximity to the property of an

1 agricultural operation or an adjacent roadway. "Agricultural recreation or
2 agritourism activity" includes, but is not limited to, planting, cultivation,
3 irrigation, or harvesting of crops; acceptable practices of animal
4 husbandry; rodeo and livestock activities; and maintenance of farm or
5 ranch equipment. "Agricultural recreation or agritourism activity" does
6 not include any activity related to or associated with medical marijuana
7 as defined in ~~section 44-11-104~~ SECTION 44-10-103 (26) or retail
8 marijuana as defined in ~~section 44-12-103~~ SECTION 44-10-103 (45).

9 **SECTION 13.** In Colorado Revised Statutes, **amend** 13-22-601
10 as follows:

11 **13-22-601. Contracts pertaining to marijuana enforceable.** It
12 is the public policy of the state of Colorado that a contract is not void or
13 voidable as against public policy if it pertains to lawful activities
14 authorized by section 16 of article XVIII of the state constitution and
15 ~~article 12~~ ARTICLE 10 of title 44.

16 **SECTION 14.** In Colorado Revised Statutes, **amend** 16-2.5-121
17 as follows:

18 **16-2.5-121. Executive director of the department of revenue**
19 **- senior director of enforcement for the department of revenue.** The
20 executive director and the senior director of enforcement of the
21 department of revenue are peace officers while engaged in the
22 performance of their duties whose authority includes the enforcement of
23 laws and rules regarding automobile dealers pursuant to section
24 44-20-105 (3), the lottery pursuant to sections 44-40-106 (3) and
25 44-40-107 (8), medical marijuana pursuant to ~~article 11~~ ARTICLE 10 of
26 title 44, limited gaming pursuant to article 30 of title 44, liquor pursuant
27 to section 44-3-905 (1), and racing events pursuant to section 44-32-203

1 (1), and the enforcement of all laws of the state of Colorado and who may
2 be certified by the P.O.S.T. board.

3 **SECTION 15.** In Colorado Revised Statutes, **amend**
4 16-2.5-124.5 as follows:

5 **16-2.5-124.5. Director of marijuana enforcement and**
6 **marijuana enforcement investigator.** The director of the marijuana
7 enforcement division or a marijuana enforcement investigator is a peace
8 officer while engaged in the performance of his or her duties and while
9 acting under proper orders or rules pursuant to ~~article 11 or 12~~ ARTICLE 10
10 of title 44, and shall also include the enforcement of all laws of the state
11 of Colorado and who may be certified by the P.O.S.T. board.

12 **SECTION 16.** In Colorado Revised Statutes, 18-1.3-204, **amend**
13 (1)(b) and (2)(a)(VIII)(A) as follows:

14 **18-1.3-204. Conditions of probation - interstate compact**
15 **probation transfer cash fund - creation.** (1) (b) Notwithstanding the
16 provisions of subsection (1)(a) of this section, unless the defendant is
17 sentenced to probation for a conviction of a crime under ~~article 11~~
18 ARTICLE 10 of title 44, the possession or use of medical marijuana, as
19 authorized pursuant to section 14 of article XVIII of the state constitution,
20 shall not be considered another offense such that its use constitutes a
21 violation of the terms of probation.

22 (2) (a) When granting probation, the court may, as a condition of
23 probation, require that the defendant:

24 (VIII) Refrain from excessive use of alcohol or any unlawful use
25 of controlled substances, as defined in section 18-18-102 (5), or of any
26 other dangerous or abusable drug without a prescription; except that the
27 court shall not, as a condition of probation, prohibit the possession or use

1 of medical marijuana, as authorized pursuant to section 14 of article
2 XVIII of the state constitution, unless:

3 (A) The defendant is sentenced to probation for conviction of a
4 crime under ~~article 11~~ ARTICLE 10 of title 44; or

5 **SECTION 17.** In Colorado Revised Statutes, 18-18-406.3,
6 **amend** (7) as follows:

7 **18-18-406.3. Medical use of marijuana by persons diagnosed**
8 **with debilitating medical conditions - unlawful acts - penalty -**
9 **medical marijuana program cash fund.** (7) An owner, officer, or
10 employee of a business licensed pursuant to ~~article 11~~ ARTICLE 10 of title
11 44, or an employee of the state medical marijuana licensing authority, a
12 local medical marijuana licensing authority, or the department of public
13 health and environment, who releases or makes public a patient's medical
14 record or any confidential information contained in any such record that
15 is provided to or by the business licensed pursuant to ~~article 11~~ ARTICLE
16 10 of title 44, without the written authorization of the patient commits a
17 class 1 misdemeanor; except that the owner, officer, or employee shall
18 release the records or information upon request by the state or local
19 medical marijuana licensing authority. The records or information
20 produced for review by the state or local licensing authority shall not
21 become public records by virtue of the disclosure and may be used only
22 for a purpose authorized by ~~article 11~~ ARTICLE 10 of title 44, or for
23 another state or local law enforcement purpose. The records or
24 information shall constitute medical data as defined by section 24-72-204
25 (3)(a)(I). The state or local medical marijuana licensing authority may
26 disclose any records or information so obtained only to those persons
27 directly involved with any investigation or proceeding authorized by

1 ~~article 11~~ ARTICLE 10 of title 44, or for any state or local law enforcement
2 purpose.

3 **SECTION 18.** In Colorado Revised Statutes, 18-18-406.4,
4 **amend** (1) as follows:

5 **18-18-406.4. Unlawful advertising of marijuana - exception.**

6 (1) A person who is not licensed to sell medical marijuana pursuant to
7 ~~article 43.3 of title 12~~ or retail marijuana pursuant to ~~article 43.4 of title~~
8 ~~12~~ ARTICLE 10 OF TITLE 44, or pursuant to the laws regarding medical or
9 retail marijuana under the laws of another state, who knowingly
10 advertises in a newspaper, magazine, handbill, or other publication or on
11 the internet the unlawful sale of marijuana, marijuana concentrate, or a
12 ~~marijuana-infused~~ MARIJUANA product by a person not licensed to sell
13 marijuana, marijuana concentrate, or a ~~marijuana-infused~~ MARIJUANA
14 product commits a level 2 drug misdemeanor.

15 **SECTION 19.** In Colorado Revised Statutes, 18-18-406.6,
16 **amend** (1) and (2) as follows:

17 **18-18-406.6. Extraction of marijuana concentrate - definitions.**

18 (1) It shall be unlawful for any person who is not licensed pursuant to
19 ~~article 11 or 12~~ ARTICLE 10 of title 44 to knowingly manufacture
20 marijuana concentrate using an inherently hazardous substance.

21 (2) It shall be unlawful for any person who is not licensed
22 pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44 who owns, manages,
23 operates, or otherwise controls the use of any premises to knowingly
24 allow marijuana concentrate to be manufactured on the premises using an
25 inherently hazardous substance.

26 **SECTION 20.** In Colorado Revised Statutes, 24-20-112, **amend**
27 (1) and (2) as follows:

1 **24-20-112. Implementation of section 16 of article XVIII of the**
2 **Colorado constitution - criteria for pesticide use - education oversight**
3 **and materials - rules.** (1) The governor shall designate a state agency
4 to promulgate rules to designate criteria that identify pesticides that may
5 be used in the cultivation of marijuana as authorized pursuant to ~~article~~
6 ~~12~~ ARTICLE 10 of title 44. The designated agency may consult with other
7 state agencies in promulgating the rules. The agency shall publish a list
8 of pesticides that meet the criteria on its website.

9 (2) The governor shall designate a state agency to work with a
10 private advisory group to develop good cultivation and handling practices
11 for the marijuana industry. The designated agency is encouraged to assist
12 in the formation of a private advisory group. If a private advisory group
13 develops good cultivation and handling practices, an entity licensed
14 pursuant to ~~article 12~~ ARTICLE 10 of title 44 that follows those practices
15 may include a statement of compliance on its label after receiving
16 certification of compliance. The designated agency may consult with
17 other state agencies to receive technical assistance.

18 **SECTION 21.** In Colorado Revised Statutes, 24-33.5-516,
19 **amend** (3) as follows:

20 **24-33.5-516. Study marijuana implementation.** (3) The
21 division is not required to perform the duties required by this section until
22 the marijuana cash fund, created in ~~section 44-11-501~~ SECTION
23 44-10-801, has received sufficient revenue to fully fund the
24 appropriations made to the department of revenue related to ~~articles 11~~
25 ~~and 12~~ ARTICLE 10 of title 44, and the general assembly has appropriated
26 sufficient money from the fund for such duties.

27 **SECTION 22.** In Colorado Revised Statutes, 24-34-104, **add**

1 (29)(a)(VII) as follows:

2 **24-34-104. General assembly review of regulatory agencies**
3 **and functions for repeal, continuation, or reestablishment - legislative**
4 **declaration - repeal.** (29) (a) The following agencies, functions, or both,
5 are scheduled for repeal on September 1, 2028:

6 (VII) THE "COLORADO MARIJUANA CODE", ARTICLE 10 OF TITLE
7 44.

8 **SECTION 23.** In Colorado Revised Statutes, 25-1.5-106, **amend**
9 (3.5)(b), (3.7), (3.8)(a), (7)(e)(I)(A), (8.5)(b), and (8.6)(b) as follows:

10 **25-1.5-106. Medical marijuana program - powers and duties**
11 **of state health agency - rules - medical review board - medical**
12 **marijuana program cash fund - subaccount - created - repeal.**

13 (3.5) **Marijuana laboratory testing reference library.** (b) The
14 reference library must contain a library of methodologies for marijuana
15 testing in the areas of potency, homogeneity, contaminants, and solvents
16 consistent with the laboratory requirements set by the department of
17 revenue pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44.

18 (3.7) The state health agency shall convene a group of interested
19 parties including representatives from the state licensing authority,
20 primary caregivers, patients, marijuana testing laboratory licensees, and
21 any other interested persons to explore laboratory testing options for
22 medical marijuana not produced by someone licensed pursuant to ~~article~~
23 ~~11~~ ARTICLE 10 of title 44.

24 (3.8) (a) The state health agency or an organization with whom the
25 state health agency contracts shall be responsible for proficiency testing
26 and remediating problems with laboratories licensed pursuant to ~~article~~
27 ~~11 or 12~~ ARTICLE 10 of title 44.

1 (7) **Primary caregivers.** (e) (I) (A) In order to be a primary
2 caregiver who cultivates medical marijuana for his or her patients or
3 transports medical marijuana for his or her patients, he or she shall also
4 register with the state licensing authority and comply with all local laws,
5 regulations, and zoning and use restrictions. A person may not register as
6 a primary caregiver if he or she is licensed as a medical marijuana
7 business as described in part 4 of ~~article 11 of title 44~~ or a retail marijuana
8 business as described in part 4 of ~~article 12~~ ARTICLE 10 of title 44. An
9 employee, contractor, or other support staff employed by a licensed entity
10 pursuant to ~~article 11 or 12 of title 44~~, or working in or having access to
11 a restricted area of a licensed premises pursuant to ~~article 11 or 12~~
12 ARTICLE 10 of title 44, may be a primary caregiver.

13 (8.5) **Encourage patient voluntary registration - plant limits.**
14 (b) A patient shall not cultivate more than ninety-nine plants. Only a
15 medical marijuana business licensed and properly authorized pursuant to
16 ~~article 11~~ ARTICLE 10 of title 44 may cultivate more than ninety-nine
17 plants.

18 (8.6) **Primary caregiver plant limits - exceptional**
19 **circumstances.** (b) A primary caregiver shall not cultivate more than
20 ninety-nine plants. Only a medical marijuana business licensed and
21 properly authorized pursuant to ~~article 11~~ ARTICLE 10 of title 44 may
22 cultivate more than ninety-nine plants. The primary caregiver is not
23 allowed to grow additional plants until he or she is licensed by the state
24 licensing authority.

25 **SECTION 24.** In Colorado Revised Statutes, 25-1.5-106.5,
26 **repeal** (5)(b) as follows:

27 **25-1.5-106.5. Medical marijuana research grant program.** (5)

1 **Sources of marijuana.** (b) ~~A person who holds an optional premises~~
2 ~~cultivation license or medical marijuana-infused products manufacturing~~
3 ~~license issued pursuant to part 4 of article 43.3 of title 12 or a retail~~
4 ~~marijuana cultivation facility license or a retail marijuana products~~
5 ~~manufacturing license issued pursuant to part 4 of article 43.4 of title 12~~
6 ~~may transfer marijuana to a medical research facility, including at an~~
7 ~~institution of higher education, for use in research studies funded pursuant~~
8 ~~to this section. Notwithstanding any other provision of law, a medical~~
9 ~~research facility authorized pursuant to this section to conduct medical~~
10 ~~research regarding marijuana is exempt from all otherwise applicable~~
11 ~~restrictions on the possession and use of marijuana; except that the~~
12 ~~facility shall use the marijuana only for the medical research authorized~~
13 ~~pursuant to this section, shall not possess at any time a quantity of~~
14 ~~medical marijuana or medical marijuana-infused product in excess of the~~
15 ~~limit established in rules promulgated by the state licensing authority, and~~
16 ~~shall destroy all marijuana remaining after the research has been~~
17 ~~completed. For the fiscal years beginning on or after July 1, 2017, the~~
18 ~~general assembly may annually appropriate up to one percent of the~~
19 ~~available money in the marijuana tax cash fund created in section~~
20 ~~39-28.8-501 to the department to be used to award grants pursuant to this~~
21 ~~section to medical research facilities so that a facility may:~~

22 (I) ~~Purchase marijuana from a licensee specified in this subsection~~
23 ~~(5)(b) that will be used in the research; and~~

24 (H) ~~Conduct the medical research.~~

25 **SECTION 25.** In Colorado Revised Statutes, 25-5-403, **repeal** (3)
26 as follows:

27 **25-5-403. Offenses.** (3) ~~The provisions of this section shall not~~

1 ~~apply to a medical marijuana center or a medical marijuana-infused~~
2 ~~products manufacturer licensed pursuant to article 11 of title 44 that~~
3 ~~manufactures or sells a food product that contains medical marijuana so~~
4 ~~long as the food product is labeled as containing medical marijuana and~~
5 ~~the label specifies that the product is manufactured without any regulatory~~
6 ~~oversight for health, safety, or efficacy, and that there may be health risks~~
7 ~~associated with the consumption or use of the product.~~

8 **SECTION 26.** In Colorado Revised Statutes, 25-14-103.5,
9 **amend** (3)(a)(I) as follows:

10 **25-14-103.5. Prohibition against the use of tobacco products**
11 **and retail marijuana on school property - legislative declaration -**
12 **education program - special account - definitions.** (3) (a) (I) The board
13 of education of each school district shall adopt appropriate policies and
14 rules that mandate a prohibition against the use of all tobacco products
15 and all retail marijuana or retail marijuana products authorized pursuant
16 to ~~article 12~~ ARTICLE 10 of title 44 on all school property by students,
17 teachers, staff, and visitors and that provide for the enforcement of such
18 policies and rules.

19 **SECTION 27.** In Colorado Revised Statutes, 26-2-104, **amend**
20 (2)(a)(II)(D) and (2)(h)(I)(C) as follows:

21 **26-2-104. Public assistance programs - electronic benefits**
22 **transfer service - joint reports with department of revenue - signs -**
23 **rules - repeal.** (2) (a) (II) Only those businesses that offer products or
24 services related to the purpose of the public assistance benefits are
25 allowed to participate in the electronic benefits transfer service through
26 the use of point-of-sale terminals. Clients shall not be allowed to access
27 cash benefits through the electronic benefits transfer service from

1 automated teller machines in this state located in:

2 (D) Establishments licensed to sell medical marijuana or medical
3 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
4 or retail marijuana or retail marijuana products pursuant to ~~article 12~~
5 ARTICLE 10 of title 44; except that the prohibition for these establishments
6 does not take effect until sixty days after May 1, 2015; or

7 (h) (I) On or before January 1, 2016, the department of revenue
8 shall adopt rules pursuant to the "State Administrative Procedure Act",
9 article 4 of title 24, that relate to a client's use of automated teller
10 machines at locations where the use is prohibited. The rules must apply
11 to the following establishments:

12 (C) Establishments licensed to sell medical marijuana or medical
13 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
14 or retail marijuana or retail ~~marijuana-infused~~ MARIJUANA products
15 pursuant to ~~article 12~~ ARTICLE 10 of title 44; and

16 **SECTION 28.** In Colorado Revised Statutes, 29-2-114, **amend**
17 (7) as follows:

18 **29-2-114. Retail marijuana excise tax - county - municipality**
19 **- election - repeal.** (7) If a retail marijuana cultivation facility uses a
20 retail marijuana transporter, as defined in ~~section 12-43.4-103 (21.5)~~
21 SECTION 44-10-103 (53), to transport unprocessed retail marijuana being
22 sold or transferred by the retail marijuana cultivation facility to a retail
23 marijuana product ~~manufacturing~~ MANUFACTURER facility, a retail
24 marijuana store, or another retail marijuana cultivation facility, the
25 transportation of the unprocessed retail marijuana by the retail marijuana
26 transporter is not a transfer of unprocessed retail marijuana for the
27 purpose of levying any excise tax imposed pursuant to this section.

1 **SECTION 29.** In Colorado Revised Statutes, 29-2-115, **amend**
2 (3)(a) introductory portion and (4)(a) as follows:

3 **29-2-115. Retail marijuana sales tax - county - municipality -**
4 **election - legislative declaration - definition.** (3) (a) Each county in the
5 state is authorized to levy, collect, and enforce a county special sales tax
6 upon all sales of retail marijuana and retail marijuana products, as those
7 terms are defined in ~~section 12-43.4-103~~ SECTION 44-10-103, under the
8 following circumstances:

9 (4) (a) Each municipality in the state is authorized to levy, collect,
10 and enforce a municipal special sales tax upon all sales of retail marijuana
11 and retail marijuana products, as those terms are defined in ~~section~~
12 ~~12-43.4-103~~ SECTION 44-10-103.

13 **SECTION 30.** In Colorado Revised Statutes, **amend** 35-61-105.5
14 as follows:

15 **35-61-105.5. Testing laboratories.** If a person registered pursuant
16 to this article 61 wants a licensed retail marijuana testing facility to
17 perform testing on the industrial hemp that the registrant is cultivating,
18 that person shall use a radio frequency identification-based inventory
19 tracking system approved by the commissioner for a sample of the
20 registrant's industrial hemp crop. The commissioner shall only approve
21 an inventory tracking system if that system is compatible with the state
22 licensing authority's seed-to-sale tracking system required pursuant to
23 ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a). A licensed retail testing
24 facility shall provide the test results to the registrant and the
25 commissioner. All test results ~~shall be~~ ARE considered confidential
26 business information. This section ~~shall not be construed to~~ DOES NOT
27 prevent the use of the tracking system for other purposes.

1 **SECTION 31.** In Colorado Revised Statutes, 39-22-104, **amend**
2 (4)(r); and **repeal** (4)(s) as follows:

3 **39-22-104. Income tax imposed on individuals, estates, and**
4 **trusts - single rate - legislative declaration - definitions - repeal.**

5 (4) There shall be subtracted from federal taxable income:

6 (r) For income tax years commencing on or after January 1, 2014,
7 if a taxpayer is licensed under the "~~Colorado Medical Marijuana Code~~",
8 ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS
9 PREDECESSOR CODES, an amount equal to any expenditure that is eligible
10 to be claimed as a federal income tax deduction but is disallowed by
11 section 280E of the internal revenue code because marijuana is a
12 controlled substance under federal law;

13 (s) ~~For income tax years commencing on or after January 1, 2014,~~
14 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
15 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
16 ~~to be claimed as a federal income tax deduction but is disallowed by~~
17 ~~section 280E of the federal internal revenue code because marijuana is a~~
18 ~~controlled substance under federal law;~~

19 **SECTION 32.** In Colorado Revised Statutes, 39-22-304, **amend**
20 (3)(m); and **repeal** (3)(n) as follows:

21 **39-22-304. Net income of corporation - legislative declaration**
22 **- definitions - repeal.** (3) There shall be subtracted from federal taxable

23 income:

24 (m) For income tax years commencing on or after January 1,
25 2014, if a taxpayer is licensed under the "~~Colorado Medical Marijuana~~
26 ~~Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44,
27 OR ITS PREDECESSOR CODES, an amount equal to any expenditure that is

1 eligible to be claimed as a federal income tax deduction but is disallowed
2 by section 280E of the internal revenue code because marijuana is a
3 controlled substance under federal law;

4 (n) ~~For income tax years commencing on or after January 1, 2014,~~
5 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
6 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
7 ~~to be claimed as a federal income tax deduction but is disallowed by~~
8 ~~section 280E of the federal internal revenue code because marijuana is a~~
9 ~~controlled substance under federal law;~~

10 **SECTION 33.** In Colorado Revised Statutes, 39-26-102, **amend**
11 (5.8) as follows:

12 **39-26-102. Definitions.** As used in this article 26, unless the
13 context otherwise requires:

14 (5.8) "Medical marijuana" shall have the same meaning as set
15 forth in ~~section 44-11-104 (11)~~ SECTION 44-10-103 (26).

16 **SECTION 34.** In Colorado Revised Statutes, 39-28.8-101,
17 **amend** (6) as follows:

18 **39-28.8-101. Definitions.** Unless the context otherwise requires,
19 any terms not defined in this article 28.8 have the meanings set forth in
20 article 26 of this title 39. As used in this article 28.8, unless the context
21 otherwise requires:

22 (6) "Medical marijuana ~~center~~ STORE" means an entity licensed by
23 the department to sell marijuana and marijuana products pursuant to
24 section 14 of article XVIII of the state constitution and the "~~Colorado~~
25 ~~Medical Marijuana Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE",
26 ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES.

27 **SECTION 35.** In Colorado Revised Statutes, 39-28.8-501,

1 **amend** (1) and (2)(a)(I) as follows:

2 **39-28.8-501. Marijuana tax cash fund - creation - distribution**

3 **- legislative declaration.** (1) The marijuana tax cash fund, referred to in
4 this part 5 as the "fund", is created in the state treasury. The fund consists
5 of any applicable retail marijuana sales tax transferred pursuant to section
6 39-28.8-203 (1)(b) on or after July 1, 2014, and any revenues transferred
7 to the fund from any sales tax imposed pursuant to section 39-26-106 on
8 the retail sale of products under ~~articles 43.3 and 43.4 of title 12, C.R.S.~~
9 ARTICLE 10 OF TITLE 44.

10 (2) (a) The general assembly shall not appropriate the money in
11 the fund for the fiscal year in which it was received by the state; except
12 that:

13 (I) The general assembly may appropriate money in the fund to
14 the department of revenue for the fiscal years in which it was received by
15 the state for the direct and indirect costs associated with implementing
16 this article 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44; and

17 **SECTION 36.** In Colorado Revised Statutes, 39-28.8-502,
18 **amend** (2) as follows:

19 **39-28.8-502. Marijuana tax cash fund - budget requests.**

20 (2) Beginning with the budget request required to be submitted to the
21 joint budget committee by November 1, 2014, and for each budget
22 request required to be submitted each November thereafter, the executive
23 director of the department of revenue shall include in its budget request
24 for the direct and indirect costs associated with implementing this article
25 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44 the amount that the
26 department requests from the money in the marijuana cash fund created
27 in ~~section 44-11-501~~ SECTION 44-10-801, and the amount that the

1 department requests from the marijuana tax cash fund.

2 **SECTION 37. Appropriation.** (1) For the 2019-20 state fiscal
3 year, \$396,604 is appropriated to the department of revenue. This
4 appropriation is from the marijuana cash fund created in section
5 44-11-501 (1)(a), C.R.S. To implement this act, the department may use
6 this appropriation as follows:

7 (a) \$292,974 for marijuana enforcement, which amount is based
8 on an assumption that the department will require an additional 1.8 FTE;
9 and

10 (b) \$103,630 for the purchase of legal services.

11 (2) For the 2019-20 state fiscal year, \$103,630 is appropriated to
12 the department of law. This appropriation is from reappropriated funds
13 received from the department of revenue under subsection (1)(b) of this
14 section and is based on an assumption that the department of law will
15 require an additional 0.6 FTE. To implement this act, the department of
16 law may use this appropriation to provide legal services for the
17 department of revenue.

18 **SECTION 38. Act subject to petition - effective date.** Sections
19 5 through 37 of this act take effect January 1, 2020, and the remainder of
20 this act takes effect at 12:01 a.m. on the day following the expiration of
21 the ninety-day period after final adjournment of the general assembly
22 (August 2, 2019, if adjournment sine die is on May 3, 2019); except that,
23 if a referendum petition is filed pursuant to section 1 (3) of article V of
24 the state constitution against this act or an item, section, or part of this act
25 within the ninety-day period after final adjournment of the general
26 assembly, then the act, item, section, or part will not take effect unless
27 approved by the people at the general election to be held in November

1 2020 and, in such case, will take effect on the date of the official
2 declaration of the vote thereon by the governor, except that sections 5
3 through 37 take effect January 1, 2020.