

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

2nd REREVISED

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

LLS NO. 17-0437.02 Michael Dohr x4347

HOUSE BILL 17-1367

HOUSE SPONSORSHIP

Pabon and Arndt,

SENATE SPONSORSHIP

Jahn and Baumgardner,

House Committees

Agriculture, Livestock, & Natural Resources
Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 CONCERNING MARIJUANA RESEARCH AUTHORIZATION, AND, IN
102 CONNECTION THEREWITH, 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>.)

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

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

SENATE
Amended 3rd Reading
May 10, 2017

SENATE
Recall 3rd Reading
May 10, 2017

SENATE
Amended 3rd Reading
May 10, 2017

SENATE
Amended 2nd Reading
May 9, 2017

HOUSE
3rd Reading Unamended
May 8, 2017

HOUSE
Amended 2nd Reading
May 5, 2017

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

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

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

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

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

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

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

14 (XXII) MARIJUANA RESEARCH AND DEVELOPMENT LICENSES AND
15 MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSES,
16 INCLUDING APPLICATION REQUIREMENTS; RENEWAL REQUIREMENTS,
17 INCLUDING WHETHER ADDITIONAL RESEARCH PROJECTS MAY BE ADDED OR
18 CONSIDERED; CONDITIONS FOR LICENSE REVOCATION; SECURITY
19 MEASURES TO ENSURE MARIJUANA IS NOT DIVERTED TO PURPOSES OTHER
20 THAN RESEARCH; THE AMOUNT OF PLANTS, USEABLE MARIJUANA,

1 MARIJUANA CONCENTRATES, OR MARIJUANA-INFUSED PRODUCTS A
2 LICENSEE MAY HAVE ON ITS PREMISES; LICENSEE REPORTING
3 REQUIREMENTS; THE CONDITIONS UNDER WHICH MARIJUANA POSSESSED
4 BY MEDICAL MARIJUANA LICENSEES MAY BE DONATED TO MARIJUANA
5 RESEARCH AND DEVELOPMENT LICENSEES AND MARIJUANA RESEARCH AND
6 DEVELOPMENT CULTIVATION LICENSEES; PROVISIONS TO PREVENT
7 CONTAMINATION; REQUIREMENTS FOR DESTRUCTION OF MARIJUANA AFTER
8 THE RESEARCH IS CONCLUDED; AND ANY ADDITIONAL REQUIREMENTS.

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

11 **12-43.3-301. Local licensing authority - applications - licenses.**

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

- 15 (d) A medical marijuana testing facility license; and
- 16 [REDACTED]
- 17 (f) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSE; AND
- 18 (g) A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
19 LICENSE.

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

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

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- (f) MARIJUANA RESEARCH AND DEVELOPMENT LICENSE; AND
- (g) MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSE.

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

12-43.3-407. Marijuana research and development license - marijuana research and development cultivation license - definition.

(1) (a) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSE MAY BE ISSUED TO A PERSON TO POSSESS MARIJUANA FOR THE LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION (2) OF THIS SECTION.

(b) A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSE MAY BE ISSUED TO A PERSON TO GROW, CULTIVATE, POSSESS, AND TRANSFER, BY SALE OR DONATION, MARIJUANA PURSUANT TO SECTION 12-43.3-202 (2)(a)(XXII) OR SUBSECTION (4) OF THIS SECTION FOR THE LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION (2) OF THIS SECTION.

(2) A LICENSE IDENTIFIED IN SUBSECTION (1) OF THIS SECTION MAY BE ISSUED FOR THE FOLLOWING LIMITED RESEARCH PURPOSES:

- (a) TO TEST CHEMICAL POTENCY AND COMPOSITION LEVELS;
- (b) TO CONDUCT CLINICAL INVESTIGATIONS OF MARIJUANA-DERIVED MEDICINAL PRODUCTS;
- (c) TO CONDUCT RESEARCH ON THE EFFICACY AND SAFETY OF ADMINISTERING MARIJUANA AS PART OF MEDICAL TREATMENT;
- (d) TO CONDUCT GENOMIC, HORTICULTURAL, OR AGRICULTURAL RESEARCH; AND
- (e) TO CONDUCT RESEARCH ON MARIJUANA-AFFILIATED PRODUCTS

1 OR SYSTEMS.

2 (3) (a) AS PART OF THE APPLICATION PROCESS FOR A MARIJUANA
3 RESEARCH AND DEVELOPMENT LICENSE OR MARIJUANA RESEARCH AND
4 DEVELOPMENT CULTIVATION LICENSE, AN APPLICANT SHALL SUBMIT TO
5 THE STATE LICENSING AUTHORITY A DESCRIPTION OF THE RESEARCH THAT
6 THE APPLICANT INTENDS TO CONDUCT AND WHETHER THE RESEARCH WILL
7 BE CONDUCTED WITH A PUBLIC INSTITUTION OR USING PUBLIC MONEY. IF
8 THE RESEARCH WILL NOT BE CONDUCTED WITH A PUBLIC INSTITUTION OR
9 WITH PUBLIC MONEY, THE STATE LICENSING AUTHORITY SHALL GRANT THE
10 APPLICATION IF IT DETERMINES THAT THE APPLICATION MEETS THE
11 CRITERIA IN SUBSECTION (2) OF THIS SECTION.

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

17 (I) THE PROJECT'S QUALITY, STUDY DESIGN, VALUE, OR IMPACT;
18 (II) WHETHER THE APPLICANT HAS THE APPROPRIATE PERSONNEL;
19 EXPERTISE; FACILITIES; INFRASTRUCTURE; FUNDING; AND HUMAN, ANIMAL,
20 OR OTHER APPROVALS IN PLACE TO SUCCESSFULLY CONDUCT THE PROJECT;
21 AND

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

24 (c) IF THE SCIENTIFIC ADVISORY COUNCIL DETERMINES THAT THE
25 RESEARCH PROJECT DOES NOT MEET THE REQUIREMENTS OF SUBSECTION
26 (2) OF THIS SECTION OR ASSESSES THE CRITERIA IN THIS SUBSECTION (3) TO
27 BE INADEQUATE, THE APPLICATION MUST BE DENIED.

1 (4) A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
2 LICENSEE MAY ONLY TRANSFER, BY SALE OR DONATION, MARIJUANA
3 GROWN WITHIN ITS OPERATION TO OTHER MARIJUANA RESEARCH AND
4 DEVELOPMENT LICENSEES OR MARIJUANA RESEARCH AND DEVELOPMENT
5 CULTIVATION LICENSEES. THE STATE LICENSING AUTHORITY MAY REVOKE
6 A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSE FOR
7 VIOLATIONS OF THIS SUBSECTION (4) AND ANY OTHER VIOLATION OF THIS
8 ARTICLE 43.3.

9 (5) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR
10 MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE MAY
11 CONTRACT TO PERFORM RESEARCH IN CONJUNCTION WITH A PUBLIC
12 HIGHER EDUCATION RESEARCH INSTITUTION OR ANOTHER MARIJUANA
13 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
14 DEVELOPMENT CULTIVATION LICENSEE. ■ ■

15 (6) THE GROWING, CULTIVATING, POSSESSING, OR TRANSFERRING,
16 BY SALE OR DONATION, OF MARIJUANA IN ACCORDANCE WITH THIS
17 SECTION AND THE RULES ADOPTED PURSUANT TO IT, BY A MARIJUANA
18 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
19 DEVELOPMENT CULTIVATION LICENSEE, IS NOT A CRIMINAL OR CIVIL
20 OFFENSE UNDER STATE LAW. A MARIJUANA RESEARCH AND DEVELOPMENT
21 LICENSE OR MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
22 LICENSE MUST BE ISSUED IN THE NAME OF THE APPLICANT AND MUST
23 SPECIFY THE LOCATION IN COLORADO AT WHICH THE MARIJUANA
24 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
25 DEVELOPMENT CULTIVATION LICENSEE INTENDS TO OPERATE. A
26 MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA
27 RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE SHALL NOT ALLOW

1 ANY OTHER PERSON TO EXERCISE THE PRIVILEGE OF THE LICENSE.

2 (7) IF THE RESEARCH CONDUCTED INCLUDES A PUBLIC INSTITUTION
3 OR PUBLIC MONEY, THE SCIENTIFIC ADVISORY COUNCIL SHALL REVIEW ANY
4 REPORTS MADE BY MARIJUANA RESEARCH AND DEVELOPMENT
5 LICENSEES AND MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
6 LICENSEES UNDER STATE LICENSING AUTHORITY RULE AND PROVIDE THE
7 STATE LICENSING AUTHORITY WITH ITS DETERMINATION ON WHETHER THE
8 RESEARCH PROJECT CONTINUES TO MEET RESEARCH QUALIFICATIONS
9 PURSUANT TO THIS SECTION.

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

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

13 (1) A medical marijuana testing facility license may be issued to a person
14 who performs testing and research on medical marijuana for medical
15 marijuana licensees, MEDICAL MARIJUANA AND MEDICAL
16 MARIJUANA-INFUSED PRODUCTS FOR MARIJUANA AND RESEARCH
17 DEVELOPMENT LICENSEES AND MARIJUANA RESEARCH AND DEVELOPMENT
18 CULTIVATION LICENSEES, AND MARIJUANA OR MARIJUANA-INFUSED
19 PRODUCTS GROWN OR PRODUCED BY A REGISTERED PATIENT OR
20 REGISTERED PRIMARY CAREGIVER ON BEHALF OF A REGISTERED PATIENT,
21 UPON VERIFICATION OF REGISTRATION PURSUANT TO SECTION 25-1.5-106
22 (7)(e) AND VERIFICATION THAT THE PATIENT IS A PARTICIPANT IN A
23 CLINICAL OR OBSERVATIONAL STUDY CONDUCTED BY A MARIJUANA
24 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
25 DEVELOPMENT CULTIVATION LICENSEE. The facility may develop and test
26 medical marijuana products.

27 **SECTION 6.** In Colorado Revised Statutes, **25-1.5-106.5, amend**

1 (5) as follows:

2 25-1.5-106.5. Medical marijuana health research grant
3 program. (5) Sources of marijuana. (a) The attorney general shall seek
4 authority from the federal government to permit Colorado institutions of
5 higher education to contract with the national institute of drug abuse to
6 cultivate marijuana and its component parts for use in research studies
7 funded pursuant to this section.

8 (b) A PERSON WHO HOLDS AN OPTIONAL PREMISES CULTIVATION
9 LICENSE OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
10 LICENSE ISSUED PURSUANT TO PART 4 OF ARTICLE 43.3 OF TITLE 12 OR A
11 RETAIL MARIJUANA CULTIVATION FACILITY LICENSE OR A RETAIL
12 MARIJUANA PRODUCTS MANUFACTURING LICENSE ISSUED PURSUANT TO
13 PART 4 OF ARTICLE 43.4 OF TITLE 12 MAY TRANSFER MARIJUANA TO A
14 MEDICAL RESEARCH FACILITY, INCLUDING AT AN INSTITUTION OF HIGHER
15 EDUCATION, FOR USE IN RESEARCH STUDIES FUNDED PURSUANT TO THIS
16 SECTION. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEDICAL
17 RESEARCH FACILITY AUTHORIZED PURSUANT TO THIS SECTION TO
18 CONDUCT MEDICAL RESEARCH REGARDING MARIJUANA IS EXEMPT FROM
19 ALL OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE
20 OF MARIJUANA; EXCEPT THAT THE FACILITY SHALL USE THE MARIJUANA
21 ONLY FOR THE MEDICAL RESEARCH AUTHORIZED PURSUANT TO THIS
22 SECTION, SHALL NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL
23 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT IN EXCESS OF THE
24 LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING
25 AUTHORITY, AND SHALL DESTROY ALL MARIJUANA REMAINING AFTER THE
26 RESEARCH HAS BEEN COMPLETED. FOR THE FISCAL YEARS BEGINNING ON
27 OR AFTER JULY 1, 2017, THE GENERAL ASSEMBLY MAY ANNUALLY

1 APPROPRIATE UP TO ONE PERCENT OF THE AVAILABLE MONEY IN THE
2 MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501 TO THE
3 DEPARTMENT TO BE USED TO AWARD GRANTS PURSUANT TO THIS SECTION
4 TO MEDICAL RESEARCH FACILITIES SO THAT A FACILITY MAY:

5 (I) PURCHASE MARIJUANA FROM A LICENSEE SPECIFIED IN THIS
6 SUBSECTION (5)(b) THAT WILL BE USED IN THE RESEARCH; AND

7 (II) CONDUCT THE MEDICAL RESEARCH.

8 **SECTION 7.** In Colorado Revised Statutes, 12-43.3-202, **amend**
9 **(1)(h) and (2.5)(a) introductory portion; and add (2.5)(a)(I)(G) as**
10 **follows:**

11 **12-43.3-202. Powers and duties of state licensing authority -**
12 **rules.** (1) The state licensing authority shall:

13 (h) Develop and maintain a seed-to-sale tracking system that
14 tracks medical marijuana from either the seed or immature plant stage
15 until the medical marijuana or medical marijuana-infused product is sold
16 to a customer at a medical marijuana center to ensure that no medical
17 marijuana grown or processed by a medical marijuana establishment is
18 sold or otherwise transferred except by a medical marijuana center;
19 EXCEPT THAT THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
20 PRODUCT IS NO LONGER SUBJECT TO THE TRACKING SYSTEM ONCE THE
21 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT HAS
22 BEEN:

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

25 (II) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES
26 THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
27 LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF

1 PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST
2 DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
3 RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO
4 CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
5 THE USE OF PESTICIDES ON MEDICAL MARIJUANA. NOTWITHSTANDING ANY
6 OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
7 PURSUANT TO THIS SUBSECTION (1)(h)(II) TO CONDUCT PESTICIDE
8 RESEARCH REGARDING MARIJUANA MUST BE LOCATED IN COLORADO,
9 MUST CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL
10 OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF
11 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT; EXCEPT
12 THAT THE MANUFACTURER SHALL:

13 (A) NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL
14 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT IN EXCESS OF THE
15 LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING
16 AUTHORITY;

17 (B) USE THE MEDICAL MARIJUANA AND MEDICAL
18 MARIJUANA-INFUSED PRODUCT ONLY FOR THE PESTICIDE RESEARCH
19 AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(h)(II);

20 (C) DESTROY, IN COMPLIANCE WITH RULES PROMULGATED BY THE
21 STATE LICENSING AUTHORITY, ALL MEDICAL MARIJUANA AND MEDICAL
22 MARIJUANA-INFUSED PRODUCT REMAINING AFTER THE RESEARCH HAS
23 BEEN COMPLETED; AND

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

26 (2.5) (a) Rules promulgated pursuant to paragraph (b) of
27 subsection (1) SUBSECTION (1)(b) of this section must include, but need

1 not be limited to, the following subjects:

2 (I) (G) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT
3 EMPLOY OR USE THE RESULTS OF ANY TEST OF MEDICAL MARIJUANA OR
4 MEDICAL MARIJUANA-INFUSED PRODUCTS CONDUCTED BY AN ANALYTICAL
5 LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION
6 (2.5)(a)(I) FOR THE PARTICULAR TESTING CATEGORY AND ACCREDITED TO
7 THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION /
8 INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005
9 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD
10 OF TESTING.

11 **SECTION 8.** In Colorado Revised Statutes, 12-43.4-202, **amend**
12 (1) and (3)(a) introductory portion; and **add** (3)(a)(IV)(H) as follows:

13 **12-43.4-202. Powers and duties of state licensing authority -**
14 **rules.** (1) TO ENSURE THAT NO MARIJUANA GROWN OR PROCESSED BY A
15 RETAIL MARIJUANA ESTABLISHMENT IS SOLD OR OTHERWISE TRANSFERRED
16 EXCEPT BY A RETAIL MARIJUANA STORE OR AS AUTHORIZED BY LAW, the
17 state licensing authority shall develop and maintain a seed-to-sale
18 tracking system that tracks retail marijuana from either seed or immature
19 plant stage until the marijuana or retail marijuana product is sold to a
20 customer at a retail marijuana store; ~~to ensure that no marijuana grown or~~
21 ~~processed by a retail marijuana establishment is sold or otherwise~~
22 ~~transferred except by a retail marijuana store.~~ EXCEPT THAT RETAIL
23 MARIJUANA OR RETAIL MARIJUANA PRODUCT IS NO LONGER SUBJECT TO
24 THE TRACKING SYSTEM ONCE THE RETAIL MARIJUANA HAS BEEN:

25 (a) TRANSFERRED TO A MEDICAL RESEARCH FACILITY PURSUANT
26 TO SECTION 25-1.5-106.5 (5)(b); OR

27 (b) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES

1 THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
2 LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF
3 PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST
4 DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
5 RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO
6 CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
7 THE USE OF PESTICIDES ON RETAIL MARIJUANA. NOTWITHSTANDING ANY
8 OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
9 PURSUANT TO THIS SUBSECTION (1)(b) TO CONDUCT PESTICIDE RESEARCH
10 REGARDING RETAIL MARIJUANA MUST BE LOCATED IN COLORADO, MUST
11 CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL
12 OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF
13 RETAIL MARIJUANA; EXCEPT THAT THE MANUFACTURER SHALL:

14 (I) NOT POSSESS AT ANY TIME A QUANTITY OF RETAIL MARIJUANA
15 IN EXCESS OF THE LIMIT ESTABLISHED IN RULES PROMULGATED BY THE
16 STATE LICENSING AUTHORITY;

17 (II) USE THE RETAIL MARIJUANA ONLY FOR THE PESTICIDE
18 RESEARCH AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(b);

19 (III) DESTROY, IN COMPLIANCE WITH RULES PROMULGATED BY THE
20 STATE LICENSING AUTHORITY, ALL RETAIL MARIJUANA REMAINING AFTER
21 THE RESEARCH HAS BEEN COMPLETED; AND

22 (IV) NOT APPLY PESTICIDES FOR RESEARCH PURPOSES ON THE
23 LICENSED PREMISES OF A RETAIL MARIJUANA ESTABLISHMENT.

24 (3) (a) Rules promulgated pursuant to ~~paragraph (b)~~ of subsection
25 ~~(2)~~ SUBSECTION (2)(b) of this section must include, but need not be
26 limited to, the following subjects:

27 (IV) (H) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT

1 EMPLOY OR USE THE RESULTS OF ANY TEST OF MARIJUANA OR MARIJUANA
2 PRODUCTS CONDUCTED BY AN ANALYTICAL LABORATORY THAT IS NOT
3 CERTIFIED PURSUANT TO THIS SUBSECTION (3)(a)(IV) FOR THE
4 PARTICULAR TESTING CATEGORY AND ACCREDITED TO THE
5 INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL
6 ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY
7 SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD OF TESTING.

8 **SECTION 9. Appropriation.** (1) For the 2017-18 state fiscal
9 year, \$62,210 is appropriated to the department of revenue. This
10 appropriation is from the marijuana cash fund created in section
11 12-43.3-501 (1)(a), C.R.S. To implement this act, the department may use
12 this appropriation as follows:

13 (a) \$43,200 for marijuana enforcement; and

14 (b) \$19,010 for the purchase of legal services.

15 (2) For the 2017-18 state fiscal year, \$19,010 is appropriated to
16 the department of law. This appropriation is from reappropriated funds
17 received from the department of revenue under subsection (1)(b) of this
18 section and is based on an assumption that the department of law will
19 require an additional 0.1 FTE. To implement this act, the department of
20 law may use this appropriation to provide legal services for the
21 department of revenue.



23 **SECTION 10. Appropriation.** (1) For the 2017-18 state fiscal
24 year, \$164,461 is appropriated to the department of revenue. This
25 appropriation is from the marijuana cash fund created in section
26 12-43.3-501 (1)(a), C.R.S. To implement this act, the department may use
27 this appropriation as follows:

1 (a) \$78,421 for marijuana enforcement, which amount is based on
2 an assumption that the department will require an additional 0.5 FTE;

3 (b) \$10,000 for tax administration IT system (GenTax) support;
4 and

5 (c) \$76,040 for the purchase of legal services.

6 (2) For the 2017-18 state fiscal year, \$76,040 is appropriated to
7 the department of law. This appropriation is from reappropriated funds
8 received from the department of revenue under subsection (1)(c) of this
9 section and is based on an assumption that the department of law will
10 require an additional 0.4 FTE. To implement this act, the department of
11 law may use this appropriation to provide legal services for the
12 department of revenue.

13 **SECTION 11. Act subject to petition - effective date -**
14 **applicability.** (1) Sections 1 through 5, section 10, and this section 11 of
15 this act take effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly (August
17 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against section 1, 2, 3, 4, 5, 10, or 11 of this act within
20 such period, then the section or sections will not take effect unless
21 approved by the people at the general election to be held in November
22 2018 and, in such case, will take effect on the date of the official
23 declaration of the vote thereon by the governor.

24 (2) (a) Sections 6 through 9 of this act take effect January 1, 2018;
25 except that, if a referendum petition is filed pursuant to section 1 (3) of
26 article V of the state constitution against section 6, 7, 8, or 9 of this act
27 within the ninety-day period after final adjournment of the general

1 assembly, the section or sections will not take effect unless approved by
2 the people at the general election to be held in November 2018 and, in
3 such case, will take effect on January 1, 2019, or on the date of the
4 official declaration of the vote thereon by the governor, whichever is
5 later.

6 (b) Sections 6 through 9 of this act apply to conduct occurring on
7 or after the applicable effective date of this act. _____