

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

INTRODUCED

LLS NO. 17-0941.01 Michael Dohr x4347

SENATE BILL 17-192

SENATE SPONSORSHIP

Neville T., Jahn, Priola, Williams A.

HOUSE SPONSORSHIP

Melton and Singer,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING PROVISIONS TO ALLOW MARIJUANA BUSINESSES TO**
102 **OPERATE MORE EFFICIENTLY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill allows a medical marijuana center and a retail marijuana store to apply for an endorsement that allows the center or store to deliver marijuana. The centers and stores with the delivery endorsement may use an employee or contract with a medical or retail marijuana transporter to make the deliveries. The endorsements for medical marijuana begin January 2, 2018, and the endorsements for retail marijuana begin January

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.

2, 2019.

The bill allows the state licensing authority to authorize single-instance transfers of retail marijuana or retail marijuana products from a retail marijuana licensee to a medical marijuana licensee based on a business need due to a change in local, state, or federal law or enforcement policy. If granted, the transfer must be completed within 6 months of the date the transfer was approved.

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

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

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

4 **12-43.3-104. Definitions.** As used in this ~~article~~ ARTICLE 43.3,
5 unless the context otherwise requires:

6 (8.5) "Medical marijuana transporter" means an entity or person
7 that is licensed to transport medical marijuana, MEDICAL MARIJUANA
8 CONCENTRATE, and medical marijuana-infused products from one medical
9 marijuana establishment to another medical marijuana establishment;
10 DELIVER MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, AND
11 MEDICAL MARIJUANA-INFUSED PRODUCTS FROM A MEDICAL MARIJUANA
12 CENTER TO A PRIVATE RESIDENCE PURSUANT TO SECTION 12-43.3-402
13 (10); and to temporarily store the transported medical marijuana, MEDICAL
14 MARIJUANA CONCENTRATE, and medical marijuana-infused products at its
15 licensed premises, but is not authorized to sell medical marijuana,

1 MEDICAL MARIJUANA CONCENTRATE, or medical marijuana-infused
2 products under any circumstances.

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

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

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

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

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

20 (XXII) MEDICAL MARIJUANA DELIVERY AS DESCRIBED IN SECTION
21 12-43.3-402 (10), INCLUDING:

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

24 (B) TRAINING REQUIREMENTS FOR PERSONNEL OF MEDICAL
25 MARIJUANA CENTERS THAT HOLD A DELIVERY ENDORSEMENT WHO WILL
26 DELIVER MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
27 PRODUCTS PURSUANT TO THIS SECTION:

- 1 (C) PROCEDURES FOR PROOF OF AGE IDENTIFICATION AND
- 2 VERIFICATION;
- 3 (D) DELIVERY VEHICLE REQUIREMENTS;
- 4 (E) SECURITY REQUIREMENTS;
- 5 (F) RECORD-KEEPING REQUIREMENTS;
- 6 (G) LIMITS ON THE AMOUNTS THAT MAY BE CARRIED IN A
- 7 DELIVERY VEHICLE; AND
- 8 (H) PRACTICES AND PROCEDURES TO ENSURE THAT THE PRODUCTS
- 9 DELIVERED PURSUANT TO THIS SECTION ARE SUBJECT TO THE MEDICAL
- 10 MARIJUANA CENTER'S INVENTORY.

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

13 **12-43.3-401. Classes of licenses.** (4) A MEDICAL MARIJUANA
14 LICENSEE MAY ACCEPT A TRANSFER OF RETAIL MARIJUANA OR RETAIL
15 MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA LICENSEE AUTHORIZED
16 PURSUANT TO THE AUTHORITY IN SECTION 12-43.4-401 (5). THE TRANSFER
17 MUST BE COMPLETED WITHIN SIX MONTHS OF THE DATE THE TRANSFER
18 WAS APPROVED.

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

21 **12-43.3-402. Medical marijuana center license - repeal.**
22 (10) (a) THERE IS AUTHORIZED A MEDICAL MARIJUANA DELIVERY
23 ENDORSEMENT TO A MEDICAL MARIJUANA CENTER LICENSE AUTHORIZING
24 THE HOLDER TO DELIVER TO A PRIVATE RESIDENCE MEDICAL MARIJUANA,
25 MEDICAL MARIJUANA CONCENTRATE, AND MEDICAL MARIJUANA-INFUSED
26 PRODUCTS TO A REGISTERED MEDICAL MARIJUANA CARD HOLDER
27 TWENTY-ONE YEARS OF AGE OR OLDER OR TO A CARD HOLDER'S PARENT

1 OR GUARDIAN. THE MEDICAL MARIJUANA CENTER MAY USE AN EMPLOYEE
2 OR CONTRACT WITH A LICENSED MEDICAL MARIJUANA TRANSPORTER TO
3 MAKE THE DELIVERIES.

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

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

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

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

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

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

25 (II) IF A PERSON OR ENTITY THAT APPLIES FOR A DELIVERY
26 ENDORSEMENT HOLDS MORE THAN ONE MEDICAL MARIJUANA CENTER
27 LICENSE, A SEPARATE DELIVERY ENDORSEMENT IS REQUIRED FOR EACH

1 LICENSED MEDICAL MARIJUANA CENTER FROM WHICH THE HOLDER WISHES
2 TO CONDUCT THE DELIVERY OF MEDICAL MARIJUANA AND MEDICAL
3 MARIJUANA-INFUSED PRODUCTS; EXCEPT THAT, IF THE MEDICAL
4 MARIJUANA CENTERS ARE UNDER COMMON OWNERSHIP, THEN ONLY ONE
5 DELIVERY ENDORSEMENT IS REQUIRED.

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

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

13 (B) RECEIVES THE DELIVERY PURSUANT TO RULES; AND

14 (C) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

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

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

26 (A) RECEIVE AN ORDER OVER THE TELEPHONE OR INTERNET BY
27 THE REGISTERED MEDICAL MARIJUANA PATIENT OR THE PARENT OR

1 GUARDIAN OF A MINOR WHO IS A CURRENT REGISTRANT OF THE MEDICAL
2 MARIJUANA PATIENT REGISTRY FOR THE PURCHASE AND DELIVERY OF
3 MEDICAL MARIJUANA, MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL
4 MARIJUANA-INFUSED PRODUCTS NOT IN EXCESS OF THE AMOUNTS
5 AUTHORIZED IN THIS ARTICLE 43.3;

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

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

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

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

27 (II) AT THE TIME OF THE ORDER, THE MEDICAL MARIJUANA CENTER

1 SHALL CONFIRM THE VALIDITY OF THE PERSON'S MEDICAL MARIJUANA
2 REGISTRY IDENTIFICATION NUMBER AS REQUIRED BY THE STATE LICENSING
3 AUTHORITY, AND THE MEDICAL MARIJUANA CENTER OR MEDICAL
4 MARIJUANA TRANSPORTER DELIVERY PERSON SHALL CONFIRM THE
5 PERSON'S POSSESSION OF THE MEDICAL MARIJUANA REGISTRY CARD THAT
6 MATCHES THE MEDICAL MARIJUANA REGISTRY NUMBER PROVIDED WITH
7 THE ORDER AT THE POINT OF DELIVERY.

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

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

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

25 (II) THIS SUBSECTION (10)(k) IS REPEALED, EFFECTIVE JULY 1,
26 2018.

27 **SECTION 5.** In Colorado Revised Statutes, 12-43.3-406, **amend**

1 (1)(a) as follows:

2 **12-43.3-406. Medical marijuana transporter license.** (1) (a) A
3 medical marijuana transporter license may be issued to a person to
4 provide logistics, distribution, DELIVERY TO A PRIVATE RESIDENCE
5 PURSUANT TO SECTION 12-43.3-402 (10), and storage of medical
6 marijuana, MEDICAL MARIJUANA CONCENTRATE, and medical
7 marijuana-infused products. Notwithstanding any other provisions of law,
8 a medical marijuana transporter license is valid for two years, but cannot
9 be transferred with a change of ownership. A licensed medical marijuana
10 transporter is responsible for the medical marijuana and medical
11 marijuana-infused products once it takes control of the product.

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

14 **12-43.4-103. Definitions.** As used in this ~~article~~ ARTICLE 43.4,
15 unless the context otherwise requires:

16 (21.5) "Retail marijuana transporter" means an entity or person
17 that is licensed to transport retail marijuana and retail marijuana products
18 from one retail marijuana establishment to another retail marijuana
19 establishment, DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA
20 PRODUCTS FROM A RETAIL MARIJUANA STORE TO A PRIVATE RESIDENCE
21 PURSUANT TO SECTION 12-43.4-402 (12), and to temporarily store the
22 transported retail marijuana and retail marijuana products at its licensed
23 premises, but is not authorized to sell retail marijuana or retail marijuana
24 products under any circumstances.

25 **SECTION 7.** In Colorado Revised Statutes, 12-43.4-202, **amend**
26 (3)(a) introductory portion, (3)(a)(XVII), and (3)(a)(XIX); and **add**
27 (3)(a)(XXI) and (3)(a)(XXII) as follows:

1 **12-43.4-202. Powers and duties of state licensing authority -**

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

5 (XVII) Retail marijuana transporter licensed businesses, including
6 requirements for drivers, including obtaining and maintaining a valid
7 Colorado driver's license; insurance requirements; acceptable time frames
8 for transport, storage, and delivery; requirements for transport vehicles;
9 REQUIREMENTS FOR DELIVERIES TO PRIVATE RESIDENCES; and
10 requirements for licensed premises;

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

12 (XXI) SINGLE-INSTANCE TRANSFERS OF RETAIL MARIJUANA OR
13 RETAIL MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA LICENSEE TO A
14 MEDICAL MARIJUANA LICENSEE BASED ON A BUSINESS NEED DUE TO A
15 CHANGE IN LOCAL, STATE, OR FEDERAL LAW OR ENFORCEMENT POLICY.

16 (XXII) RETAIL MARIJUANA DELIVERY AS DESCRIBED IN SECTION
17 12-43.4-402 (12), INCLUDING:

18 (A) ELIGIBILITY REQUIREMENTS FOR QUALIFIED LICENSED RETAIL
19 MARIJUANA STORES;

20 (B) TRAINING REQUIREMENTS FOR PERSONNEL OF RETAIL
21 MARIJUANA STORES THAT HOLD A DELIVERY ENDORSEMENT WHO WILL
22 DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT
23 TO THAT SECTION;

24 (C) PROCEDURES FOR PROOF OF AGE IDENTIFICATION AND
25 VERIFICATION;

26 (D) DELIVERY VEHICLE REQUIREMENTS;

27 (E) SECURITY REQUIREMENTS;

- 1 (F) RECORD-KEEPING REQUIREMENTS;
- 2 (G) LIMITS ON THE AMOUNTS THAT MAY BE CARRIED IN A
- 3 DELIVERY VEHICLE;
- 4 (H) PRACTICES AND PROCEDURES TO ENSURE THAT THE PRODUCTS
- 5 DELIVERED PURSUANT TO THIS SECTION ARE SUBJECT TO THE RETAIL
- 6 MARIJUANA STORE'S INVENTORY; AND
- 7 (I) HOURS OF DELIVERY.

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

10 **12-43.4-401. Classes of licenses.** (5) THE STATE LICENSING
11 AUTHORITY MAY AUTHORIZE SINGLE-INSTANCE TRANSFERS OF RETAIL
12 MARIJUANA OR RETAIL MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA
13 LICENSEE TO A MEDICAL MARIJUANA LICENSEE BASED ON A BUSINESS NEED
14 DUE TO A CHANGE IN LOCAL, STATE, OR FEDERAL LAW OR ENFORCEMENT
15 POLICY. IF GRANTED, THE TRANSFER MUST BE COMPLETED WITHIN SIX
16 MONTHS OF THE DATE THE TRANSFER WAS APPROVED.

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

19 **12-43.4-402. Retail marijuana store license - definitions -**
20 **repeal.** (12) (a) THERE IS AUTHORIZED A MARIJUANA DELIVERY
21 ENDORSEMENT TO A RETAIL MARIJUANA STORE LICENSE AUTHORIZING THE
22 HOLDER TO DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA
23 PRODUCTS TO A PERSON TWENTY-ONE YEARS OF AGE OR OLDER AT A
24 PRIVATE RESIDENCE. THE RETAIL MARIJUANA CENTER MAY USE AN
25 EMPLOYEE OR CONTRACT WITH A LICENSED MEDICAL MARIJUANA
26 TRANSPORTER TO MAKE THE DELIVERIES.

27 (b) THE RETAIL MARIJUANA DELIVERY ENDORSEMENT IS VALID FOR

1 ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE
2 RETAIL MARIJUANA STORE LICENSE.

3 (c) THE STATE LICENSING AUTHORITY MAY ISSUE A DELIVERY
4 ENDORSEMENT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE
5 LICENSING AUTHORITY, THAT HOLDS A RETAIL MARIJUANA STORE LICENSE
6 ISSUED PURSUANT TO THIS ARTICLE 43.4. THE STATE LICENSING
7 AUTHORITY HAS DISCRETION IN DETERMINING WHETHER AN APPLICANT IS
8 QUALIFIED TO RECEIVE A DELIVERY ENDORSEMENT.

9 (d) A LOCAL JURISDICTION MAY NOT PROHIBIT THE DELIVERY OF
10 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS BY A LICENSED
11 ENTITY.

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

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

19 (f) (I) EACH DELIVERY ENDORSEMENT ISSUED PURSUANT TO THIS
20 SECTION APPLIES TO ONLY ONE LICENSED RETAIL MARIJUANA STORE.

21 (II) IF A PERSON OR ENTITY THAT APPLIES FOR A DELIVERY
22 ENDORSEMENT HOLDS MORE THAN ONE RETAIL MARIJUANA STORE
23 LICENSE, A SEPARATE DELIVERY ENDORSEMENT IS REQUIRED FOR EACH
24 LICENSED RETAIL MARIJUANA STORE FROM WHICH THE HOLDER WISHES TO
25 CONDUCT THE DELIVERY OF RETAIL MARIJUANA AND RETAIL MARIJUANA
26 PRODUCTS; EXCEPT THAT, IF THE RETAIL MARIJUANA STORES ARE UNDER
27 COMMON OWNERSHIP, THEN ONLY ONE DELIVERY ENDORSEMENT IS

1 REQUIRED.

2 (g) (I) THE DELIVERY OF RETAIL MARIJUANA OR RETAIL
3 MARIJUANA PRODUCTS BY A RETAIL MARIJUANA STORE WITH A DELIVERY
4 ENDORSEMENT MAY BE MADE ONLY TO A PRIVATE RESIDENCE TO THE
5 PERSON WHO PLACED THE ORDER, WHO IS TWENTY-ONE YEARS OF AGE OR
6 OLDER AND RECEIVES THE DELIVERY PURSUANT TO RULES, AND WHO
7 POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

8 (II) ANY PERSON DELIVERING RETAIL MARIJUANA OR RETAIL
9 MARIJUANA PRODUCTS MUST POSSESS A VALID OCCUPATIONAL LICENSE
10 ANDBE A CURRENT EMPLOYEE OF THE LICENSED RETAIL MARIJUANA STORE
11 WITH A VALID DELIVERY ENDORSEMENT OR MEDICAL MARIJUANA
12 TRANSPORTER AND MUST HAVE UNDERGONE TRAINING REGARDING PROOF
13 OF AGE IDENTIFICATION AND VERIFICATION, INCLUDING ALL STATE
14 LICENSING AUTHORITY ACCEPTABLE FORMS OF IDENTIFICATION.

15 (h) IN ACCORDANCE WITH THIS SECTION AND RULES ADOPTED TO
16 IMPLEMENT THIS SECTION, A LICENSED RETAIL MARIJUANA STORE WITH A
17 DELIVERY ENDORSEMENT MAY:

18 (I) RECEIVE AN ORDER OVER THE TELEPHONE OR INTERNET BY A
19 PERSON TWENTY-ONE YEARS OF AGE OR OLDER FOR THE PURCHASE AND
20 DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS NOT
21 IN EXCESS OF THE AMOUNTS AUTHORIZED IN THIS ARTICLE 43.4;

22 (II) DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA
23 PRODUCTS NOT IN EXCESS OF THE AMOUNTS AUTHORIZED IN THIS ARTICLE
24 43.4; AND

25 (III) PROCESS THE ORDER FOR RETAIL MARIJUANA OR RETAIL
26 MARIJUANA PRODUCTS FOR DELIVERY THAT WILL OCCUR AND BE
27 COMPLETED AT THE LICENSED RETAIL MARIJUANA STORE AND BE

1 INCLUDED IN THAT DAYS POINT-OF-SALE REPORTING.

2 (i) (I) A PERSON PLACING AN ORDER MUST ALLOW THE RETAIL
3 MARIJUANA STORE DELIVERY OR RETAIL MARIJUANA TRANSPORTER
4 PERSONNEL TO INSPECT HIS OR HER VALID IDENTIFICATION FOR PROOF OF
5 AGE.

6 (II) INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING
7 AND LABELING REQUIREMENTS REQUIRED BY THIS ARTICLE 43.4 OR RULES
8 PROMULGATED BY THE STATE LICENSING AUTHORITY APPLY TO THE
9 DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS.

10 (j) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR
11 CRIMINAL LAW FOR A RETAIL MARIJUANA STORE WITH A VALID DELIVERY
12 ENDORSEMENT, OR ITS PERSONNEL OR A RETAIL MARIJUANA TRANSPORTER
13 OR ITS PERSONNEL WHO ARE TRAINED IN ACCORDANCE WITH RULES
14 ADOPTED PURSUANT TO THIS SECTION, TO POSSESS, TRANSPORT, AND
15 DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT
16 TO A DELIVERY ENDORSEMENT IN AMOUNTS THAT DO NOT EXCEED
17 AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

18 (k) (I) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING
19 ENDORSEMENTS ON JANUARY 2, 2019.

20 (II) THIS SUBSECTION (12)(k) IS REPEALED, EFFECTIVE JULY 1,
21 2019.

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

24 **12-43.4-406. Retail marijuana transporter license.** (1) (a) A
25 retail marijuana transporter license may be issued to a person to provide
26 logistics, distribution, DELIVERY TO A PRIVATE RESIDENCE PURSUANT TO
27 SECTION 12-43.4-402 (12), and storage of retail marijuana and retail

1 marijuana products. Notwithstanding any other provisions of law, a retail
2 marijuana transporter license is valid for two years, but cannot be
3 transferred with a change of ownership. A licensed retail marijuana
4 transporter is responsible for the retail marijuana and retail marijuana
5 products once it takes control of the product.

6 **SECTION 11.** In Colorado Revised Statutes, 39-28.8-101,
7 **amend** the introductory portion and (1) as follows:

8 **39-28.8-101. Definitions.** Unless the context otherwise requires,
9 any terms not defined in this ~~article shall~~ ARTICLE 28.8 have the meanings
10 set forth in article 26 of this ~~title~~ TITLE 39. As used in this ~~article~~ ARTICLE
11 28.8, unless the context otherwise requires:

12 (1) "Average market rate" means the average price, as determined
13 by the ~~department~~ STATE LICENSING AUTHORITY CREATED IN SECTION
14 12-43.4-201, on a ~~biannual basis in six-month intervals~~ QUARTERLY
15 BASIS, of all unprocessed retail marijuana that is sold or transferred from
16 retail marijuana cultivation facilities in the state to retail marijuana
17 product manufacturing facilities, retail marijuana stores, or other retail
18 marijuana cultivation facilities, LESS TAXES PAID ON THE SALES OR
19 TRANSFERS. An "average market rate" may be based on the purchaser or
20 transferee of unprocessed retail marijuana or on the nature of the
21 unprocessed retail marijuana that is sold or transferred. THE "AVERAGE
22 MARKET RATE" MUST INCLUDE A TIER THAT COVERS UNPROCESSED
23 MARIJUANA THAT IS ALLOCATED TO EXTRACTIONS, AND THE RATE FOR
24 THAT TIER MUST BE LOWER THAN THE RATE FOR UNPROCESSED MARIJUANA
25 THAT IS ALLOCATED FOR DIRECT SALE TO CONSUMERS.

26 **SECTION 12.** In Colorado Revised Statutes, 39-28.8-302,
27 **amend** (1)(a)(I) as follows:

1 **39-28.8-302. Retail marijuana - excise tax levied at first**
2 **transfer from retail marijuana cultivation facility - tax rate.**

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

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

27 **29-2-114. Retail marijuana excise tax - county - municipality**

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

21 (2) (a) In addition to any sales tax imposed pursuant to section
22 29-2-102 and articles 26 and 28.8 of title 39, ~~C.R.S.~~, and in addition to
23 the excise tax imposed pursuant to article 28.8 of title 39, ~~C.R.S.~~, each
24 municipality in the state is authorized to levy, collect, and enforce a
25 municipal excise tax on the first sale or transfer of unprocessed retail
26 marijuana by a retail marijuana cultivation facility. The tax shall be
27 imposed at the time when the retail marijuana cultivation facility first

1 sells or transfers unprocessed retail marijuana from the retail marijuana
2 cultivation facility to a retail marijuana product manufacturing facility, a
3 retail marijuana store, or another retail marijuana cultivation facility. The
4 tax rate imposed by any statutory municipality pursuant to this ~~paragraph~~
5 ~~(a)~~ SUBSECTION (2)(a) shall not exceed five percent of the average market
6 rate, as determined by the ~~department of revenue~~ STATE LICENSING
7 AUTHORITY CREATED IN SECTION 12-43.4-201 pursuant to section
8 39-28.8-101 (1), ~~C.R.S.~~, of the unprocessed retail marijuana.

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

11 **32-1-1004. Metropolitan districts - additional powers and**
12 **duties.** (10) (b) If the boundaries of a metropolitan district are within a
13 county that imposes an additional excise tax on the first sale or transfer
14 of unprocessed retail marijuana by a retail marijuana cultivation facility
15 pursuant to section 29-2-114, ~~C.R.S.~~, the excise tax rate imposed by the
16 metropolitan district pursuant to this subsection (10) shall not exceed such
17 tax rate imposed by the county. In no event shall the tax rate imposed
18 pursuant to this subsection (10) exceed five percent of the average market
19 rate, as determined by the ~~department of revenue~~ STATE LICENSING
20 AUTHORITY CREATED IN SECTION 12-43.4-201 pursuant to section
21 39-28.8-101 (1), ~~C.R.S.~~, of the unprocessed retail marijuana.

22 **SECTION 15. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly (August
25 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
26 referendum petition is filed pursuant to section 1 (3) of article V of the
27 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2018 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.