

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**ENGROSSED**

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

LLS NO. 18-1258.01 Jerry Barry x4341

**SENATE BILL 18-271**

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**SENATE SPONSORSHIP**

**Marble,**

**HOUSE SPONSORSHIP**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING CHANGES TO IMPROVE FUNDING FOR MARIJUANA**  
102 **RESEARCH, AND, IN CONNECTION THEREWITH, MAKING AN**  
103 **APPROPRIATION.**

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**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>.)*

Subject to rules of the marijuana enforcement division, the bill authorizes:

- ! Marijuana research and development licensees and marijuana research and development cultivation licensees (research licensees) to transfer unused marijuana within the

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 2nd Reading  
May 1, 2018

- regulated marijuana industry; and
- ! Research licensees to be co-located at the premises of a medical marijuana-infused products manufacturer or a retail marijuana products manufacturer.

The general appropriations bill transferred \$3 million from the marijuana tax cash fund to the health research subaccount of the medical marijuana program cash fund (subaccount). The bill strikes the limitation of the amount of transfers to the subaccount and extends the repeal of the medical marijuana program cash fund until September 1, 2023. The bill authorizes \$100,000 to be spent annually from the subaccount for administrative purposes related to the medical marijuana research grant program.

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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)(XXII); and **add** (2)(a)(XXIII) as follows:

4 **12-43.3-202. Powers and duties of state licensing authority -**  
5 **rules.** (2) (a) Rules promulgated pursuant to subsection (1)(b) of this  
6 section may include, but need not be limited to, the following subjects:

7 (XXII) Marijuana research and development licenses and  
8 marijuana research and development cultivation licenses, including  
9 application requirements; renewal requirements, including whether  
10 additional research projects may be added or considered; conditions for  
11 license revocation; security measures to ensure marijuana is not diverted  
12 to purposes other than research OR DIVERTED OUTSIDE OF THE REGULATED  
13 MARIJUANA MARKET; the amount of plants, useable marijuana, marijuana  
14 concentrates, or marijuana-infused products a licensee may have on its  
15 premises; licensee reporting requirements; the conditions under which  
16 marijuana possessed by medical marijuana licensees may be donated to  
17 marijuana research and development licensees and marijuana research  
18 and development cultivation licensees OR TRANSFERRED TO A  
19 NONMETRIC-BASED RESEARCH FACILITY; provisions to prevent

1 contamination; requirements for destruction OR TRANSFER of marijuana  
2 after the research is concluded; and any additional requirements;

3 (XXIII) REQUIREMENTS FOR ISSUANCE OF CO-LOCATION PERMITS  
4 TO A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR A  
5 MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE  
6 AUTHORIZING CO-LOCATION WITH A MEDICAL MARIJUANA-INFUSED  
7 PRODUCTS MANUFACTURING LICENSED PREMISES, INCLUDING APPLICATION  
8 REQUIREMENTS, ELIGIBILITY, RESTRICTIONS TO PREVENT  
9 CROSS-CONTAMINATION AND TO ENSURE PHYSICAL SEPARATION OF  
10 INVENTORY AND RESEARCH ACTIVITIES, AND OTHER PRIVILEGES AND  
11 RESTRICTIONS OF PERMITS.

12 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-404, **amend**  
13 (2) as follows:

14 **12-43.3-404. Medical marijuana-infused products**  
15 **manufacturing license - rules.** (2) Medical marijuana-infused products  
16 shall be prepared on a licensed premises that is used exclusively for the  
17 manufacture and preparation of medical marijuana-infused products and  
18 using equipment that is used exclusively for the manufacture and  
19 preparation of medical marijuana-infused products; EXCEPT THAT,  
20 SUBJECT TO RULES OF THE STATE LICENSING AUTHORITY, A MEDICAL  
21 MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE MAY SHARE  
22 THE SAME PREMISES AS A COMMONLY OWNED MARIJUANA RESEARCH AND  
23 DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND DEVELOPMENT  
24 CULTIVATION LICENSEE SO LONG AS VIRTUAL OR PHYSICAL SEPARATION OF  
25 INVENTORY AND RESEARCH ACTIVITY IS MAINTAINED.

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

1           **12-43.4-202. Powers and duties of state licensing authority -**  
2 **rules.** (3) (a) Rules promulgated pursuant to subsection (2)(b) of this  
3 section must include, but need not be limited to, the following subjects:

4           (XIX) Nonescorted visitors in limited access areas; ~~and~~  
5           (XX) The parameters and qualifications of an indirect beneficial  
6 interest owner and a qualified limited passive investor; AND

7           (XXI) REQUIREMENTS FOR ISSUANCE OF CO-LOCATION PERMITS TO  
8 A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR A MARIJUANA  
9 RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE AUTHORIZING  
10 CO-LOCATION WITH A RETAIL MARIJUANA PRODUCTS MANUFACTURING  
11 LICENSED PREMISES, INCLUDING APPLICATION REQUIREMENTS,  
12 ELIGIBILITY, RESTRICTIONS TO PREVENT CROSS-CONTAMINATION AND TO  
13 ENSURE PHYSICAL SEPARATION OF INVENTORY AND RESEARCH ACTIVITIES,  
14 AND OTHER PRIVILEGES AND RESTRICTIONS OF PERMITS.

15           **SECTION 4.** In Colorado Revised Statutes, 12-43.4-404, **amend**  
16 (2) as follows:

17           **12-43.4-404. Retail marijuana products manufacturing**  
18 **license.** (2) Retail marijuana products shall be prepared on a licensed  
19 premises that is used exclusively for the manufacture and preparation of  
20 retail marijuana or retail marijuana products and using equipment that is  
21 used exclusively for the manufacture and preparation of retail marijuana  
22 products; except that, if permitted by the local jurisdiction AND SUBJECT  
23 TO RULES OF THE STATE LICENSING AUTHORITY, a retail marijuana  
24 products manufacturing licensee may share the same premises as a:

25           (a) Medical marijuana-infused products manufacturing licensee  
26 so long as a virtual or physical separation of inventory is maintained;  
27 ~~pursuant to rule of the state licensing authority.~~ OR

1 (b) COMMONLY OWNED MARIJUANA RESEARCH AND DEVELOPMENT  
2 LICENSEE OR MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION  
3 LICENSEE SO LONG AS VIRTUAL OR PHYSICAL SEPARATION OF INVENTORY  
4 AND RESEARCH ACTIVITY IS MAINTAINED.

5 **SECTION 5.** In Colorado Revised Statutes, 25-1.5-106, **amend**  
6 (17)(d); and **add** (17)(f) as follows:

7 **25-1.5-106. Medical marijuana program - powers and duties**  
8 **of state health agency - rules - medical review board - medical**  
9 **marijuana program cash fund - subaccount - created - repeal.**

10 (17) **Cash fund.** (d) (I) There is created a health research subaccount,  
11 referred to as "subaccount" in this section, in the medical marijuana  
12 program cash fund. The subaccount is established to support funding for  
13 medical marijuana health research. The department shall have continuous  
14 spending authority over the subaccount. The department may direct the  
15 state treasurer to transfer money from the medical marijuana program  
16 cash fund to the subaccount based on the cost of health research projects  
17 approved by the state board of health pursuant to section 25-1.5-106.5.  
18 ~~The state treasurer shall not transfer more than ten million dollars in total~~  
19 ~~to the subaccount.~~

20 (II) For the 2014-15 fiscal year and each fiscal year through  
21 2018-19 2022-23, the alternative maximum reserve for purposes of  
22 section 24-75-402 C.R.S., for the medical marijuana program cash fund  
23 is sixteen and five-tenths percent of the amount in the fund, excluding ~~the~~  
24 ~~ten million dollars available for transfer to the subaccount and any~~  
25 amount in the subaccount.

26 (III) This ~~paragraph (d)~~ SUBSECTION (17)(d) is repealed, effective  
27 July 1, ~~2019~~ 2023. Any money remaining in the subaccount on June 30,

1     ~~2019~~ 2023, must revert to the medical marijuana program cash fund.

2             (f) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (17)(e) OF  
3     THIS SECTION TO THE CONTRARY, ONE HUNDRED THOUSAND DOLLARS  
4     FROM THE SUBACCOUNT MAY BE USED FOR ADMINISTRATIVE PURPOSES TO  
5     ADMINISTER THE MEDICAL MARIJUANA RESEARCH GRANT PROGRAM  
6     CREATED PURSUANT TO SECTION 25-1.5-106.5 FOR EACH OF THE FISCAL  
7     YEARS 2019-20, 2020-21, AND 2021-22.

8             **SECTION 6. Appropriation.** (1) For the 2018-19 state fiscal  
9     year, \$10,656 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 for the purchase of legal services.

13            (2) For the 2018-19 state fiscal year, \$10,656 is appropriated to  
14    the department of law. This appropriation is from reappropriated funds  
15    received from the department of revenue under subsection (1) of this  
16    section. To implement this act, the department of law may use this  
17    appropriation to provide legal services for the department of revenue.

18            **SECTION 7. Safety clause.** The general assembly hereby finds,  
19    determines, and declares that this act is necessary for the immediate  
20    preservation of the public peace, health, and safety.