

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 19-0365.02 Michael Dohr x4347

SENATE BILL 19-224

SENATE SPONSORSHIP

Gonzales and Fenberg,

HOUSE SPONSORSHIP

(None),

Senate Committees
Finance

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.

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 continue those codes until 2028 with a sunset review prior to 2028. 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.

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 **SECTION 1.** In Colorado Revised Statutes, 44-11-103, **amend**
3 (2)(a) and (2)(c); and **repeal** (1), (2)(b), and (2)(d) as follows:

4 **44-11-103. Applicability.** (1) (a) ~~On July 1, 2010, a person who~~
5 ~~is operating an established, locally approved business for the purpose of~~
6 ~~cultivation, manufacture, or sale of medical marijuana or medical~~
7 ~~marijuana-infused products or a person who has applied to a local~~
8 ~~government to operate a locally approved business for the purpose of~~
9 ~~cultivation, manufacture, or sale of medical marijuana or medical~~
10 ~~marijuana-infused products that is subsequently granted may continue to~~
11 ~~operate that business in accordance with any applicable state or local~~
12 ~~laws. "Established", as used in this subsection (1)(a), shall mean owning~~
13 ~~or leasing a space with a storefront and remitting sales taxes in a timely~~

1 manner on retail sales of the business as required pursuant to section
2 39-26-105, as well as any applicable local sales taxes.

3 (b) To continue operating a business or operation as described in
4 subsection (1)(a) of this section, the owner shall, on or before August 1,
5 2010, complete forms as provided by the department of revenue and shall
6 pay a fee, which shall be credited to the medical marijuana license cash
7 fund established pursuant to section 44-11-501. The purpose of the fee
8 shall be to pay for the direct and indirect costs of the state licensing
9 authority and the development of application procedures and rules
10 necessary to implement this article 11. Payment of the fee and completion
11 of the form shall not create a local or state license or a present or future
12 entitlement to receive a license. An owner issued a local license after
13 August 1, 2010, shall complete the forms and pay the fee pursuant to this
14 subsection (1)(b) within thirty days after issuance of the local license. In
15 addition to any criminal penalties for selling without a license, it shall be
16 unlawful to continue operating a business or operation without filing the
17 forms and paying the fee as described in this subsection (1)(b), and any
18 violation of this section shall be prima facie evidence of unsatisfactory
19 character, record, and reputation for any future application for license
20 under this article 11.

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

26 (2) (a) Prior to July 1, 2011, A county, city and county, or
27 municipality may adopt and enforce a resolution or ordinance licensing,

1 regulating, or prohibiting the cultivation or sale of medical marijuana. In
2 a county, city and county, or municipality where such an ordinance or
3 resolution has been adopted, a person who is not registered as a patient or
4 primary caregiver pursuant to section 25-1.5-106 and who is cultivating
5 or selling medical marijuana ~~shall not be~~ IS NOT entitled to an affirmative
6 defense to a criminal prosecution as provided for in section 14 of article
7 XVIII of the state constitution unless the person is in compliance with the
8 applicable county or municipal law.

9 (b) ~~On or before September 1, 2010, a business or operation shall~~
10 ~~certify that it is cultivating at least seventy percent of the medical~~
11 ~~marijuana necessary for its operation.~~

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

25 (d) ~~(f) On and after July 1, 2012, persons who did not meet all~~
26 ~~requirements of subsection (1)(a) of this section as of July 1, 2010, may~~
27 ~~begin to apply for a license pursuant to this article 11. A business or~~

1 operation that applies and is approved for its license after July 1, 2012,
2 shall certify to the state licensing authority that it is cultivating at least
3 seventy percent of the medical marijuana necessary for its operation
4 within ninety days after being licensed.

5 (H) For those persons that are licensed prior to July 1, 2012, the
6 person may apply to the local and state licensing authorities regarding
7 changes to its license and may apply for a new license if the license is for
8 a business that has been licensed and the person is purchasing that
9 business or if the business is changing license type.

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

16 **SECTION 2.** In Colorado Revised Statutes, 44-12-104, **amend**
17 (2)(a); and **repeal** (1) as follows:

18 **44-12-104. Applicability - retail marijuana.** (1) (a) (I) ~~On or~~
19 ~~after October 1, 2013, a person who is operating in good standing a~~
20 ~~licensed medical marijuana center, an optional premises cultivation~~
21 ~~license, or a licensed medical marijuana-infused products business or a~~
22 ~~person who had a pending application with the state licensing authority~~
23 ~~prior to December 10, 2012, has paid all applicable licensing fees, and~~
24 ~~has not yet had that application approved may apply for a retail marijuana~~
25 ~~establishment license under this article 12.~~

26 (H) ~~An applicant pursuant to this subsection (1)(a) shall indicate~~
27 ~~whether he or she wants to surrender the current medical marijuana~~

1 license issued pursuant to part 4 of article 11 of this title 44 or intends to
2 retain the license in addition to the retail marijuana establishment license.

3 ~~(III) If the applicant indicates a desire to surrender the medical
4 marijuana license, the applicant shall continue to operate under that
5 license so long as the license remains in effect until a retail marijuana
6 establishment license is approved. If the retail marijuana establishment
7 license is granted, the applicant shall have fourteen days from the
8 effective date of the license to surrender the medical marijuana license to
9 the state licensing authority. If the retail marijuana license is granted, on
10 the effective date of the license, all medical marijuana plants and
11 inventory shall become retail marijuana plants and inventory on the date
12 of the retail marijuana establishment license; except that beginning on
13 July 1, 2016, an applicant shall not be allowed to transfer medical
14 marijuana plants and inventory from a medical marijuana center or from
15 a medical marijuana-infused products manufacturer to any retail
16 marijuana establishment. Beginning on July 1, 2016, the only transfer of
17 medical marijuana allowed pursuant to this subsection (1)(a)(III) is the
18 transfer of medical marijuana plants and inventory from a medical
19 marijuana cultivation facility to a retail marijuana cultivation facility.~~

20 ~~(IV) An applicant pursuant to this subsection (1)(a) may apply for
21 a retail marijuana establishment license and retain the medical marijuana
22 license. The applicant may apply to have the medical marijuana licensed
23 operation and the retail marijuana establishment at the same location only
24 if the local jurisdiction permits the medical marijuana licensed operation
25 and the retail marijuana establishment to be operated at the same location.
26 At the time that the retail marijuana establishment license becomes
27 effective, the applicant shall identify the medical marijuana inventory that~~

1 will become retail marijuana inventory; except that beginning on July 1,
2 2016, an applicant shall not be allowed to transfer medical marijuana
3 inventory from a medical marijuana center or from a medical
4 marijuana-infused products manufacturer to any retail marijuana
5 establishment. Beginning on July 1, 2016, the only transfer of medical
6 marijuana allowed pursuant to this subsection (1)(a)(IV) is the transfer of
7 medical marijuana inventory from a medical marijuana cultivation facility
8 to a retail marijuana cultivation facility.

9 (V) An applicant pursuant to this subsection (1)(a) who retains a
10 medical marijuana license and obtains a retail marijuana establishment
11 license for the two licensed premises must maintain actual physical
12 separation between the two or only sell medical marijuana to persons
13 twenty-one years of age or older.

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

18 (2) (a) A person applying pursuant to subsection (1) of this section
19 FOR LICENSURE PURSUANT TO THIS ARTICLE 12 shall complete forms as
20 provided by the state licensing authority and shall pay the application fee
21 and the licensing fee, which shall MUST be credited to the marijuana cash
22 fund established pursuant to section 44-11-501. The state licensing
23 authority shall forward, within seven days, one-half of the license
24 application fee to the local jurisdiction unless the local jurisdiction has
25 prohibited the operation of retail marijuana establishments pursuant to
26 section 16 (5)(f) of article XVIII of the state constitution. If the license is
27 denied, the state licensing authority shall refund the licensing fee to the

1 applicant.

2 **SECTION 3.** In Colorado Revised Statutes, 44-11-104, **amend**
3 (1), (4), (15), and (23); and **add** (1.3), (1.4), (4.3), (4.4), (11.5), and (19.5)
4 as follows:

5 **44-11-104. Definitions.** As used in this article 11, unless the
6 context otherwise requires:

7 ~~(1) "Direct beneficial interest owner" means a person or closely~~
8 ~~held business entity that owns a share or shares of stock in a licensed~~
9 ~~medical marijuana business, including the officers, directors, managing~~
10 ~~members, or partners of the licensed medical marijuana business or~~
11 ~~closely held business entity, or a qualified limited passive investor~~

12 "AFFILIATE" OF A PERSON OR "AFFILIATED" WITH A SPECIFIED PERSON
13 MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE
14 INTERMEDIARIES, CONTROLS OR IS CONTROLLED BY, OR IS UNDER COMMON
15 CONTROL WITH, THE PERSON SPECIFIED.

16 (1.3) "CONTROL", "CONTROLS", "CONTROLLED", "CONTROLLING",
17 "CONTROLLED BY", AND "UNDER COMMON CONTROL WITH", MEANS THE
18 POSSESSION, DIRECT OR INDIRECT, OF THE POWER TO DIRECT OR CAUSE THE
19 DIRECTION OF THE MANAGEMENT OR POLICIES OF A PERSON, WHETHER
20 THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT, OR
21 OTHERWISE.

22 (1.4) "CONTROLLING BENEFICIAL OWNER" MEANS A PERSON THAT:

23 (a) IS THE BENEFICIAL OWNER OF FIVE PERCENT OR MORE OF THE
24 SECURITIES OF A MEDICAL MARIJUANA BUSINESS;

25 (b) IS AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS OR OF
26 ANY OTHER CONTROLLING BENEFICIAL OWNER OF A MEDICAL MARIJUANA
27 BUSINESS AND INCLUDES WITHOUT LIMITATION ANY OFFICER, DIRECTOR,

1 MANAGING MEMBER, GENERAL PARTNER, OR TRUSTEE; OR

2 (c) IS OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE
3 MEDICAL MARIJUANA BUSINESS, EXCEPT AS AUTHORIZED BY SECTION
4 44-11-407.

5 ~~(4) "Indirect beneficial interest owner" means a holder of a~~
6 ~~permitted economic interest, a recipient of a commercially reasonable~~
7 ~~royalty associated with the use of intellectual property by a licensee, a~~
8 ~~licensed employee who receives a share of the profits from an employee~~
9 ~~benefit plan, a qualified institutional investor, or another similarly~~
10 ~~situated person or entity as determined by the state licensing authority~~

11 "INDIRECT FINANCIAL INTEREST HOLDER" MEANS A PERSON THAT IS NOT
12 AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS AND IS NOT OTHERWISE
13 IN A POSITION TO EXERCISE CONTROL OVER THE MEDICAL MARIJUANA
14 BUSINESS AND THAT:

15 (a) HOLDS A COMMERCIALY REASONABLE ROYALTY INTEREST IN
16 EXCHANGE FOR A MEDICAL MARIJUANA BUSINESS'S USE OF THE PERSON'S
17 INTELLECTUAL PROPERTY;

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

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

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

5 (4.3) "INDUSTRIAL HEMP" MEANS A PLANT OF THE GENUS
6 CANNABIS AND ANY PART OF THE PLANT, WHETHER GROWING OR NOT,
7 CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF
8 NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS.

9 (4.4) "INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCT
10 CONTAINING INDUSTRIAL HEMP THAT:

11 (a) IS A COSMETIC, FOOD, FOOD ADDITIVE, OR HERB;

12 (b) IS FOR HUMAN USE OR CONSUMPTION;

13 (c) CONTAINS ANY PART OF THE HEMP PLANT, INCLUDING
14 NATURALLY OCCURRING CANNABINOIDS, COMPOUNDS, CONCENTRATES,
15 EXTRACTS, ISOLATES, RESINS, OR DERIVATIVES; AND

16 (d) CONTAINS A DELTA-9 TETRAHYDROCANNABINOL
17 CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT.

18 (11.5) "MEDICAL MARIJUANA BUSINESS" MEANS ANY OF THE
19 FOLLOWING ENTITIES LICENSED PURSUANT TO THIS ARTICLE 11: A
20 MEDICAL MARIJUANA CENTER; A MEDICAL MARIJUANA OPTIONAL PREMISES
21 CULTIVATION OPERATION; A MEDICAL MARIJUANA-INFUSED PRODUCTS
22 MANUFACTURER; A MEDICAL MARIJUANA TESTING FACILITY; A MEDICAL
23 MARIJUANA BUSINESS OPERATOR; A MEDICAL MARIJUANA TRANSPORTER;
24 OR A MARIJUANA RESEARCH AND DEVELOPMENT FACILITY.

25 (15) "Medical marijuana-infused product" means a product
26 infused with medical marijuana that is intended for use or consumption
27 other than by smoking, including but not limited to edible products,

1 ointments, and tinctures. ~~These products, when manufactured or sold by~~
2 ~~a licensed medical marijuana center or a medical marijuana-infused~~
3 ~~products manufacturer, shall not be considered a food or drug for the~~
4 ~~purposes of the "Colorado Food and Drug Act", part 4 of article 5 of title~~
5 ~~25.~~

6 (19.5) "PASSIVE BENEFICIAL OWNER" MEANS A PERSON THAT IS
7 NOT AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS, IS NOT OTHERWISE
8 IN A POSITION TO EXERCISE CONTROL OVER THE MEDICAL MARIJUANA
9 BUSINESS, AND IS THE BENEFICIAL OWNER OF LESS THAN FIVE PERCENT OF
10 THE SECURITIES OF THE MEDICAL MARIJUANA BUSINESS OR IS A QUALIFIED
11 INSTITUTIONAL INVESTOR.

12 (23) ~~"Qualified limited passive investor" means a natural person~~
13 ~~who is a United States citizen and is a passive investor who owns less~~
14 ~~than a five percent share or shares of stock in a licensed medical~~
15 ~~marijuana business.~~ "QUALIFIED INSTITUTIONAL INVESTOR" MEANS AN
16 INSTITUTIONAL INVESTOR THAT IS A PASSIVE BENEFICIAL OWNER HOLDING
17 NO MORE THAN THIRTY PERCENT IN THE LICENSE AND THAT IS:

18 (a) A BANK AS DEFINED IN SECTION 3 (a)(6) OF THE FEDERAL
19 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED;

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

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

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

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

1 (f) AN EMPLOYEE BENEFIT PLAN OR PENSION FUND THAT IS
2 SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY
3 ACT OF 1974", AS AMENDED, EXCLUDING AN EMPLOYEE BENEFIT PLAN OR
4 PENSION FUND SPONSORED BY A LICENSEE OR AN INTERMEDIARY OR
5 HOLDING COMPANY LICENSEE THAT DIRECTLY OR INDIRECTLY OWNS FIVE
6 PERCENT OR MORE OF A LICENSEE;

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

8 (h) A GROUP COMPRISED ENTIRELY OF PERSONS SPECIFIED IN
9 SUBSECTIONS (23)(a) TO (23)(g) OF THIS SECTION; OR

10 (i) ANY OTHER ENTITY IDENTIFIED THROUGH RULE BY THE STATE
11 LICENSING AUTHORITY.

12 **SECTION 4.** In Colorado Revised Statutes, 44-12-103, **amend**
13 (1), (5), and (20); and **add** (1.3), (1.4), (5.3), (5.4), and (16.5) as follows:

14 **44-12-103. Definitions.** As used in this article 12, unless the
15 context otherwise requires:

16 (1) ~~"Direct beneficial interest owner" means a person or closely~~
17 ~~held business entity that owns a share or shares of stock in a licensed~~
18 ~~retail marijuana business, including the officers, directors, managing~~
19 ~~members, or partners of the licensed retail marijuana business or closely~~
20 ~~held business entity, or a qualified limited passive investor~~ "AFFILIATE"

21 OF A PERSON OR "AFFILIATED" WITH A SPECIFIED PERSON MEANS A PERSON
22 THAT DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES,
23 CONTROLS OR IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH,
24 THE PERSON SPECIFIED.

25 (1.3) "CONTROL", "CONTROLS", "CONTROLLED", "CONTROLLING",
26 "CONTROLLED BY", AND "UNDER COMMON CONTROL WITH", MEANS THE
27 POSSESSION, DIRECT OR INDIRECT, OF THE POWER TO DIRECT OR CAUSE THE

1 DIRECTION OF THE MANAGEMENT OR POLICIES OF A PERSON, WHETHER
2 THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT, OR
3 OTHERWISE.

4 (1.4) "CONTROLLING BENEFICIAL OWNER" MEANS A PERSON THAT:

5 (a) IS THE BENEFICIAL OWNER OF FIVE PERCENT OR MORE OF THE
6 SECURITIES OF A RETAIL MARIJUANA ESTABLISHMENT;

7 (b) IS AN AFFILIATE OF A RETAIL MARIJUANA ESTABLISHMENT OR
8 OF ANY OTHER CONTROLLING BENEFICIAL OWNER OF A RETAIL MARIJUANA
9 ESTABLISHMENT AND INCLUDES WITHOUT LIMITATION ANY OFFICER,
10 DIRECTOR, MANAGING MEMBER, GENERAL PARTNER, OR TRUSTEE; OR

11 (c) IS OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE
12 RETAIL MARIJUANA ESTABLISHMENT, EXCEPT AS AUTHORIZED BY SECTION
13 44-12-407.

14 (5) ~~"Indirect beneficial interest owner" means a holder of a~~
15 ~~permitted economic interest, a recipient of a commercially reasonable~~
16 ~~royalty associated with the use of intellectual property by a licensee, a~~
17 ~~licensed employee who receives a share of the profits from an employee~~
18 ~~benefit plan, a qualified institutional investor, or another similarly~~
19 ~~situated person or entity as determined by the state licensing authority~~

20 "INDIRECT FINANCIAL INTEREST HOLDER" MEANS A PERSON THAT IS NOT
21 AN AFFILIATE OF A RETAIL MARIJUANA ESTABLISHMENT AND IS NOT
22 OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE RETAIL
23 MARIJUANA ESTABLISHMENT AND THAT:

24 (a) HOLDS A COMMERCIALY REASONABLE ROYALTY INTEREST IN
25 EXCHANGE FOR A RETAIL MARIJUANA ESTABLISHMENT'S USE OF THE
26 PERSON'S INTELLECTUAL PROPERTY;

27 (b) HOLDS A PERMITTED ECONOMIC INTEREST THAT WAS ISSUED

1 PRIOR TO JANUARY 1, 2019, AND THAT HAS NOT BEEN CONVERTED INTO AN
2 OWNERSHIP INTEREST; OR

3 (c) IS A CONTRACT COUNTERPARTY WITH A RETAIL MARIJUANA
4 ESTABLISHMENT THAT HAS A DIRECT NEXUS TO THE CULTIVATION,
5 MANUFACTURE, SALE, OR TESTING OF RETAIL MARIJUANA, INCLUDING BUT
6 NOT LIMITED TO A LEASE OF REAL PROPERTY ON WHICH THE RETAIL
7 MARIJUANA ESTABLISHMENT OPERATES, A LEASE OF EQUIPMENT USED IN
8 THE CULTIVATION, MANUFACTURING, SALE, OR TESTING OF RETAIL
9 MARIJUANA, A SECURED OR UNSECURED FINANCING AGREEMENT WITH THE
10 RETAIL MARIJUANA ESTABLISHMENT, OR A SECURITY CONTRACT WITH THE
11 RETAIL MARIJUANA ESTABLISHMENT; EXCEPT THAT THE CONTRACT SHALL
12 NOT COMPENSATE THE CONTRACT COUNTERPARTY WITH A PERCENTAGE
13 OF REVENUE OR PROFITS OF THE RETAIL MARIJUANA ESTABLISHMENT.

14 (5.3) "INDUSTRIAL HEMP" MEANS A PLANT OF THE GENUS
15 CANNABIS AND ANY PART OF THE PLANT, WHETHER GROWING OR NOT,
16 CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF
17 NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS.

18 (5.4) "INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCT
19 CONTAINING INDUSTRIAL HEMP THAT:

20 (a) IS A COSMETIC, FOOD, FOOD ADDITIVE, OR HERB;

21 (b) IS FOR HUMAN USE OR CONSUMPTION;

22 (c) CONTAINS ANY PART OF THE HEMP PLANT, INCLUDING
23 NATURALLY OCCURRING CANNABINOIDS, COMPOUNDS, CONCENTRATES,
24 EXTRACTS, ISOLATES, RESINS, OR DERIVATIVES; AND

25 (d) CONTAINS A DELTA-9 TETRAHYDROCANNABINOL
26 CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT.

27 (16.5) "PASSIVE BENEFICIAL OWNER" MEANS A PERSON THAT IS

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

6 ~~(20) "Qualified limited passive investor" means a natural person~~
7 ~~who is a United States citizen and is a passive investor who owns less~~
8 ~~than a five percent share or shares of stock in a licensed retail marijuana~~
9 ~~business.~~ "QUALIFIED INSTITUTIONAL INVESTOR" MEANS AN
10 INSTITUTIONAL INVESTOR THAT IS A PASSIVE BENEFICIAL OWNER HOLDING
11 NO MORE THAN THIRTY PERCENT IN THE LICENSE AND THAT IS:

12 (a) A BANK AS DEFINED IN SECTION 3 (a)(6) OF THE FEDERAL
13 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED;

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

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

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

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

22 (f) AN EMPLOYEE BENEFIT PLAN OR PENSION FUND THAT IS
23 SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY
24 ACT OF 1974", AS AMENDED, EXCLUDING AN EMPLOYEE BENEFIT PLAN OR
25 PENSION FUND SPONSORED BY A LICENSEE OR AN INTERMEDIARY OR
26 HOLDING COMPANY LICENSEE THAT DIRECTLY OR INDIRECTLY OWNS FIVE
27 PERCENT OR MORE OF A LICENSEE;

- 1 (g) A STATE OR FEDERAL GOVERNMENT PENSION PLAN;
- 2 (h) A GROUP COMPRISED ENTIRELY OF PERSONS SPECIFIED IN
- 3 SUBSECTIONS (20)(a) TO (20)(g) OF THIS SECTION; OR
- 4 (i) ANY OTHER ENTITY IDENTIFIED THROUGH RULE BY THE STATE
- 5 LICENSING AUTHORITY.

6 **SECTION 5.** In Colorado Revised Statutes, **repeal and reenact,**

7 **with amendments,** 44-11-202 as follows:

8 **44-11-202. Powers and duties of state licensing authority -**

9 **rules - legislative declaration. (1) Powers and duties.** THE STATE

10 LICENSING AUTHORITY SHALL:

11 (a) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM

12 THAT TRACKS MEDICAL MARIJUANA FROM EITHER THE SEED OR IMMATURE

13 PLANT STAGE UNTIL THE MEDICAL MARIJUANA OR MEDICAL

14 MARIJUANA-INFUSED PRODUCT IS SOLD TO A PATIENT AT A MEDICAL

15 MARIJUANA CENTER TO ENSURE THAT NO MEDICAL MARIJUANA GROWN OR

16 PROCESSED BY A MEDICAL MARIJUANA BUSINESS IS SOLD OR OTHERWISE

17 TRANSFERRED EXCEPT BY A MEDICAL MARIJUANA CENTER;

18 (b) GRANT OR REFUSE STATE LICENSES FOR THE CULTIVATION,

19 MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF MEDICAL

20 MARIJUANA AS PROVIDED BY LAW; SUSPEND, FINE, RESTRICT, OR REVOKE

21 SUCH LICENSES, WHETHER ACTIVE, EXPIRED, OR SURRENDERED, UPON A

22 VIOLATION OF THIS ARTICLE 11 OR ANY RULE PROMULGATED PURSUANT TO

23 THIS ARTICLE 11; AND IMPOSE ANY PENALTY AUTHORIZED BY THIS

24 ARTICLE 11 OR ANY RULE PROMULGATED PURSUANT TO THIS ARTICLE 11.

25 THE STATE LICENSING AUTHORITY MAY TAKE ANY ACTION WITH RESPECT

26 TO A REGISTRATION PURSUANT TO THIS ARTICLE 11 AS IT MAY WITH

27 RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE 11, IN ACCORDANCE

1 WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS ARTICLE 11.

2 (c) PROMULGATE SUCH RULES AND SUCH SPECIAL RULINGS AND
3 FINDINGS AS NECESSARY FOR THE PROPER REGULATION AND CONTROL OF
4 THE CULTIVATION, MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF
5 MEDICAL MARIJUANA AND FOR THE ENFORCEMENT OF THIS ARTICLE 11;

6 (d) HEAR AND DETERMINE AT A PUBLIC HEARING ANY CONTESTED
7 STATE LICENSE DENIAL AND ANY COMPLAINTS AGAINST A LICENSEE AND
8 ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE OF
9 PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS
10 NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN
11 ACCORDANCE WITH ARTICLE 4 OF TITLE 24. THE STATE LICENSING
12 AUTHORITY MAY, AT ITS DISCRETION, DELEGATE TO THE DEPARTMENT
13 HEARING OFFICERS THE AUTHORITY TO CONDUCT LICENSING,
14 DISCIPLINARY, AND RULE-MAKING HEARINGS PURSUANT TO SECTION
15 24-4-105. WHEN CONDUCTING THE HEARINGS, THE HEARING OFFICERS ARE
16 EMPLOYEES OF THE STATE LICENSING AUTHORITY UNDER THE DIRECTION
17 AND SUPERVISION OF THE EXECUTIVE DIRECTOR AND THE STATE LICENSING
18 AUTHORITY.

19 (e) DEVELOP SUCH FORMS, LICENSES, IDENTIFICATION CARDS, AND
20 APPLICATIONS AS ARE NECESSARY OR CONVENIENT IN THE DISCRETION OF
21 THE STATE LICENSING AUTHORITY FOR THE ADMINISTRATION OF THIS
22 ARTICLE 11 OR ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE 11;

23 (f) PREPARE AND TRANSMIT ANNUALLY, IN THE FORM AND
24 MANNER PRESCRIBED BY THE HEADS OF THE PRINCIPAL DEPARTMENTS
25 PURSUANT TO SECTION 24-1-136, A REPORT ACCOUNTING TO THE
26 GOVERNOR FOR THE EFFICIENT DISCHARGE OF ALL RESPONSIBILITIES
27 ASSIGNED BY LAW OR DIRECTIVE TO THE STATE LICENSING AUTHORITY;

1 AND

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

6 (2) NOTHING IN THIS ARTICLE 11 DELEGATES TO THE STATE
7 LICENSING AUTHORITY THE POWER TO FIX PRICES FOR MEDICAL
8 MARIJUANA.

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

16 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC
17 HEALTH AND ENVIRONMENT SHALL PROVIDE TO THE STATE LICENSING
18 AUTHORITY STANDARDS FOR LICENSING LABORATORIES PURSUANT TO THE
19 REQUIREMENTS AS OUTLINED IN SECTION 44-11-203 (2)(a) FOR MEDICAL
20 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS.

21 (5) (a) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO
22 PETITION A DISTRICT COURT FOR AN INVESTIGATIVE SUBPOENA
23 APPLICABLE TO ANY PERSON TO OBTAIN DOCUMENTS OR INFORMATION
24 NECESSARY TO ENFORCE THE PROVISIONS OF THIS ARTICLE 11 AND ANY
25 RULES PROMULGATED PURSUANT TO THIS ARTICLE 11 AFTER REASONABLE
26 EFFORTS HAVE BEEN MADE TO OBTAIN REQUESTED DOCUMENTS OR
27 INFORMATION WITHOUT A SUBPOENA.

1 (b) THE STATE LICENSING AUTHORITY MAY APPLY TO ANY COURT
2 OF COMPETENT JURISDICTION TO TEMPORARILY RESTRAIN OR
3 PRELIMINARILY OR PERMANENTLY ENJOIN THE ACT IN QUESTION AND TO
4 ENFORCE COMPLIANCE WITH THIS ARTICLE 11 OR ANY RULE OR ORDER
5 ISSUED PURSUANT TO THIS ARTICLE 11 WHENEVER IT APPEARS TO THE
6 STATE LICENSING AUTHORITY UPON SUFFICIENT EVIDENCE SATISFACTORY
7 TO THE STATE LICENSING AUTHORITY THAT ANY PERSON HAS BEEN OR IS
8 COMMITTING AN ACT PROHIBITED BY THIS ARTICLE 11 OR A RULE OR AN
9 ORDER ISSUED PURSUANT TO THIS ARTICLE 11, AND THE ACT:

- 10 (I) THREATENS PUBLIC HEALTH OR SAFETY;
- 11 (II) CONSTITUTES AN UNLAWFUL ACT FOR WHICH THE PERSON
12 DOES NOT HOLD THE REQUIRED LICENSE UNDER THIS ARTICLE 11; OR
- 13 (III) CONSTITUTES A VIOLATION OF AN ORDER OF THE STATE
14 LICENSING AUTHORITY.

15 (6) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT MATTERS
16 RELATED TO LABELING AS REGULATED PURSUANT TO THIS SECTION AND
17 SECTION 44-11-203, PACKAGING AS REGULATED PURSUANT TO THIS
18 SECTION AND SECTION 44-11-203, AND TESTING AS REGULATED PURSUANT
19 TO THIS SECTION AND SECTION 44-11-203 ARE MATTERS OF STATEWIDE
20 CONCERN AND THE SOLE REGULATORY AUTHORITY FOR LABELING,
21 PACKAGING, AND TESTING IS THIS SECTION AND SECTION 44-11-203.

22 **SECTION 6.** In Colorado Revised Statutes, **add** 44-11-203 and
23 44-11-204 as follows:

24 **44-11-203. State licensing authority - rules.** (1) **Permissive**
25 **rule-making.** RULES PROMULGATED PURSUANT TO SECTION 44-11-202
26 (1)(c) MAY INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING
27 SUBJECTS:

1 (a) COMPLIANCE WITH, ENFORCEMENT OF, OR VIOLATION OF ANY
2 PROVISION OF THIS ARTICLE 11, SECTION 18-18-406.3 (7), OR ANY RULE
3 PROMULGATED PURSUANT TO THIS ARTICLE 11, INCLUDING PROCEDURES
4 AND GROUNDS FOR DENYING, SUSPENDING, FINING, RESTRICTING, OR
5 REVOKING A STATE LICENSE ISSUED PURSUANT TO THIS ARTICLE 11;

6 (b) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF
7 THE STATE LICENSING AUTHORITY;

8 (c) INSTRUCTIONS FOR LOCAL LICENSING AUTHORITIES AND LAW
9 ENFORCEMENT OFFICERS;

10 (d) REQUIREMENTS FOR INSPECTIONS, INVESTIGATIONS, SEARCHES,
11 SEIZURES, FORFEITURES, AND SUCH ADDITIONAL ACTIVITIES AS MAY
12 BECOME NECESSARY FROM TIME TO TIME;

13 (e) CREATION OF A RANGE OF PENALTIES FOR USE BY THE STATE
14 LICENSING AUTHORITY;

15 (f) PROHIBITION OF MISREPRESENTATION AND UNFAIR PRACTICES;

16 (g) CONTROL OF INFORMATIONAL AND PRODUCT DISPLAYS ON
17 LICENSED PREMISES;

18 (h) DEVELOPMENT OF INDIVIDUAL IDENTIFICATION CARDS FOR
19 NATURAL PERSONS WHO ARE CONTROLLING BENEFICIAL OWNERS, PASSIVE
20 BENEFICIAL OWNERS, MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER
21 SUPPORT STAFF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE 11,
22 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AS
23 MAY BE REQUIRED BY THE STATE LICENSING AUTHORITY PRIOR TO ISSUING
24 A CARD;

25 (i) IDENTIFICATION OF STATE LICENSEES AND THEIR CONTROLLING
26 BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, MANAGERS, AND
27 EMPLOYEES;

1 (j) SECURITY REQUIREMENTS FOR ANY PREMISES LICENSED
2 PURSUANT TO THIS ARTICLE 11, INCLUDING, AT A MINIMUM, LIGHTING,
3 PHYSICAL SECURITY, VIDEO, AND ALARM REQUIREMENTS, AND OTHER
4 MINIMUM PROCEDURES FOR INTERNAL CONTROL AS DEEMED NECESSARY
5 BY THE STATE LICENSING AUTHORITY TO PROPERLY ADMINISTER AND
6 ENFORCE THE PROVISIONS OF THIS ARTICLE 11, INCLUDING REPORTING
7 REQUIREMENTS FOR CHANGES, ALTERATIONS, OR MODIFICATIONS TO THE
8 PREMISES;

9 (k) REGULATION OF THE STORAGE OF, WAREHOUSES FOR, AND
10 TRANSPORTATION OF MEDICAL MARIJUANA;

11 (l) SANITARY REQUIREMENTS FOR MEDICAL MARIJUANA
12 BUSINESSES, INCLUDING BUT NOT LIMITED TO SANITARY REQUIREMENTS
13 FOR THE PREPARATION OF MEDICAL MARIJUANA-INFUSED PRODUCTS;

14 (m) SPECIFICATION OF ACCEPTABLE FORMS OF PICTURE
15 IDENTIFICATION THAT A MEDICAL MARIJUANA CENTER MAY ACCEPT WHEN
16 VERIFYING A SALE;

17 (n) LABELING STANDARDS;

18 (o) A PROHIBITION ON THE SALE OF MEDICAL MARIJUANA AND
19 MEDICAL MARIJUANA-INFUSED PRODUCTS UNLESS THE PRODUCT IS:

20 (I) PACKAGED IN PACKAGING MEETING REQUIREMENTS
21 ESTABLISHED BY THE STATE LICENSING AUTHORITY SIMILAR TO THE
22 FEDERAL "POISON PREVENTION PACKAGING ACT OF 1970", 15 U.S.C. SEC.
23 1471 ET SEQ., AS AMENDED; OR

24 (II) PLACED IN AN OPAQUE AND RESEALABLE EXIT PACKAGE OR
25 CONTAINER AT THE POINT OF SALE PRIOR TO EXITING THE STORE AND THE
26 CONTAINER OR PACKAGE MEETS THE REQUIREMENTS ESTABLISHED BY THE
27 STATE LICENSING AUTHORITY;

1 (p) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED
2 AVAILABILITY OF THE RECORDS;

3 (q) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES FOR
4 RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT OF
5 LICENSING FEES;

6 (r) REPORTING AND TRANSMITTAL OF MONTHLY SALES TAX
7 PAYMENTS BY MEDICAL MARIJUANA CENTERS;

8 (s) AUTHORIZATION FOR THE DEPARTMENT TO HAVE ACCESS TO
9 LICENSING INFORMATION TO ENSURE SALES AND INCOME TAX PAYMENT
10 AND THE EFFECTIVE ADMINISTRATION OF THIS ARTICLE 11;

11 (t) PERMITTED ECONOMIC INTERESTS INCLUDING A PROCESS FOR
12 A CRIMINAL HISTORY RECORD CHECK, A REQUIREMENT THAT A PERMITTED
13 ECONOMIC INTEREST APPLICANT SUBMIT TO AND PASS A CRIMINAL
14 HISTORY RECORD CHECK, A DIVESTITURE, AND OTHER AGREEMENTS THAT
15 WOULD QUALIFY AS PERMITTED ECONOMIC INTERESTS;

16 (u) MEDICAL MARIJUANA TRANSPORTER LICENSED BUSINESSES,
17 INCLUDING REQUIREMENTS FOR DRIVERS, INCLUDING OBTAINING AND
18 MAINTAINING A VALID COLORADO DRIVER'S LICENSE; INSURANCE
19 REQUIREMENTS; ACCEPTABLE TIME FRAMES FOR TRANSPORT, STORAGE,
20 AND DELIVERY; REQUIREMENTS FOR TRANSPORT VEHICLES; AND
21 REQUIREMENTS FOR LICENSED PREMISES;

22 (v) MEDICAL MARIJUANA BUSINESS OPERATOR LICENSEES,
23 INCLUDING THE FORM AND STRUCTURE OF ALLOWABLE AGREEMENTS
24 BETWEEN OPERATORS AND THE MEDICAL MARIJUANA BUSINESS;

25 (w) AUTHORIZATION FOR THE DEPARTMENT TO ISSUE
26 ADMINISTRATIVE CITATIONS AND PROCEDURES FOR ISSUING, APPEALING,
27 AND CREATING A CITATION VIOLATION LIST AND SCHEDULE OF PENALTIES;

1 (x) MARIJUANA RESEARCH AND DEVELOPMENT LICENSES,
2 INCLUDING APPLICATION REQUIREMENTS; RENEWAL REQUIREMENTS,
3 INCLUDING WHETHER ADDITIONAL RESEARCH PROJECTS MAY BE ADDED OR
4 CONSIDERED; CONDITIONS FOR LICENSE REVOCATION AND OTHER FORMS
5 OF DISCIPLINE; SECURITY MEASURES TO ENSURE MEDICAL MARIJUANA IS
6 NOT DIVERTED TO PURPOSES OTHER THAN RESEARCH OR DIVERTED
7 OUTSIDE OF THE REGULATED MARIJUANA MARKET; THE AMOUNT OF
8 PLANTS, USABLE MEDICAL MARIJUANA, MEDICAL MARIJUANA
9 CONCENTRATES, OR MEDICAL MARIJUANA-INFUSED PRODUCTS A LICENSEE
10 MAY HAVE ON ITS PREMISES; LICENSEE REPORTING REQUIREMENTS; THE
11 CONDITIONS UNDER WHICH MEDICAL MARIJUANA POSSESSED BY MEDICAL
12 MARIJUANA LICENSEES MAY BE DONATED TO MARIJUANA RESEARCH AND
13 DEVELOPMENT LICENSEES; PROVISIONS TO PREVENT CONTAMINATION;
14 REQUIREMENTS FOR DESTRUCTION OR TRANSFER OF MEDICAL MARIJUANA
15 AFTER THE RESEARCH IS CONCLUDED; AND ANY ADDITIONAL
16 REQUIREMENTS;

17 (y) TEMPORARY APPOINTEE REGISTRATIONS ISSUED PURSUANT TO
18 SECTION 44-11-401 (1.5), INCLUDING OCCUPATIONAL AND BUSINESS
19 REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES; NOTIFICATION
20 REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL, SUSPENSION, AND
21 REVOCATION OF A TEMPORARY APPOINTEE REGISTRATION; AND
22 CONDITIONS OF REGISTRATION;

23 (z) REQUIREMENTS FOR A CENTRALIZED DISTRIBUTION PERMIT FOR
24 OPTIONAL PREMISES CULTIVATION OPERATIONS ISSUED PURSUANT TO
25 SECTION 44-11-403 (6), INCLUDING BUT NOT LIMITED TO PERMIT
26 APPLICATION REQUIREMENTS AND PRIVILEGES AND RESTRICTIONS OF A
27 CENTRALIZED DISTRIBUTION PERMIT;

1 (aa) REQUIREMENTS FOR ISSUANCE OF COLOCATION PERMITS TO A
2 MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE AUTHORIZING
3 COLOCATION WITH A MEDICAL MARIJUANA-INFUSED PRODUCTS
4 MANUFACTURING LICENSED PREMISES, INCLUDING APPLICATION
5 REQUIREMENTS, ELIGIBILITY, RESTRICTIONS TO PREVENT
6 CROSS-CONTAMINATION AND TO ENSURE PHYSICAL SEPARATION OF
7 INVENTORY AND RESEARCH ACTIVITIES, AND OTHER PRIVILEGES AND
8 RESTRICTIONS OF PERMITS;

9 (bb) OWNERSHIP AND FINANCIAL INTEREST REQUIREMENTS,
10 INCLUDING BUT NOT LIMITED TO PARAMETERS OF, QUALIFICATIONS OF,
11 DISCLOSURE OF, REQUIREMENTS FOR, AND SUITABILITY OF A CONTROLLING
12 BENEFICIAL OWNER, A PASSIVE BENEFICIAL OWNER, AND AN INDIRECT
13 FINANCIAL INTEREST HOLDER; AND

14 (cc) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,
15 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS
16 ARTICLE 11.

17 (2) **Mandatory rule-making.** (a) RULES PROMULGATED
18 PURSUANT TO SECTION 44-11-202 (1)(c) MUST INCLUDE BUT NEED NOT BE
19 LIMITED TO THE FOLLOWING SUBJECTS:

20 (I) (A) ESTABLISHMENT OF A MEDICAL MARIJUANA AND MEDICAL
21 MARIJUANA-INFUSED PRODUCTS INDEPENDENT TESTING AND
22 CERTIFICATION PROGRAM FOR MEDICAL MARIJUANA LICENSEES, WITHIN AN
23 IMPLEMENTATION TIME FRAME, AND REQUIRING LICENSEES TO TEST
24 MEDICAL MARIJUANA AND INDUSTRIAL HEMP PRODUCTS TO ENSURE, AT A
25 MINIMUM, THAT PRODUCTS SOLD FOR HUMAN CONSUMPTION BY PERSONS
26 LICENSED PURSUANT TO THIS ARTICLE 11 DO NOT CONTAIN
27 CONTAMINANTS THAT ARE INJURIOUS TO HEALTH AND TO ENSURE

1 CORRECT LABELING.

2 (B) TESTING MAY INCLUDE ANALYSIS FOR MICROBIAL AND
3 RESIDUAL SOLVENTS AND CHEMICAL AND BIOLOGICAL CONTAMINANTS
4 DEEMED TO BE PUBLIC HEALTH HAZARDS BY THE COLORADO DEPARTMENT
5 OF PUBLIC HEALTH AND ENVIRONMENT BASED ON MEDICAL REPORTS AND
6 PUBLISHED SCIENTIFIC LITERATURE.

7 (C) IN THE EVENT THAT TEST RESULTS INDICATE THE PRESENCE OF
8 QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO
9 HEALTH, THE LICENSEE SHALL IMMEDIATELY QUARANTINE THE PRODUCTS
10 AND NOTIFY THE STATE LICENSING AUTHORITY. THE STATE LICENSING
11 AUTHORITY SHALL GIVE THE LICENSEE AN OPPORTUNITY TO REMEDIATE
12 THE PRODUCT IF THE TEST INDICATES THE PRESENCE OF A MICROBIAL. IF
13 THE LICENSEE IS UNABLE TO REMEDIATE THE PRODUCT, THE LICENSEE
14 SHALL DOCUMENT AND PROPERLY DESTROY THE ADULTERATED PRODUCT.

15 (D) TESTING MUST ALSO VERIFY THC POTENCY REPRESENTATIONS
16 AND HOMOGENEITY FOR CORRECT LABELING AND PROVIDE A CANNABINOID
17 PROFILE FOR THE MARIJUANA PRODUCT.

18 (E) THE STATE LICENSING AUTHORITY SHALL DETERMINE AN
19 ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND
20 PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS.

21 (F) THE STATE LICENSING AUTHORITY SHALL DETERMINE THE
22 PROTOCOLS AND FREQUENCY OF MARIJUANA TESTING BY LICENSEES.

23 (G) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY
24 OR USE THE RESULTS OF ANY TEST OF MEDICAL MARIJUANA OR MEDICAL
25 MARIJUANA-INFUSED PRODUCTS CONDUCTED BY AN ANALYTICAL
26 LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION
27 (2)(a) FOR THE PARTICULAR TESTING CATEGORY OR THAT IS NOT

1 ACCREDITED PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR
2 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
3 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
4 IN THAT FIELD OF TESTING. STARTING JANUARY 1, 2018, A STATE, LOCAL,
5 OR MUNICIPAL AGENCY MAY USE OR EMPLOY THE RESULTS OF ANY TEST
6 OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS
7 CONDUCTED ON OR AFTER JANUARY 1, 2018, BY AN ANALYTICAL
8 LABORATORY THAT IS CERTIFIED PURSUANT TO THIS SUBSECTION (2)(a)(I)
9 FOR THE PARTICULAR TESTING CATEGORY OR IS ACCREDITED PURSUANT TO
10 T H E I N T E R N A T I O N A L O R G A N I Z A T I O N F O R
11 S T A N D A R D I Z A T I O N / I N T E R N A T I O N A L E L E C T R O T E C H N I C A L C O M M I S S I O N
12 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
13 IN THAT FIELD OF TESTING.

14 (H) ON OR BEFORE JANUARY 1, 2019, A MEDICAL MARIJUANA
15 TESTING FACILITY MUST BE ACCREDITED BY A BODY THAT IS ITSELF
16 RECOGNIZED BY THE INTERNATIONAL LABORATORY ACCREDITATION
17 COOPERATION IN A CATEGORY OF TESTING PURSUANT TO THE
18 INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL
19 ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR A
20 SUBSEQUENT SUPERSEDING STANDARD, IN ORDER TO RECEIVE
21 CERTIFICATION OR MAINTAIN CERTIFICATION; EXCEPT THAT THE STATE
22 LICENSING AUTHORITY MAY BY RULE ESTABLISH CONDITIONS FOR
23 PROVIDING EXTENSIONS TO A NEWLY LICENSED MEDICAL MARIJUANA
24 TESTING FACILITY FOR A PERIOD NOT TO EXCEED TWELVE MONTHS OR A
25 MEDICAL MARIJUANA TESTING FACILITY FOR GOOD CAUSE AS DEFINED BY
26 RULES PROMULGATED BY THE STATE LICENSING AUTHORITY, WHICH MUST
27 INCLUDE BUT MAY NOT BE LIMITED TO WHEN AN APPLICATION FOR

1 ACCREDITATION HAS BEEN SUBMITTED AND IS PENDING WITH A
2 RECOGNIZED ACCREDITING BODY.

3 (II) SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT
4 LIMITED TO A PROHIBITION ON MASS-MARKET CAMPAIGNS THAT HAVE A
5 HIGH LIKELIHOOD OF REACHING PERSONS UNDER EIGHTEEN YEARS OF AGE
6 AND OTHER SUCH RULES THAT MAY INCLUDE:

7 (A) ALLOWING PACKAGING AND ACCESSORY BRANDING;

8 (B) PROHIBITING HEALTH OR PHYSICAL BENEFIT CLAIMS IN
9 ADVERTISING, MERCHANDISING, AND PACKAGING;

10 (C) PROHIBITING UNSOLICITED POP-UP ADVERTISING ON THE
11 INTERNET;

12 (D) PROHIBITING BANNER ADS ON MASS-MARKET WEBSITES;

13 (E) PROHIBITING OPT-IN MARKETING THAT DOES NOT PERMIT AN
14 EASY AND PERMANENT OPT-OUT FEATURE; AND

15 (F) PROHIBITING MARKETING DIRECTED TOWARD LOCATION-BASED
16 DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR PHONES, UNLESS THE
17 MARKETING IS A MOBILE DEVICE APPLICATION INSTALLED ON THE DEVICE
18 BY THE OWNER OF THE DEVICE WHO IS EIGHTEEN YEARS OF AGE OR OLDER
19 AND INCLUDES A PERMANENT AND EASY OPT-OUT FEATURE.

20 (III) A PROHIBITION ON THE PRODUCTION AND SALE OF EDIBLE
21 MEDICAL MARIJUANA-INFUSED PRODUCTS THAT ARE IN THE DISTINCT
22 SHAPE OF A HUMAN, ANIMAL, OR FRUIT. GEOMETRIC SHAPES AND
23 PRODUCTS THAT ARE SIMPLY FRUIT FLAVORED ARE NOT CONSIDERED
24 FRUIT. PRODUCTS IN THE SHAPE OF A MARIJUANA LEAF ARE PERMISSIBLE.
25 NOTHING IN THIS SUBSECTION (2)(a) APPLIES TO A COMPANY LOGO.

26 (IV) CONDITIONS UNDER WHICH A LICENSEE IS AUTHORIZED TO
27 TRANSFER FIBROUS WASTE TO A PERSON FOR THE PURPOSE OF PRODUCING

1 ONLY INDUSTRIAL FIBER PRODUCTS. THE CONDITIONS MUST INCLUDE
2 CONTRACT REQUIREMENTS THAT STIPULATE THAT THE FIBROUS WASTE
3 WILL ONLY BE USED TO PRODUCE INDUSTRIAL FIBER PRODUCTS,
4 RECORD-KEEPING REQUIREMENTS, SECURITY MEASURES RELATED TO THE
5 TRANSPORT AND TRANSFER OF FIBROUS WASTE, REQUIREMENTS FOR
6 HANDLING CONTAMINATED FIBROUS WASTE, AND PROCESSES ASSOCIATED
7 WITH HANDLING FIBROUS WASTE. THE RULES MUST NOT REQUIRE
8 LICENSEES TO ALTER FIBROUS WASTE FROM ITS NATURAL STATE PRIOR TO
9 TRANSFER.

10 (b) ON OR BEFORE JANUARY 1, 2020, THE STATE LICENSING
11 AUTHORITY SHALL PROMULGATE RULES ESTABLISHING THE EQUIVALENT
12 OF ONE OUNCE OF MEDICAL MARIJUANA FLOWER IN VARIOUS MEDICAL
13 MARIJUANA-INFUSED PRODUCTS INCLUDING MEDICAL MARIJUANA
14 CONCENTRATE. WHEN ESTABLISHING EQUIVALENCY STANDARDS, THE
15 STATE LICENSING AUTHORITY SHALL TAKE INTO CONSIDERATION THE
16 MEDICAL NEEDS OF MEDICAL MARIJUANA PATIENTS. PRIOR TO
17 PROMULGATING THE RULES REQUIRED BY THIS SUBSECTION (2)(b), THE
18 STATE LICENSING AUTHORITY MAY CONTRACT FOR A SCIENTIFIC STUDY TO
19 DETERMINE THE EQUIVALENCY OF MARIJUANA FLOWER IN MEDICAL
20 MARIJUANA-INFUSED PRODUCTS INCLUDING MEDICAL MARIJUANA
21 CONCENTRATE.

22 (3) **Statewide class system cultivation facility rules.** (a) RULES
23 PROMULGATED PURSUANT TO SECTION 44-11-202 (1)(c) MUST INCLUDE
24 BUT NEED NOT BE LIMITED TO A STATEWIDE LICENSURE CLASS SYSTEM BY
25 THE STATE LICENSING AUTHORITY FOR OPTIONAL PREMISES CULTIVATION
26 OPERATION LICENSES. THE CLASSIFICATIONS MAY BE BASED UPON SQUARE
27 FOOTAGE OF THE FACILITY; LIGHTS, LUMENS, OR WATTAGE; LIT CANOPY;

1 THE NUMBER OF CULTIVATING PLANTS; OTHER REASONABLE METRICS; OR
2 ANY COMBINATION THEREOF. THE STATE LICENSING AUTHORITY SHALL
3 CREATE A FEE STRUCTURE FOR THE LICENSURE CLASS SYSTEM.

4 (b) (I) THE STATE LICENSING AUTHORITY MAY ESTABLISH
5 LIMITATIONS ON MEDICAL MARIJUANA PRODUCTION THROUGH ONE OR
6 MORE OF THE FOLLOWING METHODS:

7 (A) PLACING OR MODIFYING A LIMIT ON THE NUMBER OF LICENSES
8 THAT IT ISSUES, BY CLASS OR OVERALL, BUT IN PLACING OR MODIFYING
9 THE LIMITS, THE STATE LICENSING AUTHORITY SHALL CONSIDER THE
10 REASONABLE AVAILABILITY OF NEW LICENSES AFTER A LIMIT IS
11 ESTABLISHED OR MODIFIED;

12 (B) PLACING OR MODIFYING A LIMIT ON THE AMOUNT OF
13 PRODUCTION PERMITTED BY AN OPTIONAL PREMISES CULTIVATION
14 OPERATION LICENSE OR CLASS OF LICENSES BASED UPON SOME
15 REASONABLE METRIC OR SET OF METRICS, INCLUDING BUT NOT LIMITED TO
16 THOSE ITEMS DETAILED IN SUBSECTION (3)(a) OF THIS SECTION, PREVIOUS
17 MONTHS' SALES, PENDING SALES, OR OTHER REASONABLE METRICS AS
18 DETERMINED BY THE STATE LICENSING AUTHORITY; AND

19 (C) PLACING OR MODIFYING A LIMIT ON THE TOTAL AMOUNT OF
20 PRODUCTION BY OPTIONAL PREMISES CULTIVATION OPERATION LICENSEES
21 IN THE STATE COLLECTIVELY, BASED UPON SOME REASONABLE METRIC OR
22 SET OF METRICS INCLUDING BUT NOT LIMITED TO THOSE ITEMS DETAILED
23 IN SUBSECTION (3)(a) OF THIS SECTION, AS DETERMINED BY THE STATE
24 LICENSING AUTHORITY.

25 (II) WHEN CONSIDERING ANY SUCH LIMITATIONS, THE STATE
26 LICENSING AUTHORITY SHALL:

27 (A) CONSIDER THE TOTAL CURRENT AND ANTICIPATED DEMAND

1 FOR MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS
2 IN COLORADO;

3 (B) CONSIDER ANY OTHER RELEVANT FACTORS; AND

4 (C) ATTEMPT TO MINIMIZE THE MARKET FOR UNLAWFUL
5 MARIJUANA.

6 (c) THE STATE LICENSING AUTHORITY MAY ADOPT RULES THAT
7 LIMIT THE AMOUNT OF MEDICAL MARIJUANA INVENTORY THAT A MEDICAL
8 MARIJUANA CENTER MAY HAVE ON HAND. IF THE STATE LICENSING
9 AUTHORITY ADOPTS A LIMITATION, THE LIMITATION MUST BE
10 COMMERCIALY REASONABLE AND CONSIDER FACTORS INCLUDING A
11 MEDICAL MARIJUANA CENTER'S SALES HISTORY AND THE NUMBER OF
12 PATIENTS WHO ARE REGISTERED AT A MEDICAL MARIJUANA CENTER AS
13 THEIR PRIMARY CENTER.

14 **44-11-204. Confidentiality.** (1) THE STATE LICENSING
15 AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

16 (a) REPORTS OR OTHER INFORMATION OBTAINED FROM A MEDICAL
17 MARIJUANA LICENSEE OR MEDICAL MARIJUANA LICENSE APPLICANT
18 CONTAINING ANY INDIVIDUALIZED DATA, INFORMATION, OR RECORDS
19 RELATED TO THE APPLICANT OR LICENSEE OR ITS OPERATION, INCLUDING
20 SALES INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS,
21 FINANCIAL RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION
22 INFORMATION, TESTING RESULTS, AND SECURITY INFORMATION AND
23 PLANS, OR REVEALING ANY PATIENT INFORMATION, OR ANY OTHER
24 RECORDS THAT ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO
25 STATE LAW. SUCH REPORTS OR OTHER INFORMATION MAY BE USED ONLY
26 FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 11 OR ARTICLE 12 OF THIS
27 TITLE 44, OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT

1 PURPOSE. ANY INFORMATION RELEASED RELATED TO PATIENTS MAY BE
2 USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 11 OR ARTICLE
3 12 OF THIS TITLE 44, OR TO VERIFY THAT A PERSON WHO PRESENTED A
4 REGISTRY IDENTIFICATION CARD TO A STATE OR LOCAL LAW
5 ENFORCEMENT OFFICIAL IS LAWFULLY IN POSSESSION OF SUCH CARD.

6 (b) INVESTIGATIVE RECORDS AND DOCUMENTS RELATED TO
7 ONGOING INVESTIGATIONS. THE RECORDS AND DOCUMENTS MAY BE USED
8 ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 11 OR ARTICLE 12 OF
9 THIS TITLE 44, OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT
10 PURPOSE.

11 (c) COMPUTER SYSTEMS MAINTAINED BY THE STATE LICENSING
12 AUTHORITY AND THE VENDORS WITH WHICH THE STATE LICENSING
13 AUTHORITY HAS CONTRACTED.

14 (2) THE STATE LICENSING AUTHORITY SHALL MAKE AVAILABLE
15 FOR PUBLIC INSPECTION:

16 (a) DOCUMENTS RELATED TO FINAL AGENCY ACTIONS AND
17 ORDERS;

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

20 (c) DEMOGRAPHIC INFORMATION RELATED TO APPLICANTS AND
21 LICENSEES AVAILABLE ON AN AGGREGATED AND DE-IDENTIFIED BASIS;

22 AND

23 (d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

24 **SECTION 7.** In Colorado Revised Statutes, **repeal and reenact,**
25 **with amendments,** 44-12-202 as follows:

26 **44-12-202. Powers and duties of state licensing authority -**
27 **legislative declaration.** (1) THE STATE LICENSING AUTHORITY SHALL:

1 (a) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM
2 THAT TRACKS RETAIL MARIJUANA FROM EITHER SEED OR IMMATURE PLANT
3 STAGE UNTIL THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT IS
4 SOLD TO A CUSTOMER AT A RETAIL MARIJUANA STORE TO ENSURE THAT NO
5 MARIJUANA GROWN OR PROCESSED BY A RETAIL MARIJUANA
6 ESTABLISHMENT IS SOLD OR OTHERWISE TRANSFERRED EXCEPT BY A
7 RETAIL MARIJUANA STORE OR AS AUTHORIZED BY LAW;

8 (b) GRANT OR REFUSE STATE LICENSES FOR THE CULTIVATION,
9 MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF RETAIL MARIJUANA
10 AND RETAIL MARIJUANA PRODUCTS AS PROVIDED BY LAW; SUSPEND, FINE,
11 RESTRICT, OR REVOKE SUCH LICENSES, WHETHER ACTIVE, EXPIRED, OR
12 SURRENDERED, UPON A VIOLATION OF THIS ARTICLE 12 OR ANY RULE
13 PROMULGATED PURSUANT TO THIS ARTICLE 12; AND IMPOSE ANY PENALTY
14 AUTHORIZED BY THIS ARTICLE 12 OR ANY RULE PROMULGATED PURSUANT
15 TO THIS ARTICLE 12. THE STATE LICENSING AUTHORITY MAY TAKE ANY
16 ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS ARTICLE 12
17 AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE 12, IN
18 ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS
19 ARTICLE 12.

20 (c) PROMULGATE RULES FOR THE PROPER REGULATION AND
21 CONTROL OF THE CULTIVATION, MANUFACTURE, DISTRIBUTION, SALE, AND
22 TESTING OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS AND
23 FOR THE ENFORCEMENT OF THIS ARTICLE 12 AND PROMULGATE AMENDED
24 RULES AND SUCH SPECIAL RULINGS AND FINDINGS AS NECESSARY;

25 (d) HEAR AND DETERMINE AT A PUBLIC HEARING ANY CONTESTED
26 STATE LICENSE DENIAL AND ANY COMPLAINTS AGAINST A LICENSEE AND
27 ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE OF

1 PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS
2 NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN
3 ACCORDANCE WITH ARTICLE 4 OF TITLE 24. THE STATE LICENSING
4 AUTHORITY MAY, AT ITS DISCRETION, DELEGATE TO THE DEPARTMENT
5 HEARING OFFICERS THE AUTHORITY TO CONDUCT LICENSING,
6 DISCIPLINARY, AND RULE-MAKING HEARINGS PURSUANT TO SECTION
7 24-4-105. WHEN CONDUCTING THE HEARINGS, THE HEARING OFFICERS ARE
8 EMPLOYEES OF THE STATE LICENSING AUTHORITY UNDER THE DIRECTION
9 AND SUPERVISION OF THE EXECUTIVE DIRECTOR AND THE STATE LICENSING
10 AUTHORITY.

11 (e) DEVELOP SUCH FORMS, LICENSES, IDENTIFICATION CARDS, AND
12 APPLICATIONS AS ARE NECESSARY OR CONVENIENT IN THE DISCRETION OF
13 THE STATE LICENSING AUTHORITY FOR THE ADMINISTRATION OF THIS
14 ARTICLE 12 OR RULES PROMULGATED PURSUANT TO THIS ARTICLE 12;

15 (f) PREPARE AND TRANSMIT ANNUALLY, IN THE FORM AND
16 MANNER PRESCRIBED BY THE HEADS OF THE PRINCIPAL DEPARTMENTS
17 PURSUANT TO SECTION 24-1-136, A REPORT ACCOUNTING TO THE
18 GOVERNOR FOR THE EFFICIENT DISCHARGE OF ALL RESPONSIBILITIES
19 ASSIGNED BY LAW OR DIRECTIVE TO THE STATE LICENSING AUTHORITY;
20 AND

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

25 (2) NOTHING IN THIS ARTICLE 12 DELEGATES TO THE STATE
26 LICENSING AUTHORITY THE POWER TO FIX PRICES FOR RETAIL MARIJUANA.

27 (3) NOTHING IN THIS ARTICLE 12 LIMITS A LAW ENFORCEMENT

1 AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO
2 A RETAIL MARIJUANA ESTABLISHMENT. A LAW ENFORCEMENT AGENCY
3 HAS THE AUTHORITY TO RUN A COLORADO CRIME INFORMATION CENTER
4 CRIMINAL HISTORY RECORD CHECK OF A LICENSEE OR EMPLOYEE OF A
5 LICENSEE DURING AN INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO
6 RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS.

7 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC
8 HEALTH AND ENVIRONMENT SHALL PROVIDE TO THE STATE LICENSING
9 AUTHORITY STANDARDS FOR LICENSING LABORATORIES PURSUANT TO THE
10 REQUIREMENTS AS OUTLINED IN SECTION 44-12-203 (1)(d) FOR RETAIL
11 MARIJUANA AND RETAIL MARIJUANA PRODUCTS.

12 (5) (a) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO
13 PETITION A DISTRICT COURT FOR AN INVESTIGATIVE SUBPOENA
14 APPLICABLE TO ANY PERSON TO OBTAIN DOCUMENTS OR INFORMATION
15 NECESSARY TO ENFORCE THE PROVISIONS OF THIS ARTICLE 12 AND ANY
16 RULES PROMULGATED PURSUANT TO THIS ARTICLE 12 AFTER REASONABLE
17 EFFORTS HAVE BEEN MADE TO OBTAIN REQUESTED DOCUMENTS OR
18 INFORMATION WITHOUT A SUBPOENA.

19 (b) THE STATE LICENSING AUTHORITY MAY APPLY TO ANY COURT
20 OF COMPETENT JURISDICTION TO TEMPORARILY RESTRAIN OR
21 PRELIMINARILY OR PERMANENTLY ENJOIN THE ACT IN QUESTION AND TO
22 ENFORCE COMPLIANCE WITH THIS ARTICLE 12 OR ANY RULE OR ORDER
23 ISSUED PURSUANT TO THIS ARTICLE 12 WHENEVER IT APPEARS TO THE
24 STATE LICENSING AUTHORITY UPON SUFFICIENT EVIDENCE SATISFACTORY
25 TO THE STATE LICENSING AUTHORITY THAT ANY PERSON HAS BEEN OR IS
26 COMMITTING AN ACT PROHIBITED BY THIS ARTICLE 12 OR A RULE OR AN
27 ORDER ISSUED PURSUANT TO THIS ARTICLE 12, AND THE ACT:

- 1 (I) THREATENS PUBLIC HEALTH OR SAFETY;
2 (II) CONSTITUTES AN UNLAWFUL ACT FOR WHICH THE PERSON
3 DOES NOT HOLD THE REQUIRED LICENSE UNDER THIS ARTICLE 12; OR
4 (III) CONSTITUTES A VIOLATION OF AN ORDER OF THE STATE
5 LICENSING AUTHORITY.

6 (6) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT MATTERS
7 RELATED TO LABELING AS REGULATED PURSUANT TO THIS SECTION AND
8 SECTION 44-12-203, PACKAGING AS REGULATED PURSUANT TO THIS
9 SECTION AND SECTION 44-12-203, AND TESTING AS REGULATED PURSUANT
10 TO THIS SECTION AND SECTION 44-12-203 ARE MATTERS OF STATEWIDE
11 CONCERN AND THE SOLE REGULATORY AUTHORITY FOR LABELING,
12 PACKAGING, AND TESTING IS THIS SECTION AND SECTION 44-12-203.

13 **SECTION 8.** In Colorado Revised Statutes, **add** 44-12-203 and
14 44-12-204 as follows:

15 **44-12-203. State licensing authority - rules. (1) Mandatory**
16 **rule-making.** RULES PROMULGATED PURSUANT TO SECTION 44-12-202
17 (1)(c) MUST INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING
18 SUBJECTS:

19 (a) PROCEDURES CONSISTENT WITH THIS ARTICLE 12 FOR THE
20 ISSUANCE, RENEWAL, SUSPENSION, AND REVOCATION OF LICENSES TO
21 OPERATE RETAIL MARIJUANA ESTABLISHMENTS;

22 (b) SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 16
23 (5)(a)(II) OF ARTICLE XVIII OF THE STATE CONSTITUTION AND
24 CONSISTENT WITH THIS ARTICLE 12, A SCHEDULE OF APPLICATION,
25 LICENSING, AND RENEWAL FEES FOR RETAIL MARIJUANA ESTABLISHMENTS;

26 (c) QUALIFICATIONS FOR LICENSURE PURSUANT TO THIS ARTICLE
27 12, INCLUDING BUT NOT LIMITED TO THE REQUIREMENT FOR A

1 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK FOR ALL
2 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS,
3 MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER SUPPORT STAFF OF
4 ENTITIES LICENSED PURSUANT TO THIS ARTICLE 12;

5 (d) (I) ESTABLISHMENT OF A RETAIL MARIJUANA AND RETAIL
6 MARIJUANA PRODUCTS INDEPENDENT TESTING AND CERTIFICATION
7 PROGRAM FOR RETAIL MARIJUANA ESTABLISHMENTS, WITHIN AN
8 IMPLEMENTATION TIME FRAME ESTABLISHED BY THE DEPARTMENT,
9 REQUIRING LICENSEES TO TEST RETAIL MARIJUANA AND INDUSTRIAL HEMP
10 PRODUCTS TO ENSURE, AT A MINIMUM, THAT PRODUCTS SOLD FOR HUMAN
11 CONSUMPTION BY PERSONS LICENSED PURSUANT TO THIS ARTICLE 12 DO
12 NOT CONTAIN CONTAMINANTS THAT ARE INJURIOUS TO HEALTH AND TO
13 ENSURE CORRECT LABELING.

14 (II) TESTING MAY INCLUDE ANALYSIS FOR MICROBIAL AND
15 RESIDUAL SOLVENTS AND CHEMICAL AND BIOLOGICAL CONTAMINANTS
16 DEEMED TO BE PUBLIC HEALTH HAZARDS BY THE COLORADO DEPARTMENT
17 OF PUBLIC HEALTH AND ENVIRONMENT BASED ON MEDICAL REPORTS AND
18 PUBLISHED SCIENTIFIC LITERATURE.

19 (III) IF TEST RESULTS INDICATE THE PRESENCE OF QUANTITIES OF
20 ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO HEALTH, THE LICENSEE
21 SHALL IMMEDIATELY QUARANTINE THE PRODUCTS AND NOTIFY THE STATE
22 LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL GIVE THE
23 LICENSEE AN OPPORTUNITY TO RETEST THE PRODUCT, AND, IF THE SECOND
24 TEST ALSO INDICATES THE PRESENCE OF QUANTITIES OF ANY SUBSTANCE
25 DETERMINED TO BE INJURIOUS TO HEALTH, THEN THE LICENSEE CAN
26 REMEDIATE THE PRODUCT IF THE TEST INDICATED THE PRESENCE OF A
27 MICROBIAL. IF TWO ADDITIONAL TESTS DO NOT INDICATE THE PRESENCE

1 OF QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO
2 HEALTH, THE PRODUCT MAY BE USED OR SOLD BY THE LICENSEE. IF THE
3 LICENSEE IS UNABLE TO REMEDIATE THE PRODUCT, THE LICENSEE SHALL
4 DOCUMENT AND PROPERLY DESTROY THE ADULTERATED PRODUCT.

5 (IV) TESTING MUST ALSO VERIFY THC POTENCY
6 REPRESENTATIONS AND HOMOGENEITY FOR CORRECT LABELING AND
7 PROVIDE A CANNABINOID PROFILE FOR THE MARIJUANA PRODUCT. AN
8 INDIVIDUAL MARIJUANA PIECE OF TEN MILLIGRAMS OR LESS THAT HAS
9 GONE THROUGH PROCESS VALIDATION IS EXEMPT FROM CONTINUED
10 HOMOGENEITY TESTING. HOMOGENEITY TESTING FOR ONE HUNDRED
11 MILLIGRAM SERVINGS MAY UTILIZE VALIDATION MEASURES.

12 (V) THE STATE LICENSING AUTHORITY SHALL DETERMINE AN
13 ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND
14 PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS. THE STATE
15 LICENSING AUTHORITY SHALL DETERMINE AN ACCEPTABLE VARIANCE OF
16 AT LEAST PLUS OR MINUS FIFTEEN PERCENT FOR POTENCY
17 REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY
18 MISREPRESENTATIONS.

19 (VI) THE STATE LICENSING AUTHORITY SHALL DETERMINE THE
20 PROTOCOLS AND FREQUENCY OF RETAIL MARIJUANA TESTING BY
21 LICENSEES.

22 (VII) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY
23 OR USE THE RESULTS OF ANY TEST OF RETAIL MARIJUANA OR RETAIL
24 MARIJUANA PRODUCTS CONDUCTED BY AN ANALYTICAL LABORATORY
25 THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION (1)(d) FOR THE
26 PARTICULAR TESTING CATEGORY OR THAT IS NOT ACCREDITED TO THE
27 INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL

1 ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY
2 SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD OF TESTING.
3 STARTING JANUARY 1, 2018, A STATE, LOCAL, OR MUNICIPAL AGENCY MAY
4 USE OR EMPLOY THE RESULTS OF ANY TEST OF RETAIL MARIJUANA OR
5 RETAIL MARIJUANA PRODUCTS CONDUCTED ON OR AFTER JANUARY 1,
6 2018, BY AN ANALYTICAL LABORATORY THAT IS CERTIFIED PURSUANT TO
7 THIS SUBSECTION (1)(d) FOR THE PARTICULAR TESTING CATEGORY OR IS
8 ACCREDITED PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR
9 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
10 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
11 IN THAT FIELD OF TESTING.

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

1 (e) SECURITY REQUIREMENTS FOR ANY PREMISES LICENSED
2 PURSUANT TO THIS ARTICLE 12, INCLUDING, AT A MINIMUM, LIGHTING,
3 PHYSICAL SECURITY, VIDEO, AND ALARM REQUIREMENTS, AND OTHER
4 MINIMUM PROCEDURES FOR INTERNAL CONTROL AS DEEMED NECESSARY
5 BY THE STATE LICENSING AUTHORITY TO PROPERLY ADMINISTER AND
6 ENFORCE THE PROVISIONS OF THIS ARTICLE 12, INCLUDING REPORTING
7 REQUIREMENTS FOR CHANGES, ALTERATIONS, OR MODIFICATIONS TO THE
8 PREMISES;

9 (f) REQUIREMENTS TO PREVENT THE SALE OR DIVERSION OF RETAIL
10 MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO PERSONS UNDER
11 TWENTY-ONE YEARS OF AGE;

12 (g) LABELING REQUIREMENTS FOR RETAIL MARIJUANA AND RETAIL
13 MARIJUANA PRODUCTS SOLD BY A RETAIL MARIJUANA ESTABLISHMENT
14 THAT ARE AT LEAST AS STRINGENT AS IMPOSED BY SECTION 25-4-1614
15 (3)(a) AND INCLUDE BUT ARE NOT LIMITED TO:

- 16 (I) WARNING LABELS;
- 17 (II) AMOUNT OF THC PER SERVING AND THE NUMBER OF SERVINGS
18 PER PACKAGE FOR MARIJUANA PRODUCTS;
- 19 (III) A UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE
20 CONTAINS MARIJUANA; AND
- 21 (IV) THE POTENCY OF THE RETAIL MARIJUANA OR RETAIL
22 MARIJUANA PRODUCT HIGHLIGHTED ON THE LABEL;

23 (h) HEALTH AND SAFETY REGULATIONS AND STANDARDS FOR THE
24 MANUFACTURE OF RETAIL MARIJUANA PRODUCTS AND THE CULTIVATION
25 OF RETAIL MARIJUANA;

26 (i) LIMITATIONS ON THE DISPLAY OF RETAIL MARIJUANA AND
27 RETAIL MARIJUANA PRODUCTS;

1 (j) REGULATION OF THE STORAGE OF, WAREHOUSES FOR, AND
2 TRANSPORTATION OF RETAIL MARIJUANA AND RETAIL MARIJUANA
3 PRODUCTS;

4 (k) SANITARY REQUIREMENTS FOR RETAIL MARIJUANA
5 ESTABLISHMENTS, INCLUDING BUT NOT LIMITED TO SANITARY
6 REQUIREMENTS FOR THE PREPARATION OF RETAIL MARIJUANA PRODUCTS;

7 (l) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED
8 AVAILABILITY OF THE RECORDS;

9 (m) THE REPORTING AND TRANSMITTAL OF MONTHLY SALES TAX
10 PAYMENTS BY RETAIL MARIJUANA STORES AND ANY APPLICABLE EXCISE
11 TAX PAYMENTS BY RETAIL MARIJUANA CULTIVATION FACILITIES;

12 (n) AUTHORIZATION FOR THE DEPARTMENT TO HAVE ACCESS TO
13 LICENSING INFORMATION TO ENSURE SALES, EXCISE, AND INCOME TAX
14 PAYMENT AND THE EFFECTIVE ADMINISTRATION OF THIS ARTICLE 12;

15 (o) PERMITTED ECONOMIC INTERESTS INCLUDING A PROCESS FOR
16 A CRIMINAL HISTORY RECORD CHECK, A REQUIREMENT THAT A PERMITTED
17 ECONOMIC INTEREST APPLICANT SUBMIT TO AND PASS A CRIMINAL
18 HISTORY RECORD CHECK, A DIVESTITURE, AND OTHER AGREEMENTS THAT
19 WOULD QUALIFY AS PERMITTED ECONOMIC INTERESTS;

20 (p) COMPLIANCE WITH, ENFORCEMENT OF, OR VIOLATION OF ANY
21 PROVISION OF THIS ARTICLE 12, OR ANY RULE PROMULGATED PURSUANT
22 TO THIS ARTICLE 12, INCLUDING PROCEDURES AND GROUNDS FOR
23 DENYING, SUSPENDING, FINING, RESTRICTING, OR REVOKING A STATE
24 LICENSE ISSUED PURSUANT TO THIS ARTICLE 12;

25 (q) ESTABLISHMENT OF A SCHEDULE OF PENALTIES AND
26 PROCEDURES FOR ISSUING AND APPEALING CITATIONS FOR VIOLATION OF
27 STATUTES AND RULES AND ISSUING ADMINISTRATIVE CITATIONS;

1 (r) RETAIL MARIJUANA TRANSPORTER LICENSED BUSINESSES,
2 INCLUDING REQUIREMENTS FOR DRIVERS, INCLUDING OBTAINING AND
3 MAINTAINING A VALID COLORADO DRIVER'S LICENSE; INSURANCE
4 REQUIREMENTS; ACCEPTABLE TIME FRAMES FOR TRANSPORT, STORAGE,
5 AND DELIVERY; REQUIREMENTS FOR TRANSPORT VEHICLES; AND
6 REQUIREMENTS FOR LICENSED PREMISES;

7 (s) RETAIL MARIJUANA ESTABLISHMENT OPERATOR LICENSEES,
8 INCLUDING THE FORM AND STRUCTURE OF ALLOWABLE AGREEMENTS
9 BETWEEN OPERATORS AND RETAIL MARIJUANA ESTABLISHMENTS;

10 (t) NONESCORTED VISITORS IN LIMITED ACCESS AREAS;

11 (u) TEMPORARY APPOINTEE REGISTRATIONS ISSUED PURSUANT TO
12 SECTION 44-12-401 (1.5), INCLUDING OCCUPATIONAL AND BUSINESS
13 REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES; NOTIFICATION
14 REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL, SUSPENSION, AND
15 REVOCATION OF A TEMPORARY APPOINTEE REGISTRATION; AND
16 CONDITIONS OF REGISTRATION;

17 (v) REQUIREMENTS FOR A CENTRALIZED DISTRIBUTION PERMIT FOR
18 RETAIL MARIJUANA CULTIVATION FACILITIES ISSUED PURSUANT TO
19 SECTION 44-12-403 (7), INCLUDING BUT NOT LIMITED TO PERMIT
20 APPLICATION REQUIREMENTS AND PRIVILEGES AND RESTRICTIONS OF A
21 CENTRALIZED DISTRIBUTION PERMIT;

22 (w) REQUIREMENTS FOR ISSUANCE OF COLOCATION PERMITS TO A
23 MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR A MARIJUANA
24 RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE AUTHORIZING
25 COLOCATION WITH A RETAIL MARIJUANA PRODUCTS MANUFACTURING
26 LICENSED PREMISES, INCLUDING APPLICATION REQUIREMENTS,
27 ELIGIBILITY, RESTRICTIONS TO PREVENT CROSS-CONTAMINATION AND TO

1 ENSURE PHYSICAL SEPARATION OF INVENTORY AND RESEARCH ACTIVITIES,
2 AND OTHER PRIVILEGES AND RESTRICTIONS OF PERMITS;

3 (x) OWNERSHIP AND FINANCIAL INTEREST REQUIREMENTS,
4 INCLUDING BUT NOT LIMITED TO PARAMETERS OF, QUALIFICATIONS OF,
5 DISCLOSURE OF, REQUIREMENTS FOR, AND SUITABILITY OF A CONTROLLING
6 BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, AND INDIRECT
7 FINANCIAL INTEREST HOLDER;

8 (y) ESTABLISHMENT OF THE EQUIVALENT OF ONE OUNCE OF RETAIL
9 MARIJUANA FLOWER IN VARIOUS RETAIL MARIJUANA PRODUCTS
10 INCLUDING RETAIL MARIJUANA CONCENTRATE. PRIOR TO PROMULGATING
11 THE RULES REQUIRED BY THIS SUBSECTION (1)(y), THE STATE LICENSING
12 AUTHORITY MAY CONTRACT FOR A SCIENTIFIC STUDY TO DETERMINE THE
13 EQUIVALENCY OF MARIJUANA FLOWER IN RETAIL MARIJUANA PRODUCTS
14 INCLUDING RETAIL MARIJUANA CONCENTRATE.

15 (z) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF
16 THE STATE LICENSING AUTHORITY;

17 (aa) INSTRUCTIONS FOR LOCAL JURISDICTIONS AND LAW
18 ENFORCEMENT OFFICERS;

19 (bb) REQUIREMENTS FOR INSPECTIONS, INVESTIGATIONS,
20 SEARCHES, SEIZURES, FORFEITURES, AND SUCH ADDITIONAL ACTIVITIES AS
21 MAY BECOME NECESSARY FROM TIME TO TIME;

22 (cc) DEVELOPMENT OF INDIVIDUAL IDENTIFICATION CARDS FOR
23 NATURAL PERSONS WHO ARE CONTROLLING BENEFICIAL OWNERS, PASSIVE
24 BENEFICIAL OWNERS, MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER
25 SUPPORT STAFF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE 12,
26 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AS
27 MAY BE REQUIRED BY THE STATE LICENSING AUTHORITY PRIOR TO ISSUING

1 A CARD;

2 (dd) IDENTIFICATION OF STATE LICENSEES AND THEIR
3 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS,
4 MANAGERS, AND EMPLOYEES;

5 (ee) THE SPECIFICATION OF ACCEPTABLE FORMS OF PICTURE
6 IDENTIFICATION THAT A RETAIL MARIJUANA STORE MAY ACCEPT WHEN
7 VERIFYING A SALE, INCLUDING BUT NOT LIMITED TO GOVERNMENT-ISSUED
8 IDENTIFICATION CARDS;

9 (ff) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES FOR
10 RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT OF
11 LICENSING FEES;

12 (gg) CONDITIONS UNDER WHICH A LICENSEE IS AUTHORIZED TO
13 TRANSFER FIBROUS WASTE TO A PERSON FOR THE PURPOSE OF PRODUCING
14 ONLY INDUSTRIAL FIBER PRODUCTS. THE CONDITIONS MUST INCLUDE
15 CONTRACT REQUIREMENTS THAT STIPULATE THAT THE FIBROUS WASTE
16 WILL ONLY BE USED TO PRODUCE INDUSTRIAL FIBER PRODUCTS,
17 RECORD-KEEPING REQUIREMENTS, SECURITY MEASURES RELATED TO THE
18 TRANSPORT AND TRANSFER OF FIBROUS WASTE, REQUIREMENTS FOR
19 HANDLING CONTAMINATED FIBROUS WASTE, AND PROCESSES ASSOCIATED
20 WITH HANDLING FIBROUS WASTE. THE RULES MUST NOT REQUIRE
21 LICENSEES TO ALTER FIBROUS WASTE FROM ITS NATURAL STATE PRIOR TO
22 TRANSFER.

23 (hh) REQUIREMENTS THAT EDIBLE RETAIL MARIJUANA PRODUCTS
24 BE CLEARLY IDENTIFIABLE, WHEN PRACTICABLE, WITH A STANDARD
25 SYMBOL INDICATING THAT THEY CONTAIN MARIJUANA AND ARE NOT FOR
26 CONSUMPTION BY CHILDREN. THE SYMBOLS PROMULGATED BY RULE OF
27 THE STATE LICENSING AUTHORITY MUST NOT APPROPRIATE SIGNS OR

1 SYMBOLS ASSOCIATED WITH ANOTHER COLORADO BUSINESS OR INDUSTRY.

2 (ii) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,
3 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS
4 ARTICLE 12.

5 (2) IN PROMULGATING RULES PURSUANT TO THIS SECTION, THE
6 STATE LICENSING AUTHORITY MAY SEEK THE ASSISTANCE OF THE
7 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WHEN NECESSARY
8 BEFORE PROMULGATING RULES ON THE FOLLOWING SUBJECTS:

9 (a) SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT
10 LIMITED TO A PROHIBITION ON MASS-MARKET CAMPAIGNS THAT HAVE A
11 HIGH LIKELIHOOD OF REACHING PERSONS UNDER TWENTY-ONE YEARS OF
12 AGE AND OTHER SUCH RULES THAT MAY INCLUDE:

13 (I) ALLOWING PACKAGING AND ACCESSORY BRANDING;

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

16 (III) PROHIBITING UNSOLICITED POP-UP ADVERTISING ON THE
17 INTERNET;

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

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

21 (VI) PROHIBITING MARKETING DIRECTED TOWARD
22 LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR
23 PHONES, UNLESS THE MARKETING IS A MOBILE DEVICE APPLICATION
24 INSTALLED ON THE DEVICE BY THE OWNER OF THE DEVICE WHO IS
25 TWENTY-ONE YEARS OF AGE OR OLDER AND INCLUDES A PERMANENT AND
26 EASY OPT-OUT FEATURE;

27 (b) A PROHIBITION ON THE SALE OF RETAIL MARIJUANA AND

1 RETAIL MARIJUANA PRODUCTS UNLESS THE PRODUCT IS:

2 (I) PACKAGED BY THE RETAIL MARIJUANA STORE OR THE RETAIL
3 MARIJUANA PRODUCTS MANUFACTURER IN PACKAGING MEETING
4 REQUIREMENTS ESTABLISHED BY THE STATE LICENSING AUTHORITY
5 SIMILAR TO THE FEDERAL "POISON PREVENTION PACKAGING ACT OF
6 1970", 15 U.S.C. SEC. 1471 ET SEQ., AS AMENDED; AND

7 (II) PLACED IN AN OPAQUE AND RESEALABLE EXIT PACKAGE OR
8 CONTAINER MEETING REQUIREMENTS ESTABLISHED BY THE STATE
9 LICENSING AUTHORITY AT THE POINT OF SALE PRIOR TO EXITING THE
10 STORE;

11 (c) THE SAFE AND LAWFUL TRANSPORT OF RETAIL MARIJUANA AND
12 RETAIL MARIJUANA PRODUCTS BETWEEN THE LICENSED BUSINESS AND
13 TESTING LABORATORIES;

14 (d) A STANDARDIZED MARIJUANA SERVING SIZE AMOUNT FOR
15 EDIBLE RETAIL MARIJUANA PRODUCTS THAT DOES NOT CONTAIN MORE
16 THAN TEN MILLIGRAMS OF ACTIVE THC, DESIGNED ONLY TO PROVIDE
17 CONSUMERS WITH INFORMATION ABOUT THE TOTAL NUMBER OF SERVINGS
18 OF ACTIVE THC IN A PARTICULAR RETAIL MARIJUANA PRODUCT, NOT AS
19 A LIMITATION ON THE TOTAL AMOUNT OF THC IN ANY PARTICULAR ITEM,
20 LABELING REQUIREMENTS REGARDING SERVINGS FOR EDIBLE RETAIL
21 MARIJUANA PRODUCTS, AND LIMITATIONS ON THE TOTAL AMOUNT OF
22 ACTIVE THC IN A SEALED INTERNAL PACKAGE THAT IS NO MORE THAN ONE
23 HUNDRED MILLIGRAMS OF ACTIVE THC;

24 (e) LABELING GUIDELINES CONCERNING THE TOTAL CONTENT OF
25 THC PER UNIT OF WEIGHT;

26 (f) PROHIBITION OR REGULATION OF ADDITIVES TO ANY RETAIL
27 MARIJUANA PRODUCT, INCLUDING BUT NOT LIMITED TO THOSE THAT ARE

1 TOXIC, DESIGNED TO MAKE THE PRODUCT MORE ADDICTIVE, DESIGNED TO
2 MAKE THE PRODUCT MORE APPEALING TO CHILDREN, OR MISLEADING TO
3 CONSUMERS, BUT NOT INCLUDING COMMON BAKING AND COOKING ITEMS;

4 (g) PERMISSION FOR A LOCAL FIRE DEPARTMENT TO CONDUCT AN
5 ANNUAL FIRE INSPECTION OF A RETAIL MARIJUANA CULTIVATION FACILITY;
6 AND

7 (h) A PROHIBITION ON THE PRODUCTION AND SALE OF EDIBLE
8 RETAIL MARIJUANA PRODUCTS THAT ARE IN THE DISTINCT SHAPE OF A
9 HUMAN, ANIMAL, OR FRUIT. GEOMETRIC SHAPES AND PRODUCTS THAT ARE
10 SIMPLY FRUIT FLAVORED ARE NOT CONSIDERED FRUIT. PRODUCTS IN THE
11 SHAPE OF A MARIJUANA LEAF ARE PERMISSIBLE. NOTHING IN THIS
12 SUBSECTION (2)(h) APPLIES TO A COMPANY LOGO.

13 (3) **Statewide class system cultivation facility rules.** (a) THE
14 STATE LICENSING AUTHORITY SHALL CREATE A STATEWIDE LICENSURE
15 CLASS SYSTEM FOR RETAIL MARIJUANA CULTIVATION FACILITY LICENSES.
16 THE CLASSIFICATIONS MAY BE BASED UPON SQUARE FOOTAGE OF THE
17 FACILITY; LIGHTS, LUMENS, OR WATTAGE; LIT CANOPY; THE NUMBER OF
18 CULTIVATING PLANTS; OTHER REASONABLE METRICS; OR ANY
19 COMBINATION THEREOF. THE STATE LICENSING AUTHORITY SHALL CREATE
20 A FEE STRUCTURE FOR THE LICENSE CLASS SYSTEM.

21 (b) THE STATE LICENSING AUTHORITY MAY ESTABLISH
22 LIMITATIONS ON RETAIL MARIJUANA PRODUCTION THROUGH ONE OR MORE
23 OF THE FOLLOWING METHODS:

24 (I) PLACING OR MODIFYING A LIMIT ON THE NUMBER OF LICENSES
25 THAT IT ISSUES, BY CLASS OR OVERALL, BUT IN PLACING OR MODIFYING
26 THE LIMITS, THE STATE LICENSING AUTHORITY SHALL CONSIDER THE
27 REASONABLE AVAILABILITY OF NEW LICENSES AFTER A LIMIT IS

1 ESTABLISHED OR MODIFIED;

2 (II) PLACING OR MODIFYING A LIMIT ON THE AMOUNT OF
3 PRODUCTION PERMITTED BY A RETAIL MARIJUANA CULTIVATION FACILITY
4 LICENSE OR CLASS OF LICENSES BASED UPON SOME REASONABLE METRIC
5 OR SET OF METRICS INCLUDING BUT NOT LIMITED TO THOSE ITEMS
6 DETAILED IN SUBSECTION (3)(a) OF THIS SECTION, PREVIOUS MONTHS'
7 SALES, PENDING SALES, OR OTHER REASONABLE METRICS AS DETERMINED
8 BY THE STATE LICENSING AUTHORITY; AND

9 (III) PLACING OR MODIFYING A LIMIT ON THE TOTAL AMOUNT OF
10 PRODUCTION BY RETAIL MARIJUANA CULTIVATION FACILITY LICENSEES IN
11 THE STATE COLLECTIVELY, BASED UPON SOME REASONABLE METRIC OR
12 SET OF METRICS INCLUDING BUT NOT LIMITED TO THOSE ITEMS DETAILED
13 IN SUBSECTION (3)(a) OF THIS SECTION, AS DETERMINED BY THE STATE
14 LICENSING AUTHORITY.

15 (c) NOTWITHSTANDING ANYTHING CONTAINED IN THIS ARTICLE 12
16 TO THE CONTRARY, IN CONSIDERING ANY SUCH LIMITATIONS, THE STATE
17 LICENSING AUTHORITY, IN ADDITION TO ANY OTHER RELEVANT
18 CONSIDERATIONS, SHALL:

19 (I) CONSIDER THE TOTAL CURRENT AND ANTICIPATED DEMAND FOR
20 RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS IN COLORADO;
21 AND

22 (II) ATTEMPT TO MINIMIZE THE MARKET FOR UNLAWFUL
23 MARIJUANA.

24 **44-12-204. Confidentiality.** (1) THE STATE LICENSING
25 AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

26 (a) REPORTS OR OTHER INFORMATION OBTAINED FROM A RETAIL
27 MARIJUANA LICENSEE OR RETAIL MARIJUANA LICENSE APPLICANT

1 CONTAINING ANY INDIVIDUALIZED DATA, INFORMATION, OR RECORDS
2 RELATED TO THE LICENSEE OR APPLICANT OR ITS OPERATION, INCLUDING
3 SALES INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS,
4 FINANCIAL RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION
5 INFORMATION, TESTING RESULTS, AND SECURITY INFORMATION AND
6 PLANS, OR REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER
7 RECORDS THAT ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO
8 STATE LAW. SUCH REPORTS OR OTHER INFORMATION MAY BE USED ONLY
9 FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 12 OR FOR ANY OTHER
10 STATE OR LOCAL LAW ENFORCEMENT PURPOSE. ANY CUSTOMER
11 INFORMATION MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS
12 ARTICLE 12.

13 (b) INVESTIGATIVE RECORDS AND DOCUMENTS RELATED TO
14 ONGOING INVESTIGATIONS. THOSE RECORDS AND DOCUMENTS MAY BE
15 USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 12, OR FOR ANY
16 OTHER STATE OR LOCAL LAW ENFORCEMENT PURPOSE.

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

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

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

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

26 (c) DEMOGRAPHIC INFORMATION RELATED TO APPLICANTS AND
27 LICENSEES AVAILABLE ON AN AGGREGATED AND DE-IDENTIFIED BASIS;

1 AND

2 (d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

3 **SECTION 9.** In Colorado Revised Statutes, 44-11-301, **amend**

4 (1)(f) and (1)(g); and **repeal** (1)(h) as follows:

5 **44-11-301. Local licensing authority - applications - licenses.**

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

9 (f) A medical marijuana business operator license; AND

10 (g) A marijuana research and development license. **and**

11 (h) ~~A marijuana research and development cultivation license.~~

12 **SECTION 10.** In Colorado Revised Statutes, 44-11-304, **repeal**

13 (3) as follows:

14 **44-11-304. State licensing authority - application and issuance**

15 **procedures.** (3) ~~An applicant that has been permitted to operate a~~

16 ~~medical marijuana business under the provisions of section 44-11-103~~

17 ~~(1)(b) and has been issued a conditional license by the state licensing~~

18 ~~authority pursuant to subsection (2) of this section may continue to~~

19 ~~operate the business while an application is pending with the local~~

20 ~~licensing authority. If the local licensing authority denies the license~~

21 ~~application, the medical marijuana business shall cease operations upon~~

22 ~~receiving the denial. The denial of an application by the local licensing~~

23 ~~authority shall be considered as a basis for the state licensing authority to~~

24 ~~revoke the state-issued license.~~

25 **SECTION 11.** In Colorado Revised Statutes, 44-11-306, **amend**

26 (1)(c), (1)(i), (1)(l), and (1)(m); and **add** (1.5) as follows:

27 **44-11-306. Persons prohibited as licensees - definition.** (1) A

1 license provided by this article 11 shall not be issued to or held by:

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

8 (i) (I) A person who ~~has discharged a sentence for a conviction~~
9 WAS CONVICTED of a felony in the ~~five~~ THREE years immediately
10 preceding his or her application date OR WHO IS CURRENTLY SUBJECT TO
11 A SENTENCE FOR A FELONY CONVICTION; or

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

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

24 (m) A person APPLYING for a license for a location that is
25 currently licensed as a retail food establishment; ~~or wholesale food~~
26 ~~registrant~~; or

27 (1.5) THE STATE LICENSING AUTHORITY MAY DENY OR REVOKE A

1 LICENSE IF THE APPLICANT OR LICENSEE'S CRIMINAL CHARACTER OR
2 CRIMINAL RECORD POSES A THREAT TO THE REGULATION OR CONTROL OF
3 MARIJUANA.

4 **SECTION 12.** In Colorado Revised Statutes, 44-12-305, **amend**
5 (1)(c), (1)(g), and (1)(j); and **add** (1.5) as follows:

6 **44-12-305. Persons prohibited as licensees - definition.** (1) A
7 license provided by this article 12 shall not be issued to or held by:

8 (c) A person other than an individual if the criminal history of any
9 of its ~~officers, directors, stockholders, or owners~~ CONTROLLING
10 BENEFICIAL OWNERS OR PASSIVE BENEFICIAL OWNERS indicates that ~~the~~
11 ~~officer, director, stockholder, or owner~~ A CONTROLLING BENEFICIAL
12 OWNER OR A PASSIVE BENEFICIAL OWNER is not of good moral character
13 after considering the factors in section 24-5-101 (2);

14 (g) A person who:

15 (I) ~~Has discharged a sentence for a conviction~~ WAS CONVICTED
16 of a felony in the ~~five~~ THREE years immediately preceding his or her
17 application date, OR WHO IS CURRENTLY SUBJECT TO A SENTENCE FOR A
18 FELONY CONVICTION; or

19 (II) ~~Has discharged a sentence for a conviction of a felony~~
20 ~~pursuant to any state or federal law regarding the possession, distribution,~~
21 ~~manufacturing, cultivation, or use of a controlled substance in the ten~~
22 ~~years immediately preceding his or her application date or five years from~~
23 ~~May 28, 2013, whichever is longer; except that the licensing authority~~
24 ~~may grant a license to a person if the person has a state felony conviction~~
25 ~~based on possession or use of marijuana or marijuana concentrate that~~
26 ~~would not be a felony if the person were convicted of the offense on the~~
27 ~~date he or she applied for licensure~~ IS CURRENTLY SUBJECT TO A

1 DEFERRED JUDGMENT OR SENTENCE FOR A FELONY;

2 (j) A person applying for a license for a location that is currently
3 licensed as a retail food establishment; ~~or wholesale food registrant~~; or

4 (1.5) 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 **SECTION 13.** In Colorado Revised Statutes, 44-11-307, **amend**
9 (2) introductory portion, (3), and (5); **repeal** (6) and (7); and **add** (4.5)
10 and (6.5) as follows:

11 **44-11-307. Business and owner requirements - legislative**
12 **declaration - definition.** (2) A ~~direct beneficial interest owner~~
13 CONTROLLING BENEFICIAL OWNER OR PASSIVE BENEFICIAL OWNER who is
14 a natural person must either:

15 (3) (a) A medical marijuana business may be comprised of an
16 unlimited number of ~~direct beneficial interest owners~~ CONTROLLING
17 BENEFICIAL OWNERS OR PASSIVE BENEFICIAL OWNERS that have been
18 residents of Colorado for at least one year prior to the date of the
19 application.

20 (b) On and after January 1, 2017, a medical marijuana business
21 that is composed of one or more ~~direct beneficial interest owners~~
22 CONTROLLING BENEFICIAL OWNERS OR PASSIVE BENEFICIAL OWNERS who
23 have not been Colorado residents for at least one year prior to application
24 shall have at least one officer who has been a Colorado resident for at
25 least one year prior to application, and all officers with day-to-day
26 operational control over the business must be Colorado residents for at
27 least one year prior to application. A medical marijuana business under

1 this subsection (3)(b) is limited to no more than fifteen ~~direct beneficial~~
2 ~~interest owners~~ CONTROLLING BENEFICIAL OWNERS AND PASSIVE
3 BENEFICIAL OWNERS, including all parent and subsidiary entities, all of
4 whom are natural persons.

5 (c) Notwithstanding the requirements of subsection (3)(b) of this
6 section, the state licensing authority may review the limitation on the
7 number of ~~direct beneficial interest owners~~ CONTROLLING BENEFICIAL
8 OWNERS AND PASSIVE BENEFICIAL OWNERS and may increase the number
9 of allowable interests above fifteen based on reasonable considerations
10 such as developments in state and federal financial regulations, market
11 conditions, and the licensee's ability to access legitimate sources of
12 capital.

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

18 (4.5) PRIOR TO SUBMITTING AN INITIAL APPLICATION AND AT ANY
19 TIME THEREAFTER WHEN REQUESTED BY THE STATE LICENSING AUTHORITY
20 IN ITS REASONABLE DISCRETION, A PERSON THAT IS OR INTENDS TO
21 BECOME A MEDICAL MARIJUANA BUSINESS SHALL DISCLOSE TO THE STATE
22 LICENSING AUTHORITY A COMPLETE AND ACCURATE LIST OF THE
23 FOLLOWING:

24 (a) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OFFICERS,
25 DIRECTORS, AND AFFILIATES;

26 (b) ALL OF THE MEDICAL MARIJUANA BUSINESS'S CONTROLLING
27 BENEFICIAL OWNERS, AND IF THE CONTROLLING BENEFICIAL OWNER IS NOT

1 AN INDIVIDUAL, ALL OFFICERS, DIRECTORS, BENEFICIAL OWNERS, AND
2 AFFILIATES OF THE CONTROLLING BENEFICIAL OWNER; AND

3 (c) ALL OF THE MEDICAL MARIJUANA BUSINESS'S PASSIVE
4 BENEFICIAL OWNERS AND, IF THE PASSIVE BENEFICIAL OWNER IS NOT AN
5 INDIVIDUAL, ALL OFFICERS, DIRECTORS, BENEFICIAL OWNERS, AND
6 AFFILIATES OF THE PASSIVE BENEFICIAL OWNER.

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

24 (b) ~~The state licensing authority shall perform a limited initial~~
25 ~~background check on qualified limited passive investors. If the initial~~
26 ~~background check provides reasonable cause for additional investigation,~~
27 ~~the state licensing authority may require a full background check.~~

1 (c) THE STATE LICENSING AUTHORITY MAY REQUIRE ANY PERSON
2 THAT WAS DISCLOSED OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO
3 SUBSECTION (4.5) OF THIS SECTION TO OBTAIN A FINDING OF SUITABILITY
4 PRIOR TO SUBMISSION OF A MEDICAL MARIJUANA BUSINESS APPLICATION.
5 FAILURE TO PROVIDE ANY INFORMATION REQUESTED IN CONNECTION WITH
6 A FINDING OF SUITABILITY IS GROUNDS FOR DENIAL OF THAT REQUEST FOR
7 A FINDING OF SUITABILITY. ALL INDIVIDUALS WHO ARE NOT COLORADO
8 RESIDENTS FOR AT LEAST ONE YEAR PRIOR TO THE DATE OF APPLICATION
9 SHALL OBTAIN ANY REQUIRED FINDING OF SUITABILITY PRIOR TO
10 SUBMITTING A MEDICAL MARIJUANA BUSINESS APPLICATION TO THE STATE
11 LICENSING AUTHORITY. FAILURE OF A PERSON TO OBTAIN ANY REQUIRED
12 FINDING OF SUITABILITY PRIOR TO APPLICATION IS GROUNDS FOR DENIAL
13 OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER
14 SANCTION AGAINST THE LICENSEE BY THE STATE LICENSING AUTHORITY.

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

18 (6.5) A PERSON, OTHER THAN AN INDIVIDUAL, THAT IS A
19 CONTROLLING BENEFICIAL OWNER SHALL APPOINT AND CONTINUOUSLY
20 MAINTAIN A REGISTERED AGENT THAT SATISFIES THE REQUIREMENTS OF
21 SECTION 7-90-701. THE MEDICAL MARIJUANA BUSINESS SHALL INFORM
22 THE STATE LICENSING AUTHORITY OF A CHANGE IN THE REGISTERED
23 AGENT WITHIN TEN DAYS AFTER THE CHANGE.

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

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

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

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

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

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

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

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

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

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

19 **SECTION 14.** In Colorado Revised Statutes, 44-12-306, **amend**
20 **(2) introductory portion, (3), and (5); repeal (6) and (7); and add (4.5)**
21 **and (6.5) as follows:**

22 **44-12-306. Business and owner requirements - legislative**
23 **declaration - definition.** (2) A ~~direct beneficial interest owner~~
24 ~~CONTROLLING BENEFICIAL OWNER OR PASSIVE BENEFICIAL OWNER~~ who is
25 a natural person must either:

26 (3) (a) A retail marijuana ~~business~~ ESTABLISHMENT may be
27 comprised of an unlimited number of ~~direct beneficial interest owners~~

1 CONTROLLING BENEFICIAL OWNERS OR PASSIVE BENEFICIAL OWNERS that
2 have been residents of Colorado for at least one year prior to the date of
3 the application.

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

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

24 (d) A ~~direct beneficial interest owner~~ CONTROLLING BENEFICIAL
25 OWNER OR PASSIVE BENEFICIAL OWNER that is a closely held business
26 entity must consist entirely of natural persons who are United States
27 citizens prior to the date of the application, including all parent and

1 subsidiary entities.

2 (4.5) PRIOR TO SUBMITTING AN INITIAL APPLICATION AND AT ANY
3 TIME THEREAFTER WHEN REQUESTED BY THE STATE LICENSING AUTHORITY
4 IN ITS REASONABLE DISCRETION, A PERSON THAT IS OR INTENDS TO
5 BECOME A RETAIL MARIJUANA ESTABLISHMENT SHALL DISCLOSE TO THE
6 STATE LICENSING AUTHORITY A COMPLETE AND ACCURATE LIST OF THE
7 FOLLOWING:

8 (a) ALL OF THE RETAIL MARIJUANA ESTABLISHMENT'S OFFICERS,
9 DIRECTORS, AND AFFILIATES;

10 (b) ALL OF THE RETAIL MARIJUANA ESTABLISHMENT'S
11 CONTROLLING BENEFICIAL OWNERS, AND IF THE CONTROLLING BENEFICIAL
12 OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS, DIRECTORS, BENEFICIAL
13 OWNERS, AND AFFILIATES OF THE CONTROLLING BENEFICIAL OWNER; AND

14 (c) ALL OF THE RETAIL MARIJUANA ESTABLISHMENT'S PASSIVE
15 BENEFICIAL OWNERS AND, IF THE PASSIVE BENEFICIAL OWNER IS NOT AN
16 INDIVIDUAL, ALL OFFICERS, DIRECTORS, BENEFICIAL OWNERS, AND
17 AFFILIATES OF THE PASSIVE BENEFICIAL OWNER.

18 (5) (a) A person ~~who~~ THAT intends to apply as a direct beneficial
19 ~~interest owner~~ TO BECOME A CONTROLLING BENEFICIAL OWNER OR
20 PASSIVE BENEFICIAL OWNER and is not a Colorado resident for at least one
21 year prior to the date of application shall first submit a request to the state
22 licensing authority for a finding of suitability. ~~as a direct beneficial~~
23 ~~interest owner. The person shall~~ FAILURE TO PROVIDE ALL REQUESTED
24 INFORMATION IN CONNECTION WITH A REQUEST FOR A FINDING OF
25 SUITABILITY IS GROUNDS FOR DENIAL OF THAT FINDING OF SUITABILITY.
26 EVERY PROPOSED CONTROLLING BENEFICIAL OWNER OR PASSIVE
27 BENEFICIAL OWNER MUST receive a finding of suitability OR AN

1 EXEMPTION FROM A FINDING OF SUITABILITY BY THE STATE LICENSING
2 AUTHORITY prior to submitting an A RETAIL MARIJUANA ESTABLISHMENT
3 application to the state licensing authority. ~~to be a direct beneficial~~
4 ~~interest owner.~~ Failure to receive a finding ALL REQUIRED FINDINGS of
5 suitability prior to application is grounds for denial of AN APPLICATION OR
6 FOR SUSPENSION, REVOCATION, OR OTHER SANCTION AGAINST THE
7 LICENSEE by the state licensing authority.

8 (b) ~~The state licensing authority shall perform a limited initial~~
9 ~~background check on qualified limited passive investors. If the initial~~
10 ~~background check provides reasonable cause for additional investigation,~~
11 ~~the state licensing authority may require a full background check.~~

12 (c) THE STATE LICENSING AUTHORITY MAY REQUIRE ANY PERSON
13 THAT WAS DISCLOSED OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO
14 SUBSECTION (4.5) OF THIS SECTION TO OBTAIN A FINDING OF SUITABILITY
15 PRIOR TO SUBMISSION OF A RETAIL MARIJUANA ESTABLISHMENT
16 APPLICATION. FAILURE TO PROVIDE ANY INFORMATION REQUESTED IN
17 CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS FOR DENIAL OF
18 THAT REQUEST FOR A FINDING OF SUITABILITY. ALL INDIVIDUALS WHO ARE
19 NOT COLORADO RESIDENTS FOR AT LEAST ONE YEAR PRIOR TO THE DATE
20 OF APPLICATION MUST OBTAIN ANY REQUIRED FINDING OF SUITABILITY
21 PRIOR TO SUBMITTING A RETAIL MARIJUANA ESTABLISHMENT APPLICATION
22 TO THE STATE LICENSING AUTHORITY. FAILURE OF A PERSON TO OBTAIN
23 ANY REQUIRED FINDING OF SUITABILITY PRIOR TO APPLICATION IS
24 GROUNDS FOR DENIAL OF AN APPLICATION OR FOR SUSPENSION,
25 REVOCATION, OR OTHER SANCTION AGAINST THE LICENSEE BY THE STATE
26 LICENSING AUTHORITY.

27 (6) ~~The state licensing authority shall review the retail marijuana~~

1 ~~business's operating documents to ensure compliance with this section.~~

2 (6.5) A PERSON, OTHER THAN AN INDIVIDUAL, THAT IS A
3 CONTROLLING BENEFICIAL OWNER SHALL APPOINT AND CONTINUOUSLY
4 MAINTAIN A REGISTERED AGENT THAT SATISFIES THE REQUIREMENTS OF
5 SECTION 7-90-701. THE RETAIL MARIJUANA ESTABLISHMENT SHALL
6 INFORM THE STATE LICENSING AUTHORITY OF A CHANGE IN THE
7 REGISTERED AGENT WITHIN TEN DAYS AFTER THE CHANGE.

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

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

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

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

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

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

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

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

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

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

3 **SECTION 15.** In Colorado Revised Statutes, 44-11-310, **amend**
4 (2), (3), and (4) as follows:

5 **44-11-310. Licensing in general.** (2) A medical marijuana
6 center, optional premises cultivation operation, or medical
7 marijuana-infused products manufacturer may not operate until it has
8 been licensed by the local licensing authority and the state licensing
9 authority pursuant to this article 11. If the state licensing authority issues
10 the applicant a state license and the local licensing authority subsequently
11 denies the applicant a license, the state licensing authority shall consider
12 the local licensing authority denial as a basis for the revocation of the
13 state-issued license. In connection with a license, the applicant shall
14 provide a complete and accurate list of all CONTROLLING BENEFICIAL
15 OWNERS, PASSIVE BENEFICIAL owners, ~~officers~~, and employees who
16 manage, own, or are otherwise substantially associated with the operation
17 and shall provide a complete and accurate application as required by the
18 state licensing authority.

19 (3) A medical marijuana center, optional premises cultivation
20 operation, or medical marijuana-infused products manufacturer shall
21 notify the state licensing authority in writing within ten days after ~~an~~ A
22 CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL owner, ~~officer~~, or
23 manager ceases to work at, manage, own, or otherwise be associated with
24 the operation. The CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
25 BENEFICIAL OWNER, or manager shall surrender to the state licensing
26 authority any identification card that may have been issued by the state
27 licensing authority on or before the date of the notification.

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

12 **SECTION 16.** In Colorado Revised Statutes, 44-12-309, **amend**
13 (3) as follows:

14 **44-12-309. Licensing in general.** (3) A retail marijuana
15 establishment shall notify the state licensing authority in writing of the
16 name, address, and date of birth of ~~an~~ A CONTROLLING BENEFICIAL owner,
17 ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager before the new
18 CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or
19 manager begins managing ~~owning~~, or associating with the operation. ~~The~~
20 ANY CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL
21 OWNER, manager, or employee must pass a fingerprint-based criminal
22 history record check as required by the state licensing authority and obtain
23 the required identification prior to being associated with, managing,
24 owning, or working at the operation.

25 **SECTION 17.** In Colorado Revised Statutes, 44-11-311, **amend**
26 (1); and **repeal** (3) as follows:

27 **44-11-311. License renewal.** (1) (a) Ninety days prior to the

1 expiration date of an existing license, the state licensing authority shall
2 notify the licensee of the expiration date by first-class mail at the
3 licensee's address of record with the state licensing authority. A licensee
4 ~~shall~~ MUST apply for the renewal of an existing license to the local
5 licensing authority ~~not less than forty-five days and to the state licensing~~
6 ~~authority not less than thirty days prior to the date of expiration. A local~~
7 ~~licensing authority shall not accept an application for renewal of a license~~
8 ~~after the date of expiration, except as provided in subsection (3) of this~~
9 ~~section. The state licensing authority may extend the expiration date of~~
10 ~~the license and accept a late application for renewal of a license provided~~
11 ~~that the applicant has filed a timely renewal application with the local~~
12 ~~licensing authority. All renewals filed with the local licensing authority~~
13 ~~and subsequently approved by the local licensing authority shall next be~~
14 ~~processed by the state licensing authority. The state licensing authority~~
15 ~~may administratively continue the license and accept a later application~~
16 ~~for renewal of a license at the discretion of the state licensing authority~~
17 WITHIN THE TIME FRAME REQUIRED BY LOCAL ORDINANCE OR REGULATION
18 AND TO THE STATE LICENSING AUTHORITY PRIOR TO THE EXPIRATION OF
19 THE LICENSE. THE LICENSEE SHALL PROVIDE THE STATE LICENSING
20 AUTHORITY WITH INFORMATION ESTABLISHING THAT THE APPLICATION
21 COMPLIES WITH ALL LOCAL REQUIREMENTS FOR THE RENEWAL OF A
22 LICENSE. IF A LICENSEE SUBMITS A TIMELY AND SUFFICIENT RENEWAL
23 APPLICATION, THE LICENSEE MAY CONTINUE TO OPERATE UNTIL THE
24 APPLICATION IS FINALLY ACTED UPON BY THE STATE LICENSING
25 AUTHORITY.

26 (b) The local licensing authority may hold a hearing on the
27 application for renewal only if the licensee has had complaints filed

1 against it, has a history of violations, or there are allegations against the
2 licensee that would constitute good cause. The local licensing authority
3 shall not hold a renewal hearing provided for by this subsection (1) for a
4 medical marijuana center until it has posted a notice of hearing on the
5 licensed medical marijuana center premises in the manner described in
6 section 44-11-302 (2) for a period of ten days and provided notice to the
7 applicant at least ten days prior to the hearing. The local licensing
8 authority may refuse to renew any license for good cause, subject to
9 judicial review.

10 ~~(3) (a) Notwithstanding the provisions of subsection (1) of this~~
11 ~~section, a licensee whose license has been expired for not more than~~
12 ~~ninety days may file a late renewal application upon the payment of a~~
13 ~~nonrefundable late application fee of five hundred dollars to the local~~
14 ~~licensing authority. A licensee who files a late renewal application and~~
15 ~~pays the requisite fees may continue to operate until both the state and~~
16 ~~local licensing authorities have taken final action to approve or deny the~~
17 ~~licensee's late renewal application unless the state or local licensing~~
18 ~~authority summarily suspends the license pursuant to article 4 of title 24,~~
19 ~~this article 11, and rules promulgated pursuant to this article 11.~~

20 ~~(b) The state and local licensing authorities may not accept a late~~
21 ~~renewal application more than ninety days after the expiration of a~~
22 ~~licensee's permanent annual license. A licensee whose permanent annual~~
23 ~~license has been expired for more than ninety days shall not cultivate,~~
24 ~~manufacture, distribute, or sell any medical marijuana until all required~~
25 ~~licenses have been obtained.~~

26 ~~(c) Notwithstanding the amount specified for the late application~~
27 ~~fee in subsection (3)(a) of this section, the state licensing authority by rule~~

1 ~~or as otherwise provided by law may reduce the amount of the fee if~~
2 ~~necessary pursuant to section 24-75-402 (3) by reducing the uncommitted~~
3 ~~reserves of the fund to which all or any portion of the fee is credited.~~
4 ~~After the uncommitted reserves of the fund are sufficiently reduced, the~~
5 ~~state licensing authority by rule or as otherwise provided by law may~~
6 ~~increase the amount of the fee as provided in section 24-75-402 (4).~~

7 **SECTION 18.** In Colorado Revised Statutes, 44-12-310, **amend**
8 (1); and **repeal** (3) as follows:

9 **44-12-310. License renewal.** (1) Ninety days prior to the
10 expiration date of an existing license, the state licensing authority shall
11 notify the licensee of the expiration date by first-class mail at the
12 licensee's address of record with the state licensing authority. A licensee
13 ~~may~~ **MUST** apply for the renewal of an existing license to THE LOCAL
14 LICENSING AUTHORITY WITHIN THE TIME REQUIRED BY LOCAL ORDINANCE
15 OR REGULATION AND TO THE state licensing authority ~~not less than thirty~~
16 ~~days prior to the date of expiration. Upon receipt of an application for~~
17 ~~renewal of an existing license and any applicable fees, the state licensing~~
18 ~~authority shall submit within seven days, a copy of the application to the~~
19 ~~local jurisdiction to determine whether the application complies with all~~
20 ~~local restrictions on renewal of licenses. The state licensing authority~~
21 ~~shall not accept an application for renewal of a license after the date of~~
22 ~~expiration, except as provided in subsection (3) of this section. The state~~
23 ~~licensing authority may extend the expiration date of the license and~~
24 ~~accept a late application for renewal of a license if the applicant has filed~~
25 ~~a timely renewal application with the local licensing authority. The state~~
26 ~~or the local licensing authority, in its discretion, subject to the~~
27 ~~requirements of this subsection (1) and subsection (3) of this section and~~

1 ~~based upon reasonable grounds, may waive the thirty-day time~~
2 ~~requirements set forth in this subsection (1) EXPIRATION OF THE LICENSE.~~
3 THE LICENSEE SHALL PROVIDE THE STATE LICENSING AUTHORITY WITH
4 INFORMATION ESTABLISHING THAT THE APPLICATION COMPLIES WITH ALL
5 LOCAL REQUIREMENTS FOR THE RENEWAL OF A LICENSE. IF A LICENSEE
6 SUBMITS A TIMELY AND SUFFICIENT RENEWAL APPLICATION, THE LICENSEE
7 MAY CONTINUE TO OPERATE UNTIL THE APPLICATION IS FINALLY ACTED
8 UPON BY THE STATE LICENSING AUTHORITY.

9 (3) (a) ~~Notwithstanding the provisions of subsection (1) of this~~
10 ~~section, a licensee whose license has been expired for not more than~~
11 ~~ninety days may file a late renewal application upon the payment of a~~
12 ~~nonrefundable late application fee of five hundred dollars to the state~~
13 ~~licensing authority. A licensee who files a late renewal application and~~
14 ~~pays the requisite fees may continue to operate until the state licensing~~
15 ~~authority takes final action to approve or deny the licensee's late renewal~~
16 ~~application unless the state licensing authority summarily suspends the~~
17 ~~license pursuant to article 4 of title 24, this article 12, and rules~~
18 ~~promulgated pursuant to this article 12.~~

19 (b) ~~The state licensing authority may administratively continue the~~
20 ~~license and accept a later application for renewal of a license at the~~
21 ~~discretion of the state licensing authority.~~

22 (c) ~~Notwithstanding the amount specified for the late application~~
23 ~~fee in subsection (3)(a) of this section, the state licensing authority by rule~~
24 ~~or as otherwise provided by law may reduce the amount of the fee if~~
25 ~~necessary pursuant to section 24-75-402 (3) by reducing the uncommitted~~
26 ~~reserves of the fund to which all or any portion of the fee is credited.~~
27 ~~After the uncommitted reserves of the fund are sufficiently reduced, the~~

1 state licensing authority, by rule or as otherwise provided by law, may
2 increase the amount of the fee as provided in section ~~24-75-402 (4)~~.

3 **SECTION 19.** In Colorado Revised Statutes, 44-11-401, **amend**
4 (1)(g), (1)(h), (1.5)(a), and (1.5)(b); and **repeal** (1)(i) as follows:

5 **44-11-401. Classes of licenses.** (1) For the purpose of regulating
6 the cultivation, manufacture, distribution, and sale of medical marijuana,
7 the state licensing authority, in its discretion, upon application in the
8 prescribed form made to it, may issue and grant to the applicant a license
9 from any of the following classes, subject to the provisions and
10 restrictions provided by this article 11:

11 (g) Medical marijuana business operator license; AND

12 (h) Marijuana research and development license. ~~and~~

13 (i) ~~Marijuana research and development cultivation license.~~

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

25 (b) Upon notification of an appointment required by subsection
26 (1.5)(a) of this section, the state licensing authority shall issue a
27 temporary appointee registration to the appointee effective as of the date

1 of the appointment. Pursuant to sections ~~44-11-202 (1)(a)~~ **44-11-202**
2 **(1)(b)**, 44-11-601, and 24-4-104, the appointee's temporary appointee
3 registration may be suspended, revoked, or subject to other sanction if the
4 state licensing authority finds the appointee to be unsuitable or if the
5 appointee fails to comply with this article 11 or article 12 of this title 44,
6 the 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. For purposes
10 of section 44-11-601 (1), the appointee is deemed an agent of the licensed
11 medical marijuana business.

12 **SECTION 20.** In Colorado Revised Statutes, 44-12-401, **amend**
13 (1.5)(a) and (1.5)(b) as follows:

14 **44-12-401. Classes of licenses.** (1.5) (a) Prior to accepting a
15 court appointment as a receiver, personal representative, executor,
16 administrator, guardian, conservator, trustee, or any other similarly
17 situated person to take possession of, operate, manage, or control a
18 licensed retail marijuana establishment, the proposed appointee shall
19 certify to the court that the proposed appointee is not prohibited from
20 being issued a retail marijuana license pursuant to section 44-12-305 (1).
21 Within the time frame established by rules promulgated by the state
22 licensing authority pursuant to ~~section 44-12-202 (3)(a)(XXII)~~ SECTION
23 44-12-203 (1)(u), an appointee shall notify the state and local licensing
24 authorities of the appointment and shall apply to the state licensing
25 authority for a finding of suitability.

26 (b) Upon notification of an appointment required by subsection
27 (1.5)(a) of this section, the state licensing authority shall issue a

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

13 **SECTION 21.** In Colorado Revised Statutes, 44-11-402, **amend**
14 (5) and (7); and **add** (2)(c) as follows:

15 **44-11-402. Medical marijuana center license - repeal.**
16 (2) (c) (I) A MEDICAL MARIJUANA CENTER THAT SELLS AN INDUSTRIAL
17 HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS
18 PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE
19 LICENSING AUTHORITY PURSUANT TO SECTION 44-11-203 (2)(a). PRIOR TO
20 TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A MEDICAL
21 MARIJUANA CENTER SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT
22 PASSED ALL TESTING REQUIRED FOR MEDICAL MARIJUANA-INFUSED
23 PRODUCTS AT A LICENSED MEDICAL MARIJUANA TESTING FACILITY AND
24 THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS
25 RECEIVED A REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH
26 AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

27 (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY

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

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

1 purchaser's application has been denied, the employee ~~shall be~~ IS
2 authorized to confiscate the purchaser's copy of the application and the
3 documentation of ~~the certified mail return receipt~~ PROOF OF SUBMITTAL,
4 if possible, and shall, within seventy-two hours after the confiscation, turn
5 it over to the department of public health and environment or a local law
6 enforcement agency. The failure to confiscate the copy of the application
7 and document of ~~the certified mail return receipt~~ PROOF OF SUBMITTAL or
8 to turn it over to the state health department or a state or local law
9 enforcement agency within seventy-two hours after the confiscation ~~shall~~
10 ~~not constitute~~ IS NOT a criminal offense.

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

18 **SECTION 22.** In Colorado Revised Statutes, 44-12-402, **amend**
19 (2)(a), (3)(a)(II), (4), (5), and (7)(a); and **add** (2)(c) as follows:

20 **44-12-402. Retail marijuana store license - definition.**

21 (2) (a) Notwithstanding the provisions of this section, a retail marijuana
22 store licensee may also sell retail marijuana products that are prepackaged
23 and labeled as required by rules of the state licensing authority pursuant
24 to ~~section 44-12-202~~ SECTION 44-12-203.

25 (c) (I) A RETAIL MARIJUANA STORE THAT SELLS AN INDUSTRIAL
26 HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS
27 PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE

1 LICENSING AUTHORITY PURSUANT TO SECTION 44-12-203 (1)(d). PRIOR TO
2 TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A RETAIL
3 MARIJUANA STORE SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED
4 ALL TESTING REQUIRED FOR RETAIL MARIJUANA PRODUCTS AT A LICENSED
5 RETAIL MARIJUANA TESTING FACILITY AND THAT THE PERSON
6 TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A
7 REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND
8 ENVIRONMENT PURSUANT TO SECTION 25-5-426.

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

20 (3) (a) (II) As used in this subsection (3)(a), "equivalent in retail
21 marijuana products" has the same meaning as established by the state
22 licensing authority by rule pursuant to ~~section 44-12-202 (3)(b)~~ SECTION
23 44-12-203 (1)(y).

24 (4) A retail marijuana store may provide, except as required by
25 ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-12-203 (1)(d), a sample of its
26 products to a facility that has a marijuana testing facility license from the
27 state licensing authority for testing and research purposes. A retail

1 marijuana store shall maintain a record of what was provided to the
2 testing facility, the identity of the testing facility, and the results of the
3 testing.

4 (5) All retail marijuana and retail marijuana products sold at a
5 licensed retail marijuana store shall be packaged and labeled as required
6 by rules of the state licensing authority pursuant to ~~section 44-12-202~~
7 SECTION 44-12-203.

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

16 **SECTION 23.** In Colorado Revised Statutes, 44-11-403, as it will
17 exist on July 1, 2019, **amend** (3); and **add** (5) and (6) as follows:

18 **44-11-403. Optional premises cultivation facility license -**
19 **definitions.** (3) An optional premises cultivation facility may provide,
20 except as required by ~~section 44-11-202 (3)(a)(I)~~ SECTION 44-11-203
21 (2)(a), a sample of its products to a facility that has a marijuana testing
22 facility license from the state licensing authority for testing and research
23 purposes. An optional premises cultivation facility shall maintain a record
24 of what was provided to the testing facility, the identity of the testing
25 facility, and the testing results.

26 (5) (a) AN OPTIONAL PREMISES CULTIVATION OPERATION MAY
27 PROVIDE A MEDICAL MARIJUANA SAMPLE AND A MEDICAL MARIJUANA

1 CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY
2 THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT
3 DEVELOPMENT. AN OPTIONAL PREMISES CULTIVATION LICENSEE MAY
4 DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS
5 RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES
6 AUTHORIZED PURSUANT TO THIS SUBSECTION (5)(a).

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

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

20 (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF
21 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES
22 PROMULGATED PURSUANT TO SECTION 44-11-203 (1)(n) AND (1)(o).

23 (e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (5)(a) OF THIS
24 SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM.
25 PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE
26 DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF
27 QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER

1 RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED
2 IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER
3 PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE
4 CONSTITUTION. THE OPTIONAL PREMISES CULTIVATION LICENSEE SHALL
5 MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE
6 DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

7 (f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO
8 SUBSECTION (5)(a) OF THIS SECTION, AN OPTIONAL PREMISES CULTIVATION
9 LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE
10 MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND
11 PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

12 (g) A MANAGER SHALL NOT:

13 (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF MEDICAL
14 MARIJUANA SAMPLES OR FIFTEEN GRAMS OF MEDICAL MARIJUANA
15 CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE
16 NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

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

19 (h) AN OPTIONAL PREMISES CULTIVATION LICENSEE SHALL NOT:

20 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
21 LICENSED PREMISES; OR

22 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
23 MANAGER.

24 (i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL
25 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
26 REPORTING REQUIRED FOR IMPLEMENTATION. THE OPTIONAL PREMISES
27 CULTIVATION LICENSEE SHALL MAINTAIN THE INFORMATION REQUIRED BY

1 THIS SUBSECTION (5)(i) ON THE LICENSED PREMISES FOR INSPECTION BY
2 THE STATE AND LOCAL LICENSING AUTHORITIES.

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

8 (6) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A
9 CENTRALIZED DISTRIBUTION PERMIT TO AN OPTIONAL PREMISES
10 CULTIVATION OPERATION AUTHORIZING TEMPORARY STORAGE ON ITS
11 LICENSED PREMISES OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
12 MARIJUANA-INFUSED PRODUCTS RECEIVED FROM A MEDICAL
13 MARIJUANA-INFUSED PRODUCTS MANUFACTURER FOR THE SOLE PURPOSE
14 OF TRANSFER TO THE PERMIT HOLDER'S COMMONLY OWNED MEDICAL
15 MARIJUANA CENTERS. PRIOR TO EXERCISING THE PRIVILEGES OF A
16 CENTRALIZED DISTRIBUTION PERMIT, AN OPTIONAL PREMISES CULTIVATION
17 OPERATION LICENSED PURSUANT TO THIS SECTION SHALL, AT THE TIME OF
18 APPLICATION TO THE STATE LICENSING AUTHORITY, SEND A COPY OF THE
19 APPLICATION OR SUPPLEMENTAL APPLICATION FOR A CENTRALIZED
20 DISTRIBUTION PERMIT TO THE LOCAL LICENSING AUTHORITY IN THE
21 JURISDICTION IN WHICH THE CENTRALIZED DISTRIBUTION PERMIT IS
22 PROPOSED. THE STATE LICENSING AUTHORITY SHALL NOTIFY THE LOCAL
23 LICENSING AUTHORITY OF ITS DECISION REGARDING THE CENTRALIZED
24 DISTRIBUTION PERMIT.

25 (b) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL NOT
26 STORE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL
27 MARIJUANA-INFUSED PRODUCTS PURSUANT TO A CENTRALIZED

1 DISTRIBUTION PERMIT FOR MORE THAN NINETY DAYS.

2 (c) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL NOT
3 ACCEPT ANY MEDICAL MARIJUANA CONCENTRATE OR MEDICAL
4 MARIJUANA-INFUSED PRODUCTS PURSUANT TO A CENTRALIZED
5 DISTRIBUTION PERMIT UNLESS THE MEDICAL MARIJUANA CONCENTRATE
6 AND MEDICAL MARIJUANA-INFUSED PRODUCTS ARE PACKAGED AND
7 LABELED FOR SALE TO A PATIENT AS REQUIRED BY RULES PROMULGATED
8 BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-11-203.

9 (d) ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
10 MARIJUANA-INFUSED PRODUCTS STORED AND PREPARED FOR TRANSPORT
11 ON AN OPTIONAL PREMISES CULTIVATION FACILITY'S LICENSED PREMISES
12 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE
13 TRANSFERRED TO AN OPTIONAL PREMISES CULTIVATION FACILITY
14 LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA CENTERS. ALL
15 TRANSFERS OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
16 MARIJUANA-INFUSED PRODUCTS BY AN OPTIONAL PREMISES CULTIVATION
17 FACILITY PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE
18 WITHOUT CONSIDERATION.

19 (e) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY
20 TO AN OPTIONAL PREMISES CULTIVATION FACILITY APPLY TO ACTIVITIES
21 CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED
22 DISTRIBUTION PERMIT.

23 (f) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL TRACK
24 ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
25 MARIJUANA-INFUSED PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED
26 DISTRIBUTION PERMIT IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE
27 POINT THEY ARE RECEIVED FROM A MEDICAL MARIJUANA-INFUSED

1 PRODUCTS MANUFACTURER TO THE POINT OF TRANSFER TO AN OPTIONAL
2 PREMISES CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED MEDICAL
3 MARIJUANA CENTERS.

4 (g) FOR PURPOSES OF THIS SECTION ONLY, "COMMONLY OWNED"
5 MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT LEAST
6 ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT OWNERSHIP IN
7 EACH LICENSE.

8 **SECTION 24.** In Colorado Revised Statutes, 44-12-403, **amend**
9 (4), (6)(d), and (7)(c) as follows:

10 **44-12-403. Retail marijuana cultivation facility license - rules**
11 **- definitions.** (4) A retail marijuana cultivation facility may provide,
12 except as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-12-203
13 (1)(d), a sample of its products to a facility that has a marijuana testing
14 facility license from the state licensing authority for testing and research
15 purposes. A retail marijuana cultivation facility shall maintain a record of
16 what was provided to the testing facility, the identity of the testing
17 facility, and the testing results.

18 (6) (d) A sample authorized pursuant to subsection (6)(a) of this
19 section must be labeled and packaged pursuant to the rules promulgated
20 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
21 44-12-203 (1)(g) AND (2)(b).

22 (7) (c) A retail marijuana cultivation facility shall not accept any
23 retail marijuana concentrate or retail marijuana products pursuant to a
24 centralized distribution permit unless the retail marijuana concentrate and
25 retail marijuana products are packaged and labeled for sale to a consumer
26 as required by rules promulgated by the state licensing authority pursuant
27 to ~~section 44-12-202~~ SECTION 44-12-203.

1 **SECTION 25.** In Colorado Revised Statutes, 44-11-404, **amend**
2 (2), (4), (10), and (12)(d); **repeal** (9); and **add** (13) as follows:

3 **44-11-404. Medical marijuana-infused products**
4 **manufacturing license - rules - report - definition - repeal.**

5 (2) Medical marijuana-infused products ~~shall~~ **MUST** be prepared on a
6 licensed premises that is used exclusively for the manufacture and
7 preparation of medical marijuana-infused products and using equipment
8 that is used exclusively for the manufacture and preparation of medical
9 marijuana-infused products; except that, subject to rules of the state
10 licensing authority, a medical marijuana-infused products manufacturing
11 licensee may share the same premises as a commonly owned marijuana
12 research and development licensee ~~or marijuana research and~~
13 ~~development cultivation licensee~~ so long as virtual or physical separation
14 of inventory and research activity is maintained.

15 (4) All licensed premises on which medical marijuana-infused
16 products are manufactured shall meet the sanitary standards for medical
17 marijuana-infused product preparation promulgated pursuant to ~~section~~
18 ~~44-11-202 (2)(a)(XII)~~ SECTION 44-11-203 (1)(l).

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

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

- 1 ~~(I) The nature of the products manufactured;~~
- 2 ~~(II) The business need;~~
- 3 ~~(III) Existing business contracts with licensed medical marijuana~~
4 ~~centers for the production of medical marijuana-infused products; and~~
- 5 ~~(IV) The ability to contract with licensed medical marijuana~~
6 ~~centers for the production of medical marijuana-infused products.~~

7 (10) A medical marijuana-infused products manufacturer may
8 provide, except as required by ~~section 44-11-202 (3)(a)(I)~~ SECTION
9 44-11-203 (2)(a), a sample of its products to a facility that has a medical
10 marijuana testing facility license from the state licensing authority for
11 testing and research purposes. A medical marijuana products
12 manufacturer shall maintain a record of what was provided to the testing
13 facility, the identity of the testing facility, and the results of the testing.

14 (12) (d) A sample authorized pursuant to subsection (12)(a) of this
15 section must be labeled and packaged pursuant to the rules promulgated
16 pursuant to ~~section 44-11-202 (2)(a)(XIV) and (2)(a)(XV)~~ SECTION
17 44-11-203 (1)(n) AND (1)(o).

18 (13) (a) A MEDICAL MARIJUANA-INFUSED PRODUCTS
19 MANUFACTURER THAT USES AN INDUSTRIAL HEMP PRODUCT AS AN
20 INGREDIENT IN A MEDICAL MARIJUANA PRODUCT SHALL ENSURE THAT THE
21 INDUSTRIAL HEMP PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES
22 PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO
23 SECTION 44-12-203 (1)(d). PRIOR TO TAKING POSSESSION OF THE
24 INDUSTRIAL HEMP PRODUCT, A MEDICAL MARIJUANA-INFUSED PRODUCTS
25 MANUFACTURER SHALL VERIFY THAT THE INDUSTRIAL HEMP PRODUCT
26 PASSED ALL TESTING REQUIRED FOR MEDICAL MARIJUANA-INFUSED
27 PRODUCTS AT A LICENSED MEDICAL MARIJUANA TESTING FACILITY AND

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

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

15 **SECTION 26.** In Colorado Revised Statutes, 44-12-404, **amend**
16 (3), (4)(b) introductory portion, (6), (8), and (10)(c); and **add** (11) as
17 follows:

18 **44-12-404. Retail marijuana products manufacturing license**
19 **- rules - definition.** (3) All licensed premises on which retail marijuana
20 products are manufactured ~~shall~~ **MUST** meet the sanitary standards for
21 retail marijuana product preparation promulgated pursuant to ~~section~~
22 ~~44-12-202 (3)(a)(XI)~~ SECTION 44-12-203 (1)(k).

23 (4) (b) The standard symbol requirements as promulgated
24 pursuant to ~~section 44-12-202 (3)(e)~~ SECTION 44-12-203 (1)(hh) do not
25 apply to a multi-serving liquid retail marijuana product, which is
26 impracticable to mark, if the product complies with all statutory and rule
27 packaging requirements for multi-serving edibles and complies with the

1 following enhanced requirements to reduce the risk of accidental
2 ingestion. A multi-serving liquid must:

3 (6) A retail marijuana products manufacturer may provide, except
4 as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-12-203 (1)(d), a
5 sample of its products to a facility that has a retail marijuana testing
6 facility license from the state licensing authority for testing and research
7 purposes. A retail marijuana products manufacturer shall maintain a
8 record of what was provided to the testing facility, the identity of the
9 testing facility, and the results of the testing.

10 (8) A licensed retail marijuana products manufacturer shall
11 package and label each product manufactured as required by rules of the
12 state licensing authority pursuant to ~~section 44-12-202~~ SECTION
13 44-12-203.

14 (10)(c) A sample authorized pursuant to subsection (10)(a) of this
15 section must be labeled and packaged pursuant to the rules promulgated
16 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
17 44-12-203 (1)(g) AND (2)(b).

18 (11) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURER THAT
19 USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A RETAIL
20 MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP
21 PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY
22 THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-12-203
23 (1)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT,
24 A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THAT THE
25 INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL
26 MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING
27 FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP

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

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

14 **SECTION 27.** In Colorado Revised Statutes, 44-11-405, **amend**
15 (1)(a) and (2) as follows:

16 **44-11-405. Medical marijuana testing facility license - rules.**

17 (1) (a) A medical marijuana testing facility license may be issued to a
18 person who performs testing and research on medical marijuana, AND
19 INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF
20 TITLE 25, for medical marijuana licensees, medical marijuana and medical
21 marijuana-infused products for marijuana and research development
22 licensees, ~~and marijuana research and development cultivation licensees,~~
23 and marijuana or marijuana-infused products grown or produced by a
24 registered patient or registered primary caregiver on behalf of a registered
25 patient, upon verification of registration pursuant to section 25-1.5-106
26 (7)(e) and verification that the patient is a participant in a clinical or
27 observational study conducted by a marijuana research and development

1 licensee. ~~or marijuana research and development cultivation licensee.~~ The
2 facility may develop and test medical marijuana products.

3 (2) The state licensing authority shall promulgate rules pursuant
4 to its authority in ~~section 44-11-202 (1)(b)~~ SECTION 44-11-202 (1)(c)
5 related to acceptable testing and research practices, including but not
6 limited to testing, standards, quality control analysis, equipment
7 certification and calibration, and chemical identification and other
8 substances used in bona fide research methods.

9 **SECTION 28.** In Colorado Revised Statutes, 44-12-405, **amend**
10 (1)(a) and (2) as follows:

11 **44-12-405. Retail marijuana testing facility license - rules.**

12 (1) (a) A retail marijuana testing facility license may be issued to a
13 person who performs testing and research on retail marijuana, ~~and~~
14 industrial hemp as regulated by article 61 of title 35, AND INDUSTRIAL
15 HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25. The
16 facility may develop and test retail marijuana products, ~~and~~ industrial
17 hemp as regulated by article 61 of title 35, AND INDUSTRIAL HEMP
18 PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25. Prior to
19 performing testing on industrial hemp, a facility shall verify that the
20 person requesting the testing has received a registration from the
21 commissioner as required by section 35-61-104. PRIOR TO PERFORMING
22 TESTING ON INDUSTRIAL HEMP PRODUCTS, A FACILITY SHALL VERIFY THAT
23 THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION AS
24 REQUIRED BY SECTION 25-5-426.

25 (2) The state licensing authority shall promulgate rules pursuant
26 to its authority in ~~section 44-12-202 (1)(b)~~ SECTION 44-12-202 (1)(c)
27 related to acceptable testing and research practices, including but not

1 limited to testing, standards, quality control analysis, equipment
2 certification and calibration, and chemical identification and other
3 substances used in bona fide research methods.

4 **SECTION 29.** In Colorado Revised Statutes, 44-11-406, **amend**
5 (3) as follows:

6 **44-11-406. Medical marijuana transporter license.** (3) A
7 medical marijuana transporter licensee shall use the seed-to-sale tracking
8 system developed pursuant to ~~section 44-12-202 (1)~~ SECTION 44-11-202
9 (1)(a) to create shipping manifests documenting the transport of medical
10 marijuana and medical marijuana-infused products throughout the state.

11 **SECTION 30.** In Colorado Revised Statutes, 44-12-406, **amend**
12 (3) as follows:

13 **44-12-406. Retail marijuana transporter license.** (3) A retail
14 marijuana transporter licensee shall use the seed-to-sale tracking system
15 developed pursuant to ~~section 44-12-202 (1)~~ SECTION 44-12-202 (1)(a) to
16 create shipping manifests documenting the transport of retail marijuana
17 and retail marijuana products throughout the state.

18 **SECTION 31.** In Colorado Revised Statutes, 44-11-408, **amend**
19 (1), (3)(a), (4), (5), (6), and (7) as follows:

20 **44-11-408. Marijuana research and development license.**
21 (1) ~~(a)~~ A marijuana research and development license may be issued to
22 a person to ~~possess marijuana for the limited research purposes identified~~
23 ~~in subsection (2) of this section.~~

24 ~~(b) A marijuana research and development cultivation license may~~
25 ~~be issued to a person to grow, cultivate, possess, and transfer, by sale or~~
26 ~~donation, marijuana pursuant to section 44-11-202 (2)(a)(XXVI) or~~
27 ~~subsection (4) of this section for the limited research purposes identified~~

1 ~~in subsection (2) of this section~~ GROW, CULTIVATE, POSSESS, AND
2 TRANSFER, BY SALE OR DONATION, MARIJUANA PURSUANT TO SECTION
3 44-11-203 (1)(x) OR SUBSECTION (4) OF THIS SECTION FOR THE LIMITED
4 RESEARCH PURPOSES IDENTIFIED IN SUBSECTION (2) OF THIS SECTION.

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 (4) A marijuana research and development ~~cultivation~~ licensee
15 may only transfer, by sale or donation, marijuana grown within its
16 operation to other marijuana research and development licensees. ~~or~~
17 ~~marijuana research and development cultivation licensees~~. The state
18 licensing authority may ~~revoke~~ IMPOSE SANCTIONS ON a marijuana
19 research and development cultivation license for violations of this
20 subsection (4) and any other violation of this article 11.

21 (5) A marijuana research and development licensee ~~or marijuana~~
22 ~~research and development cultivation licensee~~ may contract to perform
23 research in conjunction with a public higher education research institution
24 or another marijuana research and development licensee. ~~or marijuana~~
25 ~~research and development cultivation licensee~~.

26 (6) The growing, cultivating, possessing, or transferring, by sale
27 or donation, of marijuana in accordance with this section and the rules

1 adopted pursuant to it, by a marijuana research and development licensee,
2 ~~or marijuana research and development cultivation licensee~~, is not a
3 criminal or civil offense under state law. A marijuana research and
4 development license ~~or marijuana research and development cultivation~~
5 ~~license~~ must be issued in the name of the applicant and must specify the
6 location in Colorado at which the marijuana research and development
7 licensee ~~or marijuana research and development cultivation licensee~~
8 intends to operate. A marijuana research and development licensee ~~or~~
9 ~~marijuana research and development cultivation licensee~~ shall not allow
10 any other person to exercise the privilege of the license.

11 (7) If the research conducted includes a public institution or public
12 money, the scientific advisory council shall review any reports made by
13 marijuana research and development licensees ~~and marijuana research~~
14 ~~and development cultivation licensees~~ under state licensing authority rule
15 and provide the state licensing authority with its determination on
16 whether the research project continues to meet research qualifications
17 pursuant to this section.

18 **SECTION 32.** In Colorado Revised Statutes, 44-11-501, **amend**
19 (1)(a) introductory portion as follows:

20 **44-11-501. Marijuana cash fund.** (1)(a) All money, EXCEPT FOR
21 FINES, collected by the state licensing authority pursuant to this article 11
22 and article 12 of this title 44 ~~shall be~~ ARE transmitted to the state
23 treasurer, who shall credit the same to the marijuana cash fund, which
24 fund is hereby created and referred to in this section as the "fund". The
25 fund consists of:

26 **SECTION 33.** In Colorado Revised Statutes, 44-11-502, **amend**
27 (1) as follows:

1 **44-11-502. Fees - allocation.** (1) Except as otherwise provided,
2 all fees ~~and fines~~ provided for by this article 11 and article 12 of this title
3 44 shall be paid to the department, which shall transmit the fees to the
4 state treasurer. The state treasurer shall credit the fees to the marijuana
5 cash fund created in section 44-11-501. ALL FINES PROVIDED FOR BY THIS
6 ARTICLE 11 AND ARTICLE 12 OF THIS TITLE 44 MUST BE PAID TO THE
7 DEPARTMENT, WHICH SHALL TRANSMIT THE FINES TO THE STATE
8 TREASURER. THE STATE TREASURER SHALL CREDIT THE FINES TO THE
9 GENERAL FUND.

10 **SECTION 34.** In Colorado Revised Statutes, 44-12-501, **amend**
11 (1) and (2) as follows:

12 **44-12-501. Fees.** (1) The state licensing authority may charge and
13 collect fees ~~under~~ PURSUANT TO this article 12. ~~The application fee for a~~
14 ~~person applying pursuant to section 44-12-104 (1)(a) shall be five~~
15 ~~hundred dollars~~ FO A PERSON LICENSED TO CULTIVATE OR SELL MEDICAL
16 MARIJUANA OR TO MANUFACTURE MEDICAL MARIJUANA-INFUSED
17 PRODUCTS ON OR BEFORE DECEMBER 10, 2012, THE APPLICATION FEE FOR
18 A RETAIL MARIJUANA ESTABLISHMENT IS FIVE HUNDRED DOLLARS. The
19 state licensing authority shall transfer two hundred fifty dollars of the fee
20 to the marijuana cash fund and submit two hundred fifty dollars to the
21 local jurisdiction in which the license is proposed to be issued.

22 (2) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, the
23 application fee for a ~~person applying pursuant to section 44-12-104 (1)(b)~~
24 ~~shall be~~ RETAIL MARIJUANA ESTABLISHMENT IS five thousand dollars. The
25 state licensing authority shall transfer two thousand five hundred dollars
26 of the fee to the marijuana cash fund and remit two thousand five hundred
27 dollars to the local jurisdiction in which the license is proposed to be

1 issued. If the state licensing authority is considering raising the
2 five-thousand-dollar application fee, it shall confer with each local
3 jurisdiction in which a license ~~under~~ PURSUANT TO this article 12 is issued
4 prior to raising the application fee. If the application fee amount is
5 changed, it must be split evenly between the marijuana cash fund and the
6 local jurisdiction in which the license is proposed to be issued.

7 **SECTION 35.** In Colorado Revised Statutes, 44-11-601, **amend**
8 (4) as follows:

9 **44-11-601. Suspension - revocation - fines.** (4) Upon payment
10 of the fine pursuant to subsection (3) of this section, the state or local
11 licensing authority shall enter its further order permanently staying the
12 imposition of the suspension. If the fine is paid to a local licensing
13 authority, the governing body of the authority shall cause the money to be
14 paid into the general fund of the local licensing authority. Fines paid to
15 the state licensing authority pursuant to subsection (3) of this section ~~shall~~
16 MUST be transmitted to the state treasurer, who shall credit the same to the
17 ~~marijuana cash fund created in section 44-11-501~~ GENERAL FUND.

18 **SECTION 36.** In Colorado Revised Statutes, 44-12-601, **amend**
19 (4) as follows:

20 **44-12-601. Suspension - revocation - fines.** (4) Upon payment
21 of the fine pursuant to subsection (3) of this section, the state licensing
22 authority shall enter its further order permanently staying the imposition
23 of the suspension. Fines paid to the state licensing authority pursuant to
24 subsection (3) of this section ~~shall~~ MUST be transmitted to the state
25 treasurer, who shall credit the same to the ~~marijuana cash fund created in~~
26 ~~section 44-11-501~~ GENERAL FUND.

27 **SECTION 37.** In Colorado Revised Statutes, 44-11-901, **amend**

1 (2), (3), and (8); and **repeal** (4)(a) as follows:

2 **44-11-901. Unlawful acts - exceptions - repeal.** (2) It is
3 unlawful FOR A PERSON TO:

4 (a) ~~For a person to~~ Buy, sell, transfer, give away, or acquire
5 medical marijuana except as allowed pursuant to this article 11 OR
6 SECTION 14 OF ARTICLE 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 11; EXCEPT THAT THIS SUBSECTION
10 (2)(b) DOES 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 11 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 EXECUTIVE DIRECTOR; OR

20 (e) ENGAGE IN TRANSFER OF OWNERSHIP WITHOUT PRIOR
21 APPROVAL AS REQUIRED BY THIS ARTICLE 11, INCLUDING BUT NOT LIMITED
22 TO:

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

26 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 IDENTIFIED IN THE
3 TRANSFER OF OWNERSHIP APPLICATION UNTIL THE TRANSFER REQUEST IS
4 APPROVED IN WRITING BY THE STATE LICENSING AUTHORITY.

5 (3) It is unlawful for a person licensed pursuant to this article 11:

6 (a) ~~To be within a limited-access area unless the person's license~~
7 ~~badge is displayed as required by this article 11, except as provided in~~
8 ~~section 44-11-701;~~

9 (b) ~~To fail to designate areas of ingress and egress for~~
10 ~~limited-access areas and post signs in conspicuous locations as required~~
11 ~~by this article 11;~~

12 (c) To fail to report a transfer required by section 44-11-310 (11);
13 or

14 (d) ~~To fail to report the name of or a change in managers as~~
15 ~~required by section 44-11-310 (12).~~

16 (e) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO
17 ADULTERATE OR ALTER, ANY SAMPLES OF MEDICAL MARIJUANA OR
18 MEDICAL MARIJUANA-INFUSED PRODUCTS FOR THE PURPOSE OF
19 CIRCUMVENTING CONTAMINANT TESTING DETECTION LIMITS OR POTENCY
20 TESTING REQUIREMENTS.

21 (4) It is unlawful for any person licensed to sell medical marijuana
22 pursuant to this article 11:

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

25 (8) A person who commits any acts that are unlawful pursuant to
26 this article 11 ~~or the rules authorized and adopted pursuant to this article~~
27 ~~11~~ commits a class 2 misdemeanor and shall be punished as provided in

1 section 18-1.3-501, except for violations that would also constitute a
2 violation of title 18, which violation shall be charged and prosecuted
3 pursuant to title 18.

4 **SECTION 38.** In Colorado Revised Statutes, 44-12-901, **amend**
5 (2)(a), (3), (4)(i), and (5); **repeal** (4)(a) and (4)(f); and **add** (2)(c), (2)(d),
6 (2)(e), (4)(k), (4)(l), (4)(m), and (4)(n) as follows:

7 **44-12-901. Unlawful acts - exceptions.** (2) It is unlawful for a
8 person to:

9 (a) Buy, sell, transfer, give away, or acquire retail marijuana or
10 retail marijuana products except as allowed pursuant to this article 12 or
11 section 16 of article XVIII of the state constitution; ~~or~~

12 (c) EXERCISE ANY PRIVILEGE OF A LICENSE ISSUED PURSUANT TO
13 THIS ARTICLE 12 THAT THE PERSON DOES NOT HOLD;

14 (d) EXERCISE ANY PRIVILEGE ASSOCIATED WITH HOLDING A
15 CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP,
16 OR INDIRECT FINANCIAL INTEREST IN A LICENSE WITHOUT PRIOR APPROVAL
17 FROM THE EXECUTIVE DIRECTOR; OR

18 (e) ENGAGE IN TRANSFER OF OWNERSHIP WITHOUT PRIOR
19 APPROVAL AS REQUIRED BY THIS ARTICLE 12, INCLUDING BUT NOT LIMITED
20 TO:

21 (I) A PROPOSED TRANSFEREE OPERATING A RETAIL MARIJUANA
22 ESTABLISHMENT BEFORE A TRANSFER OF OWNERSHIP REQUEST FOR THAT
23 BUSINESS IS APPROVED IN WRITING BY THE STATE LICENSING AUTHORITY;

24 OR

25 (II) A CURRENT CONTROLLING BENEFICIAL OWNER, PASSIVE
26 BENEFICIAL OWNER, OR PROPOSED TRANSFEROR FAILING TO RETAIN FULL
27 RESPONSIBILITY FOR A RETAIL MARIJUANA ESTABLISHMENT IDENTIFIED IN

1 THE TRANSFER OF OWNERSHIP APPLICATION UNTIL THE TRANSFER REQUEST
2 IS APPROVED IN WRITING BY THE STATE LICENSING AUTHORITY.

3 (3) It is unlawful for a person licensed pursuant to this article 12:

4 (a) ~~To be within a limited-access area unless the person's license~~
5 ~~badge is displayed as required by this article 12, except as provided in~~
6 ~~section 44-12-701;~~

7 (b) ~~To fail to designate areas of ingress and egress for~~
8 ~~limited-access areas and post signs in conspicuous locations as required~~
9 ~~by this article 12;~~

10 (c) To fail to report a transfer required by section 44-12-309 (10);
11 or

12 (d) ~~To fail to report the name of or a change in managers as~~
13 ~~required by section 44-12-309 (11);~~

14 (e) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO
15 ADULTERATE OR ALTER, ANY SAMPLES OF RETAIL MARIJUANA OR RETAIL
16 MARIJUANA PRODUCTS FOR THE PURPOSE OF CIRCUMVENTING
17 CONTAMINANT TESTING DETECTION LIMITS OR POTENCY TESTING
18 REQUIREMENTS.

19 (4) It is unlawful for any person licensed to sell retail marijuana
20 or retail marijuana products pursuant to this article 12:

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

23 (f) ~~To sell more than a quarter of an ounce of retail marijuana and~~
24 ~~no more than a quarter of an ounce equivalent of a retail marijuana~~
25 ~~product during a single transaction to a nonresident of the state;~~

26 (i) To violate the provisions of section 6-2-103 or 6-2-105; or

27 (k) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR RETAIL

1 MARIJUANA OR RETAIL MARIJUANA PRODUCTS IN PERSON EXCEPT WITHIN
2 THE LICENSED PREMISES;

3 (l) TO BUY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS
4 FROM A PERSON NOT LICENSED TO SELL AS PROVIDED BY THIS ARTICLE 12;

5 (m) TO SELL RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS
6 EXCEPT IN THE PERMANENT LOCATION SPECIFICALLY DESIGNATED IN THE
7 LICENSE FOR SALE; OR

8 (n) TO BURN OR OTHERWISE DESTROY MARIJUANA OR ANY
9 SUBSTANCE CONTAINING MARIJUANA FOR THE PURPOSE OF EVADING AN
10 INVESTIGATION OR PREVENTING SEIZURE.

11 (5) A person who commits any acts that are unlawful pursuant to
12 this article 12 ~~or the rules authorized and adopted pursuant to this article~~
13 ~~+~~ commits a class 2 misdemeanor and shall be punished as provided in
14 section 18-1.3-501; except that a violation of subsection (4)(e) of this
15 section is a class 1 misdemeanor and shall be punished as provided in
16 section 18-1.3-501. If a violation of this article 12 or the rules authorized
17 and adopted pursuant to this article 12 also constitutes a violation of title
18 18, the violation shall be charged and prosecuted pursuant to title 18.

19 **SECTION 39.** In Colorado Revised Statutes, 44-11-1001, **amend**
20 (1) as follows:

21 **44-11-1001. Sunset review - repeal of article.** (1) This article
22 11 is repealed, effective September 1, 2019 2028.

23 **SECTION 40.** In Colorado Revised Statutes, 44-12-1001, **amend**
24 (1) as follows:

25 **44-12-1001. Sunset review - repeal of article.** (1) This article
26 12 is repealed, effective September 1, 2019 2028.

27 **SECTION 41.** In Colorado Revised Statutes, 24-34-104, **repeal**

1 (17)(a)(XIII) and (17)(a)(XV); and **add** (29)(a)(V) and (29)(a)(VI) as
2 follows:

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

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

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

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

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

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

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

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

21 **SECTION 42.** In Colorado Revised Statutes, 25-1.5-106.5,
22 **repeal** (5)(b) as follows:

23 **25-1.5-106.5. Medical marijuana research grant program.**

24 (5) **Sources of marijuana.** (b) ~~A person who holds an optional premises~~
25 ~~cultivation license or medical marijuana-infused products manufacturing~~
26 ~~license issued pursuant to part 4 of article 43.3 of title 12 or a retail~~
27 ~~marijuana cultivation facility license or a retail marijuana products~~

1 manufacturing license issued pursuant to part 4 of article 43.4 of title 12
2 may transfer marijuana to a medical research facility, including at an
3 institution of higher education, for use in research studies funded pursuant
4 to this section. Notwithstanding any other provision of law, a medical
5 research facility authorized pursuant to this section to conduct medical
6 research regarding marijuana is exempt from all otherwise applicable
7 restrictions on the possession and use of marijuana; except that the
8 facility shall use the marijuana only for the medical research authorized
9 pursuant to this section, shall not possess at any time a quantity of
10 medical marijuana or medical marijuana-infused product in excess of the
11 limit established in rules promulgated by the state licensing authority, and
12 shall destroy all marijuana remaining after the research has been
13 completed. For the fiscal years beginning on or after July 1, 2017, the
14 general assembly may annually appropriate up to one percent of the
15 available money in the marijuana tax cash fund created in section
16 39-28.8-501 to the department to be used to award grants pursuant to this
17 section to medical research facilities so that a facility may:

18 (I) Purchase marijuana from a licensee specified in this subsection
19 (5)(b) that will be used in the research; and

20 (H) Conduct the medical research.

21 **SECTION 43.** In Colorado Revised Statutes, 25-5-403, **repeal** (3)
22 as follows:

23 **25-5-403. Offenses.** (3) The provisions of this section shall not
24 apply to a medical marijuana center or a medical marijuana-infused
25 products manufacturer licensed pursuant to article 11 of title 44 that
26 manufactures or sells a food product that contains medical marijuana so
27 long as the food product is labeled as containing medical marijuana and

1 the label specifies that the product is manufactured without any regulatory
2 oversight for health, safety, or efficacy, and that there may be health risks
3 associated with the consumption or use of the product.

4 **SECTION 44.** In Colorado Revised Statutes, **amend** 35-61-105.5
5 as follows:

6 **35-61-105.5. Testing laboratories.** If a person registered pursuant
7 to this article 61 wants a licensed retail marijuana testing facility to
8 perform testing on the industrial hemp that the registrant is cultivating,
9 that person shall use a radio frequency identification-based inventory
10 tracking system approved by the commissioner for a sample of the
11 registrant's industrial hemp crop. The commissioner shall only approve
12 an inventory tracking system if that system is compatible with the state
13 licensing authority's seed-to-sale tracking system required pursuant to
14 ~~section 44-12-202 (1)~~ SECTION 44-12-202 (1)(a). A licensed retail testing
15 facility shall provide the test results to the registrant and the
16 commissioner. All test results shall be considered confidential business
17 information. This section shall not be construed to prevent the use of the
18 tracking system for other purposes.

19 **SECTION 45.** In Colorado Revised Statutes, **add with amended**
20 **and relocated provisions**, as those provisions will exist on July 1, 2019,
21 article 10 to title 44 as follows:

22 **ARTICLE 10**

23 **Regulated Marijuana**

24 **PART 1**

25 **COLORADO MARIJUANA CODE**

26 **44-10-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 10 IS
27 THE "COLORADO MARIJUANA CODE".

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

6 (2) [**Formerly 44-11-102 (2)**] The general assembly further
7 declares that it is unlawful under state law to cultivate, manufacture,
8 distribute, ~~or~~ sell, OR TEST medical marijuana AND MEDICAL MARIJUANA
9 PRODUCTS, except in compliance with the terms, conditions, limitations,
10 and restrictions in section 14 of article XVIII of the state constitution and
11 this ~~article 11~~ ARTICLE 10 or when acting as a primary caregiver in
12 compliance with the terms, conditions, limitations, and restrictions of
13 section 25-1.5-106.

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

20 **44-10-103. Definitions.** [**Formerly 44-11-104 introductory**
21 **portion and similar to 44-12-103 introductory portion**] As used in this
22 ~~article 11~~ ARTICLE 10, unless the context otherwise requires:

23 (1) "AFFILIATE" OF A PERSON OR "AFFILIATED" WITH A SPECIFIED
24 PERSON MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE
25 OR MORE INTERMEDIARIES, CONTROLS OR IS CONTROLLED BY, OR IS UNDER
26 COMMON CONTROL WITH, THE PERSON SPECIFIED.

27 (2) "CONTROL", "CONTROLS", "CONTROLLED", "CONTROLLING",

1 "CONTROLLED BY", AND "UNDER COMMON CONTROL WITH", MEANS THE
2 POSSESSION, DIRECT OR INDIRECT, OF THE POWER TO DIRECT OR CAUSE THE
3 DIRECTION OF THE MANAGEMENT OR POLICIES OF A PERSON, WHETHER
4 THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT, OR
5 OTHERWISE.

6 (3) "CONTROLLING BENEFICIAL OWNER" MEANS A PERSON THAT:

7 (a) IS THE BENEFICIAL OWNER OF FIVE PERCENT OR MORE OF THE
8 SECURITIES OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
9 BUSINESS;

10 (b) IS AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS, RETAIL
11 MARIJUANA BUSINESS, OR OF ANY OTHER CONTROLLING BENEFICIAL
12 OWNER OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
13 BUSINESS AND INCLUDES WITHOUT LIMITATION ANY OFFICER, DIRECTOR,
14 MANAGING MEMBER, GENERAL PARTNER, OR TRUSTEE; OR

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

18 (4) **[Formerly 44-12-103 (2)]** "Escorted" means appropriately
19 checked into ~~the~~ A limited access area and accompanied by a person
20 licensed by the state licensing authority; except that trade craftspeople not
21 normally engaged in the business of cultivating, processing, ~~or~~ selling, OR
22 TESTING ~~retail~~ REGULATED marijuana need not be accompanied on a
23 full-time basis, but only reasonably monitored.

24 (5) **[Formerly 44-12-103 (3)]** "Executive director" means the
25 executive director of the department of revenue.

26 (6) **[Formerly 44-11-104 (1.7) and similar to 44-12-103**
27 **(3.3)]** "Fibrous waste" means any roots, stalks, and stems from a medical

1 OR RETAIL marijuana plant.

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

5 (a) The licensee or applicant has violated, does not meet, or has
6 failed to comply with any of the terms, conditions, or provisions of this
7 ~~article~~ ~~11~~ ARTICLE 10; any rules promulgated pursuant to this ~~article~~ ~~11~~
8 ARTICLE 10; or any supplemental local law, rules, or regulations;

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

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

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

19 (9) [Formerly 44-11-104 (4) and 44-12-103 (5)] "~~Indirect~~
20 ~~beneficial interest owner~~" means a holder of a permitted economic
21 ~~interest, a recipient of a commercially reasonable royalty associated with~~
22 ~~the use of intellectual property by a licensee, a licensed employee who~~
23 ~~receives a share of the profits from an employee benefit plan, a qualified~~
24 ~~institutional investor, or another similarly situated person or entity as~~
25 ~~determined by the state licensing authority.~~ "INDIRECT FINANCIAL
26 INTEREST HOLDER" MEANS A PERSON THAT IS NOT AN AFFILIATE OF A
27 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND IS

1 NOT OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE MEDICAL
2 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND THAT:

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

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

9 (c) IS A CONTRACT COUNTERPARTY WITH A MEDICAL MARIJUANA
10 BUSINESS OR RETAIL MARIJUANA BUSINESS THAT HAS A DIRECT NEXUS TO
11 THE CULTIVATION, MANUFACTURE, SALE, OR TESTING OF REGULATED
12 MARIJUANA, INCLUDING BUT NOT LIMITED TO A LEASE OF REAL PROPERTY
13 ON WHICH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
14 BUSINESS OPERATES, A LEASE OF EQUIPMENT USED IN THE CULTIVATION,
15 MANUFACTURING, SALE, OR TESTING OF REGULATED MARIJUANA, A
16 SECURED OR UNSECURED FINANCING AGREEMENT WITH THE MEDICAL
17 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR A SECURITY
18 CONTRACT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL
19 MARIJUANA BUSINESS; EXCEPT THAT THE CONTRACT SHALL NOT
20 COMPENSATE THE CONTRACT COUNTERPARTY WITH A PERCENTAGE OF
21 REVENUE OR PROFITS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
22 MARIJUANA BUSINESS.

23 (10) [Formerly 44-11-104 (4.2) and similar to 44-12-103
24 (5.2)] "Industrial fiber products" means intermediate or finished products
25 made from fibrous waste that are not intended for human or animal
26 consumption and are not usable or recognizable as medical OR RETAIL
27 marijuana. Industrial fiber products include but are not limited to cordage,

1 paper, fuel, textiles, bedding, insulation, construction materials, compost
2 materials, and industrial materials.

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

7 (12) "INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCT
8 CONTAINING INDUSTRIAL HEMP THAT:

9 (a) IS A COSMETIC, FOOD, FOOD ADDITIVE, OR HERB;

10 (b) IS FOR HUMAN USE OR CONSUMPTION;

11 (c) CONTAINS ANY PART OF THE HEMP PLANT, INCLUDING
12 NATURALLY OCCURRING CANNABINOIDS, COMPOUNDS, CONCENTRATES,
13 EXTRACTS, ISOLATES, RESINS, OR DERIVATIVES; AND

14 (d) CONTAINS A DELTA-9 TETRAHYDROCANNABINOL
15 CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON
16 A DRY WEIGHT BASIS.

17 (13) **[Formerly 44-11-104 (5) and similar to 44-12-103**
18 **(6)]** "License" means to grant a license or registration pursuant to this
19 ~~article 11~~ ARTICLE 10.

20 (14) **[Formerly 44-12-103 (7) and similar to 44-11-104**
21 **(6)]** "Licensed premises" means the premises specified in an application
22 for a license under this ~~article 12, which~~ ARTICLE 10 THAT are owned or
23 in possession of the licensee and within which the licensee is authorized
24 to cultivate, manufacture, distribute, sell, or test ~~retail~~ REGULATED
25 marijuana and ~~retail-marijuana~~ REGULATED MARIJUANA products in
26 accordance with this ~~article 12~~ ARTICLE 10.

27 (15) **[Formerly 44-11-104 (7) and similar to 44-12-103**

1 **(8)** "Licensee" means a person licensed or registered pursuant to this
2 ~~article~~ ~~11~~ ARTICLE 10.

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

14 (17) **[Formerly 44-12-103 (9)]** "Local jurisdiction" means a
15 locality as defined in section 16 (2)(e) of article XVIII of the state
16 constitution.

17 (18) **[Formerly 44-12-103 (10) and similar to 44-11-104**
18 **(8)]** "Local licensing authority" means ~~for any local jurisdiction that has~~
19 ~~chosen to adopt a local licensing requirement in addition to the state~~
20 ~~licensing requirements of this article 12~~, an authority designated by
21 municipal, county, or city and county charter, ordinance, or resolution, or
22 the governing body of a municipality or city and county, or the board of
23 county commissioners of a county if no such authority is designated.

24 (19) **[Formerly 44-11-104 (9) and 44-12-103 (11)]** "Location"
25 means a particular parcel of land that may be identified by an address or
26 other descriptive means.

27 (20) **[Formerly 44-12-103 (12)]** "Marijuana accessories" has the

1 same meaning as defined in section 16 (2)(g) of article XVIII of the state
2 constitution.

3 (21) [Formerly 44-11-104 (10) and similar to 44-12-103
4 (13)] "Marijuana-based workforce development or training program"
5 means a program designed to train individuals to work in the legal
6 medical REGULATED marijuana industry operated by an entity licensed
7 under this ~~article~~ ~~†~~ ARTICLE 10 or by a school that is authorized by the
8 private occupational school division.

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

17 (23) "MEDICAL MARIJUANA BUSINESS" MEANS ANY OF THE
18 FOLLOWING ENTITIES LICENSED PURSUANT TO THIS ARTICLE 10: A
19 MEDICAL MARIJUANA STORE, A MEDICAL MARIJUANA CULTIVATION
20 FACILITY, A MEDICAL MARIJUANA PRODUCTS MANUFACTURER, A MEDICAL
21 MARIJUANA TESTING FACILITY, A MARIJUANA RESEARCH AND
22 DEVELOPMENT LICENSEE, A MEDICAL MARIJUANA BUSINESS OPERATOR, OR
23 A MEDICAL MARIJUANA TRANSPORTER.

24 (24) [Formerly 44-11-104 (12)] "Medical marijuana business
25 operator" means an entity or person ~~who~~ THAT is not an owner and ~~who~~
26 THAT is licensed to provide professional operational services to a medical
27 marijuana ~~establishment~~ BUSINESS for direct remuneration from the

1 medical marijuana ~~establishment~~ BUSINESS.

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

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

14 (27) [Formerly 44-11-104 (16)] "Medical ~~marijuana-infused~~
15 MARIJUANA products manufacturer" means a person licensed pursuant to
16 this ~~article~~ ~~11~~ ARTICLE 10 to operate a business as described in ~~section~~
17 ~~44-11-404~~ SECTION 44-10-503.

18 (28) [Formerly 44-11-104 (13)] "Medical marijuana ~~center~~
19 STORE" means a person licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10 to
20 operate a business as described in ~~section 44-11-402~~ SECTION 44-10-501
21 that sells medical marijuana to registered patients or primary
22 CAREGIVER as defined in section 14 of article XVIII of the state
23 constitution, but is not a primary caregiver.

24 (29) [Formerly 44-11-104 (14)] "Medical marijuana transporter"
25 means an entity or person that is licensed to transport medical marijuana
26 and medical ~~marijuana-infused~~ MARIJUANA products from one medical
27 marijuana ~~establishment~~ BUSINESS to another medical marijuana

1 ~~establishment~~ BUSINESS and to temporarily store the transported medical
2 marijuana and medical ~~marijuana-infused~~ MARIJUANA products at its
3 licensed premises, but is not authorized to sell medical marijuana or
4 medical ~~marijuana-infused~~ MARIJUANA products under any circumstances.

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

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

12 (32) [Formerly 44-12-103 (16)] "Operating fees", as referred to
13 in section 16 (5)(f) of article XVIII of the state constitution, means fees
14 that may be charged by a local jurisdiction for costs, including but not
15 limited to inspection, administration, and enforcement of retail marijuana
16 ~~establishments~~ BUSINESSES authorized pursuant to this ~~article 12~~ ARTICLE
17 10.

18 (33) "PASSIVE BENEFICIAL OWNER" MEANS A PERSON THAT IS NOT
19 AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS OR A RETAIL
20 MARIJUANA BUSINESS, IS NOT OTHERWISE IN A POSITION TO EXERCISE
21 CONTROL OVER THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
22 BUSINESS, AND IS THE BENEFICIAL OWNER OF LESS THAN FIVE PERCENT OF
23 THE SECURITIES OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
24 MARIJUANA BUSINESS OR IS A QUALIFIED INSTITUTIONAL INVESTOR.

25 (34) [Formerly 44-11-104 (20) and similar to 44-12-103
26 (17)] "Permitted economic interest" means any unsecured convertible
27 debt instrument, option agreement, warrant, or any other right to obtain

1 an ownership interest when the holder of such interest is a natural person
2 who is a lawful United States resident and whose right to convert into an
3 ownership interest is contingent on the holder qualifying and obtaining a
4 license as an owner under this ~~article~~ ~~11~~ ARTICLE 10, or such other
5 agreements as may be permitted by rule of the state licensing authority.

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

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

14 (37) [Similar to 44-11-307 (7) and 44-12-306 (7)] "QUALIFIED
15 INSTITUTIONAL INVESTOR" MEANS AN INSTITUTIONAL INVESTOR THAT IS
16 A PASSIVE BENEFICIAL OWNER HOLDING NO MORE THAN THIRTY PERCENT
17 IN THE LICENSEE AND THAT IS:

18 (a) A BANK AS DEFINED IN SECTION 3 (a)(6) OF THE FEDERAL
19 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED;

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

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

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

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

1 (f) AN EMPLOYEE BENEFIT PLAN OR PENSION FUND THAT IS
2 SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY
3 ACT OF 1974", AS AMENDED, EXCLUDING AN EMPLOYEE BENEFIT PLAN OR
4 PENSION FUND SPONSORED BY A LICENSEE OR AN INTERMEDIARY OR
5 HOLDING COMPANY LICENSEE THAT DIRECTLY OR INDIRECTLY OWNS FIVE
6 PERCENT OR MORE OF A LICENSEE;

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

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

10 (i) ANY OTHER ENTITY IDENTIFIED THROUGH RULE BY THE STATE
11 LICENSING AUTHORITY.

12 (38) "REGULATED MARIJUANA" MEANS MEDICAL MARIJUANA AND
13 RETAIL MARIJUANA. IF THE CONTEXT REQUIRES, REGULATED MARIJUANA
14 INCLUDES MEDICAL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA
15 PRODUCTS, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA
16 PRODUCTS.

17 (39) "REGULATED MARIJUANA PRODUCTS" MEANS MEDICAL
18 MARIJUANA PRODUCTS AND RETAIL MARIJUANA PRODUCTS.

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

26 (41) **[Formerly 44-12-103 (22)]** "Retail marijuana" means
27 "marijuana" or "marihuana", as defined in section 16 (2)(f) of article

1 XVIII of the state constitution, that is cultivated, manufactured,
2 distributed, or sold by a licensed retail marijuana establishment BUSINESS.

3 IF THE CONTEXT REQUIRES, RETAIL MARIJUANA INCLUDES RETAIL
4 MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS.

5 (42) [Formerly 44-12-103 (24)] "Retail marijuana establishment
6 BUSINESS" means a retail marijuana store, a retail marijuana cultivation
7 facility, a retail marijuana products manufacturer, or a retail marijuana
8 testing facility, A RETAIL MARIJUANA BUSINESS OPERATOR, OR A RETAIL
9 MARIJUANA TRANSPORTER LICENSED PURSUANT TO THIS ARTICLE 10.

10 (43) [Formerly 44-12-103 (25)] "Retail marijuana establishment
11 BUSINESS operator" means an entity or person that is not an owner and
12 that is licensed to provide professional operational services to a retail
13 marijuana establishment BUSINESS for direct remuneration from the retail
14 marijuana establishment BUSINESS.

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

18 (45) [Formerly 44-12-103 (26)] "Retail marijuana products"
19 means "marijuana products" as defined in section 16 (2)(k) of article
20 XVIII of the state constitution that are produced at a retail marijuana
21 products manufacturer.

22 (46) [Formerly 44-12-103 (27)] "Retail marijuana products
23 manufacturer" has the same meaning as "marijuana product
24 manufacturing facility" as defined in section 16 (2)(j) of article XVIII of
25 the state constitution.

26 (47) [Formerly 44-12-103 (28)] "Retail marijuana store" has the
27 same meaning as defined in section 16 (2)(n) of article XVIII of the state

1 constitution.

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

6 (49) **[Formerly 44-12-103 (30)]** "Retail marijuana transporter"
7 means an entity or person that is licensed to transport retail marijuana and
8 retail marijuana products from one retail marijuana ~~establishment~~
9 BUSINESS to another retail marijuana ~~establishment~~ BUSINESS and to
10 temporarily store the transported retail marijuana and retail marijuana
11 products at its licensed premises, but is not authorized to sell retail
12 marijuana or retail marijuana products under any circumstances.

13 (50) **[Formerly 44-12-103 (31)]** "Sale" or "sell" includes to
14 exchange, barter, or traffic in; to solicit or receive and order except
15 through a licensee licensed under this ~~article 12~~ ARTICLE 10; to deliver for
16 value in any way other than gratuitously; to peddle or possess with intent
17 to sell; or to traffic in for any consideration promised or obtained directly
18 or indirectly.

19 (51) **[Formerly 44-12-103 (32) and similar to 44-11-104**
20 **(25)]** "School" means a public or private preschool or a public or private
21 elementary, middle, junior high, or high school or institution of higher
22 education.

23 (52) **[Formerly 44-12-103 (33) and similar to 44-11-104**
24 **(26)]** "State licensing authority" means the authority created for the
25 purpose of regulating and controlling the licensing of the cultivation,
26 manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana
27 in this state pursuant to ~~section 44-12-201~~ SECTION 44-10-201.

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

14 ~~(b) To continue operating a business or operation as described in~~
15 ~~subsection (1)(a) of this section, the owner shall, on or before August 1,~~
16 ~~2010, complete forms as provided by the department of revenue and shall~~
17 ~~pay a fee, which shall be credited to the medical marijuana license cash~~
18 ~~fund established pursuant to section 44-11-501. The purpose of the fee~~
19 ~~shall be to pay for the direct and indirect costs of the state licensing~~
20 ~~authority and the development of application procedures and rules~~
21 ~~necessary to implement this article 11. Payment of the fee and completion~~
22 ~~of the form shall not create a local or state license or a present or future~~
23 ~~entitlement to receive a license. An owner issued a local license after~~
24 ~~August 1, 2010, shall complete the forms and pay the fee pursuant to this~~
25 ~~subsection (1)(b) within thirty days after issuance of the local license. In~~
26 ~~addition to any criminal penalties for selling without a license, it shall be~~
27 ~~unlawful to continue operating a business or operation without filing the~~

1 forms and paying the fee as described in this subsection (1)(b), and any
2 violation of this section shall be prima facie evidence of unsatisfactory
3 character, record, and reputation for any future application for license
4 under this article 11.

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

10 (2) (1) (a) [Formerly 44-11-103 (2)(a)] Prior to July 1, 2011, A
11 county, city and county, or municipality may adopt and enforce a
12 resolution or ordinance licensing, regulating, or prohibiting the cultivation
13 or sale of medical marijuana. In a county, city and county, or municipality
14 where such an ordinance or resolution has been adopted, a person who is
15 not registered as a patient or primary caregiver pursuant to section
16 25-1.5-106 and who is cultivating or selling medical marijuana shall IS
17 not be entitled to an affirmative defense to a criminal prosecution as
18 provided for in section 14 of article XVIII of the state constitution unless
19 the person is in compliance with the applicable county or municipal law.

20 [Formerly 44-11-103 (2)(b)] (b) ~~On or before September 1,~~
21 ~~2010, a business or operation shall certify that it is cultivating at least~~
22 ~~seventy percent of the medical marijuana necessary for its operation.~~

23 (b) [Formerly 44-11-106] The operation of this article 11 ARTICLE
24 10 AS IT RELATES TO MEDICAL MARIJUANA shall be statewide unless a
25 municipality, county, city, or city and county, by either a majority of the
26 registered electors of the municipality, county, city, or city and county
27 voting at a regular election or special election called in accordance with

1 the "Colorado Municipal Election Code of 1965", article 10 of title 31, or
2 the "Uniform Election Code of 1992", articles 1 to 13 of title 1, as
3 applicable, or a majority of the members of the governing board for the
4 municipality, county, city, or city and county, vote to prohibit the
5 operation of medical marijuana centers, ~~optional premises cultivation~~
6 ~~operations~~ STORES, MEDICAL MARIJUANA CULTIVATION FACILITIES, and
7 medical ~~marijuana-infused~~ MARIJUANA products manufacturers' licenses.

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

22 **[Formerly 44-11-103 (2)(d)]** ~~(d) (f) On and after July 1, 2012,~~
23 ~~persons who did not meet all requirements of subsection (1)(a) of this~~
24 ~~section as of July 1, 2010, may begin to apply for a license pursuant to~~
25 ~~this article 11. A business or operation that applies and is approved for its~~
26 ~~license after July 1, 2012, shall certify to the state licensing authority that~~
27 ~~it is cultivating at least seventy percent of the medical marijuana~~

1 ~~necessary for its operation within ninety days after being licensed.~~

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

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

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

18 ~~**[Formerly 44-12-104 (1)] (1)(a)(I)** On or after October 1, 2013,~~
19 ~~a person who is operating in good standing a licensed medical marijuana~~
20 ~~center, an optional premises cultivation license, or a licensed medical~~
21 ~~marijuana-infused products business or a person who had a pending~~
22 ~~application with the state licensing authority prior to December 10, 2012,~~
23 ~~has paid all applicable licensing fees, and has not yet had that application~~
24 ~~approved may apply for a retail marijuana establishment license under~~
25 ~~this article 12.~~

26 ~~(H) An applicant pursuant to this subsection (1)(a) shall indicate~~
27 ~~whether he or she wants to surrender the current medical marijuana~~

1 license issued pursuant to part 4 of article 11 of this title 44 or intends to
2 retain the license in addition to the retail marijuana establishment license.

3 ~~(III) If the applicant indicates a desire to surrender the medical
4 marijuana license, the applicant shall continue to operate under that
5 license so long as the license remains in effect until a retail marijuana
6 establishment license is approved. If the retail marijuana establishment
7 license is granted, the applicant shall have fourteen days from the
8 effective date of the license to surrender the medical marijuana license to
9 the state licensing authority. If the retail marijuana license is granted, on
10 the effective date of the license, all medical marijuana plants and
11 inventory shall become retail marijuana plants and inventory on the date
12 of the retail marijuana establishment license; except that beginning on
13 July 1, 2016, an applicant shall not be allowed to transfer medical
14 marijuana plants and inventory from a medical marijuana center or from
15 a medical marijuana-infused products manufacturer to any retail
16 marijuana establishment. Beginning on July 1, 2016, the only transfer of
17 medical marijuana allowed pursuant to this subsection (1)(a)(III) is the
18 transfer of medical marijuana plants and inventory from a medical
19 marijuana cultivation facility to a retail marijuana cultivation facility.~~

20 ~~(IV) An applicant pursuant to this subsection (1)(a) may apply for
21 a retail marijuana establishment license and retain the medical marijuana
22 license. The applicant may apply to have the medical marijuana licensed
23 operation and the retail marijuana establishment at the same location only
24 if the local jurisdiction permits the medical marijuana licensed operation
25 and the retail marijuana establishment to be operated at the same location.
26 At the time that the retail marijuana establishment license becomes
27 effective, the applicant shall identify the medical marijuana inventory that~~

1 will become retail marijuana inventory; except that beginning on July 1,
2 2016, an applicant shall not be allowed to transfer medical marijuana
3 inventory from a medical marijuana center or from a medical
4 marijuana-infused products manufacturer to any retail marijuana
5 establishment. Beginning on July 1, 2016, the only transfer of medical
6 marijuana allowed pursuant to this subsection (1)(a)(IV) is the transfer of
7 medical marijuana inventory from a medical marijuana cultivation facility
8 to a retail marijuana cultivation facility.

9 (V) An applicant pursuant to this subsection (1)(a) who retains a
10 medical marijuana license and obtains a retail marijuana establishment
11 license for the two licensed premises must maintain actual physical
12 separation between the two or only sell medical marijuana to persons
13 twenty-one years of age or older.

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

18 (2) [Formerly 44-12-104 (2)] (a) A person applying pursuant to
19 subsection (1) of this section shall FOR LICENSURE PURSUANT TO THIS
20 ARTICLE 10 MUST complete forms as provided by the state licensing
21 authority and shall MUST pay the application fee and the licensing fee,
22 which shall MUST be credited to the marijuana cash fund established
23 pursuant to section 44-11-501 SECTION 44-10-801. The state licensing
24 authority shall forward, within seven days, one-half of the RETAIL
25 MARIJUANA BUSINESS license application fee to the local jurisdiction
26 unless the local jurisdiction has prohibited the operation of retail
27 marijuana establishments BUSINESSES pursuant to section 16 (5)(f) of

1 article XVIII of the state constitution. If the license is denied, the state
2 licensing authority shall refund the licensing fee to the applicant.

3 (b) The state licensing authority shall act upon ~~an~~ A RETAIL
4 MARIJUANA BUSINESS LICENSE application made pursuant to ~~subsection~~
5 ~~(1)~~ SUBSECTION (1)(a) of this section no sooner than forty-five days and
6 no later than ninety days after the date of the RETAIL MARIJUANA
7 BUSINESS LICENSE application. The state licensing authority shall process
8 RETAIL MARIJUANA BUSINESS LICENSE applications in the order in which
9 complete applications are received by the state licensing authority.

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

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

24 (5) (a) **[Formerly 44-12-104 (5)]** Nothing in this ~~article 12~~
25 ARTICLE 10 is intended to require an employer to permit or accommodate
26 the use, consumption, possession, transfer, display, transportation, sale,
27 or cultivating of REGULATED marijuana in the workplace or to affect the

1 ability of employers to have policies restricting the use of marijuana by
2 employees.

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

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;

6 (b) [Formerly 44-12-202 (2)(a)] Grant or refuse state licenses for
7 the cultivation, manufacture, distribution, sale, and testing of ~~retail~~
8 REGULATED marijuana and ~~retail~~ REGULATED marijuana products as
9 provided by law; suspend, fine, restrict, or revoke such licenses, whether
10 active, expired, or surrendered, upon a violation of this ~~article 12~~ ARTICLE
11 10 or any rule promulgated pursuant to this ~~article 12~~ ARTICLE 10; and
12 impose any penalty authorized by this ~~article 12~~ ARTICLE 10 or any rule
13 promulgated pursuant to this ~~article 12~~ ARTICLE 10. The state licensing
14 authority may take any action with respect to a registration pursuant to
15 this ~~article 12~~ ARTICLE 10 as it may with respect to a license pursuant to
16 this ~~article 12~~ ARTICLE 10, in accordance with the procedures established
17 pursuant to this ~~article 12~~ ARTICLE 10.

18 (c) [Formerly 44-12-202 (2)(b)] Promulgate, ~~on or before July 1,~~
19 ~~2013,~~ rules for the proper regulation and control of the cultivation,
20 manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana
21 and ~~retail~~ REGULATED marijuana products and for the enforcement of this
22 ~~article 12~~ ARTICLE 10 and promulgate amended rules and such special
23 rulings and findings as necessary;

24 (d) [Formerly 44-11-202 (1)(c)] Hear and determine at a public
25 hearing any contested state license denial and any complaints against a
26 licensee and administer oaths and issue subpoenas to require the presence
27 of persons and the production of papers, books, and records necessary to

1 the determination of any hearing so held, all in accordance with article 4
2 of title 24. The state licensing authority may, at its discretion, delegate to
3 the department hearing officers the authority to conduct licensing,
4 disciplinary, and rule-making hearings ~~under~~ PURSUANT TO section
5 24-4-105. When conducting the hearings, the hearing officers ~~shall be~~
6 ARE employees of the state licensing authority under the direction and
7 supervision of the executive director and the state licensing authority.

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

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

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

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

25 (3) NOTHING IN THIS ARTICLE 10 LIMITS A LAW ENFORCEMENT
26 AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO
27 A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS. A LAW

1 ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN A COLORADO CRIME
2 INFORMATION CENTER CRIMINAL HISTORY RECORD CHECK OF A PRIMARY
3 CAREGIVER, LICENSEE, OR EMPLOYEE OF A LICENSEE DURING AN
4 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO MEDICAL
5 MARIJUANA. A LAW ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN
6 A COLORADO CRIME INFORMATION CENTER CRIMINAL HISTORY RECORD
7 CHECK OF A LICENSEE OR EMPLOYEE OF A LICENSEE DURING AN
8 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO REGULATED
9 MARIJUANA AND REGULATED MARIJUANA PRODUCTS.

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

16 (5) (a) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO
17 PETITION A DISTRICT COURT FOR AN INVESTIGATIVE SUBPOENA
18 APPLICABLE TO ANY PERSON TO OBTAIN DOCUMENTS OR INFORMATION
19 NECESSARY TO ENFORCE THE PROVISIONS OF THIS ARTICLE 10 AND ANY
20 RULES PROMULGATED PURSUANT TO THIS ARTICLE 10 AFTER REASONABLE
21 EFFORTS HAVE BEEN MADE TO OBTAIN REQUESTED DOCUMENTS OR
22 INFORMATION WITHOUT A SUBPOENA.

23 (b) THE STATE LICENSING AUTHORITY MAY APPLY TO ANY COURT
24 OF COMPETENT JURISDICTION TO TEMPORARILY RESTRAIN OR
25 PRELIMINARILY OR PERMANENTLY ENJOIN THE ACT IN QUESTION AND TO
26 ENFORCE COMPLIANCE WITH THIS ARTICLE 10 OR ANY RULE OR ORDER
27 ISSUED PURSUANT TO THIS ARTICLE 10 WHENEVER IT APPEARS TO THE

1 STATE LICENSING AUTHORITY UPON SUFFICIENT EVIDENCE SATISFACTORY
2 TO THE STATE LICENSING AUTHORITY THAT ANY PERSON HAS BEEN OR IS
3 COMMITTING AN ACT PROHIBITED BY THIS ARTICLE 10, A RULE
4 PROMULGATED PURSUANT TO THIS ARTICLE 10, A RULE OR AN ORDER
5 ISSUED PURSUANT TO THIS ARTICLE 10, AND THE ACT:

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

11 (6) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT MATTERS
12 RELATED TO LABELING AS REGULATED PURSUANT TO THIS SECTION AND
13 SECTION 44-10-203 (2)(f), PACKAGING AS REGULATED PURSUANT TO THIS
14 SECTION AND SECTION 44-10-203 (3)(b), AND TESTING AS REGULATED
15 PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(d) ARE MATTERS
16 OF STATEWIDE CONCERN AND THE SOLE REGULATORY AUTHORITY FOR
17 LABELING, PACKAGING, AND TESTING IS SECTION 44-10-203.

18 **44-10-203. State licensing authority - rules. (1) Permissive**
19 **rule-making.** RULES PROMULGATED PURSUANT TO SECTION 44-10-202
20 (1)(c) MAY INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING
21 SUBJECTS:

- 22 (a) **[Formerly 44-12-202 (3)(d)(V)]** Labeling guidelines
23 concerning the total content of THC per unit of weight;
- 24 (b) **[Formerly 44-11-202 (2)(a)(VII)]** Control of informational
25 and product displays on licensed premises;
- 26 (c) **[Formerly 44-11-202 (2)(a)(XVI) and 44-12-202**
27 **(3)(a)(XII)]** Records to be kept by licensees and the required availability

1 of the records;

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

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

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

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

19 (h) **[Formerly 44-11-202 (2)(a)(VI)]** Prohibition of
20 misrepresentation and unfair practices;

21 (i) **[Formerly 44-11-202 (2)(a)(XXVI)]** Marijuana research and
22 development licenses, ~~and marijuana research and development~~
23 ~~cultivation licenses~~, including application requirements; renewal
24 requirements, including whether additional research projects may be
25 added or considered; conditions for license revocation; security measures
26 to ensure marijuana is not diverted to purposes other than research or
27 diverted outside of the regulated marijuana market; the amount of plants,

1 useable marijuana, marijuana concentrates, or ~~marijuana-infused~~
2 MARIJUANA products a licensee may have on its premises; licensee
3 reporting requirements; the conditions under which marijuana possessed
4 by medical marijuana licensees may be donated to marijuana research and
5 development licensees ~~and marijuana research and development~~
6 ~~cultivation licensees~~ or transferred to a nonmetric-based research facility;
7 provisions to prevent contamination; requirements for destruction or
8 transfer of marijuana after the research is concluded; and any additional
9 requirements; AND

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

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

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

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

25 (c) **[Formerly 44-12-202 (3)(a)(III)]** Qualifications for licensure
26 ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE 10, including but not limited
27 to the requirement for a fingerprint-based criminal history record check

1 for all CONTROLLING BENEFICIAL owners, ~~officers~~ PASSIVE BENEFICIAL
2 OWNERS, managers, contractors, employees, and other support staff of
3 entities licensed pursuant to this ~~article 12~~ ARTICLE 10;

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

13 (II) TESTING MAY INCLUDE ANALYSIS FOR MICROBIAL AND
14 RESIDUAL SOLVENTS AND CHEMICAL AND BIOLOGICAL CONTAMINANTS
15 DEEMED TO BE PUBLIC HEALTH HAZARDS BY THE COLORADO DEPARTMENT
16 OF PUBLIC HEALTH AND ENVIRONMENT BASED ON MEDICAL REPORTS AND
17 PUBLISHED SCIENTIFIC LITERATURE.

18 (III) (A) IF TEST RESULTS INDICATE THE PRESENCE OF QUANTITIES
19 OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO HEALTH, THE
20 MEDICAL MARIJUANA OR RETAIL MARIJUANA LICENSEE SHALL
21 IMMEDIATELY QUARANTINE THE PRODUCTS AND NOTIFY THE STATE
22 LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL GIVE THE
23 LICENSEE AN OPPORTUNITY TO REMEDIATE THE PRODUCT IF THE TEST
24 INDICATED THE PRESENCE OF A MICROBIAL. IF THE LICENSEE IS UNABLE TO
25 REMEDIATE THE PRODUCT, THE LICENSEE SHALL DOCUMENT AND
26 PROPERLY DESTROY THE ADULTERATED PRODUCT.

27 (B) IF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT TEST

1 RESULTS INDICATE THE PRESENCE OF QUANTITIES OF ANY SUBSTANCE
2 DETERMINED TO BE INJURIOUS TO HEALTH, THE STATE LICENSING
3 AUTHORITY SHALL GIVE THE LICENSEE AN OPPORTUNITY TO RETEST THE
4 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT.

5 (C) IF TWO ADDITIONAL TESTS OF THE RETAIL MARIJUANA OR
6 RETAIL MARIJUANA PRODUCT DO NOT INDICATE THE PRESENCE OF
7 QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO
8 HEALTH, THE PRODUCT MAY BE USED OR SOLD BY THE RETAIL MARIJUANA
9 LICENSEE.

10 (IV) (A) TESTING MUST ALSO VERIFY THC POTENCY
11 REPRESENTATIONS AND HOMOGENEITY FOR CORRECT LABELING AND
12 PROVIDE A CANNABINOID PROFILE FOR THE REGULATED MARIJUANA
13 PRODUCT.

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

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

19 (V) THE STATE LICENSING AUTHORITY SHALL DETERMINE AN
20 ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND
21 PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS. THE STATE
22 LICENSING AUTHORITY SHALL DETERMINE AN ACCEPTABLE VARIANCE OF
23 AT LEAST PLUS OR MINUS FIFTEEN PERCENT FOR POTENCY
24 REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY
25 MISREPRESENTATIONS.

26 (VI) THE STATE LICENSING AUTHORITY SHALL DETERMINE THE
27 PROTOCOLS AND FREQUENCY OF REGULATED MARIJUANA TESTING BY

1 LICENSEES.

2 (VII) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY
3 OR USE THE RESULTS OF ANY TEST OF REGULATED MARIJUANA OR
4 REGULATED MARIJUANA PRODUCTS CONDUCTED BY AN ANALYTICAL
5 LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION
6 (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR THAT IS NOT
7 ACCREDITED TO THE INTERNATIONAL ORGANIZATION FOR
8 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
9 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
10 IN THAT FIELD OF TESTING. STARTING JANUARY 1, 2018, A STATE, LOCAL,
11 OR MUNICIPAL AGENCY MAY USE OR EMPLOY THE RESULTS OF ANY TEST
12 OF REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS
13 CONDUCTED ON OR AFTER JANUARY 1, 2018, BY AN ANALYTICAL
14 LABORATORY THAT IS CERTIFIED PURSUANT TO THIS SUBSECTION
15 (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR IS ACCREDITED
16 PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR
17 STANDARDIZATION/ INTERNATIONAL ELECTROTECHNICAL COMMISSION
18 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
19 IN THAT FIELD OF TESTING.

20 (VIII) ON OR BEFORE JANUARY 1, 2019, THE STATE LICENSING
21 AUTHORITY SHALL REQUIRE A MEDICAL MARIJUANA TESTING FACILITY OR
22 RETAIL MARIJUANA TESTING FACILITY TO BE ACCREDITED BY A BODY THAT
23 IS ITSELF RECOGNIZED BY THE INTERNATIONAL LABORATORY
24 ACCREDITATION COOPERATION IN A CATEGORY OF TESTING PURSUANT TO
25 THE INTERNATIONAL ORGANIZATION FOR
26 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
27 17025:2005 STANDARD, OR A SUBSEQUENT SUPERSEDING STANDARD, IN

1 ORDER TO RECEIVE CERTIFICATION OR MAINTAIN CERTIFICATION; EXCEPT
2 THAT THE STATE LICENSING AUTHORITY MAY BY RULE ESTABLISH
3 CONDITIONS FOR PROVIDING EXTENSIONS TO A NEWLY LICENSED MEDICAL
4 MARIJUANA TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY
5 FOR A PERIOD NOT TO EXCEED TWELVE MONTHS OR A MEDICAL MARIJUANA
6 TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY FOR GOOD
7 CAUSE AS DEFINED BY RULES PROMULGATED BY THE STATE LICENSING
8 AUTHORITY, WHICH MUST INCLUDE BUT MAY NOT BE LIMITED TO WHEN AN
9 APPLICATION FOR ACCREDITATION HAS BEEN SUBMITTED AND IS PENDING
10 WITH A RECOGNIZED ACCREDITING BODY.

11 (e) [**Formerly 44-12-202 (3)(a)(V) and similar to 44-11-202**
12 **(2)(a)(X)**] Security requirements for any premises licensed pursuant to
13 this ~~article 12~~ ARTICLE 10, including, at a minimum, lighting, physical
14 security, video, and alarm requirements, and other minimum procedures
15 for internal control as deemed necessary by the state licensing authority
16 to properly administer and enforce the provisions of this ~~article 12~~
17 ARTICLE 10, including reporting requirements for changes, alterations, or
18 modifications to the premises;

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

25 (I) WARNING LABELS;

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

1 (III) A UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE
2 CONTAINS MARIJUANA; AND

3 (IV) POTENCY OF THE REGULATED MARIJUANA AND REGULATED
4 MARIJUANA PRODUCTS;

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

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

12 (i) [Formerly 44-12-202 (3)(a)(XI) and similar to 44-11-202
13 (2)(a)(XII)] Sanitary requirements for MEDICAL MARIJUANA BUSINESSES
14 AND retail marijuana ~~establishments~~ BUSINESSES, including but not
15 limited to sanitary requirements for the preparation of ~~retail~~ REGULATED
16 marijuana products;

17 (j) [Formerly 44-12-202 (3)(a)(XIII) and similar to 44-11-202
18 (2)(a)(XVIII)] The reporting and transmittal of monthly sales tax
19 payments by MEDICAL MARIJUANA STORES AND retail marijuana stores and
20 any applicable excise tax payments by retail marijuana cultivation
21 facilities;

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

26 (l) [Formerly 44-12-202 (3)(a)(XVI) and similar to 44-11-202
27 (2)(a)(I)] Compliance with, enforcement of, or violation of any provision

1 of this ~~article 12~~ ARTICLE 10, section 18-18-406.3 (7), or any rule issued
2 PROMULGATED pursuant to this ~~article 12~~ ARTICLE 10, including
3 procedures and grounds for denying, suspending, fining, restricting, or
4 revoking a state license issued pursuant to this ~~article 12~~ ARTICLE 10;

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

8 (n) [**Formerly 44-12-202 (3)(a)(XVIII) and similar to 44-11-202**
9 **(2)(a)(XXI)**] MEDICAL MARIJUANA TRANSPORTER LICENSED BUSINESSES
10 AND retail marijuana transporter licensed businesses, including
11 requirements for drivers, including obtaining and maintaining a valid
12 Colorado driver's license; insurance requirements; acceptable time frames
13 for transport, storage, and delivery; requirements for transport vehicles;
14 and requirements for licensed premises;

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

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

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

1 registration;

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

9 (s) [**Formerly 44-12-202 (3)(a)(XXIV) and similar to 44-11-202**
10 **(2)(a)(XXIX)**] Requirements for issuance of colocation permits to a
11 marijuana research and development licensee ~~or a marijuana research and~~
12 ~~development cultivation licensee~~ authorizing colocation with a MEDICAL
13 MARIJUANA PRODUCTS MANUFACTURER OR retail marijuana products
14 ~~manufacturing~~ MANUFACTURER licensed premises, including application
15 requirements, eligibility, restrictions to prevent cross-contamination and
16 to ensure physical separation of inventory and research activities, and
17 other privileges and restrictions of permits;

18 (t) [**Formerly 44-12-202 (3)(c)(IV) and similar to 44-11-202**
19 **(2)(a)(VIII)**] Development of individual identification cards for ~~owners,~~
20 ~~officers,~~ NATURAL PERSONS WHO ARE CONTROLLING BENEFICIAL OWNERS,
21 PASSIVE BENEFICIAL OWNERS, managers, contractors, employees, and
22 other support staff of entities licensed pursuant to this ~~article 12~~ ARTICLE
23 10, including a fingerprint-based criminal history record check as may be
24 required by the state licensing authority prior to issuing a card;

25 (u) [**Formerly 44-11-202 (2)(a)(IX) and 44-12-202 (3)(c)(V)**]
26 Identification of state licensees and their ~~owners, officers~~ CONTROLLING
27 BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, managers, and

1 employees;

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

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

11 (x) [**Formerly 44-11-202 (3)(a)(IV) and 44-12-202 (5)**] THE
12 conditions under which a licensee is authorized to transfer fibrous waste
13 to a person for the purpose of producing only industrial fiber products.
14 The conditions must include contract requirements that stipulate that the
15 fibrous waste will only be used to produce industrial fiber products;
16 record-keeping requirements; security measures related to the transport
17 and transfer of fibrous waste; REQUIREMENTS FOR handling contaminated
18 fibrous waste; ~~requirements~~; and processes associated with handling
19 fibrous waste. The rules ~~shall~~ MUST not require licensees to alter fibrous
20 waste from its natural state prior to transfer.

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

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

4 (3) IN PROMULGATING RULES PURSUANT TO THIS SECTION, THE
5 STATE LICENSING AUTHORITY MAY SEEK THE ASSISTANCE OF THE
6 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WHEN NECESSARY
7 BEFORE PROMULGATING RULES ON THE FOLLOWING SUBJECTS:

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

15 (I) ALLOWING PACKAGING AND ACCESSORY BRANDING;

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

18 (III) PROHIBITING UNSOLICITED POP-UP ADVERTISING ON THE
19 INTERNET;

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

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

23 (VI) PROHIBITING MARKETING DIRECTED TOWARD
24 LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR
25 PHONES, UNLESS THE MARKETING IS A MOBILE DEVICE APPLICATION
26 INSTALLED ON THE DEVICE BY THE OWNER OF THE DEVICE WHO IS
27 EIGHTEEN YEARS OF AGE OR OLDER FOR MEDICAL MARIJUANA AND

1 TWENTY-ONE YEARS OF AGE OR OLDER FOR RETAIL MARIJUANA AND
2 INCLUDES A PERMANENT AND EASY OPT-OUT FEATURE;

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

6 (I) PACKAGED IN PACKAGING MEETING REQUIREMENTS
7 ESTABLISHED BY THE STATE LICENSING AUTHORITY SIMILAR TO THE
8 FEDERAL "POISON PREVENTION PACKAGING ACT OF 1970", 15 U.S.C. SEC.
9 1471 ET SEQ., AS AMENDED; AND

10 (II) PLACED IN AN OPAQUE AND RESEALABLE EXIT PACKAGE OR
11 CONTAINER MEETING REQUIREMENTS ESTABLISHED BY THE STATE
12 LICENSING AUTHORITY AT THE POINT OF SALE PRIOR TO EXITING THE
13 STORE;

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

17 (d) [Formerly 44-12-202 (3)(d)(IV)] A standardized marijuana
18 serving size amount for edible retail marijuana products that does not
19 contain more than ten milligrams of active THC, designed only to provide
20 consumers with information about the total number of servings of active
21 THC in a particular retail marijuana product, not as a limitation on the
22 total amount of THC in any particular item; labeling requirements
23 regarding servings for edible retail marijuana products; and limitations on
24 the total amount of active THC in a sealed internal package that is no
25 more than one hundred milligrams of active THC;

26 (e) [Formerly 44-12-202 (3)(d)(VI)] Prohibition ON or regulation
27 of additives to any ~~retail~~ REGULATED marijuana product, including but not

1 limited to those that are toxic, designed to make the product more
2 addictive, designed to make the product more appealing to children, or
3 misleading to consumers, but not including common baking and cooking
4 items;

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

8 (g) **[Formerly 44-12-202 (3)(d)(VIII)(A) and similar to**
9 **44-11-202 (3)(a)(III)(A)]** A prohibition on the production and sale of
10 edible ~~retail~~ REGULATED marijuana products that are in the distinct shape
11 of a human, animal, or fruit. Geometric shapes and products that are
12 simply fruit flavored are not considered fruit. Products in the shape of a
13 marijuana leaf are permissible. Nothing in this ~~subsection (3)(a)(VIII)~~
14 SUBSECTION (3)(g) applies to a company logo.

15 (4) **Equivalency.** RULES PROMULGATED PURSUANT TO
16 SUBSECTION 44-10-202 (1)(c) MUST ALSO INCLUDE:

17 (a) ESTABLISHING THE EQUIVALENT OF ONE OUNCE OF MEDICAL
18 MARIJUANA FLOWER IN VARIOUS MEDICAL MARIJUANA PRODUCTS,
19 INCLUDING MEDICAL MARIJUANA CONCENTRATE, ON OR BEFORE JANUARY
20 1, 2020. WHEN ESTABLISHING EQUIVALENCY STANDARDS, THE STATE
21 LICENSING AUTHORITY SHALL TAKE INTO CONSIDERATION THE MEDICAL
22 NEEDS OF MEDICAL MARIJUANA PATIENTS. PRIOR TO PROMULGATING THE
23 RULES REQUIRED BY THIS SUBSECTION (4)(a), THE STATE LICENSING
24 AUTHORITY MAY CONTRACT FOR A SCIENTIFIC STUDY TO DETERMINE THE
25 EQUIVALENCY OF MEDICAL MARIJUANA FLOWER IN MEDICAL MARIJUANA
26 PRODUCTS, INCLUDING MEDICAL MARIJUANA CONCENTRATE.

27 (b) **[Similar to 44-12-202 (3)(b)(I)]** ESTABLISHING THE

1 EQUIVALENT OF ONE OUNCE OF RETAIL MARIJUANA FLOWER IN VARIOUS
2 RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA
3 CONCENTRATE. PRIOR TO PROMULGATING THE RULES REQUIRED BY THIS
4 SUBSECTION (4)(b), THE STATE LICENSING AUTHORITY MAY CONTRACT
5 FOR A SCIENTIFIC STUDY TO DETERMINE THE EQUIVALENCY OF MARIJUANA
6 FLOWER IN RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA
7 CONCENTRATE.

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

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

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

22 (A) Placing or modifying a limit on the number of licenses that it
23 issues, by class or overall, but in placing or modifying the limits, the
24 STATE LICENSING authority shall consider the reasonable availability of
25 new licenses after a limit is established or modified;

26 (B) Placing or modifying a limit on the amount of production
27 permitted by ~~an optional premises~~ A MEDICAL MARIJUANA cultivation

1 facility license or class of licenses based upon some reasonable metric or
2 set of metrics, including but not limited to those items detailed in
3 ~~subsection (4)(a)~~ SUBSECTION (5)(a) of this section, previous months'
4 sales, pending sales, or other reasonable metrics as determined by the
5 state licensing authority; and

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

12 (II) When considering any such limitations, the state licensing
13 authority shall:

14 (A) Consider the total current and anticipated demand for medical
15 marijuana and medical ~~marijuana-infused~~ MARIJUANA products in
16 Colorado;

17 (B) Consider any other relevant factors; and

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

19 (c) The state licensing authority may adopt ~~regulations~~ RULES that
20 limit the amount of medical marijuana inventory that a medical marijuana
21 ~~center~~ STORE may have on hand. If the state licensing authority adopts a
22 limitation, the limitation must be commercially reasonable and consider
23 factors including a medical marijuana ~~center's~~ STORE'S sales history and
24 the number of patients ~~that~~ WHO are registered at a medical marijuana
25 ~~center~~ STORE as their primary ~~center~~ STORE.

26 (6) [Formerly 44-12-202 (4)] **Statewide class system cultivation**
27 **facility rules - retail marijuana.** (a) The state licensing authority shall

1 create a statewide licensure class system for retail marijuana cultivation
2 ~~facilities~~ FACILITY LICENSES. The classifications may be based upon
3 square footage of the facility; lights, lumens, or wattage; lit canopy; the
4 number of cultivating plants; ~~a combination of the foregoing; or other~~
5 reasonable metrics; OR ANY COMBINATION THEREOF. The state licensing
6 authority shall create a fee structure for the ~~license~~ LICENSURE class
7 system.

8 (b) ~~(F)~~ The state licensing authority may establish limitations ~~upon~~
9 ON retail marijuana production through one or more of the following
10 methods:

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

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

21 ~~(C)~~ (III) Placing or modifying a limit on the total amount of
22 production by retail marijuana cultivation facility licensees in the state
23 collectively, based upon some reasonable metric or set of metrics
24 including but not limited to those items detailed in ~~subsection (4)(a)~~
25 SUBSECTION (6)(a) of this section, as determined by the state licensing
26 authority.

27 ~~(H)~~ (c) Notwithstanding anything contained in this ~~article~~ 12

1 ARTICLE 10 to the contrary, in considering any such limitations, the state
2 licensing authority, in addition to any other relevant considerations, shall:

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

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

6 **44-10-204. Confidentiality.** (1) THE STATE LICENSING
7 AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

8 (a) REPORTS OR OTHER INFORMATION OBTAINED FROM A MEDICAL
9 MARIJUANA OR RETAIL MARIJUANA LICENSEE OR A MEDICAL MARIJUANA
10 OR RETAIL MARIJUANA LICENSE APPLICANT CONTAINING ANY
11 INDIVIDUALIZED DATA, INFORMATION, OR RECORDS RELATED TO THE
12 APPLICANT OR LICENSEE OR ITS OPERATION, INCLUDING SALES
13 INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS, FINANCIAL
14 RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION INFORMATION,
15 TESTING RESULTS, AND SECURITY INFORMATION AND PLANS, OR
16 REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER RECORDS THAT
17 ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO STATE LAW. SUCH
18 REPORTS OR OTHER INFORMATION MAY BE USED ONLY FOR A PURPOSE
19 AUTHORIZED BY THIS ARTICLE 10 OR FOR ANY OTHER STATE OR LOCAL
20 LAW ENFORCEMENT PURPOSE. ANY INFORMATION RELEASED RELATED TO
21 PATIENTS MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS
22 ARTICLE 10, OR TO VERIFY THAT A PERSON WHO PRESENTED A REGISTRY
23 IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9) TO A
24 STATE OR LOCAL LAW ENFORCEMENT OFFICIAL IS LAWFULLY IN
25 POSSESSION OF SUCH CARD. ANY CUSTOMER INFORMATION MAY BE USED
26 ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10.

27 (b) INVESTIGATIVE RECORDS AND DOCUMENTS RELATED TO

1 ONGOING INVESTIGATIONS. THOSE RECORDS AND DOCUMENTS MAY BE
2 USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10, OR FOR ANY
3 OTHER STATE OR LOCAL LAW ENFORCEMENT PURPOSE.

4 (c) COMPUTER SYSTEMS MAINTAINED BY THE STATE LICENSING
5 AUTHORITY AND THE VENDORS WITH WHICH THE STATE LICENSING
6 AUTHORITY HAS CONTRACTED.

7 (2) THE STATE LICENSING AUTHORITY SHALL MAKE AVAILABLE
8 FOR PUBLIC INSPECTION:

9 (a) DOCUMENTS RELATED TO FINAL AGENCY ACTIONS AND
10 ORDERS;

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

13 (c) DEMOGRAPHIC INFORMATION RELATED TO APPLICANTS AND
14 LICENSEES AVAILABLE ON AN AGGREGATED AND DE-IDENTIFIED BASIS;
15 AND

16 (d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

17 PART 3

18 LICENSING PROCEDURES

19 **44-10-301. [Formerly 44-11-301] Local licensing authority -**
20 **applications - licenses.** (1) A local licensing authority may issue only the
21 following medical marijuana licenses upon payment of the fee and
22 compliance with all local licensing requirements to be determined by the
23 local licensing authority:

24 (a) A medical marijuana ~~center~~ STORE license;

25 (b) ~~An optional premises cultivation~~ A MEDICAL MARIJUANA
26 CULTIVATION FACILITY license;

27 (c) A medical ~~marijuana-infused~~ MARIJUANA products

1 ~~manufacturing~~ MANUFACTURER license;

2 (d) A medical marijuana testing facility license;

3 (e) A medical marijuana transporter license;

4 (f) A medical marijuana business operator license; AND

5 (g) A marijuana research and development license. ~~and~~

6 ~~(h) A marijuana research and development cultivation license.~~

7 (2) (a) (I) A local licensing authority shall not issue a local license

8 TO A MEDICAL MARIJUANA BUSINESS within a municipality, city and

9 county, or the unincorporated portion of a county unless the governing

10 body of the municipality or city and county has adopted an ordinance, or

11 the governing body of the county has adopted a resolution, containing

12 specific standards for license issuance, or if no such ordinance or

13 resolution is adopted prior to July 1, 2012, then a local licensing authority

14 shall consider the minimum licensing requirements of this part 3 when

15 issuing a license.

16 ~~(b)~~ (II) In addition to all other standards applicable to the issuance

17 of licenses under this ~~article~~ ~~11~~ ARTICLE 10, the local governing body may

18 adopt additional standards for the issuance of medical marijuana ~~center~~

19 STORE, ~~optional premises cultivation~~ MEDICAL MARIJUANA CULTIVATION

20 FACILITY, or medical ~~marijuana-infused~~ MARIJUANA products

21 manufacturer licenses consistent with the intent of this ~~article~~ ~~11~~ ARTICLE

22 10 that may include, but need not be limited to:

23 ~~(H)~~ (A) Distance restrictions between premises for which local

24 licenses are issued;

25 ~~(H)~~ (B) Reasonable restrictions on the size of an applicant's

26 licensed premises; and

27 ~~(H)~~ (C) Any other requirements necessary to ensure the control

1 of the premises and the ease of enforcement of the terms and conditions
2 of the license.

3 ~~(3)~~ (b) An application for a license specified in subsection (1) of
4 this section ~~shall~~ MUST be filed with the state licensing authority and the
5 appropriate local licensing authority on forms provided by the state
6 licensing authority and ~~shall~~ MUST contain such information as the state
7 licensing authority may require and any forms as the local licensing
8 authority may require. Each application ~~shall~~ MUST be verified by the oath
9 or affirmation of the persons prescribed by the state licensing authority.

10 ~~(4)~~ (c) An applicant shall file, at the time of application for a
11 license, plans and specifications for the interior of the building if the
12 building to be occupied is in existence at the time. If the building is not
13 in existence, the applicant shall file a plot plan and a detailed sketch for
14 the interior and submit an architect's drawing of the building to be
15 constructed. In its discretion, the local or state licensing authority may
16 impose additional requirements necessary for the approval of the
17 application.

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

19 (a) When the state licensing authority receives an application for original
20 licensing or renewal of an existing license for any RETAIL marijuana
21 ~~establishment~~ BUSINESS, the state licensing authority shall provide, within
22 seven days, a copy of the application to the local jurisdiction in which the
23 ~~establishment~~ BUSINESS is to be located unless the local jurisdiction has
24 prohibited the operation of retail marijuana ~~establishments~~ BUSINESSES
25 pursuant to section 16 (5)(f) of article XVIII of the state constitution. The
26 local jurisdiction shall determine whether the application complies with
27 local restrictions on time, place, manner, and the number of RETAIL

1 marijuana businesses. The local jurisdiction shall inform the state
2 licensing authority whether the application complies with local
3 restrictions on time, place, manner, and the number of RETAIL marijuana
4 businesses.

5 (b) [Formerly 44-12-301 (2)] A local jurisdiction may impose a
6 separate local licensing requirement FOR RETAIL MARIJUANA BUSINESSES
7 as a part of its restrictions on time, place, manner, and the number of
8 marijuana businesses. A local jurisdiction may decline to impose any
9 local licensing requirements, but a local jurisdiction shall notify the state
10 licensing authority that it either approves or denies each application
11 forwarded to it.

12 **44-10-302. [Formerly 44-11-503] Local license fees - medical**
13 **marijuana.** (1) Each application for a local license FOR A MEDICAL
14 MARIJUANA BUSINESS provided for in ~~this article~~ ~~†~~ SECTION 44-10-301
15 (1) filed with a local licensing authority ~~shall~~ MUST be accompanied by
16 an application fee in an amount determined by the local licensing
17 authority.

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

22 **44-10-303. [Formerly 44-11-302] Public hearing notice -**
23 **posting and publication. (1) Medical marijuana business licenses.**

24 (a) Upon receipt of an application for a local license FOR A MEDICAL
25 MARIJUANA BUSINESS, except an application for renewal or for transfer of
26 ownership, a local licensing authority may schedule a public hearing upon
27 the application to be held not less than thirty days after the date of the

1 application. If the local licensing authority schedules a hearing for a
2 MEDICAL MARIJUANA BUSINESS license application, it shall post and
3 publish public notice thereof not less than ten days prior to the hearing.
4 The local licensing authority shall give public notice by posting a sign in
5 a conspicuous place on the license applicant's premises for which license
6 application has been made and by publication in a newspaper of general
7 circulation in the county in which the applicant's premises are located.

8 ~~(2)~~ (b) Public notice given by posting ~~shall~~ MUST include a sign
9 of suitable material, not less than twenty-two inches wide and twenty-six
10 inches high, composed of letters not less than one inch in height and
11 stating the type of license applied for, the date of the application, the date
12 of the hearing, the name and address of the applicant, and such other
13 information as may be required to fully apprise the public of the nature of
14 the application. The sign ~~shall~~ MUST contain the names and addresses of
15 the officers, directors, or manager of the facility to be licensed.

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

18 ~~(4)~~ (d) If the building in which medical marijuana is to be
19 cultivated, manufactured, or distributed is in existence at the time of the
20 application, a sign posted as required in subsections (1) and (2) of this
21 section ~~shall~~ MUST be placed so as to be conspicuous and plainly visible
22 to the general public. If the building is not constructed at the time of the
23 application, the applicant shall post a sign at the premises upon which the
24 building is to be constructed in such a manner that the notice ~~shall be~~ IS
25 conspicuous and plainly visible to the general public.

26 ~~(5)~~ (2) **Medical marijuana application review.** (a) When
27 conducting its application review, the state licensing authority may advise

1 the local licensing authority of any items that it finds that could result in
2 the denial of the license application. Upon correction of the noted
3 discrepancies, if the correction is permitted by the state licensing
4 authority, the state licensing authority shall notify the local licensing
5 authority of its conditional approval of the license application
6 amendments. The state licensing authority shall then issue the applicant's
7 state license, which ~~shall remain~~ IS conditioned upon local authority
8 approval.

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

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

24 (b) **[Formerly 44-12-302 (2)]** If a local jurisdiction does not issue
25 local RETAIL MARIJUANA BUSINESS licenses, the local jurisdiction may
26 give public notice of the state license application by posting a sign in a
27 conspicuous place on the state license applicant's premises for which a

1 state license application has been made and by publication in a newspaper
2 of general circulation in the county in which the applicant's premises are
3 located.

4 **44-10-304. [Formerly 44-11-303] Results of investigation -**
5 **decision of authorities - medical marijuana.** (1) Not less than five days
6 prior to the date of the public hearing authorized in ~~section 44-11-302~~
7 SECTION 44-10-303, the local licensing authority shall make known its
8 findings, based on its investigation, in writing to the applicant and other
9 parties of interest. The local licensing authority has authority to refuse to
10 issue a license provided for in this section for good cause, subject to
11 judicial review.

12 (2) Before entering a decision approving or denying the
13 application for a local MEDICAL MARIJUANA BUSINESS license, the local
14 licensing authority may consider, except where this ~~article 11~~ ARTICLE 10
15 specifically provides otherwise, the facts and evidence adduced as a result
16 of its investigation, as well as any other facts pertinent to the type of
17 license for which application has been made, including the number, type,
18 and availability of medical marijuana ~~centers, optional premises~~
19 ~~cultivation operations~~ STORES, MEDICAL MARIJUANA CULTIVATION
20 FACILITIES, or medical ~~marijuana-infused~~ MARIJUANA products
21 manufacturers located in or near the premises under consideration, and
22 any other pertinent matters affecting the qualifications of the applicant for
23 the conduct of the type of business proposed.

24 (3) Within thirty days after the public hearing or completion of the
25 application investigation, a local licensing authority shall issue its
26 decision approving or denying an application for local licensure. The
27 decision ~~shall~~ MUST be in writing and ~~shall~~ MUST state the reasons for the

1 decision. The local licensing authority shall send a copy of the decision
2 by certified mail to the applicant at the address shown in the application.

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

12 (5) After approval of an application for conditional state licensure,
13 the state licensing authority shall notify the local licensing authority of
14 such approval. After approval of an application for local licensure, the
15 local licensing authority shall notify the state licensing authority of such
16 approval, ~~who~~ AND THE STATE LICENSING AUTHORITY shall investigate
17 and either approve or disapprove the application for state licensure.

18 **44-10-305. [Formerly 44-11-304 (1)] State licensing authority**
19 **- application and issuance procedures.** (1) Applications for a state
20 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license
21 under the provisions of this ~~article 11~~ shall ARTICLE 10 MUST be made to
22 the state licensing authority on forms prepared and furnished by the state
23 licensing authority and ~~shall~~ MUST set forth such information as the state
24 licensing authority may require to enable the state licensing authority to
25 determine whether a state MEDICAL MARIJUANA BUSINESS OR RETAIL
26 MARIJUANA BUSINESS license should be granted. The information ~~shall~~
27 MUST include the name and address of the applicant, the names and

1 addresses of the ~~officers, directors,~~ CONTROLLING BENEFICIAL OWNERS or
2 managers, and all other information deemed necessary by the state
3 licensing authority. Each application ~~shall~~ MUST be verified by the oath
4 or affirmation of such person or persons as the state licensing authority
5 may prescribe.

6 (2) (a) [**Formerly 44-11-304 (2)**] The state licensing authority
7 shall issue a state license to a medical marijuana ~~center, an optional~~
8 ~~premises cultivation operation~~ STORE, A MEDICAL MARIJUANA
9 CULTIVATION FACILITY, ~~or a medical marijuana-infused~~ MARIJUANA
10 products manufacturer, A MEDICAL MARIJUANA TESTING FACILITY, A
11 MEDICAL MARIJUANA TRANSPORTER, A MEDICAL MARIJUANA BUSINESS
12 OPERATOR, OR A MARIJUANA RESEARCH AND DEVELOPMENT FACILITY
13 pursuant to this section upon satisfactory completion of the applicable
14 criminal history background check associated with the application, and
15 the state license is conditioned upon local licensing authority approval. A
16 license applicant is prohibited from operating a licensed medical
17 marijuana business without both state and local licensing authority
18 approval. The denial of an application by the local licensing authority
19 ~~shall be~~ IS considered as a basis for the state licensing authority to revoke
20 the state-issued license.

21 (b) [**Similar to 44-12-303 (1)**] THE STATE LICENSING AUTHORITY
22 MAY ISSUE A STATE LICENSE TO AN APPLICANT PURSUANT TO THIS SECTION
23 FOR A RETAIL MARIJUANA BUSINESS UPON COMPLETION OF THE
24 APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED WITH
25 THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON LOCAL
26 JURISDICTION APPROVAL. A LICENSE APPLICANT IS PROHIBITED FROM
27 OPERATING A LICENSED RETAIL MARIJUANA BUSINESS WITHOUT STATE AND

1 LOCAL JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE
2 LOCAL JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF
3 STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND
4 MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL
5 LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE
6 THE STATE-ISSUED LICENSE.

7 ~~[Formerly 44-11-304 (3)] (3) An applicant that has been~~
8 ~~permitted to operate a medical marijuana business under the provisions~~
9 ~~of section 44-11-103 (1)(b) and has been issued a conditional license by~~
10 ~~the state licensing authority pursuant to subsection (2) of this section may~~
11 ~~continue to operate the business while an application is pending with the~~
12 ~~local licensing authority. If the local licensing authority denies the license~~
13 ~~application, the medical marijuana business shall cease operations upon~~
14 ~~receiving the denial. The denial of an application by the local licensing~~
15 ~~authority shall be considered as a basis for the state licensing authority to~~
16 ~~revoke the state-issued license.~~

17 ~~(4) (3) [Formerly 44-11-304 (4)] Nothing in this article 11 shall~~
18 ~~preempt ARTICLE 10 PREEMPTS or otherwise impair IMPAIRS the power of~~
19 ~~a local government to enact ordinances or resolutions concerning matters~~
20 ~~authorized to local governments.~~

21 **44-10-306. [Formerly 44-11-305 and similar to**
22 **44-12-304] Denial of application.** (1) The state licensing authority shall
23 deny a state license if the premises on which the applicant proposes to
24 conduct its business does not meet the requirements of this ~~article 11~~
25 ARTICLE 10 or for reasons set forth in ~~section 44-11-104 (2)(c) or~~
26 ~~44-11-304~~ SECTION 44-10-103 (8)(c) OR 44-10-305, and the state
27 licensing authority may REFUSE OR deny a license, RENEWAL,

1 REINSTATEMENT, OR INITIAL LICENSE for good cause as defined by ~~section~~
2 ~~44-11-104 (2)(a) or (2)(b)~~ SECTION 44-10-103 (8)(a) OR (8)(b).

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

9 **44-10-307. [Formerly 44-11-306 and similar to**
10 **44-12-305] Persons prohibited as licensees - definition.** (1) A license
11 provided by this ~~article~~ ~~11~~ ARTICLE 10 shall not be issued to or held by:

12 (a) A person until the fee therefore has been paid;

13 (b) ~~A person~~ AN INDIVIDUAL whose criminal history indicates that
14 he or she is not of good moral character AFTER CONSIDERING THE
15 FACTORS IN SECTION 24-5-101 (2);

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

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

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

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

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

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

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

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

12 ~~(i)~~ (h) (I) A person who ~~has discharged a sentence for a conviction~~
13 WAS CONVICTED of a felony in the ~~five~~ THREE years immediately
14 preceding his or her application date OR WHO IS CURRENTLY SUBJECT TO
15 A SENTENCE FOR A FELONY CONVICTION; or

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

26 ~~(j)~~ (i) ~~A person who employs another person at a medical~~
27 ~~marijuana facility who has not passed a criminal history record check~~ A

1 PERSON WHO EMPLOYS ANOTHER PERSON AT A MEDICAL MARIJUANA
2 BUSINESS OR RETAIL MARIJUANA BUSINESS WHO HAS NOT SUBMITTED
3 FINGERPRINTS FOR A CRIMINAL HISTORY RECORD CHECK OR WHOSE
4 CRIMINAL HISTORY RECORD CHECK REVEALS THAT THE PERSON IS
5 INELIGIBLE;

6 ~~(k)~~ (j) A sheriff, deputy sheriff, police officer, or prosecuting
7 officer, or an officer or employee of the state licensing authority or a local
8 licensing authority;

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

11 ~~(m)~~ (k) A person APPLYING for a license for a location that is
12 currently licensed as a retail food establishment; ~~or wholesale food~~
13 ~~registrant~~; or

14 ~~(n)~~ (l) A publicly traded company.

15 (2) THE STATE LICENSING AUTHORITY MAY DENY OR REVOKE A
16 LICENSE IF THE APPLICANT OR LICENSEE'S CRIMINAL CHARACTER OR
17 CRIMINAL RECORD POSES A THREAT TO THE REGULATION OR CONTROL OF
18 MARIJUANA.

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

21 (a) A LICENSED PHYSICIAN MAKING PATIENT RECOMMENDATIONS;

22 OR

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

26 ~~(2)~~ (4) (a) In investigating the qualifications of an applicant or a
27 licensee, the state and local licensing authorities may have access to

1 criminal history record information furnished by a criminal justice agency
2 subject to any restrictions imposed by such agency. In the event the state
3 or local licensing authority considers the applicant's criminal history
4 record, the state or local licensing authority shall also consider any
5 information provided by the applicant regarding such criminal history
6 record, including but not limited to evidence of rehabilitation, character
7 references, and educational achievements, especially those items
8 pertaining to the period of time between the applicant's last criminal
9 conviction and the consideration of the application for a state license.

10 (b) As used in ~~subsection (2)(a)~~ SUBSECTION (4)(a) of this section,
11 "criminal justice agency" means any federal, state, or municipal court or
12 any governmental agency or subunit of such agency that administers
13 criminal justice pursuant to a statute or executive order and that allocates
14 a substantial part of its annual budget to the administration of criminal
15 justice.

16 (c) At the time of filing an application for issuance or renewal of
17 a state medical marijuana ~~center~~ BUSINESS license ~~medical~~
18 ~~marijuana-infused product manufacturer license, or optional premises~~
19 ~~cultivation~~ OR RETAIL MARIJUANA BUSINESS license, an applicant shall
20 submit a set of his or her fingerprints and file personal history information
21 concerning the applicant's qualifications for a state license on forms
22 prepared by the state licensing authority. The state or local licensing
23 authority OR LOCAL JURISDICTION shall submit the fingerprints to the
24 Colorado bureau of investigation for the purpose of conducting
25 fingerprint-based criminal history record checks. The Colorado bureau of
26 investigation shall forward the fingerprints to the federal bureau of
27 investigation for the purpose of conducting fingerprint-based criminal

1 history record checks. The state or local licensing authority OR LOCAL
2 JURISDICTION may acquire a name-based criminal history record check for
3 an applicant or a license holder who has twice submitted to a
4 fingerprint-based criminal history record check and whose fingerprints
5 are unclassifiable. An applicant who has previously submitted
6 fingerprints for state OR LOCAL licensing purposes may request that the
7 fingerprints on file be used. The state or local licensing authority OR
8 LOCAL JURISDICTION shall use the information resulting from the
9 fingerprint-based criminal history record check to investigate and
10 determine whether an applicant is qualified to hold a state OR LOCAL
11 license pursuant to this ~~article~~ ARTICLE 10. The state or local licensing
12 authority OR LOCAL JURISDICTION may verify any of the information an
13 applicant is required to submit.

14 **44-10-308. [Formerly 44-11-307 and similar to**
15 **44-12-306] Business and owner requirements - legislative declaration**
16 **- definition.** (1) (a) The general assembly hereby finds and declares that:

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

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

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

26 (IV) Colorado medical marijuana businesses AND RETAIL
27 MARIJUANA BUSINESSES need to have ready access to capital from

1 investors in states outside of Colorado; and

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

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

8 (2) A ~~direct beneficial interest owner~~ CONTROLLING BENEFICIAL
9 OWNER OR PASSIVE BENEFICIAL OWNER who is a natural person must
10 either:

11 (a) Have been a resident of Colorado for at least one year prior to
12 the date of the application; or

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

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

19 (b) On and after January 1, 2017, a medical marijuana business OR
20 RETAIL MARIJUANA BUSINESS that is composed of one or more ~~direct~~
21 ~~beneficial interest owners~~ CONTROLLING BENEFICIAL OWNERS OR PASSIVE
22 BENEFICIAL OWNERS who have not been Colorado residents for at least
23 one year prior to application shall have at least one officer who has been
24 a Colorado resident for at least one year prior to application, and all
25 officers with day-to-day operational control over the business must be
26 Colorado residents for at least one year prior to application. A medical
27 marijuana business OR RETAIL MARIJUANA BUSINESS under this subsection

1 (3)(b) is limited to no more than fifteen ~~direct beneficial interest owners~~
2 CONTROLLING BENEFICIAL OWNERS AND PASSIVE BENEFICIAL OWNERS,
3 including all parent and subsidiary entities, all of whom are natural
4 persons.

5 (c) Notwithstanding the requirements of subsection (3)(b) of this
6 section, the state licensing authority may review the limitation on the
7 number of ~~direct beneficial interest owners~~ CONTROLLING BENEFICIAL
8 OWNERS AND PASSIVE BENEFICIAL OWNERS and may increase the number
9 of allowable interests above fifteen based on reasonable considerations
10 such as developments in state and federal financial regulations, market
11 conditions, and the licensee's ability to access legitimate sources of
12 capital.

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

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

21 (5) PRIOR TO SUBMITTING AN INITIAL APPLICATION AND AT ANY
22 TIME THEREAFTER WHEN REQUESTED BY THE STATE LICENSING AUTHORITY
23 IN ITS REASONABLE DISCRETION, A PERSON THAT IS OR INTENDS TO
24 BECOME A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
25 BUSINESS LICENSEE SHALL DISCLOSE TO THE STATE LICENSING AUTHORITY
26 A COMPLETE AND ACCURATE LIST OF THE FOLLOWING:

27 (a) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL

1 MARIJUANA BUSINESS'S OFFICERS, DIRECTORS, AND AFFILIATES;

2 (b) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
3 MARIJUANA BUSINESS'S CONTROLLING BENEFICIAL OWNERS, AND IF THE
4 CONTROLLING BENEFICIAL OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS,
5 DIRECTORS, BENEFICIAL OWNERS, AND AFFILIATES OF THE CONTROLLING
6 BENEFICIAL OWNER; AND

7 (c) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
8 MARIJUANA BUSINESS'S PASSIVE BENEFICIAL OWNERS AND, IF THE PASSIVE
9 BENEFICIAL OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS, DIRECTORS,
10 BENEFICIAL OWNERS, AND AFFILIATES OF THE PASSIVE BENEFICIAL OWNER.

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

1 ~~(b) The state licensing authority shall perform a limited initial~~
2 ~~background check on qualified limited passive investors. If the initial~~
3 ~~background check provides reasonable cause for additional investigation,~~
4 ~~the state licensing authority may require a full background check~~ THE
5 STATE LICENSING AUTHORITY MAY REQUIRE ANY PERSON THAT WAS
6 DISCLOSED OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO SUBSECTION
7 (5) OF THIS SECTION TO OBTAIN A FINDING OF SUITABILITY PRIOR TO
8 SUBMISSION OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
9 BUSINESS APPLICATION. FAILURE TO PROVIDE ANY INFORMATION
10 REQUESTED IN CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS
11 FOR DENIAL OF THAT REQUEST FOR A FINDING OF SUITABILITY. ALL
12 INDIVIDUALS WHO ARE NOT COLORADO RESIDENTS FOR AT LEAST ONE
13 YEAR PRIOR TO THE DATE OF APPLICATION SHALL OBTAIN ANY REQUIRED
14 FINDING OF SUITABILITY PRIOR TO SUBMITTING A MEDICAL MARIJUANA
15 BUSINESS OR RETAIL MARIJUANA BUSINESS APPLICATION TO THE STATE
16 LICENSING AUTHORITY. FAILURE OF A PERSON TO OBTAIN ANY REQUIRED
17 FINDING OF SUITABILITY PRIOR TO APPLICATION IS GROUNDS FOR DENIAL
18 OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER
19 SANCTION AGAINST THE LICENSEE BY THE STATE LICENSING AUTHORITY.

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

23 (7) IN ITS REASONABLE DISCRETION, AT ANY TIME, THE STATE
24 LICENSING AUTHORITY MAY REQUIRE ANY PERSON THAT WAS DISCLOSED
25 OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO THIS SECTION TO OBTAIN
26 A FINDING OF SUITABILITY. FAILURE TO PROVIDE ANY INFORMATION
27 REQUESTED IN CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS

1 FOR DENIAL OF THAT REQUEST FOR A FINDING OF SUITABILITY. FAILURE OF
2 A PERSON TO OBTAIN ANY REQUIRED FINDING OF SUITABILITY MAY BE
3 GROUNDS FOR DENIAL OF AN APPLICATION OR FOR SUSPENSION,
4 REVOCATION, OR OTHER SANCTION AGAINST THE LICENSE BY THE STATE
5 LICENSING AUTHORITY.

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

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

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

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

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

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

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

25 ~~(f) An employee benefit plan or pension fund that is subject to the~~
26 ~~federal "Employee Retirement Income Security Act of 1974", as~~
27 ~~amended, excluding an employee benefit plan or pension fund sponsored~~

1 by a licensee or an intermediary or holding company licensee that directly
2 or indirectly owns five percent or more of a licensee;

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

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

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

8 **44-10-309. [Formerly 44-11-308] Restrictions for applications**
9 **for new licenses.** (1) The state or a local licensing authority shall not
10 receive or act upon an application for the issuance of a state or local
11 MEDICAL MARIJUANA BUSINESS license pursuant to this ~~article~~ ~~11~~ ARTICLE
12 10:

13 (a) If the application for a state or local license concerns a
14 particular location that is the same as or within one thousand feet of a
15 location for which, within the two years immediately preceding the date
16 of the application, the state or a local licensing authority denied an
17 application for the same class of license due to the nature of the use or
18 other concern related to the location;

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

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

26 (d) (I) If the building in which medical marijuana is to be sold is
27 located within one thousand feet of a school; an alcohol or drug treatment

1 facility; the principal campus of a college, university, or seminary; or a
2 residential child care facility. The provisions of this section ~~shall~~ DO not
3 affect the renewal or reissuance of a license once granted or apply to
4 licensed premises located or to be located on land owned by a
5 municipality, nor ~~shall~~ DO the provisions of this section apply to an
6 existing licensed premises on land owned by the state or apply to a license
7 in effect and actively doing business before said principal campus was
8 constructed. The local licensing authority of a city and county, by rule or
9 regulation; the governing body of a municipality, by ordinance; and the
10 governing body of a county, by resolution, may vary the distance
11 restrictions imposed by this subsection (1)(d)(I) for a license or may
12 eliminate one or more types of schools, campuses, or facilities from the
13 application of a distance restriction established by or pursuant to this
14 subsection (1)(d)(I).

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

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

25 (2) [**Formerly 44-12-307**] The state licensing authority shall not
26 approve an application for the issuance of a state RETAIL MARIJUANA
27 BUSINESS license pursuant to this ~~article 12~~ ARTICLE 10 until it is

1 established that the applicant is, or will be, entitled to possession of the
2 premises for which application is made under a lease, rental agreement,
3 or other arrangement for possession of the premises or by virtue of
4 ownership of the premises.

5 **44-10-310. [Formerly 44-11-309 and similar to**
6 **44-12-308] Transfer of ownership.** (1) A state or local license granted
7 under the provisions of this ~~article 11 shall not be~~ ARTICLE 10 ARE NOT
8 transferable except as provided in this section, but this section ~~shall~~ DOES
9 not prevent a change of location as provided in ~~section 44-11-310 (13)~~
10 SECTION 44-10-311 (13).

11 (2) For a transfer of ownership, a license holder shall apply to the
12 state and local licensing authorities on forms prepared and furnished by
13 the state licensing authority. In determining whether to permit a transfer
14 of ownership, the state and local licensing authorities shall consider only
15 the requirements of this ~~article 11~~ ARTICLE 10, any rules promulgated by
16 the state licensing authority, and any other local restrictions. The local
17 licensing authority OR LOCAL JURISDICTION may hold a hearing on the
18 application for transfer of ownership. The local licensing authority OR
19 LOCAL JURISDICTION shall not hold a hearing pursuant to this subsection
20 (2) until the local licensing authority OR LOCAL JURISDICTION has posted
21 a notice of hearing in the manner described in ~~section 44-11-302 (2)~~
22 SECTION 44-10-303 (2) on the licensed ~~medical marijuana center~~ premises
23 for a period of ten days and has provided notice of the hearing to the
24 applicant at least ten days prior to the hearing. Any transfer of ownership
25 hearing by the state licensing authority ~~shall~~ MUST be held in compliance
26 with the requirements specified in ~~section 44-11-302~~ SECTION 44-10-303.

27 **44-10-311. [Formerly 44-11-310 and similar to**

1 **44-12-309] Licensing in general.** (1) (a) This ~~article~~ ~~11~~ ARTICLE 10
2 authorizes a county, municipality, or city and county to prohibit the
3 operation of ~~medical marijuana centers, optional premises cultivation~~
4 ~~operations, and medical marijuana-infused products manufacturers'~~
5 ~~licenses~~ A MEDICAL MARIJUANA BUSINESS and to enact reasonable
6 regulations or other restrictions applicable to medical marijuana ~~centers,~~
7 ~~optional premises cultivation licenses, and medical marijuana-infused~~
8 ~~products manufacturers' licenses~~ BUSINESSES based on local government
9 zoning, health, safety, and public welfare laws for the distribution of
10 medical marijuana that are more restrictive than this ~~article~~ ~~11~~ ARTICLE
11 10.

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

16 (2) (a) A medical marijuana ~~center, optional premises cultivation~~
17 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
18 may not operate until it has been licensed by the local licensing authority
19 and the state licensing authority pursuant to this ~~article~~ ~~11~~ ARTICLE 10. If
20 the state licensing authority issues the applicant a state license and the
21 local licensing authority subsequently denies the applicant a license, the
22 state licensing authority shall consider the local licensing authority denial
23 as a basis for the revocation of the state-issued license. In connection with
24 a license, the applicant shall provide a complete and accurate list of all
25 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL owners, ~~officers,~~
26 and employees who manage, own, or are otherwise substantially
27 associated with the operation and shall provide a complete and accurate

1 application as required by the state licensing authority.

2 (b) A RETAIL MARIJUANA BUSINESS MAY NOT OPERATE UNTIL IT IS
3 LICENSED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS
4 ARTICLE 10 AND APPROVED BY THE LOCAL JURISDICTION. IF AN
5 APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE
6 LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE. IN
7 CONNECTION WITH A LICENSE, THE APPLICANT SHALL PROVIDE A
8 COMPLETE AND ACCURATE APPLICATION AS REQUIRED BY THE STATE
9 LICENSING AUTHORITY.

10 (3) A medical marijuana ~~center, optional premises cultivation~~
11 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
12 shall notify the state licensing authority in writing within ten days after ~~an~~
13 A CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER,
14 or manager ceases to work at, manage, own, or otherwise be associated
15 with the operation. The CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
16 BENEFICIAL OWNER, or manager shall surrender to the state licensing
17 authority any identification card that may have been issued by the state
18 licensing authority on or before the date of the notification.

19 (4) A medical marijuana ~~center, optional premises cultivation~~
20 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
21 OR RETAIL MARIJUANA BUSINESS shall notify the state licensing authority
22 in writing of the name, address, and date of birth of ~~an~~ A CONTROLLING
23 BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager
24 before the new CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
25 BENEFICIAL OWNER, or manager begins managing ~~owning~~, or associating
26 with the operation. Any CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
27 BENEFICIAL OWNER, manager, or employee ~~shall~~ MUST pass a

1 fingerprint-based criminal history record check as required by the state
2 licensing authority and obtain the required identification prior to being
3 associated with, managing, owning, or working at the operation.

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

9 (b) A RETAIL MARIJUANA BUSINESS SHALL NOT ACQUIRE, POSSESS,
10 CULTIVATE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, OR DISPENSE
11 MARIJUANA FOR ANY PURPOSE EXCEPT AS AUTHORIZED BY SECTION 16 OF
12 ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE 10.

13 (6) (a) All managers and employees of a medical marijuana ~~center,~~
14 ~~optional premises cultivation operation, or medical marijuana-infused~~
15 ~~products manufacturer~~ BUSINESS shall be residents of Colorado upon the
16 date of their license application. All licenses granted pursuant to this
17 ~~article 11 shall be~~ ARTICLE 10 ARE valid for a period not to exceed two
18 years after the date of issuance unless revoked or suspended pursuant to
19 this ~~article 11~~ ARTICLE 10 or the rules promulgated pursuant to this ~~article~~
20 ~~11~~ ARTICLE 10.

21 (b) ALL MANAGERS AND EMPLOYEES OF A RETAIL MARIJUANA
22 BUSINESS SHALL BE RESIDENTS OF COLORADO UPON THE DATE OF THEIR
23 LICENSE APPLICATION. ALL LICENSES GRANTED PURSUANT TO THIS
24 ARTICLE 10 ARE VALID FOR A PERIOD OF ONE YEAR AFTER THE DATE OF
25 ISSUANCE UNLESS REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE
26 10 OR THE RULES PROMULGATED PURSUANT TO THIS ARTICLE 10.

27 (7) Before granting a local or state license, the respective

1 licensing authority may consider, except where this ~~article~~ ARTICLE 10
2 specifically provides otherwise, the requirements of this ~~article~~
3 ARTICLE 10 and any rules promulgated pursuant to this ~~article~~ ARTICLE
4 10, and all other reasonable restrictions that are or may be placed upon
5 the licensee by the licensing authority. With respect to a second or
6 additional license for the same MEDICAL MARIJUANA BUSINESS licensee
7 or the same owner of another licensed MEDICAL MARIJUANA business
8 pursuant to this ~~article~~ ARTICLE 10, each licensing authority shall
9 consider the effect on competition of granting or denying the additional
10 licenses to such licensee and shall not approve an application for a second
11 or additional license that would have the effect of restraining competition.

12 (8) (a) Each license issued under this ~~article~~ ARTICLE 10 is
13 separate and distinct. It is unlawful for a person to exercise any of the
14 privileges granted under a license other than the license that the person
15 holds or for a licensee to allow any other person to exercise the privileges
16 granted under the licensee's license. A separate license ~~shall be~~ IS required
17 for each specific business or business entity and each geographical
18 location.

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

23 (9) (a) The licenses provided pursuant to this ~~article~~ ~~shall~~
24 ARTICLE 10 MUST specify the date of issuance, the period of licensure, the
25 name of the licensee, and the premises ~~or optional premises~~ licensed. The
26 licensee shall conspicuously place the license at all times on the licensed
27 premises. ~~or optional premises.~~

1 (b) A local licensing authority shall not transfer location of or
2 renew a license to sell medical marijuana until the applicant for the
3 license provides verification that a license was issued and granted by the
4 state licensing authority for the previous license term. The state licensing
5 authority shall not transfer location of or renew a state license until the
6 applicant provides verification that a license was issued and granted by
7 the local licensing authority for the previous license term.

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

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

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

25 (12) Each licensee shall manage the licensed premises himself or
26 herself or employ a separate and distinct manager on the premises and
27 shall report the name of the manager to the state and local licensing

1 authorities. The licensee shall report any change in manager to the state
2 and local licensing authorities prior to the change pursuant to subsection
3 (4) of this section.

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

12 (b) In permitting a change of location, the state and local licensing
13 authorities OR LOCAL JURISDICTION shall consider all reasonable
14 restrictions that are or may be placed upon the new location by the
15 governing board or local licensing authority of the municipality, city and
16 county, or county, and any such change in location ~~shall~~ MUST be in
17 accordance with all requirements of this ~~article~~ ~~†~~ ARTICLE 10 and rules
18 promulgated pursuant to this ~~article~~ ~~†~~ ARTICLE 10.

19 **44-10-312. License renewal.** (1) [Formerly 44-11-311
20 (1)] Ninety days prior to the expiration date of an existing MEDICAL
21 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license, the state
22 licensing authority shall notify the licensee of the expiration date by
23 first-class mail at the licensee's address of record with the state licensing
24 authority. A licensee ~~shall~~ MUST apply for the renewal of an existing
25 license to the local licensing authority ~~not less than forty-five days and to~~
26 ~~the state licensing authority not less than thirty days prior to the date of~~
27 ~~expiration. A local licensing authority shall not accept an application for~~

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

1 hearing. The local licensing authority may refuse to renew any license for
2 good cause, subject to judicial review.

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

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

25 **44-10-313. [Formerly 44-11-312 and similar to**
26 **44-12-311] Inactive licenses.** The state or local licensing authority, in its
27 discretion, may revoke or elect not to renew any license if it determines

1 that the licensed premises have been inactive, without good cause, for at
2 least one year.

3 **44-10-314. [Formerly 44-11-313 and similar to**
4 **44-12-312] Unlawful financial assistance.** (1) The state licensing
5 authority, by rule, shall require a complete disclosure of all persons
6 ~~having a direct or indirect financial interest, and the extent of such~~
7 ~~interest, in each license issued under this article 11~~ THAT ARE
8 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, AND
9 INDIRECT FINANCIAL INTEREST HOLDERS OF THE MEDICAL MARIJUANA
10 BUSINESS OR RETAIL MARIJUANA BUSINESS.

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

19 ~~(3)~~ (2) This section is intended to prohibit and prevent the control
20 of the outlets for the sale of ~~medical~~ REGULATED marijuana AND
21 REGULATED MARIJUANA PRODUCTS by a person or party other than the
22 persons licensed pursuant to the provisions of this ~~article 11~~ ARTICLE 10.

23 PART 4

24 LICENSE TYPES

25 **44-10-401. [Formerly 44-11-401 and similar to**
26 **44-12-401] Classes of licenses.** (1) For the purpose of regulating the
27 cultivation, manufacture, distribution, and sale of ~~medical~~ REGULATED

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

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

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

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

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

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

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

1 ~~may with respect to a license pursuant to this article 11, in accordance~~
2 ~~with the procedures established pursuant to this article 11.~~

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

7 (b) THE FOLLOWING ARE RETAIL MARIJUANA LICENSES:

- 8 (I) RETAIL MARIJUANA STORE LICENSE;
- 9 (II) RETAIL MARIJUANA CULTIVATION FACILITY LICENSE;
- 10 (III) RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSE;
- 11 (IV) RETAIL MARIJUANA TESTING FACILITY LICENSE;
- 12 (V) RETAIL MARIJUANA TRANSPORTER LICENSE; AND
- 13 (VI) RETAIL MARIJUANA BUSINESS OPERATOR LICENSE.

14 (c) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,
15 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER
16 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO
17 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE
18 STATE LICENSING AUTHORITY. UPON RECEIPT OF AN AFFIRMATION UNDER
19 PENALTY OF PERJURY THAT THE APPLICANT IS ENROLLED IN A
20 MARIJUANA-BASED WORKFORCE DEVELOPMENT OR TRAINING PROGRAM
21 OPERATED BY AN ENTITY LICENSED UNDER THIS ARTICLE 10 OR BY A
22 SCHOOL THAT IS AUTHORIZED BY THE PRIVATE OCCUPATIONAL SCHOOL
23 DIVISION IN COLORADO THAT WILL REQUIRE ACCESS OR EMPLOYMENT
24 WITHIN A PREMISES LICENSED PURSUANT TO THIS ARTICLE 10, THE STATE
25 LICENSING AUTHORITY MAY EXEMPT FOR UP TO TWO YEARS BASED ON THE
26 LENGTH OF THE PROGRAM THE RESIDENCY REQUIREMENT IN SECTION
27 44-10-311 (6) FOR A PERSON APPLYING FOR AN OCCUPATIONAL LICENSE

1 FOR PARTICIPATION IN A MARIJUANA-BASED WORKFORCE DEVELOPMENT
2 OR TRAINING PROGRAM. THE STATE LICENSING AUTHORITY MAY TAKE ANY
3 ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS ARTICLE 10
4 AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE 10, IN
5 ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS
6 ARTICLE 10.

7 ~~(1.5)~~ (3) (a) Prior to accepting a court appointment as a receiver,
8 personal representative, executor, administrator, guardian, conservator,
9 trustee, or any other similarly situated person to take possession of,
10 operate, manage, or control a licensed medical marijuana business, the
11 proposed appointee shall certify to the court that the proposed appointee
12 is not prohibited from being issued a medical marijuana license pursuant
13 to ~~section 44-11-306 (1)~~ SECTION 44-10-307 (1). Within the time frame
14 established by rules promulgated by the state licensing authority pursuant
15 to ~~section 44-11-202 (2)(a)(XXVII)~~ SECTION 44-10-203 (2)(q), an
16 appointee shall notify the state and local licensing authorities of the
17 appointment and shall apply to the state licensing authority for a finding
18 of suitability.

19 (b) Upon notification of an appointment required by ~~subsection~~
20 ~~(1.5)(a)~~ SUBSECTION (3)(a) of this section, the state licensing authority
21 shall issue a temporary appointee registration to the appointee effective
22 as of the date of the appointment. Pursuant to ~~sections 44-11-202 (1)(a),~~
23 ~~44-11-601, and 24-4-104~~ SECTIONS 24-4-104, 44-10-202 (1)(b), AND
24 44-10-901, the appointee's temporary appointee registration may be
25 suspended, revoked, or subject to other sanction if the state licensing
26 authority finds the appointee to be unsuitable or if the appointee fails to
27 comply with this ~~article 11 or article 12 of this title 44~~ ARTICLE 10, the

1 rules promulgated pursuant thereto, or any order of the state licensing
2 authority. If an appointee's temporary appointee registration is suspended
3 or revoked, the appointee shall immediately cease performing all
4 activities for which a license is required by this ~~article 11~~ ARTICLE 10. For
5 purposes of ~~section 44-11-601 (1)~~ SECTION 44-10-901 (1), the appointee
6 is deemed an agent of the licensed medical marijuana business.

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

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

17 ~~(2)~~ (4) All persons licensed pursuant to this ~~article 11~~ ARTICLE 10
18 shall collect sales tax on all sales made pursuant to the licensing
19 activities.

20 ~~(3)~~ (5) A state chartered bank or a credit union may loan money
21 to any person licensed pursuant to this ~~article 11~~ ARTICLE 10 for the
22 operation of a licensed MEDICAL OR RETAIL MARIJUANA business. A
23 marijuana financial services cooperative organized pursuant to article 33
24 of title 11 may accept as a member, loan money to, and accept deposits
25 from any entity licensed pursuant to this ~~article 11~~ ARTICLE 10 for the
26 operation of a licensed MEDICAL OR RETAIL MARIJUANA business.

27

PART 5

1 MEDICAL MARIJUANA LICENSE TYPES

2 **44-10-501. [Formerly 44-11-402] Medical marijuana store**
3 **license.** (1) (a) A medical marijuana ~~center~~ STORE license ~~shall~~ MAY be
4 issued only to a person selling medical marijuana pursuant to the terms
5 and conditions of this ~~article~~ ~~11~~ ARTICLE 10.

6 (b) The medical marijuana ~~center~~ STORE shall track all of its
7 medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products
8 from the point that they are transferred from a ~~medical marijuana optional~~
9 ~~premises cultivation facility~~ MEDICAL MARIJUANA CULTIVATION FACILITY
10 or medical ~~marijuana-infused~~ MARIJUANA products manufacturer to the
11 point of sale.

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

- 16 (I) That the product contains medical marijuana;
- 17 (II) That the product is manufactured without any regulatory
18 oversight for health, safety, or efficacy; and
- 19 (III) That there may be health risks associated with the
20 consumption or use of the product.

21 (b) A medical marijuana STORE licensee may contract with a
22 medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~
23 MANUFACTURER licensee for the manufacture of medical
24 ~~marijuana-infused~~ MARIJUANA products upon a medical
25 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
26 licensee's licensed premises.

27 (3) (a) Every person selling medical marijuana as provided for in

1 this ~~article~~ ~~11~~ ARTICLE 10 shall sell only medical marijuana acquired from
2 ~~an optional premises cultivation facility~~ A MEDICAL MARIJUANA
3 CULTIVATION FACILITY licensee, medical ~~marijuana-infused~~ MARIJUANA
4 products manufacturer licensee, or another medical marijuana ~~center~~
5 STORE.

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

12 (c) In addition to medical marijuana, a medical marijuana ~~center~~
13 STORE may sell no more than six immature plants to a patient; except that
14 a medical marijuana ~~center~~ STORE may sell more than six immature
15 plants, but may not exceed half the recommended plant count, to a patient
16 who has been recommended an expanded plant count by his or her
17 recommending physician in accordance with regulations adopted by the
18 state licensing authority. A medical marijuana ~~center~~ STORE may sell
19 immature plants to a primary caregiver, another medical marijuana ~~center~~
20 STORE, or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer
21 pursuant to rules promulgated by the state licensing authority.

22 (d) A medical marijuana ~~center~~ STORE may sell medical marijuana
23 to another medical marijuana ~~center~~, ~~an optional premises cultivation~~
24 ~~facility~~ STORE, A MEDICAL MARIJUANA CULTIVATION FACILITY, or a
25 medical ~~marijuana-infused~~ MARIJUANA products manufacturer pursuant
26 to rules promulgated by the state licensing authority.

27 (e) (I) A MEDICAL MARIJUANA STORE THAT SELLS AN INDUSTRIAL

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

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

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

24 ~~(4) Repealed.~~

25 ~~(5)~~ (4) Prior to initiating a sale, the employee of the medical
26 marijuana ~~center~~ STORE making the sale shall verify that the purchaser has
27 a valid registry identification card issued pursuant to section 25-1.5-106

1 or a copy of a current and complete new application for the medical
2 marijuana registry administered by the department of public health and
3 environment that is documented by a ~~certified mail return receipt~~ PROOF
4 as having been submitted to the department of public health and
5 environment within the preceding thirty-five days, and a valid picture
6 identification card that matches the name on the registry identification
7 card. A purchaser may not provide a copy of a renewal application in
8 order to make a purchase at a medical marijuana ~~center~~ STORE. A
9 purchaser may only make a purchase using a copy of his or her
10 application from 8 a.m. to 5 p.m., Monday through Friday. If the
11 purchaser presents a copy of his or her application at the time of purchase,
12 the employee must contact the department of public health and
13 environment to determine whether the purchaser's application has been
14 denied. The employee shall not complete the transaction if the purchaser's
15 application has been denied. If the purchaser's application has been
16 denied, the employee ~~shall be~~ IS authorized to confiscate the purchaser's
17 copy of the application and the documentation of ~~the certified mail return~~
18 ~~receipt~~ PROOF OF SUBMITTAL, if possible, and shall, within seventy-two
19 hours after the confiscation, turn it over to the department of public health
20 and environment or a local law enforcement agency. The failure to
21 confiscate the copy of the application and document of ~~the certified mail~~
22 ~~return receipt~~ PROOF OF SUBMITTAL or to turn it over to the state health
23 department or a state or local law enforcement agency within seventy-two
24 hours after the confiscation ~~shall not constitute~~ IS NOT a criminal offense.

25 (6) (5) Transactions for the sale of medical marijuana or a medical
26 ~~marijuana-infused~~ MARIJUANA product at a medical marijuana ~~center~~
27 STORE may be completed by using an automated machine that is in a

1 restricted access area of the ~~center~~ STORE if the machine complies with
2 the rules promulgated by the state licensing authority regarding the
3 transaction of sale of product at a medical marijuana ~~center~~ STORE and the
4 transaction complies with ~~subsection (5)~~ SUBSECTION (4) of this section.

5 ~~(7)~~ (6) A medical marijuana ~~center~~ STORE may provide, except as
6 required by ~~section 44-11-202 (3)(a)(1)~~ SECTION 44-10-203 (2)(d), a
7 sample of its products to a facility that has a medical marijuana testing
8 facility license from the state licensing authority for testing and research
9 purposes. A medical marijuana ~~center~~ STORE shall maintain a record of
10 what was provided to the testing facility, the identity of the testing
11 facility, and the results of the testing.

12 ~~(8)~~ (7) All medical marijuana sold at a licensed medical marijuana
13 ~~center shall~~ STORE MUST be labeled with a list of all chemical additives,
14 including but not limited to nonorganic pesticides, herbicides, and
15 fertilizers, that were used in the cultivation and the production of the
16 medical marijuana.

17 ~~(9)~~ (8) A licensed medical marijuana ~~center~~ STORE shall comply
18 with all provisions of article 34 of title 24, as the provisions relate to
19 persons with disabilities.

20 ~~(10)~~ (9) Notwithstanding the provisions of ~~section 44-11-901~~
21 ~~(4)(1)~~ SECTION 44-10-701 (3)(g), a medical marijuana ~~center~~ STORE may
22 sell below cost or donate to a patient who has been designated indigent
23 by the state health agency or who is in hospice care:

24 (a) Medical marijuana; or

25 (b) No more than six immature plants; except that a medical
26 marijuana ~~center~~ STORE may sell or donate more than six immature plants,
27 but may not exceed half the recommended plant count, to a patient who

1 has been recommended an expanded plant count by his or her
2 recommending physician; or

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

4 **44-10-502. [Formerly 44-11-403] Medical marijuana**
5 **cultivation facility license - rules - definitions.** (1) ~~An optional~~
6 ~~premises cultivation facility license~~ A MEDICAL MARIJUANA CULTIVATION
7 FACILITY may be issued only to a person who cultivates medical
8 marijuana for sale and distribution to licensed medical marijuana ~~centers~~
9 STORES, medical ~~marijuana-infused~~ MARIJUANA products manufacturer
10 licensees, or other ~~optional premises cultivation facilities~~ MEDICAL
11 MARIJUANA CULTIVATION FACILITIES.

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

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

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

27 (5) (a) A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE

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

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

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

21 (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF
22 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES
23 PROMULGATED PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).

24 (e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (5)(a) OF THIS
25 SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM.
26 PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE
27 DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF

1 QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER
2 RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED
3 IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER
4 PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE
5 CONSTITUTION. THE MEDICAL MARIJUANA CULTIVATION FACILITY
6 LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL
7 MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING
8 AUTHORITY.

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

14 (g) A MANAGER SHALL NOT:

15 (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF MEDICAL
16 MARIJUANA SAMPLES OR FIFTEEN GRAMS OF MEDICAL MARIJUANA
17 CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE
18 NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

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

21 (h) A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE
22 SHALL NOT:

23 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
24 LICENSED PREMISES; OR

25 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
26 MANAGER.

27 (i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL

1 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
2 REPORTING REQUIRED FOR IMPLEMENTATION. THE MEDICAL MARIJUANA
3 CULTIVATION FACILITY LICENSEE SHALL MAINTAIN THE INFORMATION
4 REQUIRED BY THIS SUBSECTION (5)(i) ON THE LICENSED PREMISES FOR
5 INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

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

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

27 (b) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL NOT

1 STORE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA
2 PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT FOR MORE
3 THAN NINETY DAYS.

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

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

21 (e) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY
22 TO A MEDICAL MARIJUANA CULTIVATION FACILITY APPLY TO ACTIVITIES
23 CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED
24 DISTRIBUTION PERMIT.

25 (f) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL TRACK
26 ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA
27 PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT

1 IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE POINT THEY ARE
2 RECEIVED FROM A MEDICAL MARIJUANA PRODUCTS MANUFACTURER TO
3 THE POINT OF TRANSFER TO A MEDICAL MARIJUANA CULTIVATION FACILITY
4 LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA STORES.

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

9 **44-10-503. [Formerly 44-11-404] Medical marijuana products**
10 **manufacturer license - rules - definition.** (1) (a) A medical
11 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
12 license may be issued to a person ~~who~~ THAT manufactures medical
13 ~~marijuana-infused~~ MARIJUANA products, pursuant to the terms and
14 conditions of this ~~article~~ ~~11~~ ARTICLE 10.

15 (b) A medical ~~marijuana-infused~~ MARIJUANA products
16 manufacturer may cultivate its own medical marijuana if it obtains a
17 ~~medical marijuana optional premises cultivation facility~~ MEDICAL
18 MARIJUANA CULTIVATION FACILITY license, it may purchase medical
19 marijuana from a medical marijuana ~~center~~ STORE pursuant to subsection
20 (3) of this section, it may purchase medical marijuana from an ~~optional~~
21 ~~premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION
22 FACILITY licensee, or it may purchase medical marijuana from another
23 medical ~~marijuana-infused~~ MARIJUANA products manufacturer. A medical
24 ~~marijuana-infused~~ MARIJUANA products manufacturer shall track all of its
25 medical marijuana from the point it is either transferred from its ~~medical~~
26 ~~marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA
27 CULTIVATION FACILITY or the point when it is delivered to the medical

1 ~~marijuana-infused~~ MARIJUANA products manufacturer from a medical
2 ~~marijuana center, a medical marijuana optional premises cultivation~~
3 ~~facility~~ STORE, MEDICAL MARIJUANA CULTIVATION FACILITY licensee, OR
4 a medical ~~marijuana-infused~~ MARIJUANA products manufacturer ~~or one of~~
5 ~~their medical marijuana optional premises cultivation facilities~~ to the
6 point of transfer to a medical marijuana ~~center~~ STORE or a medical
7 ~~marijuana-infused~~ MARIJUANA products manufacturer OR A MEDICAL
8 MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED A CENTRALIZED
9 DISTRIBUTION PERMIT.

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

21 (3) A medical ~~marijuana-infused~~ MARIJUANA products
22 manufacturer shall have a written agreement or contract with a medical
23 marijuana ~~center~~ STORE or a medical ~~marijuana-infused~~ MARIJUANA
24 products manufacturer, which contract ~~shall~~ MUST at a minimum set forth
25 the total amount of medical marijuana obtained from the medical
26 marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA
27 products manufacturer to be used in the manufacturing process, and the

1 total amount of medical ~~marijuana-infused~~ MARIJUANA products to be
2 manufactured from the medical marijuana obtained from the medical
3 marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA
4 products manufacturer. A medical ~~marijuana-infused~~ MARIJUANA
5 products manufacturer shall not use medical marijuana from more than
6 five different medical marijuana ~~centers~~ STORES or medical
7 ~~marijuana-infused~~ MARIJUANA products manufacturers in total in the
8 production of one medical ~~marijuana-infused~~ MARIJUANA product. The
9 medical ~~marijuana-infused~~ MARIJUANA products manufacturer may sell
10 its products to any medical marijuana ~~center~~ STORE or to any medical
11 ~~marijuana-infused~~ MARIJUANA products manufacturer.

12 (4) All licensed premises on which medical ~~marijuana-infused~~
13 MARIJUANA products are manufactured ~~shall~~ MUST meet the sanitary
14 standards for medical ~~marijuana-infused~~ MARIJUANA product preparation
15 promulgated pursuant to ~~section 44-11-202 (2)(a)(XII)~~ SECTION
16 44-10-203 (2)(i).

17 (5) (a) The medical ~~marijuana-infused~~ MARIJUANA product ~~shall~~
18 MUST be sealed and conspicuously labeled in compliance with this ~~article~~
19 ~~††~~ ARTICLE 10 and any rules promulgated pursuant to this ~~article~~ ~~††~~
20 ARTICLE 10. The labeling of medical ~~marijuana-infused~~ MARIJUANA
21 products is a matter of statewide concern.

22 (b) (I) A MEDICAL MARIJUANA PRODUCTS MANUFACTURER THAT
23 USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A MEDICAL
24 MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP
25 PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY
26 THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203
27 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT,

1 A MEDICAL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THE
2 INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR MEDICAL
3 MARIJUANA PRODUCTS AT A LICENSED MEDICAL MARIJUANA TESTING
4 FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP
5 PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF
6 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

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

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

21 (7) Notwithstanding any other provision of state law, sales of
22 ~~medical marijuana-infused~~ MARIJUANA products shall not be exempt from
23 state or local sales tax.

24 ~~(8) Repealed.~~

25 ~~(9) (a) A medical marijuana-infused products manufacturer may~~
26 ~~not have more than five hundred medical marijuana plants on its premises~~
27 ~~or at its optional premises cultivation operation; except that the director~~

1 of the division that regulates medical marijuana may grant a waiver in
2 excess of five hundred marijuana plants based on the consideration of the
3 factors in subsection ~~(9)(b)~~ of this section.

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

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

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

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

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

13 ~~(10)~~ (8) A medical ~~marijuana-infused~~ MARIJUANA products
14 manufacturer may provide, except as required by ~~section 44-11-202~~
15 ~~(3)(a)(f)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility
16 that has a medical marijuana testing facility license from the state
17 licensing authority for testing and research purposes. A medical
18 marijuana products manufacturer shall maintain a record of what was
19 provided to the testing facility, the identity of the testing facility, and the
20 results of the testing.

21 ~~(11)~~ (9) A medical ~~marijuana-infused~~ MARIJUANA products
22 manufacturer shall not:

23 (a) Add any medical marijuana to a food product where the
24 manufacturer of the food product holds a trademark to the food product's
25 name; except that a MEDICAL MARIJUANA PRODUCTS manufacturer may
26 use a trademarked food product if the manufacturer uses the product as
27 a component or as part of a recipe and where the medical

1 ~~marijuana-infused~~ MARIJUANA products manufacturer does not state or
2 advertise to the ~~consumer~~ PATIENT that the final medical
3 ~~marijuana-infused~~ MARIJUANA product contains a trademarked food
4 product;

5 (b) Intentionally or knowingly label or package a medical
6 ~~marijuana-infused~~ MARIJUANA product in a manner that would cause a
7 reasonable ~~consumer~~ PATIENT confusion as to whether the medical
8 ~~marijuana-infused~~ MARIJUANA product was a trademarked food product;
9 or

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

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

21 (b) Managers who receive a sample pursuant to ~~subsection (12)(a)~~
22 SUBSECTION (10)(a) of this section must have a valid registry
23 identification card issued pursuant to section 25-1.5-106 (9).

24 (c) A sample authorized pursuant to ~~subsection (12)(a)~~
25 SUBSECTION (10)(a) of this section is limited to one serving size of edible
26 medical ~~marijuana-infused~~ MARIJUANA product and its applicable
27 equivalent serving size of nonedible medical ~~marijuana-infused~~

1 MARIJUANA product per batch as defined in rules promulgated by the state
2 licensing authority and one-quarter gram of medical marijuana
3 concentrate per batch as defined in rules promulgated by the state
4 licensing authority; except that the limit is one-half gram of medical
5 marijuana concentrate if the intended use of the final product is to be used
6 in a device that can be used to deliver medical marijuana concentrate in
7 a vaporized form to the person inhaling from the device.

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

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

23 (f) Prior to a manager receiving a sample pursuant to ~~subsection~~
24 ~~(12)(a)~~ SUBSECTION (10)(a) of this section, a medical ~~marijuana-infused~~
25 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall
26 provide a standard operating procedure to the manager explaining
27 requirements pursuant to this section and personal possession limits

1 pursuant to section 18-18-406.

2 (g) A manager shall not:

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

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

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

12 (I) Allow a manager to consume the sample on the licensed
13 premises; or

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

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

21 (j) For purposes of this ~~subsection (12)~~ SUBSECTION (10) only,
22 "manager" means an employee of the medical ~~marijuana-business~~
23 MARIJUANA PRODUCTS MANUFACTURER who holds a valid key license or
24 associated key license and is currently designated pursuant to state
25 licensing authority rules as the manager of the medical ~~marijuana~~
26 ~~business~~ MARIJUANA PRODUCTS MANUFACTURER.

27 **44-10-504. [Formerly 44-11-405] Medical marijuana testing**

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

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

19 (2) The state licensing authority shall promulgate rules pursuant
20 to its authority in ~~section 44-11-202 (1)(b)~~ SECTION 44-10-202 (1)(c)
21 related to acceptable testing and research practices, including but not
22 limited to testing, standards, quality control analysis, equipment
23 certification and calibration, and chemical identification and other
24 substances used in bona fide research methods.

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

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

12 **44-10-505. [Formerly 44-11-406] Medical marijuana**
13 **transporter license.** (1) (a) A medical marijuana transporter license may
14 be issued to a person to provide logistics, distribution, and storage of
15 medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products.
16 Notwithstanding any other provisions of law, a medical marijuana
17 transporter license is valid for two years but cannot be transferred with a
18 change of ownership. A licensed medical marijuana transporter is
19 responsible for the medical marijuana and medical ~~marijuana-infused~~
20 MARIJUANA products once it takes control of the product.

21 (b) A licensed medical marijuana transporter may contract with
22 multiple licensed medical marijuana businesses.

23 (c) On and after July 1, 2017, all medical marijuana transporters
24 shall hold a valid medical marijuana transporter license; except that an
25 entity licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10 that provides its own
26 distribution is not required to have a medical marijuana transporter
27 license to transport and distribute its products. The state licensing

1 authority shall begin accepting applications after January 1, 2017.

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

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

17 (4) A medical marijuana transporter licensee may:

18 (a) Maintain and operate one or more warehouses in the state to
19 handle medical marijuana and medical ~~marijuana-infused~~ MARIJUANA
20 products; and

21 (b) Deliver medical marijuana and medical ~~marijuana-infused~~
22 MARIJUANA products on orders previously taken if the place where orders
23 are taken and delivered is licensed.

24 **44-10-506. [Formerly 44-11-407] Medical marijuana business**
25 **operator license.** A medical marijuana business operator license may be
26 issued to an entity or person who operates a medical marijuana
27 ~~establishment~~ BUSINESS licensed pursuant to this ~~article 11~~ ARTICLE 10,

1 for an owner licensed pursuant to this ~~article 11~~ ARTICLE 10, and who may
2 receive a portion of the profits as compensation.

3 **44-10-507. [Formerly 44-11-408] Marijuana research and**
4 **development license.** (1) ~~(a)~~ A marijuana research and development
5 license may be issued to a person to ~~possess marijuana for the limited~~
6 ~~research purposes identified in subsection (2) of this section~~ GROW,
7 CULTIVATE, POSSESS, AND TRANSFER, BY SALE OR DONATION, MARIJUANA
8 PURSUANT TO SECTION 44-10-203 (1)(i) OR SUBSECTION (4) OF THIS
9 SECTION FOR THE LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION
10 (2) OF THIS SECTION.

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

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

- 18 (a) To test chemical potency and composition levels;
- 19 (b) To conduct clinical investigations of marijuana-derived
20 medicinal products;
- 21 (c) To conduct research on the efficacy and safety of
22 administering marijuana as part of medical treatment;
- 23 (d) To conduct genomic, horticultural, or agricultural research;
- 24 and
- 25 (e) To conduct research on marijuana-affiliated products or
26 systems.

27 (3) (a) As part of the application process for a marijuana research

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

9 (b) If the research will be conducted with a public institution or
10 public money, the scientific advisory council established in section
11 25-1.5-106.5 (3) shall review an applicant's research project to determine
12 that it meets the requirements of subsection (2) of this section and to
13 assess the following:

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

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

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

20 (c) If the scientific advisory council determines that the research
21 project does not meet the requirements of subsection (2) of this section or
22 assesses the criteria in this subsection (3) to be inadequate, the application
23 must be denied.

24 (4) A marijuana research and development ~~cultivation~~ licensee
25 may only transfer, by sale or donation, marijuana grown within its
26 operation to other marijuana research and development licensees. ~~or~~
27 ~~marijuana research and development cultivation licensees~~. The state

1 licensing authority may ~~revoke~~ IMPOSE SANCTIONS ON a marijuana
2 research and development ~~cultivation~~ license for violations of this
3 subsection (4) and any other violation of this ~~article~~ ~~11~~ ARTICLE 10.

4 (5) A marijuana research and development licensee ~~or marijuana~~
5 ~~research and development cultivation~~ licensee may contract to perform
6 research in conjunction with a public higher education research institution
7 or another marijuana research and development licensee. ~~or marijuana~~
8 ~~research and development cultivation~~ licensee.

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

21 (7) If the research conducted includes a public institution or public
22 money, the scientific advisory council shall review any reports made by
23 marijuana research and development licensees ~~and marijuana research~~
24 ~~and development cultivation~~ licensees under state licensing authority rule
25 and provide the state licensing authority with its determination on
26 whether the research project continues to meet research qualifications
27 pursuant to this section.

1 PART 6

2 RETAIL MARIJUANA LICENSE TYPES

3 **44-10-601. [Formerly 44-12-402] Retail marijuana store license**

4 **- rules - definition.** (1) (a) A retail marijuana store license ~~shall~~ MAY be
5 issued only to a person selling retail marijuana or retail marijuana
6 products pursuant to the terms and conditions of this ~~article 12~~ ARTICLE
7 10.

8 (b) A retail marijuana store may cultivate its own retail marijuana
9 if it obtains a retail marijuana cultivation facility license, or it may
10 purchase retail marijuana from a licensed retail marijuana cultivation
11 facility.

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

16 (d) The retail marijuana store shall track all of its retail marijuana
17 and retail marijuana products from the point that they are transferred from
18 a retail marijuana cultivation facility or retail marijuana products
19 manufacturer to the point of sale.

20 (2) (a) Notwithstanding the provisions of this section, a retail
21 marijuana store licensee may also sell retail marijuana products that are
22 prepackaged and labeled as required by rules of the state licensing
23 authority pursuant to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND
24 (3)(b).

25 (b) A retail marijuana store licensee may transact with a retail
26 marijuana products ~~manufacturing~~ MANUFACTURER licensee for the
27 purchase of retail marijuana products upon a retail marijuana products

1 ~~manufacturing~~ MANUFACTURER licensee's licensed premises or a retail
2 marijuana store's licensed premises.

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

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

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

20 (II) (A) If a retail marijuana store licensee or employee has
21 reasonable cause to believe that a person is under twenty-one years of age
22 and is exhibiting fraudulent proof of age in an attempt to obtain any retail
23 marijuana or ~~marijuana-infused~~ MARIJUANA product, the licensee or
24 employee is authorized to confiscate such fraudulent proof of age, if
25 possible, and shall, within seventy-two hours after the confiscation, remit
26 to a state or local law enforcement agency. The failure to confiscate such
27 fraudulent proof of age or to remit to a state or local law enforcement

1 agency within seventy-two hours after the confiscation does not constitute
2 a criminal offense.

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

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

26 (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
27 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE

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

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

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

21 (6) A licensed retail marijuana store shall comply with all
22 provisions of article 34 of title 24, as the provisions relate to persons with
23 disabilities.

24 (7) (a) A licensed retail marijuana store may only sell retail
25 marijuana, retail marijuana products, marijuana accessories,
26 nonconsumable products such as apparel, and marijuana related products
27 such as childproof packaging containers, but ~~shall be~~ IS prohibited from

1 selling or giving away any consumable product, including but not limited
2 to cigarettes or alcohol, or edible product that does not contain marijuana,
3 including but not limited to sodas, candies, or baked goods; EXCEPT THAT
4 A RETAIL MARIJUANA STORE MAY SELL INDUSTRIAL HEMP PRODUCTS.

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

9 (c) A licensed retail marijuana store shall not sell retail marijuana
10 or retail marijuana products over the internet nor deliver retail marijuana
11 or retail marijuana products to a person not physically present in the retail
12 marijuana store's licensed premises.

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

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

21 (10) Notwithstanding any other provision of state law, sales of
22 retail marijuana and retail marijuana products are not exempt from state
23 or local sales tax.

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

26 **44-10-602. [Formerly 44-12-403] Retail marijuana cultivation**
27 **facility license - rules - definitions.** (1) A retail marijuana cultivation

1 facility license may be issued only to a person who cultivates retail
2 marijuana for sale and distribution to licensed retail marijuana stores,
3 retail marijuana products ~~manufacturing~~ MANUFACTURER licensees, or
4 other retail marijuana cultivation facilities.

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

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

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

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

22 (6) (a) A retail marijuana cultivation facility licensee may provide
23 a retail marijuana sample and a retail marijuana concentrate sample to no
24 more than five managers employed by the licensee for purposes of quality
25 control and product development. A retail marijuana cultivation facility
26 licensee may designate no more than five managers per calendar month
27 as recipients of quality control and product development samples

1 authorized pursuant to this subsection (6)(a).

2 (b) An excise tax shall be levied and collected on the sample of
3 unprocessed retail marijuana by a retail marijuana cultivation facility. The
4 excise tax must be calculated based on the average market rate of the
5 unprocessed retail marijuana.

6 (c) A sample authorized pursuant to subsection (6)(a) of this
7 section is limited to one gram of retail marijuana per batch as defined in
8 rules promulgated by the state licensing authority, and one-quarter gram
9 of a retail marijuana concentrate per batch as defined in rules
10 promulgated by the state licensing authority; except that the limit is
11 one-half gram of retail marijuana concentrate if the intended use of the
12 final product is to be used in a device that can be used to deliver retail
13 marijuana concentrate in a vaporized form to the person inhaling from the
14 device.

15 (d) A sample authorized pursuant to subsection (6)(a) of this
16 section must be labeled and packaged pursuant to the rules promulgated
17 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
18 44-10-203 (2)(f) AND (3)(b).

19 (e) A sample provided pursuant to subsection (6)(a) of this section
20 must be tracked with the seed-to-sale tracking system. Prior to a manager
21 receiving a sample, a manager must be designated in the seed-to-sale
22 tracking system as a recipient of quality control and product development
23 samples. A manager receiving a sample must make a voluntary decision
24 to be tracked in the seed-to-sale tracking system and is not a consumer
25 pursuant to section 16 (5)(c) of article XVIII of the state constitution. The
26 retail marijuana cultivation facility licensee shall maintain documentation
27 of all samples and shall make the documentation available to the state

1 licensing authority.

2 (f) Prior to a manager receiving a sample pursuant to subsection
3 (6)(a) of this section, a retail marijuana cultivation facility 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 one ounce total of retail marijuana or eight
9 grams of retail marijuana concentrate samples per calendar month,
10 regardless of the number of licenses that the manager is associated with;
11 or

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

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

15 (I) Allow a manager to consume the sample on the licensed
16 premises; or

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

18 (i) The state licensing authority may establish additional inventory
19 tracking and record keeping, including additional reporting required for
20 implementation. The retail marijuana cultivation facility licensee shall
21 maintain the information required by this subsection (6)(i) on the licensed
22 premises for inspection by the state and local licensing authorities.

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

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

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

17 (c) A retail marijuana cultivation facility shall not accept any retail
18 marijuana concentrate or retail marijuana products pursuant to a
19 centralized distribution permit unless the retail marijuana concentrate and
20 retail marijuana products are packaged and labeled for sale to a consumer
21 as required by rules promulgated by the state licensing authority pursuant
22 to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

23 (d) All retail marijuana concentrate and retail marijuana products
24 stored and prepared for transport on a retail marijuana cultivation
25 facility's licensed premises pursuant to a centralized distribution permit
26 must only be transferred to a retail marijuana cultivation facility licensee's
27 commonly owned retail marijuana stores. All transfers of retail marijuana

1 concentrate and retail marijuana products by a retail marijuana cultivation
2 facility pursuant to a centralized distribution permit are without
3 consideration.

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

7 (f) A retail marijuana cultivation facility shall track all retail
8 marijuana concentrate and retail marijuana products possessed pursuant
9 to a centralized distribution permit in the seed-to-sale tracking system
10 from the point it is received from a retail marijuana ~~establishment~~
11 BUSINESS to the point of transfer to a retail marijuana cultivation facility
12 licensee's commonly owned retail marijuana stores.

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

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

19 **44-10-603. [Formerly 44-12-404] Retail marijuana products**
20 **manufacturer license - rules - definition.** (1) (a) A retail marijuana
21 products ~~manufacturing~~ MANUFACTURER license may be issued to a
22 person who manufactures retail marijuana products pursuant to the terms
23 and conditions of this ~~article 12~~ ARTICLE 10.

24 (b) A retail marijuana products manufacturer may cultivate its
25 own retail marijuana if it obtains a retail marijuana cultivation facility
26 license, or it may purchase retail marijuana from a licensed retail
27 marijuana cultivation facility. A retail marijuana products manufacturer

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

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

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

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

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

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

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

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

12 (b) Commonly owned marijuana research and development
13 licensee ~~or marijuana research and development cultivation licensee~~ so
14 long as virtual or physical separation of inventory and research activity
15 is maintained.

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

20 (4) (a) The retail marijuana product ~~shall~~ MUST be sealed and
21 conspicuously labeled in compliance with this ~~article 12~~ ARTICLE 10 and
22 any rules promulgated pursuant to this ~~article 12~~ ARTICLE 10. The labeling
23 of retail marijuana products is a matter of statewide concern.

24 (b) The standard symbol requirements as promulgated pursuant to
25 ~~section 44-12-202(3)(e)~~ SECTION 44-10-203 (2)(y) do not apply to a
26 multi-serving liquid retail marijuana product, which is impracticable to
27 mark, if the product complies with all statutory and rule packaging

1 requirements for multi-serving edibles and complies with the following
2 enhanced requirements to reduce the risk of accidental ingestion. A
3 multi-serving liquid must:

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

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

11 (5) Retail marijuana or retail marijuana products may not be
12 consumed on the premises of a retail marijuana products ~~manufacturing~~
13 ~~facility~~ MANUFACTURER.

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

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

23 (8) A licensed retail marijuana products manufacturer shall
24 package and label each product manufactured as required by rules of the
25 state licensing authority pursuant to ~~section 44-12-202~~ SECTION
26 44-10-203 (2)(f) AND (3)(b).

27 (9) All retail marijuana products that require refrigeration to

1 prevent spoilage must be stored and transported in a refrigerated
2 environment.

3 (10) (a) A retail marijuana products ~~manufacturing~~
4 MANUFACTURER licensee may provide a retail marijuana product sample
5 and a retail marijuana concentrate sample to no more than five managers
6 employed by the licensee for purposes of quality control and product
7 development. A retail marijuana products ~~manufacturing~~ MANUFACTURER
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 (10)(a).

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

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

25 (d) A sample provided pursuant to subsection (10)(a) of this
26 section must be tracked with the seed-to-sale tracking system. Prior to a
27 manager receiving a sample, a manager must be designated in the

1 seed-to-sale tracking system as a recipient of quality control and product
2 development samples. A manager receiving a sample must make a
3 voluntary decision to be tracked in the seed-to-sale tracking system and
4 is not a consumer pursuant to section 16 (5)(c) of article XVIII of the
5 state constitution. The retail marijuana products manufacturing
6 MANUFACTURER licensee shall maintain documentation of all samples and
7 shall make the documentation available to the state licensing authority.

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

13 (f) A manager shall not:

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

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

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

22 (I) Allow a manager to consume the sample on the licensed
23 premises; or

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

25 (h) The state licensing authority may establish additional
26 inventory tracking and record keeping, including additional reporting
27 required for implementation. The retail marijuana products manufacturing

1 MANUFACTURER licensee shall maintain the information required by this
2 subsection (10)(h) on the licensed premises for inspection by the state and
3 local licensing authorities.

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

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

21 (b) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
22 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
23 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
24 TRANSFERRING INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA
25 PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY
26 WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE
27 ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS

1 ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE
2 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS
3 OR FINDINGS IN VIOLATION OF THIS SECTION BY A PERSON REGISTERED
4 PURSUANT TO SECTION 25-5-426.

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

9 **44-10-604. [Formerly 44-12-405] Retail marijuana testing**
10 **facility license - rules.** (1) (a) A retail marijuana testing facility license
11 may be issued to a person who performs testing and research on retail
12 marijuana and industrial hemp as regulated by article 61 of title 35 AND
13 INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF
14 TITLE 25. The facility may develop and test retail marijuana products, ~~and~~
15 industrial hemp as regulated by article 61 of title 35, AND INDUSTRIAL
16 HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25.
17 Prior to performing testing on industrial hemp, a facility shall verify that
18 the person requesting the testing has received a registration from the
19 commissioner as required by section 35-61-104. PRIOR TO PERFORM
20 TESTING ON INDUSTRIAL HEMP PRODUCTS, A FACILITY SHALL VERIFY THAT
21 THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION AS
22 REQUIRED BY SECTION 25-5-426.

23 (b) The testing of retail marijuana, retail marijuana products, and
24 retail marijuana concentrate, and the associated standards, is a matter of
25 statewide concern.

26 (2) The state licensing authority shall promulgate rules pursuant
27 to its authority in ~~section 44-12-202 (1)(b)~~ SECTION 44-10-202 (1)(c)

1 related to acceptable testing and research practices, including but not
2 limited to testing, standards, quality control analysis, equipment
3 certification and calibration, and chemical identification and other
4 substances used in bona fide research methods.

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

19 **44-10-605. [Formerly 44-12-406] Retail marijuana transporter**
20 **license.** (1) (a) A retail marijuana transporter license may be issued to a
21 person to provide logistics, distribution, and storage of retail marijuana
22 and retail marijuana products. Notwithstanding any other provisions of
23 law, a retail marijuana transporter license is valid for two years but cannot
24 be transferred with a change of ownership. A licensed retail marijuana
25 transporter is responsible for the retail marijuana and retail marijuana
26 products once it takes control of the product.

27 (b) A licensed retail marijuana transporter may contract with

1 multiple licensed retail marijuana businesses.

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

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

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

21 (4) A retail marijuana transporter licensee may:

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

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

26 **44-10-606. [Formerly 44-12-407] Retail marijuana business**
27 **operator license.** A retail marijuana business operator license may be

1 issued to a person who operates a retail marijuana establishment BUSINESS
2 licensed pursuant to this ~~article 12~~ ARTICLE 10, for an owner licensed
3 pursuant to this ~~article 12~~ ARTICLE 10, and who may receive a portion of
4 the profits as compensation.

5 PART 7

6 UNLAWFUL ACTS

7 **44-10-701. [Similar to 44-11-901 and 44-12-901] Unlawful acts**

8 - **exceptions.** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE 10,
9 IT IS UNLAWFUL FOR A PERSON:

10 (a) TO CONSUME REGULATED MARIJUANA OR REGULATED
11 MARIJUANA PRODUCTS IN A LICENSED MEDICAL MARIJUANA BUSINESS OR
12 RETAIL MARIJUANA BUSINESS, AND IT SHALL BE UNLAWFUL FOR A MEDICAL
13 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS TO ALLOW
14 REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS TO BE
15 CONSUMED UPON ITS LICENSED PREMISES;

16 (b) WITH KNOWLEDGE, TO PERMIT OR FAIL TO PREVENT THE USE OF
17 HIS OR HER MEDICAL MARIJUANA PATIENT REGISTRY IDENTIFICATION BY
18 ANY OTHER PERSON FOR THE UNLAWFUL PURCHASING OF MEDICAL
19 MARIJUANA.

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

21 (a) BUY, SELL, TRANSFER, GIVE AWAY, OR ACQUIRE REGULATED
22 MARIJUANA OR REGULATED MARIJUANA PRODUCTS EXCEPT AS ALLOWED
23 PURSUANT TO THIS ARTICLE 10 OR SECTION 14 OR SECTION 16 OF ARTICLE
24 XVIII OF THE STATE CONSTITUTION;

25 (b) HAVE AN UNREPORTED CONTROLLING BENEFICIAL OWNERSHIP,
26 PASSIVE BENEFICIAL OWNERSHIP, OR INDIRECT FINANCIAL INTEREST IN A
27 LICENSE PURSUANT TO THIS ARTICLE 10; EXCEPT THAT THIS SUBSECTION

1 (2)(b) DOES NOT APPLY TO BANKS OR SAVINGS AND LOAN ASSOCIATIONS
2 SUPERVISED AND REGULATED BY AN AGENCY OF THE STATE OR FEDERAL
3 GOVERNMENT, OR TO FHA-APPROVED MORTGAGEES, OR TO
4 STOCKHOLDERS, DIRECTORS, OR OFFICERS THEREOF;

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

7 (d) EXERCISE ANY PRIVILEGE ASSOCIATED WITH HOLDING A
8 CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP,
9 OR INDIRECT FINANCIAL INTEREST IN A LICENSE WITHOUT PRIOR APPROVAL
10 FROM THE STATE LICENSING AUTHORITY; OR

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

14 (I) A PROPOSED TRANSFEREE OPERATING A MEDICAL MARIJUANA
15 BUSINESS OR RETAIL MARIJUANA BUSINESS BEFORE A TRANSFER OF
16 OWNERSHIP REQUEST FOR THAT BUSINESS IS APPROVED IN WRITING BY THE
17 STATE LICENSING AUTHORITY; OR

18 (II) A CURRENT CONTROLLING BENEFICIAL OWNER, PASSIVE
19 BENEFICIAL OWNER, OR PROPOSED TRANSFEROR FAILING TO RETAIN FULL
20 RESPONSIBILITY FOR A MEDICAL MARIJUANA BUSINESS OR RETAIL
21 MARIJUANA BUSINESS IDENTIFIED IN THE TRANSFER OF OWNERSHIP
22 APPLICATION UNTIL THE TRANSFER REQUEST IS APPROVED IN WRITING BY
23 THE STATE LICENSING AUTHORITY.

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

26 (a) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
27 44-10-311 (11);

1 (b) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO
2 ADULTERATE OR ALTER, ANY SAMPLES OF REGULATED MARIJUANA OR
3 REGULATED MARIJUANA PRODUCTS FOR THE PURPOSE OF CIRCUMVENTING
4 CONTAMINANT TESTING DETECTION LIMITS OR POTENCY TESTING
5 REQUIREMENTS;

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

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

10 (e) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
11 REGULATED MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE
12 LICENSE;

13 (f) TO HAVE ON THE LICENSED PREMISES ANY REGULATED
14 MARIJUANA OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF
15 THE REGULATED MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY
16 CONSUMED;

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

18 (h) TO ABANDON A LICENSED PREMISES OR OTHERWISE CEASE
19 OPERATION WITHOUT NOTIFYING THE STATE AND LOCAL LICENSING
20 AUTHORITIES AT LEAST FORTY-EIGHT HOURS IN ADVANCE AND WITHOUT
21 ACCOUNTING FOR AND FORFEITING TO THE STATE LICENSING AUTHORITY
22 FOR DESTRUCTION ALL REGULATED MARIJUANA OR REGULATED
23 MARIJUANA PRODUCTS;

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

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

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

3 (l) TO BURN OR OTHERWISE DESTROY REGULATED MARIJUANA OR
4 ANY SUBSTANCE CONTAINING REGULATED MARIJUANA FOR THE PURPOSE
5 OF EVADING AN INVESTIGATION OR PREVENTING SEIZURE.

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

8 (a) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED
9 PURSUANT TO THIS ARTICLE 10 OR TO A PERSON NOT ABLE TO PRODUCE A
10 VALID PATIENT REGISTRY IDENTIFICATION CARD, UNLESS THE PERSON HAS
11 A COPY OF A CURRENT AND COMPLETE NEW APPLICATION FOR THE
12 MEDICAL MARIJUANA REGISTRY ADMINISTERED BY THE DEPARTMENT OF
13 PUBLIC HEALTH AND ENVIRONMENT THAT IS DOCUMENTED BY A CERTIFIED
14 MAIL RETURN RECEIPT AS HAVING BEEN SUBMITTED TO THE DEPARTMENT
15 OF PUBLIC HEALTH AND ENVIRONMENT WITHIN THE PRECEDING
16 THIRTY-FIVE DAYS AND THE EMPLOYEE ASSISTING THE PERSON HAS
17 CONTACTED THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
18 AND, AS A RESULT, DETERMINED THE PERSON'S APPLICATION HAS NOT
19 BEEN DENIED. NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION
20 (4)(a)(I) TO THE CONTRARY, A PERSON UNDER TWENTY-ONE YEARS OF AGE
21 SHALL NOT BE EMPLOYED TO SELL OR DISPENSE MEDICAL MARIJUANA AT
22 A MEDICAL MARIJUANA STORE OR GROW OR CULTIVATE MEDICAL
23 MARIJUANA AT A MEDICAL MARIJUANA CULTIVATION FACILITY.

24 (II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE
25 CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT
26 REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL
27 MARIJUANA, THE LICENSEE OR EMPLOYEE IS AUTHORIZED TO CONFISCATE

1 THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD, IF POSSIBLE,
2 AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION,
3 TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR LOCAL LAW
4 ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE FRAUDULENT
5 PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT OVER TO THE
6 STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW ENFORCEMENT
7 AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION DOES
8 NOT CONSTITUTE A CRIMINAL OFFENSE.

9 (b) TO REQUIRE A MEDICAL MARIJUANA STORE OR MEDICAL
10 MARIJUANA STORE WITH A MEDICAL MARIJUANA CULTIVATION FACILITY
11 LICENSE TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC
12 LICENSED PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

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

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

18 ~~(b) To use advertising material that is misleading, deceptive, or~~
19 ~~false, or that is designed to appeal to minors;~~

20 ~~(c) To provide public premises, or any portion thereof, for the~~
21 ~~purpose of consumption of retail marijuana or retail marijuana products~~
22 ~~in any form;~~

23 ~~(d) To have in possession or upon the licensed premises any~~
24 ~~marijuana, the sale of which is not permitted by the license;~~

25 ~~(e) (a) To sell or permit the sale of retail marijuana or retail~~
26 ~~marijuana products to a person under twenty-one years of age; OR~~

27 ~~(f) To sell more than a quarter of an ounce of retail marijuana and~~

1 ~~no more than a quarter of an ounce equivalent of a retail marijuana~~
2 ~~product during a single transaction to a nonresident of the state;~~

3 ~~(g) To have on the licensed premises any retail marijuana, retail~~
4 ~~marijuana products, or marijuana paraphernalia that shows evidence of~~
5 ~~the retail marijuana having been consumed or partially consumed;~~

6 ~~(h) (b) To distribute marijuana or marijuana products, with or~~
7 ~~without remuneration, directly to another person using a mobile~~
8 ~~distribution center STORE.~~

9 ~~(i) To violate the provisions of section 6-2-103 or 6-2-105; or~~

10 ~~(j) To abandon a licensed premises or otherwise cease operation~~
11 ~~without notifying the state and local licensing authorities at least~~
12 ~~forty-eight hours in advance and without accounting for and forfeiting to~~
13 ~~the state licensing authority for destruction all marijuana or products~~
14 ~~containing marijuana;~~

15 ~~(6) [Formerly 44-11-901 (6)] It shall be unlawful for a physician~~
16 ~~who makes patient referrals to a licensed medical marijuana center STORE~~
17 ~~to receive anything of value from the medical marijuana center STORE~~
18 ~~licensee or its agents, servants, officers, or owners or anyone financially~~
19 ~~interested in the licensee, and it shall be unlawful for a licensee licensed~~
20 ~~pursuant to this article 11 ARTICLE 10 to offer anything of value to a~~
21 ~~physician for making patient referrals to the licensed medical marijuana~~
22 ~~center STORE.~~

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

26 ~~(8) [Formerly 44-11-901 (8)] A person who commits any acts that~~
27 ~~are unlawful pursuant to this article 11 or the rules authorized and~~

1 ~~adopted pursuant to this article 11~~ ARTICLE 10 commits a class 2
2 misdemeanor and shall be punished as provided in section 18-1.3-501;
3 ~~except for~~, THAT A VIOLATION OF SUBSECTION (5)(a) OF THIS SECTION IS
4 A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN
5 SECTION 18-1.3-501. For violations that would also constitute a violation
6 of title 18, ~~which~~ THE violation shall be charged and prosecuted pursuant
7 to title 18.

8 PART 8

9 FEES

10 **44-10-801. [Formerly 44-11-501] Marijuana cash fund.**

11 (1) (a) All money, EXCEPT FOR FINES, collected by the state licensing
12 authority pursuant to this ~~article 11 and article 12 of this title 44~~ shall
13 ARTICLE 10 MUST be transmitted to the state treasurer, who shall credit the
14 same to the marijuana cash fund, which fund is hereby created and
15 referred to in this section as the "fund". The fund consists of:

16 (I) The money collected by the state licensing authority; and

17 (II) Any additional general fund money appropriated to the fund
18 that is necessary for the operation of the state licensing authority.

19 (b) Money in the fund is subject to annual appropriation by the
20 general assembly to the department for the direct and indirect costs
21 associated with implementing this ~~article 11, article 12 of this title 44~~
22 ARTICLE 10 and article 28.8 of title 39.

23 (c) Any money in the fund not expended for these purposes may
24 be invested by the state treasurer as provided by law. All interest and
25 income derived from the investment and deposit of money in the fund
26 shall be credited to the fund. Any unexpended and unencumbered money

1 remaining in the fund at the end of a fiscal year ~~shall remain~~ REMAINS in
2 the fund and shall not be credited or transferred to the general fund or
3 another fund.

4 (d) (I) On July 1, 2014, the state treasurer shall transfer to the
5 marijuana tax cash fund created in section 39-28.8-501 any money in the
6 fund that is attributable to the retail marijuana excise tax transferred
7 pursuant to section 39-28.8-305 (1)(b), the retail marijuana sales tax
8 transferred pursuant to section 39-28.8-203 (1)(b), or the sales tax
9 imposed pursuant to section 39-26-106, on the retail sale of marijuana
10 products ~~under this article 11 and article 12 of this title 44~~ PURSUANT TO
11 THIS ARTICLE 10.

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

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

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

4 (I) Applications for licenses listed in ~~section 44-11-401~~ SECTION
5 44-10-401 and rules promulgated pursuant to that section;

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

8 (III) Applications for transfer of ownership pursuant to ~~section~~
9 ~~44-11-310~~ SECTION 44-10-310 and rules promulgated pursuant to that
10 section;

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

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

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

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

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

27 (4) Except as provided in subsection (5) of this section, the state

1 licensing authority shall establish a basic fee that shall be paid at the time
2 of service of any subpoena upon the state licensing authority, plus a fee
3 for meals and a fee for mileage at the rate prescribed for state officers and
4 employees in section 24-9-104 for each mile actually and necessarily
5 traveled in going to and returning from the place named in the subpoena.
6 If the person named in the subpoena is required to attend the place named
7 in the subpoena for more than one day, there ~~shall~~ MUST be paid, in
8 advance, a sum to be established by the state licensing authority for each
9 day of attendance to cover the expenses of the person named in the
10 subpoena.

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

14 **44-10-802. [Formerly 44-11-502] Fees - allocation.** (1) Except
15 as otherwise provided, all fees ~~and fines~~ provided for by this ~~article 11~~
16 ~~and article 12 of this title 44~~ ARTICLE 10 shall be paid to the department,
17 which shall transmit the fees to the state treasurer. The state treasurer
18 shall credit the fees to the marijuana cash fund created in ~~section~~
19 ~~44-11-501~~ SECTION 44-10-801. EXCEPT AS OTHERWISE PROVIDED, ALL
20 FINES PROVIDED FOR BY THIS ARTICLE 10 MUST BE PAID TO THE
21 DEPARTMENT, WHICH SHALL TRANSMIT THE FEES TO THE STATE
22 TREASURER. THE STATE TREASURER SHALL CREDIT THE FINES TO THE
23 GENERAL FUND.

24 (2) The expenditures of the state licensing authority ~~shall be~~ ARE
25 paid out of appropriations from the marijuana cash fund created in ~~section~~
26 ~~44-11-501~~ SECTION 44-10-801.

27 **44-10-803. [Formerly 44-12-501] Fees.** (1) The state licensing

1 authority may charge and collect fees ~~under~~ PURSUANT TO this ~~article 12~~.
2 ~~The application fee for a person applying pursuant to section 44-12-104~~
3 ~~(1)(a) shall be five hundred dollars~~ ARTICLE 10. FOR A PERSON LICENSED
4 TO CULTIVATE OR SELL MEDICAL MARIJUANA OR TO MANUFACTURE
5 MEDICAL MARIJUANA PRODUCTS ON OR BEFORE DECEMBER 10, 2012, THE
6 APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS IS FIVE HUNDRED
7 DOLLARS. The state licensing authority shall transfer two hundred fifty
8 dollars of the fee to the marijuana cash fund and submit two hundred fifty
9 dollars to the local jurisdiction in which the license is proposed to be
10 issued.

11 (2) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, the
12 application fee for a ~~person applying pursuant to section 44-12-104 (1)(b)~~
13 ~~shall be~~ RETAIL MARIJUANA BUSINESS IS five thousand dollars. The state
14 licensing authority shall transfer two thousand five hundred dollars of the
15 fee to the marijuana cash fund and remit two thousand five hundred
16 dollars to the local jurisdiction in which the license is proposed to be
17 issued. If the state licensing authority is considering raising the
18 five-thousand-dollar application fee, it shall confer with each local
19 jurisdiction in which a license ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE
20 10 is issued prior to raising the application fee. If the application fee
21 amount is changed, it must be split evenly between the marijuana cash
22 fund and the local jurisdiction in which the license is proposed to be
23 issued.

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

1 PART 9

2 DISCIPLINARY ACTIONS

3 **44-10-901. [Formerly 44-12-601 and similar to**
4 **44-11-601] Suspension - revocation - fines.** (1) In addition to any other
5 sanctions prescribed by this ~~article 12~~ ARTICLE 10 or rules promulgated
6 pursuant to this ~~article 12~~ ARTICLE 10, the state licensing authority OR
7 LOCAL LICENSING AUTHORITY has the power, on its own motion or on
8 complaint, after investigation and opportunity for a public hearing at
9 which the licensee must be afforded an opportunity to be heard, to fine a
10 licensee or to suspend or revoke a license issued by the authority for a
11 violation by the licensee or by any of the agents or employees of the
12 licensee of the provisions of this ~~article 12~~ ARTICLE 10, or any of the rules
13 promulgated pursuant to this ~~article 12~~ ARTICLE 10, or of any of the terms,
14 conditions, or provisions of the license issued by the state OR LOCAL
15 licensing authority. The state OR LOCAL licensing authority has the power
16 to administer oaths and issue subpoenas to require the presence of persons
17 and the production of papers, books, and records necessary to the
18 determination of a hearing that the state OR LOCAL LICENSING authority is
19 authorized to conduct.

20 (2) The state OR LOCAL licensing authority shall provide notice of
21 suspension, revocation, fine, or other sanction, as well as the required
22 notice of the hearing pursuant to subsection (1) of this section, by mailing
23 the same in writing to the licensee at the address contained in the license
24 and, if different, at the last address furnished to the authority by the
25 licensee. Except in the case of a summary suspension, a suspension ~~shall~~
26 ~~IS not be~~ for a period longer than six months. If a license is suspended or
27 revoked, a part of the fees paid therefor ~~shall~~ ARE not ~~be~~ returned to the

1 licensee. Any license, REGISTRATION, OR PERMIT may be summarily
2 suspended by the ~~state licensing~~ ISSUING authority without notice pending
3 any prosecution, investigation, or public hearing pursuant to the terms of
4 section 24-4-104 (4). Nothing in this section ~~shall prevent~~ PREVENTS the
5 summary suspension of a license pursuant to section 24-4-104 (4). EACH
6 PATIENT REGISTERED WITH A MEDICAL MARIJUANA STORE THAT HAS HAD
7 ITS LICENSE SUMMARILY SUSPENDED MAY IMMEDIATELY TRANSFER HIS OR
8 HER PRIMARY STORE TO ANOTHER LICENSED MEDICAL MARIJUANA STORE.

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

18 (I) The public welfare would not be impaired by permitting the
19 licensee to operate during the period set for suspension and that the
20 payment of the fine will achieve the desired disciplinary purposes; ~~and~~

21 (II) The books and records of the licensee are kept in such a
22 manner that the loss of sales that the licensee would have suffered had the
23 suspension gone into effect can be determined with reasonable accuracy;

24 AND

25 (III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED
26 OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE,
27 DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE

1 MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND
2 THE LICENSE OR PERMIT.

3 (b) The fine accepted ~~shall~~ MUST be not less than five hundred
4 dollars nor more than one hundred thousand dollars.

5 (c) Payment of a fine pursuant to the provisions of this subsection
6 (3) ~~shall~~ MUST be in the form of cash or in the form of a certified check
7 or cashier's check made payable to the state or local licensing authority,
8 whichever is appropriate.

9 (4) Upon payment of the fine pursuant to subsection (3) of this
10 section, the state licensing authority shall enter its further order
11 permanently staying the imposition of the suspension. Fines paid to the
12 state licensing authority pursuant to subsection (3) of this section ~~shall be~~
13 ARE transmitted to the state treasurer, who shall credit the same to the
14 ~~marijuana cash fund created in section 44-11-501~~ GENERAL FUND.

15 (5) In connection with a petition pursuant to subsection (3) of this
16 section, the authority of the state OR LOCAL licensing authority is limited
17 to the granting of such stays as are necessary for the authority to complete
18 its investigation and make its findings and, if the authority makes such
19 findings, to the granting of an order permanently staying the imposition
20 of the entire suspension or that portion of the suspension not otherwise
21 conditionally stayed.

22 (6) If the state OR LOCAL licensing authority does not make the
23 findings required in subsection (3)(a) of this section and does not order
24 the suspension permanently stayed, the suspension ~~shall go~~ GOES into
25 effect on the operative date finally set by the state OR LOCAL licensing
26 authority.

27 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL

1 ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO
2 THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE
3 LICENSING AUTHORITY. No later than January 15 of each year, the state
4 licensing authority shall compile a report of the preceding year's actions
5 in which fines, suspensions, or revocations were imposed by the state
6 licensing authority. The state licensing authority shall file one copy of the
7 report with the chief clerk of the house of representatives, one copy with
8 the secretary of the senate, and six copies in the joint legislative library.

9 **44-10-902. [Formerly 44-12-602 and similar to**
10 **44-11-602] Disposition of unauthorized marijuana or marijuana**
11 **products and related materials - rules.** (1) The provisions of this
12 section shall apply in addition to any criminal, civil, or administrative
13 penalties and in addition to any other penalties prescribed by this article
14 ~~12~~ ARTICLE 10 or any rules promulgated pursuant to this ~~article 12~~
15 ARTICLE 10. Any provisions in this ~~article 12~~ ARTICLE 10 related to law
16 enforcement shall be ARE considered a cumulative right of the people in
17 the enforcement of the criminal laws.

18 (2) Every licensee licensed under this ~~article 12~~ shall be ARTICLE
19 10 IS deemed, by virtue of applying for, holding, or renewing such
20 person's license, to have expressly consented to the procedures set forth
21 in this section.

22 (3) A state or local agency shall IS not be required to cultivate or
23 care for any ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana
24 product belonging to or seized from a licensee. A state or local agency
25 shall IS not be authorized to sell marijuana, ~~retail~~ REGULATED or
26 otherwise.

27 (4) If the state OR LOCAL licensing authority issues a final agency

1 order imposing a disciplinary action against a licensee pursuant to ~~section~~
2 ~~44-12-601~~ SECTION 44-10-901, then, in addition to any other remedies,
3 the licensing authority's final agency order may specify that some or all
4 of the licensee's marijuana or marijuana product is not ~~retail~~ REGULATED
5 marijuana or a ~~retail~~ REGULATED marijuana product and is an illegal
6 controlled substance. The order may further specify that the licensee ~~shall~~
7 ~~lose~~ LOSES any interest in any of the marijuana or marijuana product even
8 if the marijuana or marijuana product previously qualified as ~~retail~~
9 REGULATED marijuana or a ~~retail~~ REGULATED marijuana product. The
10 final agency order may direct the destruction of any such marijuana and
11 marijuana products, except as provided in subsections (5) and (6) of this
12 section. The authorized destruction may include the incidental destruction
13 of any containers, equipment, supplies, and other property associated with
14 the marijuana or marijuana product.

15 (5) Following the issuance of a final agency order by the state OR
16 LOCAL licensing authority against a licensee and ordering destruction
17 authorized by subsection (4) of this section, a licensee ~~shall have~~ HAS
18 fifteen days within which to file a petition for stay of agency action with
19 the district court. The action ~~shall~~ MUST be filed in the city and county of
20 Denver, which ~~shall be~~ IS deemed to be the residence of the state
21 licensing authority for purposes of this section. The licensee shall serve
22 the petition in accordance with the Colorado rules of civil procedure. The
23 district court shall promptly rule upon the petition and determine whether
24 the licensee has a substantial likelihood of success on judicial review so
25 as to warrant delay of the destruction authorized by subsection (4) of this
26 section or whether other circumstances, including but not limited to the
27 need for preservation of evidence, warrant delay of such destruction. If

1 destruction is so delayed pursuant to judicial order, the court shall issue
2 an order setting forth terms and conditions pursuant to which the licensee
3 may maintain the ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED
4 marijuana product pending judicial review and prohibiting the licensee
5 from using or distributing the ~~retail~~ REGULATED marijuana or ~~retail~~
6 REGULATED marijuana product pending the review. The licensing
7 authority shall not carry out the destruction authorized by subsection (4)
8 of this section until fifteen days have passed without the filing of a
9 petition for stay of agency action or until the court has issued an order
10 denying stay of agency action pursuant to this subsection (5).

11 (6) A district attorney shall notify the state licensing authority if
12 it begins investigating a MEDICAL MARIJUANA BUSINESS OR retail
13 marijuana ~~establishment~~ BUSINESS. If the state licensing authority has
14 received notification from a district attorney that an investigation is being
15 conducted, the state licensing authority shall not destroy any marijuana or
16 marijuana products from the MEDICAL MARIJUANA BUSINESS OR retail
17 marijuana ~~establishment~~ BUSINESS until the destruction is approved by the
18 district attorney.

19 (7) ~~On or before January 1, 2014,~~ The state licensing authority
20 shall promulgate rules governing the implementation of this section.

21 PART 10

22 INSPECTION OF BOOKS AND RECORDS

23 **44-10-1001. [Formerly 44-12-701 and similar to**
24 **44-11-701] Inspection procedures.** (1) Each licensee shall keep a
25 complete set of all records necessary to show fully the business
26 transactions of the licensee, all of which ~~shall be~~ ARE open at all times
27 during business hours for the inspection and examination by the state

1 licensing authority or its duly authorized representatives. The state
2 licensing authority may require any licensee to furnish such information
3 as it considers necessary for the proper administration of this ~~article 12~~
4 ARTICLE 10 and may require an audit to be made of the books of account
5 and records on such occasions as it may consider necessary by an auditor
6 to be selected by the state licensing authority who shall likewise have
7 access to all books and records of the licensee, and the expense thereof
8 ~~shall~~ MUST be paid by the licensee.

9 (2) The licensed premises, including any places of storage where
10 ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana products are
11 stored, cultivated, sold, dispensed, or tested ~~shall be~~ ARE subject to
12 inspection by the state or local LICENSING AUTHORITY, OR LOCAL
13 jurisdictions and their investigators, during all business hours and other
14 times of apparent activity, for the purpose of inspection or investigation.
15 Access ~~shall be~~ IS required during business hours for examination of any
16 inventory or books and records required to be kept by the licensees. When
17 any part of the licensed premises consists of a locked area, upon demand
18 to the licensee, such area ~~shall~~ MUST be made available for inspection
19 without delay, and, upon request by authorized representatives of the state
20 or local jurisdiction, the licensee shall open the area for inspection.

21 (3) Each licensee shall retain all books and records necessary to
22 show fully the business transactions of the licensee for a period of the
23 current tax year and the three immediately prior tax years.

24 PART 11

25 JUDICIAL REVIEW

26 **44-10-1101. [Formerly 44-12-801 and similar to**
27 **44-11-801] Judicial review.** Decisions by the state licensing authority are

1 subject to judicial review pursuant to section 24-4-106.

2 PART 12

3 RESPONSIBLE VENDOR STANDARDS

4 **44-10-1201. [Formerly 44-11-1101] Responsible vendor**
5 **program - standards - designation.** (1) A person who wants to offer a
6 responsible medical or retail marijuana vendor server and seller training
7 program must submit an application to the state licensing authority for
8 approval, which program is referred to in this ~~part~~ PART 10 as an
9 "approved training program". The state licensing authority, in
10 consultation with the department of public health and environment, shall
11 approve the submitted program if the submitted program meets the
12 minimum criteria described in subsection (2) of this section. The
13 department of public health and environment shall review each submitted
14 program and shall provide the state licensing authority with the
15 department's analysis of whether the portions of the program related to
16 the department's oversight meet the minimum criteria described in this
17 section.

18 (2) An approved training program ~~shall~~ MUST contain, at a
19 minimum, the following standards and ~~shall~~ be taught in a classroom
20 setting in a minimum of a two-hour period:

21 (a) Program standards that specify, at a minimum, who must
22 attend, the time frame for new staff to attend, recertification requirements,
23 record keeping, testing and assessment protocols, and effectiveness
24 evaluations; and

25 (b) A core curriculum of pertinent statutory and regulatory
26 provisions, which curriculum includes but need not be limited to:

27 (I) Information on required licenses, age requirements, patient

1 registry cards issued by the department of public health and environment,
2 maintenance of records, privacy issues, and unlawful acts;

3 (II) Administrative and criminal liability and license and court
4 sanctions;

5 (III) Statutory and regulatory requirements for employees and
6 owners;

7 (IV) Acceptable forms of identification, including patient registry
8 cards and associated documents and procedures; and

9 (V) Local and state licensing and enforcement, which may include
10 but need not be limited to key statutes and rules affecting patients,
11 owners, managers, and employees.

12 (3) When promulgating program standards pursuant to subsection
13 (2) of this section, the state licensing authority shall consider input from
14 other state agencies, local jurisdictions, the medical and retail marijuana
15 industry, and any other state or national seller server program.

16 (4) A provider of an approved training program shall maintain its
17 training records at its principal place of business during the applicable
18 year and for the preceding three years, and the provider shall make the
19 records available for inspection by the licensing authority during normal
20 business hours.

21 **44-10-1202. [Formerly 44-11-1102] Responsible vendor -**
22 **designation.** (1) (a) A medical marijuana business licensed pursuant to
23 ~~this article 11~~ or a retail marijuana business licensed pursuant to ~~article~~
24 ~~12 of this title 44~~ THIS ARTICLE 10 may receive a responsible vendor
25 designation from the program vendor after successfully completing a
26 responsible medical or retail marijuana vendor server and seller training
27 program approved by the state licensing authority. A responsible vendor

1 designation is valid for two years from the date of issuance.

2 (b) Successful completion of an approved training program is
3 achieved when the program has been attended by and, as determined by
4 the program provider, satisfactorily completed by all employees selling
5 and handling medical or retail marijuana, all managers, and all resident
6 on-site owners, if any.

7 (c) In order to maintain the responsible vendor designation, the
8 licensed medical MARIJUANA BUSINESS or retail marijuana business must
9 have each new employee who sells or handles medical or retail marijuana,
10 manager, or resident on-site owner attend and satisfactorily complete a
11 responsible medical or retail marijuana vendor server and seller training
12 program within ninety days after being employed or becoming an owner.
13 The licensed medical MARIJUANA BUSINESS or retail marijuana business
14 shall maintain documentation of completion of the program by new
15 employees, managers, or owners.

16 (2) A licensed medical MARIJUANA BUSINESS or retail marijuana
17 business that receives a responsible vendor designation from the program
18 vendor shall maintain information on all persons licensed pursuant to this
19 ~~article~~ ~~11~~ ARTICLE 10 who are in its employment and who have been
20 trained in an approved training program. The information includes the
21 date, place, time, and duration of training and a list of all licensed persons
22 attending each specific training class, which class includes a training
23 examination or assessment that demonstrates proficiency.

24 (3) If a local or state licensing authority initiates an administrative
25 action against a licensee who has complied with the requirements of this
26 section and has been designated a responsible vendor, the licensing
27 authority shall consider the designation as a mitigating factor when

1 imposing sanctions or penalties on the licensee.

2 PART 13

3 SEVERABILITY

4 **44-10-1301. [Formerly 44-12-1101] Severability.** If any
5 provision of this ~~article 12~~ ARTICLE 10 is found by a court of competent
6 jurisdiction to be unconstitutional, the remaining provisions of this ~~article~~
7 ~~12~~ ARTICLE 10 are valid, unless it appears to the court that the valid
8 provisions of the statute are so essentially and inseparably connected
9 with, and so dependent upon, the void provision that it cannot be
10 presumed that the legislature would have enacted the valid provisions
11 without the void one; or unless the court determines that the valid
12 provisions, standing alone, are incomplete and are incapable of being
13 executed in accordance with the legislative intent.

14 PART 14

15 SUNSET REVIEW - ARTICLE REPEAL

16 **44-10-1401. [Formerly 44-11-1001 and similar to**
17 **44-12-1001] Sunset review - repeal of article.** (1) This ~~article 11~~
18 ARTICLE 10 is repealed, effective September 1, ~~2019~~ 2028.

19 (2) Prior to the repeal of this ~~article 11~~ ARTICLE 10, the department
20 of regulatory agencies shall conduct a sunset review as described in
21 section 24-34-104 (5).

22 **SECTION 46. Repeal of provisions being relocated in this act.**

23 In Colorado Revised Statutes, **repeal** sections 44-11-102, 44-11-103,
24 44-11-104, 44-11-105, and 44-11-106; parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and
25 11 of article 11 of title 44; sections 44-12-102, 44-12-103, 44-12-104, and
26 44-12-105; and parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of article 12 of title
27 44.

1 **SECTION 47. Repeal of provisions not being relocated in this**
2 **act.** In Colorado Revised Statutes, **repeal** sections 44-11-101 and
3 44-12-101 that were not relocated.

4 **SECTION 48.** In Colorado Revised Statutes, 6-1-105, **amend**
5 (1)(hhh) as follows:

6 **6-1-105. Deceptive trade practices.** (1) A person engages in a
7 deceptive trade practice when, in the course of the person's business,
8 vocation, or occupation, the person:

9 (hhh) Knowingly represents that hemp, hemp oil, or any derivative
10 of a hemp plant constitutes retail marijuana or medical marijuana unless
11 it fully satisfies the definition of such products pursuant to ~~section~~
12 ~~44-12-103 (22) or section 44-11-104 (11)~~ SECTION 44-10-103 (23) OR
13 (42);

14 **SECTION 49.** In Colorado Revised Statutes, 11-33-103, **amend**
15 (4) as follows:

16 **11-33-103. Definitions.** As used in this article 33, unless the
17 context otherwise requires:

18 (4) "Licensed marijuana business" means an entity licensed
19 pursuant to ~~section 44-11-402, 44-11-403, 44-11-404, 44-12-402,~~
20 ~~44-12-403, 44-12-404, or 44-12-405~~ PARTS 5 AND 6 OF ARTICLE 10 OF
21 TITLE 44.

22 **SECTION 50.** In Colorado Revised Statutes, 11-33-104, **amend**
23 (2)(a)(II) as follows:

24 **11-33-104. Organization - charter - investigation.** (2) A co-op
25 may be organized in the following manner:

26 (a) (II) A co-op may be incorporated and organized for the
27 purpose of providing financial services to licensed marijuana businesses

1 in good standing with the executive director of the state licensing
2 authority created in ~~section 44-11-201~~ SECTION 44-10-201, industrial
3 hemp businesses, and entities that provide goods or services to licensed
4 marijuana businesses and that provide documentation to the co-op of an
5 inability to get comparable services from a bank or credit union.

6 **SECTION 51.** In Colorado Revised Statutes, 11-33-106, **amend**
7 (2) as follows:

8 **11-33-106. Membership - disclosures.** (2) (a) Co-op
9 membership is limited to only entities that own, operate, or are licensed
10 marijuana businesses in good standing with the executive director of the
11 state licensing authority created in ~~section 44-11-201~~ SECTION 44-10-201,
12 industrial hemp businesses, and entities that provide goods or services to
13 licensed marijuana businesses and that provide documentation to the
14 co-op of an inability to get comparable services from a bank or credit
15 union.

16 (b) An individual is not qualified to be a member of a co-op,
17 regardless of whether the individual is licensed, including pursuant to
18 ~~section 44-11-401 (1)(c) or 44-12-401 (1)(c)~~ SECTION 44-10-401 (2)(c),
19 to own, operate, manage, or be employed by a licensed marijuana
20 business, either as a sole proprietor or any other form of ownership that
21 gives the individual sole control over the licensed marijuana business.

22 **SECTION 52.** In Colorado Revised Statutes, 13-21-121, **amend**
23 (2)(b) as follows:

24 **13-21-121. Agricultural recreation or agritourism activities -**
25 **legislative declaration - inherent risks - limitation of civil liability -**
26 **duty to post warning notice - definitions.** (2) As used in this section,
27 unless the context otherwise requires:

1 (b) "Agricultural recreation or agritourism activity" means an
2 activity related to the normal course of agriculture, as defined in section
3 35-1-102 (1), which activity is engaged in by participants for
4 entertainment, pleasure, or other recreational purposes, or for educational
5 purposes, regardless of whether a fee is charged to the participants.
6 "Agricultural recreation or agritourism activity" also means hunting,
7 shooting, swimming, diving, tubing, and riding or operating a motorized
8 recreational vehicle that occurs on or in proximity to the property of an
9 agricultural operation or an adjacent roadway. "Agricultural recreation or
10 agritourism activity" includes, but is not limited to, planting, cultivation,
11 irrigation, or harvesting of crops; acceptable practices of animal
12 husbandry; rodeo and livestock activities; and maintenance of farm or
13 ranch equipment. "Agricultural recreation or agritourism activity" does
14 not include any activity related to or associated with medical marijuana
15 as defined in ~~section 44-11-104~~ SECTION 44-10-103 (23) or retail
16 marijuana as defined in ~~section 44-12-103~~ SECTION 44-10-103 (42).

17 **SECTION 53.** In Colorado Revised Statutes, **amend** 13-22-601
18 as follows:

19 **13-22-601. Contracts pertaining to marijuana enforceable.** It
20 is the public policy of the state of Colorado that a contract is not void or
21 voidable as against public policy if it pertains to lawful activities
22 authorized by section 16 of article XVIII of the state constitution and
23 ~~article 12~~ ARTICLE 10 of title 44.

24 **SECTION 54.** In Colorado Revised Statutes, **amend** 16-2.5-121
25 as follows:

26 **16-2.5-121. Executive director of the department of revenue**
27 **- senior director of enforcement for the department of revenue.** The

1 executive director and the senior director of enforcement of the
2 department of revenue are peace officers while engaged in the
3 performance of their duties whose authority includes the enforcement of
4 laws and rules regarding automobile dealers pursuant to section
5 44-20-105 (3), the lottery pursuant to sections 44-40-106 (3) and
6 44-40-107 (8), medical marijuana pursuant to ~~article 11~~ ARTICLE 10 of
7 title 44, limited gaming pursuant to article 30 of title 44, liquor pursuant
8 to section 44-3-905 (1), and racing events pursuant to section 44-32-203
9 (1), and the enforcement of all laws of the state of Colorado and who may
10 be certified by the P.O.S.T. board.

11 **SECTION 55.** In Colorado Revised Statutes, **amend**
12 16-2.5-124.5 as follows:

13 **16-2.5-124.5. Director of marijuana enforcement and**
14 **marijuana enforcement investigator.** The director of the marijuana
15 enforcement division or a marijuana enforcement investigator is a peace
16 officer while engaged in the performance of his or her duties and while
17 acting under proper orders or rules pursuant to ~~article 11 or 12~~ ARTICLE 10
18 of title 44, and shall also include the enforcement of all laws of the state
19 of Colorado and who may be certified by the P.O.S.T. board.

20 **SECTION 56.** In Colorado Revised Statutes, 18-1.3-204, **amend**
21 (1)(b) and (2)(a)(VIII)(A) as follows:

22 **18-1.3-204. Conditions of probation - interstate compact**
23 **probation transfer cash fund - creation.** (1) (b) Notwithstanding the
24 provisions of subsection (1)(a) of this section, unless the defendant is
25 sentenced to probation for a conviction of a crime under ~~article 11~~
26 ARTICLE 10 of title 44, the possession or use of medical marijuana, as
27 authorized pursuant to section 14 of article XVIII of the state constitution,

1 shall not be considered another offense such that its use constitutes a
2 violation of the terms of probation.

3 (2) (a) When granting probation, the court may, as a condition of
4 probation, require that the defendant:

5 (VIII) Refrain from excessive use of alcohol or any unlawful use
6 of controlled substances, as defined in section 18-18-102 (5), or of any
7 other dangerous or abusable drug without a prescription; except that the
8 court shall not, as a condition of probation, prohibit the possession or use
9 of medical marijuana, as authorized pursuant to section 14 of article
10 XVIII of the state constitution, unless:

11 (A) The defendant is sentenced to probation for conviction of a
12 crime under ~~article 11~~ ARTICLE 10 of title 44; or

13 **SECTION 57.** In Colorado Revised Statutes, 18-18-406.3,
14 **amend** (7) as follows:

15 **18-18-406.3. Medical use of marijuana by persons diagnosed**
16 **with debilitating medical conditions - unlawful acts - penalty -**
17 **medical marijuana program cash fund.** (7) An owner, officer, or
18 employee of a business licensed pursuant to ~~article 11~~ ARTICLE 10 of title
19 44, or an employee of the state medical marijuana licensing authority, a
20 local medical marijuana licensing authority, or the department of public
21 health and environment, who releases or makes public a patient's medical
22 record or any confidential information contained in any such record that
23 is provided to or by the business licensed pursuant to ~~article 11~~ ARTICLE
24 10 of title 44, without the written authorization of the patient commits a
25 class 1 misdemeanor; except that the owner, officer, or employee shall
26 release the records or information upon request by the state or local
27 medical marijuana licensing authority. The records or information

1 produced for review by the state or local licensing authority shall not
2 become public records by virtue of the disclosure and may be used only
3 for a purpose authorized by ~~article 11~~ ARTICLE 10 of title 44, or for
4 another state or local law enforcement purpose. The records or
5 information shall constitute medical data as defined by section 24-72-204
6 (3)(a)(I). The state or local medical marijuana licensing authority may
7 disclose any records or information so obtained only to those persons
8 directly involved with any investigation or proceeding authorized by
9 ~~article 11~~ ARTICLE 10 of title 44, or for any state or local law enforcement
10 purpose.

11 **SECTION 58.** In Colorado Revised Statutes, 18-18-406.4,
12 **amend** (1) as follows:

13 **18-18-406.4. Unlawful advertising of marijuana - exception.**

14 (1) A person who is not licensed to sell medical marijuana pursuant to
15 ~~article 43.3 of title 12~~ or retail marijuana pursuant to ~~article 43.4 of title~~
16 ~~12~~ ARTICLE 10 OF TITLE 44, or pursuant to the laws regarding medical or
17 retail marijuana under the laws of another state, who knowingly
18 advertises in a newspaper, magazine, handbill, or other publication or on
19 the internet the unlawful sale of marijuana, marijuana concentrate, or a
20 ~~marijuana-infused~~ MARIJUANA product by a person not licensed to sell
21 marijuana, marijuana concentrate, or a ~~marijuana-infused~~ MARIJUANA
22 product commits a level 2 drug misdemeanor.

23 **SECTION 59.** In Colorado Revised Statutes, 18-18-406.6,
24 **amend** (1) and (2) as follows:

25 **18-18-406.6. Extraction of marijuana concentrate - definitions.**

26 (1) It shall be unlawful for any person who is not licensed pursuant to
27 ~~article 11 or 12~~ ARTICLE 10 of title 44 to knowingly manufacture

1 marijuana concentrate using an inherently hazardous substance.

2 (2) It shall be unlawful for any person who is not licensed
3 pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44 who owns, manages,
4 operates, or otherwise controls the use of any premises to knowingly
5 allow marijuana concentrate to be manufactured on the premises using an
6 inherently hazardous substance.

7 **SECTION 60.** In Colorado Revised Statutes, 24-20-112, **amend**
8 (1) and (2) as follows:

9 **24-20-112. Implementation of section 16 of article XVIII of the**
10 **Colorado constitution - criteria for pesticide use - education oversight**
11 **and materials - rules.** (1) The governor shall designate a state agency
12 to promulgate rules to designate criteria that identify pesticides that may
13 be used in the cultivation of marijuana as authorized pursuant to ~~article~~
14 ~~12~~ ARTICLE 10 of title 44. The designated agency may consult with other
15 state agencies in promulgating the rules. The agency shall publish a list
16 of pesticides that meet the criteria on its website.

17 (2) The governor shall designate a state agency to work with a
18 private advisory group to develop good cultivation and handling practices
19 for the marijuana industry. The designated agency is encouraged to assist
20 in the formation of a private advisory group. If a private advisory group
21 develops good cultivation and handling practices, an entity licensed
22 pursuant to ~~article 12~~ ARTICLE 10 of title 44 that follows those practices
23 may include a statement of compliance on its label after receiving
24 certification of compliance. The designated agency may consult with
25 other state agencies to receive technical assistance.

26 **SECTION 61.** In Colorado Revised Statutes, 24-33.5-516,
27 **amend** (3) as follows:

1 **24-33.5-516. Study marijuana implementation.** (3) The
2 division is not required to perform the duties required by this section until
3 the marijuana cash fund, created in ~~section 44-11-501~~ SECTION
4 44-10-801, has received sufficient revenue to fully fund the
5 appropriations made to the department of revenue related to ~~articles 11~~
6 ~~and 12~~ ARTICLE 10 of title 44, and the general assembly has appropriated
7 sufficient money from the fund for such duties.

8 **SECTION 62.** In Colorado Revised Statutes, 24-34-104, **add**
9 (29)(a)(VII) as follows:

10 **24-34-104. General assembly review of regulatory agencies**
11 **and functions for repeal, continuation, or reestablishment - legislative**
12 **declaration - repeal.** (29) (a) The following agencies, functions, or both,
13 are scheduled for repeal on September 1, 2028:

14 (VII) THE "COLORADO MARIJUANA CODE", ARTICLE 10 OF TITLE
15 44.

16 **SECTION 63.** In Colorado Revised Statutes, 25-1.5-106, **amend**
17 (3.5)(b), (3.7), (3.8)(a), (7)(e)(I)(A), (8.5)(b), and (8.6)(b) as follows:

18 **25-1.5-106. Medical marijuana program - powers and duties**
19 **of state health agency - rules - medical review board - medical**
20 **marijuana program cash fund - subaccount - created - repeal.**

21 (3.5) **Marijuana laboratory testing reference library.** (b) The
22 reference library must contain a library of methodologies for marijuana
23 testing in the areas of potency, homogeneity, contaminants, and solvents
24 consistent with the laboratory requirements set by the department of
25 revenue pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44.

26 (3.7) The state health agency shall convene a group of interested
27 parties including representatives from the state licensing authority,

1 primary caregivers, patients, marijuana testing laboratory licensees, and
2 any other interested persons to explore laboratory testing options for
3 medical marijuana not produced by someone licensed pursuant to ~~article~~
4 ~~11~~ ARTICLE 10 of title 44.

5 (3.8) (a) The state health agency or an organization with whom the
6 state health agency contracts shall be responsible for proficiency testing
7 and remediating problems with laboratories licensed pursuant to ~~article~~
8 ~~11 or 12~~ ARTICLE 10 of title 44.

9 (7) **Primary caregivers.** (e) (I) (A) In order to be a primary
10 caregiver who cultivates medical marijuana for his or her patients or
11 transports medical marijuana for his or her patients, he or she shall also
12 register with the state licensing authority and comply with all local laws,
13 regulations, and zoning and use restrictions. A person may not register as
14 a primary caregiver if he or she is licensed as a medical marijuana
15 business as described in part 4 of ~~article 11 of title 44~~ or a retail marijuana
16 business as described in part 4 of ~~article 12~~ ARTICLE 10 of title 44. An
17 employee, contractor, or other support staff employed by a licensed entity
18 ~~pursuant to article 11 or 12 of title 44~~, or working in or having access to
19 a restricted area of a licensed premises pursuant to ~~article 11 or 12~~
20 ARTICLE 10 of title 44, may be a primary caregiver.

21 (8.5) **Encourage patient voluntary registration - plant limits.**

22 (b) A patient shall not cultivate more than ninety-nine plants. Only a
23 medical marijuana business licensed and properly authorized pursuant to
24 ~~article 11~~ ARTICLE 10 of title 44 may cultivate more than ninety-nine
25 plants.

26 (8.6) **Primary caregiver plant limits - exceptional**
27 **circumstances.** (b) A primary caregiver shall not cultivate more than

1 ninety-nine plants. Only a medical marijuana business licensed and
2 properly authorized pursuant to ~~article 11~~ ARTICLE 10 of title 44 may
3 cultivate more than ninety-nine plants. The primary caregiver is not
4 allowed to grow additional plants until he or she is licensed by the state
5 licensing authority.

6 **SECTION 64.** In Colorado Revised Statutes, 25-1.5-106.5,
7 **repeal** (5)(b) as follows:

8 **25-1.5-106.5. Medical marijuana research grant program. (5)**
9 **Sources of marijuana.** (b) ~~A person who holds an optional premises~~
10 ~~cultivation license or medical marijuana-infused products manufacturing~~
11 ~~license issued pursuant to part 4 of article 43.3 of title 12 or a retail~~
12 ~~marijuana cultivation facility license or a retail marijuana products~~
13 ~~manufacturing license issued pursuant to part 4 of article 43.4 of title 12~~
14 ~~may transfer marijuana to a medical research facility, including at an~~
15 ~~institution of higher education, for use in research studies funded pursuant~~
16 ~~to this section. Notwithstanding any other provision of law, a medical~~
17 ~~research facility authorized pursuant to this section to conduct medical~~
18 ~~research regarding marijuana is exempt from all otherwise applicable~~
19 ~~restrictions on the possession and use of marijuana; except that the~~
20 ~~facility shall use the marijuana only for the medical research authorized~~
21 ~~pursuant to this section, shall not possess at any time a quantity of~~
22 ~~medical marijuana or medical marijuana-infused product in excess of the~~
23 ~~limit established in rules promulgated by the state licensing authority, and~~
24 ~~shall destroy all marijuana remaining after the research has been~~
25 ~~completed. For the fiscal years beginning on or after July 1, 2017, the~~
26 ~~general assembly may annually appropriate up to one percent of the~~
27 ~~available money in the marijuana tax cash fund created in section~~

1 39-28.8-501 to the department to be used to award grants pursuant to this
2 section to medical research facilities so that a facility may:

3 (I) Purchase marijuana from a licensee specified in this subsection
4 (5)(b) that will be used in the research; and

5 (H) Conduct the medical research.

6 **SECTION 65.** In Colorado Revised Statutes, 25-5-403, **repeal** (3)
7 as follows:

8 **25-5-403. Offenses.** (3) ~~The provisions of this section shall not~~
9 ~~apply to a medical marijuana center or a medical marijuana-infused~~
10 ~~products manufacturer licensed pursuant to article 11 of title 44 that~~
11 ~~manufactures or sells a food product that contains medical marijuana so~~
12 ~~long as the food product is labeled as containing medical marijuana and~~
13 ~~the label specifies that the product is manufactured without any regulatory~~
14 ~~oversight for health, safety, or efficacy, and that there may be health risks~~
15 ~~associated with the consumption or use of the product.~~

16 **SECTION 66.** In Colorado Revised Statutes, 25-14-103.5,
17 **amend** (3)(a)(I) as follows:

18 **25-14-103.5. Prohibition against the use of tobacco products**
19 **and retail marijuana on school property - legislative declaration -**
20 **education program - special account - definitions.** (3) (a) (I) The board
21 of education of each school district shall adopt appropriate policies and
22 rules that mandate a prohibition against the use of all tobacco products
23 and all retail marijuana or retail marijuana products authorized pursuant
24 to ~~article 12~~ ARTICLE 10 of title 44 on all school property by students,
25 teachers, staff, and visitors and that provide for the enforcement of such
26 policies and rules.

27 **SECTION 67.** In Colorado Revised Statutes, 26-2-104, **amend**

1 (2)(a)(II)(D) and (2)(h)(I)(C) as follows:

2 **26-2-104. Public assistance programs - electronic benefits**
3 **transfer service - joint reports with department of revenue - signs -**
4 **rules - repeal.** (2) (a) (II) Only those businesses that offer products or
5 services related to the purpose of the public assistance benefits are
6 allowed to participate in the electronic benefits transfer service through
7 the use of point-of-sale terminals. Clients shall not be allowed to access
8 cash benefits through the electronic benefits transfer service from
9 automated teller machines in this state located in:

10 (D) Establishments licensed to sell medical marijuana or medical
11 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
12 or retail marijuana or retail marijuana products pursuant to ~~article 12~~
13 ARTICLE 10 of title 44; except that the prohibition for these establishments
14 does not take effect until sixty days after May 1, 2015; or

15 (h) (I) On or before January 1, 2016, the department of revenue
16 shall adopt rules pursuant to the "State Administrative Procedure Act",
17 article 4 of title 24, that relate to a client's use of automated teller
18 machines at locations where the use is prohibited. The rules must apply
19 to the following establishments:

20 (C) Establishments licensed to sell medical marijuana or medical
21 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
22 or retail marijuana or retail ~~marijuana-infused~~ MARIJUANA products
23 pursuant to ~~article 12~~ ARTICLE 10 of title 44; and

24 **SECTION 68.** In Colorado Revised Statutes, 29-2-114, **amend**
25 (7) as follows:

26 **29-2-114. Retail marijuana excise tax - county - municipality**
27 **- election - repeal.** (7) If a retail marijuana cultivation facility uses a

1 retail marijuana transporter, as defined in ~~section 12-43.4-103 (21.5)~~
2 SECTION 44-10-103 (50), to transport unprocessed retail marijuana being
3 sold or transferred by the retail marijuana cultivation facility to a retail
4 marijuana product ~~manufacturing~~ MANUFACTURER facility, a retail
5 marijuana store, or another retail marijuana cultivation facility, the
6 transportation of the unprocessed retail marijuana by the retail marijuana
7 transporter is not a transfer of unprocessed retail marijuana for the
8 purpose of levying any excise tax imposed pursuant to this section.

9 **SECTION 69.** In Colorado Revised Statutes, 29-2-115, **amend**
10 (3)(a) introductory portion and (4)(a) as follows:

11 **29-2-115. Retail marijuana sales tax - county - municipality -**
12 **election - legislative declaration - definition.** (3) (a) Each county in the
13 state is authorized to levy, collect, and enforce a county special sales tax
14 upon all sales of retail marijuana and retail marijuana products, as those
15 terms are defined in ~~section 12-43.4-103~~ SECTION 44-10-103, under the
16 following circumstances:

17 (4) (a) Each municipality in the state is authorized to levy, collect,
18 and enforce a municipal special sales tax upon all sales of retail marijuana
19 and retail marijuana products, as those terms are defined in ~~section~~
20 ~~12-43.4-103~~ SECTION 44-10-103.

21 **SECTION 70.** In Colorado Revised Statutes, **amend** 35-61-105.5
22 as follows:

23 **35-61-105.5. Testing laboratories.** If a person registered pursuant
24 to this article 61 wants a licensed retail marijuana testing facility to
25 perform testing on the industrial hemp that the registrant is cultivating,
26 that person shall use a radio frequency identification-based inventory
27 tracking system approved by the commissioner for a sample of the

1 registrant's industrial hemp crop. The commissioner shall only approve
2 an inventory tracking system if that system is compatible with the state
3 licensing authority's seed-to-sale tracking system required pursuant to
4 ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a). A licensed retail testing
5 facility shall provide the test results to the registrant and the
6 commissioner. All test results ~~shall be~~ ARE considered confidential
7 business information. This section ~~shall not be construed to~~ DOES NOT
8 prevent the use of the tracking system for other purposes.

9 **SECTION 71.** In Colorado Revised Statutes, 39-22-104, **amend**
10 (4)(r); and **repeal** (4)(s) as follows:

11 **39-22-104. Income tax imposed on individuals, estates, and**
12 **trusts - single rate - legislative declaration - definitions - repeal.**

13 (4) There shall be subtracted from federal taxable income:

14 (r) For income tax years commencing on or after January 1, 2014,
15 if a taxpayer is licensed under the "~~Colorado Medical Marijuana Code~~",
16 ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS
17 PREDECESSOR CODES, an amount equal to any expenditure that is eligible
18 to be claimed as a federal income tax deduction but is disallowed by
19 section 280E of the internal revenue code because marijuana is a
20 controlled substance under federal law;

21 (s) ~~For income tax years commencing on or after January 1, 2014,~~
22 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
23 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
24 ~~to be claimed as a federal income tax deduction but is disallowed by~~
25 ~~section 280E of the federal internal revenue code because marijuana is a~~
26 ~~controlled substance under federal law;~~

27 **SECTION 72.** In Colorado Revised Statutes, 39-22-304, **amend**

1 (3)(m); and **repeal** (3)(n) as follows:

2 **39-22-304. Net income of corporation - legislative declaration**
3 **- definitions - repeal.** (3) There shall be subtracted from federal taxable
4 income:

5 (m) For income tax years commencing on or after January 1,
6 2014, if a taxpayer is licensed under the "~~Colorado Medical Marijuana~~
7 ~~Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44,
8 OR ITS PREDECESSOR CODES, an amount equal to any expenditure that is
9 eligible to be claimed as a federal income tax deduction but is disallowed
10 by section 280E of the internal revenue code because marijuana is a
11 controlled substance under federal law;

12 (n) ~~For income tax years commencing on or after January 1, 2014,~~
13 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
14 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
15 ~~to be claimed as a federal income tax deduction but is disallowed by~~
16 ~~section 280E of the federal internal revenue code because marijuana is a~~
17 ~~controlled substance under federal law;~~

18 **SECTION 73.** In Colorado Revised Statutes, 39-26-102, **amend**
19 (5.8) as follows:

20 **39-26-102. Definitions.** As used in this article 26, unless the
21 context otherwise requires:

22 (5.8) "Medical marijuana" shall have the same meaning as set
23 forth in ~~section 44-11-104 (11)~~ SECTION 44-10-103 (23).

24 **SECTION 74.** In Colorado Revised Statutes, 39-28.8-101,
25 **amend** (6) as follows:

26 **39-28.8-101. Definitions.** Unless the context otherwise requires,
27 any terms not defined in this article 28.8 have the meanings set forth in

1 article 26 of this title 39. As used in this article 28.8, unless the context
2 otherwise requires:

3 (6) "Medical marijuana ~~center~~ STORE" means an entity licensed by
4 the department to sell marijuana and marijuana products pursuant to
5 section 14 of article XVIII of the state constitution and the "~~Colorado~~
6 ~~Medical Marijuana Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE",
7 ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES.

8 **SECTION 75.** In Colorado Revised Statutes, 39-28.8-501,
9 **amend** (1) and (2)(a)(I) as follows:

10 **39-28.8-501. Marijuana tax cash fund - creation - distribution**
11 **- legislative declaration.** (1) The marijuana tax cash fund, referred to in
12 this part 5 as the "fund", is created in the state treasury. The fund consists
13 of any applicable retail marijuana sales tax transferred pursuant to section
14 39-28.8-203 (1)(b) on or after July 1, 2014, and any revenues transferred
15 to the fund from any sales tax imposed pursuant to section 39-26-106 on
16 the retail sale of products under ~~articles 43.3 and 43.4 of title 12, C.R.S.~~
17 ARTICLE 10 OF TITLE 44.

18 (2) (a) The general assembly shall not appropriate the money in
19 the fund for the fiscal year in which it was received by the state; except
20 that:

21 (I) The general assembly may appropriate money in the fund to
22 the department of revenue for the fiscal years in which it was received by
23 the state for the direct and indirect costs associated with implementing
24 this article 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44; and

25 **SECTION 76.** In Colorado Revised Statutes, 39-28.8-502,
26 **amend** (2) as follows:

27 **39-28.8-502. Marijuana tax cash fund - budget requests.**

1 (2) Beginning with the budget request required to be submitted to the
2 joint budget committee by November 1, 2014, and for each budget
3 request required to be submitted each November thereafter, the executive
4 director of the department of revenue shall include in its budget request
5 for the direct and indirect costs associated with implementing this article
6 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44 the amount that the
7 department requests from the money in the marijuana cash fund created
8 in ~~section 44-11-501~~ SECTION 44-10-801, and the amount that the
9 department requests from the marijuana tax cash fund.

10 **SECTION 77. Act subject to petition - effective date.** Sections
11 45 through 76 of this act take effect January 1, 2020, and the remainder
12 of this act takes effect at 12:01 a.m. on the day following the expiration
13 of the ninety-day period after final adjournment of the general assembly
14 (August 2, 2019, if adjournment sine die is on May 3, 2019); except that,
15 if a referendum petition is filed pursuant to section 1 (3) of article V of
16 the state constitution against this act or an item, section, or part of this act
17 within the ninety-day period after final adjournment of the general
18 assembly, then the act, item, section, or part will not take effect unless
19 approved by the people at the general election to be held in November
20 2020 and, in such case, will take effect on the date of the official
21 declaration of the vote thereon by the governor, except that sections 45
22 through 76 take effect January 1, 2020.