

CHAPTER 353

REVENUE - ACTIVITIES REGULATION

SENATE BILL 23-199

BY SENATOR(S) Hinrichsen and Van Winkle, Gonzales;
also REPRESENTATIVE(S) Lindstedt and Weinberg, Snyder, Valdez.

AN ACT

CONCERNING PROCEDURES FOR THE ISSUANCE OF MARIJUANA LICENSES, AND, IN CONNECTION THEREWITH, CLARIFYING THAT THE STATE LICENSING AUTHORITY MAY REFUND LICENSING FEES WHEN AN APPLICATION IS DENIED AND ALLOWING APPLICANTS THE OPPORTUNITY TO RENEW A STATE LICENSE WHILE LOCAL JURISDICTION APPROVAL IS PENDING.

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

SECTION 1. In Colorado Revised Statutes, 44-10-104, **amend** (2)(a) as follows:

44-10-104. Applicability - medical marijuana - retail marijuana. (2) (a) A person applying for licensure pursuant to this article 10 must complete forms as provided by the state licensing authority and must pay the application fee and the licensing fee, which must be credited to the marijuana cash fund established pursuant to section 44-10-801. The state licensing authority shall forward, within seven days AFTER RECEIPT, one-half of the retail marijuana business license application fee to the local jurisdiction unless the application is for an accelerator cultivator, accelerator manufacturer, or accelerator store license or unless the local jurisdiction has prohibited the operation of retail marijuana businesses pursuant to section 16 (5)(f) of article XVIII of the state constitution. If the license is denied, the state licensing authority ~~shall~~ MAY refund ONLY the licensing fee to the applicant. THE APPLICANT'S APPLICATION FEES MUST BE RETAINED BY THE STATE LICENSING AUTHORITY, AND A LOCAL LICENSING AUTHORITY MAY RETAIN THE APPLICANT'S APPLICATION FEES.

SECTION 2. In Colorado Revised Statutes, 44-10-303, **amend** (2)(b) as follows:

44-10-303. Public hearing notice - posting and publication. (2) **Medical marijuana application review.** (b) All applications submitted for review must be accompanied by all applicable state and local license and application fees. ~~Any~~

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

~~applications that are later denied or withdrawn may allow for a refund of license fees only.~~ All application fees provided by an applicant must be retained by the ~~respective~~ STATE licensing authority, AND A LOCAL LICENSING AUTHORITY MAY RETAIN THE APPLICANT'S APPLICATION FEES.

SECTION 3. In Colorado Revised Statutes, 44-10-305, **amend** (2)(b)(I) as follows:

44-10-305. State licensing authority - application and issuance procedures.

(2) (b) (I) (A) The state licensing authority may issue a state license to an applicant pursuant to this section for a retail marijuana business upon completion of the applicable criminal history background check associated with the application, and the state license is conditioned upon local jurisdiction approval.

(B) A license applicant is prohibited from operating a licensed retail marijuana business without state and local jurisdiction approval. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

(C) If the applicant does not receive local jurisdiction approval within one year from the date of state licensing authority approval, the state license expires. ~~and may not be renewed. If an application is denied by the local licensing authority, the state licensing authority shall revoke the state-issued license~~ THE STATE LICENSING AUTHORITY MAY RENEW A LICENSE THAT HAS NOT YET RECEIVED LOCAL JURISDICTION APPROVAL PRIOR TO THE EXPIRATION OF THAT LICENSE IF AN APPLICANT SUBMITS A RENEWAL APPLICATION PURSUANT TO SECTION 44-10-314 AND DEMONSTRATES TO THE STATE LICENSING AUTHORITY, IN A MANNER DETERMINED BY THE STATE LICENSING AUTHORITY, WHY LOCAL JURISDICTION APPROVAL HAS NOT YET BEEN OBTAINED OR A LOCAL LICENSE HAS NOT YET BEEN ISSUED. THE STATE LICENSING AUTHORITY MAY RENEW A LICENSE FOR UP TO ONE YEAR, AND THE RENEWED STATE LICENSE IS CONDITIONED UPON LOCAL JURISDICTION APPROVAL.

SECTION 4. In Colorado Revised Statutes, 44-10-801, **amend** (1)(a)(II); and **add** (6) as follows:

44-10-801. Marijuana cash fund - transfer - repeal. (1) (a) All money collected by the state licensing authority pursuant to this article 10 must be transmitted to the state treasurer, who shall credit the same to the marijuana cash fund, which fund is hereby created and referred to in this section as the "fund". The fund consists of:

(II) Any additional general fund money appropriated OR TRANSFERRED to the fund that is necessary for the operation of the state licensing authority.

(6) (a) ON OR BEFORE SEPTEMBER 15, 2023, THE DEPARTMENT SHALL REPORT TO THE STATE TREASURER ON THE AMOUNT OF THE FISCAL YEAR 2022-23 GENERAL FUND REVERSION FOR THE UNUSED GENERAL FUND APPROPRIATION IN THE DEPARTMENT'S IDS PRINT PRODUCTION LINE ITEM OF HOUSE BILL 22-1329, ENACTED IN 2022.

(b) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024.

SECTION 5. In Colorado Revised Statutes, 24-75-219, **add** (7)(i) as follows:

24-75-219. Transfers - transportation - capital construction - definitions - repeal. (7) In addition to any other transfers required by this section:

(i) (I) ON OCTOBER 1, 2023, THE STATE TREASURER SHALL TRANSFER, FOR THE 2023-24 STATE FISCAL YEAR, FROM THE GENERAL FUND TO THE MARIJUANA CASH FUND, CREATED IN SECTION 44-10-801, THE AMOUNT OF MONEY THAT THE DEPARTMENT OF REVENUE REPORTS TO THE STATE TREASURER PURSUANT TO SECTION 44-10-801 (6).

(II) THIS SUBSECTION (7)(i) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024.

SECTION 6. Act subject to petition - effective date - applicability. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to state and local marijuana license applications submitted on or after the applicable effective date of this act.

Approved: June 5, 2023