

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 24-0669.01 Jery Payne x2157

SENATE BILL 24-076

SENATE SPONSORSHIP

Van Winkle and Gonzales, Buckner, Fields, Hansen, Hinrichsen, Marchman, Priola

HOUSE SPONSORSHIP

Lindstedt, Bacon, Garcia, Hernandez, Herod, Lindsay, Mabrey, Mauro, Ortiz, Snyder, Titone, Valdez, Velasco, Willford

Senate Committees

Finance
Appropriations

House Committees

Finance

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ADDRESS EFFICIENCY IN THE REGULATION**
102 **OF EXISTING MARIJUANA LICENSEES.**

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>.)

Current law allows the transfer of immature plants, seeds, and genetic material between a medical or retail cultivation facility and certain people, including people approved by rule. **Sections 1, 7, and 10** of the bill allow this transfer from or to a medical or retail marijuana cultivation facility from or to a person permitted by another jurisdiction to possess or cultivate marijuana. The medical or retail cultivation facility

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 3rd Reading
May 7, 2024

HOUSE
Amended 2nd Reading
May 6, 2024

SENATE
3rd Reading Unamended
April 29, 2024

SENATE
Amended 2nd Reading
April 26, 2024

must confirm that the purchaser is 21 years of age or older. The cultivation facility may accept online payments for the transfer. The state licensing authority may promulgate rules to implement the provision, but limits are placed on the rules that the state licensing authority may adopt.

Section 2 limits the frequency at which regulated marijuana and a regulated marijuana product need to be tested to no more than once for each required test and otherwise requires the elimination of redundant testing. **Section 2** also exempts the fungi in the genus *aspergillus* from product testing.

Current law requires beneficial owners and people who have access to the limited access areas of a medical marijuana business or retail marijuana business to have identification cards. **Section 2** repeals the requirement that beneficial owners have identification cards, but retains the requirement that people with access to the limited access areas need to have identification cards.

Section 2 also specifies that a licensee need not use radio frequency identification tags to tag or track marijuana and marijuana products.

Current law requires the marijuana enforcement division in the department of revenue (division) to promulgate rules requiring testing of marijuana and marijuana products for contaminants or substances that are harmful to health. **Section 2** clarifies that these tests should be made to determine whether the contaminants or substances are present in amounts that are harmful to health. Current law allows a licensee to remediate marijuana or marijuana products that have failed a test. **Section 2** removes a requirement that the licensee identify on the labeling that the product has failed a test when the product subsequently passed the same test. **Section 2** also authorizes retesting when the marijuana or marijuana product has failed a test.

Current law authorizes the division to establish procedures to issue a conditional employee identification card, which allows an individual to work for a license holder, after the individual has submitted an initial application and the division has conducted an investigation regarding the application but before the fingerprint record check is finished. **Section 2** requires the division to promulgate rules and issue the employee identification card upon initial review of the application.

The division is required to adopt rules authorizing a licensee to conduct fewer tests than normal upon demonstrating that the licensee's standard operating procedures and production practices result in consistent passing test results (program). **Section 2** specifically authorizes this program and sets an expiration date for reduced testing under the program at 3 years.

Sections 2, 4, 5, 6, 8, 9, and 11 extend the initial license and license renewal periods from one year to 2 years.

Section 3 requires the division to establish a system that allows a

medical or retail marijuana business that transports marijuana or marijuana products to use an electronic manifest system.

Section 5 requires the division to retain fingerprints submitted for initial licensure for use in a criminal history record check for license renewal. **Section 5** also authorizes a person who holds multiple licenses or affiliated persons who hold multiple licenses to submit a unified application for license renewal. The license holders must elect to have one or more licenses expire in less than 2 years in order to coordinate the expiration date.

Section 12 requires the division to promulgate rules categorizing each violation as a safety violation or a technical violation. The division will expunge technical violations from a licensee's record on the later date of one year after the violation is reported or when the license is renewed.

Section 13 reduces the amount of time for which a marijuana licensee must retain books and records that show the business's transactions from 3 years to one year.

Current law requires that excise tax be levied on the first transfer of unprocessed retail marijuana. **Section 14** specifies that the transfer of unprocessed retail marijuana exclusively for microbial control is not the first transfer of unprocessed retail marijuana for taxation purposes.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-10-103, **amend**
3 (18); and **add** (16.5) as follows:

4 **44-10-103. Definitions - rules.** As used in this article 10, unless
5 the context otherwise requires:

6 (16.5) (a) "GENETIC MATERIAL" MEANS CANNABIS MATERIAL USED
7 TO PROPAGATE CANNABIS PLANTS.

8 (b) "GENETIC MATERIAL" INCLUDES:

9 (I) IMMATURE PLANTS CONTAINING A DELTA-9
10 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN
11 THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS;

12 (II) CANNABIS SEEDS;

13 (III) TISSUE CULTURE; AND

14 (IV) SMALL AMOUNTS OR FRAGMENTS OF THE CANNABIS PLANT

1 CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF
2 NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY-WEIGHT BASIS.

3 (18) "Immature plant" means a nonflowering marijuana plant that
4 is no taller than ~~eight~~ FIFTEEN inches and no wider than ~~eight~~ FIFTEEN
5 inches AND is produced from a cutting, clipping, or seedling. ~~and is in a~~
6 ~~cultivating container.~~

7 **SECTION 2.** In Colorado Revised Statutes, 44-10-203, **amend**
8 (1) introductory portion, (2) introductory portion, (2)(d)(III)(A),
9 (2)(d)(III)(B), (2)(e), (2)(t), (2)(dd)(XIV), and (3)(h); and add (1)(j.3) as
10 follows:

11 **44-10-203. State licensing authority - rules. (1) Permissive**
12 **rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c)
13 may include ~~but need not be limited to~~ the following subjects:

14 (j.3) THE DOCUMENTATION A NATURAL PERSON APPLYING TO BE
15 A SOCIAL EQUITY LICENSEE MUST PROVIDE AND THE DOCUMENTATION
16 VERIFICATION THE STATE LICENSING AUTHORITY PERFORMS;

17 (2) **Mandatory rule-making.** Rules promulgated pursuant to
18 section 44-10-202 (1)(c) must include ~~but need not be limited to~~ the
19 following subjects:

20 _____
21 (d) (III) (A) If test results indicate the presence of ~~quantities of~~
22 ~~any~~ A substance _____ determined to be injurious to health, the medical
23 marijuana or retail marijuana licensee shall immediately quarantine the
24 products and notify the state licensing authority. The state licensing
25 authority shall give the licensee an opportunity to remediate OR
26 DECONTAMINATE the product if the test indicated the presence of a
27 microbial. If the licensee is unable to remediate OR DECONTAMINATE the

1 product, the licensee shall document and properly destroy the adulterated
2 product. IF THE LICENSEE IS ABLE TO REMEDIATE OR DECONTAMINATE THE
3 PRODUCT AND THE PRODUCT PASSES RETESTING, THE LICENSEE NEED NOT
4 PROVIDE AN ADDITIONAL LABEL THAT WOULD OTHERWISE NOT BE
5 REQUIRED FOR A PRODUCT THAT PASSED INITIAL TESTING.

6 (B) If retail marijuana or retail marijuana product test results
7 indicate the presence of quantities of any A substance determined to be
8 injurious to health, INCLUDING PESTICIDES, the state licensing authority
9 shall give the licensee an opportunity to retest the retail marijuana or
10 retail marijuana product.

11

==

12 (e) Security requirements for any premises licensed pursuant to
13 this article 10, including, at a minimum, lighting, physical security, video,
14 and alarm requirements, and other minimum procedures for internal
15 control as deemed necessary by the state licensing authority to properly
16 administer and enforce ~~the provisions of~~ this article 10, including
17 BIENNIAL reporting requirements for changes, alterations, or
18 modifications to the premises;

19 (t) Development of individual identification cards for ~~natural~~
20 ~~persons who are controlling beneficial owners, and any person operating,~~
21 INDIVIDUALS working in or having unescorted access to the limited access
22 areas of the licensed premises of a medical marijuana business or retail
23 marijuana business, including a fingerprint-based criminal history record
24 check as may be required by the state licensing authority prior to issuing
25 a card;

26

==

27 (dd) Requirements for medical marijuana and medical marijuana

1 products delivery as described in section 44-10-501 (11) and section
2 44-10-505 (5) and retail marijuana and retail marijuana products delivery
3 as described in section 44-10-601 (13) and section 44-10-605 (5),
4 including:

5 (XIV) (A) Requirements for areas where medical marijuana and
6 medical marijuana products or retail marijuana and retail marijuana
7 products orders are stored, weighed, packaged, prepared, and tagged,
8 including requirements that medical marijuana and medical marijuana
9 products or retail marijuana and retail marijuana products cannot be
10 placed into a delivery vehicle until after an order has been placed and that
11 all delivery orders must be packaged on the licensed premises of a
12 medical marijuana store or retail marijuana store or its associated state
13 licensing authority-authorized storage facility as defined by rule after an
14 order has been received. ~~and~~

15 (B) BY JANUARY 1, 2027, THE STATE LICENSING AUTHORITY SHALL
16 PROMULGATE RULES THAT DO NOT REQUIRE LICENSEES TO USE RADIO
17 FREQUENCY IDENTIFICATION TECHNOLOGY TO TRACK REGULATED
18 MARIJUANA IN SEED-TO-SALE TRACKING SYSTEM REQUIREMENTS
19 ESTABLISHED BY RULE.

20 (3) In promulgating rules pursuant to this section, the state
21 licensing authority may seek the assistance of the department of public
22 health and environment when necessary before promulgating rules on the
23 following subjects:

24 (h) A requirement that every medical marijuana store and retail
25 marijuana store post, at all times and in a prominent place AT EVERY
26 POINT OF SALE, a warning that has a minimum height of three inches and
27 a width of six inches and that reads:

1 **Warning:** Using marijuana, in any form, while you are
2 pregnant or breastfeeding passes THC to your baby and
3 may be harmful to your baby. There is no known safe
4 amount of marijuana use during pregnancy or
5 breastfeeding.

6 ■ ■
7 ==

8 **SECTION 3.** In Colorado Revised Statutes, 44-10-308, **amend**
9 (4); and **add** (6), (7), (8), and (9) as follows:

10 **44-10-308. Business and owner requirements - legislative**
11 **declaration - definition - rules.** (4) (a) Effective January 1, 2021, a
12 NATURAL person who qualifies as a social equity licensee may apply for
13 any regulated marijuana business license or permit, including ~~but not~~
14 ~~limited~~ to accelerator store, accelerator cultivator, and accelerator
15 manufacturer licenses, issued pursuant to this article 10. A NATURAL
16 person qualifies as a social equity licensee if ~~such~~ THE person meets the
17 following criteria, in addition to any criteria established by rule of the
18 state licensing authority:

- 19 (a) (I) Is a Colorado resident;
- 20 (b) (II) Has not been the beneficial owner of a license subject to
21 disciplinary or legal action from the state resulting in the revocation of a
22 license issued pursuant to this article 10;

- 23 (c) (III) Has demonstrated at least one of the following:
- 24 (⊕) (A) The applicant has resided for at least fifteen years between
25 the years 1980 and 2010 in a census tract designated by the office of
26 economic development and international trade as an opportunity zone or
27 designated as a disproportionate impacted area, as defined by rule

1 pursuant to section 44-10-203 (1)(j);

2 ~~(H)~~ (B) The applicant or the applicant's parent, legal guardian,
3 sibling, spouse, child, or minor in their guardianship was arrested for a
4 marijuana offense, convicted of a marijuana offense, or was subject to
5 civil asset forfeiture related to a marijuana investigation; or

6 ~~(H)~~ (C) The applicant's household income in the year prior to
7 application did not exceed an amount determined by rule of the state
8 licensing authority; and

9 ~~(d)~~ (IV) The social equity licensee, or, collectively, one or more
10 social equity licensees, holds at least fifty-one percent of the beneficial
11 ownership of the regulated marijuana business license.

12 (b) THIS SUBSECTION (4) APPLIES TO A NATURAL PERSON
13 QUALIFIED AS A SOCIAL EQUITY LICENSEE AND WHO SUBMITS AN
14 APPLICATION FOR A FINDING OF SUITABILITY ON OR BEFORE FEBRUARY 1,
15 2025.

16 (6) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION,
17 EFFECTIVE FEBRUARY 1, 2025, A NATURAL PERSON THAT QUALIFIES AS A
18 SOCIAL EQUITY LICENSEE MAY APPLY FOR ANY REGULATED MARIJUANA
19 BUSINESS LICENSE OR PERMIT PURSUANT TO THIS ARTICLE 10. A NATURAL
20 PERSON QUALIFIES AS A SOCIAL EQUITY LICENSEE IF, IN ADDITION TO ANY
21 CRITERIA ESTABLISHED BY RULE, THE NATURAL PERSON:

22 (a) HAS NOT BEEN THE BENEFICIAL OWNER OF A LICENSE SUBJECT
23 TO DISCIPLINARY OR CIVIL ACTION FROM THE STATE LICENSING AUTHORITY
24 RESULTING IN THE REVOCATION OF A LICENSE ISSUED PURSUANT TO THIS
25 ARTICLE 10;

26 (b) HAS DEMONSTRATED AT LEAST ONE OF THE FOLLOWING:

27 (I) THE APPLICANT HAS RESIDED:

1 (A) FOR AT LEAST ANY FIVE YEARS OF THE THIRTY-YEAR PERIOD
2 PRIOR TO THE APPLICATION AND FOR WHICH DATA IS AVAILABLE, IN A
3 CENSUS TRACT DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT
4 AND INTERNATIONAL TRADE AS AN OPPORTUNITY ZONE OR DESIGNATED AS
5 A DISPROPORTIONATE IMPACTED AREA AS DEFINED BY RULE PURSUANT TO
6 SECTION 44-10-203 (1)(j);

7 (B) FOR AT LEAST ANY FIVE OF THE THIRTY YEARS PRIOR TO THE
8 APPLICATION, IN HOUSING WITH FUNDING PROVIDED PURSUANT TO
9 SECTION 8 OR 9 OF THE FEDERAL "UNITED STATES HOUSING ACT OF
10 1937", 42 U.S.C. SECS. 1437f AND 1437g, AS AMENDED; OR

11 (C) FOR AT LEAST ANY FIVE YEARS BETWEEN 1980 AND 2021, IN
12 HOUSING WITH FUNDING FROM FEDERAL LOW-INCOME HOUSING TAX
13 CREDITS, COLORADO AFFORDABLE HOUSING TAX CREDITS, OR FUNDING
14 PROVIDED PURSUANT TO ANY FEDERAL, STATE, OR LOCAL PROGRAM THAT
15 RESTRICTS MAXIMUM RENTS FOR NATURAL PERSONS OF LOW OR
16 MODERATE INCOME THAT, AT THE TIME OF RESIDENCE, WAS SUBJECT TO A
17 USE RESTRICTION THAT WAS MONITORED TO ENSURE COMPLIANCE BY THE
18 FEDERAL GOVERNMENT, THE STATE GOVERNMENT, A COUNTY
19 GOVERNMENT, OR A MUNICIPAL GOVERNMENT, OR BY A POLITICAL
20 SUBDIVISION OR DESIGNATED AGENCY OF THE FEDERAL GOVERNMENT, THE
21 STATE GOVERNMENT, A COUNTY GOVERNMENT, OR A MUNICIPAL
22 GOVERNMENT;

23 (II) THE APPLICANT OR THE APPLICANT'S SPOUSE, PARENT, OR
24 LEGAL GUARDIAN WAS ARRESTED FOR AND CONVICTED OF A MARIJUANA
25 OFFENSE;

26 (III) THE APPLICANT'S SIBLING OR CHILD OR A MINOR IN THE
27 APPLICANT'S GUARDIANSHIP WAS ARRESTED FOR OR CONVICTED OF A

1 MARIJUANA OFFENSE, AND:

2 (A) THE APPLICANT'S SIBLING WHO WAS ARRESTED FOR OR
3 CONVICTED OF A MARIJUANA OFFENSE OR CHILD WHO WAS ARRESTED FOR
4 OR CONVICTED OF A MARIJUANA OFFENSE OR A MINOR IN THE APPLICANT'S
5 GUARDIANSHIP WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA
6 OFFENSE RESIDED IN A DISPROPORTIONATE IMPACTED AREA, AS DEFINED
7 BY RULE PURSUANT TO SECTION 44-10-203 (1)(j), FOR FIVE YEARS
8 BETWEEN 1980 AND 2021; OR

9 (B) THE APPLICANT'S SIBLING WHO WAS ARRESTED FOR OR
10 CONVICTED OF A MARIJUANA OFFENSE OR CHILD WHO WAS ARRESTED FOR
11 OR CONVICTED OF A MARIJUANA OFFENSE OR A MINOR IN THE APPLICANT'S
12 GUARDIANSHIP WHO WAS ARRESTED FOR OR CONVICTED OF A MARIJUANA
13 OFFENSE AND HAS RECEIVED ASSISTANCE FROM AT LEAST ONE OF THE
14 PROGRAMS LISTED IN SUBSECTION (6)(b)(IV) OF THIS SECTION FOR AT
15 LEAST FIVE YEARS BETWEEN 1980 AND 2021; OR

16 (IV) THE APPLICANT HAS RECEIVED ASSISTANCE FROM AT LEAST
17 ONE OF THE FOLLOWING PROGRAMS FOR AT LEAST FIVE OF THE TEN YEARS
18 PRIOR TO SUBMITTING AN APPLICATION:

19 (A) THE LOW-INCOME ENERGY ASSISTANCE PROGRAM CREATED IN
20 ARTICLE 8.7 OF TITLE 40;

21 (B) THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
22 DESCRIBED IN PART 3 OF ARTICLE 2 OF TITLE 26;

23 (C) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, AS DEFINED IN
24 SECTION 26-2-703 (19);

25 (D) THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
26 WOMEN, INFANTS, AND CHILDREN, CREATED PURSUANT TO 42 U.S.C. SEC.
27 1786; OR

1 (E) THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4 TO
2 6 OF TITLE 25.5; AND

3 (c) HOLDS AT LEAST FIFTY-ONE PERCENT OF A BENEFICIAL
4 OWNERSHIP OF A REGULATED MARIJUANA BUSINESS LICENSE ALONE OR
5 COLLECTIVELY WITH AT LEAST ONE OTHER SOCIAL EQUITY LICENSEE.

6 (7) (a) FOR THE PURPOSES OF SUBSECTION (6) OF THIS SECTION, AN
7 APPLICANT IS NOT ELIGIBLE TO BE A SOCIAL EQUITY LICENSEE IF THE
8 APPLICANT IS A CONTROLLING BENEFICIAL OWNER OF MORE THAN THREE
9 RETAIL MARIJUANA STORE LICENSES, MEDICAL MARIJUANA STORE
10 LICENSES, RETAIL MARIJUANA CULTIVATION FACILITY LICENSES, OR
11 MEDICAL MARIJUANA CULTIVATION FACILITY LICENSES, UNLESS THE
12 LISTED LICENSES FOR WHICH THE APPLICANT IS A CONTROLLING
13 BENEFICIAL OWNER ARE EACH A SOCIAL EQUITY LICENSE.

14 (b) FOR THE PURPOSES OF SUBSECTION (7)(a) OF THIS SECTION,
15 CO-LOCATED RETAIL MARIJUANA STORE AND MEDICAL MARIJUANA STORE
16 LICENSES, OR CO-LOCATED RETAIL MARIJUANA CULTIVATION FACILITY
17 AND MEDICAL MARIJUANA CULTIVATION FACILITY LICENSES, CONSTITUTE
18 ONE LICENSE.

19 (8) (a) SUBSECTION (6) OF THIS SECTION APPLIES TO A NATURAL
20 PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE AND WHO SUBMITS AN
21 APPLICATION FOR A FINDING OF SUITABILITY ON OR AFTER FEBRUARY 1,
22 2025.

23 (b) SUBSECTION (6) OF THIS SECTION DOES NOT APPLY TO A
24 NATURAL PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE AND WHO
25 SUBMITS AN APPLICATION FOR A FINDING OF SUITABILITY ON OR BEFORE
26 FEBRUARY 1, 2025.

27 (9) A NATURAL PERSON WHO MEETS THE CRITERIA IN THIS SECTION

1 FOR A SOCIAL EQUITY LICENSE IS ELIGIBLE FOR INCENTIVES AVAILABLE
2 THROUGH THE DEPARTMENT OF REVENUE OR OFFICE OF ECONOMIC
3 DEVELOPMENT AND INTERNATIONAL TRADE. AN INCENTIVE MAY INCLUDE
4 A REDUCTION IN APPLICATION OR LICENSE FEES. THE STATE LICENSING
5 AUTHORITY MAY PROMULGATE RULES TO CREATE INCENTIVES.

6 **SECTION 4.** In Colorado Revised Statutes, 44-10-313, **amend**
7 (6)(b) as follows:

8 **44-10-313. Licensing in general - rules - repeal.** (6) (b) (I) ~~At~~
9 IF ISSUED BY THE STATE LICENSING AUTHORITY, regulated marijuana
10 business licenses and licenses granted to a controlling beneficial owner
11 pursuant to this article 10 are valid for a period of ~~one year~~ TWO YEARS
12 after the date of issuance unless revoked or suspended pursuant to this
13 article 10 or the rules promulgated pursuant to this article 10 OR UNLESS
14 THE LICENSEE ELECTS FOR THE LICENSE TO EXPIRE SOONER THAN TWO
15 YEARS UNDER SECTION 44-10-314 (3). A LOCAL LICENSING AUTHORITY
16 MAY DETERMINE WHETHER EACH TYPE OF LICENSE, INCLUDING AN
17 ASSOCIATED MARIJUANA DELIVERY PERMIT, ISSUED BY THE LOCAL
18 LICENSING AUTHORITY IS VALID FOR ONE OR TWO YEARS.

19 (II) (A) THIS SUBSECTION (6)(b) APPLIES TO LICENSES ISSUED
20 AFTER THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED.

21 (B) THIS SUBSECTION (6)(b)(II) IS REPEALED, EFFECTIVE JULY 1,
22 2026.

23 **SECTION 5.** In Colorado Revised Statutes, 44-10-314, **add** (4)
24 as follows:

25 **44-10-314. License renewal - unified renewal applications -**
26 **rules.** (4) ON OR AFTER JANUARY 1, 2026, THE STATE LICENSING
27 AUTHORITY SHALL PROMULGATE RULES AUTHORIZING MULTIPLE

1 REGULATED MARIJUANA BUSINESS LICENSEES WITH IDENTICAL
2 CONTROLLING BENEFICIAL OWNERS TO SUBMIT A SINGLE INITIAL
3 APPLICATION OR A SINGLE RENEWAL APPLICATION THROUGH A UNIFIED
4 APPLICATION PROCESS. A UNIFIED APPLICATION IS SUBJECT TO A LOWER
5 FEE FOR EACH APPLICATION THAN FOR APPLICATIONS FOR INDIVIDUAL
6 LICENSES.

7 **SECTION 6.** In Colorado Revised Statutes, 44-10-501, **amend**
8 (3)(g) and (11)(a)(II) as follows:

9 **44-10-501. Medical marijuana store license.** (3) (g) When
10 completing a sale of medical marijuana concentrate, the medical
11 marijuana store shall ~~provide the patient with~~ PHYSICALLY ATTACH TO
12 THE PATIENT'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT
13 PACKAGING the tangible educational resource created by the state
14 licensing authority pursuant to section ~~44-10-202(8)~~ regarding the use of
15 medical marijuana concentrate.

16 (11) (a) (II) A medical marijuana delivery permit is valid for ~~one~~
17 ~~year~~ TWO YEARS and may be renewed annually upon renewal of the
18 medical marijuana store license.

19 **SECTION 7.** In Colorado Revised Statutes, 44-10-502, **amend**
20 (7)(a) introductory portion, (7)(a)(II), (7)(a)(III), (7)(b)(I) introductory
21 portion, (7)(b)(I)(B), (7)(b)(I)(C), and (7)(b)(I)(D); **repeal** (7)(b)(II); and
22 **add** (7)(b)(III), (7)(b)(IV), (7)(b)(V), (7)(c), and (7)(d) as follows:

23 **44-10-502. Medical marijuana cultivation facility license -**
24 **rules - definitions.** (7) (a) In accordance with the rules promulgated by
25 the state licensing authority, a medical marijuana cultivation facility may
26 obtain ~~immature plants, marijuana seeds, and marijuana genetic material~~
27 ~~as genetic material is defined in rule of the state licensing authority, from:~~

1 (II) A MEDICAL OR retail marijuana testing facility;

2 (III) ~~An entity licensed or otherwise approved to operate in~~
3 ~~another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED
4 BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE
5 GENUS CANNABIS; or

6 (b) (I) ~~The state licensing authority shall promulgate rules~~
7 ~~allowing a regulated marijuana cultivation facility to transfer immature~~
8 ~~plants, marijuana seeds, and marijuana genetic material, as genetic~~
9 ~~material is defined in rule of the state licensing authority, from A~~
10 MEDICAL MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR
11 SHIP GENETIC MATERIAL TO:

12 (B) A MEDICAL OR retail marijuana testing facility;

13 (C) ~~An entity licensed or otherwise approved to operate in another~~
14 ~~jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY
15 ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS
16 CANNABIS; or

17 (D) Any other ~~source~~ PERSON permitted by rule of the state
18 licensing authority.

19 (II) ~~The rules promulgated under this subsection (7)(b) must~~
20 ~~include inventory tracking, reporting, and record-keeping, requirements.~~

21 (III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A
22 MEDICAL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES
23 AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING
24 INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE
25 VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION,
26 BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION.

27 (IV) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY

1 MAY ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF
2 GENETIC MATERIAL.

3 (V) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY
4 SHALL NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO
5 ARE PRESENT ON THE LICENSED PREMISES.

6 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
7 IMPLEMENT THIS SUBSECTION (7) TO SET REQUIREMENTS FOR INVENTORY
8 TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE
9 RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION
10 (7), THE STATE LICENSING AUTHORITY MAY:

11 (I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL ONLY
12 WHEN THE GENETIC MATERIAL IS:

13 (A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR
14 RETAIL MARIJUANA BUSINESS; OR

15 (B) BEING TRANSFERRED BETWEEN REGULATED MARIJUANA
16 BUSINESSES LICENSED PURSUANT TO THIS ARTICLE 10;

17 (II) ONLY CONFIRM THE LICENSEE HAS ESTABLISHED PROCESSES
18 AND PROCEDURES TO VERIFY COMPLIANCE WITH SUBSECTION (7)(b)(III)
19 OF THIS SECTION; OR

20 (III) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH
21 A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR ONLY ON THE
22 LICENSED PREMISES.

23 (d) THIS SUBSECTION (7) DOES NOT LIMIT THE APPLICABILITY OF
24 ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR
25 ENFORCEMENT BY FEDERAL AGENCIES.

26 **SECTION 8.** In Colorado Revised Statutes, 44-10-505, **amend**
27 (5)(a)(II) as follows:

1 **44-10-505. Medical marijuana transporter license - definition.**

2 (5) (a) (II) A medical marijuana delivery permit is valid for ~~one year~~ TWO
3 YEARS and may be renewed ~~annually~~ upon renewal of the medical
4 marijuana transporter license.

5 **SECTION 9.** In Colorado Revised Statutes, 44-10-601, **amend**
6 (3)(d), (7)(a), and (13)(a)(II) as follows:

7 **44-10-601. Retail marijuana store license - rules - definitions.**

8 (3) (d) When completing a sale of retail marijuana concentrate, the retail
9 marijuana store shall provide the customer with PHYSICALLY ATTACH TO
10 THE CUSTOMER'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT
11 PACKAGING the tangible educational resource created by the state
12 licensing authority through rule-making pursuant to section 44-10-202 (8)
13 regarding the use of medical marijuana concentrate.

14 (7) (a) A licensed retail marijuana store may only sell retail
15 marijuana, retail marijuana products, marijuana accessories,
16 nonconsumable products such as apparel, ~~and~~ marijuana-related products
17 such as childproof packaging containers, HEMP PRODUCTS, AND FOOD,
18 INCLUDING FOOD THAT IS NOT INFUSED WITH MARIJUANA OR HEMP
19 PRODUCTS OR EXTRACTS, ~~but is prohibited from selling or giving away~~
20 ~~any consumable product, including but not limited to~~ A LICENSED RETAIL
21 MARIJUANA STORE SHALL NOT GIVE OR SELL AWAY cigarettes or alcohol.
22 ~~or edible product that does not contain marijuana, including but not~~
23 ~~limited to sodas, candies, or baked goods; except that a retail marijuana~~
24 ~~store may sell industrial hemp products.~~ THE LICENSED RETAIL
25 MARIJUANA STORE SHALL NOT SELL FOOD IN EXCESS OF TWENTY PERCENT
26 OF THE STORE'S ANNUAL GROSS REVENUES.

27 (13) (a) (II) A retail marijuana delivery permit is valid for one

1 ~~year~~ TWO YEARS and may be renewed ~~annually~~ upon renewal of the retail
2 marijuana store license or retail marijuana transporter license.

3 **SECTION 10.** In Colorado Revised Statutes, 44-10-602, **amend**
4 (12)(a) introductory portion, (12)(a)(II), (12)(a)(III), (12)(b)(I)
5 introductory portion, (12)(b)(I)(B), (12)(b)(I)(C), and (12)(b)(I)(D);
6 **repeal** (12)(b)(II); and **add** (12)(b)(III), (12)(b)(IV), (12)(b)(V), (12)(c),
7 and (12)(d) as follows:

8 **44-10-602. Retail marijuana cultivation facility license - rules**
9 **- definitions.** (12) (a) In accordance with the rules promulgated by the
10 state licensing authority, a retail marijuana cultivation facility may obtain
11 ~~immature plants, marijuana seeds, and marijuana genetic material as~~
12 ~~genetic material is defined in rule of the state licensing authority, from:~~

13 (II) A MEDICAL OR retail marijuana testing facility;
14 (III) ~~An entity licensed or otherwise approved to operate in~~
15 ~~another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED
16 BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE
17 GENUS CANNABIS; or

18 (b) (I) ~~The state licensing authority shall promulgate rules~~
19 ~~allowing a regulated marijuana cultivation facility to transfer immature~~
20 ~~plants, marijuana seeds, and marijuana genetic material, as genetic~~
21 ~~material is defined in rule of the state licensing authority, from~~ A RETAIL
22 MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR SHIP
23 GENETIC MATERIAL TO:

24 (B) A MEDICAL OR retail marijuana testing facility;
25 (C) ~~An entity licensed or otherwise approved to operate in another~~
26 ~~jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY
27 ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS

1 CANNABIS; or

2 (D) Any other ~~source~~ PERSON permitted by rule of the state
3 licensing authority.

4 ~~(II) The rules promulgated under this subsection (12)(b) must~~
5 ~~include inventory tracking, reporting, and record-keeping requirements.~~

6 (III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A
7 RETAIL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES
8 AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING
9 INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE
10 VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION,
11 BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION.

12 (IV) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY MAY
13 ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF
14 GENETIC MATERIAL.

15 (V) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY SHALL
16 NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO ARE
17 PRESENT ON THE LICENSED PREMISES.

18 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
19 IMPLEMENT THIS SUBSECTION (12) TO SET REQUIREMENTS FOR INVENTORY
20 TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE
21 RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION
22 (12), THE STATE LICENSING AUTHORITY MAY:

23 (I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL ONLY
24 WHEN THE GENETIC MATERIAL IS:

25 (A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR
26 RETAIL MARIJUANA BUSINESS; OR

27 (B) BEING TRANSFERRED BETWEEN REGULATED MARIJUANA

1 BUSINESSSES LICENSED PURSUANT TO THIS ARTICLE 10;

2 (II) ONLY CONFIRM THE LICENSEE HAS ESTABLISHED PROCESSES
3 AND PROCEDURES TO VERIFY COMPLIANCE WITH SUBSECTION (12)(b)(III)
4 OF THIS SECTION; OR _____

5 (III) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH
6 A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR ONLY ON THE
7 LICENSED PREMISES.

8 (d) THIS SUBSECTION (12) DOES NOT LIMIT THE APPLICABILITY OF
9 ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR
10 ENFORCEMENT BY FEDERAL AGENCIES.

11 **SECTION 11.** In Colorado Revised Statutes, 44-10-605, **amend**
12 (5)(a)(II) as follows:

13 **44-10-605. Retail marijuana transporter license - definition.**
14 (5) (a) (II) A retail marijuana delivery permit is valid for ~~one year~~ TWO
15 YEARS and may be renewed ~~annually~~ upon renewal of the retail marijuana
16 transporter license.

17 **SECTION 12.** In Colorado Revised Statutes, 44-10-803, **amend**
18 (2) as follows:

19 **44-10-803. Fees.** (2) (a) Except as provided in subsection (1) of
20 this section, THE STATE LICENSING AUTHORITY SHALL NOT SET the INITIAL
21 application fee for a retail marijuana business ~~is~~ TO EXCEED five thousand
22 dollars. THE STATE LICENSING AUTHORITY SHALL SET THE APPLICATION
23 FEE FOR A RETAIL MARIJUANA BUSINESS TO OFFSET THE DIRECT AND
24 INDIRECT COSTS OF REGULATING RETAIL MARIJUANA BUSINESSES. The
25 state licensing authority shall transfer ~~two thousand five hundred dollars~~
26 HALF of the fee to the marijuana cash fund and remit ~~two thousand five~~
27 ~~hundred dollars~~ HALF OF THE FEE to the local jurisdiction ~~in which~~ WHERE

1 the license is proposed to be issued. ~~If the state licensing authority is~~
2 ~~considering raising the five-thousand-dollar application fee, it shall confer~~
3 ~~with each local jurisdiction in which a license pursuant to this article 10~~
4 ~~is issued prior to raising the application fee.~~ If the STATE LICENSING
5 AUTHORITY CHANGES THE application fee amount, ~~is changed, it~~ THE
6 STATE LICENSING AUTHORITY SHALL CONFER WITH THE LOCAL
7 JURISDICTIONS AND THE FEE must be split evenly between the marijuana
8 cash fund and the local jurisdiction ~~in which the~~ WHERE A license is
9 proposed to be issued.

10 (b) THE STATE LICENSING AUTHORITY MAY ANNUALLY ADJUST FOR
11 INFLATION OR DEFLATION THE LIMIT, ESTABLISHED IN SUBSECTION (2)(a)
12 OF THIS SECTION, ON THE APPLICATION FEE FOR A RETAIL MARIJUANA
13 BUSINESS. THE STATE LICENSING AUTHORITY MAY ROUND THE ADJUSTED
14 AMOUNT UPWARD OR DOWNWARD TO THE NEAREST DOLLAR. INFLATION
15 OR DEFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE
16 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
17 CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
18 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN
19 CONSUMERS.

20

== ==

21 **SECTION 13.** In Colorado Revised Statutes, 39-28.8-302,
22 **amend** (1)(a)(I); and **add** (1)(c) as follows:

23 **39-28.8-302. Retail marijuana - excise tax levied at first**
24 **transfer from retail marijuana cultivation facility - tax rate.**

25 (1) (a) (I) Except as otherwise provided in ~~subsection (1)(b)~~ SUBSECTION
26 (1)(b) OR (1)(c) of this section, there is levied and shall be collected, in
27 addition to the sales tax imposed pursuant to part 1 of article 26 of this

1 title 39 and part 2 of this article 28.8, a tax on the first sale or transfer of
2 unprocessed retail marijuana by a retail marijuana cultivation facility, at
3 a rate of fifteen percent of the average market rate of the unprocessed
4 retail marijuana if the transaction is between affiliated retail marijuana
5 business licensees. Except as otherwise provided in ~~subsection (1)(b)~~
6 SUBSECTION (1)(b) OR (1)(c) of this section, there is levied and shall be
7 collected, in addition to the sales tax imposed pursuant to part 1 of article
8 26 of this title 39 and part 2 of this article 28.8, a tax on the first sale or
9 transfer of unprocessed retail marijuana by a retail marijuana cultivation
10 facility, at a rate of fifteen percent of the contract price for unprocessed
11 retail marijuana if the transaction is between unaffiliated retail marijuana
12 business licensees. Retail marijuana excise tax shall also be calculated as
13 fifteen percent of the contract price when the first transfer of retail
14 marijuana that has been harvested for sale at a retail marijuana store or
15 extraction by a retail marijuana product manufacturing facility is between
16 unaffiliated retail marijuana cultivation facilities. The tax shall be
17 imposed at the time when the retail marijuana cultivation facility first
18 sells or transfers unprocessed retail marijuana from the retail marijuana
19 cultivation facility to a retail marijuana product manufacturing facility or
20 a retail marijuana store.

21 (c) THE TRANSFER OF UNPROCESSED RETAIL MARIJUANA
22 EXCLUSIVELY FOR MICROBIAL CONTROL IS DEEMED TO NOT BE THE FIRST
23 TRANSFER OF UNPROCESSED RETAIL MARIJUANA FOR THE PURPOSES OF
24 THIS SECTION.

25 **SECTION 14.** In Colorado Revised Statutes, 39-30-103, **amend**
26 **(8)** as follows:

27 **39-30-103. Zones established - review - termination.**

1 (8) (a) Notwithstanding any other provision to the contrary, for tax years
2 commencing on or after January 1, 2014, only a taxpayer that is engaged
3 in a business that is legal under both state and federal law is eligible to
4 claim a credit pursuant to ~~the provisions of this article~~ ARTICLE 30,
5 EXCEPT AS PROVIDED IN SUBSECTION (8)(b) OF THIS SECTION.

6 (b) FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025,
7 A BUSINESS THAT HOLDS A VALID LICENSE PURSUANT TO ARTICLE 10 OF
8 TITLE 44 IS ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS ARTICLE 30.

9 **SECTION 15. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
11 the expiration of the ninety-day period after final adjournment of the
12 general assembly; except that, if a referendum petition is filed pursuant
13 to section 1 (3) of article V of the state constitution against this act or an
14 item, section, or part of this act within such period, then the act, item,
15 section, or part will not take effect unless approved by the people at the
16 general election to be held in November 2024 and, in such case, will take
17 effect on the date of the official declaration of the vote thereon by the
18 governor.

19 (2) This act applies to acts committed on or after the applicable
20 effective date of this act.