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## HOUSE COMMITTEE OF REFERENCE REPORT

<u>February 23, 2023</u>	
Chair of Committee Date	
Committee on Business Affairs & Labor.	
After consideration on the merits, the Committee recommends the following:	he
HB23-1020 be amended as follows, and as so amended, be referred the Committee on <u>Finance</u> with favorab recommendation:	
Amend printed bill, strike everything below the enacting clause ar substitute:	ıd
"SECTION 1. In Colorado Revised Statutes, 44-10-103, amer (2), (58), and (65); and add (1.3), (1.7), (4.7), and (18.5) as follows:  44-10-103. Rules - definitions. As used in this article 10, unle the context otherwise requires:  (1.3) "Accelerator Hospitality Business" Means a social equity Licensee Qualified to Participate in the accelerator program established pursuant to this article 10 and authorize pursuant to rule to exercise the privileges of a marijuan hospitality business on the premises of an accelerator-endorse marijuana hospitality business licensee.  (1.7) "Accelerator independent deliverer" means a social equity Licensee Qualified to Participate in the accelerator	AL DR ED NA ED
PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10 AND AUTHORIZE PURSUANT TO RULE TO EXERCISE THE PRIVILEGES OF AN INDEPENDENT DELIVERER.	
(2) "Accelerator-endorsed licensee" means a retail marijuan cultivation facility licensee, retail marijuana products manufactur licensee, or retail marijuana store, who, MARIJUANA HOSPITALIT BUSINESS LICENSEE, RETAIL MARIJUANA TRANSPORTER LICENSEE, CINDEPENDENT DELIVERER LICENSEE THAT has, pursuant to rule, been endorsed to host and offer technical and capital support to a social equilicensee pursuant to the requirements of the accelerator program established pursuant to this article 10.  (4.7) "Accelerator Transporter" Means a social equilicensee."	er ΓΥ DR en ty m

LICENSEE QUALIFIED TO PARTICIPATE IN THE ACCELERATOR PROGRAM

ESTABLISHED PURSUANT TO THIS ARTICLE  $10\,\mathrm{AND}$  authorized pursuant to rule to exercise the privileges of the accelerator-endorsed retail marijuana transporter licensee.

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- (18.5) "INDEPENDENT DELIVERER" MEANS A PERSON LICENSED PURSUANT TO THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULES PROMULGATED PURSUANT TO THIS ARTICLE 10 TO OPERATE A BUSINESS AS DESCRIBED IN SECTION 44-10-613.
- (58) "Retail marijuana business" means a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana products manufacturer, a marijuana hospitality business, a retail marijuana hospitality and sales business, a retail marijuana testing facility, a retail marijuana business operator, or a retail marijuana transporter, OR AN INDEPENDENT DELIVERER licensed pursuant to this article 10.
- (65) "Retail marijuana transporter" means an entity or person licensed to transport retail marijuana and retail marijuana products from one retail marijuana business to another retail marijuana business and to temporarily store the transported retail marijuana and retail marijuana products at its licensed premises, but not authorized to sell retail marijuana or retail marijuana products under any circumstances UNLESS THE PERSON IS A SOCIAL EQUITY LICENSEE WITH A RETAIL MARIJUANA TRANSPORTER LICENSE AND RETAIL MARIJUANA DELIVERY PERMIT AND THE PERSON OBTAINED AN INDEPENDENT DELIVERY LICENSE AS DESCRIBED IN SECTION 44-10-613.

**SECTION 2.** 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, 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, ACCELERATOR HOSPITALITY BUSINESS, ACCELERATOR TRANSPORTER, OR ACCELERATOR INDEPENDENT DELIVERER 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 refund the licensing fee to the applicant.

**SECTION 3.** In Colorado Revised Statutes, 44-10-203, **add** (2)(kk) as follows:

44-10-203. State licensing authority - rules. (2) Mandatory rule-making. Rules promulgated pursuant to section 44-10-202 (1)(c)

must include, but need not be limited to, the following subjects:

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(kk) Independent delivery licenses, including procedures for a social equity licensee who holds a retail transporter license and a retail marijuana delivery permit to apply for an independent delivery license; procedures for an applicant to provide proof of an obtained, or proof of an application for, a license or permit for an associated state licensing authority-authorized storage facility or proof of a contract with an established social equity licensee who maintains a licensed premises authorized by the state to store retail marijuana and retail marijuana products; and the circumstances when an independent delivery licensee may purchase, store, and conduct sales for retail marijuana and retail marijuana products.

**SECTION 4.** In Colorado Revised Statutes, **add** 44-10-207 as follows:

**44-10-207. Social equity report.** (1) By January 31, 2025, and by January 31 each year thereafter, the state licensing authority shall submit a report concerning social equity licenses to the finance committees of the house of representatives and the senate, or any successor committees. At a minimum, the report must include:

- (a) The total number of businesses licensed pursuant to this article 10 that are majority owned by a social equity applicant or licensee, and the total number of those businesses that are operational;
  - (b) THE TOTAL NUMBER OF ACTIVE SOCIAL EQUITY LICENSES;
- (c) THE TOTAL NUMBER OF ACTIVE SOCIAL EQUITY LICENSES THAT ARE OPERATIONAL;
- (d) THE TOTAL NUMBER OF SOCIAL EQUITY LICENSES THAT ARE ENDORSED BY EACH ACCELERATOR-ENDORSED LICENSE TYPE;
- (e) The incentives and any associated criteria developed by the state licensing authority pursuant to section 44-10-308 (8);
- (f) RECOMMENDATIONS FOR NEW SOCIAL EQUITY LICENSE TYPES; AND
- (g) RECOMMENDATIONS FOR NEW OR INNOVATIVE FUNDING SOURCES FOR THE SOCIAL EQUITY PROGRAM.
- (2) THE STATE LICENSING AUTHORITY SHALL CONVENE A NEW, OR UTILIZE AN EXISTING, WORKING GROUP OF PERSONS INTERESTED IN SOCIAL EQUITY OPPORTUNITIES AND THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10 FOR THE PURPOSE OF DEVELOPING RECOMMENDATIONS PURSUANT TO SUBSECTIONS (1)(f) AND (1)(g) OF THIS

SECTION.

(3) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT REQUIRED IN THIS SECTION CONTINUES INDEFINITELY.

**SECTION 5.** In Colorado Revised Statutes, 44-10-308, **amend** (4) introductory portion and (5); and **add** (4)(e), (6), (7), and (8) as follows:

- 44-10-308. Business and owner requirements rules legislative declaration definition. (4) Effective January 1, 2021, THROUGH JANUARY 1, 2024, a person who qualifies as a social equity licensee PURSUANT TO THIS SUBSECTION (4) may apply for any regulated marijuana business license or permit, including but not limited to accelerator store, accelerator cultivator, and accelerator manufacturer licenses, issued pursuant to this article 10. A person qualifies as a social equity licensee if such person meets the following criteria, in addition to any criteria established by rule of the state licensing authority:
- (e) This subsection (4) applies to social equity licensee applications received before January 2, 2024, and to the renewal of a social equity license applied for or issued before January 2, 2024. This subsection (4) does not apply to reinstatement or reactivation of social equity licenses originally applied for or issued before January 2, 2024, or for social equity licenses applied for on or after January 2, 2024.
- (5) A person who meets the criteria in this section for a social equity licensee, pursuant to rule and agency discretion, may be eligible for incentives available through the department of revenue or office of economic development and international trade, including but not limited to a reduction in application or license fees. Effective January 2, 2024, A PERSON WHO QUALIFIES AS A SOCIAL EQUITY LICENSEE MAY APPLY FOR ANY REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT, INCLUDING, BUT NOT LIMITED TO, ACCELERATOR STORE, ACCELERATOR CULTIVATOR, ACCELERATOR MANUFACTURER, ACCELERATOR HOSPITALITY BUSINESS, OR ACCELERATOR TRANSPORTER LICENSES, ISSUED PURSUANT TO THIS ARTICLE 10. A PERSON QUALIFIES AS A SOCIAL EQUITY LICENSEE IF THE PERSON MEETS THE FOLLOWING CRITERIA, IN ADDITION TO ANY CRITERIA ESTABLISHED BY RULE OF THE STATE LICENSING AUTHORITY:
- (a) Has not been the beneficial owner of a license subject to disciplinary or legal action from the state licensing authority resulting in the revocation of a license issued pursuant to this article 10; and
  - (b) HAS DEMONSTRATED AT LEAST ONE OF THE FOLLOWING:
- (I) THE APPLICANT HAS RESIDED:
  - (A) FOR AT LEAST ANY FIVE OF THE THIRTY YEARS PRIOR TO THE

APPLICATION IN A CENSUS TRACT DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE AS AN OPPORTUNITY ZONE OR DESIGNATED AS A DISPROPORTIONATE IMPACTED AREA AS DEFINED BY RULE PURSUANT TO SECTION 44-10-203 (1)(j);

- (B) FOR AT LEAST ANY TEN OF THE THIRTY YEARS PRIOR TO THE APPLICATION IN HOUSING WITH FUNDING PROVIDED PURSUANT TO SECTION 8 OR 9 OF THE FEDERAL "UNITED STATES HOUSING ACT OF 1937", AS AMENDED, 42 U.S.C. SECS. 1437f AND 1437g; OR
- (C) For at least any ten of the thirty years prior to the application in housing with funding from federal low-income housing tax credits, Colorado affordable housing tax credits, or funding provided under any federal, state, or local program that restricts maximum rents for persons of low or moderate income that is currently subject to a use restriction that is monitored to ensure compliance by the federal government, the state government, a county government, or a municipal government, or by any political subdivision or designated agency thereof; or
- (II) (A) THE APPLICANT OR THE APPLICANT'S SPOUSE WAS CONVICTED OF A MARIJUANA OFFENSE; OR
- (B) The applicant or the applicant's parent, legal guardian, sibling, child, or minor in the applicant's guardianship was arrested or convicted of a marijuana offense, and the applicant or the applicant's parent, legal guardian, sibling, child, or minor in the applicant's guardianship has resided in a disproportionate impacted area as defined by rule pursuant to section 44-10-203 (1)(j) for the five years prior to application or whose household income did not exceed sixty percent of the state's median income for the five years prior to application; or
- (III) THE APPLICANT HAS RECEIVED ASSISTANCE FROM AT LEAST ONE OF THE FOLLOWING PROGRAMS FOR AT LEAST ANY FIVE OF THE TEN YEARS PRIOR TO APPLICATION:
- (A) THE LOW-INCOME ENERGY ASSISTANCE PROGRAM DESCRIBED IN SECTION 26-2-122.5;
- (B) THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM DESCRIBED IN PART 3 OF ARTICLE 2 OF TITLE 26;
- (C) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, AS DEFINED IN SECTION 26-2-703 (19);
- (D) THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN, CREATED PURSUANT TO 42 U.S.C. SEC. 1786; OR
- (E) THE "COLORADO MEDICAL ASSISTANCE ACT", PURSUANT TO PART 1 OF ARTICLE 4 OF TITLE 25.5; AND

(c) THE SOCIAL EQUITY LICENSEE, OR COLLECTIVELY ONE OR MORE SOCIAL EQUITY LICENSEES, HOLDS AT LEAST FIFTY-ONE PERCENT OF THE BENEFICIAL OWNERSHIP OF THE REGULATED MARIJUANA BUSINESS LICENSE.

- (6) (a) FOR THE PURPOSES OF SUBSECTION (5) OF THIS SECTION, IF THE APPLICANT, OR COLLECTIVELY ONE OR MORE APPLICANTS, IS A CONTROLLING BENEFICIAL OWNER OR PASSIVE BENEFICIAL OWNER OF THREE OR MORE RETAIL MARIJUANA STORE LICENSES, MEDICAL MARIJUANA STORE LICENSES, RETAIL MARIJUANA CULTIVATION FACILITY LICENSES, OR MEDICAL MARIJUANA CULTIVATION FACILITY LICENSES, OR ANY COMBINATION THEREOF, THE APPLICANT IS NOT ELIGIBLE FOR A SOCIAL EQUITY LICENSE;
- (b) FOR THE PURPOSES OF SUBSECTION (6)(a) OF THIS SECTION, CO-LOCATED RETAIL MARIJUANA STORE AND MEDICAL MARIJUANA STORE LICENSES, CO-LOCATED RETAIL MARIJUANA CULTIVATION FACILITY AND MEDICAL MARIJUANA CULTIVATION FACILITY LICENSES, OR CO-LOCATED RETAIL MARIJUANA HOSPITALITY BUSINESS LICENSES THAT ARE MOBILE CONSTITUTE ONE LICENSE.
- (7) (a) Subsection (5) of this section applies to New Social Equity Licensee applications received on or after January 2, 2024, the renewal of a social equity license first applied for on or after January 2, 2024, or to reinstatement or reactivation of social equity licenses originally applied for or issued before January 2, 2024.
- (b) Subsection (5) of this section does not apply to the renewal of social equity licenses applied for or issued before January 2, 2024.
- (8) A PERSON WHO MEETS THE CRITERIA IN THIS SECTION FOR A SOCIAL EQUITY LICENSE IS ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE, INCLUDING, BUT NOT LIMITED TO, A REDUCTION IN APPLICATION OR LICENSE FEES. THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES TO CREATE INCENTIVES REQUIRED BY THIS SUBSECTION (8).
- **SECTION 6.** In Colorado Revised Statutes, 44-10-401, **amend** (2)(b)(X); and **add** (2)(b)(XII), (2)(b)(XIII), (2)(b)(XIV), and (2)(b)(XV) as follows:
- **44-10-401.** Classes of licenses. (2) (b) The following are retail marijuana licenses:
  - (X) Retail marijuana hospitality and sales business license; and (XII) ACCELERATOR TRANSPORTER LICENSE;
  - (XIII) ACCELERATOR HOSPITALITY BUSINESS LICENSE;
  - (XIV) INDEPENDENT DELIVERY LICENSE; AND

(XV) ACCELERATOR INDEPENDENT DELIVERY LICENSE.

**SECTION 7.** In Colorado Revised Statutes, 44-10-601, **amend** (16) as follows:

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

(16) A retail marijuana store pursuant to rule and the state licensing authority discretion, may be THAT HOSTS AN ACCELERATOR STORE LICENSE IS eligible for incentives available through the department of revenue or the office of economic development and international trade, including, but not limited to, a reduction in application or license fees.

**SECTION 8.** In Colorado Revised Statutes, 44-10-602, **amend** (11) as follows:

**44-10-602. Retail marijuana cultivation facility license - rules - definitions.** (11) A retail marijuana cultivation facility licensee that hosts an accelerator cultivator licensee pursuant to rule and the state licensing authority discretion, may be IS eligible for incentives available through the department of revenue or the office of economic development and international trade, including, but not limited to, a reduction in application or license fees.

**SECTION 9.** In Colorado Revised Statutes, 44-10-603, **amend** (14) as follows:

**44-10-603. Retail marijuana products manufacturer license- rules - definition.** (14) A retail marijuana products manufacturer licensee pursuant to rule and the state licensing authority discretion, may be THAT HOSTS AN ACCELERATOR MANUFACTURER LICENSE IS eligible for incentives through the department of revenue or the office of economic development and international trade, including, but not limited to, a reduction in application or license fees.

**SECTION 10.** In Colorado Revised Statutes, 44-10-605, **add** (5)(k), (6), (7), and (8) as follows:

44-10-605. Retail marijuana transporter license - definition. (5) (k) In addition to the requirements of this subsection (5), a person with a social equity license issued pursuant to section 44-10-308 (4) and who is licensed as a retail marijuana transporter with a valid delivery permit issued not later than October 31, 2023, may apply for an independent delivery license on or after October 31, 2023, and before August 1, 2025.

- (6) AN ACCELERATOR TRANSPORTER LICENSEE MAY OPERATE ON THE PREMISES OF A RETAIL MARIJUANA TRANSPORTER LICENSEE IF, BEFORE EACH ACCELERATOR TRANSPORTER LICENSEE OPERATES, THE RETAIL MARIJUANA TRANSPORTER LICENSEE HAS ITS PREMISES ENDORSED PURSUANT TO RULE AND EACH ACCELERATOR TRANSPORTER LICENSEE IS APPROVED TO OPERATE ON THAT PREMISES.
  - (7) A RETAIL MARIJUANA TRANSPORTER LICENSEE THAT HOSTS AN

ACCELERATOR TRANSPORTER LICENSEE MAY, PURSUANT TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE AND CAPITAL ASSISTANCE TO AN ACCELERATOR TRANSPORTER LICENSEE OPERATING ON ITS PREMISES.

(8) A RETAIL MARIJUANA TRANSPORTER LICENSEE THAT HOSTS AN ACCELERATOR TRANSPORTER LICENSEE IS ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE, INCLUDING, BUT NOT LIMITED TO, A REDUCTION IN APPLICATION OR LICENSE FEES.

**SECTION 11.** In Colorado Revised Statutes, 44-10-609, **add** (5), (6), and (7) as follows:

- **44-10-609. Marijuana hospitality business license.** (5) AN ACCELERATOR HOSPITALITY BUSINESS LICENSEE MAY OPERATE ON THE PREMISES OF A MARIJUANA HOSPITALITY BUSINESS LICENSEE IF, BEFORE EACH ACCELERATOR HOSPITALITY BUSINESS LICENSEE OPERATES, THE MARIJUANA HOSPITALITY BUSINESS LICENSEE HAS ITS PREMISES ENDORSED PURSUANT TO RULE AND EACH ACCELERATOR HOSPITALITY BUSINESS LICENSEE IS APPROVED TO OPERATE ON THAT PREMISES.
- (6) A MARIJUANA HOSPITALITY BUSINESS LICENSEE THAT HOSTS AN ACCELERATOR HOSPITALITY BUSINESS LICENSEE MAY, PURSUANT TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE AND CAPITAL ASSISTANCE TO AN ACCELERATOR HOSPITALITY BUSINESS LICENSEE OPERATING ON ITS PREMISES.
- (7) A MARIJUANA HOSPITALITY BUSINESS LICENSEE THAT HOSTS AN ACCELERATOR HOSPITALITY BUSINESS LICENSEE IS ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE, INCLUDING, BUT NOT LIMITED TO, A REDUCTION IN APPLICATION OR LICENSE FEES.

**SECTION 12.** In Colorado Revised Statutes, **add** 44-10-612 as follows:

- 44-10-612. Retail marijuana accelerator hospitality business license. (1) A retail marijuana accelerator hospitality business license may be issued to a social equity licensee to exercise the privileges of a retail marijuana hospitality business licensee on the premises of an accelerator-endorsed retail marijuana hospitality business licensee. The retail marijuana accelerator hospitality business licensee may receive technical assistance and financial support from the retail marijuana hospitality business licensee with an accelerator endorsement.
- (2) The state licensing authority shall begin accepting applications for retail marijuana accelerator hospitality business licenses on January 2, 2024.

**SECTION 13.** In Colorado Revised Statutes, **add** 44-10-613 as follows:

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- **44-10-613.** Independent delivery license rules definitions repeal. (1) (a) (I) On and after October 31, 2023, and before August 1, 2025, an independent delivery license may be issued to a person with a social equity license issued pursuant to section 44-10-308 (4) and who is licensed as a retail marijuana transporter with a valid delivery permit issued on or before October 31, 2023.
- (II) ON AND AFTER AUGUST 1, 2025, AND BEFORE JANUARY 1, 2028, AN INDEPENDENT DELIVERY LICENSE MAY BE ISSUED TO A PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE PURSUANT TO SECTION 44-10-308 (5).
- (b) AN INDEPENDENT DELIVERER MAY PURCHASE RETAIL MARIJUANA FROM A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY.
- (c) AN INDEPENDENT DELIVERER SHALL NOT ACCEPT ANY RETAIL MARIJUANA PURCHASED FROM A RETAIL MARIJUANA CULTIVATION FACILITY UNLESS THE INDEPENDENT DELIVERER IS PROVIDED WITH EVIDENCE THAT ANY APPLICABLE EXCISE TAX DUE, PURSUANT TO ARTICLE 28.8 OF TITLE 39, WAS PAID.
- (d) AN INDEPENDENT DELIVERER SHALL TRACK ALL OF ITS RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM THE POINT THAT THEY ARE TRANSFERRED FROM A RETAIL MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA PRODUCTS MANUFACTURER TO THE POINT OF SALE.
- (e) The independent delivery license applicant shall provide proof of an obtained, or proof of an application for, a license or permit for an associated state licensing authority-authorized storage facility or proof of a contract with an established social equity licensee who maintains a licensed premises authorized by the state to store retail marijuana and retail marijuana products.
- (2) (a) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, AN INDEPENDENT DELIVERY LICENSEE MAY ALSO SELL RETAIL MARIJUANA PRODUCTS THAT ARE PREPACKAGED AND LABELED AS REQUIRED BY RULES OF THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).
- (b) AN INDEPENDENT DELIVERY LICENSEE MAY TRANSACT WITH A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE FOR THE PURCHASE OF RETAIL MARIJUANA PRODUCTS AT A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE'S LICENSED PREMISES OR AT A STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY.
  - (3) (a) (I) AN INDEPENDENT DELIVERER MAY NOT SELL MORE THAN

ONE OUNCE OF RETAIL MARIJUANA OR ITS EQUIVALENT IN RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA CONCENTRATE, EXCEPT FOR NONEDIBLE, NONPSYCHOACTIVE RETAIL MARIJUANA PRODUCTS, INCLUDING OINTMENTS, LOTIONS, BALMS, AND OTHER NONTRANSDERMAL TOPICAL PRODUCTS, DURING A SINGLE TRANSACTION TO A PERSON.

- (II) AS USED IN THIS SUBSECTION (3)(a), "EQUIVALENT IN RETAIL MARIJUANA PRODUCTS" HAS THE SAME MEANING AS ESTABLISHED BY THE STATE LICENSING AUTHORITY BY RULE PURSUANT TO SECTION 44-10-203 (4).
- (b) (I) Prior to initiating a sale, the employee of the independent deliverer making the sale shall verify that the purchaser has a valid identification card showing the purchaser is twenty-one years of age or older. If a person under twenty-one years of age presents a fraudulent proof of age, any action relying on the fraudulent proof of age is not grounds for the revocation or suspension of any license issued under this article 10.
- (II) (A) IF AN INDEPENDENT DELIVERY LICENSEE OR EMPLOYEE HAS REASONABLE CAUSE TO BELIEVE THAT A PERSON IS UNDER TWENTY-ONE YEARS OF AGE AND IS EXHIBITING FRAUDULENT PROOF OF AGE IN AN ATTEMPT TO OBTAIN ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT, THE LICENSEE OR EMPLOYEE IS AUTHORIZED TO CONFISCATE THE FRAUDULENT PROOF OF AGE, IF POSSIBLE, AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION, REMIT IT TO A STATE OR LOCAL LAW ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE FRAUDULENT PROOF OF AGE OR TO REMIT IT TO A STATE OR LOCAL LAW ENFORCEMENT AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION DOES NOT CONSTITUTE A CRIMINAL OFFENSE.
- (B) If an independent delivery licensee or employee believes that a person is under twenty-one years of age and is exhibiting fraudulent proof of age in an attempt to obtain any retail marijuana or retail marijuana product, the licensee or employee or a peace officer, acting in good faith and upon probable cause based upon reasonable grounds therefor, may detain and question the person in a reasonable manner for the purpose of ascertaining whether the person is guilty of any unlawful act regarding the purchase of retail marijuana or retail marijuana product. The questioning of a person by an employee or a peace officer does not render the licensee, the employee, or the peace officer civilly or criminally liable for slander, false arrest, false imprisonment, malicious prosecution,

(c) (I) AN INDEPENDENT DELIVERER THAT SELLS AN INDUSTRIAL HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, AN INDEPENDENT DELIVERER SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

- (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO AN INDEPENDENT DELIVERER PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO SECTION 25-5-426.
- (d) When completing a sale of retail marijuana concentrate, the independent deliverer shall provide the customer with the tangible educational resource created by the state licensing authority through rule-making regarding the use of retail marijuana concentrate.
- (4) ALL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS SOLD BY AN INDEPENDENT DELIVERER MUST BE PACKAGED AND LABELED AS REQUIRED BY RULES OF THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).
- (5) (a) AN INDEPENDENT DELIVERER SHALL ONLY SELL RETAIL MARIJUANA, RETAIL MARIJUANA PRODUCTS, MARIJUANA ACCESSORIES, NONCONSUMABLE PRODUCTS SUCH AS APPAREL, MARIJUANA-RELATED PRODUCTS SUCH AS CHILDPROOF PACKAGING CONTAINERS, AND INDUSTRIAL HEMP PRODUCTS. AN INDEPENDENT DELIVERER SHALL NOT SELL OR GIVE AWAY ANY CONSUMABLE PRODUCT, INCLUDING, BUT NOT LIMITED TO, CIGARETTES OR ALCOHOL, OR EDIBLE PRODUCTS THAT DO NOT CONTAIN MARIJUANA, INCLUDING, BUT NOT LIMITED TO, SODAS, CANDIES, OR BAKED GOODS.
- (b) AN INDEPENDENT DELIVERER SHALL NOT SELL ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS THAT CONTAIN NICOTINE OR ALCOHOL IF THE SALE OF THE ALCOHOL WOULD REQUIRE A LICENSE

PURSUANT TO ARTICLE 3 OR 4 OF THIS TITLE 44.

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- (c) AN INDEPENDENT DELIVERER MUST TAKE ORDERS FOR RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS OVER THE INTERNET.
- (6) RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS MUST NOT BE CONSUMED IN AN INDEPENDENT DELIVERER'S VEHICLE.
- (7) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW, SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS ARE NOT EXEMPT FROM STATE OR LOCAL SALES TAX.
- (8) A LISTING FOR SALE BY AN INDEPENDENT DELIVERER FOR RETAIL MARIJUANA CONCENTRATE MUST INCLUDE THE POTENCY OF THE RETAIL MARIJUANA CONCENTRATE NEXT TO THE NAME OF THE PRODUCT AND SAFETY WARNINGS AND HEALTH RISKS FOR RETAIL MARIJUANA CONCENTRATES PROMULGATED BY RULE.
- (9) (a) AN INDEPENDENT DELIVERER LICENSEE SHALL NOT MAKE DELIVERIES OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO INDIVIDUALS WHILE ALSO TRANSPORTING RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS BETWEEN LICENSED PREMISES IN THE SAME VEHICLE.
- (b) The independent deliverer shall charge a one-dollar surcharge on each delivery. The independent deliverer shall remit the surcharges collected on a monthly basis to the municipality where the independent delivery business is located, or to the county if the independent delivery business is in an unincorporated area, for local law enforcement costs related to marijuana enforcement. Failure to comply with this subsection (9)(b) may result in nonrenewal of the independent delivery license.
- (c) AN INDEPENDENT DELIVERER MAY DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS ONLY TO THE INDIVIDUAL WHO PLACED THE ORDER AND WHO:
  - (I) IS TWENTY-ONE YEARS OF AGE OR OLDER;
- (II) RECEIVES THE DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO RULES; AND
  - (III) Possesses an acceptable form of identification.
- (d) Any person delivering retail marijuana or retail marijuana products must possess a valid occupational license and be a current employee of the independent deliverer; must have undergone training regarding proof-of-age identification and verification, including all forms of identification that are deemed acceptable by the state licensing authority; and must have any other training required by the state licensing authority.
  - (e) IN ACCORDANCE WITH THIS SUBSECTION (9) AND RULES

ADOPTED TO IMPLEMENT THIS SUBSECTION (9), AN INDEPENDENT DELIVERER:

- (I) SHALL NOT DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IN EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY;
- (II) SHALL DELIVER ONLY TO AN INDIVIDUAL AT THE ADDRESS PROVIDED IN THE ORDER;
- (III) SHALL NOT DELIVER MORE THAN ONCE PER DAY TO THE SAME INDIVIDUAL OR RESIDENCE;
  - (IV) (A) SHALL DELIVER ONLY TO PRIVATE RESIDENCES;
- (B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES" MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE DWELLING PLACE OF PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY;
- (V) SHALL DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(dd);
  - (VI) SHALL USE AN EMPLOYEE TO CONDUCT DELIVERIES; AND
- (VII) SHALL USE AN ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY TO STORE, PACKAGE, AND LABEL THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS.
- (f) (I) AT THE TIME OF THE ORDER, THE INDEPENDENT DELIVERER SHALL REQUIRE THE INDIVIDUAL TO PROVIDE INFORMATION NECESSARY TO VERIFY THE INDIVIDUAL IS AT LEAST TWENTY-ONE YEARS OF AGE. THE PROVIDED INFORMATION MUST, AT A MINIMUM, INCLUDE THE FOLLOWING:
  - (A) THE INDIVIDUAL'S NAME AND DATE OF BIRTH;
- (B) The address of the residence where the order is delivered; and
- (C) ANY OTHER INFORMATION REQUIRED BY STATE LICENSING AUTHORITY RULE.
- (II) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO AN INDIVIDUAL, THE INDEPENDENT DELIVERER DELIVERING THE ORDER SHALL INSPECT THE INDIVIDUAL'S IDENTIFICATION AND VERIFY THAT THE INFORMATION PROVIDED AT THE TIME THE ORDER IS PLACED MATCHES THE NAME AND AGE ON THE INDIVIDUAL'S IDENTIFICATION.
- (g) The independent deliverer shall not sell retail marijuana or retail marijuana products directly from the delivery vehicle.
- (h) (I) Unless otherwise provided by the state licensing 42 Authority by rules promulgated pursuant to this article 10, all 43 Requirements applicable to other licenses issued pursuant to

THIS ARTICLE  $10\,\text{MAY}$  apply to the delivery of retail marijuana and retail marijuana products, including, but not limited to, inventory tracking, transportation, and packaging and labeling requirements.

- (II) THE ADVERTISING REGULATIONS AND PROHIBITIONS ADOPTED PURSUANT TO SECTION 44-10-203 (3)(a) APPLY TO INDEPENDENT DELIVERY OPERATIONS PURSUANT TO THIS SUBSECTION (9).
- (i) It is not a violation of any provision of state civil or criminal law for an independent deliverer, or such person who has made timely and sufficient application for the renewal of a retail marijuana delivery permit, or its licensees, to possess, transport, and deliver retail marijuana or retail marijuana products in amounts that do not exceed amounts established by the state licensing authority.
- (j) A LOCAL LAW ENFORCEMENT AGENCY MAY REQUEST STATE LICENSING AUTHORITY REPORTS, INCLUDING COMPLAINTS, INVESTIGATIVE ACTION, AND FINAL AGENCY ACTION ORDERS, RELATED TO CRIMINAL ACTIVITY MATERIALLY RELATED TO RETAIL MARIJUANA DELIVERY IN THE LAW ENFORCEMENT AGENCY'S JURISDICTION, AND THE STATE LICENSING AUTHORITY SHALL PROMPTLY PROVIDE ANY REPORTS IN ITS POSSESSION FOR THE LAW ENFORCEMENT AGENCY'S JURISDICTION.
- (k) (I) Notwithstanding any provisions of this section, delivery of retail marijuana or retail marijuana products is not permitted in any municipality, county, or city and county unless the municipality, county, or city and county, by either a majority of the registered electors of the municipality, county, or city and county voting at a regular election or special election called in accordance with the "Colorado Municipal Election Code of 1965", article 10 of title 31, or the "Uniform Election Code of 1992", articles 1 to 13 of title 1, as applicable, or a majority of the members of the governing board for the municipality, county, or city and county vote to allow the delivery of retail marijuana or retail marijuana products pursuant to this section.
- (II) AN ORDINANCE ADOPTED PURSUANT TO SUBSECTION (9)(k)(I) OF THIS SECTION MAY PROHIBIT DELIVERY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM AN INDEPENDENT DELIVERER THAT IS OUTSIDE A MUNICIPALITY'S, COUNTY'S, CITY'S, OR CITY AND COUNTY'S JURISDICTIONAL BOUNDARIES TO AN ADDRESS WITHIN ITS JURISDICTIONAL BOUNDARIES.
- (1) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IS NOT PERMITTED AT ANY SCHOOL OR ON THE CAMPUS OF ANY INSTITUTION OF

HIGHER EDUCATION.

- (m) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING RETAIL MARIJUANA DELIVERY PERMITS TO QUALIFIED INDEPENDENT DELIVERER APPLICANTS ON AND AFTER, BUT NOT EARLIER THAN, OCTOBER 31, 2023.
- (10) AN ACCELERATOR INDEPENDENT DELIVERY LICENSEE MAY OPERATE WITH AN INDEPENDENT DELIVERY LICENSEE IF BEFORE AN ACCELERATOR INDEPENDENT DELIVERY LICENSEE OPERATES, THE INDEPENDENT DELIVERY LICENSEE HAS ITS PREMISES ENDORSED PURSUANT TO RULE AND EACH ACCELERATOR INDEPENDENT DELIVERY LICENSEE IS APPROVED TO OPERATE WITH THE ENDORSED LICENSEE.
- (11) AN INDEPENDENT DELIVERY LICENSEE THAT HOSTS AN ACCELERATOR INDEPENDENT DELIVERY LICENSEE MAY, PURSUANT TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE AND CAPITAL ASSISTANCE TO AN ACCELERATOR INDEPENDENT DELIVERY LICENSEE OPERATING ON ITS PREMISES WITH SHARED OPERATIONS PRIVILEGES.
- (12) AN INDEPENDENT DELIVERY LICENSEE THAT HOSTS AN ACCELERATOR INDEPENDENT DELIVERER IS ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE, INCLUDING, BUT NOT LIMITED TO, A REDUCTION IN APPLICATION OR LICENSE FEES.
- (13) AN INDEPENDENT DELIVERER SHALL NOT SELL MORE THAN EIGHT GRAMS OF RETAIL MARIJUANA CONCENTRATE TO A PERSON IN A SINGLE DAY.

**SECTION 14.** In Colorado Revised Statutes, **add** 44-10-614 as follows:

- 44-10-614. Retail marijuana accelerator independent delivery license repeal. (1) A retail marijuana accelerator independent delivery license may be issued to a social equity licensee to exercise the privileges of a retail marijuana independent delivery licensee on the premises of an accelerator-endorsed independent delivery licensee. The retail marijuana accelerator independent delivery licensee may receive technical assistance and financial support from the retail marijuana independent delivery licensee with an accelerator endorsement.
- (2) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING APPLICATIONS FOR RETAIL MARIJUANA ACCELERATOR HOSPITALITY BUSINESS LICENSES ON JANUARY 2, 2024.

**SECTION 15.** In Colorado Revised Statutes, 44-10-1401, **amend** (2) as follows:

**44-10-1401.** Sunset review - repeal of article. (2) Prior to the repeal of this article 10, the department of regulatory agencies shall

conduct a sunset review as described in section 24-34-104 (5). AS A PART OF THE SUNSET REVIEW, THE DEPARTMENT OF REGULATORY AGENCIES SHALL ANALYZE, EVALUATE, AND SUBMIT RECOMMENDATIONS CONCERNING SOCIAL EQUITY LICENSING AND THE INDEPENDENT DELIVERY LICENSE.

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**SECTION 16.** In Colorado Revised Statutes, 24-34-104, **amend** (29)(a)(XII) as follows:

- 24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment legislative declaration repeal. (29) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2028:
- (XII) The "Colorado Marijuana Code", article 10 of title 44, INCLUDING SOCIAL EQUITY LICENSING AND THE INDEPENDENT DELIVERY LICENSE;
- **SECTION 17.** In Colorado Revised Statutes, 24-48.5-128, **add** (3)(e) as follows:
- 24-48.5-128. Program marijuana entrepreneurs social equity licensees committee report marijuana entrepreneur fund creation legislative declaration definitions. (3) Loans, grants, and technical assistance. (e) (I) There is created in the office the program grant committee that is responsible for reviewing grant applications, selecting grant recipients, and determining grant awards issued pursuant to this section. On or before September 1, 2023, the office director shall appoint the following members to serve on the committee:
- (A) FIVE PERSONS WHO OWN A BUSINESS THAT IS CURRENTLY LOCATED AND OPERATING IN COLORADO;
- (B) FIVE PERSONS WITH EXPERIENCE REPRESENTING MARIJUANA LICENSEES; AND
  - (C) FIVE PERSONS WHO ARE INTERESTED COMMUNITY MEMBERS.
- (II) TO THE EXTENT PRACTICABLE, THE MEMBERSHIP OF THE COMMITTEE MUST INCLUDE PERSONS FROM THROUGHOUT THE STATE AND REFLECT THE RACIAL, ETHNIC, AND GEOGRAPHIC DIVERSITY OF THE STATE.
- (III) THE MEMBERSHIP OF THE COMMITTEE MUST NOT INCLUDE A LICENSEE, AS DEFINED BY SECTION 44-10-103 (25).
- (IV) MEMBERS OF THE COMMITTEE SERVE TWO-YEAR TERMS AND MAY BE REAPPOINTED FOR AN ADDITIONAL TWO-YEAR TERM. MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE OFFICE DIRECTOR. IF A MEMBER OF THE COMMITTEE LEAVES THE COMMITTEE PRIOR TO THE EXPIRATION OF THE MEMBER'S TERM, THE OFFICE DIRECTOR SHALL APPOINT A NEW MEMBER TO SERVE FOR THE REMAINDER OF THE TERM.
- (V) MEMBERS OF THE COMMITTEE SERVE WITHOUT COMPENSATION OR REIMBURSEMENT OF EXPENSES.

SECTION 18. Act subject to petition - effective date. This act 1 2 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 4 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 6 take effect unless approved by the people at the general election to be 7 held in November 2024 and, in such case, will take effect on the date of 8 the official declaration of the vote thereon by the governor. 9

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