

**First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 17-0803.02 Michael Dohr x4347

**SENATE BILL 17-111**

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**SENATE SPONSORSHIP**

**Neville T.,**

**HOUSE SPONSORSHIP**

**Michaelson Jenet and Gray,**

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**Senate Committees**

Business, Labor, & Technology

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING MEASURES TO ADDRESS MEDICAL MARIJUANA**  
102 **INVENTORY SHORTFALLS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The medical marijuana system is a vertically integrated regulatory scheme, meaning a medical marijuana center must grow the marijuana that it sells. There is one exception to the vertically integrated market: A medical marijuana center can sell to or buy from other medical marijuana licensees up to 30% of its inventory. The bill changes the 30% limit to 50%. The bill states that a medical marijuana center may transfer medical

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

marijuana to another medical marijuana licensee if the licensees have a common owner without the medical marijuana counting towards the 50% limit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-402, **amend**  
3 (4) as follows:

4 **12-43.3-402. Medical marijuana center license.**  
5 (4) (a) Notwithstanding the requirements of subsection (3) of this section  
6 to the contrary, a medical marijuana licensee may purchase not more than  
7 ~~thirty~~ FIFTY percent of its total on-hand inventory of medical marijuana  
8 from another licensed medical marijuana center in Colorado. A medical  
9 marijuana center may sell no more than ~~thirty~~ FIFTY percent of its total  
10 on-hand inventory to another Colorado licensed medical marijuana  
11 licensee; except that the director of the division that regulates medical  
12 marijuana may grant a temporary waiver:

13 ~~(a)~~ (I) To a medical marijuana center or applicant if the medical  
14 marijuana center or applicant suffers a catastrophic event related to its  
15 inventory; or

16 ~~(b)~~ (II) To a new medical marijuana center licensee for a period  
17 not to exceed ninety days so the new licensee can cultivate the necessary  
18 medical marijuana to comply with this subsection (4).

19 (b) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (3) OF  
20 THIS SECTION TO THE CONTRARY, A MEDICAL MARIJUANA LICENSEE MAY  
21 TRANSFER MEDICAL MARIJUANA TO ANOTHER MEDICAL MARIJUANA  
22 LICENSEE IF THE LICENSEES HAVE A COMMON OWNER WITHOUT THE  
23 PROVISIONS OF SUBSECTION (4)(a) OF THIS SECTION APPLYING.

24 **SECTION 2. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly (August  
3 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
4 referendum petition is filed pursuant to section 1 (3) of article V of the  
5 state constitution against this act or an item, section, or part of this act  
6 within such period, then the act, item, section, or part will not take effect  
7 unless approved by the people at the general election to be held in  
8 November 2018 and, in such case, will take effect on the date of the  
9 official declaration of the vote thereon by the governor.