

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 17-0803.02 Michael Dohr x4347

SENATE BILL 17-111

SENATE SPONSORSHIP

Neville T.,

HOUSE SPONSORSHIP

Michaelson Jenet and Gray,

Senate Committees

Business, Labor, & Technology
Finance

House Committees

A BILL FOR AN ACT

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

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.

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 percent A PERCENTAGE of its total on-hand inventory of medical
8 marijuana from another licensed medical marijuana center in Colorado.

9 A medical marijuana center may sell no more than thirty percent A
10 PERCENTAGE of its total on-hand inventory to another Colorado licensed
11 medical marijuana licensee. ~~except that.~~ THE STATE LICENSING
12 AUTHORITY SHALL SET THE PERCENTAGE IN RULE, BUT THE PERCENTAGE
13 SHALL NOT BE SET ANY LOWER THAN THIRTY PERCENT. The director of the
14 division that regulates medical marijuana may grant a temporary waiver:

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

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

21 (b) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (3) OF
22 THIS SECTION TO THE CONTRARY, A MEDICAL MARIJUANA LICENSEE MAY
23 TRANSFER MEDICAL MARIJUANA TO ANOTHER MEDICAL MARIJUANA
24 LICENSEE IF THE LICENSEES ARE IDENTICALLY OWNED, AS DEFINED BY THE

1 DEPARTMENT FOR PURPOSES OF THIS SECTION, WITHOUT THE PROVISIONS
2 OF SUBSECTION (4)(a) OF THIS SECTION APPLYING.

3 **SECTION 2. No appropriation.** The general assembly has
4 determined that this act can be implemented within existing
5 appropriations, and therefore no separate appropriation of state money is
6 necessary to carry out the purposes of this act.

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