

**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. 17-0941.01 Michael Dohr x4347

SENATE BILL 17-192

SENATE SPONSORSHIP

Neville T., Jahn, Priola, Williams A.

HOUSE SPONSORSHIP

Melton and Singer,

Senate Committees

Business, Labor, & Technology
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING PROVISIONS TO ALLOW MARIJUANA BUSINESSES TO**
102 **OPERATE MORE EFFICIENTLY.**

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 bill allows a medical marijuana center and a retail marijuana store to apply for an endorsement that allows the center or store to deliver marijuana. The centers and stores with the delivery endorsement may use an employee or contract with a medical or retail marijuana transporter to make the deliveries. The endorsements for medical marijuana begin January 2, 2018, and the endorsements for retail marijuana begin January

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.*

2, 2019.

The bill allows the state licensing authority to authorize single-instance transfers of retail marijuana or retail marijuana products from a retail marijuana licensee to a medical marijuana licensee based on a business need due to a change in local, state, or federal law or enforcement policy. If granted, the transfer must be completed within 6 months of the date the transfer was approved.

Under current law, the department of revenue determines the average market rate for purposes of excise tax collection on retail marijuana every 6 months. The bill gives the authority to calculate the average market rate to the marijuana state licensing authority and requires calculation on a quarterly basis. The average market rate cannot include taxes paid on sales or transfers. The bill requires a separate average market rate for unprocessed marijuana for extraction that is lower than the average market rate for unprocessed marijuana for direct sale. The bill states that the average market rate should be used to calculate the excise tax on affiliated transactions, and the contract price should be used to calculate the excise tax on unaffiliated transactions.

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

2 **SECTION 1. In Colorado Revised Statutes, 12-43.3-202, amend**
3 **(2)(a) introductory portion, (2)(a)(XVIII.6), (2)(a)(XX), and (2)(a)(XXI);**
4 **and add (2)(a)(XXII) as follows:**

5 **12-43.3-202. Powers and duties of state licensing authority -**
6 **rules. (2) (a) Rules promulgated pursuant to paragraph (b) of subsection**
7 **(1) SUBSECTION (1)(b) of this section may include, but need not be limited**
8 **to, the following subjects:**

9 **(XVIII.6) Medical marijuana transporter licensed businesses,**
10 **including requirements for drivers, including obtaining and maintaining**
11 **a valid Colorado driver's license; insurance requirements; acceptable time**
12 **frames for transport, storage, and delivery; requirements for transport**
13 **vehicles; REQUIREMENTS FOR DELIVERIES TO PRIVATE RESIDENCES; and**
14 **requirements for licensed premises;**

15 **(XX) Such other matters as are necessary for the fair, impartial,**

1 stringent, and comprehensive administration of this article; and ARTICLE
2 43.3:

3 (XXI) The parameters and qualifications of an indirect beneficial
4 interest owner and a qualified limited passive investor; AND

5 (XXII) MEDICAL MARIJUANA DELIVERY AS DESCRIBED IN SECTION
6 12-43.3-402 (10), INCLUDING:

7 (A) QUALIFICATIONS AND ELIGIBILITY REQUIREMENTS FOR
8 MEDICAL MARIJUANA CENTERS AND MEDICAL MARIJUANA TRANSPORTERS
9 APPLYING FOR A DELIVERY PERMIT;

10 (B) TRAINING REQUIREMENTS FOR PERSONNEL OF MEDICAL
11 MARIJUANA CENTERS AND MEDICAL MARIJUANA TRANSPORTERS THAT
12 HOLD A DELIVERY PERMIT WHO WILL DELIVER MEDICAL MARIJUANA OR
13 MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO THIS SECTION;

14 (C) PROCEDURES FOR PROOF OF MEDICAL MARIJUANA REGISTRY
15 AND AGE IDENTIFICATION AND VERIFICATION;

16 (D) DELIVERY VEHICLE REQUIREMENTS, INCLUDING BUT NOT
17 LIMITED TO REQUIREMENTS FOR LOCATION AND VEHICLE TRACKING,
18 SECURITY, AND SURVEILLANCE;

19 (E) SECURITY REQUIREMENTS, INCLUDING BUT NOT LIMITED TO
20 REQUIREMENTS FOR AREAS WHERE DELIVERY ORDERS ARE PROCESSED,
21 STORED, WEIGHED, PACKAGED, PREPARED, TAGGED, TRANSPORTED,
22 TRANSFERRED, AND DELIVERED, AND OTHER MINIMUM PROCEDURES FOR
23 INTERNAL CONTROL AS DEEMED NECESSARY BY THE STATE LICENSING
24 AUTHORITY TO PROPERLY ADMINISTER AND ENFORCE THE PROVISIONS OF
25 THIS ARTICLE 43.3;

26 (F) RECORD-KEEPING REQUIREMENTS;

27 (G) LIMITS ON THE AMOUNTS OF MEDICAL MARIJUANA AND

1 MEDICAL MARIJUANA-INFUSED PRODUCTS THAT MAY BE CARRIED IN A
2 DELIVERY VEHICLE;

3 (H) PRACTICES AND PROCEDURES TO ENSURE THAT THE MEDICAL
4 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS DELIVERED
5 PURSUANT TO THIS SECTION ARE SUBJECT TO THE MEDICAL MARIJUANA
6 CENTER'S INVENTORY;

7 (I) INVENTORY TRACKING SYSTEM REQUIREMENTS, INCLUDING BUT
8 NOT LIMITED TO REQUIREMENTS THAT MEDICAL MARIJUANA AND MEDICAL
9 MARIJUANA-INFUSED PRODUCTS ARE TRACKED FROM THE POINT THAT
10 THEY ARE TRANSFERRED FROM A MEDICAL MARIJUANA CENTER TO THE
11 POINT OF DELIVERY AT A PRIVATE RESIDENCE AND BETWEEN PRIVATE
12 RESIDENCES, AND REQUIREMENTS FOR USE OF AN INVENTORY TRACKING
13 SYSTEM-GENERATED DELIVERY MANIFEST FOR EACH DELIVERY ORDER;

14 (J) PACKAGING REQUIREMENTS FOR MEDICAL MARIJUANA AND
15 MEDICAL MARIJUANA-INFUSED PRODUCTS DELIVERED BY A MEDICAL
16 MARIJUANA CENTER AND MEDICAL MARIJUANA TRANSPORTER; AND

17 (K) HEALTH AND SAFETY REQUIREMENTS FOR DELIVERY OF
18 MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS.

19 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-401, add (4)
20 as follows:

21 **12-43.3-401. Classes of licenses.** (4) A MEDICAL MARIJUANA
22 LICENSEE MAY ACCEPT A TRANSFER OF RETAIL MARIJUANA OR RETAIL
23 MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA LICENSEE AUTHORIZED
24 PURSUANT TO THE AUTHORITY IN SECTION 12-43.4-401 (5). THE TRANSFER
25 MUST BE COMPLETED WITHIN SIX MONTHS AFTER THE DATE THE TRANSFER
26 WAS APPROVED.

27 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-402, add

1 (10) as follows:

2 **12-43.3-402. Medical marijuana center license - rules - repeal.**

3 (10) (a) THERE IS AUTHORIZED A MEDICAL MARIJUANA DELIVERY PERMIT
4 TO A MEDICAL MARIJUANA CENTER LICENSE AND A MEDICAL MARIJUANA
5 TRANSPORTER LICENSE AUTHORIZING THE HOLDER TO DELIVER MEDICAL
6 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS TO A
7 REGISTERED MEDICAL MARIJUANA CARDHOLDER EIGHTEEN YEARS OF AGE
8 OR OLDER, OR TO A CARD HOLDER'S PARENT OR GUARDIAN WHO IS
9 TWENTY-ONE YEARS OF AGE OR OLDER AT A PRIVATE RESIDENCE. A
10 MEDICAL MARIJUANA CENTER MUST USE AN EMPLOYEE OR CONTRACT
11 WITH A LICENSED MEDICAL MARIJUANA TRANSPORTER WITH A DELIVERY
12 PERMIT TO MAKE THE DELIVERIES. A MEDICAL MARIJUANA TRANSPORTER
13 WITH A DELIVERY PERMIT MAY DELIVER MEDICAL MARIJUANA AND
14 MEDICAL MARIJUANA-INFUSED PRODUCTS ONLY ON BEHALF OF A MEDICAL
15 MARIJUANA CENTER WITH A DELIVERY PERMIT AND IS SUBJECT TO THE
16 SAME REQUIREMENTS AS A CENTER WITH A DELIVERY PERMIT.

17 (b) A MEDICAL MARIJUANA DELIVERY PERMIT IS VALID FOR ONE
18 YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE MEDICAL
19 MARIJUANA CENTER LICENSE AND MEDICAL MARIJUANA TRANSPORTER
20 LICENSE.

21 (c) THE STATE LICENSING AUTHORITY MAY ISSUE A DELIVERY
22 PERMIT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE
23 LICENSING AUTHORITY, THAT HOLDS A MEDICAL MARIJUANA CENTER
24 LICENSE OR MEDICAL MARIJUANA TRANSPORTER LICENSE ISSUED
25 PURSUANT TO THIS ARTICLE 43.3. THE STATE LICENSING AUTHORITY HAS
26 DISCRETION IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO
27 RECEIVE A DELIVERY PERMIT. A DELIVERY PERMIT ISSUED BY THE STATE

1 LICENSING AUTHORITY IS DEEMED A REVOCABLE PRIVILEGE OF A MEDICAL
2 MARIJUANA CENTER OR MEDICAL MARIJUANA TRANSPORTER.

3 (d) (I) THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY
4 RULE AN APPLICATION FEE AND ANNUAL RENEWAL FEE FOR THE DELIVERY
5 PERMIT.

6 (II) THE AMOUNT OF THE FEE MUST REFLECT THE EXPECTED COSTS
7 OF ADMINISTERING THE PERMIT AND MAY BE ADJUSTED BY THE STATE
8 LICENSING AUTHORITY TO REFLECT THE PERMIT'S ACTUAL DIRECT AND
9 INDIRECT COSTS.

10 (e) (I) EACH DELIVERY PERMIT ISSUED TO A MEDICAL MARIJUANA
11 CENTER PURSUANT TO THIS SECTION APPLIES TO ONLY ONE LICENSED
12 MEDICAL MARIJUANA CENTER.

13 (II) IF A PERSON OR ENTITY THAT APPLIES FOR A DELIVERY PERMIT
14 HOLDS MORE THAN ONE MEDICAL MARIJUANA CENTER LICENSE, A
15 SEPARATE DELIVERY PERMIT IS REQUIRED FOR EACH LICENSED MEDICAL
16 MARIJUANA CENTER FROM WHICH THE PERSON OR ENTITY WISHES TO
17 CONDUCT THE DELIVERY OF MEDICAL MARIJUANA AND MEDICAL
18 MARIJUANA-INFUSED PRODUCTS; EXCEPT THAT, IF THE MEDICAL
19 MARIJUANA CENTERS ARE IDENTICALLY OWNED, AS DEFINED BY THE STATE
20 LICENSING AUTHORITY FOR PURPOSES OF THIS SECTION, THEN ONLY ONE
21 DELIVERY PERMIT IS REQUIRED.

22 (f) (I) A MEDICAL MARIJUANA CENTER WITH A DELIVERY PERMIT
23 MAY DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED
24 PRODUCTS ONLY TO A PERSON WHO PLACED THE ORDER AND WHO:

25 (A) IS A CURRENT REGISTRANT OF THE MEDICAL MARIJUANA
26 PATIENT REGISTRY AND IS EIGHTEEN YEARS OF AGE OR OLDER OR THE
27 PARENT OR GUARDIAN, WHO IS TWENTY-ONE YEARS OF AGE OR OLDER, OF

1 A MINOR WHO IS A CURRENT REGISTRANT;

2 (B) HAS DESIGNATED THE MEDICAL MARIJUANA CENTER AS THE
3 PERSON'S PRIMARY MEDICAL MARIJUANA CENTER;

4 (C) RECEIVES THE DELIVERY PURSUANT TO RULES; AND

5 (D) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

6 (II) ANY PERSON DELIVERING MEDICAL MARIJUANA OR MEDICAL
7 MARIJUANA-INFUSED PRODUCTS MUST POSSESS A VALID OCCUPATIONAL
8 LICENSE AND BE A CURRENT EMPLOYEE OF THE LICENSED MEDICAL
9 MARIJUANA CENTER WITH A VALID DELIVERY PERMIT OR MEDICAL
10 MARIJUANA TRANSPORTER WITH A VALID DELIVERY PERMIT AND MUST
11 HAVE UNDERGONE TRAINING REGARDING PROOF OF AGE IDENTIFICATION
12 AND VERIFICATION, INCLUDING ALL FORMS OF IDENTIFICATION THAT ARE
13 DEEMED ACCEPTABLE BY THE STATE LICENSING AUTHORITY, AND ANY
14 OTHER TRAINING REQUIRED BY THE STATE LICENSING AUTHORITY.

15 (g) (I) IN ACCORDANCE WITH THIS SUBSECTION (10) AND RULES
16 ADOPTED TO IMPLEMENT THIS SUBSECTION (10), A LICENSED MEDICAL
17 MARIJUANA CENTER WITH A DELIVERY PERMIT MAY:

18 (A) RECEIVE AN ORDER OVER THE TELEPHONE OR INTERNET BY
19 THE REGISTERED MEDICAL MARIJUANA PATIENT OR THE PARENT OR
20 GUARDIAN OF A MINOR WHO IS A CURRENT REGISTRANT OF THE MEDICAL
21 MARIJUANA PATIENT REGISTRY FOR THE PURCHASE AND DELIVERY OF
22 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS NOT IN
23 EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE LICENSING
24 AUTHORITY FOR MEDICAL MARIJUANA OR ITS EQUIVALENT IN MEDICAL
25 MARIJUANA CONCENTRATE, OR FOR MEDICAL MARIJUANA-INFUSED
26 PRODUCTS, PER ORDER;

27 (B) DELIVER MEDICAL MARIJUANA AND MEDICAL

1 MARIJUANA-INFUSED PRODUCTS NOT IN EXCESS OF THE AMOUNTS
2 ESTABLISHED BY THE STATE LICENSING AUTHORITY;

3 (C) PROCESS EACH ORDER FOR MEDICAL MARIJUANA OR MEDICAL
4 MARIJUANA-INFUSED PRODUCTS FOR DELIVERY, WHICH IS LIMITED TO
5 ELECTRONIC TRANSACTIONS ONLY, THAT WILL OCCUR AND BE COMPLETED
6 AT THE LICENSED MEDICAL MARIJUANA CENTER AND BE INCLUDED IN THAT
7 DAY'S POINT-OF-SALE REPORTING;

8 (D) DELIVER ONLY TO A PERSON AT THE ADDRESS REGISTERED IN
9 THE MEDICAL MARIJUANA PATIENT REGISTRY;

10 (E) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME PERSON
11 OR SAME PRIVATE RESIDENTIAL ADDRESS;

12 (F) DELIVER MEDICAL MARIJUANA OR MEDICAL
13 MARIJUANA-INFUSED PRODUCTS ONLY BY A MOTOR VEHICLE THAT
14 COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT
15 TO THIS SECTION; AND

16 (G) CONTRACT WITH A MEDICAL MARIJUANA TRANSPORTER WITH
17 A DELIVERY PERMIT TO DELIVER MEDICAL MARIJUANA OR MEDICAL
18 MARIJUANA-INFUSED PRODUCTS PURSUANT TO THIS SECTION.

19 (II) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
20 REGARDING THE PERMITTED HOURS OF DELIVERY.

21 (h) (I) A PERSON PLACING AN ORDER FOR THE PURCHASE AND
22 DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
23 PRODUCTS IN ACCORDANCE WITH THIS SECTION MUST BE A CURRENT
24 REGISTRANT OF THE MEDICAL MARIJUANA PATIENT REGISTRY, OR THE
25 PARENT OR GUARDIAN OF A MINOR WHO IS A CURRENT REGISTRANT, WITH
26 VALID IDENTIFICATION AS DEFINED BY THE STATE LICENSING AUTHORITY,
27 AND WHO HAS REGISTERED THE MEDICAL MARIJUANA CENTER AS THE

1 PATIENT'S PRIMARY CENTER. THE REGISTERED PATIENT OR PARENT OR
2 GUARDIAN OF A MINOR WHO IS A REGISTERED PATIENT MUST ALLOW THE
3 MEDICAL MARIJUANA CENTER OR MEDICAL MARIJUANA TRANSPORTER
4 DELIVERY PERSON TO INSPECT HIS OR HER MEDICAL MARIJUANA REGISTRY
5 CARD AND VALID IDENTIFICATION FOR PROOF OF AGE.

6 (II) AT THE TIME OF THE ORDER, THE MEDICAL MARIJUANA CENTER
7 SHALL CONFIRM THE VALIDITY OF THE PERSON'S MEDICAL MARIJUANA
8 REGISTRY IDENTIFICATION NUMBER AND ADDRESS AS REQUIRED BY THE
9 STATE LICENSING AUTHORITY. PRIOR TO TRANSFERRING POSSESSION OF
10 THE ORDER TO A PERSON, THE MEDICAL MARIJUANA CENTER OR MEDICAL
11 MARIJUANA TRANSPORTER DELIVERY PERSON SHALL CONFIRM THE
12 PERSON'S IDENTIFICATION, THE PERSON'S POSSESSION OF THE MEDICAL
13 MARIJUANA REGISTRY CARD THAT MATCHES THE MEDICAL MARIJUANA
14 REGISTRY NUMBER, AND THE ADDRESS PROVIDED WITH THE ORDER AT THE
15 POINT OF DELIVERY.

16 (III) A MEDICAL MARIJUANA CENTER AND MEDICAL MARIJUANA
17 TRANSPORTER DELIVERY PERSON SHALL NOT MODIFY ORDERS OF MEDICAL
18 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS AFTER SUCH
19 ORDERS HAVE BEEN PLACED.

20 (IV) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
21 REGARDING VIDEO SURVEILLANCE REQUIREMENTS FOR AREAS WHERE
22 ORDERS ARE STORED, WEIGHED, PACKAGED, PREPARED, TAGGED,
23 TRANSPORTED, TRANSFERRED, AND DELIVERED.

24 (V) INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING
25 AND LABELING REQUIREMENTS REQUIRED BY THIS ARTICLE 43.3 OR RULES
26 PROMULGATED BY THE STATE LICENSING AUTHORITY APPLY TO THE
27 DELIVERY OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED

1 PRODUCTS TO REGISTERED PATIENTS OR TO THE PARENTS OR LEGAL
2 GUARDIANS OF REGISTERED PATIENTS.

3 (VI) A VEHICLE DELIVERING MEDICAL MARIJUANA AND MEDICAL
4 MARIJUANA-INFUSED PRODUCTS IS DEEMED AN EXTENSION OF THE
5 MEDICAL MARIJUANA CENTER'S LICENSED PREMISES AND IS THEREFORE
6 SUBJECT TO THE SAME OR SIMILAR REQUIREMENTS APPLIED TO A MEDICAL
7 MARIJUANA CENTER'S LICENSED PREMISES.

8 (i) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR
9 CRIMINAL LAW FOR A MEDICAL MARIJUANA CENTER WITH A VALID
10 DELIVERY PERMIT, OR ITS PERSONNEL OR A MEDICAL MARIJUANA
11 TRANSPORTER WITH A VALID DELIVERY PERMIT, OR ITS PERSONNEL WHO
12 ARE TRAINED IN ACCORDANCE WITH RULES ADOPTED PURSUANT TO THIS
13 SECTION, TO POSSESS, TRANSPORT, AND DELIVER MEDICAL MARIJUANA
14 AND MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO A DELIVERY
15 PERMIT IN AMOUNTS THAT DO NOT EXCEED AMOUNTS ESTABLISHED BY THE
16 STATE LICENSING AUTHORITY.

17 (j) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION,
18 DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
19 PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY
20 AND COUNTY THAT HAS PROHIBITED THE OPERATION OF MEDICAL
21 MARIJUANA CENTERS, OPTIONAL PREMISES CULTIVATION OPERATIONS,
22 AND MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURERS'
23 LICENSES IN ACCORDANCE WITH THE AUTHORITY GRANTED IN THIS
24 ARTICLE 43.3 UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY,
25 BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE
26 MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR
27 ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE

1 "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE
2 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF
3 TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE
4 GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND
5 COUNTY, VOTE TO ALLOW THE DELIVERY OF MEDICAL MARIJUANA OR
6 MEDICAL MARIJUANA-INFUSED PRODUCTS TO PRIVATE RESIDENCES
7 PURSUANT TO THIS SECTION;

8 (k) (I) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING
9 DELIVERY PERMITS ON JULY 1, 2018.

10 (II) THIS SUBSECTION (10) IS REPEALED, EFFECTIVE JULY 1, 2020.

11 **SECTION 4.** In Colorado Revised Statutes, 12-43.3-406, **amend**

12 (1)(a) as follows:

13 **12-43.3-406. Medical marijuana transporter license.** (1) (a) A
14 medical marijuana transporter license may be issued to a person to
15 provide logistics, distribution, DELIVERY TO A PRIVATE RESIDENCE ON
16 BEHALF OF A MEDICAL MARIJUANA CENTER PURSUANT TO SECTION
17 12-43.3-402 (10), and storage of medical marijuana and medical
18 marijuana-infused products. Notwithstanding any other provisions of law,
19 a medical marijuana transporter license is valid for two years, but cannot
20 be transferred with a change of ownership. A licensed medical marijuana
21 transporter is responsible for the medical marijuana and medical
22 marijuana-infused products once it takes control of the product.

23 **SECTION 5.** In Colorado Revised Statutes, 12-43.4-202, **amend**
24 (3)(a) introductory portion and (3)(a)(XIX); and **add** (3)(a)(XXI) as
25 follows:

26 **12-43.4-202. Powers and duties of state licensing authority -**
27 **rules.** (3) (a) Rules promulgated pursuant to paragraph (b) of subsection

1 (2) SUBSECTION (2)(b) of this section must include, but need not be
2 limited to, the following subjects:

3 (XIX) Nonescorted visitors in limited access areas; and

4 (XXI) ONE-TIME TRANSFERS OF RETAIL MARIJUANA OR RETAIL
5 MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA LICENSEE TO A
6 MEDICAL MARIJUANA LICENSEE PURSUANT TO SECTION 12-43.4-401 (5).

7 **SECTION 6.** In Colorado Revised Statutes, 12-43.4-401, **add** (5)
8 as follows:

9 **12-43.4-401. Classes of licenses.** (5) (a) A RETAIL MARIJUANA
10 LICENSEE IN GOOD STANDING MAY COMPLETE A ONE-TIME TRANSFER OF
11 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO A MEDICAL
12 MARIJUANA LICENSEE OR LICENSEES IN GOOD STANDING BASED ON ONE OF
13 THE FOLLOWING DEMONSTRATED BUSINESS NEEDS:

14 (I) LOSS OR THREATENED LOSS OF A RETAIL MARIJUANA LICENSE
15 NOT ASSOCIATED WITH WRONGDOING BY THE RETAIL MARIJUANA
16 LICENSEE;

17 (II) INABILITY TO OPERATE A RETAIL MARIJUANA FACILITY DUE TO
18 LOCAL, REGIONAL, STATE, OR NATIONAL LAW ENFORCEMENT ACTIVITY
19 NOT ASSOCIATED WITH A LICENSEE'S VIOLATION OF STATE OR LOCAL LAW;

20 OR

21 (III) ANOTHER COMPELLING BUSINESS NEED UNRELATED TO A
22 LICENSEE'S VIOLATION OF STATE OR LOCAL LAW, AS DETERMINED BY THE
23 STATE LICENSING AUTHORITY.

24 (b) IF GRANTED, THE TRANSFER AUTHORIZED BY THIS SUBSECTION
25 (5) MUST BE COMPLETED WITHIN SIX MONTHS OF THE DATE THE TRANSFER
26 WAS APPROVED.

27 **SECTION 7.** In Colorado Revised Statutes, 39-28.8-101, **amend**

1 the introductory portion and (1); and add (1.5) and (2.5) as follows:

2 **39-28.8-101. Definitions.** Unless the context otherwise requires,
3 any terms not defined in this article shall ARTICLE 28.8 have the meanings
4 set forth in article 26 of this title TITLE 39. As used in this article ARTICLE
5 28.8, unless the context otherwise requires:

6 (1) "Average market rate" means the average price, as determined
7 by the department on a biannual basis in six-month intervals, of all
8 unprocessed retail marijuana that is sold or transferred from retail
9 marijuana cultivation facilities in the state to retail marijuana product
10 manufacturing facilities, retail marijuana stores, or other retail marijuana
11 cultivation facilities. An "average market rate" may be based on the
12 purchaser or transferee of unprocessed retail marijuana or on the nature
13 of the unprocessed retail marijuana that is sold or transferred "AFFILIATED
14 MARIJUANA BUSINESS LICENSEES" MEANS MARIJUANA BUSINESS LICENSEES
15 THAT ARE OWNED OR CONTROLLED BY THE SAME OR RELATED INTERESTS,
16 WHERE "RELATED INTERESTS" INCLUDES INDIVIDUALS WHO ARE RELATED
17 BY BLOOD OR MARRIAGE OR ENTITIES THAT ARE DIRECTLY OR INDIRECTLY
18 CONTROLLED BY AN ENTITY OR INDIVIDUAL OR RELATED INDIVIDUALS.

19 (1.5) "AVERAGE MARKET RATE" MEANS THE AVERAGE PRICE, AS
20 DETERMINED BY THE DEPARTMENT ON A QUARTERLY BASIS, OF ALL
21 UNPROCESSED RETAIL MARIJUANA THAT IS SOLD OR TRANSFERRED FROM
22 RETAIL MARIJUANA CULTIVATION FACILITIES IN THE STATE TO RETAIL
23 MARIJUANA PRODUCT MANUFACTURING FACILITIES, RETAIL MARIJUANA
24 STORES, OR OTHER RETAIL MARIJUANA CULTIVATION FACILITIES, LESS
25 TAXES PAID ON THE SALES OR TRANSFERS. AN "AVERAGE MARKET RATE"
26 MAY BE BASED ON THE PURCHASER OR TRANSFEREE OF UNPROCESSED
27 RETAIL MARIJUANA OR ON THE NATURE OF THE UNPROCESSED RETAIL

1 MARIJUANA THAT IS SOLD OR TRANSFERRED. THE "AVERAGE MARKET
2 RATE" MUST INCLUDE A TIER THAT COVERS UNPROCESSED MARIJUANA
3 THAT IS ALLOCATED TO EXTRACTIONS, AND THE RATE FOR THAT TIER MUST
4 BE LOWER THAN THE RATE FOR UNPROCESSED MARIJUANA THAT IS
5 ALLOCATED FOR DIRECT SALE TO CONSUMERS.

6 (2.5) "CONTRACT PRICE" MEANS THE INVOICE PRICE CHARGED BY
7 A RETAIL MARIJUANA CULTIVATION FACILITY TO EACH LICENSED
8 PURCHASER FOR EACH SALE OR TRANSFER OF UNPROCESSED RETAIL
9 MARIJUANA, EXCLUSIVE OF ANY TAX THAT IS INCLUDED IN THE WRITTEN
10 INVOICE PRICE, AND EXCLUSIVE OF ANY DISCOUNT OR OTHER REDUCTION.
11 IN THE CASE OF MULTIPLE INVOICES REFLECTING MULTIPLE PRICES FOR THE
12 SAME TRANSACTION, "CONTRACT PRICE" IS THE HIGHEST SUCH PRICE.

13 **SECTION 8.** In Colorado Revised Statutes, 39-28.8-302, **amend**
14 **(1)(a)(I)** as follows:

15 **39-28.8-302. Retail marijuana - excise tax levied at first**
16 **transfer from retail marijuana cultivation facility - tax rate.**

17 ~~(1) (a) (I) Beginning January 1, 2014, Except as otherwise provided in~~
18 ~~subparagraph (II) of this paragraph (a) and paragraph (b) of this~~
19 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, there is levied and
20 shall be collected, in addition to the sales tax imposed pursuant to part 1
21 of article 26 of this title TITLE 39 and part 2 of this article ARTICLE 28.8,
22 a tax on the first sale or transfer of unprocessed retail marijuana by a
23 retail marijuana cultivation facility, at a rate of fifteen percent of the
24 average market rate of the unprocessed retail marijuana IF THE
25 TRANSACTION IS BETWEEN AFFILIATED RETAIL MARIJUANA BUSINESS
26 LICENSEES. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b) OF
27 THIS SECTION, THERE IS LEVIED AND SHALL BE COLLECTED, IN ADDITION

1 TO THE SALES TAX IMPOSED PURSUANT TO PART 1 OF ARTICLE 26 OF THIS
2 TITLE 39 AND PART 2 OF THIS ARTICLE 28.8, A TAX ON THE FIRST SALE OR
3 TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA
4 CULTIVATION FACILITY, AT A RATE OF FIFTEEN PERCENT OF THE CONTRACT
5 PRICE FOR UNPROCESSED RETAIL MARIJUANA IF THE TRANSACTION IS
6 BETWEEN UNAFFILIATED RETAIL MARIJUANA BUSINESS LICENSEES. The tax
7 shall be imposed at the time when the retail marijuana cultivation facility
8 first sells or transfers unprocessed retail marijuana from the retail
9 marijuana cultivation facility to a retail marijuana product manufacturing
10 facility OR a retail marijuana store. ~~or another retail marijuana cultivation~~
11 facility.

12 **SECTION 9.** In Colorado Revised Statutes, 29-2-114, **amend**
13 **(1)(a) and (2)(a) as follows:**

14 **29-2-114. Retail marijuana excise tax - county - municipality**
15 **- election.** (1) (a) In addition to any sales tax imposed pursuant to section
16 29-2-103 and articles 26 and 28.8 of title 39, C.R.S., and in addition to
17 the excise tax imposed pursuant to article 28.8 of title 39, C.R.S., each
18 county in the state is authorized to levy, collect, and enforce a county
19 excise tax on the first sale or transfer of unprocessed retail marijuana by
20 a retail marijuana cultivation facility authorized by the county; except that
21 a county is not authorized to levy, collect, and enforce a county excise tax
22 on the first sale or transfer of unprocessed retail marijuana by a retail
23 marijuana cultivation facility pursuant to this subsection (1) within any
24 municipality that levies such an excise tax pursuant to subsection (2) of
25 this section. The tax shall be imposed at the time when the retail
26 marijuana cultivation facility first sells or transfers unprocessed retail
27 marijuana from the retail marijuana cultivation facility to a retail

1 marijuana product manufacturing facility OR a retail marijuana store. or
2 another retail marijuana cultivation facility. The tax rate imposed
3 pursuant to this paragraph (a) shall SUBSECTION (1)(a) MAY not exceed
4 five percent of the average market rate, as determined by the department
5 of revenue pursuant to section 39-28.8-101 (1), C.R.S., of the
6 unprocessed retail marijuana.

7 (2) (a) In addition to any sales tax imposed pursuant to section
8 29-2-102 and articles 26 and 28.8 of title 39, C.R.S., and in addition to
9 the excise tax imposed pursuant to article 28.8 of title 39, C.R.S., each
10 municipality in the state is authorized to levy, collect, and enforce a
11 municipal excise tax on the first sale or transfer of unprocessed retail
12 marijuana by a retail marijuana cultivation facility. The tax shall be
13 imposed at the time when the retail marijuana cultivation facility first
14 sells or transfers unprocessed retail marijuana from the retail marijuana
15 cultivation facility to a retail marijuana product manufacturing facility OR
16 a retail marijuana store. or another retail marijuana cultivation facility.
17 The tax rate imposed by any statutory municipality pursuant to this
18 paragraph (a) shall SUBSECTION (2)(a) MAY not exceed five percent of the
19 average market rate, as determined by the department of revenue pursuant
20 to section 39-28.8-101 (1), C.R.S., of the unprocessed retail marijuana.

21 **SECTION 10.** In Colorado Revised Statutes, 32-1-1004, amend
22 (10)(a) and (10)(b) as follows:

23 **32-1-1004. Metropolitan districts - additional powers and**
24 **duties.** (10) (a) In addition to the excise tax imposed pursuant to article
25 28.8 of title 39, C.R.S., a metropolitan district with boundaries entirely
26 within the unincorporated area of a county is authorized to levy, collect,
27 and enforce a metropolitan district excise tax on the first sale or transfer

1 of unprocessed retail marijuana by a retail marijuana cultivation facility.
2 The tax shall be imposed at the time when the retail marijuana cultivation
3 facility first sells or transfers unprocessed retail marijuana from the retail
4 marijuana cultivation facility to a retail marijuana product manufacturing
5 facility OR a retail marijuana store. ~~or another retail marijuana cultivation~~
6 facility.

7 (b) If the boundaries of a metropolitan district are within a county
8 that imposes an additional excise tax on the first sale or transfer of
9 unprocessed retail marijuana by a retail marijuana cultivation facility
10 pursuant to section 29-2-114, C.R.S., the excise tax rate imposed by the
11 metropolitan district pursuant to this subsection (10) shall not exceed such
12 tax rate imposed by the county. In no event shall the tax rate imposed
13 pursuant to this subsection (10) exceed five percent of the average market
14 rate, as determined by the department of revenue pursuant to section
15 39-28.8-101 (1), C.R.S., of the unprocessed retail marijuana.

16 **SECTION 11. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2018 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.