

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 17-1025.01 Thomas Morris x4218

SENATE BILL 17-275

SENATE SPONSORSHIP

Baumgardner and Jahn,

HOUSE SPONSORSHIP

Melton and Singer,

Senate Committees

Agriculture, Natural Resources, & Energy
Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MARIJUANA, AND, IN CONNECTION THEREWITH,**
102 **AUTHORIZING RESEARCH REGARDING THE SAFETY AND**
103 **EFFICACY OF MEDICAL MARIJUANA AND THE SAFE AND**
104 **EFFECTIVE USE OF PESTICIDES AND ESTABLISHING INTERIM**
105 **STANDARDS FOR THE USE OF PESTICIDES, AND, IN CONNECTION**
106 **THEREWITH, MAKING AN APPROPRIATION.**

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>.)

Section 1 of the bill directs the department of public health and

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.

SENATE
Amended 2nd Reading
May 8, 2017

environment to use marijuana taxes to make research grants regarding the medical efficacy of Colorado-grown strains of medical marijuana and requires the person appointed to the scientific advisory council who represents medical marijuana patient interests to have scientific expertise. **Sections 2 and 3** allow a licensed medical or retail marijuana facility to transfer marijuana to a research facility for purposes of the medical research.

Sections 2 and 3 also allow the use of medical or retail marijuana by a pesticide manufacturer in limited quantities as specified in rules promulgated by the state licensing authority that authorize a pesticide manufacturer to conduct research to establish safe and effective protocols for the use of pesticides on medical or retail marijuana.

Sections 4 and 5 allow medical and retail marijuana cultivators to use a pesticide in the cultivation and production of marijuana if the pesticide:

- ! Is exempt from registration pursuant to federal law; can be used on crop group 19, hops, or unspecified crops or plants; or has been listed by the Organic Materials Review Institute;
- ! Has affixed to it a label that allows the pesticide to be used at the intended site of application; and
- ! Has affixed to it a label that allows the pesticide to be used on crops and plants intended for human consumption.

Once the department has certified marijuana test laboratories, if a test result indicates the presence of unauthorized pesticides, the state licensing authority shall allow the licensee to provide a sample for further testing. If no further testing occurs or if the second test indicates the presence of unauthorized pesticides, the licensee shall destroy the product. In determining whether the marijuana is contaminated with pesticides, the state licensing authority shall reasonably consider:

- ! The analytical variability and sensitivity in testing results;
- ! How the marijuana was grown or produced;
- ! Whether the cultivator actually applied unauthorized pesticides; and
- ! Whether the amount of pesticide falls within a reasonable tolerance based on scientific research.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-1.5-106.5, **amend**

3 (5) as follows:

4 **25-1.5-106.5. Medical marijuana health research grant**

1 program. (5) Sources of marijuana. (a) The attorney general shall seek
2 authority from the federal government to permit Colorado institutions of
3 higher education to contract with the national institute of drug abuse to
4 cultivate marijuana and its component parts for use in research studies
5 funded pursuant to this section.

6 (b) A PERSON WHO HOLDS AN OPTIONAL PREMISES CULTIVATION
7 LICENSE OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
8 LICENSE ISSUED PURSUANT TO PART 4 OF ARTICLE 43.3 OF TITLE 12 OR A
9 RETAIL MARIJUANA CULTIVATION FACILITY LICENSE OR A RETAIL
10 MARIJUANA PRODUCTS MANUFACTURING LICENSE ISSUED PURSUANT TO
11 PART 4 OF ARTICLE 43.4 OF TITLE 12 MAY TRANSFER MARIJUANA TO A
12 MEDICAL RESEARCH FACILITY, INCLUDING AT AN INSTITUTION OF HIGHER
13 EDUCATION, FOR USE IN RESEARCH STUDIES FUNDED PURSUANT TO THIS
14 SECTION. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEDICAL
15 RESEARCH FACILITY AUTHORIZED PURSUANT TO THIS SECTION TO
16 CONDUCT MEDICAL RESEARCH REGARDING MARIJUANA IS EXEMPT FROM
17 ALL OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE
18 OF MARIJUANA; EXCEPT THAT THE FACILITY SHALL USE THE MARIJUANA
19 ONLY FOR THE MEDICAL RESEARCH AUTHORIZED PURSUANT TO THIS
20 SECTION; SHALL NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL
21 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT IN EXCESS OF THE
22 LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING
23 AUTHORITY; AND SHALL DESTROY ALL MARIJUANA REMAINING AFTER THE
24 RESEARCH HAS BEEN COMPLETED. FOR THE FISCAL YEARS BEGINNING ON
25 OR AFTER JULY 1, 2017, THE GENERAL ASSEMBLY MAY ANNUALLY
26 APPROPRIATE UP TO ONE PERCENT OF THE AVAILABLE MONEY IN THE
27 MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501 TO THE

1 DEPARTMENT TO BE USED TO AWARD GRANTS PURSUANT TO THIS SECTION
2 TO MEDICAL RESEARCH FACILITIES SO THAT A FACILITY MAY:

3 (I) PURCHASE MARIJUANA FROM A LICENSEE SPECIFIED IN THIS
4 SUBSECTION (5)(b) THAT WILL BE USED IN THE RESEARCH; AND

5 (II) CONDUCT THE MEDICAL RESEARCH.

6 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-202, **amend**
7 **(1)(h); and add (2.5)(a)(I)(G)** as follows:

8 **12-43.3-202. Powers and duties of state licensing authority -**
9 **rules.** (1) The state licensing authority shall:

10 (h) Develop and maintain a seed-to-sale tracking system that
11 tracks medical marijuana from either the seed or immature plant stage
12 until the medical marijuana or medical marijuana-infused product is sold
13 to a customer at a medical marijuana center to ensure that no medical
14 marijuana grown or processed by a medical marijuana establishment is
15 sold or otherwise transferred except by a medical marijuana center;
16 EXCEPT THAT THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
17 PRODUCT IS NO LONGER SUBJECT TO THE TRACKING SYSTEM ONCE THE
18 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT HAS
19 BEEN:

20 (I) TRANSFERRED TO A MEDICAL RESEARCH FACILITY PURSUANT
21 TO SECTION 25-1.5-106.5 (5)(b); OR

22 (II) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES
23 THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
24 LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF
25 PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST
26 DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
27 RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO

1 CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
2 THE USE OF PESTICIDES ON MEDICAL MARIJUANA. NOTWITHSTANDING ANY
3 OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
4 PURSUANT TO THIS SUBSECTION (1)(h)(II) TO CONDUCT PESTICIDE
5 RESEARCH REGARDING MARIJUANA MUST BE LOCATED IN COLORADO,
6 MUST CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL
7 OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF
8 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT; EXCEPT
9 THAT THE MANUFACTURER SHALL:

10 (A) NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL
11 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT IN EXCESS OF THE
12 LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING
13 AUTHORITY;

14 (B) USE THE MEDICAL MARIJUANA AND MEDICAL
15 MARIJUANA-INFUSED PRODUCT ONLY FOR THE PESTICIDE RESEARCH
16 AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(h)(II);

17 (C) DESTROY, IN COMPLIANCE WITH RULES PROMULGATED BY THE
18 STATE LICENSING AUTHORITY, ALL MEDICAL MARIJUANA AND MEDICAL
19 MARIJUANA-INFUSED PRODUCT REMAINING AFTER THE RESEARCH HAS
20 BEEN COMPLETED; AND

21 (D) NOT APPLY PESTICIDES FOR RESEARCH PURPOSES ON THE
22 LICENSED PREMISES OF A MEDICAL MARIJUANA BUSINESS.

23 (2.5) (a) Rules promulgated pursuant to paragraph (b) of
24 subsection (1) of this section must include, but need not be limited to, the
25 following subjects:

26 (I) (G) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT
27 EMPLOY OR USE THE RESULTS OF ANY TEST OF MEDICAL MARIJUANA OR

1 MEDICAL MARIJUANA-INFUSED PRODUCTS CONDUCTED BY AN ANALYTICAL
2 LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION
3 (2.5)(a)(I) FOR THE PARTICULAR TESTING CATEGORY AND ACCREDITED TO
4 THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION /
5 INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005
6 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD
7 OF TESTING.

8 **SECTION 3.** In Colorado Revised Statutes, 12-43.4-202, **amend**
9 **(1); and add (3)(a)(IV)(H)** as follows:

10 **12-43.4-202. Powers and duties of state licensing authority -**
11 **rules.** (1) TO ENSURE THAT NO MARIJUANA GROWN OR PROCESSED BY A
12 RETAIL MARIJUANA ESTABLISHMENT IS SOLD OR OTHERWISE TRANSFERRED
13 EXCEPT BY A RETAIL MARIJUANA STORE OR AS AUTHORIZED BY LAW, the
14 state licensing authority shall develop and maintain a seed-to-sale
15 tracking system that tracks retail marijuana from either seed or immature
16 plant stage until the marijuana or retail marijuana product is sold to a
17 customer at a retail marijuana store; to ensure that no marijuana grown or
18 processed by a retail marijuana establishment is sold or otherwise
19 transferred except by a retail marijuana store EXCEPT THAT RETAIL
20 MARIJUANA IS NO LONGER SUBJECT TO THE TRACKING SYSTEM ONCE THE
21 RETAIL MARIJUANA HAS BEEN:

22 (a) TRANSFERRED TO A MEDICAL RESEARCH FACILITY PURSUANT
23 TO SECTION 25-1.5-106.5 (5)(b); OR

24 (b) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES
25 THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
26 LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF
27 PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST

1 DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
2 RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO
3 CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
4 THE USE OF PESTICIDES ON RETAIL MARIJUANA. NOTWITHSTANDING ANY
5 OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
6 PURSUANT TO THIS SUBSECTION (1)(b) TO CONDUCT PESTICIDE RESEARCH
7 REGARDING RETAIL MARIJUANA MUST BE LOCATED IN COLORADO, MUST
8 CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL
9 OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF
10 RETAIL MARIJUANA; EXCEPT THAT THE MANUFACTURER SHALL:

11 (I) NOT POSSESS AT ANY TIME A QUANTITY OF RETAIL MARIJUANA
12 IN EXCESS OF THE LIMIT ESTABLISHED IN RULES PROMULGATED BY THE
13 STATE LICENSING AUTHORITY;

14 (II) USE THE RETAIL MARIJUANA ONLY FOR THE PESTICIDE
15 RESEARCH AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(b);

16 (III) DESTROY, IN COMPLIANCE WITH RULES PROMULGATED BY THE
17 STATE LICENSING AUTHORITY, ALL RETAIL MARIJUANA REMAINING AFTER
18 THE RESEARCH HAS BEEN COMPLETED; AND

19 (IV) NOT APPLY PESTICIDES FOR RESEARCH PURPOSES ON THE
20 LICENSED PREMISES OF A RETAIL MARIJUANA ESTABLISHMENT.

21 (3) (a) Rules promulgated pursuant to paragraph (b) of subsection
22 (2) of this section must include, but need not be limited to, the following
23 subjects:

24 (IV) (H) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT
25 EMPLOY OR USE THE RESULTS OF ANY TEST OF MARIJUANA OR MARIJUANA
26 PRODUCTS CONDUCTED BY AN ANALYTICAL LABORATORY THAT IS NOT
27 CERTIFIED PURSUANT TO THIS SUBSECTION (3)(a)(IV) FOR THE

1 PARTICULAR TESTING CATEGORY AND ACCREDITED TO THE
2 INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL
3 ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY
4 SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD OF TESTING.

5
6 **SECTION 4. Appropriation.** (1) For the 2017-18 state fiscal
7 year, \$62,210 is appropriated to the department of revenue. This
8 appropriation is from the marijuana cash fund created in section
9 12-43.3-501(1)(a), C.R.S. To implement this act, the department may use
10 this appropriation as follows:

- 11 (a) \$43,200 for marijuana enforcement; and
- 12 (b) \$19,010 for the purchase of legal services.

13 (2) For the 2017-18 state fiscal year, \$19,010 is appropriated to
14 the department of law. This appropriation is from reappropriated funds
15 received from the department of revenue under subsection (1)(b) of this
16 section and is based on an assumption that the department of law will
17 require an additional 0.1 FTE. To implement this act, the department of
18 law may use this appropriation to provide legal services for the
19 department of revenue.

20 **SECTION 5. Act subject to petition - effective date -**
21 **applicability.** (1) This act takes effect January 1, 2018; except that, if
22 a referendum petition is filed pursuant to section 1 (3) of article V of the
23 state constitution against this act or an item, section, or part of this act
24 within the ninety-day period after final adjournment of the general
25 assembly, then the act, item, section, or part will not take effect unless
26 approved by the people at the general election to be held in November
27 2018 and, in such case, will take effect on January 1, 2018, or on the date

1 of the official declaration of the vote thereon by the governor, whichever
2 is later.

3 (2) This act applies to conduct occurring on or after the applicable
4 effective date of this act.