A BILL FOR AN ACT

CONCERNING MARIJUANA, AND, IN CONNECTION THEREWITH,

AUTHORIZING RESEARCH REGARDING THE SAFETY AND EFFICACY OF MEDICAL MARIJUANA AND THE SAFE AND EFFECTIVE USE OF PESTICIDES AND ESTABLISHING INTERIM STANDARDS FOR THE USE OF PESTICIDES, AND, IN CONNECTION 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
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.

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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 (5) as follows:

3. **25-1.5-106.5. Medical marijuana health research grant**
program. (5) Sources of marijuana. (a) The attorney general shall seek authority from the federal government to permit Colorado institutions of higher education to contract with the national institute of drug abuse to cultivate marijuana and its component parts for use in research studies funded pursuant to this section.

(b) A person who holds an optional premises cultivation license or medical marijuana-infused products manufacturing license issued pursuant to part 4 of article 43.3 of title 12 or a retail marijuana cultivation facility license or a retail marijuana products manufacturing license issued pursuant to part 4 of article 43.4 of title 12 may transfer marijuana to a medical research facility, including at an institution of higher education, for use in research studies funded pursuant to this section, notwithstanding any other provision of law, a medical research facility authorized pursuant to this section to conduct medical research regarding marijuana is exempt from all otherwise applicable restrictions on the possession and use of marijuana; except that the facility shall use the marijuana only for the medical research authorized pursuant to this section; shall not possess at any time a quantity of medical marijuana or medical marijuana-infused product in excess of the limit established in rules promulgated by the state licensing authority; and shall destroy all marijuana remaining after the research has been completed. For the fiscal years beginning on or after July 1, 2017, the general assembly may annually appropriate up to one percent of the available money in the marijuana tax cash fund created in section 39-28.8-501 to the
DEPARTMENT TO BE USED TO AWARD GRANTS PURSUANT TO THIS SECTION
TO MEDICAL RESEARCH FACILITIES SO THAT A FACILITY MAY:

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

(II) CONDUCT THE MEDICAL RESEARCH.

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

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

(h) Develop and maintain a seed-to-sale tracking system that
tracks medical marijuana from either the seed or immature plant stage
until the medical marijuana or medical marijuana-infused product is sold
to a customer at a medical marijuana center to ensure that no medical
marijuana grown or processed by a medical marijuana establishment is
sold or otherwise transferred except by a medical marijuana center;

EXCEPT THAT THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
PRODUCT IS NO LONGER SUBJECT TO THE TRACKING SYSTEM ONCE THE
MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT HAS
BEEN:

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

(II) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES
THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF
PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST
DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO
CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
THE USE OF PESTICIDES ON MEDICAL MARIJUANA. NOTWITHSTANDING ANY
OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
Pursuant to this subsection (1)(h)(II) to conduct pesticide
research regarding marijuana must be located in Colorado,
must conduct the research in Colorado, and is exempt from all
otherwise applicable restrictions on the possession and use of
medical marijuana or medical marijuana-infused product; except
that the manufacturer shall:

(A) Not possess at any time a quantity of medical
marijuana or medical marijuana-infused product in excess of the
limit established in rules promulgated by the state licensing
authority;

(B) Use the medical marijuana and medical
marijuana-infused product only for the pesticide research
authorized pursuant to this subsection (1)(h)(II);

(C) Destroy, in compliance with rules promulgated by the
state licensing authority, all medical marijuana and medical
marijuana-infused product remaining after the research has
been completed; and

(D) Not apply pesticides for research purposes on the
licensed premises of a medical marijuana business.

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

(I) (G) A state, local, or municipal agency shall not
employ or use the results of any test of medical marijuana or
MEDICAL MARIJUANA-INFUSED PRODUCTS CONDUCTED BY AN ANALYTICAL LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION (2.5)(a)(I) FOR THE PARTICULAR TESTING CATEGORY AND ACCREDITED TO THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION / INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDEDING STANDARD, IN THAT FIELD OF TESTING.

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

12-43.4-202. Powers and duties of state licensing authority - rules. (1) To ensure that no marijuana grown or processed by a retail marijuana establishment is sold or otherwise transferred except by a retail marijuana store or as authorized by law, the state licensing authority shall develop and maintain a seed-to-sale tracking system that tracks retail marijuana from either seed or immature plant stage until the marijuana or retail marijuana product is sold to a customer at a retail marijuana store; to ensure that no marijuana grown or processed by a retail marijuana establishment is sold or otherwise transferred except by a retail marijuana store except that retail marijuana is no longer subject to the tracking system once the retail marijuana has been:

(a) transferred to a medical research facility pursuant to section 25-1.5-106.5 (5)(b); or

(b) transferred to a pesticide manufacturer in quantities that are limited as specified in rules promulgated by the state licensing authority, in consultation with the departments of public health and environment and agriculture. The rules must
DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR THE USE OF PESTICIDES ON RETAIL MARIJUANA. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(b) TO CONDUCT PESTICIDE RESEARCH REGARDING RETAIL MARIJUANA MUST BE LOCATED IN COLORADO, MUST CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF RETAIL MARIJUANA; EXCEPT THAT THE MANUFACTURER SHALL:

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

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

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

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

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

(IV) (H) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY OR USE THE RESULTS OF ANY TEST OF MARIJUANA OR MARIJUANA PRODUCTS CONDUCTED BY AN ANALYTICAL LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION (3)(a)(IV) FOR THE
PARTICULAR TESTING CATEGORY AND ACCREDITED TO THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDED STANDARD, IN THAT FIELD OF TESTING.

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

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

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

SECTION 5. Act subject to petition - effective date - applicability. (1) This act takes effect January 1, 2018; except 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 the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on January 1, 2018, or on the date
of the official declaration of the vote thereon by the governor, whichever is later.

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