

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-1033.01 Michael Dohr x4347

HOUSE BILL 18-1280

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HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

(None),

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House Committees

Finance

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING REGULATORY PROCEDURES RELATED TO THE  
102 APPOINTMENT OF A COURT APPOINTEE FOR A REGULATED  
103 MARIJUANA BUSINESS.

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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>.)*

Under current law, there are no provisions that specifically address what happens to a regulated marijuana business when a representative is appointed for the business. The bill requires a potential appointee to certify to the court prior to the appointment that he or she is suitable to hold a marijuana business license. After the appointment, the appointee

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

shall apply to the state licensing authority for a finding of suitability. The state licensing authority must provide the appointee with a temporary appointee registration after receiving notification of the initial appointment. The bill gives the state licensing authority rule-making authority regarding temporary appointee registrations.

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

2           **SECTION 1.** In Colorado Revised Statutes, 12-43.3-401, **add**  
3 (1.5) as follows:

4           **12-43.3-401. Classes of licenses.** (1.5) (a) PRIOR TO ACCEPTING  
5 A COURT APPOINTMENT AS A RECEIVER, PERSONAL REPRESENTATIVE,  
6 EXECUTOR, ADMINISTRATOR, GUARDIAN, CONSERVATOR, TRUSTEE, OR  
7 ANY OTHER SIMILARLY SITUATED PERSON TO TAKE POSSESSION OF,  
8 OPERATE, MANAGE, OR CONTROL A LICENSED MEDICAL MARIJUANA  
9 BUSINESS, THE PROPOSED APPOINTEE SHALL CERTIFY TO THE COURT THAT  
10 THE PROPOSED APPOINTEE IS NOT PROHIBITED FROM BEING ISSUED A  
11 MEDICAL MARIJUANA LICENSE PURSUANT TO SECTION 12-43.3-307 (1).  
12 WITHIN THE TIME FRAME ESTABLISHED BY RULES PROMULGATED BY THE  
13 STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-202  
14 (2)(a)(XXIII), AN APPOINTEE SHALL NOTIFY THE STATE AND LOCAL  
15 LICENSING AUTHORITIES OF THE APPOINTMENT AND SHALL APPLY TO THE  
16 STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY.

17           (b) UPON NOTIFICATION OF AN APPOINTMENT REQUIRED BY  
18 SUBSECTION (1.5)(a) OF THIS SECTION, THE STATE LICENSING AUTHORITY  
19 SHALL ISSUE A TEMPORARY APPOINTEE REGISTRATION TO THE APPOINTEE  
20 EFFECTIVE AS OF THE DATE OF THE APPOINTMENT. PURSUANT TO SECTIONS  
21 12-43.3-202 (1)(a), 12-43.3-601, AND 24-4-104, THE APPOINTEE'S  
22 TEMPORARY APPOINTEE REGISTRATION MAY BE SUSPENDED, REVOKED, OR  
23 SUBJECT TO OTHER SANCTION IF THE STATE LICENSING AUTHORITY FINDS

1 THE APPOINTEE TO BE UNSUITABLE OR IF THE APPOINTEE FAILS TO COMPLY  
2 WITH THIS ARTICLE 43.3 OR ARTICLE 43.4 OF THIS TITLE 12, THE RULES  
3 PROMULGATED PURSUANT THERETO, OR ANY ORDER OF THE STATE  
4 LICENSING AUTHORITY. IF AN APPOINTEE'S TEMPORARY APPOINTEE  
5 REGISTRATION IS SUSPENDED OR REVOKED, THE APPOINTEE SHALL  
6 IMMEDIATELY CEASE PERFORMING ALL ACTIVITIES FOR WHICH A LICENSE  
7 IS REQUIRED BY THIS ARTICLE 43.3. FOR PURPOSES OF SECTION  
8 12-43.3-601 (1), THE APPOINTEE IS DEEMED AN AGENT OF THE LICENSED  
9 MEDICAL MARIJUANA BUSINESS.

10 (c) THE APPOINTEE SHALL INFORM THE COURT OF ANY ACTION  
11 TAKEN AGAINST THE TEMPORARY APPOINTEE REGISTRATION BY THE STATE  
12 LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-601 OR 24-4-104  
13 WITHIN TWO BUSINESS DAYS OF ANY SUCH ACTION.

14 (d) UNLESS OTHERWISE PERMITTED BY THIS ARTICLE 43.3 AND  
15 RULES PROMULGATED PURSUANT TO THIS ARTICLE 43.3, A PERSON SHALL  
16 NOT TAKE POSSESSION OF, OPERATE, MANAGE, OR CONTROL A MEDICAL  
17 MARIJUANA BUSINESS ON BEHALF OF ANOTHER EXCEPT BY COURT  
18 APPOINTMENT AND IN ACCORDANCE WITH THIS SUBSECTION (1.5) AND  
19 RULES PROMULGATED PURSUANT THERETO.

20 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-202, **add**  
21 (2)(a)(XXIII) as follows:

22 **12-43.3-202. Powers and duties of state licensing authority -**  
23 **rules.** (2) (a) Rules promulgated pursuant to subsection (1)(b) of this  
24 section may include, but need not be limited to, the following subjects:

25 (XXIII) TEMPORARY APPOINTEE REGISTRATIONS ISSUED  
26 PURSUANT TO SECTION 12-43.3-401 (1.5), INCLUDING OCCUPATIONAL AND  
27 BUSINESS REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES;

1 NOTIFICATION REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL,  
2 SUSPENSION, AND REVOCATION OF A TEMPORARY APPOINTEE  
3 REGISTRATION; AND CONDITIONS OF REGISTRATION.

4 **SECTION 3.** In Colorado Revised Statutes, 12-43.4-401, **add**  
5 (1.5) as follows:

6 **12-43.4-401. Classes of licenses.** (1.5) (a) PRIOR TO ACCEPTING  
7 A COURT APPOINTMENT AS A RECEIVER, PERSONAL REPRESENTATIVE,  
8 EXECUTOR, ADMINISTRATOR, GUARDIAN, CONSERVATOR, TRUSTEE, OR  
9 ANY OTHER SIMILARLY SITUATED PERSON TO TAKE POSSESSION OF,  
10 OPERATE, MANAGE, OR CONTROL A LICENSED RETAIL MARIJUANA  
11 ESTABLISHMENT, THE PROPOSED APPOINTEE SHALL CERTIFY TO THE COURT  
12 THAT THE PROPOSED APPOINTEE IS NOT PROHIBITED FROM BEING ISSUED  
13 A RETAIL MARIJUANA LICENSE PURSUANT TO SECTION 12-43.4-306 (1).  
14 WITHIN THE TIME FRAME ESTABLISHED BY RULES PROMULGATED BY THE  
15 STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-202  
16 (3)(a)(XXI), AN APPOINTEE SHALL NOTIFY THE STATE AND LOCAL  
17 LICENSING AUTHORITIES OF THE APPOINTMENT AND SHALL APPLY TO THE  
18 STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY.

19 (b) UPON NOTIFICATION OF AN APPOINTMENT REQUIRED BY  
20 SUBSECTION (1.5)(a) OF THIS SECTION, THE STATE LICENSING AUTHORITY  
21 SHALL ISSUE A TEMPORARY APPOINTEE REGISTRATION TO THE APPOINTEE  
22 EFFECTIVE AS OF THE DATE OF THE APPOINTMENT. PURSUANT TO SECTIONS  
23 12-43.4-202 (2)(a), 12-43.4-601, AND 24-4-104, THE APPOINTEE'S  
24 TEMPORARY APPOINTEE REGISTRATION MAY BE SUSPENDED, REVOKED, OR  
25 SUBJECT TO OTHER SANCTION IF THE STATE LICENSING AUTHORITY FINDS  
26 THE APPOINTEE TO BE UNSUITABLE OR IF THE APPOINTEE FAILS TO COMPLY  
27 WITH THIS ARTICLE 43.4 OR ARTICLE 43.3 OF THIS TITLE 12, THE RULES

1 PROMULGATED PURSUANT THERETO, OR ANY ORDER OF THE STATE  
2 LICENSING AUTHORITY. IF AN APPOINTEE'S TEMPORARY APPOINTEE  
3 REGISTRATION IS SUSPENDED OR REVOKED, THE APPOINTEE SHALL  
4 IMMEDIATELY CEASE PERFORMING ALL ACTIVITIES FOR WHICH A LICENSE  
5 IS REQUIRED BY THIS ARTICLE 43.4. FOR PURPOSES OF SECTION  
6 12-43.4-601 (1), THE APPOINTEE IS DEEMED AN AGENT OF THE LICENSED  
7 RETAIL MARIJUANA ESTABLISHMENT.

8 (c) THE APPOINTEE SHALL INFORM THE COURT OF ANY ACTION  
9 TAKEN AGAINST THE TEMPORARY APPOINTEE REGISTRATION BY THE STATE  
10 LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-601 OR 24-4-104  
11 WITHIN TWO BUSINESS DAYS OF ANY SUCH ACTION.

12 (d) UNLESS OTHERWISE PERMITTED BY THIS ARTICLE 43.4 AND  
13 RULES PROMULGATED PURSUANT TO THIS ARTICLE 43.4, A PERSON SHALL  
14 NOT TAKE POSSESSION OF, OPERATE, MANAGE, OR CONTROL A RETAIL  
15 MARIJUANA ESTABLISHMENT ON BEHALF OF ANOTHER EXCEPT BY COURT  
16 APPOINTMENT AND IN ACCORDANCE WITH THIS SUBSECTION (1.5) AND  
17 RULES PROMULGATED PURSUANT THERETO.

18 **SECTION 4.** In Colorado Revised Statutes, 12-43.4-202, **amend**  
19 (3)(a)(XIX) and (3)(a)(XX); and **add** (3)(a)(XXI) as follows:

20 **12-43.4-202. Powers and duties of state licensing authority -**  
21 **rules.** (3) (a) Rules promulgated pursuant to subsection (2)(b) of this  
22 section must include, but need not be limited to, the following subjects:

23 (XIX) Nonescorted visitors in limited access areas; ~~and~~

24 (XX) The parameters and qualifications of an indirect beneficial  
25 interest owner and a qualified limited passive investor; AND

26 (XXI) TEMPORARY APPOINTEE REGISTRATIONS ISSUED PURSUANT  
27 TO SECTION 12-43.4-401 (1.5), INCLUDING OCCUPATIONAL AND BUSINESS

1 REGISTRATION REQUIREMENTS; APPLICATION TIME FRAMES; NOTIFICATION  
2 REQUIREMENTS; ISSUANCE, EXPIRATION, RENEWAL, SUSPENSION, AND  
3 REVOCATION OF A TEMPORARY APPOINTEE REGISTRATION; AND  
4 CONDITIONS OF REGISTRATION.

5 **SECTION 5. Safety clause.** The general assembly hereby finds,  
6 determines, and declares that this act is necessary for the immediate  
7 preservation of the public peace, health, and safety.