

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-1218.01 Michael Dohr x4347

HOUSE BILL 18-1389

HOUSE SPONSORSHIP

Gray and Van Winkle,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING AUTHORIZATION FOR ISSUANCE OF A CENTRALIZED
102 MARIJUANA DISTRIBUTION PERMIT.

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 creates a centralized distribution permit to an optional premises cultivation facility or retail marijuana cultivation facility authorizing temporary storage on its licensed premises of marijuana concentrate or marijuana products for the sole purpose of transfer to the permit holder's respective commonly owned medical marijuana centers or retail marijuana stores.

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.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-202, **add**
3 (2)(a)(XXIII) as follows:

4 **12-43.3-202. Powers and duties of state licensing authority -**
5 **rules.** (2) (a) Rules promulgated pursuant to subsection (1)(b) of this
6 section may include, but need not be limited to, the following subjects:

7 (XXIII) REQUIREMENTS FOR A CENTRALIZED DISTRIBUTION
8 PERMIT FOR OPTIONAL PREMISES CULTIVATION FACILITIES ISSUED
9 PURSUANT TO SECTION 12-43.3-403 (4), INCLUDING BUT NOT LIMITED TO
10 PERMIT APPLICATION REQUIREMENTS AND PRIVILEGES AND RESTRICTIONS
11 OF A CENTRALIZED DISTRIBUTION PERMIT.

12 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-403, **add** (4)
13 as follows:

14 **12-43.3-403. Optional premises cultivation license - definition.**

15 (4) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A CENTRALIZED
16 DISTRIBUTION PERMIT TO AN OPTIONAL PREMISES CULTIVATION FACILITY
17 AUTHORIZING TEMPORARY STORAGE ON ITS LICENSED PREMISES OF
18 MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA-INFUSED
19 PRODUCTS RECEIVED FROM A MEDICAL MARIJUANA-INFUSED PRODUCTS
20 MANUFACTURER FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT
21 HOLDER'S COMMONLY OWNED MEDICAL MARIJUANA CENTERS. AN
22 OPTIONAL PREMISES CULTIVATION FACILITY SHALL NOT STORE MEDICAL
23 MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA-INFUSED PRODUCTS
24 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT FOR MORE THAN
25 NINETY DAYS.

26 (b) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL NOT

1 ACCEPT ANY MEDICAL MARIJUANA CONCENTRATE OR MEDICAL
2 MARIJUANA-INFUSED PRODUCTS PURSUANT TO A CENTRALIZED
3 DISTRIBUTION PERMIT UNLESS THE MEDICAL MARIJUANA CONCENTRATE
4 AND MEDICAL MARIJUANA-INFUSED PRODUCTS ARE PACKAGED AND
5 LABELED FOR SALE TO A CONSUMER AS REQUIRED BY RULES
6 PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO
7 SECTION 12-43.3-202.

8 (c) ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
9 MARIJUANA-INFUSED PRODUCTS STORED AND PREPARED FOR TRANSPORT
10 ON AN OPTIONAL PREMISES CULTIVATION FACILITY'S LICENSED PREMISES
11 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE
12 TRANSFERRED TO AN OPTIONAL PREMISES CULTIVATION FACILITY
13 LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA CENTERS. ALL
14 TRANSFERS OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
15 MARIJUANA-INFUSED PRODUCTS BY AN OPTIONAL PREMISES CULTIVATION
16 FACILITY PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE
17 WITHOUT CONSIDERATION.

18 (d) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY
19 TO AN OPTIONAL PREMISES CULTIVATION FACILITY APPLY TO ACTIVITIES
20 CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED
21 DISTRIBUTION PERMIT.

22 (e) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL TRACK
23 ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
24 MARIJUANA-INFUSED PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED
25 DISTRIBUTION PERMIT IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE
26 POINT IT IS RECEIVED FROM A MEDICAL MARIJUANA-INFUSED PRODUCTS
27 MANUFACTURER TO THE POINT OF TRANSFER TO AN OPTIONAL PREMISES

1 CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED MEDICAL
2 MARIJUANA CENTERS.

3 (f) FOR PURPOSES OF THIS SECTION ONLY, "COMMONLY OWNED"
4 MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT LEAST
5 ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT OWNERSHIP IN
6 EACH LICENSE.

7 **SECTION 3.** In Colorado Revised Statutes, 12-43.4-202, **add**
8 (3)(a)(XXI) as follows:

9 **12-43.4-202. Powers and duties of state licensing authority -**
10 **rules.** (3) (a) Rules promulgated pursuant to subsection (2)(b) of this
11 section must include, but need not be limited to, the following subjects:

12 (XXI) REQUIREMENTS FOR A CENTRALIZED DISTRIBUTION PERMIT
13 FOR RETAIL MARIJUANA CULTIVATION FACILITIES ISSUED PURSUANT TO
14 SECTION 12-43.4-403 (7), INCLUDING BUT NOT LIMITED TO PERMIT
15 APPLICATION REQUIREMENTS AND PRIVILEGES AND RESTRICTIONS OF A
16 CENTRALIZED DISTRIBUTION PERMIT.

17 **SECTION 4.** In Colorado Revised Statutes, 12-43.4-403, **add** (7)
18 as follows:

19 **12-43.4-403. Retail marijuana cultivation facility license -**
20 **definition.** (7) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A
21 CENTRALIZED DISTRIBUTION PERMIT TO A RETAIL MARIJUANA
22 CULTIVATION FACILITY AUTHORIZING TEMPORARY STORAGE ON ITS
23 LICENSED PREMISES OF RETAIL MARIJUANA CONCENTRATE AND RETAIL
24 MARIJUANA PRODUCTS RECEIVED FROM A RETAIL MARIJUANA
25 ESTABLISHMENT FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT
26 HOLDER'S COMMONLY OWNED RETAIL MARIJUANA STORES. A RETAIL
27 MARIJUANA CULTIVATION FACILITY SHALL NOT STORE RETAIL MARIJUANA

1 CONCENTRATE OR RETAIL MARIJUANA PRODUCTS PURSUANT TO A
2 CENTRALIZED DISTRIBUTION PERMIT FOR MORE THAN NINETY DAYS.

3 (b) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL NOT
4 ACCEPT ANY RETAIL MARIJUANA CONCENTRATE OR RETAIL MARIJUANA
5 PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT UNLESS
6 THE RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS
7 ARE PACKAGED AND LABELED FOR SALE TO A CONSUMER AS REQUIRED BY
8 RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO
9 SECTION 12-43.4-202.

10 (c) ALL RETAIL MARIJUANA CONCENTRATE AND RETAIL
11 MARIJUANA PRODUCTS STORED AND PREPARED FOR TRANSPORT ON A
12 RETAIL MARIJUANA CULTIVATION FACILITY'S LICENSED PREMISES
13 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE
14 TRANSFERRED TO A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE'S
15 COMMONLY OWNED RETAIL MARIJUANA STORES. ALL TRANSFERS OF
16 RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS BY
17 A RETAIL MARIJUANA CULTIVATION FACILITY PURSUANT TO A
18 CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT CONSIDERATION.

19 (d) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY
20 TO A RETAIL MARIJUANA CULTIVATION FACILITY APPLY TO ACTIVITIES
21 CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED
22 DISTRIBUTION PERMIT.

23 (e) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL TRACK
24 ALL RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS
25 POSSESSED PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT IN THE
26 SEED-TO-SALE TRACKING SYSTEM FROM THE POINT IT IS RECEIVED FROM
27 A RETAIL MARIJUANA ESTABLISHMENT TO THE POINT OF TRANSFER TO A

1 RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED
2 RETAIL MARIJUANA STORES.

3 (f) FOR PURPOSES OF THIS SECTION ONLY, "COMMONLY OWNED"
4 MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT LEAST
5 ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT OWNERSHIP IN
6 EACH LICENSE.

7 **SECTION 5.** In Colorado Revised Statutes, 12-43.4-404, **amend**
8 (1)(b) as follows:

9 **12-43.4-404. Retail marijuana products manufacturing**
10 **license.** (1) (b) A retail marijuana products manufacturer may cultivate
11 its own retail marijuana if it obtains a retail marijuana cultivation facility
12 license, or it may purchase retail marijuana from a licensed retail
13 marijuana cultivation facility. A retail marijuana products manufacturer
14 shall track all of its retail marijuana from the point it is either transferred
15 from its retail marijuana cultivation facility or the point when it is
16 delivered to the retail marijuana products manufacturer from a licensed
17 retail marijuana cultivation facility to the point of transfer to a licensed
18 retail marijuana store, A LICENSED RETAIL MARIJUANA PRODUCTS
19 MANUFACTURER, A RETAIL MARIJUANA TESTING FACILITY, OR A LICENSED
20 RETAIL MARIJUANA CULTIVATION FACILITY WITH A CENTRALIZED
21 DISTRIBUTION PERMIT PURSUANT TO SECTION 12-43.4-403 (7).

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