A BILL FOR AN ACT

CONCERNING SOCIAL EQUITY LICENSEEES IN REGULATED MARIJUANA.

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.)

In the "Colorado Marijuana Code", the bill changes the term "accelerator licensee" to "social equity licensee" and alters the qualifications. A social equity licensee may participate in the accelerator program on the premises of a retail marijuana licensee whereby the social equity licensee receives assistance from an experienced retail marijuana licensee. The bill expands the accelerator program to include a retail marijuana store licensee. A retail marijuana licensee participating in the accelerator program and a social equity licensee may be entitled to
incentives from the department of revenue or the office of economic development and international trade.

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

SECTION 1. In Colorado Revised Statutes, 44-10-103, amend (1), (2), and (4); repeal (3); and add (4.5) and (68.5) as follows:

44-10-103. Definitions. As used in this article 10, unless the context otherwise requires:

1. "Accelerator cultivator" means a person SOCIAL EQUITY LICENSEE qualified for an accelerator license, licensed to cultivate TO PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA CULTIVATION FACILITY on the premises of a AN ACCELERATOR-ENDORSED retail marijuana cultivation facility licensee. and distribute retail marijuana to retail marijuana products manufacturers and retail marijuana stores.

2. "Accelerator-endorsed licensee" means a retail marijuana cultivation facility licensee, or retail marijuana products manufacturer licensee, OR RETAIL MARIJUANA STORE who has, pursuant to rule, been endorsed to host and offer technical and capital support to an accelerator licensee operating on its premises A SOCIAL EQUITY LICENSEE PURSUANT TO THE REQUIREMENTS OF THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10.

3. "Accelerator licensee" means a person who has resided in a census tract designated by the office of economic development and international trade as an opportunity zone for five of the ten years prior to application and has not been the beneficial owner of a license issued pursuant to this article 10.
(4) "Accelerator manufacturer" means a person SOCIAL EQUITY LICENSEE qualified for an accelerator license, licensed to manufacture and distribute retail marijuana concentrates and retail marijuana products TO PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA PRODUCTS MANUFACTURER on the premises of an accelerator-endorsed RETAIL MARIJUANA PRODUCTS manufacturing licensee.

(4.5) "ACCELERATOR STORE" MEANS A SOCIAL EQUITY LICENSEE QUALIFIED TO PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA STORE ON THE PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA STORE LICENSEE.

(68.5) "SOCIAL EQUITY LICENSEE" MEANS A NATURAL PERSON WHO MEETS THE CRITERIA ESTABLISHED PURSUANT TO SECTION 44-10-308 (4). A PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE MAY PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10 OR MAY HOLD A REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT ISSUED PURSUANT TO THIS ARTICLE 10.

SECTION 2. In Colorado Revised Statutes, 44-10-104, amend (2)(a) as follows:

44-10-104. Applicability - medical marijuana - retail marijuana. (2) (a) A person applying for licensure pursuant to this article 10 must complete forms as provided by the state licensing authority and must pay the application fee and the licensing fee, which must be credited to the marijuana cash fund established pursuant to
section 44-10-801. The state licensing authority shall forward, within seven days, one-half of the retail marijuana business license application fee to the local jurisdiction unless the APPLICATION IS FOR AN ACCELERATOR CULTIVATOR, ACCELERATOR MANUFACTURER, OR ACCELERATOR STORE LICENSE OR UNLESS THE local jurisdiction has prohibited the operation of retail marijuana businesses pursuant to section 16 (5)(f) of article XVIII of the state constitution. If the license is denied, the state licensing authority shall refund the licensing fee to the applicant.

SECTION 3. In Colorado Revised Statutes, 44-10-203, amend (1)(i), (1)(j), and (2)(aa); and add (1)(k) as follows:

44-10-203. State licensing authority - rules. (1) Permissive rule-making. Rules promulgated pursuant to section 44-10-202 (1)(c) may include but need not be limited to the following subjects:

(i) Marijuana research and development licenses, including application requirements; renewal requirements, including whether additional research projects may be added or considered; conditions for license revocation; security measures to ensure marijuana is not diverted to purposes other than research or diverted outside of the regulated marijuana market; the amount of plants, useable marijuana, marijuana concentrates, or marijuana products a licensee may have on its premises; licensee reporting requirements; the conditions under which marijuana possessed by medical marijuana licensees may be donated to marijuana research and development licensees or transferred to a nonmetric-based research facility; provisions to prevent contamination; requirements for destruction or transfer of marijuana after the research is concluded; and

(j) Such other matters as are necessary for the fair, impartial,
stringent, and comprehensive administration of this article 10: A
definition for "disproportionate impacted area" to the extent
relevant state of Colorado data exists, is available, and is used
for the purpose of determining eligibility for a social equity
licensee; and

(k) such other matters as are necessary for the fair,
impartial, stringent, and comprehensive administration of this
article 10.

(2) Mandatory rule-making. Rules promulgated pursuant to
section 44-10-202 (1)(c) must include but need not be limited to the
following subjects:

(aa) The implementation of an accelerator program including but
not limited to rules to establish severed liability requirements for
social equity licensees operating on the same physical licensed
premises or on separate premises possessed by an
accelerator-endorsed licensee. The state licensing authority's
rules establishing an accelerator program may include
requirements for severed custodianship of regulated marijuana
products, protections of the intellectual property of the accelerator's
a
social equity licensee, incentives for accelerator endorsed
licensees, endorsed as accelerators, and additional requirements if a
person applying for an accelerator endorsement has less than two years'
experience operating a licensed facility under this title 10 pursuant to
this article 10. An accelerator endorsed licensee is not required
to exercise the privileges of its license on the premises where a
social equity licensee operates. The state licensing authority's
implementation of an accelerator program is extended from

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JULY 1, 2020, TO JANUARY 1, 2021.

SECTION 4. In Colorado Revised Statutes, 44-10-307, amend (1)(g)(I) as follows:

44-10-307. Persons prohibited as licensees - definition. (1) A license provided by this article 10 shall not be issued to or held by:

(g)(I) A person who was convicted of a felony in the three years immediately preceding his or her application date or who is currently subject to a sentence for a felony conviction; except for an accelerator license a person applying to be a social equity licensee, a marijuana conviction is shall not be the sole basis for license denial; or

SECTION 5. In Colorado Revised Statutes, 44-10-308, add (4) and (5) as follows:

44-10-308. Business and owner requirements - legislative declaration - definition. (4) Effective January 1, 2021, a person who qualifies as a social equity licensee may apply for any regulated marijuana business license or permit, including but not limited to accelerator store, accelerator cultivator, and accelerator manufacturer licenses, issued pursuant to this article 10. A person qualifies as a social equity licensee if such person meets the following criteria, in addition to any criteria established by rule of the state licensing authority:

(a) Is a Colorado resident;

(b) Has not been the beneficial owner of a license subject to disciplinary or legal action from the state resulting in the revocation of a license issued pursuant to this article 10;

(c) Has demonstrated at least one of the following:

(I) The applicant has resided for at least fifteen years
BETWEEN THE YEARS 1980 AND 2010 IN A CENSUS TRACT DESIGNATED BY
THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE AS
AN OPPORTUNITY ZONE OR DESIGNATED AS A DISPROPORTIONATE
IMPACTED AREA AS DEFINED BY RULE PURSUANT TO SECTION 44-10-203
(1)(j);

(II) THE APPLICANT OR THE APPLICANT’S PARENT, LEGAL
GUARDIAN, SIBLING, SPOUSE, CHILD, OR MINOR IN THEIR GUARDIANSHIP
WAS ARRESTED FOR A MARIJUANA OFFENSE, CONVICTED OF A MARIJUANA
OFFENSE, OR WAS SUBJECT TO CIVIL ASSET FORFEITURE RELATED TO A
MARIJUANA INVESTIGATION; OR

(III) THE APPLICANT’S HOUSEHOLD INCOME IN THE YEAR PRIOR TO
APPLICATION DID NOT EXCEED AN AMOUNT DETERMINED BY RULE OF THE
STATE LICENSING AUTHORITY; AND

(d) THE SOCIAL EQUITY LICENSEE, OR COLLECTIVELY ONE OR MORE
SOCIAL EQUITY LICENSEES, HOLDS AT LEAST FIFTY-ONE PERCENT OF THE
BENEFICIAL OWNERSHIP OF THE REGULATED MARIJUANA BUSINESS
LICENSE.

(5) A PERSON WHO MEETS THE CRITERIA IN THIS SECTION FOR A
SOCIAL EQUITY LICENSEE, PURSUANT TO RULE AND AGENCY DISCRETION,
MAY BE ELIGIBLE FOR INCENTIVES AVAILABLE THROUGH THE DEPARTMENT
OF REVENUE OR OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL
TRADE, INCLUDING BUT NOT LIMITED TO A REDUCTION IN APPLICATION OR
LICENSE FEES.

SECTION 6. In Colorado Revised Statutes, 44-10-401, amend
(2)(b)(VII), (2)(b)(VIII), (2)(b)(IX), (2)(b)(X), and (6); and add
(2)(b)(XI) as follows:

44-10-401. Classes of licenses. (2) (b) The following are retail
marijuana licenses:

(VII) Retail marijuana Accelerator cultivator license;

(VIII) Retail marijuana Accelerator manufacturer license;

(IX) Marijuana hospitality business license; and

(X) Retail marijuana hospitality and sales business license; AND

(XI) ACCELERATOR STORE LICENSE.

(6) For a person applying for an accelerator license TO BE A SOCIAL EQUITY LICENSEE, the state licensing authority shall not deny an application on the sole basis of the prior marijuana conviction of the applicant and at its discretion may waive other requirements.

SECTION 7. In Colorado Revised Statutes, 44-10-601, add (14), (15), and (16) as follows:

44-10-601. Retail marijuana store license - rules - definitions.

(14) AN ACCELERATOR STORE LICENSEE MAY OPERATE ON THE PREMISES OF A RETAIL MARIJUANA STORE LICENSEE IF BEFORE EACH ACCELERATOR STORE LICENSEE OPERATES, THE RETAIL MARIJUANA STORE LICENSEE HAS ITS PREMISES ENDORSED PURSUANT TO RULE AND EACH ACCELERATOR STORE LICENSEE IS APPROVED TO OPERATE ON THAT PREMISES.

(15) A RETAIL MARIJUANA STORE LICENSEE THAT HOSTS AN ACCELERATOR STORE LICENSEE MAY, PURSUANT TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR STORE LICENSEE OPERATING ON ITS PREMISES. A RETAIL MARIJUANA STORE LICENSEE THAT HOSTS AN ACCELERATOR STORE LICENSEE MAY, PURSUANT TO RULE, PROVIDE CAPITAL ASSISTANCE TO AN ACCELERATOR STORE LICENSEE OPERATING ON ITS PREMISES.

(16) A RETAIL MARIJUANA STORE, PURSUANT TO RULE AND THE STATE LICENSING AUTHORITY DISCRETION, MAY BE ELIGIBLE FOR
SECTION 8. In Colorado Revised Statutes, 44-10-602, amend (9), (10), and (11) as follows:

44-10-602. Retail marijuana cultivation facility license - rules - definitions. (9) An accelerator cultivator licensee may operate on the premises of a retail marijuana cultivation facility licensee if before each accelerator cultivator licensee operates, the retail marijuana cultivation facility licensee has its premises endorsed pursuant to rule and each accelerator cultivator licensee is licensed approved to operate on that premises.

(10) A retail marijuana cultivation facility licensee that hosts an accelerator cultivator licensee may, pursuant to rule, provide technical and compliance assistance to an accelerator cultivator licensee operating on its premises. A retail marijuana products manufacturer licensee that hosts an accelerator cultivator licensee may, pursuant to rule, provide capital assistance to an accelerator cultivator licensee operating on its premises.

(11) A retail marijuana cultivation facility licensee that hosts an accelerator cultivator licensee, pursuant to rule and agency the state licensing authority discretion, may be eligible for reduction in license fees or other incentives available through the department of revenue or the office of economic development and international trade, including but not limited to a reduction in application or license fees.

SECTION 9. In Colorado Revised Statutes, 44-10-603, amend
(2)(c), (13), and (14) as follows:

44-10-603. Retail marijuana products manufacturer license - rules - definition. (2) Retail marijuana products must be prepared on a licensed premises that is used exclusively for the manufacture and preparation of retail marijuana or retail marijuana products and using equipment that is used exclusively for the manufacture and preparation of retail marijuana products; except that, if permitted by the local jurisdiction and subject to rules of the state licensing authority, a retail marijuana products manufacturer licensee may share the same premises as a:

(c) Accelerator manufacturer licensee if the retail marijuana products manufacturer has its premises endorsed pursuant to rule before each accelerator manufacturer licensee operates and each accelerator MANUFACTURER licensee is licensed approved to operate on that premises.

(13) A retail marijuana products manufacturer licensee that hosts an accelerator manufacturer licensee may, pursuant to rule, provide technical and compliance assistance to an accelerator MANUFACTURER licensee operating on its premises. A retail marijuana products manufacturer licensee that hosts an accelerator MANUFACTURER licensee may, pursuant to rule, provide capital assistance to an accelerator MANUFACTURER licensee operating on its premises.

(14) A retail marijuana products manufacturer licensee, pursuant to rule and agency THE STATE LICENSING AUTHORITY discretion, may be eligible for reduction in license fees and for grants INCENTIVES through THE DEPARTMENT OF REVENUE OR the office of economic development and international trade, INCLUDING BUT NOT LIMITED TO A REDUCTION IN
SECTION 10. In Colorado Revised Statutes, amend 44-10-607 as follows:

44-10-607. Retail marijuana accelerator cultivator license.

(1) A retail marijuana accelerator cultivator license may be issued to a person SOCIAL EQUITY LICENSEE to operate a cultivation operation on the site of a retail marijuana cultivation facility with an accelerator endorsement EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE ON THE PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA CULTIVATION FACILITY. The retail marijuana accelerator cultivator may receive technical assistance and financial support from the retail marijuana cultivation facility licensee with an accelerator endorsement.

(2) The state licensing authority shall begin accepting applications for retail marijuana accelerator cultivator licenses on July 1, 2020 January 1, 2021.

SECTION 11. In Colorado Revised Statutes, amend 44-10-608 as follows:

44-10-608. Retail marijuana accelerator manufacturer license.

(1) A retail marijuana accelerator manufacturer license may be issued to a person SOCIAL EQUITY LICENSEE to operate a retail marijuana products manufacturing operation on the site of a retail marijuana products manufacturing facility with an accelerator endorsement EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE ON THE PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA PRODUCTS MANUFACTURER. The retail marijuana accelerator manufacturer may receive technical assistance and financial support from
the retail marijuana products manufacturer with an accelerator endorsement.

(2) The state licensing authority shall begin accepting applications for retail marijuana accelerator manufacturer licenses on July 1, 2020.

JANUARY 1, 2021.

SECTION 12. In Colorado Revised Statutes, add 44-10-611 as follows:

44-10-611. Retail marijuana accelerator store license. (1) A RETAIL MARIJUANA ACCELERATOR STORE LICENSE MAY BE ISSUED TO A SOCIAL EQUITY LICENSEE TO EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA STORE LICENSEE ON THE PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA STORE. THE RETAIL MARIJUANA ACCELERATOR STORE MAY RECEIVE TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT FROM THE RETAIL MARIJUANA STORE WITH AN ACCELERATOR ENDORSEMENT.

(2) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING APPLICATIONS FOR RETAIL MARIJUANA ACCELERATOR STORE LICENSES ON JANUARY 1, 2021.

SECTION 13. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; 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 such period, 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 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.