

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REENGROSSED

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

LLS NO. 20-1320.02 Jerry Barry x4341

HOUSE BILL 20-1424

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A BILL FOR AN ACT

101 **CONCERNING SOCIAL EQUITY LICENSEES 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

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.

HOUSE
3rd Reading Unamended
June 11, 2020

HOUSE
2nd Reading Unamended
June 10, 2020

incentives from the department of revenue or the office of economic development and international trade.

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

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

4 **44-10-103. Definitions.** As used in this article 10, unless the
5 context otherwise requires:

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

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

21 (3) "Accelerator licensee" means a person who has resided in a
22 census tract designated by the office of economic development and
23 international trade as an opportunity zone for five of the ten years prior
24 to application and has not been the beneficial owner of a license issued
25 pursuant to this article 10.

1 (4) "Accelerator manufacturer" means a ~~person~~ SOCIAL EQUITY
2 LICENSEE qualified ~~for an accelerator license, licensed to manufacture and~~
3 ~~distribute retail marijuana concentrates and retail marijuana products~~ TO
4 PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO
5 THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO EXERCISE THE
6 PRIVILEGES OF A RETAIL MARIJUANA PRODUCTS MANUFACTURER on the
7 premises of an accelerator-endorsed RETAIL MARIJUANA PRODUCTS
8 manufacturing licensee.

9 (4.5) "ACCELERATOR STORE" MEANS A SOCIAL EQUITY LICENSEE
10 QUALIFIED TO PARTICIPATE IN THE ACCELERATOR PROGRAM ESTABLISHED
11 PURSUANT TO THIS ARTICLE 10 AND AUTHORIZED PURSUANT TO RULE TO
12 EXERCISE THE PRIVILEGES OF A RETAIL MARIJUANA STORE ON THE
13 PREMISES OF AN ACCELERATOR-ENDORSED RETAIL MARIJUANA STORE
14 LICENSEE.

15 (68.5) "SOCIAL EQUITY LICENSEE" MEANS A NATURAL PERSON WHO
16 MEETS THE CRITERIA ESTABLISHED PURSUANT TO SECTION 44-10-308 (4).
17 A PERSON QUALIFIED AS A SOCIAL EQUITY LICENSEE MAY PARTICIPATE IN
18 THE ACCELERATOR PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE 10
19 OR MAY HOLD A REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT
20 ISSUED PURSUANT TO THIS ARTICLE 10.

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

23 **44-10-104. Applicability - medical marijuana - retail**
24 **marijuana.** (2) (a) A person applying for licensure pursuant to this
25 article 10 must complete forms as provided by the state licensing
26 authority and must pay the application fee and the licensing fee, which
27 must be credited to the marijuana cash fund established pursuant to

1 section 44-10-801. The state licensing authority shall forward, within
2 seven days, one-half of the retail marijuana business license application
3 fee to the local jurisdiction unless the APPLICATION IS FOR AN
4 ACCELERATOR CULTIVATOR, ACCELERATOR MANUFACTURER, OR
5 ACCELERATOR STORE LICENSE OR UNLESS THE local jurisdiction has
6 prohibited the operation of retail marijuana businesses pursuant to section
7 16 (5)(f) of article XVIII of the state constitution. If the license is denied,
8 the state licensing authority shall refund the licensing fee to the applicant.

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

11 **44-10-203. State licensing authority - rules. (1) Permissive**
12 **rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c)
13 may include but need not be limited to the following subjects:

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

27 (j) ~~Such other matters as are necessary for the fair, impartial,~~

1 ~~stringent, and comprehensive administration of this article 10.~~ A
2 DEFINITION FOR "DISPROPORTIONATE IMPACTED AREA" TO THE EXTENT
3 RELEVANT STATE OF COLORADO DATA EXISTS, IS AVAILABLE, AND IS USED
4 FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR A SOCIAL EQUITY
5 LICENSEE; AND

6 (k) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,
7 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS
8 ARTICLE 10.

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

12 (aa) The implementation of an accelerator program including but
13 not limited to rules to establish ~~severed liability~~ REQUIREMENTS for
14 SOCIAL EQUITY licensees operating on the same ~~physical~~ LICENSED
15 premises OR ON SEPARATE PREMISES POSSESSED BY AN
16 ACCELERATOR-ENDORSED LICENSEE. THE STATE LICENSING AUTHORITY'S
17 RULES ESTABLISHING AN ACCELERATOR PROGRAM MAY INCLUDE
18 REQUIREMENTS FOR severed custodianship of regulated MARIJUANA
19 products, protections of the intellectual property of ~~the accelerator~~ A
20 SOCIAL EQUITY licensee, incentives for ACCELERATOR ENDORSED
21 licensees, ~~endorsed as accelerators~~, and additional requirements if a
22 person applying for an accelerator endorsement has less than two years'
23 experience operating a licensed facility ~~under this title 10~~ PURSUANT TO
24 THIS ARTICLE 10. AN ACCELERATOR ENDORSED LICENSEE IS NOT REQUIRED
25 TO EXERCISE THE PRIVILEGES OF ITS LICENSE ON THE PREMISES WHERE A
26 SOCIAL EQUITY LICENSEE OPERATES. THE STATE LICENSING AUTHORITY'S
27 IMPLEMENTATION OF AN ACCELERATOR PROGRAM IS EXTENDED FROM

1 JULY 1, 2020, TO JANUARY 1, 2021.

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

4 **44-10-307. Persons prohibited as licensees - definition.** (1) A
5 license provided by this article 10 shall not be issued to or held by:

6 (g) (I) A person who was convicted of a felony in the three years
7 immediately preceding his or her application date or who is currently
8 subject to a sentence for a felony conviction; except for ~~an accelerator~~
9 ~~license~~ A PERSON APPLYING TO BE A SOCIAL EQUITY LICENSEE, a marijuana
10 conviction ~~is~~ SHALL not BE the sole basis for license denial; or

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

13 **44-10-308. Business and owner requirements - legislative**
14 **declaration - definition.** (4) EFFECTIVE JANUARY 1, 2021, A PERSON
15 WHO QUALIFIES AS A SOCIAL EQUITY LICENSEE MAY APPLY FOR ANY
16 REGULATED MARIJUANA BUSINESS LICENSE OR PERMIT, INCLUDING BUT
17 NOT LIMITED TO ACCELERATOR STORE, ACCELERATOR CULTIVATOR, AND
18 ACCELERATOR MANUFACTURER LICENSES, ISSUED PURSUANT TO THIS
19 ARTICLE 10. A PERSON QUALIFIES AS A SOCIAL EQUITY LICENSEE IF SUCH
20 PERSON MEETS THE FOLLOWING CRITERIA, IN ADDITION TO ANY CRITERIA
21 ESTABLISHED BY RULE OF THE STATE LICENSING AUTHORITY:

22 (a) IS A COLORADO RESIDENT;

23 (b) HAS NOT BEEN THE BENEFICIAL OWNER OF A LICENSE SUBJECT
24 TO DISCIPLINARY OR LEGAL ACTION FROM THE STATE RESULTING IN THE
25 REVOCATION OF A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10;

26 (c) HAS DEMONSTRATED AT LEAST ONE OF THE FOLLOWING:

27 (I) THE APPLICANT HAS RESIDED FOR AT LEAST FIFTEEN YEARS

1 BETWEEN THE YEARS 1980 AND 2010 IN A CENSUS TRACT DESIGNATED BY
2 THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE AS
3 AN OPPORTUNITY ZONE OR DESIGNATED AS A DISPROPORTIONATE
4 IMPACTED AREA AS DEFINED BY RULE PURSUANT TO SECTION 44-10-203
5 (1)(j);

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

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

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

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

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

27 **44-10-401. Classes of licenses.** (2) (b) The following are retail

1 marijuana licenses:

- 2 (VII) ~~Retail marijuana~~ Accelerator cultivator license;
- 3 (VIII) ~~Retail marijuana~~ Accelerator manufacturer license;
- 4 (IX) Marijuana hospitality business license; ~~and~~
- 5 (X) Retail marijuana hospitality and sales business license; AND
- 6 (XI) ACCELERATOR STORE LICENSE.

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

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

13 **44-10-601. Retail marijuana store license - rules - definitions.**

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

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

26 (16) A RETAIL MARIJUANA STORE, PURSUANT TO RULE AND THE
27 STATE LICENSING AUTHORITY DISCRETION, MAY BE ELIGIBLE FOR

1 INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE
2 OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE,
3 INCLUDING BUT NOT LIMITED TO A REDUCTION IN APPLICATION OR LICENSE
4 FEES.

5 **SECTION 8.** In Colorado Revised Statutes, 44-10-602, **amend**
6 (9), (10), and (11) as follows:

7 **44-10-602. Retail marijuana cultivation facility license - rules**
8 **- definitions.** (9) An accelerator cultivator licensee may operate on the
9 premises of a retail marijuana cultivation facility licensee if before each
10 accelerator CULTIVATOR licensee operates, the retail marijuana cultivation
11 facility licensee has its premises endorsed pursuant to rule and each
12 accelerator CULTIVATOR licensee is ~~licensed~~ APPROVED to operate on that
13 premises.

14 (10) A retail marijuana cultivation facility licensee that hosts an
15 accelerator CULTIVATOR licensee may, pursuant to rule, provide technical
16 and compliance assistance to an accelerator CULTIVATOR licensee
17 operating on its premises. A retail marijuana products manufacturer
18 licensee that hosts an accelerator CULTIVATOR licensee may, pursuant to
19 rule, provide capital assistance to an accelerator CULTIVATOR licensee
20 operating on its premises.

21 (11) A retail marijuana cultivation facility licensee that hosts an
22 accelerator CULTIVATOR licensee, pursuant to rule and ~~agency~~ THE STATE
23 LICENSING AUTHORITY discretion, may be eligible for ~~reduction in license~~
24 ~~fees or other~~ incentives available through the department of revenue or
25 the office of economic development and international trade, INCLUDING
26 BUT NOT LIMITED TO A REDUCTION IN APPLICATION OR LICENSE FEES.

27 **SECTION 9.** In Colorado Revised Statutes, 44-10-603, **amend**

1 (2)(c), (13), and (14) as follows:

2 **44-10-603. Retail marijuana products manufacturer license -**

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

11 (c) Accelerator manufacturer licensee if the retail marijuana
12 products manufacturer has its premises endorsed pursuant to rule before
13 each accelerator manufacturer licensee operates and each accelerator
14 MANUFACTURER licensee is ~~licensed~~ APPROVED to operate on that
15 premises.

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

23 (14) A retail marijuana products manufacturer licensee, pursuant
24 to rule and ~~agency~~ THE STATE LICENSING AUTHORITY discretion, may be
25 eligible for ~~reduction in license fees and for grants~~ INCENTIVES through
26 THE DEPARTMENT OF REVENUE OR the office of economic development
27 and international trade, INCLUDING BUT NOT LIMITED TO A REDUCTION IN

1 APPLICATION OR LICENSE FEES.

2 **SECTION 10.** In Colorado Revised Statutes, **amend** 44-10-607
3 as follows:

4 **44-10-607. Retail marijuana accelerator cultivator license.**

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

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

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

19 **44-10-608. Retail marijuana accelerator manufacturer license.**

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

1 the retail marijuana products manufacturer with an accelerator
2 endorsement.

3 (2) The state licensing authority shall begin accepting applications
4 for retail marijuana accelerator manufacturer licenses on ~~July 1, 2020~~
5 JANUARY 1, 2021.

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

8 **44-10-611. Retail marijuana accelerator store license.** (1) A
9 RETAIL MARIJUANA ACCELERATOR STORE LICENSE MAY BE ISSUED TO A
10 SOCIAL EQUITY LICENSEE TO EXERCISE THE PRIVILEGES OF A RETAIL
11 MARIJUANA STORE LICENSEE ON THE PREMISES OF AN
12 ACCELERATOR-ENDORSED RETAIL MARIJUANA STORE. THE RETAIL
13 MARIJUANA ACCELERATOR STORE MAY RECEIVE TECHNICAL ASSISTANCE
14 AND FINANCIAL SUPPORT FROM THE RETAIL MARIJUANA STORE WITH AN
15 ACCELERATOR ENDORSEMENT.

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

19 **SECTION 13. Act subject to petition - effective date.** This act
20 takes effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly; except
22 that, if a referendum petition is filed pursuant to section 1 (3) of article V
23 of the state constitution against this act or an item, section, or part of this
24 act within such period, then the act, item, section, or part will not take
25 effect unless approved by the people at the general election to be held in
26 November 2022 and, in such case, will take effect on the date of the
27 official declaration of the vote thereon by the governor.