A BILL FOR AN ACT

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.
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 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
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
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 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 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
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 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

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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. 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.

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. 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 and 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 license 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. In Colorado Revised Statutes, amend 16-17-102 as follows:

**16-17-102. Application - character certificate.** (1) After a conviction, all applications for commutation of sentence or pardon for crimes committed shall be accompanied by a certificate of the respective superintendent of the correctional facility, showing the conduct of an applicant during his or her confinement in the correctional facility, together with such evidences of former good character as the applicant may be able to produce. Before the governor
approves such application, it shall MUST be first submitted to the present
district attorney of the district in which the applicant was convicted and
to the judge who sentenced and the attorney who prosecuted at the trial
of the applicant, if available, for such comment as they may deem proper
concerning the merits of the application, so as to provide the governor
with information upon which to base his or her THE GOVERNOR'S action.
The governor shall make reasonable efforts to locate the judge who
sentenced and the attorney who prosecuted at the trial of the applicant and
shall afford them a reasonable time, not less than fourteen days, to
comment on such applications. The requirements of this section shall be
ARE deemed to have been met if the persons to whom the application is
submitted for comment do not comment within fourteen days after their
receipt of the application or within such other reasonable time in excess
of fourteen days as specified by the governor, or if the sentencing judge
or prosecuting attorney cannot be located, are incapacitated, or are
otherwise unavailable for comment despite the good-faith efforts of the
governor to obtain their comments. Good character previous to
conviction, good conduct during confinement in the correctional facility,
the statements of the sentencing judge and the district attorneys, if any,
and any other material concerning the merits of the application shall MUST
be given such weight as to the governor may seem SEEMS just and proper
TO THE GOVERNOR, in view of the circumstances of each particular case.
A WITH due regard being had to FOR the reformation of the accused. The
governor shall have HAS sole discretion in evaluating said comments and
in soliciting other comments he or she THE GOVERNOR deems appropriate.

(2) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF
THIS SECTION, THE GOVERNOR MAY GRANT PARDONS TO A CLASS OF
DEFENDANTS WHO WERE CONVICTED OF THE POSSESSION OF UP TO TWO OUNCES OF MARIJUANA WITHOUT AN APPLICATION AND WITHOUT SEEKING THE COMMENT OF THE DISTRICT ATTORNEYS AND JUDGES FOR THOSE CASES.

SECTION 14. 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.