

CHAPTER 19

REVENUE - ACTIVITIES REGULATION

SENATE BILL 21-111

BY SENATOR(S) Moreno and Gonzales, Hansen;
 also REPRESENTATIVE(S) Herod and Ortiz, Benavidez, Bennett, Duran, Esgar, Gonzales-Gutierrez, Gray, Hooton, Jackson,
 Kennedy, Kipp, Lontine, McCluskie, Michaelson Jenet, Sirota, Snyder, Sullivan, Tipper, Titone, Valdez A., Weissman, Woodrow.

AN ACT

CONCERNING THE CREATION OF A PROGRAM TO SUPPORT ENTREPRENEURS IN THE MARIJUANA INDUSTRY.

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

SECTION 1. In Colorado Revised Statutes, **add 24-48.5-128** as follows:

24-48.5-128. Program - marijuana entrepreneurs - social equity licensees - report - marijuana entrepreneur fund - creation - legislative declaration - definitions. (1) **Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS THAT:

(I) COLORADO VOTERS LEGALIZED THE PERSONAL USE OF MARIJUANA IN 2012 AND A ROBUST REGULATORY FRAMEWORK WAS ESTABLISHED TO PROVIDE IMPORTANT SAFEGUARDS AND GUARDRAILS FOR THE NEW AND GROWING MARIJUANA INDUSTRY THAT RESULTED;

(II) FROM THE ONSET OF LEGALIZATION IN COLORADO, STATUTE SPECIFICALLY DISQUALIFIED COLORADANS WITH PAST MARIJUANA CONVICTIONS FROM PARTICIPATING IN THE REGULATED MARIJUANA INDUSTRY AND, UNTIL RECENTLY, THOSE PERSONS WERE UNABLE TO PARTICIPATE IN THE INDUSTRY;

(III) WHILE THE MARIJUANA INDUSTRY HAS BALLOONED INTO A TWO BILLION TWO HUNDRED MILLION DOLLAR ECONOMIC ENGINE THAT EMPLOYS MORE THAN FORTY THOUSAND PEOPLE ACROSS TWO THOUSAND EIGHT HUNDRED BUSINESSES, VERY FEW OF ALL REGULATED MARIJUANA BUSINESSES ARE OWNED BY COLORADANS WITH PAST MARIJUANA CONVICTIONS;

(IV) THE STATE IS AT A CRITICAL JUNCTURE WHERE IT MUST ACT TO ENSURE

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

COLORADO REMAINS A LEADER IN THE MARIJUANA INDUSTRY AND ENSURE EQUAL OPPORTUNITY FOR ALL COLORADANS TO PARTICIPATE IN THIS MARKET; AND

(V) PROVIDING TECHNICAL AND FINANCIAL SUPPORT TO ELIGIBLE ENTREPRENEURS AND SMALL BUSINESSES WILL HELP ENSURE THEIR ENDEAVORS GET OFF THE GROUND AND SUCCEED, WHICH WILL BENEFIT THE STATE ECONOMY.

(b) THEREFORE, IT IS BENEFICIAL TO CREATE A PROGRAM IN THE OFFICE OF ECONOMIC DEVELOPMENT TO ADDRESS THESE CONCERNS AND ACHIEVE THESE BENEFITS.

(2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(b) "PROGRAM" MEANS THE PROGRAM ESTABLISHED IN SUBSECTION (3)(a) OF THIS SECTION.

(c) "SOCIAL EQUITY LICENSEE" HAS THE SAME MEANING AS SET FORTH IN SECTION 44-10-103 (68.5).

(3) **Loans, grants, and technical assistance.** (a) THERE IS CREATED WITHIN THE OFFICE A PROGRAM TO SUPPORT ENTREPRENEURS IN THE MARIJUANA INDUSTRY. THE OFFICE SHALL USE THE MONEY SPECIFIED IN SUBSECTION (4) OF THIS SECTION FOR THE FOLLOWING PURPOSES, INCLUDING ANY RELATED ADMINISTRATIVE EXPENSES:

(I) LOANS TO SOCIAL EQUITY LICENSEES FOR SEED CAPITAL AND ONGOING BUSINESS EXPENSES, WHICH INCLUDE BUT ARE NOT LIMITED TO RENT, LEASES, LOCAL AND STATE APPLICATION AND LICENSING FEES, REGULATORY ADHERENCE, TESTING OF MARIJUANA, EQUIPMENT, CAPITAL IMPROVEMENTS, AND TRAINING AND RETENTION OF A QUALIFIED AND DIVERSE WORKFORCE;

(II) GRANTS TO:

(A) SOCIAL EQUITY LICENSEES TO SUPPORT INNOVATION AND JOB CREATION; AND

(B) ORGANIZATIONS THAT SUPPORT MARIJUANA BUSINESSES TO BE USED TO SUPPORT INNOVATION AND JOB CREATION OF SOCIAL EQUITY LICENSEES;

(III) TECHNICAL ASSISTANCE FOR MARIJUANA BUSINESS OWNERS, WHICH CONSISTS OF ASSISTING WITH BUSINESS PLAN DEVELOPMENT, PROVIDING CONSULTING SERVICES, AND SUPPORTING EXISTING PUBLIC OR PRIVATE TECHNICAL ASSISTANCE PROGRAMS. IN PROVIDING THE TECHNICAL ASSISTANCE, THE OFFICE OR A TECHNICAL ASSISTANCE PROGRAM PROVIDER SHALL PRIORITIZE SOCIAL EQUITY LICENSEES WHO HAVE BEEN AWARDED A LOAN OR GRANT IN ACCORDANCE WITH SUBSECTION (3)(a)(I) OR (3)(a)(II) OF THIS SECTION.

(b) (I) THE OFFICE SHALL ESTABLISH A PROCESS FOR SOCIAL EQUITY LICENSEES AND ORGANIZATIONS TO APPLY FOR A LOAN OR GRANT UNDER THE PROGRAM,

INCLUDING APPLICATION DEADLINES, THE INFORMATION AND DOCUMENTATION REQUIRED TO BE SUBMITTED TO THE OFFICE TO DEMONSTRATE ELIGIBILITY FOR A LOAN OR A GRANT, AND ANY OTHER REQUIREMENTS DETERMINED BY THE DIRECTOR TO BE NECESSARY.

(II) THE PROGRAM MAY BE ADMINISTERED DIRECTLY BY THE OFFICE OR ONE OR MORE PARTNER ENTITIES BASED ON THE OFFICE'S DETERMINATION. THIS AUTHORITY INCLUDES CONTRACTING WITH AN ENTITY TO MAKE THE GRANTS OR LOANS SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION, AND IN SUCH CASE, THE OFFICE MAY GRANT THE MONEY TO OR USE OTHER APPROPRIATE PROCUREMENT MECHANISMS TO PROVIDE THE MONEY TO THE ENTITY TO BE USED FOR THE GRANTS OR LOANS.

(c) THE OFFICE, IN CONSULTATION WITH OTHER RELEVANT STATE AGENCIES, INDUSTRY EXPERTS, AND OTHER STAKEHOLDERS, SHALL ESTABLISH POLICIES SETTING FORTH THE PARAMETERS AND ELIGIBILITY FOR THE PROGRAM, INCLUDING:

(I) THE TERMS OF AND ELIGIBILITY FOR A LOAN OR GRANT, IN ADDITION TO QUALIFYING AS A SOCIAL EQUITY LICENSEE;

(II) CAPS ON THE AMOUNT OF LOAN OR GRANT;

(III) DEADLINES FOR APPLYING FOR A LOAN OR GRANT;

(IV) GRANT REQUIREMENTS AND LOAN REPAYMENT TERMS; AND

(V) ANY OTHER POLICIES NECESSARY TO OPERATE THE PROGRAM.

(d) THE OFFICE SHALL CONSULT WITH THE COLORADO ECONOMIC DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102 ABOUT THE ADMINISTRATION OF THE PROGRAM.

(4) **Funding.** (a) THE MARIJUANA ENTREPRENEUR FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED OR APPROPRIATED TO THE FUND IN ACCORDANCE WITH SUBSECTION (4)(b) OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE MARIJUANA ENTREPRENEUR FUND TO THE FUND. MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE OFFICE TO USE FOR THE PROGRAM AS SET FORTH IN THIS SECTION.

(b) ON THE EFFECTIVE DATE OF THIS SECTION, THE STATE TREASURER SHALL TRANSFER FOUR MILLION DOLLARS FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501 (1) TO THE MARIJUANA ENTREPRENEUR FUND CREATED IN SUBSECTION (4)(a) OF THIS SECTION. FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2022, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE MARIJUANA TAX CASH FUND TO THE MARIJUANA ENTREPRENEUR FUND.

(5) **Report.** By July 1, 2022, and July 1, 2023, THE OFFICE SHALL SUBMIT A REPORT TO THE GOVERNOR, THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE OR ITS SUCCESSOR COMMITTEE, AND THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES OR ITS SUCCESSOR COMMITTEE DETAILING HOW THE OFFICE IS EXPENDING MONEY UNDER THIS SECTION.

SECTION 2. In Colorado Revised Statutes, 39-28.8-501, **add** (2)(b)(IV)(S) as follows:

39-28.8-501. Marijuana tax cash fund - creation - distribution - legislative declaration - repeal. (2) (b) (IV) Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any money in the fund for the following purposes:

(S) FOR THE PROGRAM TO SUPPORT ENTREPRENEURS IN THE MARIJUANA INDUSTRY CREATED IN SECTION 24-48.5-128 (3).

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: March 21, 2021