

## CHAPTER 328

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**HEALTH AND ENVIRONMENT**

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**HOUSE BILL 13-1238**

BY REPRESENTATIVE(S) McCann, Fields, Labuda, Ryden, Schafer;  
also SENATOR(S) Newell.

**AN ACT****CONCERNING FUNDING ISSUES RELATED TO MEDICAL MARIJUANA.**

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

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

**12-43.3-202. Powers and duties of state licensing authority.** (3) BY OCTOBER 31, 2013, THE STATE LICENSING AUTHORITY SHALL PUBLISH A REPORT ON ITS WEB SITE THAT SHOWS:

(a) THE NUMBER OF APPLICATIONS RECEIVED ON OR BEFORE AUGUST 1, 2010, AND, OF THOSE APPLICATIONS, THE NUMBER OF LICENSES GRANTED, THE NUMBER OF APPLICATIONS DENIED, THE NUMBER OF APPLICATIONS PENDING, AND THE NUMBER OF APPLICATIONS WITHDRAWN; AND

(b) THE NUMBER OF APPLICATIONS RECEIVED JULY 1, 2012, THROUGH SEPTEMBER 30, 2013, AND, OF THOSE APPLICATIONS, THE NUMBER OF LICENSES GRANTED, THE NUMBER OF APPLICATIONS DENIED, THE NUMBER OF APPLICATIONS PENDING, AND THE NUMBER OF APPLICATIONS WITHDRAWN.

**SECTION 2.** In Colorado Revised Statutes, 12-43.3-305, **amend** (2); and **add** (2.5) as follows:

**12-43.3-305. State licensing authority - application and issuance procedures.**

(2) The state licensing authority shall ~~not~~ issue a state license TO A MEDICAL MARIJUANA CENTER, AN OPTIONAL PREMISES CULTIVATION OPERATION, OR A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER pursuant to this section ~~until the local licensing authority has approved the application for a local license~~

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

~~and issued a local license as provided for in sections 12-43.3-301 to 12-43.3-303~~  
 UPON SATISFACTORY COMPLETION OF THE APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED WITH THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON LOCAL LICENSING AUTHORITY APPROVAL. A LICENSE APPLICANT IS PROHIBITED FROM OPERATING A LICENSED MEDICAL MARIJUANA BUSINESS WITHOUT BOTH STATE AND LOCAL LICENSING AUTHORITY APPROVAL. THE DENIAL OF AN APPLICATION BY THE LOCAL LICENSING AUTHORITY SHALL BE CONSIDERED AS A BASIS FOR THE STATE LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

(2.5) AN APPLICANT THAT HAS BEEN PERMITTED TO OPERATE A MEDICAL MARIJUANA BUSINESS UNDER THE PROVISIONS OF SECTION 12-43.3-103 (1)(b) AND HAS BEEN ISSUED A CONDITIONAL LICENSE BY THE STATE LICENSING AUTHORITY PURSUANT TO SUBSECTION (2) OF THIS SECTION MAY CONTINUE TO OPERATE THE BUSINESS WHILE AN APPLICATION IS PENDING WITH THE LOCAL LICENSING AUTHORITY. IF THE LOCAL LICENSING AUTHORITY DENIES THE LICENSE APPLICATION, THE MEDICAL MARIJUANA BUSINESS SHALL CEASE OPERATIONS UPON RECEIVING THE DENIAL. THE DENIAL OF AN APPLICATION BY THE LOCAL LICENSING AUTHORITY SHALL BE CONSIDERED AS A BASIS FOR THE STATE LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

**SECTION 3.** In Colorado Revised Statutes, 12-43.3-310, **amend** (2), (3), (4), (6), (9) (b), and (12) as follows:

**12-43.3-310. Licensing in general.** (2) A medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer may not operate until it has been licensed by the local licensing authority and the state licensing authority pursuant to this article. If THE STATE LICENSING AUTHORITY ISSUES THE APPLICANT A STATE LICENSE AND THE LOCAL LICENSING AUTHORITY SUBSEQUENTLY DENIES THE APPLICANT A LICENSE, THE STATE LICENSING AUTHORITY SHALL CONSIDER THE LOCAL LICENSING AUTHORITY DENIAL AS A BASIS FOR THE REVOCATION OF THE STATE-ISSUED LICENSE. In connection with a license, the applicant shall provide a complete and accurate list of all owners, officers, and employees who ~~work at~~, manage, own, or are otherwise SUBSTANTIALLY associated with the operation and shall provide a complete and accurate application as required by the state licensing authority.

(3) A medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer shall notify the state licensing authority in writing within ten days after an owner, officer, or ~~employee~~ MANAGER ceases to work at, manage, own, or otherwise be associated with the operation. The owner, officer, or ~~employee~~ MANAGER shall surrender ~~his or her~~ TO THE STATE LICENSING AUTHORITY ANY identification card ~~to~~ THAT MAY HAVE BEEN ISSUED BY the state licensing authority on or before the date of the notification.

(4) A medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer shall notify the state licensing authority in writing of the name, address, and date of birth of an owner, officer, OR manager or ~~employee~~ before the new owner, officer, or ~~employee~~, MANAGER begins ~~working at, managing, owning, or being associated~~ ASSOCIATING with the operation. ~~The~~ ANY owner, officer, manager or employee shall pass a fingerprint-based

criminal history record check as required by the state licensing authority and obtain the required identification prior to being associated with, managing, owning, or working at the operation.

(6) All officers AND managers and employees of a medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer shall be residents of Colorado upon the date of their license application. An owner shall meet the residency requirements in section 12-43.3-307 (1) (m). ~~A local licensing authority shall not issue a license provided for in this article until that share of the license application fee due to the state has been received by the department of revenue.~~ All licenses granted pursuant to this article shall be valid for a period not to exceed two years after the date of issuance unless revoked or suspended pursuant to this article or the rules promulgated pursuant to this article.

(9)(b) A local licensing authority shall not transfer location of or renew a license to sell medical marijuana until the applicant for the license ~~produces~~ PROVIDES VERIFICATION THAT A LICENSE WAS ISSUED AND GRANTED BY THE STATE LICENSING AUTHORITY ~~covering the whole period for which a license or license renewal is sought~~ FOR THE PREVIOUS LICENSE TERM. THE STATE LICENSING AUTHORITY SHALL NOT TRANSFER LOCATION OF OR RENEW A STATE LICENSE UNTIL THE APPLICANT PROVIDES VERIFICATION THAT A LICENSE WAS ISSUED AND GRANTED BY THE LOCAL LICENSING AUTHORITY FOR THE PREVIOUS LICENSE TERM.

(12) Each licensee shall manage the licensed premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. The licensee shall report any change in manager to the state and local licensing authorities ~~thirty days~~ prior to the change pursuant to ~~section 12-43.3-309~~ SUBSECTION (4) OF THIS SECTION.

**SECTION 4.** In Colorado Revised Statutes, 12-43.3-301, **amend** (3) and (4) as follows:

**12-43.3-301. Local licensing authority - applications - licenses.** (3) An application for a license specified in subsection (1) of this section shall be filed with the STATE LICENSING AUTHORITY AND THE appropriate local licensing authority on forms provided by the state licensing authority and shall contain such information as the state licensing authority may require and any forms as the local licensing authority may require. Each application shall be verified by the oath or affirmation of the persons prescribed by the state licensing authority.

(4) An applicant shall file, at the time of application for a ~~local~~ license, plans and specifications for the interior of the building if the building to be occupied is in existence at the time. If the building is not in existence, the applicant shall file a plot plan and a detailed sketch for the interior and submit an architect's drawing of the building to be constructed. In its discretion, the local or state licensing authority may impose additional requirements necessary for the approval of the application.

**SECTION 5.** In Colorado Revised Statutes, 12-43.3-302, **amend** (5) as follows:

**12-43.3-302. Public hearing notice - posting and publication.** (5) (a) ~~A local~~

licensing authority, or a license applicant with local licensing authority approval, may request that the state licensing authority conduct a concurrent review of a new license application prior to the local licensing authority's final approval of the license application. Local licensing authorities who permit a concurrent review will continue to independently review the applicant's license application.

(b) When conducting a ~~concurrent~~ ITS application review, the state licensing authority may advise the local licensing authority of any items that it finds that could result in the denial of the license application. Upon correction of the noted discrepancies, if the correction is permitted by the state licensing authority, the state licensing authority shall notify the local licensing authority of its conditional approval of the license application ~~subject to the final approval by the local licensing authority~~ AMENDMENTS. The state licensing authority shall then issue the applicant's state license, ~~upon receiving evidence of final approval by the local licensing authority~~ WHICH SHALL REMAIN CONDITIONED UPON LOCAL AUTHORITY APPROVAL.

(c) All applications submitted for ~~concurrent~~ review shall be accompanied by all applicable state AND LOCAL license and application fees. Any applications that are later denied or withdrawn may allow for a refund of license fees only. All application fees provided by an applicant shall be retained by the respective licensing authority.

**SECTION 6.** In Colorado Revised Statutes, 12-43.3-303, **amend** (4) and (5) as follows:

**12-43.3-303. Results of investigation - decision of authorities.** (4) After approval of an application, a ~~NEITHER THE STATE NOR~~ local licensing authority shall ~~not~~ issue a local license until the building in which the business to be conducted is ready for occupancy with such furniture, fixtures, and equipment in place as are necessary to comply with the applicable provisions of this article, and then only after the ~~STATE OR~~ local licensing authority has inspected the premises to determine that the applicant has complied with the architect's drawing and the plot plan and detailed sketch for the interior of the building submitted with the application.

(5) AFTER APPROVAL OF AN APPLICATION FOR CONDITIONAL STATE LICENSURE, THE STATE LICENSING AUTHORITY SHALL NOTIFY THE LOCAL LICENSING AUTHORITY OF SUCH APPROVAL. After approval of an application for local licensure, the local licensing authority shall notify the state licensing authority of such approval, who shall investigate and either approve or disapprove the application for state licensure.

**SECTION 7. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 28, 2013