

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0582.06 Jery Payne x2157

SENATE BILL 26-161

SENATE SPONSORSHIP

Snyder and Mullica,

HOUSE SPONSORSHIP

(None),

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING CANNABIS-RELATED PRODUCTS, AND, IN CONNECTION
102 THEREWITH, CHANGING THE BASIS FOR MARIJUANA EXCISE AND
103 SALES TAX, MOVING THE TESTING AND SAFETY ELEMENTS OF
104 INTOXICATING CANNABIS REGULATION FROM THE DEPARTMENT
105 OF REVENUE TO THE DEPARTMENT OF PUBLIC HEALTH AND
106 ENVIRONMENT, REQUIRING INTOXICATING CANNABIS
107 PRODUCERS TO BE REGISTERED WITH THE DEPARTMENT OF
108 PUBLIC HEALTH AND ENVIRONMENT, AND CHANGING THE
109 TESTING OF 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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under current law, an excise tax of 15% is levied and collected on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility, and a sales tax of 15% is imposed on sales of retail marijuana and retail marijuana products by a retailer. The bill lowers the excise tax to \$1 per pound of unprocessed retail marijuana and replaces the 15% sales tax with a sales tax structure that is based on the content of intoxicating cannabinoids in retail cannabis products. The sales tax may be changed by an act of the general assembly but may not exceed 2 cents per milligram of total intoxicating cannabinoids until January 1, 2030, and 5 cents thereafter.

The legislative council staff shall make projections based on the tax changes and propose adjustments to the joint budget committee in order to stabilize intoxicating cannabinoid tax revenue. If such a proposal is made, the joint budget committee may propose legislation to stabilize the tax revenue.

Current law creates a bifurcated regulatory structure for marijuana and intoxicating hemp. The bill moves the testing and safety elements from the department of revenue to the department of public health and environment (department). The state licensing authority (authority) in the department of revenue is currently directed to adopt rules to, among other things, establish testing standards. The bill transfers these responsibilities from the authority to the department. Mandatory compliance testing requirements are shifted from throughout the supply chain to the point at which products are packaged for sale to or use by consumers. Mandatory compliance testing standards are set by a new reference laboratory, which will also conduct statewide off-shelf surveillance testing of intoxicating cannabis products. This means that the products are tested at the retail level where consumers may purchase them.

The bill requires the following be made available for public inspection via an online portal:

- Adverse health reports, including the product manufacturer and basis for the report, with personally identifiable information related to the affected customers redacted; and
- Traceability information and testing results for intoxicating cannabis products transferred to a consumer, so that consumers may access and view product batches, manufacturers, cultivators, or retailers and the associated traceability or testing data.

The bill requires marijuana product producers to be registered with the department and regulated in a like manner as other food manufacturers. The department may enforce labeling and content claim requirements and impose penalties for health- and labeling-related

violations or refer violations to the authority for license discipline.

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

2 **SECTION 1. Short title.** The short title of this act is the
3 "Cannabis Consumer Protection Act".

4 **SECTION 2. Legislative declaration.**

5 (1) The general assembly finds and declares that:

6 (a) Marijuana products intended for human consumption present
7 public health and consumer safety considerations that warrant clear,
8 consistent, and effective state oversight;

9 (b) Regulation and taxation of marijuana products should reflect
10 public health risk and promote informed consumer choice;

11 (c) Since the legalization of marijuana, the marketplace has
12 evolved to include higher-potency products and more complex methods
13 of production and consumption, requiring updates to the state's regulatory
14 framework;

15 (d) Health and safety oversight of consumable products in
16 Colorado is appropriately placed within the agency possessing public
17 health, laboratory, and scientific expertise, which agency is the Colorado
18 department of public health and environment that currently oversees
19 similar functions for hemp and natural medicine;

20 (e) The marijuana enforcement division within the department of
21 revenue has, in recent years, faced fiscal and operational constraints while
22 administering an expanding scope of responsibilities; and

23 (f) It is appropriate to place responsibility for testing, product
24 safety standards, and oversight of the manufacturing of marijuana
25 products intended for human consumption within the Colorado

1 department of public health and environment, while allowing the
2 marijuana enforcement division to focus on licensing, tax compliance,
3 and enforcement.

4 (2) In anticipation of future federal regulation of marijuana, the
5 general assembly intends to align Colorado's marijuana regulatory
6 structure with established regulatory models used for other agricultural
7 and consumer products, and this structure includes the separation of
8 licensing and enforcement functions from health and safety oversight.

9 (3) The general assembly further intends that this act enhance
10 consumer protection, ensure that marijuana products offered for sale in
11 Colorado meet applicable safety and labeling standards, disincentivize the
12 abuse of intoxicating cannabinoids by directly taxing intoxicating
13 cannabinoid content, and establish a regulatory framework that prioritizes
14 public health and safety.

15 **SECTION 3.** In Colorado Revised Statutes, **add 2-3-211** as
16 follows:

17 **2-3-211. Marijuana tax revenue stabilization - legislative**
18 **council staff - definition - repeal.**

19 (1) (a) AS PART OF THE QUARTERLY 2026 DECEMBER REVENUE
20 FORECAST, LEGISLATIVE COUNCIL STAFF SHALL PROJECT:

21 (I) THE AMOUNT OF TAX REVENUE THAT WILL BE RAISED IF TAXES
22 ARE IMPOSED IN THE NEXT CALENDAR YEAR AT THE RATES DESCRIBED IN
23 SECTIONS 39-28.8-202 (4)(b) AND 39-28.8-302 (1)(d); AND

24 (II) THE AMOUNT OF TAX REVENUE THAT WOULD HAVE BEEN
25 GENERATED AS A RESULT OF THE TAXES DESCRIBED IN SECTIONS
26 39-28.8-202 (1) AND 39-28.8-302 (1)(a) IF THE TAXES WERE IMPOSED AT
27 THE SAME RATE AND IN THE SAME MANNER AS THEY WERE IMPOSED ON

1 DECEMBER 31, 2025.

2 (b) IF THE AMOUNT OF TAX REVENUE DESCRIBED IN SUBSECTION
3 (1)(a)(I) OF THIS SECTION IS SUBSTANTIALLY DIFFERENT THAN THE
4 AMOUNT OF TAX REVENUE DESCRIBED IN SUBSECTION (1)(a)(II) OF THIS
5 SECTION, LEGISLATIVE COUNCIL STAFF SHALL PROPOSE ADJUSTMENTS TO
6 THE TAX RATES OF THE TAXES IMPOSED IN SECTION 39-28.8-202 (4)(b) TO
7 STABILIZE THE REVENUE FROM THE TAXES IMPOSED IN SECTIONS
8 39-28.8-202 AND 39-28.8-302. THE PROPOSED RATES MUST:

9 (I) EACH BE LESS THAN THE MAXIMUM RATES DESCRIBED IN
10 SECTION 39-28.8-202 (4)(a);

11 (II) FOR EACH TYPE OF RETAIL MARIJUANA OR RETAIL MARIJUANA
12 PRODUCT, BE IN SUBSTANTIALLY THE SAME PROPORTIONS AS THE RATES
13 DESCRIBED IN SECTION 39-28.8-202 (4)(b); AND

14 (III) BE PROJECTED BY LEGISLATIVE COUNCIL STAFF TO RESULT IN
15 THE AMOUNT OF TAX REVENUE DESCRIBED IN SUBSECTION (1)(a)(I) OF
16 THIS SECTION EQUALING THE AMOUNT OF TAX REVENUE DESCRIBED IN
17 SUBSECTION (1)(a)(II) OF THIS SECTION; AND

18 (IV) BE ADJUSTED TO ACCOUNT FOR INFLATION OR DEFLATION
19 AND POPULATION GROWTH OR SHRINKAGE.

20 (c) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 2027.

21 (2) (a) AS PART OF THE QUARTERLY DECEMBER REVENUE
22 FORECAST, BEGINNING WITH THE 2027 QUARTERLY DECEMBER REVENUE
23 FORECAST, LEGISLATIVE COUNCIL STAFF SHALL PROJECT THE AMOUNT OF
24 TAX REVENUE THAT WILL BE RAISED IF TAXES ARE IMPOSED IN THE NEXT
25 CALENDAR YEAR AT THE RATES DESCRIBED IN SECTIONS 39-28.8-202
26 (4)(b) AND 39-28.8-302 (1)(d).

27 (b) TO ENSURE THAT THE TAX REVENUE FROM THE TAXES IMPOSED

1 IN SECTIONS 39-28.8-202 (4)(b) AND 39-28.8-302 (1)(d) IS NOT
2 SIGNIFICANTLY HIGHER OR LOWER THAN THE AVERAGE TAX REVENUE
3 OVER THE PREVIOUS THREE YEARS, LEGISLATIVE COUNCIL STAFF MAY
4 PROPOSE, TO THE JOINT BUDGET COMMITTEE, ADJUSTMENTS TO THE TAX
5 RATES OF THE TAXES IMPOSED IN SECTION 39-28.8-202 (4)(b) TO
6 STABILIZE THE REVENUE FROM THE TAXES IMPOSED IN SECTIONS
7 39-28.8-202 AND 39-28.8-302. THE PROPOSED RATES MUST:

8 (I) EACH BE LESS THAN THE MAXIMUM RATES DESCRIBED IN
9 SECTION 39-28.8-202 (4)(a); AND

10 (II) BE ADJUSTED TO ACCOUNT FOR INFLATION OR DEFLATION AND
11 POPULATION GROWTH OR SHRINKAGE.

12 (3) (a) IF LEGISLATIVE COUNCIL STAFF PROPOSES RATES PURSUANT
13 TO SUBSECTION (1)(b) OR (2)(b) OF THIS SECTION, LEGISLATIVE COUNCIL
14 STAFF SHALL PRESENT THOSE PROPOSED RATES TO THE JOINT BUDGET
15 COMMITTEE ALONG WITH THE QUARTERLY DECEMBER REVENUE
16 FORECAST. THE JOINT BUDGET COMMITTEE MAY INTRODUCE LEGISLATION
17 TO ADJUST THE TAX RATES IN SECTION 39-28.8-202 (4)(b) TO STABILIZE
18 THE REVENUE FROM THE TAXES IMPOSED IN SECTIONS 39-28.8-202 AND
19 39-28.8-302.

20 (b) LEGISLATION INTRODUCED PURSUANT TO THIS SECTION IS
21 GOVERNED BY THE RULES REGARDING LEGISLATION RECOMMENDED BY AN
22 INTERIM LEGISLATIVE COMMITTEE FOR PURPOSES OF INTRODUCTION
23 DEADLINES OR BILL LIMITATIONS IMPOSED BY THE JOINT RULES OF THE
24 GENERAL ASSEMBLY.

25 (4) AS USED IN THIS SECTION, "INFLATION OR DEFLATION" MEANS
26 THE ANNUAL PERCENTAGE INCREASE OR DECREASE IN THE UNITED STATES
27 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE

1 INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR
2 ALL ITEMS PAID FOR BY URBAN CONSUMERS.

3 (5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2030.

4 **SECTION 4.** In Colorado Revised Statutes, 39-28.8-101, **amend**
5 (1.5); and **add** (4.4), (4.5), and (4.6) as follows:

6 **39-28.8-101. Definitions - repeal.**

7 Unless the context otherwise requires, any terms not defined in this
8 article 28.8 have the meanings set forth in article 26 of this title 39. As
9 used in this article 28.8, unless the context otherwise requires:

10 (1.5) (a) "Average market rate" means the average price, as
11 determined by the department on a quarterly basis, of all unprocessed
12 retail marijuana that is sold or transferred from retail marijuana
13 cultivation facilities in the state to retail marijuana product manufacturing
14 facilities or retail marijuana stores, less taxes paid on the sales or
15 transfers. An "average market rate" may be based on the purchaser or
16 transferee of unprocessed retail marijuana or on the nature of the
17 unprocessed retail marijuana that is sold or transferred. The "average
18 market rate" must include one or more rates that cover unprocessed
19 marijuana that is allocated to extractions, and the initial rates for these
20 product types must be lower than the rate for unprocessed marijuana that
21 is allocated for direct sale to consumers.

22 (b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JANUARY 1,
23 2027.

24 (4.4) "INFLATION" MEANS THE ANNUAL PERCENTAGE INCREASE IN
25 THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR
26 STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
27 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN

1 CONSUMERS.

2 (4.5) "INTOXICATING CANNABINOID" MEANS:

3 (a) TETRAHYDROCANNABINOL; OR

4 (b) THE CHEMICALS DESCRIBED IN SECTION 25-5-427 (4)(d)(I)(A)
5 TO (4)(d)(I)(M).

6 (4.6) "INTOXICATING CANNABIS" MEANS A PRODUCT OR PLANT
7 MATERIAL THAT CONTAINS AN INTOXICATING CANNABINOID.

8 **SECTION 5.** In Colorado Revised Statutes, 39-28.8-202, **amend**
9 (1)(a)(I); **repeal** (1)(b); and **add** (4) as follows:

10 **39-28.8-202. Retail marijuana sales tax - rules - definition.**

11 (1) (a) (I) In addition to the tax imposed pursuant to part 1 of
12 article 26 of this title 39 and the sales tax imposed by a local government
13 pursuant to title 29, 30, 31, or 32, but except as otherwise set forth in
14 subsections (1)(a)(II) and (1)(a)(III) of this section, beginning January 1,
15 2014, and through June 30, 2017, there is imposed upon all sales of retail
16 marijuana and retail marijuana products by a retailer a tax at the rate of
17 ten percent of the amount of the sale. Beginning July 1, 2017, AND PRIOR
18 TO JANUARY 1, 2027, there is imposed upon all sales of retail marijuana
19 and retail marijuana products by a retailer a tax at the rate of fifteen
20 percent of the amount of the sale. The tax imposed by this section is
21 computed in accordance with schedules or forms prescribed by the
22 executive director of the department; except that a retail marijuana store
23 is not allowed to retain any portion of the retail marijuana sales tax
24 collected pursuant to this part 2 to cover the expenses of collecting and
25 remitting the tax. The executive director OF THE DEPARTMENT may
26 ~~promulgate~~ ADOPT rules to implement this section.

27 (b) ~~The maximum tax rate that may be imposed pursuant to this~~

1 ~~section is fifteen percent. At any time on or after January 1, 2014, the~~
2 ~~general assembly may, by a bill enacted by the general assembly and that~~
3 ~~becomes law:~~

4 ~~(I) Establish a tax rate to be imposed pursuant to this subsection~~
5 ~~(1) that is lower than fifteen percent of the sale of retail marijuana or~~
6 ~~retail marijuana products; or~~

7 ~~(II) After establishing a tax rate that is lower than fifteen percent~~
8 ~~pursuant to subparagraph (I) of this paragraph (b), increase the tax rate to~~
9 ~~be imposed pursuant to this subsection (1); except that, in no event shall~~
10 ~~the general assembly increase the tax rate above fifteen percent of the sale~~
11 ~~of retail marijuana or retail marijuana products. Notwithstanding any~~
12 ~~other provision of law, an increase in the tax rate pursuant to this~~
13 ~~subparagraph (II) shall not require voter approval subsequent to the voter~~
14 ~~approval required pursuant to part 4 of this article.~~

15 (4) (a) (I) THE MAXIMUM SALES TAX THAT MAY BE IMPOSED
16 PURSUANT TO THIS SUBSECTION (4) IS:

17 (A) BEFORE JANUARY 1, 2030, TWO CENTS PER MILLIGRAM OF
18 TOTAL INTOXICATING CANNABINOIDS IN RETAIL CANNABIS PRODUCTS; OR

19 (B) ON OR AFTER JANUARY 1, 2030, FIVE CENTS PER MILLIGRAM
20 OF TOTAL INTOXICATING CANNABINOIDS IN RETAIL CANNABIS PRODUCTS.

21 (II) AT ANY TIME ON OR AFTER JANUARY 1, 2027, THE GENERAL
22 ASSEMBLY MAY, BY A BILL ENACTED BY THE GENERAL ASSEMBLY AND
23 THAT BECOMES LAW:

24 (A) ESTABLISH A SALES TAX RATE TO BE IMPOSED PURSUANT TO
25 THIS SUBSECTION (4) THAT IS LOWER THAN THE SALES TAX RATE
26 DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION; OR

27 (B) AFTER ESTABLISHING A SALES TAX RATE THAT IS LOWER THAN

1 THE SALES TAX RATE DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION,
2 INCREASE THE SALES TAX RATE TO BE IMPOSED PURSUANT TO THIS
3 SUBSECTION (4); EXCEPT THAT THE GENERAL ASSEMBLY SHALL NOT
4 INCREASE THE SALES TAX RATE ABOVE THE SALES TAX RATE DESCRIBED
5 IN SUBSECTION (4)(a)(I) OF THIS SECTION. AN INCREASE IN THE SALES TAX
6 RATE PURSUANT TO THIS SUBSECTION (4)(a)(II)(B) DOES NOT REQUIRE
7 VOTER APPROVAL SUBSEQUENT TO THE VOTER APPROVAL REQUIRED TO
8 ADOPT THIS SUBSECTION (4).

9 (b) A SALES TAX IS IMPOSED UPON THE SALE OF RETAIL
10 INTOXICATING CANNABIS PRODUCTS BY A RETAILER AT THE FOLLOWING
11 RATES ON AND AFTER JANUARY 1, 2027:

12 (I) FOR EDIBLE RETAIL MARIJUANA PRODUCTS, ONE AND
13 TWO-TENTHS OF ONE CENT PER MILLIGRAM OF TOTAL INTOXICATING
14 CANNABINOIDS; AND

15 (II) FOR INHALED MARIJUANA PRODUCTS MADE WITH MARIJUANA
16 CONCENTRATE, FOUR-TENTHS OF ONE CENT PER MILLIGRAM OF TOTAL
17 INTOXICATING CANNABINOIDS;

18 (III) FOR MARIJUANA PRODUCTS MADE WITH MARIJUANA FLOWER,
19 FOUR-TENTHS OF ONE CENT PER MILLIGRAM OF TOTAL INTOXICATING
20 CANNABINOIDS; AND

21 (IV) FOR INTOXICATING CANNABIS PRODUCTS NOT DESCRIBED IN
22 SUBSECTIONS (4)(b)(I) TO (4)(b)(III) OF THIS SECTION, FOUR-TENTHS OF
23 ONE CENT PER MILLIGRAM OF TOTAL INTOXICATING CANNABINOIDS.

24 **SECTION 6.** In Colorado Revised Statutes, 39-28.8-203, **amend**
25 (1) introductory portion as follows:

26 **39-28.8-203. Disposition of collections - definitions.**

27 (1) The proceeds of all money collected from the retail marijuana

1 sales tax are initially credited to the old age pension fund created in
2 section 1 of article XXIV of the state constitution in accordance with
3 sections 2 (a) and 2 (f) of article XXIV of the state constitution and
4 thereafter are transferred to the general fund in accordance with section
5 7 of article XXIV of the state constitution. For each STATE fiscal year in
6 which a tax is collected pursuant to this part 2, ~~an amount shall be~~ FORTY
7 PERCENT OF THE TAX REVENUE IS DISTRIBUTED IN ACCORDANCE WITH
8 SECTION 39-28.8-305 AND SIXTY PERCENT OF THE TAX REVENUE IS
9 appropriated or distributed from the general fund as follows:

10 **SECTION 7.** In Colorado Revised Statutes, 39-28.8-302, **amend**
11 (1)(a); and **add** (1)(d) and (1)(e) as follows:

12 **39-28.8-302. Retail marijuana - excise tax levied at first**
13 **transfer from retail marijuana cultivation facility - tax rate.**

14 (1) (a) ~~(1)~~ Except as otherwise provided in subsection (1)(b) or
15 (1)(c) of this section AND PRIOR TO JANUARY 1, 2027, there is levied and
16 shall be collected, in addition to the sales tax imposed pursuant to part 1
17 of article 26 of this title 39 and part 2 of this article 28.8, a tax on the first
18 sale or transfer of unprocessed retail marijuana by a retail marijuana
19 cultivation facility, at a rate of fifteen percent of the average market rate
20 of the unprocessed retail marijuana if the transaction is between affiliated
21 retail marijuana business licensees. Except as otherwise provided in
22 subsection (1)(b) or (1)(c) of this section AND PRIOR TO JANUARY 1, 2027,
23 there is levied and shall be collected, in addition to the sales tax imposed
24 pursuant to part 1 of article 26 of this title 39 and part 2 of this article
25 28.8, a tax on the first sale or transfer of unprocessed retail marijuana by
26 a retail marijuana cultivation facility, at a rate of fifteen percent of the
27 contract price for unprocessed retail marijuana if the transaction is

1 between unaffiliated retail marijuana business licensees. Retail marijuana
2 excise tax shall also be calculated as fifteen percent of the contract price
3 when the first transfer of retail marijuana that has been harvested for sale
4 at a retail marijuana store or extraction by a retail marijuana product
5 manufacturing facility is between unaffiliated retail marijuana cultivation
6 facilities. The tax shall be imposed at the time when the retail marijuana
7 cultivation facility first sells or transfers unprocessed retail marijuana
8 from the retail marijuana cultivation facility to a retail marijuana product
9 manufacturing facility or a retail marijuana store.

10 ~~(H) If, for the fiscal year 2014-15, fiscal year spending is greater~~
11 ~~than twelve billion eighty million dollars or if the revenue from retail~~
12 ~~marijuana taxes is greater than sixty-seven million dollars, then on~~
13 ~~September 16, 2015, the rate of the tax imposed under subparagraph (F)~~
14 ~~of this paragraph (a) is reduced as specified in section 20 (3)(c) of article~~
15 ~~X of the state constitution. On September 17, 2015, in accordance with~~
16 ~~paragraph (b) of this subsection (1) and the authority that the voters~~
17 ~~conferred through their approval of proposition AA at the November~~
18 ~~2013 election, the rate is increased back to fifteen percent.~~

19 (d) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b) OR
20 (1)(c) OF THIS SECTION, A TAX ON THE FIRST SALE OR TRANSFER OF
21 UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA CULTIVATION
22 FACILITY IS LEVIED, AND THE DEPARTMENT SHALL COLLECT THE TAX AT
23 A RATE OF ONE DOLLAR PER POUND OF UNPROCESSED RETAIL MARIJUANA.
24 THE TAX IS IN ADDITION TO THE SALES TAX IMPOSED PURSUANT TO PART
25 1 OF ARTICLE 26 OF THIS TITLE 39 AND PART 2 OF THIS ARTICLE 28.8.
26 RETAIL MARIJUANA EXCISE TAX IS CALCULATED AS ONE DOLLAR PER
27 POUND OF UNPROCESSED RETAIL MARIJUANA WHEN THE FIRST TRANSFER

1 OF RETAIL MARIJUANA THAT HAS BEEN HARVESTED FOR SALE AT A RETAIL
2 MARIJUANA STORE OR EXTRACTION BY A RETAIL MARIJUANA PRODUCT
3 MANUFACTURING FACILITY IS BETWEEN UNAFFILIATED RETAIL MARIJUANA
4 CULTIVATION FACILITIES. THE TAX IS IMPOSED WHEN THE RETAIL
5 MARIJUANA CULTIVATION FACILITY FIRST SELLS OR TRANSFERS
6 UNPROCESSED RETAIL MARIJUANA FROM THE RETAIL MARIJUANA
7 CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT
8 MANUFACTURING FACILITY OR A RETAIL MARIJUANA STORE.

9 (e) THE DEPARTMENT SHALL ANNUALLY ADJUST FOR INFLATION
10 THE TAX IMPOSED IN SUBSECTION (1)(d) OF THIS SECTION. THE
11 DEPARTMENT MAY ROUND THE ADJUSTED AMOUNT UPWARD TO THE
12 NEAREST CENT.

13 **SECTION 8.** In Colorado Revised Statutes, 44-10-103, **amend**
14 the introductory portion; and **add** (8.5), (22.7), and (68.3) as follows:

15 **44-10-103. Definitions - rules.**

16 As used in this article 10 AND IN SECTION 25-5-429, unless the
17 context otherwise requires:

18 (8.5) "AUTHORIZED SAMPLER" HAS THE MEANING SET FORTH IN
19 SECTION 25-5-429 (1)(a).

20 (22.7) "INTOXICATING CANNABIS PRODUCT" HAS THE MEANING SET
21 FORTH IN SECTION 25-5-429 (1)(c).

22 (68.3) "SEED-TO-SALE INVENTORY TRACKING SYSTEM" OR
23 "SEED-TO-SALE TRACKING SYSTEM" MEANS THE TRACKING SYSTEM
24 DEVELOPED AND MAINTAINED BY THE STATE LICENSING AUTHORITY
25 PURSUANT TO SECTION 44-10-202 (1)(a).

26 **SECTION 9.** In Colorado Revised Statutes, 44-10-202, **amend**
27 (1)(b), (1)(c), (1)(f), and (6); **repeal** (4); and **add** (1)(i), (1)(j), and (1)(k)

1 as follows:

2 **44-10-202. Powers and duties of state licensing authority -**
3 **stakeholder work group - rules - report - legislative declaration.**

4 (1) **Powers and duties.** The state licensing authority shall:

5 (b) Grant or refuse state licenses for the cultivation, manufacture,
6 distribution, sale, hospitality, and testing of ~~regulated marijuana and~~
7 ~~regulated marijuana~~ INTOXICATING CANNABIS products as provided by
8 law; suspend, fine, restrict, or revoke such licenses, whether active,
9 expired, or surrendered, upon a violation of this article 10 or any rule
10 ~~promulgated~~ ADOPTED pursuant to this article 10; and impose any penalty
11 authorized by this article 10 or any rule ~~promulgated~~ ADOPTED pursuant
12 to this article 10. The state licensing authority may take any action with
13 respect to a registration or permit ISSUED pursuant to this article 10 as it
14 may with respect to a license ISSUED pursuant to this article 10, in
15 accordance with the procedures established pursuant to this article 10.

16 (c) ~~Promulgate~~ ADOPT rules for the proper regulation and control
17 of the cultivation, manufacture, distribution, AND sale ~~and testing of~~
18 ~~regulated marijuana and regulated marijuana~~ OF INTOXICATING CANNABIS
19 products and for the enforcement of this article 10 and ~~promulgate~~ ADOPT
20 amended rules and such special rulings and findings as necessary;

21 (f) Prepare and transmit annually, in the form and manner
22 prescribed by the heads of the principal departments pursuant to section
23 24-1-136, a report accounting to the governor for the efficient discharge
24 of all responsibilities assigned by law or directive to the state licensing
25 authority; ~~and~~

26 (i) PROVIDE FULL READ AND WRITE ACCESS TO THE SEED-TO-SALE
27 TRACKING SYSTEM TO THE DEPARTMENT OF PUBLIC HEALTH AND

1 ENVIRONMENT FOR THE PURPOSE OF IMPLEMENTING SECTION 25-5-429;
2 (j) IN THE SEED-TO-SALE TRACKING SYSTEM, PROVIDE ACCESS TO
3 THE PUBLIC TRACEABILITY INFORMATION AND TESTING RESULTS FOR
4 INTOXICATING CANNABIS PRODUCTS OFFERED FOR SALE TO CONSUMERS,
5 SO THAT A CONSUMER MAY ACCESS AND VIEW PRODUCT BATCHES,
6 MANUFACTURERS, CULTIVATORS, OR RETAILERS AND THE ASSOCIATED
7 TRACEABILITY AND TESTING DATA FOR PRODUCTS OFFERED FOR SALE OR
8 DISTRIBUTION TO THE CONSUMER; AND

9 (k) ENSURE THAT CONSUMERS CAN USE THE ONLINE PORTAL
10 ACCESS DESCRIBED IN SUBSECTION (1)(j) OF THIS SECTION TO SEARCH FOR
11 TRACEABILITY AND TESTING INFORMATION BY PRODUCT BATCHES,
12 MANUFACTURERS, OR CULTIVATORS.

13 (4) ~~The executive director of the department of public health and~~
14 ~~environment shall provide to the state licensing authority standards for~~
15 ~~licensing laboratories pursuant to the requirements as outlined in section~~
16 ~~44-10-203 (2)(d)(II) for regulated marijuana and regulated marijuana~~
17 ~~products.~~

18 (6) The general assembly finds and declares that matters related
19 to labeling as regulated pursuant to this section and section 44-10-203
20 (2)(f), packaging as regulated pursuant to this section and section
21 44-10-203 (3)(b), and testing as regulated pursuant to ~~this section and~~
22 ~~section 44-10-203 (2)(d)~~ SECTION 25-5-429 (3)(a) are matters of statewide
23 concern and the sole regulatory authority for labeling, packaging, and
24 testing is ~~section 44-10-203~~ SECTIONS 25-5-429 AND 44-10-203.

25 **SECTION 10.** In Colorado Revised Statutes, 44-10-203, **amend**
26 (2)(f), (3) introductory portion, (3)(c), and (8); and **add** (2)(d)(X) and
27 (10)(d) as follows:

1 (F) STATEMENTS VERIFYING THE ABSENCE OF MICROBIAL
2 CONTAMINANTS, AEROBIC CONTAMINANTS, AND RESIDUAL PESTICIDES AT
3 REGULATED THRESHOLDS.

4 (3) In ~~promulgating~~ ADOPTING rules pursuant to this section, the
5 state licensing authority may seek the assistance of the department of
6 public health and environment when necessary before ~~promulgating~~
7 ADOPTING rules on the following subjects:

8 (c) (I) The safe and lawful transport of regulated marijuana and
9 regulated marijuana products between the licensed business and testing
10 laboratories.

11 (II) THIS SUBSECTION (3)(c) IS REPEALED, EFFECTIVE MARCH 1,
12 2027.

13 (8) The state licensing authority shall treat a metered-dose inhaler
14 the same as a vaporized delivery device for purposes of regulation. ~~and~~
15 ~~testing.~~

16 (10) (d) THIS SUBSECTION (10) IS REPEALED, EFFECTIVE MARCH 1,
17 2027.

18 **SECTION 11.** In Colorado Revised Statutes, 44-10-204, **amend**
19 (2)(a), (2)(c), and (2)(d); and **add** (2)(e) as follows:

20 **44-10-204. Confidentiality.**

21 (2) The state licensing authority shall make available for public
22 inspection:

23 (a) Documents related to final agency actions and orders,
24 INCLUDING ORDERS TO SHOW CAUSE AND EXHIBITS REFERENCED IN THE
25 ORDERS, WITH PERSONALLY IDENTIFIABLE INFORMATION RELATED TO THE
26 AFFECTED CUSTOMER REDACTED;

27 (c) Demographic information related to applicants and licensees

1 available on an aggregated and de-identified basis; and

2 (d) Enforcement forms and compliance checklists; AND

3 (e) ADVERSE HEALTH REPORTS, INCLUDING INFORMATION RELATED
4 TO THE PRODUCT MANUFACTURER AND BASIS FOR THE REPORT, WITH
5 PERSONALLY IDENTIFIABLE INFORMATION RELATED TO THE AFFECTED
6 CUSTOMER REDACTED.

7 **SECTION 12.** In Colorado Revised Statutes, 44-10-501, **amend**
8 (3)(e) and (6) as follows:

9 **44-10-501. Medical marijuana store license.**

10 (3) (e) ~~(f)~~ A medical marijuana store that sells a hemp product
11 shall ensure that the hemp product has passed all testing required by rules
12 adopted by the state licensing authority pursuant to section 44-10-203
13 ~~(2)(d)~~. Prior to taking possession of the A hemp product, a medical
14 marijuana store shall verify the hemp product passed all testing required
15 for medical marijuana products at a licensed medical marijuana testing
16 facility and that the person transferring the hemp product has received a
17 registration from the department of public health and environment
18 pursuant to section 25-5-427 OR 25-5-429.

19 ~~(H)~~ Absent sampling and testing standards established by the
20 department of public health and environment for the sampling and testing
21 of a hemp product, a person transferring a hemp product to a medical
22 marijuana store pursuant to this section shall comply with sampling and
23 testing standards consistent with those established by the state licensing
24 authority pursuant to this article 10. The state licensing authority shall
25 report to the department of public health and environment any
26 investigations or findings of violations of this section by a person
27 registered pursuant to section 25-5-427.

1 (6) (a) FOR FINISHED PRODUCT TESTING PURPOSES, AN
2 AUTHORIZED SAMPLER SHALL COLLECT A SAMPLE OF AN INTOXICATING
3 CANNABIS PRODUCT FROM A MEDICAL MARIJUANA STORE AND SUBMIT THE
4 COLLECTED SAMPLE TO A LICENSED MEDICAL MARIJUANA TESTING
5 FACILITY IN ACCORDANCE WITH THE RULES ADOPTED PURSUANT TO
6 SECTION 25-5-429 (6).

7 (b) A medical marijuana store may provide ~~except as required by~~
8 ~~section 44-10-203 (2)(d)~~, a sample of its products to a LICENSED MEDICAL
9 MARIJUANA TESTING facility ~~that has a medical marijuana testing facility~~
10 ~~license from the state licensing authority for testing and research~~
11 purposes. A medical marijuana store shall maintain a record of what was
12 provided to the testing facility, the identity of the testing facility, and the
13 results of the testing.

14 **SECTION 13.** In Colorado Revised Statutes, 44-10-502, **amend**
15 **(3); and repeal (5)(d)(III) as follows:**

16 **44-10-502. Medical marijuana cultivation facility license -**
17 **centralized distribution permit - obtaining genetic material - transfer**
18 **and change of designation of retail marijuana to medical marijuana**
19 **- contingency plan - rules - definitions.**

20 (3) (a) FOR FINISHED PRODUCT TESTING PURPOSES, AN
21 AUTHORIZED SAMPLER SHALL COLLECT A SAMPLE OF AN INTOXICATING
22 CANNABIS PRODUCT FROM A MEDICAL MARIJUANA CULTIVATION FACILITY
23 AND SUBMIT THE COLLECTED SAMPLE TO A LICENSED MEDICAL MARIJUANA
24 TESTING FACILITY IN ACCORDANCE WITH THE RULES ADOPTED PURSUANT
25 TO SECTION 25-5-429 (6).

26 (b) A medical marijuana cultivation facility may provide ~~except~~
27 ~~as required by section 44-10-203 (2)(d)~~, a sample of its products to a

1 ~~facility that has a~~ LICENSED medical marijuana testing facility ~~license~~
2 ~~from the state licensing authority for testing and~~ research purposes. A
3 medical marijuana cultivation facility shall maintain a record of what was
4 provided to the testing facility, the identity of the testing facility, and the
5 testing results.

6 (5) (d) To provide an R-and-D unit, the R-and-D unit must be:
7 (III) ~~Tested in accordance with the rules adopted under section~~
8 ~~44-10-203 (2)(d);~~

9 **SECTION 14.** In Colorado Revised Statutes, 44-10-503, **amend**
10 (5)(b) and (8); and **repeal** (10)(d)(III) as follows:

11 **44-10-503. Medical marijuana products manufacturer license**
12 **- hemp products - R-and-D units - transfer and change of designation**
13 **of retail marijuana to medical marijuana - rules - definition.**

14 (5) (b) (I) ~~A medical marijuana products manufacturer that uses~~
15 ~~a hemp product as an ingredient in a medical marijuana product shall~~
16 ~~ensure that the hemp product has passed all testing required by rules~~
17 ~~adopted by the state licensing authority pursuant to section 44-10-203~~
18 ~~(2)(d). Prior to taking possession of the~~ A hemp product, a medical
19 marijuana products manufacturer shall verify ~~the hemp product passed all~~
20 ~~testing required for medical marijuana products at a licensed medical~~
21 ~~marijuana testing facility and that the person transferring the hemp~~
22 ~~product has received a registration from the department of public health~~
23 ~~and environment pursuant to section 25-5-427 OR 25-5-429.~~

24 (II) ~~Absent sampling and testing standards established by the~~
25 ~~department of public health and environment for the sampling and testing~~
26 ~~of a hemp product, a person transferring a hemp product to a medical~~
27 ~~marijuana products manufacturer pursuant to this section shall comply~~

1 with sampling and testing standards consistent with those established by
2 the state licensing authority pursuant to this article 10. The state licensing
3 authority shall report to the department of public health and environment
4 any investigations or findings of violations of this section by a person
5 registered pursuant to section 25-5-427.

6 (8) (a) FOR FINISHED PRODUCT TESTING PURPOSES, AN
7 AUTHORIZED SAMPLER SHALL COLLECT A SAMPLE OF AN INTOXICATING
8 CANNABIS PRODUCT FROM A MEDICAL MARIJUANA PRODUCTS
9 MANUFACTURER AND SUBMIT THE COLLECTED SAMPLE TO A LICENSED
10 MEDICAL MARIJUANA TESTING FACILITY IN ACCORDANCE WITH THE RULES
11 ADOPTED PURSUANT TO SECTION 25-5-429 (6).

12 (b) A medical marijuana products manufacturer may provide
13 ~~except as required by section 44-10-203 (2)(d)~~, a sample of its products
14 to a facility that has a LICENSED medical marijuana testing facility license
15 ~~from the state licensing authority for testing and~~ research purposes. A
16 medical marijuana products manufacturer shall maintain a record of what
17 was provided to the testing facility, the identity of the testing facility, and
18 the results of the testing.

19 (10) (d) To provide an R-and-D unit, the R-and-D unit must be:

20 (III) ~~Tested in accordance with the rules adopted under section~~
21 ~~44-10-203 (2)(d)~~;

22 **SECTION 15.** In Colorado Revised Statutes, 44-10-505, **amend**
23 (3) as follows:

24 **44-10-505. Medical marijuana transporter license - definition.**

25 (3) A medical marijuana transporter licensee shall use the
26 seed-to-sale tracking system ~~developed pursuant to section 44-10-202~~
27 ~~(1)(a)~~ to create shipping manifests documenting the transport of medical

1 marijuana and medical marijuana products throughout the state.

2 **SECTION 16.** In Colorado Revised Statutes, 44-10-601, **amend**
3 (3)(c) and (4) as follows:

4 **44-10-601. Retail marijuana store license - rules - definitions.**

5 (3) (c) ~~(f)~~ A retail marijuana store that sells a hemp product shall
6 ensure that the hemp product has passed all testing required by rules
7 adopted by the state licensing authority pursuant to section 44-10-203
8 ~~(2)(d)~~. Prior to taking possession of ~~the~~ A hemp product, a retail
9 marijuana store shall verify ~~the hemp product passed all testing required~~
10 ~~for retail marijuana products at a licensed retail marijuana testing facility~~
11 ~~and~~ that the person transferring the hemp product has received a
12 registration from the department of public health and environment
13 pursuant to section 25-5-427 OR 25-5-429.

14 ~~(H) Absent sampling and testing standards established by the~~
15 ~~department of public health and environment for the sampling and testing~~
16 ~~of a hemp product, a person transferring a hemp product to a retail~~
17 ~~marijuana store pursuant to this section shall comply with sampling and~~
18 ~~testing standards consistent with those established by the state licensing~~
19 ~~authority pursuant to this article 10. The state licensing authority shall~~
20 ~~report to the department of public health and environment any~~
21 ~~investigations or findings of violations of this section by a person~~
22 ~~registered pursuant to section 25-5-427.~~

23 (4) (a) FOR FINISHED PRODUCT TESTING PURPOSES, AN
24 AUTHORIZED SAMPLER SHALL COLLECT A SAMPLE OF AN INTOXICATING
25 CANNABIS PRODUCT FROM A RETAIL MARIJUANA STORE AND SUBMIT EACH
26 COLLECTED SAMPLE TO A LICENSED RETAIL MARIJUANA TESTING FACILITY.

27 (b) A retail marijuana store may provide ~~except as required by~~

1 ~~section 44-10-203 (2)(d)~~, a sample of its products to a ~~facility that has a~~
2 LICENSED RETAIL marijuana testing facility ~~license from the state licensing~~
3 ~~authority for testing and~~ research purposes. A retail marijuana store shall
4 maintain a record of what was provided to the testing facility, the identity
5 of the testing facility, and the results of the testing.

6 **SECTION 17.** In Colorado Revised Statutes, 44-10-602, **amend**
7 (4); and **repeal** (6)(d)(III) as follows:

8 **44-10-602. Retail marijuana cultivation facility license -**
9 **R-and-D units - centralized distribution permit - genetic material -**
10 **transfer and change of designation of retail marijuana to medical**
11 **marijuana - contingency plan - rules - definitions.**

12 (4) (a) FOR FINISHED PRODUCT TESTING PURPOSES, AN
13 AUTHORIZED SAMPLER SHALL COLLECT A SAMPLE OF AN INTOXICATING
14 CANNABIS PRODUCT FROM A RETAIL MARIJUANA CULTIVATION FACILITY
15 AND SUBMIT THE COLLECTED SAMPLE TO A LICENSED RETAIL MARIJUANA
16 TESTING FACILITY IN ACCORDANCE WITH RULES ADOPTED PURSUANT TO
17 SECTION 25-5-429 (6).

18 (b) A retail marijuana cultivation facility may provide ~~except as~~
19 ~~required by section 44-10-203 (2)(d)~~, a sample of its products to a ~~facility~~
20 ~~that has a~~ LICENSED retail marijuana testing facility ~~license from the state~~
21 ~~licensing authority for testing and~~ research purposes. A retail marijuana
22 cultivation facility shall maintain a record of what was provided to the
23 testing facility, the identity of the testing facility, and the testing results.

24 (6) (d) To provide an R-and-D unit, the R-and-D unit must be:

25 (III) ~~Tested in accordance with the rules adopted under section~~
26 ~~44-10-203 (2)(d)~~;

27 **SECTION 18.** In Colorado Revised Statutes, 44-10-603, **amend**

1 (6) and (11)(a); and **repeal** (10)(c)(III) as follows:

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

4 (6) (a) FOR FINISHED PRODUCT TESTING PURPOSES, AN
5 AUTHORIZED SAMPLER SHALL COLLECT A SAMPLE OF AN INTOXICATING
6 CANNABIS PRODUCT FROM A RETAIL MARIJUANA PRODUCTS
7 MANUFACTURER AND SUBMIT THE COLLECTED SAMPLE TO A LICENSED
8 RETAIL MARIJUANA TESTING FACILITY IN ACCORDANCE WITH RULES
9 ADOPTED PURSUANT TO SECTION 25-5-429 (6).

10 (b) A retail marijuana products manufacturer may provide ~~except~~
11 ~~as required by section 44-10-203 (2)(d)~~, a sample of its products to a
12 ~~facility that has a LICENSED retail marijuana testing facility license from~~
13 ~~the state licensing authority for testing and~~ research purposes. A retail
14 marijuana products manufacturer shall maintain a record of what was
15 provided to the testing facility, the identity of the testing facility, and the
16 results of the testing.

17 (10) (c) To provide an R-and-D unit, the R-and-D unit must be:

18 (III) ~~Tested in accordance with the rules adopted under section~~
19 ~~44-10-203 (2)(d)~~;

20 (11) (a) ~~A retail marijuana products manufacturer that uses a~~
21 ~~hemp product as an ingredient in a retail marijuana product shall ensure~~
22 ~~that the hemp product has passed all testing required by rules adopted by~~
23 ~~the state licensing authority pursuant to section 44-10-203 (2)(d)~~. Prior to
24 taking possession of ~~the~~ A hemp product, a retail marijuana products
25 manufacturer shall verify ~~that the hemp product passed all testing~~
26 ~~required for retail marijuana products at a licensed retail marijuana testing~~
27 ~~facility and that the person transferring the hemp product has received a~~

1 registration from the department of public health and environment
2 pursuant to section 25-5-427 OR 25-5-429.

3 **SECTION 19.** In Colorado Revised Statutes, 44-10-604, **repeal**
4 (2) as follows:

5 **44-10-604. Retail marijuana testing facility license.**

6 (2) ~~The state licensing authority shall promulgate rules pursuant~~
7 ~~to its authority in section 44-10-202 (1)(c) related to acceptable testing~~
8 ~~and research practices, including but not limited to testing, standards,~~
9 ~~quality control analysis, equipment certification and calibration, and~~
10 ~~chemical identification and other substances used in bona fide research~~
11 ~~methods.~~

12 **SECTION 20.** In Colorado Revised Statutes, 44-10-605, **amend**
13 (3) as follows:

14 **44-10-605. Retail marijuana transporter license - definition.**

15 (3) A retail marijuana transporter licensee shall use the
16 seed-to-sale tracking system ~~developed pursuant to section 44-10-202~~
17 ~~(1)(a)~~ to create shipping manifests documenting the transport of retail
18 marijuana and retail marijuana products throughout the state.

19 **SECTION 21.** In Colorado Revised Statutes, 44-10-901, **add** (8)
20 as follows:

21 **44-10-901. Suspension - corrective action plans.**

22 (8) (a) THE STATE LICENSING AUTHORITY, UPON REFERRAL BY THE
23 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO
24 SECTION 25-5-429 (7):

25 (I) MAY REQUIRE A CORRECTIVE ACTION PLAN AND IMPOSE A
26 MINIMUM THIRTY-DAY PROBATIONARY OPERATION PERIOD; OR

27 (II) MAY IMPOSE A LICENSE SUSPENSION OF AT LEAST THIRTY DAYS

1 BUT NO MORE THAN THREE HUNDRED SIXTY-FIVE DAYS.

2 (b) THE STATE LICENSING AUTHORITY SHALL IMPOSE THE
3 DISCIPLINE IN THIS SECTION IN ACCORDANCE WITH PART 1 OF ARTICLE 4 OF
4 TITLE 24.

5 **SECTION 22.** In Colorado Revised Statutes, 25-5-427, **amend**
6 (5)(a) and (8)(c) as follows:

7 **25-5-427. Classes of hemp-derived compounds and**
8 **cannabinoids - definitions - registration required - prohibitions - safe**
9 **harbor - rules.**

10 (5) **Registration required - regulated hemp facilities -**
11 **application - fees - repeal.**

12 (a) Beginning July 1, 2023, and on or before July 1 of each year
13 thereafter, the owner of a regulated hemp facility shall submit a
14 registration application to the department UNDER THIS SECTION OR UNDER
15 SECTION 25-5-429. To submit an application, each hemp manufacturer or
16 storage facility and each safe harbor manufacturer or storage facility must
17 pay an annual application fee of one hundred dollars plus any additional
18 registration fee specified in subsection (5)(b) of this section. Each
19 registration expires on June 30 of the year for which the registration is
20 issued, regardless of whether the registration was issued after July 1 for
21 the year. Notwithstanding that a registration is valid for only a portion of
22 a fiscal year, the application and registration fee do not change.

23 (8) **Offenses.** It is unlawful to engage in or knowingly cause a
24 person to engage in any of the following acts:

25 (c) Manufacturing, producing, selling, distributing, or holding for
26 sale or distribution a hemp product without registering with the
27 department under this section OR SECTION 25-5-429;

1 **SECTION 23.** In Colorado Revised Statutes, **add 25-5-429** as
2 follows:

3 **25-5-429. Intoxicating cannabis products - testing - tracking**
4 **- sampling - enforcement - study - legislative declaration - definitions**
5 **- rules - repeal.**

6 (1) **Definitions.** THE DEFINITIONS SET FORTH IN SECTION
7 44-10-103 APPLY TO THIS SECTION. AS USED IN THIS SECTION, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (a) "AUTHORIZED SAMPLER" MEANS A PERSON EMPLOYED BY, OR
10 UNDER CONTRACT WITH, THE DEPARTMENT OR A LICENSED TESTING
11 FACILITY TO COLLECT COMPLIANCE SAMPLES OF INTOXICATING CANNABIS
12 PRODUCTS, CONSISTENT WITH THE SAMPLING PROTOCOLS ESTABLISHED BY
13 THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION.

14 (b) "CONTENT DISCREPANCY" MEANS THAT A LABORATORY
15 ANALYSIS, CONDUCTED THROUGH THE STATE REFERENCE LABORATORY OR
16 OFF-SHELF SURVEILLANCE TESTING SYSTEM, DEMONSTRATES THAT THE
17 VERIFIED CANNABINOID CONTENT OR CONTAMINANT CONTENT IN A
18 SAMPLE EXCEEDS THE ALLOWABLE VARIANCE FROM LABELED CLAIMS
19 ESTABLISHED BY THE DEPARTMENT.

20 (c) (I) "INTOXICATING CANNABIS PRODUCT" MEANS A PRODUCT
21 INTENDED FOR HUMAN CONSUMPTION THAT CONTAINS AN INTOXICATING
22 CANNABINOID.

23 (II) "INTOXICATING CANNABIS PRODUCT" INCLUDES:

24 (A) REGULATED MARIJUANA PRODUCTS; AND

25 (B) A HEMP PRODUCT DESCRIBED IN SECTION 25-5-427 (8)(e)(I)(A)
26 OR (8)(e)(I)(B).

27 (III) "INTOXICATING CANNABIS PRODUCT" DOES NOT INCLUDE:

1 (A) AN INDUSTRIAL HEMP FIBER, GRAIN, OR SEED PRODUCT THAT
2 IS NOT INTENDED FOR HUMAN CONSUMPTION; OR

3 (B) A PRODUCT THAT CONTAINS A NONINTOXICATING
4 CANNABINOID BUT DOES NOT CONTAIN AN INTOXICATING CANNABINOID.

5 (d) "LICENSED TESTING FACILITY" MEANS A TESTING FACILITY OR
6 LABORATORY THAT IS LICENSED PURSUANT TO ARTICLE 10 OF TITLE 44.

7 (e) "LICENSEE" MEANS A PERSON LICENSED PURSUANT TO ARTICLE
8 10 OF TITLE 44.

9 (f) "OFF-SHELF SURVEILLANCE TESTING SYSTEM" MEANS THE
10 OFF-SHELF SURVEILLANCE TESTING SYSTEM ESTABLISHED PURSUANT TO
11 SUBSECTION (4) OF THIS SECTION.

12 (g) "STATE REFERENCE LABORATORY" MEANS THE REFERENCE
13 LABORATORY ESTABLISHED PURSUANT TO SUBSECTION (5) OF THIS
14 SECTION.

15 (h) "TAXES AVOIDED" MEANS THE GREATER OF:

16 (I) NOTHING; OR

17 (II) THE DIFFERENCE BETWEEN TAXES THAT SHOULD HAVE BEEN
18 ASSESSED AT PURCHASE BASED ON VERIFIED CANNABINOID CONTENT AND
19 THE TAXES THAT WERE ACTUALLY ASSESSED AT PURCHASE BASED ON
20 LABELED CANNABINOID CONTENT.

21 (2) **Registration required - intoxicating cannabis**
22 **manufacturers - application - fees - rules.**

23 (a) THE DEPARTMENT HAS THE POWERS AND DUTIES TO:

24 (I) GRANT OR DENY A REGISTRATION ISSUED UNDER SUBSECTION
25 (2)(b) OF THIS SECTION AND TO GRANT OR DENY THE ANNUAL RENEWAL OF
26 A REGISTRATION;

27 (II) SUSPEND, DENY, OR REVOKE A REGISTRATION UNDER

1 CIRCUMSTANCES PRESCRIBED IN THIS SECTION OR IN RULES ADOPTED
2 UNDER THIS SECTION;

3 (III) REVIEW THE RECORDS OF A REGISTRANT THAT
4 MANUFACTURES FOR DISTRIBUTION, PRODUCES FOR DISTRIBUTION,
5 PACKAGES FOR DISTRIBUTION, PROCESSES FOR DISTRIBUTION, PREPARES
6 FOR DISTRIBUTION, TREATS FOR DISTRIBUTION, TRANSPORTS FOR
7 DISTRIBUTION, OR HOLDS FOR DISTRIBUTION PRODUCTS SUBJECT TO THIS
8 SECTION AS NECESSARY TO VERIFY COMPLIANCE WITH THIS SECTION OR
9 RULES ADOPTED UNDER THIS SECTION;

10 (IV) ADOPT RULES THAT ARE NECESSARY FOR THE FAIR,
11 IMPARTIAL, AND COMPREHENSIVE ADMINISTRATION OF THIS PART 4 WITH
12 RESPECT TO INTOXICATING CANNABIS PRODUCTS;

13 (V) ISSUE A CEASE-AND-DESIST ORDER OR CLEAN-UP ORDER TO
14 ADDRESS VIOLATIONS OF THIS SECTION;

15 (VI) CONDUCT INSPECTIONS OF INTOXICATING CANNABIS PRODUCT
16 FACILITIES IN ACCORDANCE WITH SECTION 25-5-421 TO ENSURE
17 COMPLIANCE WITH THIS SECTION; AND

18 (VII) CONDUCT TESTING OF INTOXICATING CANNABIS PRODUCTS
19 AT ANY POINT OF THE SUPPLY CHAIN TO:

20 (A) ENSURE THAT INTOXICATING CANNABIS PRODUCTS COMPLY
21 WITH THIS SECTION OR RULES ADOPTED UNDER THIS SECTION OR ARTICLE
22 10 OF TITLE 44 OR RULES ADOPTED UNDER ARTICLE 10 OF TITLE 44;

23 (B) ENSURE THE SAFETY OF INTOXICATING CANNABIS PRODUCTS;

24 (C) DETERMINE THE SOURCE OF CONTAMINANTS; OR

25 (D) MAKE ANY FINDINGS NECESSARY TO ENFORCE THIS SECTION
26 OR RULES ADOPTED UNDER THIS SECTION OR ARTICLE 10 OF TITLE 44 OR
27 RULES ADOPTED UNDER ARTICLE 10 OF TITLE 44.

1 (b) (I) BEGINNING JULY 1, 2027, AND ON OR BEFORE JULY 1 OF
2 EACH YEAR THEREAFTER, THE OWNER OF A BUSINESS THAT PRODUCES OR
3 INTENDS TO PRODUCE AN INTOXICATING CANNABIS PRODUCT SHALL
4 SUBMIT A REGISTRATION APPLICATION TO THE DEPARTMENT. TO SUBMIT
5 AN APPLICATION, THE OWNER MUST PAY AN APPLICATION FEE SPECIFIED IN
6 SUBSECTION (2)(b)(II) OF THIS SECTION PLUS AN ANNUAL REGISTRATION
7 FEE SPECIFIED IN SUBSECTION (2)(b)(III) OF THIS SECTION. EACH
8 REGISTRATION EXPIRES ON JUNE 30 OF THE YEAR FOR WHICH THE
9 REGISTRATION IS ISSUED, REGARDLESS OF WHETHER THE REGISTRATION
10 WAS ISSUED AFTER JULY 1 FOR THE STATE FISCAL YEAR.
11 NOTWITHSTANDING THAT A REGISTRATION IS VALID FOR ONLY A PORTION
12 OF A FISCAL YEAR, THE APPLICATION AND REGISTRATION FEE DO NOT
13 CHANGE.

14 (II) THE DEPARTMENT SHALL SET THE APPLICATION FEE TO OFFSET
15 THE DIRECT AND INDIRECT COST OF PROCESSING THE APPLICATIONS FOR
16 REGISTRATION ISSUED UNDER THIS SUBSECTION (2).

17 (III) THE DEPARTMENT SHALL SET THE ANNUAL REGISTRATION FEE
18 TO OFFSET THE DIRECT AND INDIRECT COSTS OF IMPLEMENTING THIS
19 SECTION, EXCLUDING PROCESSING THE APPLICATIONS FOR REGISTRATION
20 ISSUED UNDER THIS SUBSECTION (2).

21 (c) A REGISTRATION ISSUED UNDER THIS SUBSECTION (2) IS
22 SUBJECT TO SUSPENSION OR REVOCATION, IN ACCORDANCE WITH ARTICLE
23 4 OF TITLE 24, IF THE REGISTRANT VIOLATES THIS PART 4 OR RULES
24 ADOPTED UNDER THIS PART 4.

25 (d) A REGISTRANT THAT VIOLATES THIS SECTION OR RULES
26 ADOPTED UNDER THIS SECTION IS SUBJECT TO THE PENALTIES ESTABLISHED
27 IN SUBSECTION (7) OF THIS SECTION.

1 (e) AN INTOXICATING CANNABIS PRODUCT PRODUCED BY A
2 REGISTRANT IS DEEMED NOT ADULTERATED, AS DEFINED IN SECTIONS
3 25-5-410 AND 25-5-416, UNLESS THE PRODUCT MEETS ONE OR MORE OF
4 THE CRITERIA FOR ADULTERATION SET FORTH IN SECTION 25-5-410 OR
5 25-5-416.

6 (f) THE STATE TREASURER SHALL CREDIT THE FEES COLLECTED IN
7 ACCORDANCE WITH SUBSECTION (2)(b) OF THIS SECTION TO THE
8 WHOLESALE FOOD MANUFACTURING AND STORAGE PROTECTION CASH
9 FUND ESTABLISHED IN SECTION 25-5-426 (5).

10 (3) **Testing - tracking - research and development - rules -**
11 **repeal.** THE DEPARTMENT SHALL:

12 (a) **[Similar to 44-10-203 (2)(d)(I)]** ADOPT RULES ESTABLISHING
13 AN INTOXICATING CANNABIS PRODUCTS INDEPENDENT TESTING AND
14 CERTIFICATION PROGRAM FOR MARIJUANA BUSINESS LICENSEES REQUIRING
15 INTOXICATING CANNABIS PRODUCTS BE TESTED TO ENSURE, AT A
16 MINIMUM, THAT PRODUCTS SOLD FOR HUMAN CONSUMPTION DO NOT
17 CONTAIN CONTAMINANTS, INCLUDING MICROBIAL AND RESIDUAL
18 SOLVENTS AND CHEMICAL AND BIOLOGICAL CONTAMINANTS, IN AN
19 AMOUNT THAT IS INJURIOUS TO HEALTH AND TO ENSURE CORRECT
20 LABELING. THE FOLLOWING PROVISIONS APPLY TO TESTING UNDER THE
21 RULES:

22 (I) (A) IF TEST RESULTS INDICATE THE PRESENCE OF A SUBSTANCE
23 IN AN AMOUNT DETERMINED TO BE INJURIOUS TO HEALTH, THE RULES
24 MUST REQUIRE THE MEDICAL MARIJUANA OR RETAIL MARIJUANA TESTING
25 FACILITY LICENSEE TO IMMEDIATELY NOTIFY THE DEPARTMENT AND THE
26 STATE LICENSING AUTHORITY.

27 (B) **[Similar to 44-10-203 (2)(d)(IV)(A)]** TESTING MUST ALSO

1 VERIFY INTOXICATING CANNABINOID POTENCY REPRESENTATIONS AND
2 HOMOGENEITY FOR CORRECT LABELING AND PROVIDE A CANNABINOID
3 PROFILE FOR THE INTOXICATING CANNABIS PRODUCT.

4 (C) **[Similar to 44-10-203 (2)(d)(VI)]** THE RULES MUST INCLUDE
5 THE PROTOCOLS AND FREQUENCY OF INTOXICATING CANNABIS PRODUCT
6 TESTING BY AUTHORIZED SAMPLERS.

7 (D) **[Similar to 44-10-203 (2)(d)(VII)]** A STATE, LOCAL, OR
8 MUNICIPAL AGENCY SHALL NOT EMPLOY OR USE THE RESULTS OF A TEST
9 OF INTOXICATING CANNABIS PRODUCTS CONDUCTED BY AN ANALYTICAL
10 LABORATORY THAT IS NOT ACCREDITED TO THE INTERNATIONAL
11 ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL
12 ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY
13 SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD OF TESTING.

14 (II) (A) IN ADOPTING THE RULES REQUIRED IN THIS SUBSECTION
15 (3)(a), THE DEPARTMENT SHALL NOT REQUIRE A LICENSEE TO TEST AN
16 INTOXICATING CANNABIS PRODUCT UNTIL THE PRODUCT IS PACKAGED FOR
17 RETAIL SALE OR DISTRIBUTION TO CONSUMERS. THIS SUBSECTION
18 (3)(a)(II)(A) DOES NOT SUPERSEDE THE AUTHORITY GRANTED IN
19 SUBSECTION (2)(a)(VII) OF THIS SECTION.

20 (B) A LICENSEE MUST OBTAIN TESTING OF ITS INTOXICATING
21 CANNABIS PRODUCTS AT A LICENSED TESTING FACILITY. THE LICENSED
22 TESTING FACILITY MAY CHARGE THE LICENSEE TO CONDUCT THE TESTING.

23 (C) ON OR AFTER JULY 1, 2027, A MEMBER OF THE PUBLIC WHO
24 MAY LEGALLY PURCHASE AN INTOXICATING CANNABIS PRODUCT MAY
25 OBTAIN TESTING OF AN INTOXICATING CANNABIS PRODUCT AT THE STATE
26 REFERENCE LABORATORY OR A LICENSED TESTING FACILITY. THE STATE
27 REFERENCE LABORATORY OR LICENSED TESTING FACILITY MAY CHARGE

1 THE PURCHASER TO CONDUCT THE TESTING.

2 (b) USE THE SEED-TO-SALE TRACKING SYSTEM TO IMPLEMENT THIS
3 SECTION;

4 (c) **[Similar to 44-10-203 (10)(a)]** ADOPT RULES TO ENABLE A
5 LICENSEE TO CONDUCT RESEARCH AND DEVELOPMENT USING R-AND-D
6 UNITS WHEN EVALUATING DIFFERENT FLAVORS AND NONMARIJUANA
7 INGREDIENTS, BUT A LICENSEE SHALL NOT TRANSFER R-AND-D UNITS TO
8 A REGULATED MARIJUANA STORE;

9 (d) ADOPT RULES MAKING THE FOLLOWING AVAILABLE FOR PUBLIC
10 INSPECTION VIA AN ONLINE PORTAL:

11 (I) ADVERSE HEALTH REPORTS, INCLUDING INFORMATION RELATED
12 TO THE PRODUCT MANUFACTURER AND BASIS FOR THE REPORT, WITH
13 PERSONALLY IDENTIFIABLE INFORMATION RELATED TO AN AFFECTED
14 CUSTOMER REDACTED;

15 (II) TEST RESULTS OF ALL PRODUCTS SOLD TO THE PUBLIC; AND

16 (III) DATA CONTAINED IN THE SEED-TO-SALE TRACKING SYSTEM;
17 EXCEPT THAT THE DATA MUST BE PROVIDED IN AN AGGREGATE FORM WITH
18 NO PERSONALLY IDENTIFIABLE INFORMATION OR WITH PERSONALLY
19 IDENTIFIABLE INFORMATION RELATED TO AN AFFECTED CUSTOMER
20 REDACTED; AND

21 (e) (I) ADOPT THE RULES DESCRIBED IN THIS SUBSECTION (3) ON OR
22 BEFORE JULY 1, 2027. UNTIL THE DEPARTMENT ADOPTS THE RULES
23 DESCRIBED IN THIS SUBSECTION (3), ALL RULES AND ORDERS OF THE STATE
24 LICENSING AUTHORITY CONTINUE TO BE EFFECTIVE AND SHALL BE
25 ENFORCED BY THE DEPARTMENT UNTIL SUPERSEDED, AMENDED,
26 REPEALED, OR NULLIFIED PURSUANT TO LAW.

27 (II) THIS SUBSECTION (3)(e) IS REPEALED, EFFECTIVE JULY 1, 2028.

1 **(4) Off-shelf surveillance testing system.**

2 (a) THE DEPARTMENT, IN CONSULTATION WITH THE STATE
3 LICENSING AUTHORITY, SHALL ESTABLISH AND OPERATE A STATEWIDE
4 OFF-SHELF SURVEILLANCE TESTING SYSTEM FOR INTOXICATING CANNABIS
5 PRODUCTS THAT INCLUDES:

6 (I) SAMPLING OF PRODUCTS PACKAGED FOR SALE OR DISTRIBUTION
7 TO CONSUMERS;

8 (II) VALIDATING CONTENT CLAIMS TO PROTECT CONSUMER
9 HEALTH AND SAFETY;

10 (III) DETECTION OF CONTAMINANTS IN AMOUNTS DETERMINED TO
11 BE INJURIOUS TO HEALTH;

12 (IV) PUBLISHING PRODUCT-LEVEL TRACEABILITY AND TESTING
13 DATA; AND

14 (V) MANDATING IMMEDIATE CORRECTIVE ACTION.

15 (b) THE DEPARTMENT SHALL MAKE THE TESTING SYSTEM FOR
16 CONTENT CLAIMS REQUIRED BY SUBSECTION (4)(a)(II) OF THIS SECTION
17 OPERATIONAL ON OR BEFORE JULY 1, 2027. THE DEPARTMENT SHALL
18 ESTABLISH THE IMPLEMENTATION TIME FRAME FOR THE CONTAMINANT
19 TESTING REQUIRED BY SUBSECTION (4)(a)(III) OF THIS SECTION, BUT THE
20 DEPARTMENT SHALL IMPLEMENT CONTAMINANT TESTING BY JANUARY 1,
21 2030. CONTAMINANT TESTING MAY BE PHASED IN OVER THE COURSE OF
22 TWELVE TO EIGHTEEN MONTHS TO ACCOMMODATE LABORATORY
23 CAPACITY AND REGULATORY ALIGNMENT.

24 **(5) State reference laboratory.** ON OR BEFORE JANUARY 1, 2027,
25 THE DEPARTMENT, IN CONSULTATION WITH THE STATE LICENSING
26 AUTHORITY, SHALL ESTABLISH A REFERENCE LABORATORY FOR
27 INTOXICATING CANNABIS PRODUCTS THAT:

- 1 (a) MAINTAINS VALIDATED METHODS AND BENCHMARKS;
2 (b) PROVIDES OR VALIDATES REFERENCE MATERIALS OR
3 PROFICIENCY SAMPLES;
4 (c) SUPPORTS ALIGNMENT CHECKS BETWEEN LICENSED TESTING
5 FACILITIES AND THE STATE REFERENCE LABORATORY;
6 (d) PROVIDES SURVEILLANCE TESTING SERVICES TO THE
7 DEPARTMENT AND THE STATE LICENSING AUTHORITY; AND
8 (e) OFFERS, FOR A FEE, TESTING SERVICES TO THE PUBLIC.

9 (6) **Authorized sampling - rules.** THE DEPARTMENT SHALL ADOPT
10 RULES REGARDING THE SAMPLING OF INTOXICATING CANNABIS PRODUCTS
11 AT RETAIL. THE RULES MUST INCLUDE:

- 12 (a) MINIMUM TRAINING AND DOCUMENTATION REQUIREMENTS FOR
13 AN AUTHORIZED SAMPLER;
14 (b) REQUIREMENTS FOR CHAIN OF CUSTODY AND SAMPLE
15 HANDLING;
16 (c) METHODS FOR ENSURING REPRESENTATIVENESS OF SAMPLES;
17 (d) ENFORCEMENT MECHANISMS FOR NONCOMPLIANCE WITH
18 SAMPLING REQUIREMENTS; AND
19 (e) THE SAFE AND LAWFUL TRANSPORT OF INTOXICATING
20 CANNABIS PRODUCTS BETWEEN A LICENSED BUSINESS AND A TESTING
21 LABORATORY.

22 (7) **Labeling and content claim requirements - enforcement -**
23 **penalties.**

- 24 (a) THE DEPARTMENT SHALL ENFORCE LABELING REQUIREMENTS
25 ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION
26 44-10-203 (2)(f) AND ANY ADDITIONAL CONTENT CLAIM REQUIREMENTS
27 ESTABLISHED BY RULE PURSUANT TO SUBSECTION (3) OF THIS SECTION.

1 (b) THE DEPARTMENT SHALL TEST FOR:

2 (I) LABELING DISCREPANCIES INVOLVING AN INTOXICATING
3 CANNABINOID OR A NONINTOXICATING CANNABINOID; OR

4 (II) CONTAMINANT LEVELS IN AN INTOXICATING CANNABIS
5 PRODUCT THAT EXCEED ALLOWABLE THRESHOLDS FOR AN INTOXICATING
6 CANNABIS PRODUCT.

7 (c) IF TESTING DEMONSTRATES A DISCREPANCY OR
8 CONTAMINATION DESCRIBED IN SUBSECTION (7)(b) OF THIS SECTION OR A
9 FAILURE TO COMPLY WITH THE RULES ADOPTED UNDER SUBSECTION (3) OF
10 THIS SECTION, THE DEPARTMENT MAY:

11 (I) ORDER AN IMMEDIATE QUARANTINE OF THE UNSOLD PRODUCTS
12 FROM THE PRODUCTION BATCH;

13 (II) AUTHORIZE THE LICENSEE TO RELABEL A QUARANTINED
14 PRODUCT TO REFLECT THE ACTUAL CONTENT, AND THE DEPARTMENT
15 SHALL REMOVE THE QUARANTINE ON APPROPRIATELY RELABELED
16 PRODUCTS;

17 (III) ORDER THE DESTRUCTION OF PRODUCTS THAT CONTAIN
18 CONTAMINANT LEVELS EXCEEDING ALLOWABLE THRESHOLDS FOR
19 INTOXICATING CANNABIS PRODUCTS;

20 (IV) ISSUE A PUBLIC RECALL NOTICE AND ORDER AFFECTED RETAIL
21 LOCATIONS TO POST SIGNAGE AT THE AFFECTED RETAIL LOCATIONS;

22 (V) IMPOSE A CIVIL PENALTY ON THE LICENSEE IN AN AMOUNT:

23 (A) AT LEAST EQUAL TO THE GREATER OF ONE HUNDRED PERCENT
24 OF TAXES AVOIDED DUE TO INACCURATE LABELING OR TEN PERCENT OF
25 THE TOTAL RETAIL VALUE OF THE PRODUCTS SOLD TO CONSUMERS; AND

26 (B) NOT MORE THAN EQUAL TO THE GREATER OF TWENTY-FIVE
27 THOUSAND DOLLARS OR THE TOTAL RETAIL VALUE OF THE PRODUCTS SOLD

1 TO CONSUMERS; AND

2 (VI) (A) REFER THE VIOLATION TO THE STATE LICENSING
3 AUTHORITY FOR A CORRECTIVE ACTION PLAN AND PROBATIONARY
4 OPERATION PERIOD ORDERED PURSUANT TO SECTION 44-10-901 (8); OR

5 (B) REFER THE VIOLATION TO THE STATE LICENSING AUTHORITY
6 FOR A LICENSE SUSPENSION ORDERED PURSUANT TO SECTION 44-10-901
7 (8).

8 (d) THE DEPARTMENT SHALL ADOPT RULES THAT:

9 (I) CLASSIFY THE DISCREPANCIES OR CONTAMINATIONS DESCRIBED
10 IN SUBSECTION (7)(b) OF THIS SECTION OR FAILURES TO COMPLY WITH THE
11 RULES ADOPTED UNDER SUBSECTION (3) OF THIS SECTION; AND

12 (II) SETS THE APPROPRIATE ORDERS AND PENALTIES AUTHORIZED
13 IN SUBSECTION (7)(c) OF THIS SECTION FOR EACH CLASSIFICATION
14 CREATED IN ACCORDANCE WITH SUBSECTION (7)(d)(I) OF THIS SECTION IN
15 ORDER TO PROTECT THE PUBLIC HEALTH AND SAFETY.

16 (e) EXCEPT FOR A REFERRAL TO THE STATE LICENSING AUTHORITY
17 MADE UNDER SUBSECTION (7)(c)(VI) OF THIS SECTION, DISCIPLINARY
18 PROCEEDINGS, HEARINGS, AND OPPORTUNITY FOR REVIEW MUST BE
19 CONDUCTED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24. TO PROTECT
20 CONSUMER SAFETY, THE FILING OF AN APPEAL DOES NOT STAY A
21 QUARANTINE OR RECALL ORDER ISSUED BY THE DEPARTMENT.

22 (8) **Enforcement - violations.**

23 (a) UNLESS THE DEPARTMENT APPROVES, A COUNTY, A DISTRICT
24 CREATED UNDER ARTICLE 1 OF TITLE 32, A MUNICIPALITY, OR A CITY AND
25 COUNTY SHALL NOT PERFORM A FOOD SAFETY INSPECTION AT A PREMISES
26 REGISTERED IN ACCORDANCE WITH THIS SECTION.

27 (b) EXCEPT AS PROVIDED IN SUBSECTION (7) OF THIS SECTION, A

1 PERSON THAT VIOLATES THIS SECTION, THE RULES ADOPTED UNDER THIS
2 SECTION, OR A FINAL CEASE-AND-DESIST ORDER OR CLEAN-UP ORDER IS
3 SUBJECT TO A CIVIL PENALTY IN AN AMOUNT UP TO TEN THOUSAND
4 DOLLARS PER DAY PER VIOLATION.

5 (c) THE STATE TREASURER SHALL CREDIT CIVIL PENALTIES
6 IMPOSED UNDER THIS SECTION TO THE WHOLESALE FOOD MANUFACTURING
7 AND STORAGE PROTECTION CASH FUND ESTABLISHED IN SECTION 25-5-426
8 (5).

9 **SECTION 24. Applicability.** This act applies to conduct
10 occurring on or after the effective date of this act.

11 **SECTION 25. Refer to people under referendum.** At the
12 election held on November 3, 2026, the secretary of state shall submit this
13 act by its ballot title to the registered electors of the state for their
14 approval or rejection. Each elector voting at the election may cast a vote
15 either "Yes/For" or "No/Against" on the following ballot title: "**SHALL**
16 **STATE TAXES BE INCREASED \$___ ANNUALLY BY A CHANGE TO THE**
17 **COLORADO REVISED STATUTES AMENDING EXISTING LAW**
18 **CONCERNING CANNABIS-RELATED PRODUCTS, AND, IN CONNECTION**
19 **THEREWITH, CHANGING THE BASIS FOR MARIJUANA EXCISE AND SALES**
20 **TAXES FROM A PERCENTAGE OF PRICE TO THE AMOUNT OF**
21 **INTOXICATING CANNABIS CONTENT, MOVING THE TESTING AND SAFETY**
22 **ELEMENTS OF INTOXICATING CANNABIS REGULATION FROM THE**
23 **DEPARTMENT OF REVENUE TO THE DEPARTMENT OF PUBLIC HEALTH**
24 **AND ENVIRONMENT, REQUIRING INTOXICATING CANNABIS PRODUCERS**
25 **TO BE REGISTERED WITH THE DEPARTMENT OF PUBLIC HEALTH AND**
26 **ENVIRONMENT, AND CHANGING THE TESTING OF MARIJUANA."** Except
27 as otherwise provided in section 1-40-123, Colorado Revised Statutes, if

- 1 a majority of the electors voting on the ballot title vote "Yes/For", then
- 2 the act will become part of the Colorado Revised Statutes.