

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0669.01 Jery Payne x2157

SENATE BILL 24-076

SENATE SPONSORSHIP

Van Winkle and Gonzales,

HOUSE SPONSORSHIP

Lindstedt,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT
101 **CONCERNING MEASURES TO ADDRESS EFFICIENCY IN THE REGULATION**
102 **OF EXISTING MARIJUANA LICENSEES.**

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>.)

Current law allows the transfer of immature plants, seeds, and genetic material between a medical or retail cultivation facility and certain people, including people approved by rule. **Sections 1, 7, and 10** of the bill allow this transfer from or to a medical or retail marijuana cultivation facility from or to a person permitted by another jurisdiction to possess or cultivate marijuana. The medical or retail cultivation facility

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.

must confirm that the purchaser is 21 years of age or older. The cultivation facility may accept online payments for the transfer. The state licensing authority may promulgate rules to implement the provision, but limits are placed on the rules that the state licensing authority may adopt.

Section 2 limits the frequency at which regulated marijuana and a regulated marijuana product need to be tested to no more than once for each required test and otherwise requires the elimination of redundant testing. **Section 2** also exempts the fungi in the genus aspergillus from product testing.

Current law requires beneficial owners and people who have access to the limited access areas of a medical marijuana business or retail marijuana business to have identification cards. **Section 2** repeals the requirement that beneficial owners have identification cards, but retains the requirement that people with access to the limited access areas need to have identification cards.

Section 2 also specifies that a licensee need not use radio frequency identification tags to tag or track marijuana and marijuana products.

Current law requires the marijuana enforcement division in the department of revenue (division) to promulgate rules requiring testing of marijuana and marijuana products for contaminants or substances that are harmful to health. **Section 2** clarifies that these tests should be made to determine whether the contaminants or substances are present in amounts that are harmful to health. Current law allows a licensee to remediate marijuana or marijuana products that have failed a test. **Section 2** removes a requirement that the licensee identify on the labeling that the product has failed a test when the product subsequently passed the same test. **Section 2** also authorizes retesting when the marijuana or marijuana product has failed a test.

Current law authorizes the division to establish procedures to issue a conditional employee identification card, which allows an individual to work for a license holder, after the individual has submitted an initial application and the division has conducted an investigation regarding the application but before the fingerprint record check is finished. **Section 2** requires the division to promulgate rules and issue the employee identification card upon initial review of the application.

The division is required to adopt rules authorizing a licensee to conduct fewer tests than normal upon demonstrating that the licensee's standard operating procedures and production practices result in consistent passing test results (program). **Section 2** specifically authorizes this program and sets an expiration date for reduced testing under the program at 3 years.

Sections 2, 4, 5, 6, 8, 9, and 11 extend the initial license and license renewal periods from one year to 2 years.

Section 3 requires the division to establish a system that allows a

medical or retail marijuana business that transports marijuana or marijuana products to use an electronic manifest system.

Section 5 requires the division to retain fingerprints submitted for initial licensure for use in a criminal history record check for license renewal. **Section 5** also authorizes a person who holds multiple licenses or affiliated persons who hold multiple licenses to submit a unified application for license renewal. The license holders must elect to have one or more licenses expire in less than 2 years in order to coordinate the expiration date.

Section 12 requires the division to promulgate rules categorizing each violation as a safety violation or a technical violation. The division will expunge technical violations from a licensee's record on the later date of one year after the violation is reported or when the license is renewed.

Section 13 reduces the amount of time for which a marijuana licensee must retain books and records that show the business's transactions from 3 years to one year.

Current law requires that excise tax be levied on the first transfer of unprocessed retail marijuana. **Section 14** specifies that the transfer of unprocessed retail marijuana exclusively for microbial control is not the first transfer of unprocessed retail marijuana for taxation purposes.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-10-103, **amend**
3 (18); and **add** (16.5) as follows:

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

6 (16.5)(a) "GENETIC MATERIAL" MEANS CANNABIS MATERIAL USED
7 TO PROPAGATE CANNABIS PLANTS.

8 (b) "GENETIC MATERIAL" INCLUDES:

9 (I) IMMATURE PLANTS CONTAINING A DELTA-9
10 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN
11 THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS;

12 (II) CANNABIS SEEDS;

13 (III) TISSUE CULTURE; AND

14 (IV) SMALL AMOUNTS OR FRAGMENTS OF THE CANNABIS PLANT

1 CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF
2 NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY-WEIGHT BASIS.

3 (18) "Immature plant" means a nonflowering marijuana plant that
4 is no taller than ~~eight~~ FIFTEEN inches and no wider than ~~eight~~ FIFTEEN
5 inches AND is produced from a cutting, clipping, or seedling. ~~and is in a~~
6 ~~cultivating container~~.

7 **SECTION 2.** In Colorado Revised Statutes, 44-10-203, **amend**
8 (2) introductory portion, (2)(d)(III)(A), (2)(d)(III)(B), (2)(e), (2)(t),
9 (2)(dd)(XIV), and (3)(h) as follows:

10 **44-10-203. State licensing authority - rules.** (2) **Mandatory**
11 **rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c)
12 must include ~~but need not be limited to~~ the following subjects:

13 =

14 (d) (III) (A) If test results indicate the presence of ~~quantities of~~
15 ~~any~~ A substance determined to be injurious to health, the medical
16 marijuana or retail marijuana licensee shall immediately quarantine the
17 products and notify the state licensing authority. The state licensing
18 authority shall give the licensee an opportunity to remediate, INCLUDING
19 RETESTING TO DEMONSTRATE THE REMEDIATION OF, the product if the test
20 indicated the presence of a microbial. If the licensee is unable to
21 remediate the product, the licensee shall document and properly destroy
22 the adulterated product. IF THE LICENSEE IS ABLE TO REMEDIATE THE
23 PRODUCT AND THE REMEDIATED PRODUCT PASSES THE RETESTING, THE
24 LICENSEE NEED NOT INDICATE ON THE LABEL THAT THE PRODUCT FAILED
25 THE TEST BEFORE THE PRODUCT WAS REMEDIATED.

26 (B) If retail marijuana or retail marijuana product test results
27 indicate the presence of quantities of any A substance determined to be

1 injurious to health, INCLUDING PESTICIDES, the state licensing authority
2 shall give the licensee an opportunity to retest the retail marijuana or
3 retail marijuana product.

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5 (e) Security requirements for any premises licensed pursuant to
6 this article 10, including, at a minimum, lighting, physical security, video,
7 and alarm requirements, and other minimum procedures for internal
8 control as deemed necessary by the state licensing authority to properly
9 administer and enforce ~~the provisions of~~ this article 10, including
10 BIENNIAL reporting requirements for changes, alterations, or
11 modifications to the premises;

12 (t) Development of individual identification cards for ~~natural~~
13 ~~persons who are controlling beneficial owners, and any person operating,~~
14 INDIVIDUALS working in or having unescorted access to the limited access
15 areas of the licensed premises of a medical marijuana business or retail
16 marijuana business, including a fingerprint-based criminal history record
17 check as may be required by the state licensing authority prior to issuing
18 a card;

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20 (dd) Requirements for medical marijuana and medical marijuana
21 products delivery as described in section 44-10-501 (11) and section
22 44-10-505 (5) and retail marijuana and retail marijuana products delivery
23 as described in section 44-10-601 (13) and section 44-10-605 (5),
24 including:

25 (XIV) (A) Requirements for areas where medical marijuana and
26 medical marijuana products or retail marijuana and retail marijuana
27 products orders are stored, weighed, packaged, prepared, and tagged,

1 including requirements that medical marijuana and medical marijuana
2 products or retail marijuana and retail marijuana products cannot be
3 placed into a delivery vehicle until after an order has been placed and that
4 all delivery orders must be packaged on the licensed premises of a
5 medical marijuana store or retail marijuana store or its associated state
6 licensing authority-authorized storage facility as defined by rule after an
7 order has been received. ~~and~~

8 (B) BY JANUARY 1, 2027, THE STATE LICENSING AUTHORITY SHALL
9 PROMULGATE RULES THAT DO NOT REQUIRE LICENSEES TO USE RADIO
10 FREQUENCY IDENTIFICATION TECHNOLOGY TO TRACK REGULATED
11 MARIJUANA IN SEED-TO-SALE TRACKING SYSTEM REQUIREMENTS
12 ESTABLISHED BY RULE.

13 (3) In promulgating rules pursuant to this section, the state
14 licensing authority may seek the assistance of the department of public
15 health and environment when necessary before promulgating rules on the
16 following subjects:

17 (h) A requirement that every medical marijuana store and retail
18 marijuana store post, at all times and in a prominent place AT EVERY
19 POINT OF SALE, a warning that has a minimum height of three inches and
20 a width of six inches and that reads:

21 **Warning:** Using marijuana, in any form, while you are
22 pregnant or breastfeeding passes THC to your baby and
23 may be harmful to your baby. There is no known safe
24 amount of marijuana use during pregnancy or
25 breastfeeding.

26 =====

27 **SECTION 3.** In Colorado Revised Statutes, 44-10-313, **amend**

1 (6)(b) as follows:

2 **44-10-313. Licensing in general - rules - repeal. (6) (b) (I) All**

3 IF ISSUED BY THE STATE LICENSING AUTHORITY, regulated marijuana

4 business licenses and licenses granted to a controlling beneficial owner

5 pursuant to this article 10 are valid for a period of one year TWO YEARS

6 after the date of issuance unless revoked or suspended pursuant to this

7 article 10 or the rules promulgated pursuant to this article 10 OR UNLESS

8 THE LICENSEE ELECTS FOR THE LICENSE TO EXPIRE SOONER THAN TWO

9 YEARS UNDER SECTION 44-10-314 (3). A LOCAL LICENSING AUTHORITY

10 MAY DETERMINE WHETHER EACH TYPE OF LICENSE, INCLUDING AN

11 ASSOCIATED MARIJUANA DELIVERY PERMIT, ISSUED BY THE LOCAL

12 LICENSING AUTHORITY IS VALID FOR ONE OR TWO YEARS.

13 (II) (A) THIS SUBSECTION (6)(b) APPLIES TO LICENSES ISSUED

14 AFTER THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED.

15 (B) THIS SUBSECTION (6)(b)(II) IS REPEALED, EFFECTIVE JULY 1,

16 2026.

17 **SECTION 4.** In Colorado Revised Statutes, 44-10-314, add (4)

18 as follows:

19 **44-10-314. License renewal - unified renewal applications -**

20 rules. (4) ON OR AFTER JANUARY 1, 2026, THE STATE LICENSING

21 AUTHORITY SHALL PROMULGATE RULES AUTHORIZING MULTIPLE

22 REGULATED MARIJUANA BUSINESS LICENSEES WITH IDENTICAL

23 CONTROLLING BENEFICIAL OWNERS TO SUBMIT A SINGLE INITIAL

24 APPLICATION OR A SINGLE RENEWAL APPLICATION THROUGH A UNIFIED

25 APPLICATION PROCESS. A UNIFIED APPLICATION IS SUBJECT TO A LOWER

26 fee for each application than for applications for individual

27 licenses.

1 **SECTION 5.** In Colorado Revised Statutes, 44-10-501, **amend**
2 (3)(g) and (11)(a)(II) as follows:

3 **44-10-501. Medical marijuana store license.** (3) (g) When
4 completing a sale of medical marijuana concentrate, the medical
5 marijuana store shall provide the patient with PHYSICALLY ATTACH TO
6 THE PATIENT'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT
7 PACKAGING the tangible educational resource created by the state
8 licensing authority pursuant to section 44-10-202(8) regarding the use of
9 medical marijuana concentrate.

10 (11) (a) (II) A medical marijuana delivery permit is valid for ~~one~~
11 year TWO YEARS and may be renewed annually upon renewal of the
12 medical marijuana store license.

13 **SECTION 6.** In Colorado Revised Statutes, 44-10-502, **amend**
14 (7)(a) introductory portion, (7)(a)(II), (7)(a)(III), (7)(b)(I) introductory
15 portion, (7)(b)(I)(B), (7)(b)(I)(C), and (7)(b)(I)(D); **repeal** (7)(b)(II); and
16 **add** (7)(b)(III), (7)(b)(IV), (7)(b)(V), (7)(c), and (7)(d) as follows:

17 **44-10-502. Medical marijuana cultivation facility license -**
18 **rules - definitions.** (7) (a) In accordance with the rules promulgated by
19 the state licensing authority, a medical marijuana cultivation facility may
20 obtain ~~immature plants, marijuana seeds, and marijuana~~ genetic material
21 as ~~genetic material is defined in rule of the state licensing authority~~ from:

22 (II) A MEDICAL OR retail marijuana testing facility;
23 (III) ~~An entity licensed or otherwise approved to operate in~~
24 ~~another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED
25 BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE
26 GENUS CANNABIS; or

27 (b) (I) ~~The state licensing authority shall promulgate rules~~

1 allowing a regulated marijuana cultivation facility to transfer immature
2 plants, marijuana seeds, and marijuana genetic material, as genetic
3 material is defined in rule of the state licensing authority, from A
4 MEDICAL MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR
5 SHIP GENETIC MATERIAL TO:

6 (B) A MEDICAL OR retail marijuana testing facility;
7 (C) An entity licensed or otherwise approved to operate in another
8 jurisdiction A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY
9 ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS
10 CANNABIS; or
11 (D) Any other source PERSON permitted by rule of the state
12 licensing authority.

13 (II) The rules promulgated under this subsection (7)(b) must
14 include inventory tracking, reporting, and record-keeping, requirements.

15 (III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A
16 MEDICAL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES
17 AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING
18 INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE
19 VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION,
20 BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION.

21 (IV) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY
22 MAY ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF
23 GENETIC MATERIAL.

24 (V) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY
25 SHALL NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO
26 ARE PRESENT ON THE LICENSED PREMISES.

27 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO

1 IMPLEMENT THIS SUBSECTION (7) TO SET REQUIREMENTS FOR INVENTORY
2 TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE
3 RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION
4 (7), THE STATE LICENSING AUTHORITY MAY:

5 (I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL ONLY
6 WHEN THE GENETIC MATERIAL IS:

7 (A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR
8 RETAIL MARIJUANA BUSINESS; OR

9 (B) BEING TRANSFERRED BETWEEN REGULATED MARIJUANA
10 BUSINESSES LICENSED PURSUANT TO THIS ARTICLE 10;

11 (II) ONLY CONFIRM THE LICENSEE HAS ESTABLISHED PROCESSES
12 AND PROCEDURES TO VERIFY COMPLIANCE WITH SUBSECTION (7)(b)(III)
13 OF THIS SECTION; OR

14 (III) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH
15 A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR ONLY ON THE
16 LICENSED PREMISES.

17 (d) THIS SUBSECTION (7) DOES NOT LIMIT THE APPLICABILITY OF
18 ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR
19 ENFORCEMENT BY FEDERAL AGENCIES.

20 **SECTION 7.** In Colorado Revised Statutes, 44-10-505, **amend**
21 (5)(a)(II) as follows:

22 **44-10-505. Medical marijuana transporter license - definition.**
23 (5)(a)(II) A medical marijuana delivery permit is valid for ~~one year~~ TWO
24 YEARS and may be renewed ~~annually~~ upon renewal of the medical
25 marijuana transporter license.

26 **SECTION 8.** In Colorado Revised Statutes, 44-10-601, **amend**
27 (3)(d) and (13)(a)(II) as follows:

1 **44-10-601. Retail marijuana store license - rules - definitions.**

2 (3) (d) When completing a sale of retail marijuana concentrate, the retail
3 marijuana store shall provide the customer with PHYSICALLY ATTACH TO
4 THE CUSTOMER'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT
5 PACKAGING the tangible educational resource created by the state
6 licensing authority through rule-making pursuant to section 44-10-202 (8)
7 regarding the use of medical marijuana concentrate.

8 (13) (a) (II) A retail marijuana delivery permit is valid for one
9 year TWO YEARS and may be renewed annually upon renewal of the retail
10 marijuana store license or retail marijuana transporter license.

11 **SECTION 9.** In Colorado Revised Statutes, 44-10-602, **amend**
12 (12)(a) introductory portion, (12)(a)(II), (12)(a)(III), (12)(b)(I)
13 introductory portion, (12)(b)(I)(B), (12)(b)(I)(C), and (12)(b)(I)(D);
14 **repeal** (12)(b)(II); and **add** (12)(b)(III), (12)(b)(IV), (12)(b)(V), (12)(c),
15 and (12)(d) as follows:

16 **44-10-602. Retail marijuana cultivation facility license - rules**

17 **- definitions.** (12) (a) In accordance with the rules promulgated by the
18 state licensing authority, a retail marijuana cultivation facility may obtain
19 immature plants, marijuana seeds, and marijuana genetic material as
20 genetic material is defined in rule of the state licensing authority, from:

21 (II) A MEDICAL OR retail marijuana testing facility;

22 (III) An entity licensed or otherwise approved to operate in
23 another jurisdiction A PERSON LICENSED BY, APPROVED BY, OR PERMITTED
24 BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE
25 GENUS CANNABIS; or

26 (b) (I) The state licensing authority shall promulgate rules
27 allowing a regulated marijuana cultivation facility to transfer immature

1 plants, marijuana seeds, and marijuana genetic material, as genetic
2 material is defined in rule of the state licensing authority, from A RETAIL
3 MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR SHIP
4 GENETIC MATERIAL TO:

5 (B) A MEDICAL OR retail marijuana testing facility;
6 (C) ~~An entity licensed or otherwise approved to operate in another~~
7 ~~jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY
8 ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS
9 CANNABIS; or
10 (D) Any other ~~source~~ PERSON permitted by rule of the state
11 licensing authority.

12 (II) ~~The rules promulgated under this subsection (12)(b) must~~
13 ~~include inventory tracking, reporting, and record-keeping requirements.~~

14 (III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A
15 RETAIL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES
16 AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING
17 INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE
18 VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION,
19 BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION.

20 (IV) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY MAY
21 ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF
22 GENETIC MATERIAL.

23 (V) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY SHALL
24 NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO ARE
25 PRESENT ON THE LICENSED PREMISES.

26 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
27 IMPLEMENT THIS SUBSECTION (12) TO SET REQUIREMENTS FOR INVENTORY

1 TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE
2 RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION
3 (12), THE STATE LICENSING AUTHORITY MAY:

4 (I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL ONLY
5 WHEN THE GENETIC MATERIAL IS:

6 (A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR
7 RETAIL MARIJUANA BUSINESS; OR

8 (B) BEING TRANSFERRED BETWEEN REGULATED MARIJUANA
9 BUSINESSES LICENSED PURSUANT TO THIS ARTICLE 10;

10 (II) ONLY CONFIRM THE LICENSEE HAS ESTABLISHED PROCESSES
11 AND PROCEDURES TO VERIFY COMPLIANCE WITH SUBSECTION (12)(b)(III)
12 OF THIS SECTION; OR

13 (III) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH
14 A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR ONLY ON THE
15 LICENSED PREMISES.

16 (d) THIS SUBSECTION (12) DOES NOT LIMIT THE APPLICABILITY OF
17 ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR
18 ENFORCEMENT BY FEDERAL AGENCIES.

19 **SECTION 10.** In Colorado Revised Statutes, 44-10-605, **amend**
20 (5)(a)(II) as follows:

21 **44-10-605. Retail marijuana transporter license - definition.**
22 (5) (a) (II) A retail marijuana delivery permit is valid for ~~one year~~ TWO
23 YEARS and may be renewed ~~annually~~ upon renewal of the retail marijuana
24 transporter license.

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26 **SECTION 11.** In Colorado Revised Statutes, 39-28.8-302,
27 **amend** (1)(a)(I); and **add** (1)(c) as follows:

1 **39-28.8-302. Retail marijuana - excise tax levied at first**
2 **transfer from retail marijuana cultivation facility - tax rate.**

3 (1) (a) (I) Except as otherwise provided in ~~subsection (1)(b)~~ SUBSECTION
4 (1)(b) OR (1)(c) of this section, there is levied and shall be collected, in
5 addition to the sales tax imposed pursuant to part 1 of article 26 of this
6 title 39 and part 2 of this article 28.8, a tax on the first sale or transfer of
7 unprocessed retail marijuana by a retail marijuana cultivation facility, at
8 a rate of fifteen percent of the average market rate of the unprocessed
9 retail marijuana if the transaction is between affiliated retail marijuana
10 business licensees. Except as otherwise provided in ~~subsection (1)(b)~~
11 SUBSECTION (1)(b) OR (1)(c) of this section, there is levied and shall be
12 collected, in addition to the sales tax imposed pursuant to part 1 of article
13 26 of this title 39 and part 2 of this article 28.8, a tax on the first sale or
14 transfer of unprocessed retail marijuana by a retail marijuana cultivation
15 facility, at a rate of fifteen percent of the contract price for unprocessed
16 retail marijuana if the transaction is between unaffiliated retail marijuana
17 business licensees. Retail marijuana excise tax shall also be calculated as
18 fifteen percent of the contract price when the first transfer of retail
19 marijuana that has been harvested for sale at a retail marijuana store or
20 extraction by a retail marijuana product manufacturing facility is between
21 unaffiliated retail marijuana cultivation facilities. The tax shall be
22 imposed at the time when the retail marijuana cultivation facility first
23 sells or transfers unprocessed retail marijuana from the retail marijuana
24 cultivation facility to a retail marijuana product manufacturing facility or
25 a retail marijuana store.

26 (c) THE TRANSFER OF UNPROCESSED RETAIL MARIJUANA
27 EXCLUSIVELY FOR MICROBIAL CONTROL IS DEEMED TO NOT BE THE FIRST

1 TRANSFER OF UNPROCESSED RETAIL MARIJUANA FOR THE PURPOSES OF
2 THIS SECTION.

3 **SECTION 12. Act subject to petition - effective date -**
4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
5 the expiration of the ninety-day period after final adjournment of the
6 general assembly; except that, if a referendum petition is filed pursuant
7 to section 1 (3) of article V of the state constitution against this act or an
8 item, section, or part of this act within such period, then the act, item,
9 section, or part will not take effect unless approved by the people at the
10 general election to be held in November 2024 and, in such case, will take
11 effect on the date of the official declaration of the vote thereon by the
12 governor.

13 (2) This act applies to acts committed on or after the applicable
14 effective date of this act.