

SENATE COMMITTEE OF REFERENCE REPORT

May 26, 2021

Chair of Committee

Date

Committee on Business, Labor, & Technology.

After consideration on the merits, the Committee recommends the following:

HB21-1216 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 2, line 2, after "(9)" insert "and (10)".

2 Page 3, after line 5 insert:

3 "(10) (a) AFTER OBTAINING PASSING TEST RESULTS, A MEDICAL
4 MARIJUANA CULTIVATION FACILITY MAY TRANSFER MEDICAL MARIJUANA
5 TO A CO-LOCATED RETAIL MARIJUANA CULTIVATION FACILITY WITH AT
6 LEAST ONE IDENTICAL CONTROLLING BENEFICIAL OWNER AND CHANGE THE
7 DESIGNATION OF THE MEDICAL MARIJUANA TO RETAIL MARIJUANA.
8 PURSUANT TO SECTION 44-10-602 (14)(a), AFTER THE RETAIL MARIJUANA
9 CULTIVATION FACILITY ENTERS THE DESIGNATION CHANGE INTO THE
10 SEED-TO-SALE TRACKING SYSTEM, THE MARIJUANA IS RETAIL MARIJUANA
11 AND IS THE PROPERTY OF THE RETAIL MARIJUANA CULTIVATION FACILITY.
12 THE MARIJUANA THAT CHANGED DESIGNATION PURSUANT TO THIS
13 SUBSECTION (10)(a) SHALL NOT BE TRANSFERRED TO THE ORIGINATING
14 MEDICAL MARIJUANA CULTIVATION FACILITY OR ANY MEDICAL
15 MARIJUANA LICENSEE, HAVE ITS DESIGNATION CHANGED FROM RETAIL
16 MARIJUANA TO MEDICAL MARIJUANA, OR OTHERWISE BE TREATED AS
17 MEDICAL MARIJUANA.

18 (b) (I) NOTWITHSTANDING SUBSECTION (10)(a) OF THIS SECTION
19 TO THE CONTRARY, A MEDICAL MARIJUANA CULTIVATION FACILITY MAY
20 TRANSFER MEDICAL MARIJUANA TO A RETAIL MARIJUANA CULTIVATION
21 FACILITY THAT IS NOT CO-LOCATED WITH THE MEDICAL MARIJUANA
22 CULTIVATION FACILITY TO CHANGE THE DESIGNATION OF THE MEDICAL

1 MARIJUANA TO RETAIL MARIJUANA IF:
2 (A) THE MEDICAL MARIJUANA CULTIVATION FACILITY AND RETAIL
3 MARIJUANA CULTIVATION FACILITY HAVE AT LEAST ONE IDENTICAL
4 CONTROLLING BENEFICIAL OWNER; AND
5 (B) THE MEDICAL MARIJUANA CULTIVATION FACILITY AND RETAIL
6 MARIJUANA CULTIVATION FACILITY CANNOT BE CO-LOCATED BECAUSE THE
7 LOCAL JURISDICTION WHERE THE MEDICAL MARIJUANA CULTIVATION
8 FACILITY IS LOCATED PROHIBITS THE OPERATION OF A RETAIL MARIJUANA
9 CULTIVATION FACILITY.
10 (II) PRIOR TO MAKING A TRANSFER PURSUANT TO THIS SUBSECTION
11 (10)(b), THE MEDICAL MARIJUANA CULTIVATION FACILITY MUST RECEIVE
12 APPROVAL FROM THE STATE LICENSING AUTHORITY THAT THE MEDICAL
13 MARIJUANA CULTIVATION FACILITY AND THE RETAIL MARIJUANA
14 CULTIVATION FACILITY SATISFY THE REQUIREMENTS OF THIS SUBSECTION
15 (10)(b). THE STATE LICENSING AUTHORITY MUST NOT REQUIRE AN
16 APPROVAL FOR EACH TRANSFER THAT OCCURS PURSUANT TO THIS
17 SUBSECTION (10)(b) BUT MUST ONLY REQUIRE ONE APPROVAL FOR
18 TRANSFERS TO OCCUR FROM THE MEDICAL MARIJUANA CULTIVATION
19 FACILITY TO THE RETAIL MARIJUANA CULTIVATION FACILITY PURSUANT TO
20 THIS SUBSECTION (10)(b).
21 (c) BOTH THE MEDICAL MARIJUANA CULTIVATION FACILITY AND
22 RETAIL MARIJUANA CULTIVATION FACILITY MUST REMAIN AT OR UNDER
23 THEIR RESPECTIVE REGULATED INVENTORY LIMITS BEFORE AND AFTER THE
24 DESIGNATION IS CONDUCTED PURSUANT TO THIS SUBSECTION (10).
25 (d) THE RETAIL MARIJUANA CULTIVATION FACILITY SHALL PAY
26 ANY RETAIL MARIJUANA EXCISE TAX PURSUANT TO SECTION 39-28.8-302."

27 Page 4, line 8, after "(13)" insert "and (14)".

28 Page 5, after line 9 insert:

29 "(14) (a) AFTER OBTAINING PASSING TESTING RESULTS, A RETAIL
30 MARIJUANA CULTIVATION FACILITY MAY RECEIVE A TRANSFER OF
31 MEDICAL MARIJUANA FROM A CO-LOCATED MEDICAL MARIJUANA
32 CULTIVATION FACILITY WITH AT LEAST ONE IDENTICAL CONTROLLING
33 BENEFICIAL OWNER AND CHANGE THE DESIGNATION OF THE MEDICAL
34 MARIJUANA TO RETAIL MARIJUANA. THE RETAIL MARIJUANA CULTIVATION
35 FACILITY SHALL ENTER THE DESIGNATION CHANGE INTO THE
36 SEED-TO-SALE TRACKING SYSTEM AND, AFTER THE CHANGE IS ENTERED
37 INTO THE SYSTEM, THE MARIJUANA IS RETAIL MARIJUANA AND IS THE
38 PROPERTY OF THE RETAIL MARIJUANA CULTIVATION FACILITY. THE



1 MARIJUANA THAT CHANGED DESIGNATION PURSUANT TO THIS SUBSECTION
2 (14)(a) SHALL NOT BE TRANSFERRED TO THE ORIGINATING MEDICAL
3 MARIJUANA CULTIVATION FACILITY OR ANY MEDICAL MARIJUANA
4 LICENSEE, HAVE ITS DESIGNATION CHANGED FROM RETAIL MARIJUANA TO
5 MEDICAL MARIJUANA, OR OTHERWISE BE TREATED AS MEDICAL
6 MARIJUANA.

7 (b) (I) NOTWITHSTANDING SUBSECTION (14)(a) OF THIS SECTION
8 TO THE CONTRARY, A RETAIL MARIJUANA CULTIVATION FACILITY MAY
9 RECEIVE A TRANSFER OF MEDICAL MARIJUANA FROM A MEDICAL
10 MARIJUANA CULTIVATION FACILITY THAT IS NOT CO-LOCATED WITH THE
11 RETAIL MARIJUANA CULTIVATION FACILITY TO CHANGE THE DESIGNATION
12 OF THE MEDICAL MARIJUANA TO RETAIL MARIJUANA IF:

13 (A) THE RETAIL MARIJUANA CULTIVATION FACILITY AND MEDICAL
14 MARIJUANA CULTIVATION FACILITY HAVE AT LEAST ONE IDENTICAL
15 CONTROLLING BENEFICIAL OWNER; AND

16 (B) THE RETAIL MARIJUANA CULTIVATION FACILITY AND MEDICAL
17 MARIJUANA CULTIVATION FACILITY CANNOT BE CO-LOCATED BECAUSE THE
18 LOCAL JURISDICTION WHERE THE MEDICAL MARIJUANA CULTIVATION
19 FACILITY IS LOCATED PROHIBITS THE OPERATION OF A RETAIL MARIJUANA
20 CULTIVATION FACILITY.

21 (II) PRIOR TO MAKING A TRANSFER PURSUANT TO THIS SUBSECTION
22 (14)(b), THE RETAIL MARIJUANA CULTIVATION FACILITY MUST RECEIVE
23 APPROVAL FROM THE STATE LICENSING AUTHORITY THAT THE RETAIL
24 MARIJUANA CULTIVATION FACILITY AND THE MEDICAL MARIJUANA
25 CULTIVATION FACILITY SATISFY THE REQUIREMENTS OF THIS SUBSECTION
26 (14)(b). THE STATE LICENSING AUTHORITY MUST NOT REQUIRE AN
27 APPROVAL FOR EACH TRANSFER THAT OCCURS PURSUANT TO THIS
28 SUBSECTION (14)(b), BUT MUST ONLY REQUIRE ONE APPROVAL FOR
29 TRANSFERS TO OCCUR FROM THE MEDICAL MARIJUANA CULTIVATION
30 FACILITY TO THE RETAIL MARIJUANA CULTIVATION FACILITY PURSUANT TO
31 THIS SUBSECTION (14)(b).

32 (c) BOTH THE RETAIL MARIJUANA CULTIVATION FACILITY AND
33 MEDICAL MARIJUANA CULTIVATION FACILITY MUST REMAIN AT OR UNDER
34 THEIR RESPECTIVE REGULATED INVENTORY LIMITS BEFORE AND AFTER THE
35 DESIGNATION IS CONDUCTED PURSUANT TO THIS SUBSECTION (14).

36 (d) THE RETAIL MARIJUANA CULTIVATION FACILITY SHALL PAY
37 ANY RETAIL MARIJUANA EXCISE TAX PURSUANT TO SECTION 39-28.8-302."

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