

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 16-0876.01 Michael Dohr x4347

HOUSE BILL 16-1211

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

(None),

House Committees

Business Affairs and Labor
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING LICENSING MARIJUANA TRANSPORTERS, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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://www.leg.state.co.us/billsummaries>.)

The bill creates a retail marijuana transporter license and a medical marijuana transporter license. The license is valid for 5 years. A licensed marijuana transporter (transporter) provides logistics, distribution, and storage of marijuana and marijuana products. A transporter may contract with multiple businesses and may also hold another marijuana license. A

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
Amended 2nd Reading
April 12, 2016

transporter must be licensed by December 31, 2017, in order to continue to operate. The bill describes the circumstances under which a business can terminate a contract with a transporter.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-104, **add**
3 (8.5) as follows:

4 **12-43.3-104. Definitions.** As used in this article, unless the
5 context otherwise requires:

6 (8.5) "MEDICAL MARIJUANA TRANSPORTER" MEANS AN ENTITY OR
7 PERSON THAT IS LICENSED TO TRANSPORT MEDICAL MARIJUANA AND
8 MEDICAL MARIJUANA-INFUSED PRODUCTS FROM ONE MEDICAL MARIJUANA
9 ESTABLISHMENT TO ANOTHER MEDICAL MARIJUANA ESTABLISHMENT AND
10 TO TEMPORARILY STORE THE TRANSPORTED MEDICAL MARIJUANA AND
11 MEDICAL MARIJUANA-INFUSED PRODUCTS AT ITS LICENSED PREMISES, BUT
12 IS NOT AUTHORIZED TO SELL MEDICAL MARIJUANA OR MEDICAL
13 MARIJUANA-INFUSED PRODUCTS UNDER ANY CIRCUMSTANCES.

14 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-202, **add (2)**
15 (a) (XVIII.6) as follows:

16 **12-43.3-202. Powers and duties of state licensing authority -**
17 **rules.** (2) (a) Rules promulgated pursuant to paragraph (b) of subsection
18 (1) of this section may include, but need not be limited to, the following
19 subjects:

20 (XVIII.6) MEDICAL MARIJUANA TRANSPORTER LICENSED
21 BUSINESSES, INCLUDING REQUIREMENTS FOR DRIVERS, INCLUDING
22 OBTAINING AND MAINTAINING A VALID COLORADO DRIVER'S LICENSE;
23 INSURANCE REQUIREMENTS; ACCEPTABLE TIME FRAMES FOR TRANSPORT,
24 STORAGE, AND DELIVERY; REQUIREMENTS FOR TRANSPORT VEHICLES; AND

1 REQUIREMENTS FOR LICENSED PREMISES;

2 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-301, **add** (1)
3 (d) as follows:

4 **12-43.3-301. Local licensing authority - applications - licenses.**

5 (1) A local licensing authority may issue only the following medical
6 marijuana licenses upon payment of the fee and compliance with all local
7 licensing requirements to be determined by the local licensing authority:

8 (d) A MEDICAL MARIJUANA TRANSPORTER LICENSE.

9 **SECTION 4.** In Colorado Revised Statutes, 12-43.3-401, **add** (1)
10 (e) as follows:

11 **12-43.3-401. Classes of licenses.** (1) For the purpose of
12 regulating the cultivation, manufacture, distribution, and sale of medical
13 marijuana, the state licensing authority in its discretion, upon application
14 in the prescribed form made to it, may issue and grant to the applicant a
15 license from any of the following classes, subject to the provisions and
16 restrictions provided by this article:

17 (e) MEDICAL MARIJUANA TRANSPORTER LICENSE.

18 **SECTION 5.** In Colorado Revised Statutes, **add** 12-43.3-406 as
19 follows:

20 **12-43.3-406. Medical marijuana transporter license.** (1) (a) A
21 MEDICAL MARIJUANA TRANSPORTER LICENSE MAY BE ISSUED TO A PERSON
22 TO PROVIDE LOGISTICS, DISTRIBUTION, AND STORAGE OF MEDICAL
23 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS.
24 NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW, A MEDICAL
25 MARIJUANA TRANSPORTER LICENSE IS VALID FOR **THREE** YEARS, BUT
26 CANNOT BE TRANSFERRED WITH A CHANGE OF OWNERSHIP. A LICENSED
27 MEDICAL MARIJUANA TRANSPORTER IS RESPONSIBLE FOR THE MEDICAL

1 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS ONCE IT TAKES
2 CONTROL OF THE PRODUCT.

3 (b) A LICENSED MEDICAL MARIJUANA TRANSPORTER MAY
4 CONTRACT WITH MULTIPLE LICENSED MEDICAL MARIJUANA BUSINESSES.

5 ■
6 (c) ON AND AFTER JULY 1, 2017, ALL MEDICAL MARIJUANA
7 TRANSPORTERS SHALL HOLD A VALID MEDICAL MARIJUANA TRANSPORTER
8 LICENSE; EXCEPT THAT AN ENTITY LICENSED PURSUANT TO THIS ARTICLE
9 THAT PROVIDES ITS OWN DISTRIBUTION IS NOT REQUIRED TO HAVE A
10 MEDICAL MARIJUANA TRANSPORTER LICENSE TO TRANSPORT AND
11 DISTRIBUTE ITS PRODUCTS. THE STATE LICENSING AUTHORITY SHALL
12 BEGIN ACCEPTING APPLICATIONS AFTER JANUARY 1, 2017.

13 (2) A MEDICAL MARIJUANA TRANSPORTER LICENSEE MAY
14 MAINTAIN A LICENSED PREMISES TO TEMPORARILY STORE MEDICAL
15 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS AND TO USE AS
16 A CENTRALIZED DISTRIBUTION POINT. THE LICENSED PREMISES MUST BE
17 LOCATED IN A JURISDICTION THAT PERMITS THE OPERATION OF MEDICAL
18 MARIJUANA CENTERS. A LICENSED MEDICAL MARIJUANA TRANSPORTER
19 MAY STORE AND DISTRIBUTE MEDICAL MARIJUANA AND MEDICAL
20 MARIJUANA-INFUSED PRODUCTS FROM THIS LOCATION. A STORAGE
21 FACILITY MUST MEET THE SAME SECURITY REQUIREMENTS THAT ARE
22 REQUIRED TO OBTAIN A MEDICAL MARIJUANA OPTIONAL PREMISE
23 CULTIVATION LICENSE.

24 (3) A MEDICAL MARIJUANA TRANSPORTER LICENSEE ■ SHALL USE
25 THE SEED-TO-SALE TRACKING SYSTEM DEVELOPED PURSUANT TO SECTION
26 12-43.4-202 (1) TO CREATE SHIPPING MANIFESTS DOCUMENTING THE
27 TRANSPORT OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED

1 PRODUCTS THROUGHOUT THE STATE.

2 (4) A MEDICAL MARIJUANA TRANSPORTER LICENSEE MAY:

3 (a) MAINTAIN AND OPERATE ONE OR MORE WAREHOUSES IN THE
4 STATE TO HANDLE MEDICAL MARIJUANA AND MEDICAL
5 MARIJUANA-INFUSED PRODUCTS; AND

6 (b) DELIVER MEDICAL MARIJUANA AND MEDICAL
7 MARIJUANA-INFUSED PRODUCTS ON ORDERS PREVIOUSLY TAKEN IF THE
8 PLACE WHERE ORDERS ARE TAKEN AND DELIVERED IS LICENSED.

9
10 **SECTION 6.** In Colorado Revised Statutes, 12-43.4-103, add
11 (21.5) as follows:

12 **12-43.4-103. Definitions.** As used in this article, unless the
13 context otherwise requires:

14 (21.5) "RETAIL MARIJUANA TRANSPORTER" MEANS AN ENTITY OR
15 PERSON THAT IS LICENSED TO TRANSPORT RETAIL MARIJUANA AND RETAIL
16 MARIJUANA PRODUCTS FROM ONE RETAIL MARIJUANA ESTABLISHMENT TO
17 ANOTHER RETAIL MARIJUANA ESTABLISHMENT AND TO TEMPORARILY
18 STORE THE TRANSPORTED RETAIL MARIJUANA AND RETAIL MARIJUANA
19 PRODUCTS AT ITS LICENSED PREMISES, BUT IS NOT AUTHORIZED TO SELL
20 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS UNDER ANY
21 CIRCUMSTANCES.

22 **SECTION 7.** In Colorado Revised Statutes, 12-43.4-202, add (3)
23 (a) (XVII) as follows:

24 **12-43.4-202. Powers and duties of state licensing authority -**
25 **rules.** (3) (a) Rules promulgated pursuant to paragraph (b) of subsection
26 (2) of this section must include, but need not be limited to, the following
27 subjects:

1 (XVII) RETAIL MARIJUANA TRANSPORTER LICENSED BUSINESSES,
2 INCLUDING REQUIREMENTS FOR DRIVERS, INCLUDING OBTAINING AND
3 MAINTAINING A VALID COLORADO DRIVER'S LICENSE; INSURANCE
4 REQUIREMENTS; ACCEPTABLE TIME FRAMES FOR TRANSPORT, STORAGE,
5 AND DELIVERY; REQUIREMENTS FOR TRANSPORT VEHICLES; AND
6 REQUIREMENTS FOR LICENSED PREMISES;

7 **SECTION 8.** In Colorado Revised Statutes, 12-43.4-401, **amend**
8 (1) (d); and **add** (1) (f) as follows:

9 **12-43.4-401. Classes of licenses.** (1) For the purpose of
10 regulating the cultivation, manufacture, distribution, sale, and testing of
11 retail marijuana and retail marijuana products, the state licensing
12 authority in its discretion, upon receipt of an application in the prescribed
13 form, may issue and grant to the applicant a license from any of the
14 following classes, subject to the provisions and restrictions provided by
15 this article:

- 16 (d) Retail marijuana testing facility license; ~~and~~
- 17 (f) RETAIL MARIJUANA TRANSPORTER LICENSE.

18 **SECTION 9.** In Colorado Revised Statutes, **add** 12-43.4-406 as
19 follows:

20 **12-43.4-406. Retail marijuana transporter license.** (1) (a) A
21 RETAIL MARIJUANA TRANSPORTER LICENSE MAY BE ISSUED TO A PERSON
22 TO PROVIDE LOGISTICS, DISTRIBUTION, AND STORAGE OF RETAIL
23 MARIJUANA AND RETAIL MARIJUANA PRODUCTS. NOTWITHSTANDING ANY
24 OTHER PROVISIONS OF LAW, A RETAIL MARIJUANA TRANSPORTER LICENSE
25 IS VALID FOR THREE YEARS, BUT CANNOT BE TRANSFERRED WITH A
26 CHANGE OF OWNERSHIP. A LICENSED RETAIL MARIJUANA TRANSPORTER IS
27 RESPONSIBLE FOR THE RETAIL MARIJUANA AND RETAIL MARIJUANA

1 PRODUCTS ONCE IT TAKES CONTROL OF THE PRODUCT.

2 (b) A LICENSED RETAIL MARIJUANA TRANSPORTER MAY CONTRACT
3 WITH MULTIPLE LICENSED RETAIL MARIJUANA BUSINESSES. ■ ■

4 (c) ON AND AFTER JULY 1, 2017, ALL RETAIL MARIJUANA
5 TRANSPORTERS SHALL HOLD A VALID RETAIL MARIJUANA TRANSPORTER
6 LICENSE; EXCEPT THAT AN ENTITY LICENSED PURSUANT TO THIS ARTICLE
7 THAT PROVIDES ITS OWN DISTRIBUTION IS NOT REQUIRED TO HAVE A
8 RETAIL MARIJUANA TRANSPORTER LICENSE TO TRANSPORT AND
9 DISTRIBUTE ITS PRODUCTS. THE STATE LICENSING AUTHORITY SHALL
10 BEGIN ACCEPTING APPLICATIONS AFTER JANUARY 1, 2017.

11 (2) A RETAIL MARIJUANA TRANSPORTER LICENSEE MAY MAINTAIN
12 A LICENSED PREMISES TO TEMPORARILY STORE RETAIL MARIJUANA AND
13 RETAIL MARIJUANA PRODUCTS AND TO USE AS A CENTRALIZED
14 DISTRIBUTION POINT. THE LICENSED PREMISES MUST BE LOCATED IN A
15 JURISDICTION THAT PERMITS THE OPERATION OF RETAIL MARIJUANA
16 STORES. A LICENSED RETAIL MARIJUANA TRANSPORTER MAY STORE AND
17 DISTRIBUTE RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM
18 THIS LOCATION. A STORAGE FACILITY MUST MEET THE SAME SECURITY
19 REQUIREMENTS THAT ARE REQUIRED TO OBTAIN A RETAIL MARIJUANA
20 CULTIVATION LICENSE.

21 (3) A RETAIL MARIJUANA TRANSPORTER LICENSEE ■ SHALL USE
22 THE SEED-TO-SALE TRACKING SYSTEM DEVELOPED PURSUANT TO SECTION
23 12-43.4-202 (1) TO CREATE SHIPPING MANIFESTS DOCUMENTING THE
24 TRANSPORT OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS
25 THROUGHOUT THE STATE.

26 (4) A RETAIL MARIJUANA TRANSPORTER LICENSEE MAY:

27 (a) MAINTAIN AND OPERATE ONE OR MORE WAREHOUSES IN THE

1 STATE TO HANDLE RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS;
2 AND

3 (b) DELIVER RETAIL MARIJUANA PRODUCTS ON ORDERS
4 PREVIOUSLY TAKEN IF THE PLACE WHERE ORDERS ARE TAKEN AND
5 DELIVERED IS LICENSED.

6 [REDACTED]

7 **SECTION 10. Appropriation.** (1) For the 2016-17 state fiscal
8 year, \$76,284 is appropriated to the department of revenue. This
9 appropriation is from the marijuana cash fund created in section
10 12-43.3-501 (1) (a), C.R.S. To implement this act, the department may
11 use this appropriation as follows:

12 (a) \$58,783 for marijuana enforcement, which amount is based on
13 an assumption that the department will require an additional 1.1 FTE;

14 (b) \$8,000 for CITA annual maintenance and support; and

15 (c) \$9,501 for the purchase of legal services.

16 (2) For the 2016-17 state fiscal year, \$9,501 is appropriated to the
17 department of law. This appropriation is from reappropriated funds
18 received from the department of revenue under paragraph (c) of
19 subsection (1) of this section. To implement this act, the department of
20 law may use this appropriation to provide legal services for the
21 department of revenue.

22 **SECTION 11. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly (August
25 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
26 referendum petition is filed pursuant to section 1 (3) of article V of the
27 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2016 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.