

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 17-0437.02 Michael Dohr x4347

HOUSE BILL 17-1367

HOUSE SPONSORSHIP

Pabon and Arndt,

SENATE SPONSORSHIP

Jahn and Baumgardner,

House Committees

Agriculture, Livestock, & Natural Resources
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MARIJUANA RESEARCH AUTHORIZATION.**

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>.)

The bill creates a marijuana research and development license or endorsement to an existing license that allows the production and processing of marijuana for research purposes. An applicant must submit with the license application a description of the research to be conducted, and if the research involves a public entity or public money, then the scientific advisory commission shall review and assess the research project. A marijuana research and development licensee may only sell marijuana it grows to other marijuana research and development

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
May 5, 2017

licensees. A marijuana research and development licensee may contract with a public research institution of higher education or another marijuana research and development licensee. The state licensing authority may promulgate rules related to marijuana research and development licenses.

The bill requires the state licensing authority to create a registration for researchers that authorizes a registered researcher to use a retail marijuana testing facility licensee to test marijuana or marijuana products for research purposes.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-202, **amend**
3 (2)(a) introductory portion, (2)(a)(XX), and (2)(a)(XXI); and **add**
4 (2)(a)(XXII) as follows:

5 **12-43.3-202. Powers and duties of state licensing authority -**
6 **rules.** (2) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
7 ~~(†) SUBSECTION (1)(b)~~ of this section may include, but need not be limited
8 to, the following subjects:

9 (XX) Such other matters as are necessary for the fair, impartial,
10 stringent, and comprehensive administration of this ~~article~~, and ARTICLE
11 43.3;

12 (XXI) The parameters and qualifications of an indirect beneficial
13 interest owner and a qualified limited passive investor; ■

14 (XXII) MARIJUANA RESEARCH AND DEVELOPMENT LICENSES AND
15 MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSES,
16 INCLUDING APPLICATION REQUIREMENTS; RENEWAL REQUIREMENTS,
17 INCLUDING WHETHER ADDITIONAL RESEARCH PROJECTS MAY BE ADDED OR
18 CONSIDERED; CONDITIONS FOR LICENSE REVOCATION; SECURITY
19 MEASURES TO ENSURE MARIJUANA IS NOT DIVERTED TO PURPOSES OTHER
20 THAN RESEARCH; THE AMOUNT OF PLANTS, USEABLE MARIJUANA,
21 MARIJUANA CONCENTRATES, OR MARIJUANA-INFUSED PRODUCTS A

1 LICENSEE MAY HAVE ON ITS PREMISES; LICENSEE REPORTING
2 REQUIREMENTS; THE CONDITIONS UNDER WHICH MARIJUANA POSSESSED
3 BY MEDICAL MARIJUANA LICENSEES MAY BE DONATED TO MARIJUANA
4 RESEARCH AND DEVELOPMENT LICENSEES AND MARIJUANA RESEARCH AND
5 DEVELOPMENT CULTIVATION LICENSEES; PROVISIONS TO PREVENT
6 CONTAMINATION; REQUIREMENTS FOR DESTRUCTION OF MARIJUANA AFTER
7 THE RESEARCH IS CONCLUDED; AND ANY ADDITIONAL REQUIREMENTS.

8 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-301, **amend**
9 (1)(d); and **add** (1)(f) and (1)(g) as follows:

10 **12-43.3-301. Local licensing authority - applications - licenses.**

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

14 (d) A medical marijuana testing facility license; ~~and~~

15

16 (f) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSE; AND

17 (g) A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
18 LICENSE.

19 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-401, **amend**
20 (1) introductory portion; and **add** (1)(f) and (1)(g) as follows:

21 **12-43.3-401. Classes of licenses.** (1) For the purpose of
22 regulating the cultivation, manufacture, distribution, and sale of medical
23 marijuana, the state licensing authority in its discretion, upon application
24 in the prescribed form made to it, may issue and grant to the applicant a
25 license from any of the following classes, subject to the provisions and
26 restrictions provided by this ~~article~~ ARTICLE 43.3:

27

- 1 (f) MARIJUANA RESEARCH AND DEVELOPMENT LICENSE; AND
- 2 (g) MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
- 3 LICENSE.

4 **SECTION 4.** In Colorado Revised Statutes, **add** 12-43.3-407 as
5 follows:

6 **12-43.3-407. Marijuana research and development license -**
7 **marijuana research and development cultivation license - definition.**

8 (1) (a) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSE MAY BE
9 ISSUED TO A PERSON TO POSSESS MARIJUANA FOR THE LIMITED RESEARCH
10 PURPOSES IDENTIFIED IN SUBSECTION (2) OF THIS SECTION.

11 (b) A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
12 LICENSE MAY BE ISSUED TO A PERSON TO GROW, CULTIVATE, POSSESS, AND
13 TRANSFER, BY SALE OR DONATION, MARIJUANA PURSUANT TO SECTION
14 12-43.3-202 (2)(a)(XXII) OR SUBSECTION (4) OF THIS SECTION FOR THE
15 LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION (2) OF THIS
16 SECTION.

17 (2) A LICENSE IDENTIFIED IN SUBSECTION (1) OF THIS SECTION MAY
18 BE ISSUED FOR THE FOLLOWING LIMITED RESEARCH PURPOSES:

- 19 (a) TO TEST CHEMICAL POTENCY AND COMPOSITION LEVELS;
- 20 (b) TO CONDUCT CLINICAL INVESTIGATIONS OF
- 21 MARIJUANA-DERIVED MEDICINAL PRODUCTS;
- 22 (c) TO CONDUCT RESEARCH ON THE EFFICACY AND SAFETY OF
- 23 ADMINISTERING MARIJUANA AS PART OF MEDICAL TREATMENT;
- 24 (d) TO CONDUCT GENOMIC, HORTICULTURAL, OR AGRICULTURAL
- 25 RESEARCH; AND
- 26 (e) TO CONDUCT RESEARCH ON MARIJUANA-AFFILIATED PRODUCTS
- 27 OR SYSTEMS.

1 (3) (a) AS PART OF THE APPLICATION PROCESS FOR A MARIJUANA
2 RESEARCH AND DEVELOPMENT LICENSE OR MARIJUANA RESEARCH AND
3 DEVELOPMENT CULTIVATION LICENSE, AN APPLICANT SHALL SUBMIT TO
4 THE STATE LICENSING AUTHORITY A DESCRIPTION OF THE RESEARCH THAT
5 THE APPLICANT INTENDS TO CONDUCT AND WHETHER THE RESEARCH WILL
6 BE CONDUCTED WITH A PUBLIC INSTITUTION OR USING PUBLIC MONEY. IF
7 THE RESEARCH WILL NOT BE CONDUCTED WITH A PUBLIC INSTITUTION OR
8 WITH PUBLIC MONEY, THE STATE LICENSING AUTHORITY SHALL GRANT THE
9 APPLICATION IF IT DETERMINES THAT THE APPLICATION MEETS THE
10 CRITERIA IN SUBSECTION (2) OF THIS SECTION.

11 (b) IF THE RESEARCH WILL BE CONDUCTED WITH A PUBLIC
12 INSTITUTION OR PUBLIC MONEY, THE SCIENTIFIC ADVISORY COUNCIL
13 ESTABLISHED IN SECTION 25-1.5-106.5 (3) SHALL REVIEW AN APPLICANT'S
14 RESEARCH PROJECT TO DETERMINE THAT IT MEETS THE REQUIREMENTS OF
15 SUBSECTION (2) OF THIS SECTION AND TO ASSESS THE FOLLOWING:

16 (I) THE PROJECT'S QUALITY, STUDY DESIGN, VALUE, OR IMPACT;
17 (II) WHETHER THE APPLICANT HAS THE APPROPRIATE PERSONNEL;
18 EXPERTISE; FACILITIES; INFRASTRUCTURE; FUNDING; AND HUMAN, ANIMAL,
19 OR OTHER APPROVALS IN PLACE TO SUCCESSFULLY CONDUCT THE PROJECT;
20 AND

21 (III) WHETHER THE AMOUNT OF MARIJUANA TO BE GROWN BY THE
22 APPLICANT IS CONSISTENT WITH THE PROJECT'S SCOPE AND GOALS.

23 (c) IF THE SCIENTIFIC ADVISORY COUNCIL DETERMINES THAT THE
24 RESEARCH PROJECT DOES NOT MEET THE REQUIREMENTS OF SUBSECTION
25 (2) OF THIS SECTION OR ASSESSES THE CRITERIA IN THIS SUBSECTION (3) TO
26 BE INADEQUATE, THE APPLICATION MUST BE DENIED.

27 (4) A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION

1 LICENSEE MAY ONLY TRANSFER, BY SALE OR DONATION, MARIJUANA
2 GROWN WITHIN ITS OPERATION TO OTHER MARIJUANA RESEARCH AND
3 DEVELOPMENT LICENSEES OR MARIJUANA RESEARCH AND DEVELOPMENT
4 CULTIVATION LICENSEES. THE STATE LICENSING AUTHORITY MAY REVOKE
5 A MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSE FOR
6 VIOLATIONS OF THIS SUBSECTION (4) AND ANY OTHER VIOLATION OF THIS
7 ARTICLE 43.3.

8 (5) A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR
9 MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE MAY
10 CONTRACT TO PERFORM RESEARCH IN CONJUNCTION WITH A PUBLIC
11 HIGHER EDUCATION RESEARCH INSTITUTION OR ANOTHER MARIJUANA
12 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
13 DEVELOPMENT CULTIVATION LICENSEE. ■ ■

14 (6) THE GROWING, CULTIVATING, POSSESSING, OR TRANSFERRING,
15 BY SALE OR DONATION, OF MARIJUANA IN ACCORDANCE WITH THIS
16 SECTION AND THE RULES ADOPTED PURSUANT TO IT, BY A MARIJUANA
17 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
18 DEVELOPMENT CULTIVATION LICENSEE, IS NOT A CRIMINAL OR CIVIL
19 OFFENSE UNDER STATE LAW. A MARIJUANA RESEARCH AND DEVELOPMENT
20 LICENSE OR MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
21 LICENSE MUST BE ISSUED IN THE NAME OF THE APPLICANT AND MUST
22 SPECIFY THE LOCATION IN COLORADO AT WHICH THE MARIJUANA
23 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
24 DEVELOPMENT CULTIVATION LICENSEE INTENDS TO OPERATE. A
25 MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA
26 RESEARCH AND DEVELOPMENT CULTIVATION LICENSEE SHALL NOT ALLOW
27 ANY OTHER PERSON TO EXERCISE THE PRIVILEGE OF THE LICENSE.

1 (7) IF THE RESEARCH CONDUCTED INCLUDES A PUBLIC INSTITUTION
2 OR PUBLIC MONEY, THE SCIENTIFIC ADVISORY COUNCIL SHALL REVIEW ANY
3 REPORTS MADE BY MARIJUANA RESEARCH [REDACTED] AND DEVELOPMENT
4 LICENSEES AND MARIJUANA RESEARCH AND DEVELOPMENT CULTIVATION
5 LICENSEES UNDER STATE LICENSING AUTHORITY RULE AND PROVIDE THE
6 STATE LICENSING AUTHORITY WITH ITS DETERMINATION ON WHETHER THE
7 RESEARCH PROJECT CONTINUES TO MEET RESEARCH QUALIFICATIONS
8 PURSUANT TO THIS SECTION.

9 **SECTION 5.** In Colorado Revised Statutes, 12-43.3-405, **amend**
10 (1) as follows:

11 **12-43.3-405. Medical marijuana testing facility license - rules.**

12 (1) A medical marijuana testing facility license may be issued to a person
13 who performs testing and research on medical marijuana for medical
14 marijuana licensees, MEDICAL MARIJUANA AND MEDICAL
15 MARIJUANA-INFUSED PRODUCTS FOR MARIJUANA AND RESEARCH
16 DEVELOPMENT LICENSEES AND MARIJUANA RESEARCH AND DEVELOPMENT
17 CULTIVATION LICENSEES, AND MARIJUANA OR MARIJUANA-INFUSED
18 PRODUCTS GROWN OR PRODUCED BY A REGISTERED PATIENT OR
19 REGISTERED PRIMARY CAREGIVER ON BEHALF OF A REGISTERED PATIENT,
20 UPON VERIFICATION OF REGISTRATION PURSUANT TO SECTION 25-1.5-106
21 (7)(e) AND VERIFICATION THAT THE PATIENT IS A PARTICIPANT IN A
22 CLINICAL OR OBSERVATIONAL STUDY CONDUCTED BY A MARIJUANA
23 RESEARCH AND DEVELOPMENT LICENSEE OR MARIJUANA RESEARCH AND
24 DEVELOPMENT CULTIVATION LICENSEE. The facility may develop and test
25 medical marijuana products.

26 [REDACTED]

1 **SECTION 6. Act subject to petition - effective date.** This act
2 takes effect July 1, 2018; except that, if a referendum petition is filed
3 pursuant to section 1 (3) of article V of the state constitution against this
4 act or an item, section, or part of this act within the ninety-day period
5 after final adjournment of the general assembly, then the act, item,
6 section, or part will not take effect unless approved by the people at the
7 general election to be held in November 2018 and, in such case, will take
8 effect on the date of the official declaration of the vote thereon by the
9 governor. ■