

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0413.01 Michael Dohr x4347

SENATE BILL 18-029

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SENATE SPONSORSHIP

Lambert and Garcia,

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Pabon and Willett,

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Senate Committees

Business, Labor, & Technology

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE DEVELOPMENT OF MARIJUANA TRACKING  
102 TECHNOLOGY.

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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 requires the institute of cannabis research at Colorado state university - Pueblo (institute) to develop marijuana tracking technology (technology). The technology must include an agent that is applied to a marijuana plant, marijuana product, industrial hemp, or industrial hemp product and then scanned by a device. The scan, at a minimum, would indicate whether the marijuana or hemp was cultivated,

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

manufactured, or sold by a licensed marijuana business or registered hemp cultivator. The institute shall select a vendor to develop the technology. After the technology is developed, the state licensing authority must be satisfied that the technology provides an effective means of tracking marijuana. After the state licensing authority determines the technology is an effective means of tracking marijuana, it shall promulgate rules that require the technology to be used by licensed marijuana businesses, and the commissioner of the department of agriculture shall promulgate rules that require registered industrial hemp cultivators to use the technology. The technology that scans the marijuana must be made available to law enforcement and the department of revenue.

The bill clarifies that the gray and black market marijuana enforcement grant program could award grants to law enforcement agencies to purchase the marijuana scanning technology.

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

2           **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that identifying legal marijuana in Colorado is difficult  
4 at best. Research and development integrated by Colorado state university  
5 - Pueblo and other academic, government, and commercial partners will  
6 develop technological solutions to:

7           (a) Insert unique and traceable identifiers into legal medical and  
8 retail marijuana and industrial hemp that can be detected;

9           (b) Code identifiers into secure records using distributed ledger  
10 technology that, in compliance with federal guidelines and industry best  
11 practices, will be accessible by law enforcement agencies or the  
12 department of revenue; and

13           (c) Provide scanning technology to law enforcement and the  
14 department of revenue that detects these identifiers that distinguish legal  
15 medical and retail marijuana and industrial hemp from illegal marijuana  
16 and hemp so that it can be used by law enforcement to seize illegal  
17 marijuana and start appropriate enforcement actions.

1           (2) The general assembly finds and declares that the technology  
2 will benefit Colorado by increasing the ability of law enforcement to  
3 properly enforce Colorado marijuana laws, which in turn will enhance the  
4 regulated marijuana market by differentiating between legal and illegal  
5 marijuana and protect state revenue from unregulated marijuana sales.

6           **SECTION 2.** In Colorado Revised Statutes, **add 23-31.5-113** as  
7 follows:

8           **23-31.5-113. Institute of cannabis research - marijuana**  
9 **tracking project - rules.** (1) THE INSTITUTE OF CANNABIS RESEARCH AT  
10 COLORADO STATE UNIVERSITY - PUEBLO, REFERRED TO IN THIS SECTION  
11 AS THE "INSTITUTE", SHALL, WITHIN NINETY DAYS AFTER THE EFFECTIVE  
12 DATE OF THIS SECTION, USE EXISTING STATE PROCUREMENT PRACTICES TO  
13 DEVELOP MARIJUANA TRACKING TECHNOLOGY. THE INSTITUTE MAY  
14 CONSULT WITH THE NATIONAL INSTITUTE OF STANDARDS AND  
15 TECHNOLOGY.

16           (2) THE MARIJUANA TRACKING TECHNOLOGY MUST INCLUDE TWO  
17 COMPONENTS: AN AGENT APPLIED TO MARIJUANA PLANTS OR MARIJUANA  
18 PRODUCTS AND A DEVICE CAPABLE OF SCANNING THE AGENT. THE AGENT  
19 MUST BE APPLIED TO A MARIJUANA PLANT OR A MARIJUANA PRODUCT OR  
20 INDUSTRIAL HEMP OR INDUSTRIAL HEMP PRODUCT AND THEN SCANNED BY  
21 A DEVICE THAT AT A MINIMUM WOULD INDICATE THE SOURCE OF THE  
22 MEDICAL OR RETAIL MARIJUANA PLANT OR MEDICAL MARIJUANA-INFUSED  
23 PRODUCT OR RETAIL MARIJUANA PRODUCT OR INDUSTRIAL HEMP OR  
24 INDUSTRIAL HEMP PRODUCT THAT WAS LEGALLY CULTIVATED,  
25 MANUFACTURED, OR SOLD. THE APPLIED AGENT MUST CONTAIN  
26 IDENTIFIERS THAT ARE TRACEABLE USING DISTRIBUTED LEDGER  
27 TECHNOLOGY TO STORE RECORDS THAT CAN DISTINGUISH WHETHER THE

1 MARIJUANA IS LEGAL MEDICAL OR RETAIL MARIJUANA OR INDUSTRIAL  
2 HEMP. THE MARIJUANA SCANNING TECHNOLOGY MUST BE ACCESSIBLE TO  
3 LAW ENFORCEMENT AND THE DEPARTMENT OF REVENUE. THE INSTITUTE  
4 MAY DETERMINE WHETHER THE MARIJUANA TRACKING TECHNOLOGY  
5 SHOULD BE NANOTECHNOLOGY; ISOTOPIC, CHEMICAL, OR BIOLOGICAL  
6 IDENTIFIERS; OTHER AVAILABLE TECHNOLOGY; OR A COMBINATION OF ANY  
7 TECHNOLOGIES.

8 (3) THE INSTITUTE SHALL SELECT A VENDOR TO DEVELOP THE  
9 MARIJUANA TRACKING TECHNOLOGY.

10 (4) (a) AFTER THE MARIJUANA TRACKING TECHNOLOGY IS  
11 DEVELOPED, THE MARIJUANA STATE LICENSING AUTHORITY IN THE  
12 DEPARTMENT OF REVENUE MUST BE SATISFIED THAT THE TECHNOLOGY  
13 PROVIDES AN EFFECTIVE MEANS OF TRACKING MARIJUANA. AFTER THE  
14 STATE LICENSING AUTHORITY DETERMINES THAT THE MARIJUANA  
15 TRACKING TECHNOLOGY PROVIDES AN EFFECTIVE MEANS OF TRACKING, IT  
16 SHALL PROMULGATE RULES, PURSUANT TO SECTIONS 12-43.3-202 (4) AND  
17 12-43.4-202 (3.5), WITHIN NINETY DAYS REQUIRING A LICENSEE TO USE  
18 THE TECHNOLOGY ON MEDICAL AND RETAIL MARIJUANA, MEDICAL  
19 MARIJUANA-INFUSED PRODUCTS, AND RETAIL MARIJUANA PRODUCTS AT  
20 ONE OR MORE STAGES OF CULTIVATION, MANUFACTURE, WHOLESALE  
21 OPERATIONS, OR RETAIL SALE. AFTER THE STATE LICENSING AUTHORITY  
22 DETERMINES THAT THE MARIJUANA TRACKING TECHNOLOGY PROVIDES AN  
23 EFFECTIVE MEANS OF TRACKING, THE COMMISSIONER OF THE DEPARTMENT  
24 OF AGRICULTURE SHALL PROMULGATE RULES, PURSUANT TO SECTION  
25 35-61-104 (5), WITHIN NINETY DAYS REQUIRING A REGISTRANT TO USE THE  
26 TECHNOLOGY ON INDUSTRIAL HEMP AND INDUSTRIAL HEMP PRODUCTS AT  
27 ONE OR MORE STAGES OF CULTIVATION, MANUFACTURE, WHOLESALE

1 OPERATIONS, OR RETAIL SALE.

2 (b) AFTER THE STATE LICENSING AUTHORITY PROMULGATES THE  
3 RULES REQUIRED BY THIS SECTION, THE MARIJUANA SCANNING  
4 TECHNOLOGY MUST BE MADE AVAILABLE TO LAW ENFORCEMENT AND THE  
5 DEPARTMENT OF REVENUE FOR PURCHASE, AND THE STATE LICENSING  
6 AUTHORITY SHALL MAKE THE DATA IT COLLECTS AVAILABLE TO THE  
7 DEPARTMENT OF REVENUE AND LAW ENFORCEMENT AT NO COST.

8 **SECTION 3.** In Colorado Revised Statutes, 12-43.3-202, **add** (4)  
9 as follows:

10 **12-43.3-202. Powers and duties of state licensing authority -**  
11 **rules.** (4) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES  
12 REGARDING THE MARIJUANA TRACKING TECHNOLOGY DEVELOPED  
13 PURSUANT TO SECTION 23-31.5-113 AFTER DETERMINING THAT THE  
14 TECHNOLOGY WORKS PURSUANT TO SECTION 23-31.5-113 (4)(a). THE  
15 RULES MUST REQUIRE AN ENTITY LICENSED PURSUANT TO THIS ARTICLE  
16 43.3 THAT CULTIVATES MEDICAL MARIJUANA OR MANUFACTURES A  
17 MEDICAL MARIJUANA-INFUSED PRODUCT TO APPLY THE AGENT TO THE  
18 MEDICAL MARIJUANA OR THE MEDICAL MARIJUANA-INFUSED PRODUCT  
19 PRIOR TO A SALE OR TRANSFER TO A MEDICAL MARIJUANA CENTER.

20 **SECTION 4.** In Colorado Revised Statutes, 12-43.4-202, **add**  
21 (3.5) as follows:

22 **12-43.4-202. Powers and duties of state licensing authority -**  
23 **rules.** (3.5) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES  
24 REGARDING THE MARIJUANA TRACKING TECHNOLOGY DEVELOPED  
25 PURSUANT TO SECTION 23-31.5-113 AFTER DETERMINING THAT THE  
26 TECHNOLOGY WORKS PURSUANT TO SECTION 23-31.5-113 (4)(a). THE  
27 RULES MUST REQUIRE AN ENTITY LICENSED PURSUANT TO THIS ARTICLE

1 43.4 THAT CULTIVATES RETAIL MARIJUANA OR MANUFACTURES A RETAIL  
2 MARIJUANA PRODUCT TO APPLY THE AGENT TO THE RETAIL MARIJUANA OR  
3 THE RETAIL MARIJUANA PRODUCT PRIOR TO A SALE OR TRANSFER TO A  
4 RETAIL MARIJUANA STORE.

5 **SECTION 5.** In Colorado Revised Statutes, 24-32-119, **amend**  
6 (1)(c)(III) and (1)(c)(IV); and **add** (1)(c)(V) as follows:

7 **24-32-119. Gray and black market marijuana enforcement**  
8 **grant program - report - definition.** (1) (c) Grants awarded by the  
9 executive director of the department of local affairs pursuant to this  
10 subsection (1) shall be prioritized to:

11 (III) Provide necessary financial assistance to local law  
12 enforcement agencies and district attorneys in the investigation and  
13 prosecution of organized crime involved in unlicensed marijuana  
14 cultivation or distribution operations conducted in violation of state law;  
15 ~~or~~

16 (IV) Provide necessary financial assistance to local law  
17 enforcement agencies and district attorneys in the investigation and  
18 prosecution of unlicensed marijuana cultivation or distribution operations  
19 that divert marijuana outside of Colorado; OR

20 (V) PROVIDE FINANCIAL ASSISTANCE TO LAW ENFORCEMENT  
21 AGENCIES TO PURCHASE THE MARIJUANA SCANNING TECHNOLOGY  
22 DEVELOPED PURSUANT TO SECTION 23-31.5-113.

23 **SECTION 6.** In Colorado Revised Statutes, 35-61-104, **amend**  
24 (5) as follows:

25 **35-61-104. Registration - cultivation of industrial hemp -**  
26 **research and development growth - rules.** (5) The commissioner shall  
27 adopt rules by March 1, 2014, and as necessary thereafter to implement

1 the registration program and to implement and administer this ~~article~~  
2 ARTICLE 61 AND SECTION 23-31.5-113 (4).

3 **SECTION 7. Safety clause.** The general assembly hereby finds,  
4 determines, and declares that this act is necessary for the immediate  
5 preservation of the public peace, health, and safety.