

**Second 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. 18-0777.01 Michael Dohr x4347

HOUSE BILL 18-1259

HOUSE SPONSORSHIP

Gray,

SENATE SPONSORSHIP

Marble,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROVIDING MARIJUANA SAMPLES TO EMPLOYEES FOR**
102 **BUSINESS PURPOSES.**

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 permits a medical marijuana optional premises cultivation licensee, a medical marijuana-infused products manufacturing licensee, a retail marijuana cultivation facility licensee, and a retail marijuana products manufacturing licensee to provide samples to managers for quality control and product development purposes. The bill specifies limits on the amount that can be provided as a sample per batch. The bill

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.

HOUSE
Amended 2nd Reading
March 16, 2018

prohibits the licensee from:

- ! Allowing the manager to consume the sample on site;
 - ! Allowing the manager to exceed his or her personal possession limits;
 - ! Providing or reselling the sample to another licensed employee, individual, or customer; and
 - ! Using the sample as a means of compensating the manager.
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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-43.3-403, **add** (4)
3 as follows:

4 **12-43.3-403. Optional premises cultivation license - rules.**

5 (4) (a) AN OPTIONAL PREMISES CULTIVATION LICENSEE MAY PROVIDE A
6 MEDICAL MARIJUANA SAMPLE AND A MEDICAL MARIJUANA CONCENTRATE
7 SAMPLE TO MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF
8 QUALITY CONTROL AND PRODUCT DEVELOPMENT.

9 (b) MANAGERS WHO RECEIVE A SAMPLE PURSUANT TO SUBSECTION
10 (4)(a) OF THIS SECTION MUST HAVE A VALID REGISTRY IDENTIFICATION
11 CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9).

12 (c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (4)(a) OF
13 THIS SECTION IS LIMITED TO ONE GRAM OF MEDICAL MARIJUANA PER
14 BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING
15 AUTHORITY, ■■■■ AND ONE-HALF GRAM OF A MEDICAL MARIJUANA
16 CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE
17 STATE LICENSING AUTHORITY. ■■■■

18 (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (4)(a) OF
19 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES
20 PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)(a)(XIV) AND
21 (2)(a)(XIV.5).

22 (e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (4)(a) OF THIS

1 SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM.
2 PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE
3 DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF
4 QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER
5 RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED
6 IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER
7 PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE
8 CONSTITUTION. THE OPTIONAL PREMISES CULTIVATION LICENSEE SHALL
9 MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE
10 DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

11 (f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO
12 SUBSECTION (4)(a) OF THIS SECTION, AN OPTIONAL PREMISES CULTIVATION
13 LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE
14 MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND
15 PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

16 (g) A MANAGER MAY NOT:

17 (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF MEDICAL
18 MARIJUANA SAMPLES OR FIFTEEN GRAMS OF MEDICAL MARIJUANA
19 CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE
20 NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

21 (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED
22 EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

23 (h) AN OPTIONAL PREMISES CULTIVATION LICENSEE SHALL NOT:

24 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
25 LICENSED PREMISES; OR

26 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
27 MANAGER.

1 (i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL
2 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
3 REPORTING REQUIRED FOR IMPLEMENTATION.

4 (j) FOR PURPOSES OF THIS SUBSECTION (4) ONLY, "MANAGER"
5 MEANS AN EMPLOYEE OF THE MEDICAL MARIJUANA BUSINESS WHO HOLDS
6 A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY
7 DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE
8 MANAGER OF THE MEDICAL MARIJUANA BUSINESS.

9 **SECTION 2.** In Colorado Revised Statutes, 12-43.3-404, **add**
10 (12) as follows:

11 **12-43.3-404. Medical marijuana-infused products**
12 **manufacturing license - rules.** (12)(a) A MEDICAL MARIJUANA-INFUSED
13 PRODUCTS MANUFACTURING LICENSEE MAY PROVIDE A MEDICAL
14 MARIJUANA CONCENTRATE AND A MEDICAL MARIJUANA-INFUSED PRODUCT
15 SAMPLE TO MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF
16 QUALITY CONTROL AND PRODUCT DEVELOPMENT.

17 (b) MANAGERS WHO RECEIVE A SAMPLE PURSUANT TO SUBSECTION
18 (12)(a) OF THIS SECTION MUST HAVE A VALID REGISTRY IDENTIFICATION
19 CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9).

20 (c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (12)(a) OF
21 THIS SECTION IS LIMITED TO ONE-HALF GRAM OF MEDICAL MARIJUANA
22 CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE
23 STATE LICENSING AUTHORITY, AND ONE SERVING SIZE OF EDIBLE
24 MEDICAL MARIJUANA-INFUSED PRODUCT AND ITS APPLICABLE EQUIVALENT
25 SERVING SIZE OF NONEDIBLE MEDICAL MARIJUANA-INFUSED PRODUCT PER
26 BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING
27 AUTHORITY.

1 (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (12)(a) OF
2 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES
3 PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)(a)(XIV) AND
4 (2)(a)(XIV.5).

5 (e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (12)(a) OF THIS
6 SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM.
7 PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE
8 DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF
9 QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER
10 RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED
11 IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER
12 PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE
13 CONSTITUTION. THE MEDICAL MARIJUANA-INFUSED PRODUCTS
14 MANUFACTURING LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL
15 SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE
16 STATE LICENSING AUTHORITY.

17 (f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO
18 SUBSECTION (12)(a) OF THIS SECTION, A MEDICAL MARIJUANA-INFUSED
19 PRODUCTS MANUFACTURING LICENSEE SHALL PROVIDE A STANDARD
20 OPERATING PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS
21 PURSUANT TO THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT
22 TO SECTION 18-18-406.

23 (g) A MANAGER MAY NOT:

24 (I) RECEIVE MORE THAN A TOTAL OF FIFTEEN GRAMS OF MEDICAL
25 MARIJUANA CONCENTRATE OR FOURTEEN INDIVIDUAL SERVING-SIZE
26 EDIBLES OR ITS APPLICABLE EQUIVALENT IN NONEDIBLE MEDICAL
27 MARIJUANA-INFUSED PRODUCTS PER CALENDAR MONTH, REGARDLESS OF

1 THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

2 (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED
3 EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

4 (h) A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
5 LICENSEE SHALL NOT:

6 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
7 LICENSED PREMISES; OR

8 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
9 MANAGER.

10 (i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL
11 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
12 REPORTING REQUIRED FOR IMPLEMENTATION.

13 (j) FOR PURPOSES OF THIS SUBSECTION (12) ONLY, "MANAGER"
14 MEANS AN EMPLOYEE OF THE MEDICAL MARIJUANA BUSINESS WHO HOLDS
15 A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY
16 DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE
17 MANAGER OF THE MEDICAL MARIJUANA BUSINESS.

18 **SECTION 3.** In Colorado Revised Statutes, 12-43.4-403, **add** (7)
19 as follows:

20 **12-43.4-403. Retail marijuana cultivation facility license -**
21 **rules.** (7) (a) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE MAY
22 PROVIDE A RETAIL MARIJUANA SAMPLE AND A RETAIL MARIJUANA
23 CONCENTRATE SAMPLE TO MANAGERS EMPLOYED BY THE LICENSEE FOR
24 PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT.

25 (b) AN EXCISE TAX SHALL BE LEVIED AND COLLECTED ON THE
26 SAMPLE OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA
27 CULTIVATION FACILITY. THE EXCISE TAX MUST BE CALCULATED BASED ON

1 THE AVERAGE MARKET RATE OF THE UNPROCESSED RETAIL MARIJUANA.

2 (c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (7)(a) OF
3 THIS SECTION IS LIMITED TO ONE GRAM OF RETAIL MARIJUANA PER BATCH
4 AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING
5 AUTHORITY, [REDACTED] AND ONE-HALF GRAM OF A RETAIL MARIJUANA
6 CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE
7 STATE LICENSING AUTHORITY. [REDACTED]

8 (d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (7)(a) OF
9 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES
10 PROMULGATED PURSUANT TO SECTION 12-43.4-202 (3)(a)(VII) AND
11 (3)(c)(III).

12 (e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (7)(a) OF THIS
13 SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM.
14 PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE
15 DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF
16 QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER
17 RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED
18 IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER
19 PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE
20 CONSTITUTION. THE RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE
21 SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE
22 DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

23 (f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO
24 SUBSECTION (7)(a) OF THIS SECTION, A RETAIL MARIJUANA CULTIVATION
25 FACILITY LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE
26 TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION
27 AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

- 1 (g) A MANAGER MAY NOT:
- 2 (I) RECEIVE MORE THAN ONE OUNCE TOTAL OF RETAIL MARIJUANA
- 3 OR EIGHT GRAMS OF RETAIL MARIJUANA CONCENTRATE SAMPLES PER
- 4 CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE
- 5 MANAGER IS ASSOCIATED WITH; OR
- 6 (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED
- 7 EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.
- 8 (h) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL
- 9 NOT:
- 10 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
- 11 LICENSED PREMISES; OR
- 12 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
- 13 MANAGER.
- 14 (i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL
- 15 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
- 16 REPORTING REQUIRED FOR IMPLEMENTATION.
- 17 (j) FOR PURPOSES OF THIS SUBSECTION (7) ONLY, "MANAGER"
- 18 MEANS AN EMPLOYEE OF THE RETAIL MARIJUANA BUSINESS WHO HOLDS A
- 19 VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY
- 20 DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE
- 21 MANAGER OF THE RETAIL MARIJUANA BUSINESS.

22 **SECTION 4.** In Colorado Revised Statutes, 12-43.4-404, **add**

23 (10) as follows:

24 **12-43.4-404. Retail marijuana products manufacturing license**

25 **- rules.** (10) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURING

26 LICENSEE MAY PROVIDE A RETAIL MARIJUANA PRODUCT SAMPLE AND A

27 RETAIL MARIJUANA CONCENTRATE SAMPLE TO MANAGERS EMPLOYED BY

1 THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT
2 DEVELOPMENT.

3 (b) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (10)(a) OF
4 THIS SECTION IS LIMITED TO ONE-HALF GRAM OF RETAIL MARIJUANA
5 CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE
6 STATE LICENSING AUTHORITY, ■ AND ONE SERVING SIZE OF AN EDIBLE
7 RETAIL MARIJUANA PRODUCT NOT EXCEEDING TEN MILLIGRAMS OF THC
8 AND ITS APPLICABLE EQUIVALENT SERVING SIZE OF NONEDIBLE RETAIL
9 MARIJUANA PRODUCT PER BATCH AS DEFINED IN RULES PROMULGATED BY
10 THE STATE LICENSING AUTHORITY. ■

11 (c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (10)(a) OF
12 THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES
13 PROMULGATED PURSUANT TO SECTION 12-43.4-202 (3)(a)(VII) AND
14 (3)(c)(III).

15 (d) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (10)(a) OF
16 THIS SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING
17 SYSTEM. PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST
18 BE DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT
19 OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A
20 MANAGER RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO
21 BE TRACKED IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A
22 CONSUMER PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE
23 STATE CONSTITUTION. THE RETAIL MARIJUANA PRODUCTS
24 MANUFACTURING LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL
25 SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE
26 STATE LICENSING AUTHORITY.

27 (e) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO

1 SUBSECTION (10)(a) OF THIS SECTION, A RETAIL MARIJUANA PRODUCTS
2 MANUFACTURING LICENSEE SHALL PROVIDE A STANDARD OPERATING
3 PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO
4 THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION
5 18-18-406.

6 (f) A MANAGER MAY NOT:

7 (I) RECEIVE MORE THAN A TOTAL OF EIGHT GRAMS OF RETAIL
8 MARIJUANA CONCENTRATE OR FOURTEEN INDIVIDUAL SERVING-SIZE
9 EDIBLES OR ITS APPLICABLE EQUIVALENT IN NONEDIBLE RETAIL
10 MARIJUANA PRODUCTS PER CALENDAR MONTH, REGARDLESS OF THE
11 NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

12 (II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED
13 EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

14 (g) A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE
15 SHALL NOT:

16 (I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE
17 LICENSED PREMISES; OR

18 (II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A
19 MANAGER.

20 (h) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL
21 INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL
22 REPORTING REQUIRED FOR IMPLEMENTATION.

23 (i) FOR PURPOSES OF THIS SUBSECTION (10) ONLY, "MANAGER"
24 MEANS AN EMPLOYEE OF THE RETAIL MARIJUANA BUSINESS WHO HOLDS A
25 VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY
26 DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE
27 MANAGER OF THE RETAIL MARIJUANA BUSINESS.

1 **SECTION 5. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly (August
4 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
5 referendum petition is filed pursuant to section 1 (3) of article V of the
6 state constitution against this act or an item, section, or part of this act
7 within such period, then the act, item, section, or part will not take effect
8 unless approved by the people at the general election to be held in
9 November 2018 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.