A BILL FOR AN ACT

CONCERNING MARIJUANA HOSPITALITY ESTABLISHMENTS.

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.)

If approval is received by both the state and local licensing authorities, the bill authorizes legal cannabis hospitality spaces in which legal cannabis may be consumed on site and retail cannabis hospitality and sales establishments in which retail marijuana, retail marijuana concentrate, and retail marijuana products may be sold and consumed on site in the establishment's hospitality space.

The bill establishes requirements and prohibitions for the new hospitality spaces and requires the state licensing authority to promulgate
rules governing the new hospitality licenses and spaces.

The bill makes the hospitality spaces an exception to the "Colorado Clean Air Act" and makes conforming amendments.

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

1 SECTION 1. In Colorado Revised Statutes, 44-12-103, amend (24); and add (3.6), (3.8), (5.6), (5.8), (15.5), and (21.4) as follows:

44-12-103. Definitions. As used in this article 12, unless the context otherwise requires:

(3.6) "HOSPITALITY" MEANS THE OPERATION OF A LICENSED FACILITY FOR THE CONSUMPTION OF LEGAL CANNABIS IN A HOSPITALITY SPACE PURSUANT TO SECTION 44-12-408 OR FOR THE LIMITED SALE AND CONSUMPTION OF RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS PURSUANT TO SECTION 44-12-409.

(3.8) "HOSPITALITY SPACE" MEANS A PERMANENT OR TEMPORARY FACILITY, WHICH MAY BE MOBILE, LICENSED TO OPERATE FOR THE PURPOSE OF ON-SITE CONSUMPTION OF LEGAL CANNABIS OR LIMITED SALE AND CONSUMPTION OF RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS PURSUANT TO STATE AND LOCAL AUTHORITY APPROVAL.

(5.6) "LEGAL CANNABIS" MEANS RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA CONCENTRATE, RETAIL MARIJUANA PRODUCTS, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR ANY MARIJUANA, MARIJUANA CONCENTRATE, OR MARIJUANA PRODUCT THAT IS LEGAL UNDER SECTION 14 OR 16 OF ARTICLE XVIII OF THE STATE CONSTITUTION.

(5.8) "LEGAL CANNABIS HOSPITALITY ESTABLISHMENT" MEANS A FACILITY LICENSED TO PERMIT THE CONSUMPTION OF LEGAL CANNABIS
PURSUANT TO PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.

(15.5) "Operate" means the exercise of the privileges of the state licensing authority pursuant to provisions, laws, and rules of the state licensing authority and the provisions, requirements, and rules of the ordinance or resolution of the local jurisdiction in which the licensee operates.

(21.4) "Retail cannabis hospitality and sales establishment" means a facility licensed to permit the consumption of only the retail marijuana, retail marijuana concentrate, or retail marijuana products it has sold pursuant to the provisions of an enacted, initiated, or referred ordinance or resolution of the local jurisdiction in which the licensee operates.

(24) "Retail marijuana establishment" means a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana products manufacturer, a legal cannabis hospitality establishment, a retail cannabis hospitality and sales establishment, or a retail marijuana testing facility.

SECTION 2. In Colorado Revised Statutes, 44-12-202, amend (1) introductory portion and (2)(a); and add (3)(a)(XXV) as follows:

44-12-202. Powers and duties of state licensing authority - rules. (1) To ensure that no marijuana grown or processed by a retail marijuana establishment is sold or otherwise transferred except by a retail marijuana store, a retail cannabis hospitality and sales establishment, or as authorized by law, the state licensing authority
shall develop and maintain a seed-to-sale tracking system that tracks retail marijuana from either seed or immature plant stage until the marijuana or retail marijuana product is sold to a customer at a retail marijuana store OR TO A PATRON AT A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT; except that retail marijuana or retail marijuana product is no longer subject to the tracking system once the retail marijuana has been:

(2) The state licensing authority has the authority to:

(a) Grant or refuse state licenses for the cultivation, manufacture, distribution, sale, HOSPITALITY, and testing of retail marijuana and retail marijuana products as provided by law; suspend, fine, restrict, or revoke such licenses, whether active, expired, or surrendered, upon a violation of this article 12 or any rule promulgated pursuant to this article 12; and impose any penalty authorized by this article 12 or any rule promulgated pursuant to this article 12. The state licensing authority may take any action with respect to a registration pursuant to this article 12 as it may with respect to a license pursuant to this article 12, in accordance with the procedures established pursuant to this article 12.

(3) (a) Rules promulgated pursuant to subsection (2)(b) of this section must include, but need not be limited to, the following subjects:

(XXV) THE IMPLEMENTATION OF LEGAL CANNABIS HOSPITALITY AND RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSES, INCLUDING BUT NOT LIMITED TO A SALES LIMIT AND RESTRICTIONS ON THE TYPES OF RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA PRODUCTS THAT MAY BE SOLD TO A PATRON OF A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT; EXCEPT THAT THE SALES LIMIT ESTABLISHED BY THE
STATE LICENSING AUTHORITY MUST NOT BE AN AMOUNT LESS THAN THREE
AND ONE-HALF GRAMS OF RETAIL MARIJUANA, ONE-QUARTER OF ONE
GRAM OF RETAIL MARIJUANA CONCENTRATE, OR A RETAIL MARIJUANA
PRODUCT CONTAINING NOT MORE THAN TEN MILLIGRAMS OF ACTIVE THC
AND THAT THE RESTRICTIONS ON THE TYPE OF ANY RETAIL MARIJUANA,
RETAIL MARIJUANA CONCENTRATE, OR RETAIL MARIJUANA PRODUCT
AUTHORIZED TO BE SOLD MUST INCLUDE THAT THE MARIJUANA,
CONCENTRATE, OR PRODUCT BE MEANT FOR CONSUMPTION IN THE
HOSPITALITY SPACE OF THE ESTABLISHMENT.

SECTION 3. In Colorado Revised Statutes, 44-12-401, amend
(1)(f); and add (1)(h) and (1)(i) as follows:

44-12-401. Classes of licenses. (1) For the purpose of regulating
the cultivation, manufacture, distribution, sale, and testing of retail
marijuana and retail marijuana products, the state licensing authority in
its discretion, upon receipt of an application in the prescribed form, may
issue and grant to the applicant a license from any of the following
classes, subject to the provisions and restrictions provided by this article
12:

(f) Retail marijuana transporter license; and
(h)LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSE; AND
(i) RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
LICENSE.

SECTION 4. In Colorado Revised Statutes, 44-12-402, add
(2)(c) as follows:

44-12-402. Retail marijuana store license - definition. (2)(c) A
RETAIL MARIJUANA STORE MAY SELL RETAIL MARIJUANA AND RETAIL
MARIJUANA PRODUCTS TO A RETAIL CANNABIS HOSPITALITY AND SALES
ESTABLISHMENT LICENSEE.

SECTION 5. In Colorado Revised Statutes, 44-12-403, amend (1) as follows:

44-12-403. Retail marijuana cultivation facility license - rules - definitions. (1) A retail marijuana cultivation facility license may be issued only to a person who cultivates retail marijuana for sale and distribution to licensed retail marijuana stores, retail marijuana products manufacturing licensees, RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSEES, or other retail marijuana cultivation facilities.

SECTION 6. In Colorado Revised Statutes, 44-12-404, add (1)(e) as follows:

44-12-404. Retail marijuana products manufacturing license - rules - definitions. (1) (e) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT.

SECTION 7. In Colorado Revised Statutes, add 44-12-408 and 44-12-409 as follows:

44-12-408. Legal cannabis hospitality establishment license - rules - definition. (1) (a) On and after January 1, 2020, subject to approval by the local jurisdiction and the necessary license pursuant to this section, a LICENSED LEGAL CANNABIS HOSPITALITY ESTABLISHMENT MAY OPERATE A HOSPITALITY SPACE IN WHICH LEGAL CANNABIS MAY BE CONSUMED PURSUANT TO PROVISIONS OF THE ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.

(b) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT SHALL NOT
ENGAGE IN OR PERMIT THE SALE OR EXCHANGE FOR REMUNERATION OF RETAIL OR MEDICAL MARIJUANA, RETAIL OR MEDICAL MARIJUANA CONCENTRATE, RETAIL MARIJUANA PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE HOSPITALITY SPACE OF THE ESTABLISHMENT.

(c) SUBJECT TO PROVISIONS OF THE ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES, A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT MAY OPERATE AS A RETAIL FOOD ESTABLISHMENT AS DEFINED IN SECTION 25-4-1602 (14).

(2) (a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF LEGAL CANNABIS HOSPITALITY ESTABLISHMENTS WITHIN ITS JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY ACTS THROUGH AN INITIATED MEASURE, THE PROONENTS SHALL SUBMIT A PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE REGISTERED ELECTORS IN THE COUNTY OR CITY AND COUNTY.

(b) IF A MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY AUTHORIZES THE OPERATION OF LEGAL CANNABIS HOSPITALITY ESTABLISHMENTS, IT MAY ADOPT AN APPROVAL REQUIREMENT THAT COMPLIES WITH THE REQUIREMENTS OF THIS ARTICLE 12. THE MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY MAY REQUIRE ADDITIONAL OR MORE STRINGENT REQUIREMENTS THAN THOSE PROVIDED IN THIS SECTION.

(c) IF A MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY HAS IN EFFECT AS OF THE EFFECTIVE DATE OF THIS SECTION AN ORDINANCE OR RESOLUTION RELATED TO CONSUMPTION OF MARIJUANA, NOTHING IN THIS SECTION RESTRICTS THE ENFORCEMENT OF THAT ORDINANCE OR
RESOLUTION, AND THE LOCAL JURISDICTION MAY, BY ORDINANCE OR
RESOLUTION, REQUIRE A BUSINESS OPERATING AS A PLACE FOR ON-SITE
MARIJUANA CONSUMPTION TO BE LICENSED PURSUANT TO THIS SECTION.

(3) (a) ON AND AFTER JANUARY 1, 2020, THE STATE LICENSING
AUTHORITY MAY ISSUE A LEGAL CANNABIS HOSPITALITY LICENSE
AUTHORIZING THE LICENSEE TO OPERATE A HOSPITALITY SPACE IN WHICH
LEGAL CANNABIS MAY BE CONSUMED PURSUANT TO THIS SECTION.

(b) APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION
MUST BE MADE TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED
AND FURNISHED BY THE STATE LICENSING AUTHORITY AND MUST SET
FORTH SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY
REQUIRE TO ENABLE THE STATE LICENSING AUTHORITY TO DETERMINE
WHETHER A STATE LICENSE SHOULD BE GRANTED. THE INFORMATION
MUST INCLUDE THE NAME AND ADDRESS OF THE APPLICANT AND ANY
OTHER INFORMATION REQUESTED BY THE STATE LICENSING AUTHORITY.

EACH APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF
SUCH PERSON OR PERSONS AS THE STATE LICENSING AUTHORITY MAY
PRESCRIBE. THE STATE LICENSE IS CONDITIONED UPON LOCAL LICENSING
AUTHORITY APPROVAL. AN APPLICANT IS PROHIBITED FROM OPERATING A
LEGAL CANNABIS HOSPITALITY ESTABLISHMENT WITHOUT STATE AND
LOCAL LICENSING AUTHORITY APPROVAL; EXCEPT THAT, ON OR BEFORE
DECEMBER 31, 2019, A BUSINESS OPERATING A LOCATION AT WHICH THE
CONSUMPTION OF CANNABIS IS PERMITTED PURSUANT TO A LOCAL
ORDINANCE OR RESOLUTION MAY CONTINUE TO OPERATE UNTIL A STATE
LICENSE IS APPROVED OR DENIED. IF THE APPLICANT DOES NOT RECEIVE
LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR AFTER THE
DATE OF STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE
EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE
LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE LOCAL LICENSING
AUTHORITY IS REVOKED, THE STATE LICENSING AUTHORITY SHALL REVOKE
THE STATE-ISSUED LICENSE.

(c) THE STATE LICENSING AUTHORITY SHALL DENY A STATE
LICENSE IF THE HOSPITALITY SPACE IN WHICH THE APPLICANT PROPOSES TO
CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS
ARTICLE 12 OR FOR REASONS SET FORTH IN SUBSECTION (3)(b) OF THIS
SECTION. THE STATE LICENSING AUTHORITY MAY REVOKE OR DENY A
LICENSE RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR
GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (3)(c), "GOOD CAUSE"
MEANS THAT:

(I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET,
OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR
PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO
THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR
REGULATIONS;

(II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH
ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE
PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY;
OR

(III) THE HOSPITALITY SPACE HAS BEEN OPERATED IN A MANNER
THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE
IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.

(d) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSE IS
VALID FOR A PERIOD TO BE SET PURSUANT TO THE PROVISIONS OF THE
LICENSE PERIOD NOT LONGER THAN ONE YEAR, AS APPROVED FOR THE
ESTABLISHMENT BY THE LOCAL JURISDICTION, AND SUCH LICENSE MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE LICENSE.

(e) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF ALL LEGAL CANNABIS HOSPITALITY ESTABLISHMENTS IN THE STATE AND SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.

(4) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSEE AND ITS EMPLOYEES SHALL NOT:

(a) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO CONSUME ANY LEGAL CANNABIS IN THE HOSPITALITY SPACE OF THE ESTABLISHMENT; OR

(b) ALLOW DISTRIBUTION OF FREE SAMPLES OF LEGAL CANNABIS IN THE HOSPITALITY SPACE OF THE ESTABLISHMENT.

(5) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT AND ITS EMPLOYEES SHALL ADMIT INTO THE HOSPITALITY SPACE OF THE ESTABLISHMENT ONLY PATRONS WHO ARE TWENTY-ONE YEARS OF AGE OR OLDER.

(6) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT AND ITS EMPLOYEES:

(a) SHALL OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY, AND RESPECTABLE MANNER AND SHALL NOT SERVE ANY PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

(b) MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

(c) SHALL NOT KNOWINGLY PERMIT ANY ACTIVITY OR ACTS OF
DISORDERLY CONDUCT AS DEFINED BY AND PROVIDED FOR IN SECTION 18-9-106;

(d) SHALL NOT PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED ESTABLISHMENT IS LOCATED; AND

(e) SHALL NOT ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE ESTABLISHMENT IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION.

(7) A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT AND ALL OF ITS EMPLOYEES WHO WORK AT THE LICENSED HOSPITALITY SPACE SHALL SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101.

(8)(a) TO EDUCATE CONSUMERS OF LEGAL CANNABIS, A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT SHALL PROVIDE INFORMATION REGARDING THE SAFE CONSUMPTION OF LEGAL CANNABIS. THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), SHALL ESTABLISH THE REQUIREMENTS FOR SUCH INFORMATION. THE CONTENT OF THE INFORMATION ON HEALTH AND SAFETY MUST BE BASED ON THE RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110.

(b) A LOCAL JURISDICTION MAY REQUIRE INFORMATION REGARDING THE SAFE CONSUMPTION OF LEGAL CANNABIS IN ADDITION TO THAT REQUIRED BY SUBSECTION (8)(a) OF THIS SECTION.

(c) THE INFORMATION REQUIRED BY SUBSECTIONS (8)(a) AND
(8)(b) OF THIS SECTION MUST BE MAINTAINED IN THE LICENSED
HOSPITALITY SPACE FOR INSPECTION BY STATE AND LOCAL LICENSING
AUTHORITIES AND LAW ENFORCEMENT.

(9) THE LEGAL CANNABIS HOSPITALITY ESTABLISHMENT SHALL
ENSURE THAT THE DISPLAY AND CONSUMPTION OF ANY LEGAL CANNABIS
IS NOT VISIBLE FROM OUTSIDE OF THE HOSPITALITY SPACE OF THE
ESTABLISHMENT.

(10) IF AN EMERGENCY REQUIRES LAW ENFORCEMENT,
FIREFIGHTERS, EMERGENCY MEDICAL SERVICE PROVIDERS, OR OTHER
PUBLIC SAFETY PERSONNEL TO ENTER A LEGAL CANNABIS HOSPITALITY
ESTABLISHMENT, EMPLOYEES OF THE ESTABLISHMENT SHALL CEASE ALL
OPERATION UNTIL SUCH PERSONNEL HAVE COMPLETED THEIR
INVESTIGATION OR SERVICES AND HAVE LEFT THE HOSPITALITY SPACE.

44-12-409. Retail cannabis hospitality and sales establishment
license - rules - definition. (1) (a) ON AND AFTER JANUARY 1, 2020,
SUBJECT TO APPROVAL BY THE LOCAL JURISDICTION AND THE NECESSARY
LICENSE PURSUANT TO THIS SECTION, A LICENSED RETAIL CANNABIS
HOSPITALITY AND SALES ESTABLISHMENT MAY OPERATE A HOSPITALITY
SPACE IN WHICH RETAIL MARIJUANA, RETAIL MARIJUANA CONCENTRATE,
AND RETAIL MARIJUANA PRODUCTS MAY BE CONSUMED PURSUANT TO
PROVISIONS OF THE ORDINANCE OR RESOLUTION OF THE LOCAL
JURISDICTION IN WHICH THE LICENSEE OPERATES.

(b) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT
SHALL NOT ALLOW A PATRON TO BRING OR ENGAGE IN OR PERMIT THE SALE
OR EXCHANGE FOR REMUNERATION OF RETAIL OR MEDICAL MARIJUANA,
RETAIL OR MEDICAL MARIJUANA CONCENTRATE, RETAIL MARIJUANA
PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE
HOSPITALITY SPACE OF THE ESTABLISHMENT.

(c) Subject to provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail cannabis hospitality and sales establishment may operate as a retail food establishment as defined in section 25-4-1602 (14).

(d) (I) A retail cannabis hospitality and sales establishment may purchase retail marijuana, retail marijuana concentrate, or retail marijuana products from any retail marijuana store, retail marijuana cultivation facility, or retail marijuana products manufacturer.

(II) A retail cannabis hospitality and sales establishment shall not accept any retail marijuana, retail marijuana concentrate, or retail marijuana products from any retail marijuana store, retail marijuana cultivation facility, or retail marijuana products manufacturer unless the retail marijuana store is provided with evidence that any applicable excise tax due, pursuant to article 28.8 of title 39, was paid.

(III) The retail cannabis hospitality and sales establishment shall track all of its retail marijuana and retail marijuana products from the point that they are transferred from a retail marijuana cultivation facility or retail marijuana products manufacturer to the point of sale to its patron.

(2) (a) A local jurisdiction may authorize the operation of retail cannabis hospitality and sales establishments within its jurisdiction through the enactment of an ordinance or through a referred or initiated measure. If a county or city and county acts through an initiated measure, the proponents shall submit
A petition signed by not less than fifteen percent of the registered electors in the county or city and county.

(b) If a municipality, county, city, or city and county authorizes the operation of retail cannabis hospitality and sales establishments, it may adopt an approval requirement that complies with the requirements of this article 12. The municipality, county, city, or city and county may require additional or more stringent requirements than those provided in this section.

(3) On and after January 1, 2020, the state licensing authority may issue a retail cannabis hospitality and sales establishment license authorizing the licensee to operate a hospitality space in which retail marijuana, retail marijuana concentrate, and retail marijuana products may be consumed and sold pursuant to this section.

(4) (a) Applications for a license pursuant to this section must be made to the state licensing authority on forms prepared and furnished by the state licensing authority and must set forth such information as the state licensing authority may require to enable the state licensing authority to determine whether a state license should be granted. The information must include the name and address of the applicant and any other information requested by the state licensing authority. Each application must be verified by the oath or affirmation of such person or persons as the state licensing authority may prescribe. The state license is conditioned upon local licensing authority approval. An applicant is prohibited from operating a
RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT WITHOUT
STATE AND LOCAL LICENSING AUTHORITY APPROVAL. IF THE APPLICANT
Does NOT RECEIVE LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE
YEAR AFTER THE DATE OF STATE LICENSING AUTHORITY APPROVAL, THE
STATE LICENSE EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION
IS DENIED BY THE LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE
LOCAL LICENSING AUTHORITY IS REVOKED, THE STATE LICENSING
AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

(b) THE STATE LICENSING AUTHORITY SHALL DENY A STATE
LICENSE IF THE HOSPITALITY SPACE IN WHICH THE APPLICANT PROPOSES TO
CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS
ARTICLE 12 OR FOR REASONS SET FORTH IN SUBSECTION (4)(a) OF THIS
SECTION. THE STATE LICENSING AUTHORITY MAY REVOKE OR DENY A
LICENSE RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR
GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (4)(b), "GOOD CAUSE"
MEANS THAT:

(I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET,
OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR
PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO
THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR
REGULATIONS;

(II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH
ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE
PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY;
OR

(III) THE HOSPITALITY SPACE HAS BEEN OPERATED IN A MANNER
THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE
IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.

(c) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSE IS VALID FOR A PERIOD TO BE SET PURSUANT TO THE PROVISIONS OF THE LICENSE PERIOD APPROVED FOR THE ESTABLISHMENT BY THE LOCAL JURISDICTION OF NO LONGER THAN ONE YEAR, AND SUCH LICENSE MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE LICENSE.

(d) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF ALL RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENTS IN THE STATE AND SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.

(5) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSEE AND ITS EMPLOYEES SHALL ADMIT INTO THE ESTABLISHMENT ONLY PATRONS WHO ARE TWENTY-ONE YEARS OF AGE OR OLDER.

(6) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSEE AND ITS EMPLOYEES SHALL NOT:

(a) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO CONSUME ANY MEDICAL OR RETAIL MARIJUANA, MEDICAL OR RETAIL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR RETAIL MARIJUANA PRODUCTS IN THE HOSPITALITY SPACE; OR

(b) ALLOW DISTRIBUTION OF FREE SAMPLES OF MEDICAL OR RETAIL MARIJUANA, MEDICAL OR RETAIL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA-INFUSED PRODUCTS, OR RETAIL MARIJUANA PRODUCTS IN THE HOSPITALITY SPACE OF THE ESTABLISHMENT.

(7) (a) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT SHALL LIMIT A PATRON TO ONE TRANSACTION OF NO MORE THAN THE SALES LIMIT SET BY THE STATE LICENSING AUTHORITY BY

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RULE PURSUANT TO SECTION 44-12-202 (3)(a)(XXV). A RETAIL CANNABIS
HOSPITALITY AND SALES ESTABLISHMENT SHALL NOT ENGAGE IN MULTIPLE
SALES TRANSACTIONS TO THE SAME PATRON DURING THE SAME BUSINESS
DAY WHEN THE ESTABLISHMENT'S EMPLOYEE KNOWS OR REASONABLY
SHOULD HAVE KNOWN THAT THE SALES TRANSACTION WOULD RESULT IN
THE PATRON POSSESSING MORE THAN THE SALES LIMIT ESTABLISHED BY
THE STATE LICENSING AUTHORITY. A PATRON MAY LEAVE THE
ESTABLISHMENT WITH A PRODUCT THAT HE OR SHE DOES NOT CONSUME
ONLY IF, PRIOR TO LEAVING THE HOSPITALITY SPACE, THE RETAIL
MARIJUANA, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA
PRODUCT IS PACKAGED AND LABELED PURSUANT TO THE REQUIREMENTS
OF SECTION 44-12-202 (3)(a)(VIII) AND (3)(d)(II).

(b) WHEN A PATRON LEAVES A RETAIL CANNABIS HOSPITALITY
AND SALES ESTABLISHMENT HOSPITALITY SPACE, THE ESTABLISHMENT
SHALL DESTROY ANY REMAINING UNCONSUMED RETAIL MARIJUANA,
RETAIL MARIJUANA CONCENTRATE, OR RETAIL MARIJUANA PRODUCTS
THAT ARE NOT TAKEN BY A PATRON PURSUANT TO SUBSECTION (7)(a) OF
THIS SECTION.

(8) A LICENSED RETAIL CANNABIS HOSPITALITY AND SALES
ESTABLISHMENT AND ITS EMPLOYEES:

(a) SHALL OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY,
AND RESPECTABLE MANNER AND SHALL NOT SERVE ANY PATRON WHO
DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

(b) MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR
ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF
INTOXICATION;

(c) SHALL NOT KNOWINGLY PERMIT ANY ACTIVITY OR ACTS OF
DISORDERLY CONDUCT AS DEFINED BY AND PROVIDED FOR IN SECTION 18-9-106;

(d) SHALL NOT PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED ESTABLISHMENT IS LOCATED; AND

(e) SHALL NOT ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE ESTABLISHMENT IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION.

(9) A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT AND ALL OF ITS EMPLOYEES WHO WORK AT THE HOSPITALITY SPACE SHALL SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101.

(10) (a) TO EDUCATE CONSUMERS OF LEGAL CANNABIS, A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT SHALL PROVIDE INFORMATION REGARDING THE SAFE CONSUMPTION OF LEGAL CANNABIS. THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), SHALL ESTABLISH THE REQUIREMENTS FOR SUCH INFORMATION. THE CONTENT OF THE INFORMATION ON HEALTH AND SAFETY MUST BE BASED ON THE RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110.

(b) A LOCAL JURISDICTION MAY REQUIRE INFORMATION REGARDING THE SAFE CONSUMPTION OF RETAIL MARIJUANA CONCENTRATE OR RETAIL MARIJUANA PRODUCTS IN ADDITION TO THAT REQUIRED BY SUBSECTION (10)(a) OF THIS SECTION.
(c) The information required by subsections (10)(a) and (10)(b) of this section must be maintained in the hospitality space for inspection by state and local licensing authorities and law enforcement.

(11) The retail cannabis hospitality and sales establishment shall ensure that the display and consumption of any retail marijuana, retail marijuana concentrate, or retail marijuana product is not visible from outside of the establishment.

(12) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a retail cannabis hospitality and sales establishment, employees of the establishment shall cease all operation until such personnel have completed their investigation or services and have left the hospitality space.

SECTION 8. In Colorado Revised Statutes, 44-12-901, amend (1) as follows:

44-12-901. Unlawful acts - exceptions. (1) Except in the hospitality space of a legal cannabis hospitality establishment licensed pursuant to section 44-12-408 or a retail cannabis hospitality and sales establishment licensed pursuant to section 44-12-409 or as otherwise provided in this article 12, it is unlawful for a person to consume retail marijuana or retail marijuana products in a licensed retail marijuana establishment, and it is unlawful for a retail marijuana licensee to allow retail marijuana or retail marijuana products to be consumed upon its licensed premises.

SECTION 9. In Colorado Revised Statutes, 18-18-406, add
(5)(b)(IV) as follows:

18-18-406. Offenses related to marijuana and marijuana concentrate - definitions. (5)(b)(IV) EXCEPT AS DESCRIBED IN SECTION 44-12-408 (10) OR 44-12-409 (11), PUBLIC DISPLAY, CONSUMPTION, OR USE OF UP TO ONE OUNCE OF RETAIL MARIJUANA OR ONE-QUARTER OF ONE GRAM OF RETAIL MARIJUANA CONCENTRATE IN A HOSPITALITY SPACE LICENSED AS A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT PURSUANT TO SECTION 44-12-408 OR A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409 IS NOT A VIOLATION OF THIS SUBSECTION (5).

SECTION 10. In Colorado Revised Statutes, 25-14-205, amend (1) introductory portion, (1)(i), and (1)(k)(I)(C); and add (1)(l) as follows:

25-14-205. Exceptions to smoking restrictions. (1) This part shall DOES not apply to:

   (i) A private, nonresidential building on a farm or ranch, as defined in section 39-1-102, C.R.S.; that has annual gross income of less than five hundred thousand dollars; or

   (k)(I) The areas of assisted living facilities:

   (C) To which access is restricted to the residents or their guests;

   OR

   (l) THE HOSPITALITY SPACE OF A LEGAL CANNABIS HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL CANNABIS HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-11-409.

SECTION 11. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the
ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.