A BILL FOR AN ACT

CONCERNING MARIJUANA HOSPITALITY ESTABLISHMENTS, AND, IN 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://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.

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

**SECTION 1.** In Colorado Revised Statutes, 44-12-103, amend (24); and add (13.5) and (21.4) as follows:

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

(13.5) "Marijuana hospitality establishment" means a facility, which may be mobile, licensed to permit the consumption of marijuana pursuant to this article 12; rules promulgated pursuant to this article 12; and the provisions of an enacted, initiated, or referred ordinance or resolution of the local jurisdiction in which the licensee operates.

(21.4) "Retail marijuana hospitality and sales establishment" means a facility, which cannot be mobile, licensed to permit the consumption of only the retail marijuana 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 marijuana hospitality establishment, a retail marijuana 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) and
(3)(a)(XXVI) 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 MARIJUANA 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 MARIJUANA HOSPITALITY AND SALES
ESTABLISHMENT; except that retail marijuana or retail marijuana product
is PRODUCTS ARE 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 MARIJUANA HOSPITALITY AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSES, INCLUDING BUT NOT LIMITED TO:

(A) GENERAL INSURANCE LIABILITY REQUIREMENTS;

(B) A SALES LIMIT PER TRANSACTION FOR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS THAT MAY BE SOLD TO A PATRON OF A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT; EXCEPT THAT THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY MUST NOT BE AN AMOUNT LESS THAN ONE GRAM OF RETAIL MARIJUANA FLOWER, ONE-QUARTER OF ONE GRAM OF RETAIL MARIJUANA CONCENTRATE, OR A RETAIL MARIJUANA PRODUCT CONTAINING NOT MORE THAN TEN MILLIGRAMS OF ACTIVE THC;

(C) RESTRICTIONS ON THE TYPE OF ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT AUTHORIZED TO BE SOLD INCLUDING THAT THE MARIJUANA OR PRODUCT BE MEANT FOR CONSUMPTION IN THE LICENSED PREMISES OF THE ESTABLISHMENT;

(D) PROHIBITIONS ON ACTIVITY THAT WOULD REQUIRE ADDITIONAL LICENSURE ON THE LICENSED PREMISES, INCLUDING BUT NOT LIMITED TO SALES, MANUFACTURING, OR CULTIVATION ACTIVITY;

(E) REQUIREMENTS FOR MARIJUANA HOSPITALITY ESTABLISHMENTS AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS OPERATING PURSUANT TO SECTION 44-12-408 OR 44-12-409 IN A RETAIL FOOD ESTABLISHMENT;

(F) REQUIREMENTS FOR MARIJUANA HOSPITALITY ESTABLISHMENTS AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEES TO DESTROY ANY UNCONSUMED MARIJUANA
OR MARIJUANA PRODUCTS LEFT BEHIND BY A PATRON; AND

(G) RULES TO ENSURE COMPLIANCE WITH SECTION 42-4-1305.5;

(XXVI) FOR MARIJUANA HOSPITALITY ESTABLISHMENTS THAT ARE MOBILE, REGULATIONS INCLUDING BUT NOT LIMITED TO:

(A) REGISTRATION OF VEHICLES AND PROPER DESIGNATION OF VEHICLES USED AS MOBILE LICENSED PREMISES;

(B) SURVEILLANCE CAMERAS INSIDE THE VEHICLES;

(C) GLOBAL POSITIONING SYSTEM TRACKING AND ROUTE LOGGING IN AN ESTABLISHED ROUTE MANIFEST SYSTEM;

(D) COMPLIANCE WITH SECTION 42-4-1305.5;

(E) ENSURING ACTIVITY IS NOT VISIBLE OUTSIDE OF THE VEHICLE;

AND

(F) PROPER VENTILATION WITHIN THE VEHICLE.

SECTION 3. In Colorado Revised Statutes, 44-12-401, amend (1)(f); and add (1)(h), (1)(i), and (5) 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:

(f) Retail marijuana transporter license; and

(h) MARIJUANA HOSPITALITY ESTABLISHMENT LICENSE; AND

(i) RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSE.

(5) A PERSON MAY NOT OPERATE A LICENSE ISSUED PURSUANT TO
THIS ARTICLE 12 AT THE SAME LOCATION AS A LICENSE OR PERMIT ISSUED
PURSUANT TO ARTICLE 3, 4, OR 5 OF THIS TITLE 44.

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 MARIJUANA 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 MARIJUANA 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 MARIJUANA HOSPITALITY AND SALES
ESTABLISHMENT.

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

44-12-408. Marijuana hospitality establishment license - rules
- definition. (1) (a) ON AND AFTER JANUARY 1, 2020, THE STATE
LICENSING AUTHORITY MAY ISSUE A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSE AUTHORIZING THE LICENSEE TO OPERATE A LICENSED PREMISES IN WHICH MARIJUANA MAY BE CONSUMED PURSUANT TO THIS ARTICLE 12, RULES PROMULGATED PURSUANT TO THIS ARTICLE 12, AND THE PROVISIONS OF THE ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.

(b) Subject to provisions of this Article 12 and the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail food establishment as defined in section 25-4-1602 (14) that does not hold a license or permit issued pursuant to Article 3, 4, or 5 of this Title 44 may apply for a license to operate a marijuana hospitality establishment in an isolated portion of the premises of the retail food establishment. A retail food establishment operating a marijuana hospitality establishment pursuant to this subsection (1)(b) is subject to the terms and conditions of Article 4 of Title 25 and the rules promulgated pursuant to that article including but not limited to licensure requirements and inspection and enforcement authority of the Colorado Department of Public Health and Environment. This subsection (1)(b) does not authorize the marijuana hospitality establishment to engage in the manufacture of medical marijuana-infused products or retail marijuana products or to add marijuana to foods produced or provided at the retail food establishment.

(2) (a) A local jurisdiction may authorize the operation of marijuana 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 marijuana 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) (I) 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.

(II) An applicant is prohibited from operating a marijuana
hospitality establishment without state and local licensing
authority approval; except that a business operating a location
before December 31, 2019, at which the consumption of marijuana
is permitted pursuant to a local ordinance or resolution, may
continue to operate until a state license is approved or denied
if the business applies for a license under this section on or
before December 31, 2019. Beginning January 1, 2020, any such
business that has not applied for a state license shall cease
operation.

(III) If a marijuana hospitality license is denied by the
state, the business shall immediately cease operations for which
a marijuana hospitality license is required pursuant to this
article 12. 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 for the reasons set forth in subsection (3)(a) of this
section if the licensed premises in which the applicant proposes

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TO CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS
ARTICLE 12. THE STATE LICENSING AUTHORITY MAY DENY A LICENSE
RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR GOOD
CAUSE. FOR PURPOSES OF THIS SUBSECTION (3)(b), "GOOD CAUSE" MEANS:

(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 LICENSED PREMISES 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 MARIJUANA HOSPITALITY ESTABLISHMENT LICENSE IS VALID
FOR A PERIOD TO BE ESTABLISHED BY RULE OF THE STATE LICENSING
AUTHORITY, BUT FOR NO LONGER THAN ONE YEAR, AND THE 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 MARIJUANA HOSPITALITY ESTABLISHMENTS IN THE STATE AND SHALL
MAKE THE LIST AVAILABLE ON ITS WEBSITE.

(4) A MARIJUANA HOSPITALITY ESTABLISHMENT SHALL NOT:

(a) ENGAGE IN OR PERMIT THE SALE OR EXCHANGE FOR
RENUMERATION OF RETAIL OR MEDICAL MARIJUANA, RETAIL MARIJUANA
PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE LICENSED
PREMISES;

(b) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO
CONSUME ANY MARIJUANA IN THE LICENSED PREMISES OF THE
ESTABLISHMENT;

(c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF
MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;

(d) ALLOW THE CONSUMPTION OF ALCOHOL ON THE LICENSED
PREMISES;

(e) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN
THE LICENSED PREMISES OF THE ESTABLISHMENT;

(f) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM
GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED
PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;

(g) ALLOW ANY ACTIVITY THAT WOULD REQUIRE AN ADDITIONAL
LICENSE UNDER THIS ARTICLE 12 IN THE LICENSED PREMISES OF THE
ESTABLISHMENT, INCLUDING BUT NOT LIMITED TO SALES,
MANUFACTURING, OR CULTIVATION;

(h) KNOWINGLY PERMIT ANY ACTIVITY OR ACTS OF DISORDERLY
CONDUCT AS DESCRIBED IN SECTION 18-9-106;

(i) PERMIT THE USE OR CONSUMPTION OF MARIJUANA BY A PATRON
WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;

(j) 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 PREMISES IS LOCATED; OR

(k) ADMIT INTO THE LICENSED PREMISES OF THE ESTABLISHMENT
ANY PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.

(5) A MARIJUANA HOSPITALITY ESTABLISHMENT SHALL:

(a) Operate the establishment in a decent, orderly, and respectable manner;

(b) Require all employees of the establishment to successfully complete an annual responsible vendor training program authorized pursuant to section 44-11-1101;

(c) Ensure that the display and consumption of any marijuana is not visible from outside of the licensed premises of the establishment;

(d) Educate consumers of marijuana by providing informational materials regarding the safe consumption of marijuana. The materials must be based on the requirements established by the marijuana educational oversight committee, established pursuant to section 24-20-112 (4), and on the relevant research from the panel of health care professionals appointed pursuant to section 25-1.5-110. Nothing in this subsection (5)(d) prohibits a local jurisdiction from adopting additional requirements for education on safe consumption,

(e) Maintain a record of all educational materials required by subsection (5)(d) of this section in the licensed premises for inspection by state and local licensing authorities and law enforcement; and

(f) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a marijuana hospitality establishment, ensure that all employees and patrons of the
ESTABLISHMENT CEASE ALL CONSUMPTION AND OTHER ACTIVITIES UNTIL
SUCH PERSONNEL HAVE COMPLETED THEIR INVESTIGATION OR SERVICES
AND HAVE LEFT THE LICENSED PREMISES.

(6) A MARIJUANA HOSPITALITY ESTABLISHMENT AND ITS
EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR
ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF
INTOXICATION.

44-12-409. Retail marijuana hospitality and sales
establishment license - rules - definition. (1) (a) ON AND AFTER
JANUARY 1, 2020, THE STATE LICENSING AUTHORITY MAY ISSUE A RETAIL
MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSE
AUTHORIZING THE LICENSEE TO OPERATE A LICENSED PREMISES IN WHICH
MARIJUANA MAY BE SOLD AND CONSUMED PURSUANT TO THIS ARTICLE 12,
RULES PROMULGATED PURSUANT TO THIS ARTICLE 12, AND THE
PROVISIONS OF THE ORDINANCE OR RESOLUTION OF THE LOCAL
JURISDICTION IN WHICH THE LICENSEE OPERATES.

(b) SUBJECT TO PROVISIONS OF THIS ARTICLE 12 AND THE
ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE
LICENSEE OPERATES, A RETAIL FOOD ESTABLISHMENT AS DEFINED IN
SECTION 25-4-1602 (14) THAT DOES NOT HOLD A LICENSE OR PERMIT
ISSUED PURSUANT TO ARTICLE 3, 4, OR 5 OF THIS TITLE 44 MAY APPLY FOR
A LICENSE TO OPERATE A RETAIL MARIJUANA HOSPITALITY AND SALES
ESTABLISHMENT IN AN ISOLATED PORTION OF THE PREMISES OF THE RETAIL
FOOD ESTABLISHMENT. A RETAIL FOOD ESTABLISHMENT OPERATING A
RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT PURSUANT
TO THIS SUBSECTION (1)(b) IS SUBJECT TO THE TERMS AND CONDITIONS OF
ARTICLE 4 OF TITLE 25 AND THE RULES PROMULGATED PURSUANT TO THAT
ARTICLE INCLUDING BUT NOT LIMITED TO LICENSURE REQUIREMENTS AND
INSPECTION AND ENFORCEMENT AUTHORITY OF THE COLORADO
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT. THIS SUBSECTION
(1)(b) DOES NOT AUTHORIZE THE RETAIL MARIJUANA HOSPITALITY AND
SALES ESTABLISHMENT TO ENGAGE IN THE MANUFACTURE OF MEDICAL
MARIJUANA-INFUSED PRODUCTS OR RETAIL MARIJUANA PRODUCTS OR TO
ADD MARIJUANA TO FOODS PRODUCED OR PROVIDED AT THE RETAIL FOOD
ESTABLISHMENT.

(2)(a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF
RETAIL MARIJUANA 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 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 RETAIL MARIJUANA 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)(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 MARIJUANA 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 for the reasons set forth in subsection (3)(a) of this section if the licensed premises in which the applicant proposes to conduct its business does not meet the requirements of this article 12. The state licensing authority may deny a license renewal or reinstatement or an initial endorsement for good cause. For purposes of this subsection (3)(b), "good cause" means:

(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 supplemen tal 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 licensed premises 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 marijuana hospitality and sales establishment license is valid for a period to be established by rule of the state licensing authority, but no longer than one year, and the 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 marijuana hospitality and sales establishments in the state and shall make the list available on its website.

(4) A retail marijuana hospitality and sales establishment licensee shall not:

(a) 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;

(b) Allow on-duty employees of the establishment to consume any marijuana in the licensed premises;

(c) Distribute or allow distribution of free samples of
MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;

(d) Sell any retail marijuana or retail marijuana products that contain nicotine or, if the sale of alcohol would require a license or permit pursuant to Article 3, 4, or 5 of this Title 44, alcohol;

(e) Allow the consumption of alcohol on the licensed premises;

(f) Allow the smoking of tobacco or tobacco products in the licensed premises of the establishment;

(g) Allow the use of any device using any liquid petroleum gas, a butane torch, a butane lighter, or matches in the licensed premises if prohibited by local ordinance or resolution;

(h) Allow any activity that would require an additional license under this Article 12 in the licensed premises of the establishment, including but not limited to manufacturing or cultivation activity;

(i) Knowingly permit any activity or acts of disorderly conduct as described in Section 18-9-106;

(j) Sell, serve, or permit the sale or serving of retail marijuana or retail marijuana products to any patron who shows signs of visible intoxication;

(k) 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 premises is located; or

(l) Admit into the licensed premises of a retail marijuana hospitality and sales establishment any person who is under twenty-one years of age.
(5) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE SHALL:

(a) TRACK ALL OF ITS RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM THE POINT THAT THEY ARE TRANSFERRED FROM A RETAIL MARIJUANA STORE, RETAIL MARIJUANA PRODUCTS MANUFACTURER, OR RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF SALE TO ITS PATRONS;

(b) LIMIT A PATRON TO ONE TRANSACTION OF NO MORE THAN THE SALES LIMIT SET BY THE STATE LICENSING AUTHORITY BY RULE PURSUANT TO SECTION 44-12-202 (3)(a)(XXV);

(c) BEFORE ALLOWING A PATRON TO LEAVE THE LICENSED PREMISES WITH ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS, PACKAGE AND LABEL THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IN ACCORDANCE WITH PROCEDURES DEVELOPED BY THE ESTABLISHMENT THAT COMPLY WITH THE REQUIREMENTS OF SECTION 44-12-202 (3)(a)(VIII) AND (3)(d)(II);

(d) OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY, AND RESPECTABLE MANNER;

(e) REQUIRE ALL EMPLOYEES OF THE ESTABLISHMENT TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101;

(f) ENSURE THAT THE DISPLAY AND CONSUMPTION OF ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT IS NOT VISIBLE FROM OUTSIDE OF THE ESTABLISHMENT;

(g) EDUCATE CONSUMERS OF MARIJUANA BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE CONSUMPTION OF MARIJUANA. THE MATERIALS MUST BE BASED ON THE REQUIREMENTS
ESTABLISHED BY THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE,

ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), AND ON THE

RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS

APPOINTED PURSUANT TO SECTION 25-1.5-110. NOTHING IN THIS

SUBSECTION (5)(g) PROHIBITS A LOCAL JURISDICTION FROM ADOPTING

ADDITIONAL REQUIREMENTS FOR EDUCATION ON SAFE CONSUMPTION.

(h) Maintaining a record of all educational materials

required by subsection (5)(g) of this section in the licensed

premises for inspection by state and local licensing authorities

and law enforcement; and

(i) If an emergency requires law enforcement,

firefighters, emergency medical service providers, or other

public safety personnel to enter a retail marijuana hospitality

and sales establishment, ensure that all employees and patrons

of the establishment cease all sales, consumption and other

activities until such personnel have completed their

investigation or services and have left the licensed premises.

(6) A retail marijuana hospitality and sales establishment

and its employees may remove an individual from the

establishment for any reason, including a patron who displays

any visible signs of intoxication.

(7) A retail marijuana hospitality and sales establishment

may purchase retail marijuana or retail marijuana products

from any retail marijuana store, retail marijuana cultivation

facility, or retail marijuana products manufacturer.

SECTION 8. In Colorado Revised Statutes, 44-12-901, amend

(1), (3)(c), (3)(d), and (4)(g); and add (3)(e) as follows:
44-12-901. Unlawful acts - exceptions. (1) Except in the licensed premises of a marijuana hospitality establishment licensed pursuant to section 44-12-408 or a retail marijuana 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.

(3) It is unlawful for a person licensed pursuant to this article 12:

(c) To fail to report a transfer required by section 44-12-309 (10); or

(d) To fail to report the name of or a change in managers as required by section 44-12-309 (11); or

(e) To allow the consumption of alcoholic beverages on the licensed premises.

(4) It is unlawful for any person licensed to sell retail marijuana or retail marijuana products pursuant to this article 12:

(g) Except in the licensed premises of a marijuana hospitality establishment licensed pursuant to section 44-12-408 or a retail marijuana hospitality and sales establishment licensed pursuant to section 44-12-409, to have on the licensed premises any retail marijuana, retail marijuana products, or marijuana paraphernalia that shows evidence of the retail marijuana having been consumed or partially consumed;

SECTION 9. In Colorado Revised Statutes, 18-18-406, add (5)(b)(IV) and (5)(b)(V) as follows:
18-18-406. Offenses related to marijuana and marijuana concentrate - definitions. (5) (b) (IV) Public display, consumption, or use of marijuana or marijuana concentrate pursuant to the provisions of Section 44-12-408, when such display, consumption, or use is within the licensed premises of a marijuana hospitality establishment licensed pursuant to Section 44-12-408, is not a violation of this subsection (5).

(V) Public display, consumption, or use of retail marijuana or retail marijuana concentrate pursuant to the provisions of Section 44-12-409, when such display, consumption, or use is within the licensed premises of a retail marijuana hospitality and sales establishment licensed pursuant to Section 44-12-409 and when an individual's display, consumption, or use does not exceed the sales limit established by the state licensing authority by rule pursuant to Section 44-12-202 (3)(a)(XXV)(B), 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 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
IF AUTHORIZED BY LOCAL ORDINANCE, LICENSE, OR REGULATION, THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409; EXCEPT THAT THIS EXCEPTION ONLY APPLIES TO THE SMOKING OF MARIJUANA AND DOES NOT ALLOW THE SMOKING OF TOBACCO WITHIN SUCH PREMISES.

SECTION 11. In Colorado Revised Statutes, 44-11-1101, amend (2) introductory portion, (2)(b)(IV), and (2)(b)(V); and add (2)(b)(VI) as follows:

44-11-1101. Responsible vendor program - standards - designation. (2) An approved training program shall MUST contain, at a minimum, the following standards and shall MUST be taught in a classroom setting in a minimum of a two-hour period:

(b) A core curriculum of pertinent statutory and regulatory provisions, which curriculum includes, but need not be limited to:

(IV) Acceptable forms of identification, including patient registry cards and associated documents and procedures; and

(V) Local and state licensing and enforcement, which may include, but need not be limited to, key statutes and rules affecting patients, owners, managers, and employees; AND

(VI) INFORMATION ON SERVING SIZE, THC AND CANNABINOID POTENCY, AND IMPAIRMENT.

SECTION 12. Appropriation. (1) For the 2019-20 state fiscal year, $399,479 is appropriated to the department of revenue. This appropriation is from the marijuana cash fund created in section 44-11-501 (1)(a), C.R.S. To implement this act, the department may use
this appropriation as follows:

(a) $316,090 for marijuana enforcement, which amount is based on an assumption that the department will require an additional 3.2 FTE;

(b) $2,000 for tax administration IT system (GenTax) support;

(c) $72,023 for the purchase of legal services;

(d) $4,576 for the purchase of criminal history record checks; and

(e) $4,790 for vehicle lease payments.

(2) For the 2019-20 state fiscal year, $72,023 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(c) of this section and is based on an assumption that the department of law will require an additional 0.3 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

(3) For the 2019-20 state fiscal year, $4,576 is appropriated to the department of public safety for use by the biometric identification and records unit. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(d) of this section. To implement this act, the unit may use this appropriation to provide criminal history record checks for the department of revenue.

(4) For the 2019-20 state fiscal year, $4,790 is appropriated to the department of personnel. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(e) of this section. To implement this act, the department of personnel may use this appropriation to provide vehicles for the department of revenue.

SECTION 13. 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.