

**NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**

# An Act

SENATE BILL 19-224

BY SENATOR(S) Gonzales and Fenberg, Tate;  
also REPRESENTATIVE(S) Herod and Van Winkle, Bird, Buentello,  
Caraveo, Esgar, Galindo, Kennedy, Mullica, Snyder, Valdez A.

CONCERNING THE CONTINUATION OF THE REGULATED MARIJUANA PROGRAMS, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE 2018 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES AND MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, 44-11-1001, **amend** (1) as follows:

**44-11-1001. Sunset review - repeal of article.** (1) This article 11 is repealed, effective September 1, ~~2019~~ 2028.

**SECTION 2.** In Colorado Revised Statutes, 44-12-1001, **amend** (1) as follows:

**44-12-1001. Sunset review - repeal of article.** (1) This article 12

---

*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

is repealed, effective September 1, ~~2019~~ 2028.

**SECTION 3.** In Colorado Revised Statutes, 24-34-104, **repeal** (17)(a)(XIII) and (17)(a)(XV); and **add** (29)(a)(X) and (29)(a)(XI) as follows:

**24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal.** (17) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2019:

(XIII) ~~The regulation of persons licensed in accordance with article 11 of title 44;~~

(XV) ~~The regulation of persons licensed pursuant to article 12 of title 44.~~

(29) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2028:

(X) (A) THE MEDICAL MARIJUANA CODE CREATED IN ARTICLE 11 OF TITLE 44.

(B) THIS SUBSECTION (29)(a)(X) IS REPEALED, EFFECTIVE JANUARY 1, 2020.

(XI) (A) THE RETAIL MARIJUANA CODE CREATED IN ARTICLE 12 OF TITLE 44.

(B) THIS SUBSECTION (29)(a)(XI) IS REPEALED, EFFECTIVE JANUARY 1, 2020.

**SECTION 4.** In Colorado Revised Statutes, 18-18-102, **add** (20.3) as follows:

**18-18-102. Definitions.** As used in this article 18:

(20.3) (a) "OPEN" OR "OPENLY" MEANS OBSERVABLE BY THE PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC.

(b) "PUBLIC" OR "PUBLICLY" MEANS A PLACE TO WHICH THE PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC HAS ACCESS WITHOUT RESTRICTION, INCLUDING BUT NOT LIMITED TO STREETS AND HIGHWAYS, TRANSPORTATION FACILITIES, PLACES OF AMUSEMENT, PARKS, PLAYGROUNDS, AND THE COMMON AREAS OF BUILDINGS AND OTHER FACILITIES.

(c) "OPEN AND PUBLIC" OR "OPENLY AND PUBLICLY" DOES NOT INCLUDE ANY ACTIVITY OCCURRING ON PRIVATE RESIDENTIAL PROPERTY BY THE OCCUPANT OR HIS OR HER GUESTS.

**SECTION 5.** In Colorado Revised Statutes, **add with amended and relocated provisions**, as those provisions will exist on July 1, 2019, article 10 to title 44 as follows:

**ARTICLE 10**  
**Regulated Marijuana**

PART 1  
COLORADO MARIJUANA CODE

**44-10-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 10 IS THE "COLORADO MARIJUANA CODE".

**44-10-102. Legislative declaration.** (1) [Formerly 44-11-102 (1) and similar to 44-12-102 (1)] The general assembly hereby declares that this ~~article 11 shall be~~ ARTICLE 10 IS deemed an exercise of the police powers of the state for the protection of the economic and social welfare and the health, peace, and morals of the people of this state.

(2) [Formerly 44-11-102 (2)] The general assembly further declares that it is unlawful under state law to cultivate, manufacture, distribute, ~~or~~ sell, OR TEST medical marijuana AND MEDICAL MARIJUANA PRODUCTS, except in compliance with the terms, conditions, limitations, and restrictions in section 14 of article XVIII of the state constitution and this ~~article 11~~ ARTICLE 10 or when acting as a primary caregiver in compliance with the terms, conditions, limitations, and restrictions of section 25-1.5-106.

(3) [Formerly 44-12-102 (2)] The general assembly further declares that it is unlawful under state law to cultivate, manufacture, distribute, or

sell retail marijuana and retail marijuana products, except in compliance with the terms, conditions, limitations, and restrictions in section 16 of article XVIII of the state constitution and this ~~article 12~~ ARTICLE 10.

**44-10-103. Definitions. [Formerly 44-11-104 introductory portion and similar to 44-12-103 introductory portion]** As used in this ~~article 11~~ ARTICLE 10, unless the context otherwise requires:

(1) "ACCELERATOR CULTIVATOR" MEANS A PERSON QUALIFIED FOR AN ACCELERATOR LICENSE, LICENSED TO CULTIVATE ON THE PREMISES OF A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE AND DISTRIBUTE RETAIL MARIJUANA TO RETAIL MARIJUANA PRODUCTS MANUFACTURERS AND RETAIL MARIJUANA STORES.

(2) "ACCELERATOR-ENDORSED LICENSEE" MEANS A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE OR RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE WHO HAS, PURSUANT TO RULE, BEEN ENDORSED TO HOST AND OFFER TECHNICAL AND CAPITAL SUPPORT TO AN ACCELERATOR LICENSEE OPERATING ON ITS PREMISES.

(3) "ACCELERATOR LICENSEE" MEANS A PERSON WHO HAS RESIDED IN A CENSUS TRACT DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE AS AN OPPORTUNITY ZONE FOR FIVE OF THE TEN YEARS PRIOR TO APPLICATION AND HAS NOT BEEN THE BENEFICIAL OWNER OF A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10.

(4) "ACCELERATOR MANUFACTURER" MEANS A PERSON QUALIFIED FOR AN ACCELERATOR LICENSE, LICENSED TO MANUFACTURE AND DISTRIBUTE RETAIL MARIJUANA CONCENTRATES AND RETAIL MARIJUANA PRODUCTS ON THE PREMISES OF AN ACCELERATOR-ENDORSED MANUFACTURING LICENSEE.

(5) "ACQUIRE", WHEN USED IN CONNECTION WITH THE ACQUISITION OF AN OWNER'S INTEREST OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, MEANS OBTAINING OWNERSHIP, CONTROL, POWER TO VOTE, OR SOLE POWER OF DISPOSITION OF THE OWNER'S INTEREST, DIRECTLY OR INDIRECTLY OR THROUGH ONE OR MORE TRANSACTIONS OR SUBSIDIARIES, THROUGH PURCHASE, ASSIGNMENT, TRANSFER, EXCHANGE, SUCCESSION, OR OTHER MEANS.

(6) "ACTING IN CONCERT" MEANS KNOWING PARTICIPATION IN A JOINT ACTIVITY OR INTERDEPENDENT CONSCIOUS PARALLEL ACTION TOWARD A COMMON GOAL, WHETHER OR NOT PURSUANT TO AN EXPRESS AGREEMENT.

(7) "ADVERTISING" MEANS THE ACT OF PROVIDING CONSIDERATION FOR THE PUBLICATION, DISSEMINATION, SOLICITATION, OR CIRCULATION OF VISUAL, ORAL, OR WRITTEN COMMUNICATION TO DIRECTLY INDUCE ANY PERSON TO PATRONIZE A PARTICULAR MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS OR PURCHASE PARTICULAR REGULATED MARIJUANA. "ADVERTISING" DOES NOT INCLUDE PACKAGING AND LABELING, CONSUMER EDUCATION MATERIALS, OR BRANDING.

(8) "AFFILIATE" OF, OR PERSON "AFFILIATED WITH", HAS THE SAME MEANING AS DEFINED IN THE "SECURITIES ACT OF 1933", 17 CFR 230.405, AS AMENDED.

(9) "BENEFICIAL OWNER OF", "BENEFICIAL OWNERSHIP OF", OR "BENEFICIALLY OWNS AN" OWNER'S INTEREST IS DETERMINED IN ACCORDANCE WITH SECTION 13(d) OF THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, AND RULE 13d-3 PROMULGATED THEREUNDER.

(10) "BRANDING" MEANS PROMOTION OF A BUSINESS'S BRAND THROUGH PUBLICIZING THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S NAME, LOGO, OR DISTINCT DESIGN FEATURES OF THE BRAND.

(11) "CONSUMER EDUCATION MATERIALS" MEANS ANY INFORMATIONAL MATERIALS THAT SEEK TO EDUCATE CONSUMERS ABOUT REGULATED MARIJUANA GENERALLY, INCLUDING BUT NOT LIMITED TO EDUCATION REGARDING THE SAFE CONSUMPTION OF MARIJUANA, REGULATED MARIJUANA CONCENTRATE, OR REGULATED MARIJUANA PRODUCTS, PROVIDED IT IS NOT DISTRIBUTED OR MADE AVAILABLE TO INDIVIDUALS UNDER TWENTY-ONE YEARS OF AGE.

(12) "CONTROL", "CONTROLS", "CONTROLLED", "CONTROLLING", "CONTROLLED BY", AND "UNDER COMMON CONTROL WITH", MEANS THE POSSESSION, DIRECT OR INDIRECT, OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT OR POLICIES OF A PERSON, WHETHER THROUGH THE OWNERSHIP OF VOTING OWNER'S INTERESTS, BY CONTRACT, OR OTHERWISE.

(13) "CONTROLLING BENEFICIAL OWNER" IS LIMITED TO A PERSON THAT SATISFIES ONE OR MORE OF THE FOLLOWING CRITERIA:

(a) A NATURAL PERSON, AN ENTITY AS DEFINED IN SECTION 7-90-102 (20) THAT IS ORGANIZED UNDER THE LAWS OF AND FOR WHICH ITS PRINCIPAL PLACE OF BUSINESS IS LOCATED IN ONE OF THE STATES OR TERRITORIES OF THE UNITED STATES OR DISTRICT OF COLUMBIA, A PUBLICLY TRADED CORPORATION, OR A QUALIFIED PRIVATE FUND THAT IS NOT A QUALIFIED INSTITUTIONAL INVESTOR:

(I) ACTING ALONE OR ACTING IN CONCERT, THAT OWNS OR ACQUIRES BENEFICIAL OWNERSHIP OF TEN PERCENT OR MORE OF THE OWNER'S INTEREST OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS;

(II) THAT IS AN AFFILIATE THAT CONTROLS A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND INCLUDES, WITHOUT LIMITATION, ANY MANAGER; OR

(III) THAT IS OTHERWISE IN A POSITION TO CONTROL THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS EXCEPT AS AUTHORIZED IN SECTION 44-10-506 OR 44-10-606; OR

(b) A QUALIFIED INSTITUTIONAL INVESTOR ACTING ALONE OR ACTING IN CONCERT THAT OWNS OR ACQUIRES BENEFICIAL OWNERSHIP OF MORE THAN THIRTY PERCENT OF THE OWNER'S INTEREST OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS.

(14) **[Formerly 44-12-103 (2)]** "Escorted" means appropriately checked into ~~the~~ A limited access area and accompanied by a person licensed by the state licensing authority; except that trade craftspeople not normally engaged in the business of cultivating, processing, ~~or~~ selling, OR TESTING ~~retail~~ REGULATED marijuana need not be accompanied on a full-time basis, but only reasonably monitored.

(15) **[Formerly 44-12-103 (3)]** "Executive director" means the executive director of the department of revenue.

(16) **[Formerly 44-11-104 (1.7) and similar to 44-12-103 (3.3)]** "Fibrous waste" means any roots, stalks, and stems from a medical OR

RETAIL marijuana plant.

(17) **[Formerly 44-11-104 (2)]** "Good cause", for purposes of refusing or denying a license renewal, reinstatement, or initial license issuance, means:

(a) 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~~ ~~11~~ ARTICLE 10; any rules promulgated pursuant to this ~~article~~ ~~11~~ ARTICLE 10; or any supplemental local law, rules, or regulations;

(b) 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;

(c) The licensed premises have been operated in a manner that adversely affects the public health or welfare or the safety of the immediate neighborhood in which the establishment is located.

(18) **[Formerly 44-12-103 (4) and similar to 44-11-104 (3)]** "Immature plant" means a nonflowering marijuana plant that is no taller than eight inches and no wider than eight inches; is produced from a cutting, clipping, or seedling; and is in a cultivating container.

(19) **[Formerly 44-11-104 (4) and 44-12-103 (5)]** ~~"Indirect beneficial interest owner" means a holder of a permitted economic interest, a recipient of a commercially reasonable royalty associated with the use of intellectual property by a licensee, a licensed employee who receives a share of the profits from an employee benefit plan, a qualified institutional investor, or another similarly situated person or entity as determined by the state licensing authority.~~ "INDIRECT FINANCIAL INTEREST HOLDER" MEANS A PERSON THAT IS NOT AN AFFILIATE, A CONTROLLING BENEFICIAL OWNER, OR A PASSIVE BENEFICIAL OWNER OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND THAT:

(a) HOLDS A COMMERCIALY REASONABLE ROYALTY INTEREST IN EXCHANGE FOR A MEDICAL MARIJUANA BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S USE OF THE PERSON'S INTELLECTUAL PROPERTY;

(b) HOLDS A PERMITTED ECONOMIC INTEREST THAT WAS ISSUED

PRIOR TO JANUARY 1, 2020, AND THAT HAS NOT BEEN CONVERTED INTO AN OWNER'S INTEREST;

(c) IS A CONTRACT COUNTERPARTY WITH A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OTHER THAN A CUSTOMARY EMPLOYMENT AGREEMENT, THAT HAS A DIRECT NEXUS TO THE CULTIVATION, MANUFACTURE, OR SALE OF REGULATED MARIJUANA, INCLUDING, BUT NOT LIMITED TO, A LEASE OF REAL PROPERTY ON WHICH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS OPERATES, A LEASE OF EQUIPMENT USED IN THE CULTIVATION OF REGULATED MARIJUANA, A SECURED OR UNSECURED FINANCING AGREEMENT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, A SECURITY CONTRACT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR A MANAGEMENT AGREEMENT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, PROVIDED THAT NO SUCH CONTRACT COMPENSATES THE CONTRACT COUNTERPARTY WITH A PERCENTAGE OF REVENUE FOR PROFITS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS; OR

(d) IS IDENTIFIED BY RULE BY THE STATE LICENSING AUTHORITY AS AN INDIRECT FINANCIAL INTEREST HOLDER.

(20) **[Formerly 44-11-104 (4.2) and similar to 44-12-103 (5.2)]** "Industrial fiber products" means intermediate or finished products made from fibrous waste that are not intended for human or animal consumption and are not usable or recognizable as medical OR RETAIL marijuana. Industrial fiber products include but are not limited to cordage, paper, fuel, textiles, bedding, insulation, construction materials, compost materials, and industrial materials.

(21) "INDUSTRIAL HEMP" MEANS A PLANT OF THE GENUS CANNABIS AND ANY PART OF THE PLANT, WHETHER GROWING OR NOT, CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS.

(22) "INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCT CONTAINING INDUSTRIAL HEMP THAT:

(a) IS A COSMETIC, FOOD, FOOD ADDITIVE, OR HERB;



(b) IS FOR HUMAN USE OR CONSUMPTION;

(c) CONTAINS ANY PART OF THE HEMP PLANT, INCLUDING NATURALLY OCCURRING CANNABINOIDS, COMPOUNDS, CONCENTRATES, EXTRACTS, ISOLATES, RESINS, OR DERIVATIVES; AND

(d) CONTAINS A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS.

(23) [Formerly 44-11-104 (5) and similar to 44-12-103 (6)] "License" means to grant a license, PERMIT, or registration pursuant to this ~~article 11~~ ARTICLE 10.

(24) [Formerly 44-12-103 (7) and similar to 44-11-104 (6)] "Licensed premises" means the premises specified in an application for a license under this ~~article 12~~, which ARTICLE 10 THAT are owned or in possession of the licensee and within which the licensee is authorized to cultivate, manufacture, distribute, sell, or test ~~retail~~ REGULATED marijuana and ~~retail marijuana~~ REGULATED MARIJUANA products in accordance with this ~~article 12~~ ARTICLE 10.

(25) [Formerly 44-11-104 (7) and similar to 44-12-103 (8)] "Licensee" means a person licensed or registered pursuant to this ~~article 11~~ ARTICLE 10.

(26) [Formerly 44-12-105 and similar to 44-11-105] "LIMITED ACCESS AREAS", subject to the provisions of ~~section 44-12-701~~, a ~~limited access area shall be~~ SECTION 44-10-1001, MEANS a building, room, or other contiguous area upon the licensed premises where ~~retail~~ REGULATED marijuana and ~~retail marijuana~~ REGULATED MARIJUANA products are cultivated, MANUFACTURED, stored, weighed, packaged, SOLD, POSSESSED FOR SALE, or tested, under control of the licensee, with access limited to only those persons licensed by the state licensing authority and those visitors escorted by a person licensed by the state licensing authority. All areas of ingress or egress to limited access areas ~~shall~~ MUST be clearly identified as such by a sign as designated by the state licensing authority.

(27) [Formerly 44-12-103 (9)] "Local jurisdiction" means a locality as defined in section 16 (2)(e) of article XVIII of the state constitution.

(28) **[Formerly 44-12-103 (10) and similar to 44-11-104 (8)]** "Local licensing authority" means ~~for any local jurisdiction that has chosen to adopt a local licensing requirement in addition to the state licensing requirements of this article 12;~~ an authority designated by municipal, county, or city and county charter, ordinance, or resolution, or the governing body of a municipality or city and county, or the board of county commissioners of a county if no such authority is designated.

(29) **[Formerly 44-11-104 (9) and 44-12-103 (11)]** "Location" means a particular parcel of land that may be identified by an address or other descriptive means.

(30) "MANAGER" HAS THE SAME MEANING AS IN SECTION 7-90-102 (35.7).

(31) **[Formerly 44-12-103 (12)]** "Marijuana accessories" has the same meaning as defined in section 16 (2)(g) of article XVIII of the state constitution.

(32) **[Formerly 44-11-104 (10) and similar to 44-12-103 (13)]** "Marijuana-based workforce development or training program" means a program designed to train individuals to work in the ~~legal medical~~ REGULATED marijuana industry operated by an entity licensed under this ~~article 11~~ ARTICLE 10 or by a school that is authorized by the private occupational school division.

(33) "MARIJUANA CONSUMER WASTE" MEANS ANY COMPONENT LEFT AFTER THE CONSUMPTION OF A REGULATED MARIJUANA PRODUCT, INCLUDING BUT NOT LIMITED TO CONTAINERS, PACKAGES, CARTRIDGES, PODS, CUPS, BATTERIES, ALL-IN-ONE DISPOSABLE DEVICES, AND ANY OTHER WASTE COMPONENT LEFT AFTER THE REGULATED MARIJUANA IS CONSUMED AS DEFINED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY.

(34) **[Formerly 44-11-104 (11)]** "Medical marijuana" means marijuana that is grown and sold pursuant to the provisions of this ~~article 11~~ ARTICLE 10 and for a purpose authorized by section 14 of article XVIII of the state constitution but shall not be considered a nonprescription drug for purposes of section 12-42.5-102 (21) or 39-26-717, or an over-the-counter medication for purposes of section 25.5-5-322. IF THE CONTEXT REQUIRES, MEDICAL MARIJUANA INCLUDES MEDICAL MARIJUANA

CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS.

(35) "MEDICAL MARIJUANA BUSINESS" MEANS ANY OF THE FOLLOWING ENTITIES LICENSED PURSUANT TO THIS ARTICLE 10: A MEDICAL MARIJUANA STORE, A MEDICAL MARIJUANA CULTIVATION FACILITY, A MEDICAL MARIJUANA PRODUCTS MANUFACTURER, A MEDICAL MARIJUANA TESTING FACILITY, A MARIJUANA RESEARCH AND DEVELOPMENT LICENSEE, A MEDICAL MARIJUANA BUSINESS OPERATOR, OR A MEDICAL MARIJUANA TRANSPORTER.

(36) [Formerly 44-11-104 (12)] "Medical marijuana business operator" means an entity or person ~~who~~ THAT is not an owner and ~~who~~ THAT is licensed to provide professional operational services to a medical marijuana ~~establishment~~ BUSINESS for direct remuneration from the medical marijuana ~~establishment~~ BUSINESS. A MEDICAL MARIJUANA BUSINESS OPERATOR IS NOT, BY VIRTUE OF ITS STATUS AS A MEDICAL MARIJUANA BUSINESS OPERATOR, A CONTROLLING BENEFICIAL OWNER OR A PASSIVE BENEFICIAL OWNER OF ANY MEDICAL MARIJUANA BUSINESS IT OPERATES.

(37) [Formerly 44-11-104 (19)] "~~Optional premises cultivation operation~~" "MEDICAL MARIJUANA CULTIVATION FACILITY" means a person licensed pursuant to this ~~article 11~~ ARTICLE 10 to operate a business as described in ~~section 44-11-403~~ SECTION 44-10-502.

(38) [Formerly 44-11-104 (15)] "Medical marijuana-infused MARIJUANA product" means a product infused with medical marijuana that is intended for use or consumption other than by smoking, including but not limited to edible products, ointments, and tinctures. ~~These products, when manufactured or sold by a licensed medical marijuana center or a medical marijuana-infused products manufacturer, shall not be considered a food or drug for the purposes of the "Colorado Food and Drug Act", part 4 of article 5 of title 25.~~

(39) [Formerly 44-11-104 (16)] "Medical marijuana-infused MARIJUANA products manufacturer" means a person licensed pursuant to this ~~article 11~~ ARTICLE 10 to operate a business as described in ~~section 44-11-404~~ SECTION 44-10-503.

(40) [Formerly 44-11-104 (13)] "Medical marijuana ~~center~~ STORE" means a person licensed pursuant to this ~~article 11~~ ARTICLE 10 to operate a

business as described in ~~section 44-11-402~~ SECTION 44-10-501 that sells medical marijuana to registered patients or primary caregivers as defined in section 14 of article XVIII of the state constitution, but is not a primary caregiver.

(41) **[Formerly 44-11-104 (14)]** "Medical marijuana transporter" means an entity or person that is licensed to transport medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products from one medical marijuana ~~establishment~~ BUSINESS to another medical marijuana ~~establishment~~ BUSINESS and to temporarily store the transported medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products at its licensed premises, but is not authorized to sell medical marijuana or medical ~~marijuana-infused~~ MARIJUANA products under any circumstances.

(42) **[Formerly 44-12-103 (14)]** "Mobile distribution center" means any vehicle other than a common passenger light-duty vehicle with a short wheel base used to carry a quantity of marijuana greater than one ounce.

(43) **[Formerly 44-11-104 (17) and 44-12-103 (15)]** "Opaque" means that the packaging does not allow the product to be seen without opening the packaging material.

(44) **[Formerly 44-12-103 (16)]** "Operating fees", as referred to in section 16 (5)(f) of article XVIII of the state constitution, means fees that may be charged by a local jurisdiction for costs, including but not limited to inspection, administration, and enforcement of retail marijuana ~~establishments~~ BUSINESSES authorized pursuant to this ~~article 12~~ ARTICLE 10.

(45) "OWNER'S INTEREST" HAS THE SAME MEANING AS IN SECTION 7-90-102 (44) AND IS SYNONYMOUS WITH THE TERM "SECURITY" UNLESS THE CONTEXT OTHERWISE REQUIRES.

(46) "PASSIVE BENEFICIAL OWNER" MEANS ANY PERSON ACQUIRING ANY OWNER'S INTEREST IN A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS THAT IS NOT OTHERWISE A CONTROLLING BENEFICIAL OWNER OR IN CONTROL.

(47) **[Formerly 44-11-104 (20) and similar to 44-12-103 (17)]** "Permitted economic interest" means any unsecured convertible debt

instrument, option agreement, warrant, or any other right to obtain an ownership interest when the holder of such interest is a natural person who is a lawful United States resident and whose right to convert into an ownership interest is contingent on the holder qualifying and obtaining a license as an owner under this ~~article~~ ~~11~~ ARTICLE 10, or such other agreements as may be permitted by rule of the state licensing authority.

(48) [Formerly 44-12-103 (18) and similar to 44-11-104 (21)] "PERSON" HAS THE SAME MEANING AS DEFINED IN SECTION 7-90-102 (49).

(49) [Formerly 44-12-103 (19) and similar to 44-11-104 (22)] "Premises" means a distinctly identified, as required by the state licensing authority, and definite location, which may include a building, a part of a building, a room, or any other definite contiguous area.

(50) "PUBLICLY TRADED CORPORATION" MEANS ANY PERSON OTHER THAN AN INDIVIDUAL THAT IS ORGANIZED UNDER THE LAWS OF AND FOR WHICH ITS PRINCIPAL PLACE OF BUSINESS IS LOCATED IN ONE OF THE STATES OR TERRITORIES OF THE UNITED STATES OR DISTRICT OF COLUMBIA OR ANOTHER COUNTRY THAT AUTHORIZES THE SALE OF MARIJUANA AND THAT:

(a) HAS A CLASS OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, THAT:

(I) CONSTITUTES "COVERED SECURITIES" PURSUANT TO SECTION 18 (b)(1)(A) OF THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED; OR

(II) IS QUALIFIED AND QUOTED ON THE OTCQX OR OTCQB TIER OF THE OTC MARKETS IF:

(A) THE PERSON IS THEN REQUIRED TO FILE REPORTS AND IS FILING REPORTS ON A CURRENT BASIS WITH THE FEDERAL SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, AS IF THE SECURITIES CONSTITUTED "COVERED SECURITIES" AS DESCRIBED IN SUBSECTION (46)(a)(I) OF THIS SECTION; AND

(B) THE PERSON HAS ESTABLISHED AND IS IN COMPLIANCE WITH

CORPORATE GOVERNANCE MEASURES PURSUANT TO CORPORATE GOVERNANCE OBLIGATIONS IMPOSED ON SECURITIES QUALIFIED AND QUOTED ON THE OTCQX TIER OF THE OTC MARKETS.

(b) IS AN ENTITY THAT HAS A CLASS OF SECURITIES LISTED ON THE CANADIAN SECURITIES EXCHANGE, TORONTO STOCK EXCHANGE, TSX VENTURE EXCHANGE, OR OTHER EQUITY SECURITIES EXCHANGE RECOGNIZED BY THE STATE LICENSING AUTHORITY, IF:

(I) THE ENTITY CONSTITUTES A "FOREIGN PRIVATE ISSUER", AS DEFINED IN RULE 405 PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED, WHOSE SECURITIES ARE EXEMPT FROM REGISTRATION PURSUANT TO SECTION 12 OF THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, PURSUANT TO RULE 12g3-2 (b) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED; AND

(II) THE ENTITY HAS BEEN, FOR THE PRECEDING THREE HUNDRED SIXTY-FIVE DAYS OR SINCE THE FORMATION OF THE ENTITY, IN COMPLIANCE WITH ALL GOVERNANCE AND REPORTING OBLIGATIONS IMPOSED BY THE RELEVANT EXCHANGE ON SUCH ENTITY; OR

(c) IS REASONABLY IDENTIFIED AS A PUBLICLY TRADED CORPORATION BY RULE;

(d) A "PUBLICLY TRADED CORPORATION" DESCRIBED IN SUBSECTION (50)(a), (50)(b), OR (50)(c) OF THIS SECTION DOES NOT INCLUDE:

(I) AN "INELIGIBLE ISSUER", AS DEFINED IN RULE 405 PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED, UNLESS SUCH PUBLICLY TRADED CORPORATION SATISFIES THE DEFINITION OF INELIGIBLE ISSUER SOLELY BECAUSE IT IS ONE OR MORE OF THE FOLLOWING, AND THE PERSON IS FILING REPORTS ON A CURRENT BASIS WITH THE FEDERAL SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, AS IF THE SECURITIES CONSTITUTED "COVERED SECURITIES" AS DESCRIBED IN SUBSECTION (50)(a)(I) OF THIS SECTION, AND PRIOR TO BECOMING A PUBLICLY TRADED CORPORATION, THE PERSON FOR AT LEAST TWO YEARS WAS LICENSED BY THE STATE LICENSING AUTHORITY AS A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS WITH A DEMONSTRATED HISTORY OF

OPERATIONS IN THE STATE OF COLORADO, AND DURING SUCH TIME WAS NOT SUBJECT TO SUSPENSION OR REVOCATION OF THE LICENSE:

(A) A "BLANK CHECK COMPANY", AS DEFINED IN RULE 419 (a)(2) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED;

(B) AN ISSUER IN AN OFFERING OF "PENNY STOCK", AS DEFINED IN RULE 3a51-1 PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934"; OR

(C) A "SHELL COMPANY", AS DEFINED IN RULE 405 PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED; AND

(II) A PERSON DISQUALIFIED AS A "BAD ACTOR" UNDER RULE 506 (d) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED.

(51) "QUALIFIED INSTITUTIONAL INVESTOR" MEANS:

(a) A BANK AS DEFINED IN SECTION 3 (a)(6) OF THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, IF THE BANK IS CURRENT IN ALL APPLICABLE REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND RULES PROMULGATED THEREUNDER;

(b) A BANK HOLDING COMPANY AS DEFINED IN THE FEDERAL "BANK HOLDING COMPANY ACT OF 1956", AS AMENDED, IF THE BANK HOLDING COMPANY IS REGISTERED AND CURRENT IN ALL APPLICABLE REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND RULES PROMULGATED THEREUNDER;

(c) AN INSURANCE COMPANY AS DEFINED IN SECTION 2 (a)(17) OF THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED, IF THE INSURANCE COMPANY IS CURRENT IN ALL APPLICABLE REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND RULES PROMULGATED THEREUNDER;

(d) AN INVESTMENT COMPANY REGISTERED UNDER SECTION 8 OF THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED, AND SUBJECT TO 15 U.S.C. SEC. 80a-1 TO 80a-64, IF THE INVESTMENT COMPANY

IS CURRENT IN ALL APPLICABLE REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND RULES PROMULGATED THEREUNDER;

(e) AN EMPLOYEE BENEFIT PLAN OR PENSION FUND SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974", EXCLUDING AN EMPLOYEE BENEFIT PLAN OR PENSION FUND SPONSORED BY A LICENSEE OR AN INTERMEDIARY HOLDING COMPANY LICENSEE THAT DIRECTLY OR INDIRECTLY OWNS TEN PERCENT OR MORE OF A LICENSEE;

(f) A STATE OR FEDERAL GOVERNMENT PENSION PLAN;

(g) A GROUP COMPRISED ENTIRELY OF PERSONS SPECIFIED IN SUBSECTIONS (51)(a) TO (51)(f) OF THIS SECTION; OR

(h) ANY OTHER ENTITY IDENTIFIED BY RULE BY THE STATE LICENSING AUTHORITY.

(52) "QUALIFIED PRIVATE FUND" MEANS AN ISSUER THAT WOULD BE AN INVESTMENT COMPANY, AS DEFINED IN SECTION (3) OF THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", BUT FOR THE EXCLUSIONS PROVIDED UNDER SECTIONS 3(c)(1) OR 3(c)(7) OF THAT ACT, AND THAT:

(a) IS ADVISED OR MANAGED BY AN INVESTMENT ADVISER AS DEFINED AND REGISTERED UNDER SECTIONS 80b-1-21, TITLE 15 OF THE FEDERAL "INVESTMENT ADVISERS ACT OF 1940", AND FOR WHICH THE REGISTERED INVESTMENT ADVISER IS CURRENT IN ALL APPLICABLE REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND RULES PROMULGATED THEREUNDER; AND

(b) SATISFIES ONE OR MORE OF THE FOLLOWING:

(I) IS ORGANIZED UNDER THE LAW OF A STATE OR THE UNITED STATES;

(II) IS ORGANIZED, OPERATED, OR SPONSORED BY A U.S. PERSON, AS DEFINED UNDER SUBSECTION 17 CFR 230.902(k), AS AMENDED; OR

(III) SELLS SECURITIES TO A U.S. PERSON, AS DEFINED UNDER SUBSECTION 17 CFR 230.902(k), AS AMENDED.



(53) "REASONABLE CAUSE" MEANS JUST OR LEGITIMATE GROUNDS BASED IN LAW AND IN FACT TO BELIEVE THAT THE PARTICULAR REQUESTED ACTION FURTHERS THE PURPOSES OF THIS ARTICLE 10 OR PROTECTS PUBLIC SAFETY.

(54) "REGULATED MARIJUANA" MEANS MEDICAL MARIJUANA AND RETAIL MARIJUANA. IF THE CONTEXT REQUIRES, REGULATED MARIJUANA INCLUDES MEDICAL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA PRODUCTS, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA PRODUCTS.

(55) "REGULATED MARIJUANA PRODUCTS" MEANS MEDICAL MARIJUANA PRODUCTS AND RETAIL MARIJUANA PRODUCTS.

(56) [Formerly 44-12-103 (21) and similar to 44-11-104 (24)] "Resealable" means that the package continues to function within effectiveness specifications, which shall be established by the state licensing authority similar to the federal "Poison Prevention Packaging Act of 1970", 15 U.S.C. sec. 1471 et seq., for the number of openings and closings customary for its size and contents, which shall be determined by the state licensing authority.

(57) [Formerly 44-12-103 (22)] "Retail marijuana" means "marijuana" or "marihuana", as defined in section 16 (2)(f) of article XVIII of the state constitution, that is cultivated, manufactured, distributed, or sold by a licensed retail marijuana ~~establishment~~ BUSINESS. IF THE CONTEXT REQUIRES, RETAIL MARIJUANA INCLUDES RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS.

(58) [Formerly 44-12-103 (24)] "Retail marijuana ~~establishment~~ BUSINESS" means a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana products manufacturer, ~~or~~ a retail marijuana testing facility, A RETAIL MARIJUANA BUSINESS OPERATOR, OR A RETAIL MARIJUANA TRANSPORTER LICENSED PURSUANT TO THIS ARTICLE 10.

(59) [Formerly 44-12-103 (25)] "Retail marijuana ~~establishment~~ BUSINESS operator" means an entity or person that is not an owner and that is licensed to provide professional operational services to a retail marijuana ~~establishment~~ BUSINESS for direct remuneration from the retail marijuana ~~establishment~~ BUSINESS.

(60) [Formerly 44-12-103 (23)] "Retail marijuana cultivation facility" has the same meaning as "marijuana cultivation facility" as defined in section 16 (2)(h) of article XVIII of the state constitution.

(61) [Formerly 44-12-103 (26)] "Retail marijuana products" means "marijuana products" as defined in section 16 (2)(k) of article XVIII of the state constitution that are produced at a retail marijuana products manufacturer.

(62) [Formerly 44-12-103 (27)] "Retail marijuana products manufacturer" has the same meaning as "marijuana product manufacturing facility" as defined in section 16 (2)(j) of article XVIII of the state constitution.

(63) [Formerly 44-12-103 (28)] "Retail marijuana store" has the same meaning as defined in section 16 (2)(n) of article XVIII of the state constitution.

(64) [Formerly 44-12-103 (29)] "Retail marijuana testing facility" means "marijuana testing facility" as defined in section 16 (2)(l) of article XVIII of the state constitution that is licensed pursuant to this ~~article 12~~ ARTICLE 10.

(65) [Formerly 44-12-103 (30)] "Retail marijuana transporter" means an entity or person that is licensed to transport retail marijuana and retail marijuana products from one retail marijuana establishment BUSINESS to another retail marijuana establishment BUSINESS and to temporarily store the transported retail marijuana and retail marijuana products at its licensed premises, but is not authorized to sell retail marijuana or retail marijuana products under any circumstances.

(66) [Formerly 44-12-103 (31)] "Sale" or "sell" includes to exchange, barter, or traffic in; to solicit or receive and order except through a licensee licensed under this ~~article 12~~ ARTICLE 10; to deliver for value in any way other than gratuitously; to peddle or possess with intent to sell; or to traffic in for any consideration promised or obtained directly or indirectly.

(67) [Formerly 44-12-103 (32) and similar to 44-11-104 (25)] "School" means a public or private preschool or a public or private

elementary, middle, junior high, or high school or institution of higher education.

(68) "SECURITY" HAS THE SAME MEANING AS IN SECTION (2)(1) OF THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED.

(69) [Formerly 44-12-103 (33) and similar to 44-11-104 (26)] "State licensing authority" means the authority created for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana in this state pursuant to ~~section 44-12-201~~ SECTION 44-10-201.

**44-10-104. Applicability - medical marijuana - retail marijuana.** [Formerly 44-11-103 (1)] ~~(1) (a) On July 1, 2010, a person who is operating an established, locally approved business for the purpose of cultivation, manufacture, or sale of medical marijuana or medical marijuana-infused products or a person who has applied to a local government to operate a locally approved business for the purpose of cultivation, manufacture, or sale of medical marijuana or medical marijuana-infused products that is subsequently granted may continue to operate that business in accordance with any applicable state or local laws. "Established", as used in this subsection (1)(a), shall mean owning or leasing a space with a storefront and remitting sales taxes in a timely manner on retail sales of the business as required pursuant to section 39-26-105, as well as any applicable local sales taxes.~~

~~(b) To continue operating a business or operation as described in subsection (1)(a) of this section, the owner shall, on or before August 1, 2010, complete forms as provided by the department of revenue and shall pay a fee, which shall be credited to the medical marijuana license cash fund established pursuant to section 44-11-501. The purpose of the fee shall be to pay for the direct and indirect costs of the state licensing authority and the development of application procedures and rules necessary to implement this article 11. Payment of the fee and completion of the form shall not create a local or state license or a present or future entitlement to receive a license. An owner issued a local license after August 1, 2010, shall complete the forms and pay the fee pursuant to this subsection (1)(b) within thirty days after issuance of the local license. In addition to any criminal penalties for selling without a license, it shall be unlawful to continue operating a business or operation without filing the forms and paying the~~

~~fee as described in this subsection (1)(b), and any violation of this section shall be prima facie evidence of unsatisfactory character, record, and reputation for any future application for license under this article 11.~~

~~(c) A county, city and county, or municipality shall provide to the state licensing authority, upon request, a list that includes the name and location of each local center or operation licensed in said county, city and county, or municipality so that the state licensing authority can identify any center or operation operating unlawfully.~~

~~(2) (1) (a) [Formerly 44-11-103 (2)(a)] Prior to July 1, 2011, A county, city and county, or municipality may adopt and enforce a resolution or ordinance licensing, regulating, or prohibiting the cultivation or sale of medical marijuana. In a county, city and county, or municipality where such an ordinance or resolution has been adopted, a person who is not registered as a patient or primary caregiver pursuant to section 25-1.5-106 and who is cultivating or selling medical marijuana shall IS not be entitled to an affirmative defense to a criminal prosecution as provided for in section 14 of article XVIII of the state constitution unless the person is in compliance with the applicable county or municipal law.~~

~~[Formerly 44-11-103 (2)(b)] (b) On or before September 1, 2010, a business or operation shall certify that it is cultivating at least seventy percent of the medical marijuana necessary for its operation.~~

~~(b) [Formerly 44-11-106] The operation of this article 11 ARTICLE 10 AS IT RELATES TO MEDICAL MARIJUANA shall be statewide unless a municipality, county, city, or city and county, by either a majority of the registered electors of the municipality, county, city, or city and county voting at a regular election or special election called in accordance with the "Colorado Municipal Election Code of 1965", article 10 of title 31, or the "Uniform Election Code of 1992", articles 1 to 13 of title 1, as applicable, or a majority of the members of the governing board for the municipality, county, city, or city and county, vote to prohibit the operation of medical marijuana centers, optional premises cultivation operations STORES, MEDICAL MARIJUANA CULTIVATION FACILITIES, and medical marijuana-infused MARIJUANA products manufacturers' licenses.~~

~~(c) [Formerly 44-11-103 (2)(c)] On and after July 1, 2011, All businesses for the purpose of cultivation, manufacture, or sale of medical~~

marijuana or medical ~~marijuana-infused~~ MARIJUANA products, as defined in this article ~~11~~, shall be ARTICLE 10 ARE subject to the terms and conditions of this article ~~11~~ ARTICLE 10 and any rules promulgated pursuant to this article ~~11~~; except that a person that has met the deadlines set forth in subsections (1)(a) and (1)(b) of this section that has not had its application acted upon by the state licensing authority may continue to operate until action is taken on the application, unless the person is operating in a jurisdiction that has imposed a prohibition on licensure. While continuing to operate prior to the licensing authority acting on the application, the person shall otherwise be subject to the terms and conditions of this article ~~11~~ and all rules promulgated pursuant to this article ~~11~~ ARTICLE 10.

**[Formerly 44-11-103 (2)(d)]** ~~(d) (I) On and after July 1, 2012, persons who did not meet all requirements of subsection (1)(a) of this section as of July 1, 2010, may begin to apply for a license pursuant to this article 11. A business or operation that applies and is approved for its license after July 1, 2012, shall certify to the state licensing authority that it is cultivating at least seventy percent of the medical marijuana necessary for its operation within ninety days after being licensed.~~

~~(H) For those persons that are licensed prior to July 1, 2012, the person may apply to the local and state licensing authorities regarding changes to its license and may apply for a new license if the license is for a business that has been licensed and the person is purchasing that business or if the business is changing license type.~~

~~(HH) For a person who has met the deadlines set forth in subsections (1)(a) and (1)(b) of this section and who has lost his or her location because a city or county has voted pursuant to section 44-11-106 to ban his or her operation, the person may apply for a new license with a local licensing authority and transfer the location of its pending application with the state licensing authority.~~

**[Formerly 44-11-103 (2)(e)]** ~~(e) This article 11 sets forth the exclusive means by which manufacture, sale, distribution, and dispensing of medical marijuana may occur in the state of Colorado. Licensees shall not be subject to the terms of section 14 of article XVIII of the state constitution, except where specifically referenced in this article 11.~~

**[Formerly 44-12-104 (1)]** ~~(1)(a) (I) On or after October 1, 2013,~~

~~a person who is operating in good standing a licensed medical marijuana center, an optional premises cultivation license, or a licensed medical marijuana-infused products business or a person who had a pending application with the state licensing authority prior to December 10, 2012, has paid all applicable licensing fees, and has not yet had that application approved may apply for a retail marijuana establishment license under this article 12.~~

~~(H) An applicant pursuant to this subsection (1)(a) shall indicate whether he or she wants to surrender the current medical marijuana license issued pursuant to part 4 of article 11 of this title 44 or intends to retain the license in addition to the retail marijuana establishment license.~~

~~(HH) If the applicant indicates a desire to surrender the medical marijuana license, the applicant shall continue to operate under that license so long as the license remains in effect until a retail marijuana establishment license is approved. If the retail marijuana establishment license is granted, the applicant shall have fourteen days from the effective date of the license to surrender the medical marijuana license to the state licensing authority. If the retail marijuana license is granted, on the effective date of the license, all medical marijuana plants and inventory shall become retail marijuana plants and inventory on the date of the retail marijuana establishment license; except that beginning on July 1, 2016, an applicant shall not be allowed to transfer medical marijuana plants and inventory from a medical marijuana center or from a medical marijuana-infused products manufacturer to any retail marijuana establishment. Beginning on July 1, 2016, the only transfer of medical marijuana allowed pursuant to this subsection (1)(a)(HH) is the transfer of medical marijuana plants and inventory from a medical marijuana cultivation facility to a retail marijuana cultivation facility.~~

~~(IV) An applicant pursuant to this subsection (1)(a) may apply for a retail marijuana establishment license and retain the medical marijuana license. The applicant may apply to have the medical marijuana licensed operation and the retail marijuana establishment at the same location only if the local jurisdiction permits the medical marijuana licensed operation and the retail marijuana establishment to be operated at the same location. At the time that the retail marijuana establishment license becomes effective, the applicant shall identify the medical marijuana inventory that will become retail marijuana inventory; except that beginning on July 1,~~

~~2016, an applicant shall not be allowed to transfer medical marijuana inventory from a medical marijuana center or from a medical marijuana-infused products manufacturer to any retail marijuana establishment. Beginning on July 1, 2016, the only transfer of medical marijuana allowed pursuant to this subsection (1)(a)(IV) is the transfer of medical marijuana inventory from a medical marijuana cultivation facility to a retail marijuana cultivation facility.~~

~~(V) An applicant pursuant to this subsection (1)(a) who retains a medical marijuana license and obtains a retail marijuana establishment license for the two licensed premises must maintain actual physical separation between the two or only sell medical marijuana to persons twenty-one years of age or older.~~

~~(b) On and after July 1, 2014, persons who did not meet the requirements of subsection (1)(a)(I) of this section may apply for licensure pursuant to this article 12. A license issued to a person pursuant to this subsection (1)(b) is not effective until October 1, 2014.~~

~~(2) [Formerly 44-12-104 (2)] (a) A person applying pursuant to subsection (1) of this section shall FOR LICENSURE PURSUANT TO THIS ARTICLE 10 MUST complete forms as provided by the state licensing authority and shall MUST pay the application fee and the licensing fee, which shall MUST be credited to the marijuana cash fund established pursuant to section 44-11-501 SECTION 44-10-801. The state licensing authority shall forward, within seven days, one-half of the RETAIL MARIJUANA BUSINESS license application fee to the local jurisdiction unless the local jurisdiction has prohibited the operation of retail marijuana establishments BUSINESSES pursuant to section 16 (5)(f) of article XVIII of the state constitution. If the license is denied, the state licensing authority shall refund the licensing fee to the applicant.~~

~~(b) The state licensing authority shall act upon an A RETAIL MARIJUANA BUSINESS LICENSE application made pursuant to subsection (1) SUBSECTION (1)(a) of this section no sooner than forty-five days and no later than ninety days after the date of the RETAIL MARIJUANA BUSINESS LICENSE application. The state licensing authority shall process RETAIL MARIJUANA BUSINESS LICENSE applications in the order in which complete applications are received by the state licensing authority.~~

(3) **[Formerly 44-12-104 (3)]** As provided in section 16 (5)(f) of article XVIII of the state constitution, any local jurisdiction may enact ordinances or regulations governing the time, place, manner, and number of retail marijuana ~~establishments~~ BUSINESSES, which may include a local licensing requirement, or may prohibit the operation of retail marijuana ~~establishments~~ BUSINESSES through the enactment of an ordinance or through a referred or initiated measure. If a 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.

(4) **[Formerly 44-12-104 (4) and similar to 44-11-103 (2)(e)]** This ~~article 12~~ ARTICLE 10 sets forth the exclusive means by which cultivation, manufacture, sale, distribution, dispensing, and testing of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana products may occur in the state of Colorado.

(5) (a) **[Formerly 44-12-104 (5)]** Nothing in this ~~article 12~~ ARTICLE 10 is intended to require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or cultivating of REGULATED marijuana in the workplace or to affect the ability of employers to have policies restricting the use of marijuana by employees.

(b) Nothing in this ~~article 12~~ ARTICLE 10 prohibits a person, employer, school, hospital, detention facility, corporation, or any other entity ~~who~~ THAT occupies, owns, or controls a property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or cultivating of REGULATED marijuana on or in that property.

(c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (5), HOLDING OR EXERCISING THE PRIVILEGES OF ANY LICENSE ISSUED PURSUANT TO THIS ARTICLE 10 SHALL NOT CONSTITUTE AN UNSUITABLE OR UNLAWFUL ACT OR PRACTICE WITHIN THE MEANING OF THE STATUTES AND RULES GOVERNING THE COLORADO LIMITED GAMING CONTROL COMMISSION.

**44-10-105. Marijuana employee designation.** AN EMPLOYEE OF A LICENSEE IS NOT AN AGRICULTURAL WORKER UNLESS THE EMPLOYEE IS A FARM LABORER AS DESCRIBED IN SECTION 8-3-104 (11).

**44-10-106. Marijuana employee labor rights.** IF THE NATIONAL



LABOR RELATIONS BOARD OR A COURT RULES THAT MARIJUANA OR MARIJUANA-RELATED BUSINESSES ARE NOT COVERED BY THE FEDERAL "NATIONAL LABOR RELATIONS ACT", 29 U.S.C. SEC. 151 ET SEQ., THEN A MARIJUANA BUSINESS OR MARIJUANA-RELATED BUSINESS AND ITS EMPLOYEES DOING BUSINESS IN COLORADO ARE COVERED BY THE "LABOR PEACE ACT", PART 1 OF ARTICLE 3 OF TITLE 8, TO THE SAME EXTENT THAT A BUSINESS WOULD BE COVERED BY THE FEDERAL "NATIONAL LABOR RELATIONS ACT", 29 U.S.C. SEC. 151 ET SEQ., ABSENT SUCH A RULING.

## PART 2 STATE LICENSING AUTHORITY

**44-10-201. State licensing authority - creation.** (1) (a) [Formerly 44-11-201 (1) and similar to 44-12-201] For the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, and sale, AND TESTING of ~~medical marijuana and retail marijuana~~ REGULATED MARIJUANA in this state, there is hereby created the state licensing authority, which ~~shall be~~ IS the executive director or the deputy director of the department if the executive director so designates. ~~The state licensing authority shall adopt regulations regarding retail marijuana and retail marijuana products by July 1, 2013.~~

(b) [Formerly 44-12-201] ~~For the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale, and testing of retail marijuana and retail marijuana products in this state,~~ The state licensing authority ~~created in section 44-11-201 shall also have~~ ALSO HAS regulatory authority for retail marijuana and retail marijuana products as permitted in section 16 of article XVIII of the state constitution and this ~~article 12~~ ARTICLE 10.

(2) [Formerly 44-11-201 (2)] The executive director ~~shall be~~ IS the chief administrative officer of the state licensing authority and may employ, pursuant to section 13 of article XII of the state constitution, such officers and employees as may be determined to be necessary, which officers and employees ~~shall be~~ ARE part of the department.

(3) [Formerly 44-11-201 (3)] A state licensing authority employee with regulatory oversight responsibilities for marijuana businesses licensed by the state licensing authority shall not work for, represent, or provide consulting services to or otherwise derive pecuniary gain from a MEDICAL

OR RETAIL marijuana business licensed by the state licensing authority or other business entity established for the primary purpose of providing services to the marijuana industry for a period of six months following his or her last day of employment with the state licensing authority.

(4) **[Formerly 44-11-201 (4)]** Any person who discloses confidential records or information in violation of the provisions of this ~~article~~ ~~11~~ ARTICLE 10 commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501. Any criminal prosecution pursuant to the provisions of this section must be brought within five years from the date the violation occurred.

**44-10-202. Powers and duties of state licensing authority - rules - legislative declaration - repeal. [Formerly 44-12-202 (2) introductory portion]** (1) **Powers and duties.** The state licensing authority ~~has the authority to~~ SHALL:

(a) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM THAT TRACKS REGULATED MARIJUANA FROM EITHER THE SEED OR IMMATURE PLANT STAGE UNTIL THE REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCT IS SOLD TO A PATIENT AT A MEDICAL MARIJUANA STORE OR TO A CUSTOMER AT A RETAIL MARIJUANA STORE TO ENSURE THAT NO REGULATED MARIJUANA GROWN OR PROCESSED BY A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS IS SOLD OR OTHERWISE TRANSFERRED EXCEPT BY A MEDICAL OR RETAIL MARIJUANA STORE; EXCEPT THAT THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCT IS NO LONGER SUBJECT TO THE TRACKING SYSTEM ONCE THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCT HAS BEEN:

(I) TRANSFERRED TO A MEDICAL RESEARCH FACILITY PURSUANT TO SECTION 25-1.5-106.5 (5)(b); OR

(II) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR THE USE OF PESTICIDES ON MEDICAL MARIJUANA. NOTWITHSTANDING ANY OTHER

PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(a)(II) TO CONDUCT PESTICIDE RESEARCH REGARDING MARIJUANA MUST BE LOCATED IN COLORADO, MUST CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS; EXCEPT THAT THE MANUFACTURER SHALL:

(A) NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCT IN EXCESS OF THE LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY;

(B) USE THE MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCT ONLY FOR THE PESTICIDE RESEARCH AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(a)(II);

(C) DESTROY, IN COMPLIANCE WITH RULES PROMULGATED BY THE STATE LICENSING AUTHORITY, ALL MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS REMAINING AFTER THE RESEARCH HAS BEEN COMPLETED; AND

(D) NOT APPLY PESTICIDES FOR RESEARCH PURPOSES ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA BUSINESS.

(b) [**Formerly 44-12-202 (2)(a)**] Grant or refuse state licenses for the cultivation, manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED 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~~ ARTICLE 10 or any rule promulgated pursuant to this ~~article 12~~ ARTICLE 10; and impose any penalty authorized by this ~~article 12~~ ARTICLE 10 or any rule promulgated pursuant to this ~~article 12~~ ARTICLE 10. The state licensing authority may take any action with respect to a registration OR PERMIT pursuant to this ~~article 12~~ ARTICLE 10 as it may with respect to a license pursuant to this ~~article 12~~ ARTICLE 10, in accordance with the procedures established pursuant to this ~~article 12~~ ARTICLE 10.

(c) [**Formerly 44-12-202 (2)(b)**] Promulgate, ~~on or before July 1, 2013,~~ rules for the proper regulation and control of the cultivation, manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana products and for the enforcement of this

~~article 12~~ ARTICLE 10 and promulgate amended rules and such special rulings and findings as necessary;

(d) [**Formerly 44-11-202 (1)(c)**] Hear and determine at a public hearing any contested state license denial and any complaints against a licensee and administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to the determination of any hearing so held, all in accordance with article 4 of title 24. The state licensing authority may, at its discretion, delegate to the department hearing officers the authority to conduct licensing, disciplinary, and rule-making hearings ~~under~~ PURSUANT TO section 24-4-105. When conducting the hearings, the hearing officers ~~shall be~~ ARE employees of the state licensing authority under the direction and supervision of the executive director and the state licensing authority.

(e) [**Formerly 44-11-202 (1)(e)**] Develop such forms, licenses, identification cards, and applications as are necessary or convenient in the discretion of the state licensing authority for the administration of this ~~article 11~~ ARTICLE 10 or ~~any of the~~ rules promulgated ~~under~~ PURSUANT TO this ~~article 11~~ ARTICLE 10;

(f) [**Formerly 44-11-202 (1)(f)**] Prepare and transmit annually, in the form and manner prescribed by the heads of the principal departments pursuant to section 24-1-136, a report accounting to the governor for the efficient discharge of all responsibilities assigned by law or directive to the state licensing authority; AND

(g) COLLECT AND MAINTAIN DATA RELATED TO LICENSING DISQUALIFICATIONS AND ALL SANCTIONS BASED ON PAST CRIMINAL HISTORY PURSUANT TO THE REQUIREMENTS IN SECTION 24-34-104 (6)(b)(IX).

(2) NOTHING IN THIS ARTICLE 10 DELEGATES TO THE STATE LICENSING AUTHORITY THE POWER TO FIX PRICES FOR REGULATED MARIJUANA.

(3) NOTHING IN THIS ARTICLE 10 LIMITS A LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS. A LAW ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN A COLORADO CRIME INFORMATION CENTER CRIMINAL HISTORY RECORD CHECK OF A PRIMARY

CAREGIVER, LICENSEE, OR EMPLOYEE OF A LICENSEE DURING AN INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO MEDICAL MARIJUANA. A LAW ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN A COLORADO CRIME INFORMATION CENTER CRIMINAL HISTORY RECORD CHECK OF A LICENSEE OR EMPLOYEE OF A LICENSEE DURING AN INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO REGULATED MARIJUANA AND REGULATED MARIJUANA PRODUCTS.

(4) **[Formerly 44-12-202 (3)(a)(IV)(G)]** The executive director of the department of public health and environment shall provide to the state licensing authority standards for licensing laboratories pursuant to the requirements as outlined in ~~subsection (3)(a)(IV)(A) of this section~~ SECTION 44-10-203 (2)(d)(II) for REGULATED marijuana and REGULATED marijuana products.

(5) (a) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO PETITION A DISTRICT COURT FOR AN INVESTIGATIVE SUBPOENA APPLICABLE TO A PERSON WHO IS NOT LICENSED PURSUANT TO THIS ARTICLE 10 TO OBTAIN DOCUMENTS OR INFORMATION NECESSARY TO ENFORCE THE PROVISIONS OF THIS ARTICLE 10 AND ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10 AFTER REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN REQUESTED DOCUMENTS OR INFORMATION WITHOUT A SUBPOENA.

(b) THE STATE LICENSING AUTHORITY MAY APPLY TO ANY COURT OF COMPETENT JURISDICTION TO TEMPORARILY RESTRAIN OR PRELIMINARILY OR PERMANENTLY ENJOIN THE ACT IN QUESTION OF A PERSON WHO IS NOT LICENSED PURSUANT TO THIS ARTICLE 10 AND TO ENFORCE COMPLIANCE WITH THIS ARTICLE 10 OR ANY RULE OR ORDER ISSUED PURSUANT TO THIS ARTICLE 10 WHENEVER IT APPEARS TO THE STATE LICENSING AUTHORITY UPON SUFFICIENT EVIDENCE SATISFACTORY TO THE STATE LICENSING AUTHORITY THAT ANY PERSON HAS BEEN OR IS COMMITTING AN ACT PROHIBITED BY THIS ARTICLE 10, A RULE PROMULGATED PURSUANT TO THIS ARTICLE 10, A RULE OR AN ORDER ISSUED PURSUANT TO THIS ARTICLE 10, AND THE ACT:

(I) THREATENS PUBLIC HEALTH OR SAFETY;

(II) CONSTITUTES AN UNLAWFUL ACT FOR WHICH THE PERSON DOES NOT HOLD THE REQUIRED LICENSE UNDER THIS ARTICLE 10; OR

(III) CONSTITUTES A VIOLATION OF AN ORDER OF THE STATE LICENSING AUTHORITY.

(6) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT MATTERS RELATED TO LABELING AS REGULATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(f), PACKAGING AS REGULATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (3)(b), AND TESTING AS REGULATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(d) ARE MATTERS OF STATEWIDE CONCERN AND THE SOLE REGULATORY AUTHORITY FOR LABELING, PACKAGING, AND TESTING IS SECTION 44-10-203.

(7) (a) THE STATE LICENSING AUTHORITY SHALL CONVENE A STAKEHOLDER WORK GROUP OF LICENSED MARIJUANA BUSINESSES AND REGISTERED HEMP PRODUCTS MANUFACTURERS TO ADVISE THE STATE LICENSING AUTHORITY ON THE RULE-MAKING PROCESS RELATED TO SECTIONS 44-10-501 (3)(e), 44-10-503 (5)(b), 44-10-601 (3)(c), AND 44-10-603 (11).

(b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2021.

**44-10-203. State licensing authority - rules.** (1) **Permissive rule-making.** RULES PROMULGATED PURSUANT TO SECTION 44-10-202 (1)(c) MAY INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING SUBJECTS:

(a) **[Formerly 44-12-202 (3)(d)(V)]** Labeling guidelines concerning the total content of THC per unit of weight;

(b) **[Formerly 44-11-202 (2)(a)(VII)]** Control of informational and product displays on licensed premises;

(c) **[Formerly 44-11-202 (2)(a)(XVI) and 44-12-202 (3)(a)(XII)]** Records to be kept by licensees and the required availability of the records;

(d) **[Formerly 44-11-202 (2)(a)(XX) and 44-12-202 (3)(a)(XV)]** ~~Rules effective on or before January 1, 2016, relating to Permitted economic interests ISSUED PRIOR TO JANUARY 1, 2020, including a process for a criminal history record check, a requirement that a permitted economic interest applicant submit to and pass a criminal history record~~

check, a divestiture, and other agreements that would qualify as permitted economic interests;

(e) [Formerly 44-11-202 (2)(a)(II) and 44-12-202 (3)(c)(I)] Specifications of duties of officers and employees of the state licensing authority;

(f) [Formerly 44-11-202 (2)(a)(III) and similar to 44-12-202 (3)(c)(II)] Instructions for local licensing authorities and law enforcement officers;

(g) [Formerly 44-11-202 (2)(a)(IV) and 44-12-202 (3)(c)(III)] Requirements for inspections, investigations, searches, seizures, forfeitures, and such additional activities as may become necessary from time to time;

(h) [Formerly 44-11-202 (2)(a)(VI)] Prohibition of misrepresentation and unfair practices;

(i) [Formerly 44-11-202 (2)(a)(XXVI)] Marijuana research and development licenses, ~~and marijuana research and development cultivation licenses~~; including application requirements; renewal requirements, including whether additional research projects may be added or considered; conditions for license revocation; security measures to ensure marijuana is not diverted to purposes other than research or diverted outside of the regulated marijuana market; the amount of plants, useable marijuana, marijuana concentrates, or ~~marijuana-infused~~ MARIJUANA products a licensee may have on its premises; licensee reporting requirements; the conditions under which marijuana possessed by medical marijuana licensees may be donated to marijuana research and development licensees ~~and marijuana research and development cultivation licensees~~ or transferred to a nonmetric-based research facility; provisions to prevent contamination; requirements for destruction or transfer of marijuana after the research is concluded; and any additional requirements; AND

(j) [Formerly 44-11-202 (2)(a)(XXIV) and similar to 44-12-202 (3)(c)(VIII)] Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this ~~article 11~~ ARTICLE 10.

(2) **Mandatory rule-making.** RULES PROMULGATED PURSUANT TO

SECTION 44-10-202 (1)(c) MUST INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING SUBJECTS:

(a) **[Formerly 44-12-202 (3)(a)(I)]** Procedures consistent with this ~~article 12~~ ARTICLE 10 for the issuance, renewal, suspension, and revocation of licenses to operate MEDICAL MARIJUANA BUSINESSES AND retail marijuana ~~establishments~~ BUSINESSES;

(b) **[Formerly 44-12-202 (3)(a)(II)]** Subject to the limitations contained in section 16 (5)(a)(II) of article XVIII of the state constitution and consistent with this ~~article 12~~ ARTICLE 10, a schedule of application, licensing, and renewal fees for MEDICAL MARIJUANA BUSINESSES AND retail marijuana ~~establishments~~ BUSINESSES;

(c) **[Formerly 44-12-202 (3)(a)(III)]** Qualifications for licensure ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE 10, including but not limited to the requirement for a fingerprint-based criminal history record check for all CONTROLLING BENEFICIAL owners, ~~officers~~ PASSIVE BENEFICIAL OWNERS, managers, contractors, employees, and other support staff of entities licensed pursuant to this ~~article 12~~ ARTICLE 10;

(d) (I) **[Similar to 44-11-202 (3)(a)(I) and 44-12-202 (3)(a)(IV)]** ESTABLISHMENT OF A MARIJUANA AND MARIJUANA PRODUCTS INDEPENDENT TESTING AND CERTIFICATION PROGRAM FOR MARIJUANA BUSINESS LICENSEES, WITHIN AN IMPLEMENTATION TIME FRAME ESTABLISHED BY THE DEPARTMENT, REQUIRING LICENSEES TO TEST MARIJUANA AND INDUSTRIAL HEMP PRODUCTS TO ENSURE, AT A MINIMUM, THAT PRODUCTS SOLD FOR HUMAN CONSUMPTION BY PERSONS LICENSED PURSUANT TO THIS ARTICLE 10 DO NOT CONTAIN CONTAMINANTS THAT ARE INJURIOUS TO HEALTH AND TO ENSURE CORRECT LABELING.

(II) TESTING MAY INCLUDE ANALYSIS FOR MICROBIAL AND RESIDUAL SOLVENTS AND CHEMICAL AND BIOLOGICAL CONTAMINANTS DEEMED TO BE PUBLIC HEALTH HAZARDS BY THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT BASED ON MEDICAL REPORTS AND PUBLISHED SCIENTIFIC LITERATURE.

(III) (A) IF TEST RESULTS INDICATE THE PRESENCE OF QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO HEALTH, THE MEDICAL MARIJUANA OR RETAIL MARIJUANA LICENSEE SHALL IMMEDIATELY



QUARANTINE THE PRODUCTS AND NOTIFY THE STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL GIVE THE LICENSEE AN OPPORTUNITY TO REMEDIATE THE PRODUCT IF THE TEST INDICATED THE PRESENCE OF A MICROBIAL. IF THE LICENSEE IS UNABLE TO REMEDIATE THE PRODUCT, THE LICENSEE SHALL DOCUMENT AND PROPERLY DESTROY THE ADULTERATED PRODUCT.

(B) IF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT TEST RESULTS INDICATE THE PRESENCE OF QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO HEALTH, THE STATE LICENSING AUTHORITY SHALL GIVE THE LICENSEE AN OPPORTUNITY TO RETEST THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT.

(C) IF TWO ADDITIONAL TESTS OF THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT DO NOT INDICATE THE PRESENCE OF QUANTITIES OF ANY SUBSTANCE DETERMINED TO BE INJURIOUS TO HEALTH, THE PRODUCT MAY BE USED OR SOLD BY THE RETAIL MARIJUANA LICENSEE.

(IV) (A) TESTING MUST ALSO VERIFY THC POTENCY REPRESENTATIONS AND HOMOGENEITY FOR CORRECT LABELING AND PROVIDE A CANNABINOID PROFILE FOR THE REGULATED MARIJUANA PRODUCT.

(B) AN INDIVIDUAL RETAIL MARIJUANA PIECE OF TEN MILLIGRAMS OR LESS THAT HAS GONE THROUGH PROCESS VALIDATION IS EXEMPT FROM CONTINUED HOMOGENEITY TESTING.

(C) HOMOGENEITY TESTING FOR ONE HUNDRED MILLIGRAM SERVINGS OF RETAIL MARIJUANA MAY UTILIZE VALIDATION MEASURES.

(V) THE STATE LICENSING AUTHORITY SHALL DETERMINE AN ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS. THE STATE LICENSING AUTHORITY SHALL DETERMINE AN ACCEPTABLE VARIANCE OF AT LEAST PLUS OR MINUS FIFTEEN PERCENT FOR POTENCY REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS.

(VI) THE STATE LICENSING AUTHORITY SHALL DETERMINE THE PROTOCOLS AND FREQUENCY OF REGULATED MARIJUANA TESTING BY LICENSEES.

(VII) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY OR USE THE RESULTS OF ANY TEST OF REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS CONDUCTED BY AN ANALYTICAL LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR THAT IS NOT ACCREDITED TO THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD OF TESTING. STARTING JANUARY 1, 2018, A STATE, LOCAL, OR MUNICIPAL AGENCY MAY USE OR EMPLOY THE RESULTS OF ANY TEST OF REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS CONDUCTED ON OR AFTER JANUARY 1, 2018, BY AN ANALYTICAL LABORATORY THAT IS CERTIFIED PURSUANT TO THIS SUBSECTION (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR IS ACCREDITED PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/ INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD, IN THAT FIELD OF TESTING.

(VIII) ON OR BEFORE JANUARY 1, 2019, THE STATE LICENSING AUTHORITY SHALL REQUIRE A MEDICAL MARIJUANA TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY TO BE ACCREDITED BY A BODY THAT IS ITSELF RECOGNIZED BY THE INTERNATIONAL LABORATORY ACCREDITATION COOPERATION IN A CATEGORY OF TESTING PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION 17025:2005 STANDARD, OR A SUBSEQUENT SUPERSEDING STANDARD, IN ORDER TO RECEIVE CERTIFICATION OR MAINTAIN CERTIFICATION; EXCEPT THAT THE STATE LICENSING AUTHORITY MAY BY RULE ESTABLISH CONDITIONS FOR PROVIDING EXTENSIONS TO A NEWLY LICENSED MEDICAL MARIJUANA TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY FOR A PERIOD NOT TO EXCEED TWELVE MONTHS OR A MEDICAL MARIJUANA TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY FOR GOOD CAUSE AS DEFINED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY, WHICH MUST INCLUDE BUT MAY NOT BE LIMITED TO WHEN AN APPLICATION FOR ACCREDITATION HAS BEEN SUBMITTED AND IS PENDING WITH A RECOGNIZED ACCREDITING BODY.

(IX) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES THAT PREVENT REDUNDANT TESTING OF MARIJUANA AND MARIJUANA CONCENTRATE, INCLUDING, BUT NOT LIMITED TO, POTENCY TESTING OF

MARIJUANA ALLOCATED TO EXTRACTIONS, AND RESIDUAL SOLVENT TESTING OF MARIJUANA CONCENTRATE WHEN ALL INPUTS OF THE MARIJUANA CONCENTRATE HAVE PASSED RESIDUAL SOLVENT TESTING PURSUANT TO THIS SUBSECTION (2)(d).

(e) **[Formerly 44-12-202 (3)(a)(V) and similar to 44-11-202 (2)(a)(X)]** Security requirements for any premises licensed pursuant to this ~~article 12~~ ARTICLE 10, including, at a minimum, lighting, physical security, video, and alarm requirements, and other minimum procedures for internal control as deemed necessary by the state licensing authority to properly administer and enforce the provisions of this ~~article 12~~ ARTICLE 10, including reporting requirements for changes, alterations, or modifications to the premises;

(f) **[Similar to 44-11-202 (2)(a)(XIV) and 44-12-202 (3)(a)(VII)]** LABELING REQUIREMENTS FOR REGULATED MARIJUANA AND REGULATED MARIJUANA PRODUCTS SOLD BY A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS THAT ARE AT LEAST AS STRINGENT AS THOSE IMPOSED BY SECTION 25-4-1614 (3)(a) AND INCLUDE BUT ARE NOT LIMITED TO:

(I) WARNING LABELS;

(II) AMOUNT OF THC PER SERVING AND THE NUMBER OF SERVINGS PER PACKAGE FOR REGULATED MARIJUANA PRODUCTS;

(III) A UNIVERSAL SYMBOL INDICATING THAT THE PACKAGE CONTAINS MARIJUANA; AND

(IV) POTENCY OF THE REGULATED MARIJUANA AND REGULATED MARIJUANA PRODUCTS;

(g) **[Formerly 44-12-202 (3)(a)(VIII)]** Health and safety regulations and standards for the manufacture of ~~retail~~ REGULATED marijuana products and the cultivation of ~~retail~~ REGULATED marijuana;

(h) **[Formerly 44-12-202 (3)(a)(X) and similar to 44-11-202 (2)(a)(XI)]** Regulation of the storage of, warehouses for, and transportation of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana products;

(i) [Formerly 44-12-202 (3)(a)(XI) and similar to 44-11-202 (2)(a)(XII)] Sanitary requirements for MEDICAL MARIJUANA BUSINESSES AND retail marijuana establishments BUSINESSES, including but not limited to sanitary requirements for the preparation of retail REGULATED marijuana products;

(j) [Formerly 44-12-202 (3)(a)(XIII) and similar to 44-11-202 (2)(a)(XVIII)] The reporting and transmittal of monthly sales tax payments by MEDICAL MARIJUANA STORES AND retail marijuana stores and any applicable excise tax payments by retail marijuana cultivation facilities;

(k) [Formerly 44-12-202 (3)(a)(XIV) and similar to 44-11-202 (2)(a)(XIX)] Authorization for the department of revenue to have access to licensing information to ensure sales, excise, and income tax payment and the effective administration of this ~~article 12~~ ARTICLE 10;

(l) [Formerly 44-12-202 (3)(a)(XVI) and similar to 44-11-202 (2)(a)(I)] Compliance with, enforcement of, or violation of any provision of this ~~article 12~~ ARTICLE 10, section 18-18-406.3 (7), or any rule issued PROMULGATED pursuant to this ~~article 12~~ ARTICLE 10, including procedures and grounds for denying, suspending, fining, restricting, or revoking a state license issued pursuant to this ~~article 12~~ ARTICLE 10;

(m) [Formerly 44-12-202 (3)(a)(XVII)] Establishing a schedule of penalties and procedures for issuing and appealing citations for violation of statutes and rules and issuing administrative citations;

(n) [Formerly 44-12-202 (3)(a)(XVIII) and similar to 44-11-202 (2)(a)(XXI)] MEDICAL MARIJUANA TRANSPORTER LICENSED BUSINESSES AND retail marijuana transporter licensed businesses, including requirements for drivers, including obtaining and maintaining a valid Colorado driver's license; insurance requirements; acceptable time frames for transport, storage, and delivery; requirements for transport vehicles; REQUIREMENTS FOR DELIVERIES; and requirements for licensed premises;

(o) [Formerly 44-12-202 (3)(a)(XIX) and similar to 44-11-202 (2)(a)(XXII)] MEDICAL MARIJUANA BUSINESS OPERATOR LICENSES AND retail marijuana establishment BUSINESS operator licensees, including the form and structure of allowable agreements between operators and owners THE MEDICAL OR RETAIL MARIJUANA BUSINESS;

(p) [Formerly 44-12-202 (3)(a)(XX)] Nonescorted visitors in limited access areas;

(q) [Formerly 44-12-202 (3)(a)(XXII) and similar to 44-11-202 (2)(a)(XXVII)] Temporary appointee registrations issued pursuant to ~~section 44-12-401 (1.5)~~ SECTION 44-10-401 (2), including occupational and business registration requirements; application time frames; notification requirements; issuance, expiration, renewal, suspension, and revocation of a temporary appointee registration; and conditions of registration;

(r) [Formerly 44-12-202 (3)(a)(XXIII) and similar to 44-11-202 (2)(a)(XXVIII)] Requirements for a centralized distribution permit for MEDICAL MARIJUANA CULTIVATION FACILITIES OR retail marijuana cultivation facilities issued pursuant to ~~section 44-12-403 (7)~~ SECTION 44-10-502 (6) OR 44-10-602 (7), including but not limited to permit application requirements and privileges and restrictions of a centralized distribution permit; and

(s) [Formerly 44-12-202 (3)(a)(XXIV) and similar to 44-11-202 (2)(a)(XXIX)] Requirements for issuance of colocation permits to a marijuana research and development licensee ~~or a marijuana research and development cultivation licensee~~ authorizing colocation with a MEDICAL MARIJUANA PRODUCTS MANUFACTURER OR retail marijuana products ~~manufacturing~~ MANUFACTURER licensed premises, including application requirements, eligibility, restrictions to prevent cross-contamination and to ensure physical separation of inventory and research activities, and other privileges and restrictions of permits;

(t) [Formerly 44-12-202 (3)(c)(IV) and similar to 44-11-202 (2)(a)(VIII)] Development of individual identification cards for ~~owners, officers, managers, contractors, employees, and other support staff of entities licensed pursuant to this article 12,~~ AND ANY PERSON OPERATING, WORKING IN, OR HAVING UNESCORTED ACCESS TO THE LIMITED ACCESS AREAS OF THE LICENSED PREMISES OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS including a fingerprint-based criminal history record check as may be required by the state licensing authority prior to issuing a card;

(u) [Formerly 44-11-202 (2)(a)(IX) and 44-12-202

**(3)(c)(V)]** Identification of state licensees and their ~~owners, officers~~ CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, managers, and employees;

(v) **[Formerly 44-12-202 (3)(c)(VI) and similar to 44-11-202 (2)(a)(XIII)]** The specification of acceptable forms of picture identification that a MEDICAL MARIJUANA STORE OR retail marijuana store may accept when verifying a sale, including but not limited to government-issued identification cards;

(w) **[Formerly 44-11-202 (2)(a)(XVII) and similar to 44-12-202 (3)(c)(VII)]** State licensing procedures, including procedures for renewals, reinstatements, initial licenses, and the payment of licensing fees;

(x) **[Formerly 44-11-202 (3)(a)(IV) and 44-12-202 (5)]** THE conditions under which a licensee is authorized to transfer fibrous waste to a person for the purpose of producing only industrial fiber products. The conditions must include contract requirements that stipulate that the fibrous waste will only be used to produce industrial fiber products; record-keeping requirements; security measures related to the transport and transfer of fibrous waste; REQUIREMENTS FOR handling contaminated fibrous waste; ~~requirements~~; and processes associated with handling fibrous waste. The rules ~~shall~~ MUST not require licensees to alter fibrous waste from its natural state prior to transfer.

(y) **[Similar to 44-12-202 (3)(e)]** REQUIRING THAT EDIBLE REGULATED MARIJUANA PRODUCTS BE CLEARLY IDENTIFIABLE, WHEN PRACTICABLE, WITH A STANDARD SYMBOL INDICATING THAT THEY CONTAIN MARIJUANA AND ARE NOT FOR CONSUMPTION BY CHILDREN. THE SYMBOLS PROMULGATED BY RULE OF THE STATE LICENSING AUTHORITY MUST NOT APPROPRIATE SIGNS OR SYMBOLS ASSOCIATED WITH ANOTHER COLORADO BUSINESS OR INDUSTRY;

(z) **[Formerly 44-12-202 (3)(a)(VI)]** Requirements to prevent the sale or diversion of retail marijuana and retail marijuana products to persons under twenty-one years of age;

(aa) THE IMPLEMENTATION OF AN ACCELERATOR PROGRAM INCLUDING BUT NOT LIMITED TO RULES TO ESTABLISH SEVERED LIABILITY FOR LICENSEES OPERATING ON THE SAME PHYSICAL PREMISES, SEVERED

CUSTODIANSHIP OF REGULATED PRODUCTS, PROTECTIONS OF THE INTELLECTUAL PROPERTY OF THE ACCELERATOR LICENSEE, INCENTIVES FOR LICENSEES ENDORSED AS ACCELERATORS, AND ADDITIONAL REQUIREMENTS IF A PERSON APPLYING FOR AN ACCELERATOR ENDORSEMENT HAS LESS THAN TWO YEARS EXPERIENCE OPERATING A LICENSED FACILITY UNDER THIS TITLE 10;

(bb) CONDITIONS UNDER WHICH A LICENSEE IS AUTHORIZED TO COLLECT MARIJUANA CONSUMER WASTE AND TRANSFER IT TO A PERSON FOR THE PURPOSES OF REUSE OR RECYCLING IN ACCORDANCE WITH ALL REQUIREMENTS ESTABLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PERTAINING TO WASTE DISPOSAL AND RECYCLING. THE CONDITIONS MUST INCLUDE:

(I) THAT THE PERSON RECEIVING MARIJUANA CONSUMER WASTE FROM A LICENSEE IS, TO THE EXTENT REQUIRED BY LAW, REGISTERED WITH THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(II) RECORD-KEEPING REQUIREMENTS;

(III) SECURITY MEASURES RELATED TO THE COLLECTION AND TRANSFER OF MARIJUANA CONSUMER WASTE;

(IV) HEALTH AND SAFETY REQUIREMENTS, INCLUDING REQUIREMENTS FOR THE HANDLING OF MARIJUANA CONSUMER WASTE; AND

(V) PROCESSES ASSOCIATED WITH HANDLING MARIJUANA CONSUMER WASTE, INCLUDING DESTRUCTION OF ANY REMAINING REGULATED MARIJUANA IN THE MARIJUANA CONSUMER WASTE.

(cc) REQUIREMENTS FOR A TRANSITION PERMIT FOR MEDICAL MARIJUANA CULTIVATION FACILITIES OR RETAIL MARIJUANA CULTIVATION FACILITIES ISSUED PURSUANT TO SECTION 44-10-313 (13)(c), INCLUDING BUT NOT LIMITED TO PERMIT APPLICATION REQUIREMENTS AND RESTRICTIONS OF A TRANSITION PERMIT.

(dd) REQUIREMENTS FOR MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS DELIVERY AS DESCRIBED IN SECTION 44-10-501 (11) AND SECTION 44-10-505 (5) AND RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS DELIVERY AS DESCRIBED IN SECTION 44-10-601 (13)

AND SECTION 44-10-605 (5), INCLUDING:

(I) QUALIFICATIONS AND ELIGIBILITY REQUIREMENTS FOR LICENSED MEDICAL MARIJUANA STORES, RETAIL MARIJUANA STORES, MEDICAL MARIJUANA TRANSPORTERS, AND RETAIL MARIJUANA TRANSPORTERS APPLYING FOR A MEDICAL MARIJUANA DELIVERY PERMIT;

(II) TRAINING REQUIREMENTS FOR PERSONNEL OF MEDICAL MARIJUANA STORES, RETAIL MARIJUANA STORES, MEDICAL MARIJUANA TRANSPORTERS, AND RETAIL MARIJUANA TRANSPORTERS THAT HOLD A MEDICAL MARIJUANA OR RETAIL MARIJUANA DELIVERY PERMIT WHO WILL DELIVER MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS OR RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO THIS ARTICLE 10 AND REQUIREMENTS THAT MEDICAL MARIJUANA STORES, RETAIL MARIJUANA STORES, MEDICAL MARIJUANA TRANSPORTERS, AND RETAIL MARIJUANA TRANSPORTERS OBTAIN A RESPONSIBLE VENDOR DESIGNATION PURSUANT TO SECTION 44-10-1201 PRIOR TO CONDUCTING A DELIVERY;

(III) PROCEDURES FOR PROOF OF MEDICAL MARIJUANA REGISTRY AND AGE IDENTIFICATION AND VERIFICATION;

(IV) SECURITY REQUIREMENTS;

(V) DELIVERY VEHICLE REQUIREMENTS, INCLUDING REQUIREMENTS FOR SURVEILLANCE;

(VI) RECORD-KEEPING REQUIREMENTS;

(VII) LIMITS ON THE AMOUNT OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS AND RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS THAT MAY BE CARRIED IN A DELIVERY VEHICLE AND DELIVERED TO A PATIENT OR PARENT OR GUARDIAN OR INDIVIDUAL, WHICH CANNOT EXCEED LIMITS PLACED ON SALES AT LICENSED MEDICAL MARIJUANA STORES;

(VIII) LIMITS ON THE AMOUNT OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS THAT MAY BE CARRIED IN A DELIVERY VEHICLE AND DELIVERED TO AN INDIVIDUAL, WHICH CANNOT EXCEED LIMITS PLACED ON SALES AT RETAIL MARIJUANA STORES;



(IX) INVENTORY TRACKING SYSTEM REQUIREMENTS;

(X) HEALTH AND SAFETY REQUIREMENTS FOR MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS DELIVERED TO A PATIENT OR PARENT OR GUARDIAN AND FOR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS DELIVERED TO AN INDIVIDUAL;

(XI) CONFIDENTIALITY REQUIREMENTS TO ENSURE THAT PERSONS DELIVERING MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS OR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS PURSUANT TO THIS ARTICLE 10 DO NOT DISCLOSE PERSONAL IDENTIFYING INFORMATION TO ANY PERSON OTHER THAN THOSE WHO NEED THAT INFORMATION IN ORDER TO TAKE, PROCESS, OR DELIVER THE ORDER OR AS OTHERWISE REQUIRED OR AUTHORIZED BY THIS ARTICLE 10, TITLE 18, OR TITLE 25;

(XII) AN APPLICATION FEE AND ANNUAL RENEWAL FEE FOR THE MEDICAL MARIJUANA DELIVERY PERMIT AND THE RETAIL MARIJUANA DELIVERY PERMIT. THE AMOUNT OF THE FEE MUST REFLECT THE EXPECTED COSTS OF ADMINISTERING THE MEDICAL MARIJUANA DELIVERY PERMIT AND THE RETAIL MARIJUANA DELIVERY PERMIT AND MAY BE ADJUSTED BY THE STATE LICENSING AUTHORITY TO REFLECT THE PERMIT'S ACTUAL DIRECT AND INDIRECT COSTS.

(XIII) THE PERMITTED HOURS OF DELIVERY OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS AND RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS;

(XIV) REQUIREMENTS FOR AREAS WHERE MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS OR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS ORDERS ARE STORED, WEIGHED, PACKAGED, PREPARED, AND TAGGED, INCLUDING REQUIREMENTS THAT MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS OR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS CANNOT BE PLACED INTO A DELIVERY VEHICLE UNTIL AFTER AN ORDER HAS BEEN PLACED AND THAT ALL DELIVERY ORDERS MUST BE PACKAGED ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA STORE OR RETAIL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE AFTER AN ORDER HAS BEEN RECEIVED; AND

(XV) PAYMENT METHODS, INCLUDING BUT NOT LIMITED TO THE USE

OF GIFT CARDS AND PREPAYMENT ACCOUNTS.

(ee) (I) (A) OWNERSHIP AND FINANCIAL DISCLOSURE PROCEDURES AND REQUIREMENTS PURSUANT TO THIS ARTICLE 10;

(B) RECORDS A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS IS REQUIRED TO MAINTAIN REGARDING ITS CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, AND INDIRECT FINANCIAL INTEREST HOLDERS THAT MAY BE SUBJECT TO DISCLOSURE AT RENEWAL OR AS PART OF ANY OTHER INVESTIGATION FOLLOWING INITIAL LICENSURE OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS;

(C) PROCEDURES AND REQUIREMENTS FOR FINDINGS OF SUITABILITY PURSUANT TO THIS ARTICLE 10, INCLUDING FEES NECESSARY TO COVER THE DIRECT AND INDIRECT COSTS OF ANY SUITABILITY INVESTIGATION;

(D) PROCEDURES AND REQUIREMENTS CONCERNING THE DIVESTITURE OF THE BENEFICIAL OWNERSHIP OF A PERSON FOUND UNSUITABLE BY THE STATE LICENSING AUTHORITY;

(E) PROCEDURES, PROCESSES, AND REQUIREMENTS FOR TRANSFERS OF OWNERSHIP INVOLVING A PUBLICLY TRADED CORPORATION, INCLUDING BUT NOT LIMITED TO MERGERS WITH A PUBLICLY TRADED CORPORATION, INVESTMENT BY A PUBLICLY TRADED CORPORATION, AND PUBLIC OFFERINGS;

(F) DESIGNATION OF PERSONS THAT BY VIRTUE OF COMMON CONTROL CONSTITUTE CONTROLLING BENEFICIAL OWNERS;

(G) MODIFICATION OF THE PERCENTAGE OF OWNER'S INTERESTS THAT MAY BE HELD BY A CONTROLLING BENEFICIAL OWNER AND PASSIVE BENEFICIAL OWNER;

(H) DESIGNATION OF PERSONS THAT QUALIFY FOR AN EXEMPTION FROM AN OTHERWISE REQUIRED FINDING OF SUITABILITY; AND

(I) DESIGNATION OF INDIRECT FINANCIAL INTEREST HOLDERS AND QUALIFIED INSTITUTIONAL INVESTORS.

(II) RULES PROMULGATED PURSUANT TO THIS SUBSECTION (2)(ee)

MUST NOT BE ANY MORE RESTRICTIVE THAN THE REQUIREMENTS EXPRESSLY ESTABLISHED UNDER THIS ARTICLE 10.

(3) IN PROMULGATING RULES PURSUANT TO THIS SECTION, THE STATE LICENSING AUTHORITY MAY SEEK THE ASSISTANCE OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WHEN NECESSARY BEFORE PROMULGATING RULES ON THE FOLLOWING SUBJECTS:

(a) **[Similar to 44-11-202 (3)(a)(II) and 44-12-202 (3)(d)(I)]** SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT LIMITED TO A PROHIBITION ON MASS-MARKET CAMPAIGNS THAT HAVE A HIGH LIKELIHOOD OF REACHING PERSONS UNDER EIGHTEEN YEARS OF AGE FOR MEDICAL MARIJUANA AND HAVE A HIGH LIKELIHOOD OF REACHING PERSONS UNDER TWENTY-ONE YEARS OF AGE FOR RETAIL MARIJUANA AND OTHER SUCH RULES THAT MAY INCLUDE:

(I) ALLOWING PACKAGING AND ACCESSORY BRANDING;

(II) PROHIBITING HEALTH OR PHYSICAL BENEFIT CLAIMS IN ADVERTISING, MERCHANDISING, AND PACKAGING;

(III) PROHIBITING UNSOLICITED POP-UP ADVERTISING ON THE INTERNET;

(IV) PROHIBITING BANNER ADS ON MASS-MARKET WEBSITES;

(V) PROHIBITING OPT-IN MARKETING THAT DOES NOT PERMIT AN EASY AND PERMANENT OPT-OUT FEATURE; AND

(VI) PROHIBITING MARKETING DIRECTED TOWARD LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR PHONES, UNLESS THE MARKETING IS A MOBILE DEVICE APPLICATION INSTALLED ON THE DEVICE BY THE OWNER OF THE DEVICE WHO IS EIGHTEEN YEARS OF AGE OR OLDER FOR MEDICAL MARIJUANA AND TWENTY-ONE YEARS OF AGE OR OLDER FOR RETAIL MARIJUANA AND INCLUDES A PERMANENT AND EASY OPT-OUT FEATURE;

(b) **[Similar to 44-11-202 (2)(a)(XV) and 44-12-202 (3)(d)(II)]** A PROHIBITION ON THE SALE OF REGULATED MARIJUANA AND REGULATED MARIJUANA PRODUCTS UNLESS THE PRODUCT IS:

(I) PACKAGED IN PACKAGING MEETING REQUIREMENTS ESTABLISHED BY THE STATE LICENSING AUTHORITY SIMILAR TO THE FEDERAL "POISON PREVENTION PACKAGING ACT OF 1970", 15 U.S.C. SEC. 1471 ET SEQ., AS AMENDED; AND

(II) PLACED IN AN OPAQUE AND RESEALABLE EXIT PACKAGE OR CONTAINER MEETING REQUIREMENTS ESTABLISHED BY THE STATE LICENSING AUTHORITY AT THE POINT OF SALE PRIOR TO EXITING THE STORE;

(c) **[Formerly 44-12-202 (3)(d)(III)]** The safe and lawful transport of ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana products between the licensed business and testing laboratories;

(d) **[Formerly 44-12-202 (3)(d)(IV)]** A standardized marijuana serving size amount for edible retail marijuana products that does not contain more than ten milligrams of active THC, designed only to provide consumers with information about the total number of servings of active THC in a particular retail marijuana product, not as a limitation on the total amount of THC in any particular item; labeling requirements regarding servings for edible retail marijuana products; and limitations on the total amount of active THC in a sealed internal package that is no more than one hundred milligrams of active THC;

(e) **[Formerly 44-12-202 (3)(d)(VI)]** Prohibition ON or regulation of additives to any ~~retail~~ REGULATED marijuana product, including but not limited to those that are toxic, designed to make the product more addictive, designed to make the product more appealing to children, or misleading to consumers, but not including common baking and cooking items;

(f) **[Formerly 44-12-202 (3)(d)(VII)]** Permission for a local fire department to conduct an annual fire inspection of a MEDICAL MARIJUANA CULTIVATION FACILITY OR retail marijuana cultivation facility; and

(g) **[Formerly 44-12-202 (3)(d)(VIII)(A) and similar to 44-11-202 (3)(a)(III)(A)]** A prohibition on the production and sale of edible ~~retail~~ REGULATED marijuana products that are in the distinct shape of a human, animal, or fruit. Geometric shapes and products that are simply fruit flavored are not considered fruit. Products in the shape of a marijuana leaf are permissible. Nothing in this ~~subsection (3)(a)(VIII)~~ SUBSECTION (3)(g) applies to a company logo.

(h) A REQUIREMENT THAT EVERY MEDICAL MARIJUANA STORE AND RETAIL MARIJUANA STORE POST, AT ALL TIMES AND IN A PROMINENT PLACE, A WARNING THAT HAS A MINIMUM HEIGHT OF THREE INCHES AND A WIDTH OF SIX INCHES AND THAT READS:

**WARNING:** USING MARIJUANA, IN ANY FORM, WHILE YOU ARE PREGNANT OR BREASTFEEDING PASSES THC TO YOUR BABY AND MAY BE HARMFUL TO YOUR BABY. THERE IS NO KNOWN SAFE AMOUNT OF MARIJUANA USE DURING PREGNANCY OR BREASTFEEDING.

(4) **[Similar to 44-12-202 (3)(b)(I)] Equivalency.** RULES PROMULGATED PURSUANT TO SECTION 44-10-202 (1)(c) MUST ALSO INCLUDE ESTABLISHING THE EQUIVALENT OF ONE OUNCE OF RETAIL MARIJUANA FLOWER IN VARIOUS RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA CONCENTRATE. PRIOR TO PROMULGATING THE RULES REQUIRED BY THIS SUBSECTION (4), THE STATE LICENSING AUTHORITY MAY CONTRACT FOR A SCIENTIFIC STUDY TO DETERMINE THE EQUIVALENCY OF MARIJUANA FLOWER IN RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA CONCENTRATE.

(5) **[Formerly 44-11-202 (4)] Statewide class system cultivation facility rules - medical marijuana.** ~~Rules promulgated pursuant to subsection (1)(b) of this section must include, but need not be limited to, the following subjects:~~

(a) The state licensing authority shall create a statewide licensure class system for ~~optional premises~~ MEDICAL MARIJUANA cultivation facility licenses. The classifications may be based upon square footage of the facility; lights, lumens, or wattage; lit canopy; the number of cultivating plants; other reasonable metrics; or any combination thereof. The state licensing authority shall create a fee structure for the licensure class system.

(b) (I) The state licensing authority may establish limitations ~~upon~~ ON medical marijuana production through one or more of the following methods:

(A) Placing or modifying a limit on the number of licenses that it issues, by class or overall, but in placing or modifying the limits, the STATE LICENSING authority shall consider the reasonable availability of new

licenses after a limit is established or modified;

(B) Placing or modifying a limit on the amount of production permitted by ~~an optional premises~~ A MEDICAL MARIJUANA cultivation facility license or class of licenses based upon some reasonable metric or set of metrics, including but not limited to those items detailed in ~~subsection (4)(a)~~ SUBSECTION (5)(a) of this section, previous months' sales, pending sales, or other reasonable metrics as determined by the state licensing authority; and

(C) Placing or modifying a limit on the total amount of production by ~~optional premises~~ MEDICAL MARIJUANA cultivation facility licensees in the state collectively, based upon some reasonable metric or set of metrics including but not limited to those items detailed in ~~subsection (4)(a)~~ SUBSECTION (5)(a) of this section, as determined by the state licensing authority.

(II) When considering any such limitations, the state licensing authority shall:

(A) Consider the total current and anticipated demand for medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products in Colorado;

(B) Consider any other relevant factors; and

(C) Attempt to minimize the market for unlawful marijuana; and

(c) The state licensing authority may adopt ~~regulations~~ RULES that limit the amount of medical marijuana inventory that a medical marijuana ~~center~~ STORE may have on hand. If the state licensing authority adopts a limitation, the limitation must be commercially reasonable and consider factors including a medical marijuana ~~center's~~ STORE'S sales history and the number of patients ~~that~~ WHO are registered at a medical marijuana ~~center~~ STORE as their primary ~~center~~ STORE.

**(6) [Formerly 44-12-202 (4)] Statewide class system cultivation facility rules - retail marijuana.** (a) The state licensing authority shall create a statewide licensure class system for retail marijuana cultivation ~~facilities~~ FACILITY LICENSES. The classifications may be based upon square footage of the facility; lights, lumens, or wattage; lit canopy; the number of

cultivating plants; ~~a combination of the foregoing~~; or other reasonable metrics; OR ANY COMBINATION THEREOF. The state licensing authority shall create a fee structure for the ~~license~~ LICENSURE class system.

(b) ~~(F)~~ The state licensing authority may establish limitations ~~upon~~ ON retail marijuana production through one or more of the following methods:

~~(A)~~ (I) Placing or modifying a limit on the number of licenses that it issues, by class or overall, but in placing or modifying the limits, the authority shall consider the reasonable availability of new licenses after a limit is established or modified;

~~(B)~~ (II) Placing or modifying a limit on the amount of production permitted by a retail marijuana cultivation facility license or class of licenses based upon some reasonable metric or set of metrics including but not limited to those items detailed in ~~subsection (4)(a)~~ SUBSECTION (6)(a) of this section, previous months' sales, pending sales, or other reasonable metrics as determined by the state licensing authority; and

~~(C)~~ (III) Placing or modifying a limit on the total amount of production by retail marijuana cultivation facility licensees in the state collectively, based upon some reasonable metric or set of metrics including but not limited to those items detailed in ~~subsection (4)(a)~~ SUBSECTION (6)(a) of this section, as determined by the state licensing authority.

~~(H)~~ (c) Notwithstanding anything contained in this ~~article 12~~ ARTICLE 10 to the contrary, in considering any such limitations, the state licensing authority, in addition to any other relevant considerations, shall:

~~(A)~~ (I) Consider the total current and anticipated demand for retail marijuana and retail marijuana products in Colorado; and

~~(B)~~ (II) Attempt to minimize the market for unlawful marijuana.

(7) THE STATE LICENSING AUTHORITY MAY DENY, SUSPEND, REVOKE, FINE, OR IMPOSE OTHER SANCTIONS AGAINST A PERSON'S LICENSE ISSUED PURSUANT TO THIS ARTICLE 10 IF THE STATE LICENSING AUTHORITY FINDS THE PERSON OR THE PERSON'S CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, OR INDIRECT FINANCIAL INTEREST HOLDER FAILED TO

TIMELY FILE ANY REPORT, DISCLOSURE, REGISTRATION STATEMENT, OR OTHER SUBMISSION REQUIRED BY ANY STATE OR FEDERAL REGULATORY AUTHORITY THAT IS RELATED TO THE CONDUCT OF THEIR BUSINESS.

(8) THE STATE LICENSING AUTHORITY SHALL TREAT A METERED-DOSE INHALER THE SAME AS A VAPORIZED DELIVERY DEVICE FOR PURPOSES OF REGULATION AND TESTING.

**44-10-204. Confidentiality.** (1) THE STATE LICENSING AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

(a) REPORTS OR OTHER INFORMATION OBTAINED FROM A MEDICAL MARIJUANA OR RETAIL MARIJUANA LICENSEE OR A MEDICAL MARIJUANA OR RETAIL MARIJUANA LICENSE APPLICANT CONTAINING ANY INDIVIDUALIZED DATA, INFORMATION, OR RECORDS RELATED TO THE APPLICANT OR LICENSEE OR ITS OPERATION, INCLUDING SALES INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS, FINANCIAL RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION INFORMATION, TESTING RESULTS, AND SECURITY INFORMATION AND PLANS, OR REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER RECORDS THAT ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO STATE LAW. SUCH REPORTS OR OTHER INFORMATION MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10, FOR INVESTIGATION OR ENFORCEMENT OF ANY INTERNATIONAL, FEDERAL, STATE, OR LOCAL SECURITIES LAW OR REGULATIONS, OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT PURPOSE. ANY INFORMATION RELEASED RELATED TO PATIENTS MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10, TO VERIFY THAT A PERSON WHO PRESENTED A REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9) TO A STATE OR LOCAL LAW ENFORCEMENT OFFICIAL IS LAWFULLY IN POSSESSION OF SUCH CARD, AS A PART OF AN ACTIVE INVESTIGATION, AS A PART OF A PROCEEDING AUTHORIZED BY THIS ARTICLE 10 OR ARTICLE 1.5 OF TITLE 25, OR FOR ANY STATE OR LOCAL LAW ENFORCEMENT PURPOSE INVOLVING EVIDENCE OF SALES TRANSACTIONS IN VIOLATION OF THIS ARTICLE 10 OR EVIDENCE OF CRIMINAL ACTIVITY. THE INFORMATION OR RECORDS RELATED TO A PATIENT CONSTITUTE MEDICAL DATA AS DESCRIBED BY SECTION 24-72-204 (3)(a)(I), AND THE INFORMATION OR RECORDS MAY ONLY BE DISCLOSED TO THOSE PERSONS DIRECTLY INVOLVED WITH AN ACTIVE INVESTIGATION OR PROCEEDING. ANY CUSTOMER INFORMATION MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10.



(b) INVESTIGATIVE RECORDS AND DOCUMENTS RELATED TO ONGOING INVESTIGATIONS. THOSE RECORDS AND DOCUMENTS MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10, OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT PURPOSE.

(c) COMPUTER SYSTEMS MAINTAINED BY THE STATE LICENSING AUTHORITY AND THE VENDORS WITH WHICH THE STATE LICENSING AUTHORITY HAS CONTRACTED.

(2) THE STATE LICENSING AUTHORITY SHALL MAKE AVAILABLE FOR PUBLIC INSPECTION:

(a) DOCUMENTS RELATED TO FINAL AGENCY ACTIONS AND ORDERS;

(b) RECORDS RELATED TO TESTING ON AN AGGREGATED AND DE-IDENTIFIED BASIS;

(c) DEMOGRAPHIC INFORMATION RELATED TO APPLICANTS AND LICENSEES AVAILABLE ON AN AGGREGATED AND DE-IDENTIFIED BASIS; AND

(d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

### PART 3 LICENSING PROCEDURES

**44-10-301. [Formerly 44-11-301] Local licensing authority - applications - licenses.** (1) A local licensing authority may issue only the following medical marijuana licenses upon payment of the fee and compliance with all local licensing requirements to be determined by the local licensing authority:

(a) A medical marijuana ~~center~~ STORE license;

(b) ~~An optional premises cultivation~~ A MEDICAL MARIJUANA CULTIVATION FACILITY license;

(c) A medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER license;

(d) A medical marijuana testing facility license;

- (e) A medical marijuana transporter license;
- (f) A medical marijuana business operator license;
- (g) A marijuana research and development license; and
- ~~(h) A marijuana research and development cultivation license.~~
- (h) A MEDICAL MARIJUANA DELIVERY PERMIT.

(2) (a) (I) A local licensing authority shall not issue a local license TO A MEDICAL MARIJUANA BUSINESS within a municipality, city and county, or the unincorporated portion of a county unless the governing body of the municipality or city and county has adopted an ordinance, or the governing body of the county has adopted a resolution, containing specific standards for license issuance, or if no such ordinance or resolution is adopted prior to July 1, 2012, then a local licensing authority shall consider the minimum licensing requirements of this part 3 when issuing a license.

~~(b)~~ (II) In addition to all other standards applicable to the issuance of licenses under this ~~article 11~~ ARTICLE 10, the local governing body may adopt additional standards for the issuance of medical marijuana ~~center~~ STORE, ~~optional premises cultivation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, or medical ~~marijuana-infused~~ MARIJUANA products manufacturer licenses consistent with the intent of this ~~article 11~~ ARTICLE 10 that may include, but need not be limited to:

~~(H)~~ (A) Distance restrictions between premises for which local licenses are issued;

~~(H)~~ (B) Reasonable restrictions on the size of an applicant's licensed premises; and

~~(HH)~~ (C) Any other requirements necessary to ensure the control of the premises and the ease of enforcement of the terms and conditions of the license.

~~(3)~~ (b) An application for a license specified in subsection (1) of this section ~~shall~~ MUST be filed with the state licensing authority and the appropriate local licensing authority on forms provided by the state

licensing authority and ~~shall~~ MUST contain such information as the state licensing authority may require and any forms as the local licensing authority may require. Each application ~~shall~~ MUST be verified by the oath or affirmation of the persons prescribed by the state licensing authority.

(4)(c) An applicant shall file, at the time of application for a license, plans and specifications for the interior of the building if the building to be occupied is in existence at the time. If the building is not in existence, the applicant shall file a plot plan and a detailed sketch for the interior and submit an architect's drawing of the building to be constructed. In its discretion, the local or state licensing authority may impose additional requirements necessary for the approval of the application.

**(3) [Formerly 44-12-301 (1)] Retail marijuana businesses.**

(a) When the state licensing authority receives an application for original licensing or renewal of an existing license OR PERMIT for any RETAIL marijuana ~~establishment~~ BUSINESS, the state licensing authority shall provide, within seven days, a copy of the application to the local jurisdiction in which the ~~establishment~~ BUSINESS is to be located unless the local jurisdiction has prohibited the operation of retail marijuana ~~establishments~~ BUSINESSES pursuant to section 16 (5)(f) of article XVIII of the state constitution. The local jurisdiction shall determine whether the application complies with local restrictions on time, place, manner, and the number of RETAIL marijuana businesses. The local jurisdiction shall inform the state licensing authority whether the application complies with local restrictions on time, place, manner, and the number of RETAIL marijuana businesses.

(b) **[Formerly 44-12-301 (2)]** A local jurisdiction may impose a separate local licensing requirement FOR RETAIL MARIJUANA BUSINESSES as a part of its restrictions on time, place, manner, and the number of marijuana businesses. A local jurisdiction may decline to impose any local licensing requirements, but a local jurisdiction shall notify the state licensing authority that it either approves or denies each application forwarded to it.

**44-10-302. [Formerly 44-11-503] Local license fees - medical marijuana.** (1) Each application for a local license FOR A MEDICAL MARIJUANA BUSINESS provided for in ~~this article~~ ~~11~~ SECTION 44-10-301 (1) filed with a local licensing authority ~~shall~~ MUST be accompanied by an application fee in an amount determined by the local licensing authority.

(2) License fees as determined by the local licensing authority ~~shall~~ MUST be paid to the treasurer of the municipality, city and county, or county where the licensed premises is located in advance of the approval, denial, or renewal of the license.

**44-10-303. [Formerly 44-11-302] Public hearing notice - posting and publication.** (1) **Medical marijuana business licenses.** (a) Upon receipt of an application for a local license FOR A MEDICAL MARIJUANA BUSINESS, except an application for renewal or for transfer of ownership, a local licensing authority may schedule a public hearing upon the application to be held not less than thirty days after the date of the application. If the local licensing authority schedules a hearing for a MEDICAL MARIJUANA BUSINESS license application, it shall post and publish public notice thereof not less than ten days prior to the hearing. The local licensing authority shall give public notice by posting a sign in a conspicuous place on the license applicant's premises for which license application has been made and by publication in a newspaper of general circulation in the county in which the applicant's premises are located.

~~(2)~~ (b) Public notice given by posting ~~shall~~ MUST include a sign of suitable material, not less than twenty-two inches wide and twenty-six inches high, composed of letters not less than one inch in height and stating the type of license applied for, the date of the application, the date of the hearing, the name and address of the applicant, and such other information as may be required to fully apprise the public of the nature of the application. The sign ~~shall~~ MUST contain the names and addresses of the officers, directors, or manager of the facility to be licensed.

~~(3)~~ (c) Public notice given by publication ~~shall~~ MUST contain the same information as that required for signs.

~~(4)~~ (d) If the building in which medical marijuana is to be cultivated, manufactured, or distributed is in existence at the time of the application, a sign posted as required in subsections (1) and (2) of this section ~~shall~~ MUST be placed so as to be conspicuous and plainly visible to the general public. If the building is not constructed at the time of the application, the applicant shall post a sign at the premises upon which the building is to be constructed in such a manner that the notice ~~shall be~~ IS conspicuous and plainly visible to the general public.

~~(5)~~ (2) **Medical marijuana application review.** (a) When conducting its application review, the state licensing authority may advise the local licensing authority of any items that it finds that could result in the denial of the license application. Upon correction of the noted discrepancies, if the correction is permitted by the state licensing authority, the state licensing authority shall notify the local licensing authority of its conditional approval of the license application amendments. The state licensing authority shall then issue the applicant's state license, which ~~shall remain~~ IS conditioned upon local authority approval.

(b) All applications submitted for review ~~shall~~ MUST be accompanied by all applicable state and local license and application fees. Any applications that are later denied or withdrawn may allow for a refund of license fees only. All application fees provided by an applicant ~~shall~~ MUST be retained by the respective licensing authority.

**(3) [Formerly 44-12-302 (1)] Retail marijuana business licenses.**

(a) If a local jurisdiction issues local licenses for a retail marijuana ~~establishment~~ BUSINESS, a local jurisdiction may schedule a public hearing on the application. If the local jurisdiction schedules a hearing, it shall post and publish public notice thereof not less than ten days prior to the hearing. The local jurisdiction shall give public notice by posting a sign in a conspicuous place on the license applicant's premises for which a local license application has been made and by publication in a newspaper of general circulation in the county in which the applicant's premises are located.

(b) **[Formerly 44-12-302 (2)]** If a local jurisdiction does not issue local RETAIL MARIJUANA BUSINESS licenses, the local jurisdiction may give public notice of the state license application by posting a sign in a conspicuous place on the state license applicant's premises for which a state license application has been made and by publication in a newspaper of general circulation in the county in which the applicant's premises are located.

**44-10-304. [Formerly 44-11-303] Results of investigation - decision of authorities - medical marijuana.** (1) Not less than five days prior to the date of the public hearing authorized in ~~section 44-11-302~~ SECTION 44-10-303, the local licensing authority shall make known its findings, based on its investigation, in writing to the applicant and other

parties of interest. The local licensing authority has authority to refuse to issue a license provided for in this section for good cause, subject to judicial review.

(2) Before entering a decision approving or denying the application for a local MEDICAL MARIJUANA BUSINESS license, the local licensing authority may consider, ~~except where this article~~ ~~ARTICLE 10~~ specifically provides otherwise, the facts and evidence adduced as a result of its investigation, as well as any other facts pertinent to the type of license for which application has been made, including the number, type, and availability of medical marijuana ~~centers, optional premises cultivation operations~~ STORES, MEDICAL MARIJUANA CULTIVATION FACILITIES, or medical ~~marijuana-infused~~ MARIJUANA products manufacturers located in or near the premises under consideration, and any other pertinent matters affecting the qualifications of the applicant for the conduct of the type of business proposed.

(3) Within thirty days after the public hearing or completion of the application investigation, a local licensing authority shall issue its decision approving or denying an application for local licensure. The decision ~~shall~~ MUST be in writing and ~~shall~~ MUST state the reasons for the decision. The local licensing authority shall send a copy of the decision by certified mail to the applicant at the address shown in the application.

(4) After approval of an application, the local licensing authority shall not issue a local license until the building in which the business to be conducted is ready for occupancy with such furniture, fixtures, and equipment in place as are necessary to comply with the applicable provisions of this ~~article~~ ~~ARTICLE 10~~, and then only after the state or local licensing authority has inspected the premises to determine that the applicant has complied with the architect's drawing and the plot plan and detailed sketch for the interior of the building submitted with the application PURSUANT TO SECTION 44-10-301 (4).

(5) After approval of an application for conditional state licensure, the state licensing authority shall notify the local licensing authority of such approval. After approval of an application for local licensure, the local licensing authority shall notify the state licensing authority of such approval, ~~who~~ AND THE STATE LICENSING AUTHORITY shall investigate and either approve or disapprove the application for state licensure.

**44-10-305. [Formerly 44-11-304 (1)] State licensing authority - application and issuance procedures.** (1) Applications for a state MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license under the provisions of this ~~article 11~~ shall ARTICLE 10 MUST be made to the state licensing authority on forms prepared and furnished by the state licensing authority and shall MUST set forth such information as the state licensing authority may require to enable the state licensing authority to determine whether a state MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license should be granted. The information shall MUST include the name and address of the applicant, ~~the names and addresses of the officers, directors, or managers,~~ DISCLOSURES REQUIRED BY SECTION 44-10-309, and all other information deemed necessary by the state licensing authority. Each application shall MUST be verified by the oath or affirmation of such person or persons as the state licensing authority may prescribe.

(2) (a) **[Formerly 44-11-304 (2)]** The state licensing authority shall issue a state license to a medical marijuana ~~center, an optional premises cultivation operation~~ STORE, A MEDICAL MARIJUANA CULTIVATION FACILITY, ~~or a medical marijuana-infused~~ MARIJUANA products manufacturer, A MEDICAL MARIJUANA TESTING FACILITY, A MEDICAL MARIJUANA TRANSPORTER, A MEDICAL MARIJUANA BUSINESS OPERATOR, OR A MARIJUANA RESEARCH AND DEVELOPMENT FACILITY pursuant to this section upon satisfactory completion of the applicable criminal history background check associated with the application, and the state license is conditioned upon local licensing authority approval. A license applicant is prohibited from operating a licensed medical marijuana business without both state and local licensing authority approval. The denial of an application by the local licensing authority ~~shall be~~ IS considered as a basis for the state licensing authority to revoke the state-issued license.

(b) **[Similar to 44-12-303 (1)]** THE STATE LICENSING AUTHORITY MAY ISSUE A STATE LICENSE TO AN APPLICANT PURSUANT TO THIS SECTION FOR A RETAIL MARIJUANA BUSINESS UPON COMPLETION OF THE APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED WITH THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON LOCAL JURISDICTION APPROVAL. A LICENSE APPLICANT IS PROHIBITED FROM OPERATING A LICENSED RETAIL MARIJUANA BUSINESS WITHOUT STATE AND LOCAL JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL JURISDICTION APPROVAL WITHIN ONE YEAR FROM 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, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

**[Formerly 44-11-304 (3)]** ~~(3) An applicant that has been permitted to operate a medical marijuana business under the provisions of section 44-11-103 (1)(b) and has been issued a conditional license by the state licensing authority pursuant to subsection (2) of this section may continue to operate the business while an application is pending with the local licensing authority. If the local licensing authority denies the license application, the medical marijuana business shall cease operations upon receiving the denial. The denial of an application by the local licensing authority shall be considered as a basis for the state licensing authority to revoke the state-issued license.~~

~~(4) (3) [Formerly 44-11-304 (4)] Nothing in this article 11 shall preempt ARTICLE 10 PREEMPTS or otherwise impair IMPAIRS the power of a local government to enact ordinances or resolutions concerning matters authorized to local governments.~~

(4) PRIOR TO ACCEPTING AN APPLICATION FOR A LICENSE, REGISTRATION, OR PERMIT, THE STATE LICENSING AUTHORITY SHALL INFORM THE APPLICANT THAT HAVING A MEDICAL MARIJUANA OR RETAIL MARIJUANA LICENSE AND WORKING IN THE MEDICAL MARIJUANA OR RETAIL MARIJUANA INDUSTRY MAY HAVE ADVERSE FEDERAL IMMIGRATION CONSEQUENCES.

**44-10-306. [Formerly 44-11-305 and similar to 44-12-304] Denial of application.** (1) The state licensing authority shall deny a state license if the premises on which the applicant proposes to conduct its business does not meet the requirements of this ~~article 11~~ ARTICLE 10 or for reasons set forth in ~~section 44-11-104 (2)(c) or 44-11-304~~ SECTION 44-10-103 (17)(c) OR 44-10-305, and the state licensing authority may REFUSE OR deny a license, RENEWAL, REINSTATEMENT, OR INITIAL LICENSE for good cause as defined by ~~section 44-11-104(2)(a) or (2)(b)~~ SECTION 44-10-103 (17)(a) OR (17)(b).

(2) If the state licensing authority denies a state license pursuant to subsection (1) of this section, the applicant ~~shall be~~ IS entitled to a hearing pursuant to section 24-4-104 (9) and judicial review pursuant to section



24-4-106. The state licensing authority shall provide written notice of the grounds for denial of the state license to the applicant and to the local licensing authority at least fifteen days prior to the hearing.

**44-10-307. [Formerly 44-11-306 and similar to 44-12-305] Persons prohibited as licensees - definition.** (1) A license provided by this ~~article~~ ~~††~~ ARTICLE 10 shall not be issued to or held by:

(a) A person until the fee therefore has been paid;

(b) ~~A person~~ AN INDIVIDUAL whose criminal history indicates that he or she is not of good moral character AFTER CONSIDERING THE FACTORS IN SECTION 24-5-101 (2);

(c) A ~~corporation~~, PERSON OTHER THAN AN INDIVIDUAL if the criminal history of any of its ~~officers, directors, or stockholders~~ CONTROLLING BENEFICIAL OWNERS indicates that ~~the officer, director, or stockholder~~ A CONTROLLING BENEFICIAL OWNER is not of good moral character AFTER CONSIDERING THE FACTORS IN SECTION 24-5-101 (2);

(d) ~~A licensed physician making patient recommendations;~~

(e) ~~A person employing, assisted by, or financed in whole or in part by any other person whose criminal history indicates he or she is not of good character and reputation satisfactory to the respective licensing authority;~~

(f) (d) A person under twenty-one years of age;

(g) (e) A person licensed pursuant to this ~~article~~ ~~††~~ ARTICLE 10 who, during a period of licensure, or who, at the time of application, has failed to:

(I) File any tax return with a taxing agency related to a medical marijuana business or retail marijuana ~~establishment~~ BUSINESS;

(II) Pay any taxes, interest, or penalties due AS DETERMINED BY FINAL AGENCY ACTION related to a medical marijuana business or retail marijuana ~~establishment~~ BUSINESS;

~~(h)~~ (f) A person who fails to meet qualifications for licensure that directly and demonstrably relate to the operation of a medical marijuana establishment BUSINESS;

~~(i)~~ (g) (I) A person who has discharged a sentence for a conviction WAS CONVICTED of a felony in the ~~five~~ THREE years immediately preceding his or her application date OR WHO IS CURRENTLY SUBJECT TO A SENTENCE FOR A FELONY CONVICTION; EXCEPT FOR AN ACCELERATOR LICENSE, A MARIJUANA CONVICTION IS NOT THE SOLE BASIS FOR LICENSE DENIAL; or

(II) A person who has discharged a sentence for a conviction of a felony pursuant to any state or federal law regarding the possession, distribution, manufacturing, cultivation, or use of a controlled substance in the ten years immediately preceding his or her application date or five years from May 28, 2013, whichever is longer; except that the licensing authority may grant a license to a person if the person has a state felony conviction based on possession or use of marijuana or marijuana concentrate that would not be a felony if the person were convicted of the offense on the date he or she applied for licensure IS CURRENTLY SUBJECT TO A DEFERRED JUDGMENT OR SENTENCE FOR A FELONY;

~~(j)~~ (h) A person who employs another person at a medical marijuana facility who has not passed a criminal history record check A PERSON WHO EMPLOYS ANOTHER PERSON AT A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS WHO HAS NOT SUBMITTED FINGERPRINTS FOR A CRIMINAL HISTORY RECORD CHECK OR WHOSE CRIMINAL HISTORY RECORD CHECK REVEALS THAT THE PERSON IS INELIGIBLE;

~~(k)~~ (i) A sheriff, deputy sheriff, police officer, or prosecuting officer, or an officer or employee of the state licensing authority or a local licensing authority;

~~(l)~~ A person whose authority to be a primary caregiver as defined in section 25-1.5-106 (2) has been revoked by the state health agency;

~~(m)~~ (j) A person APPLYING for a license for a location that is currently licensed as a retail food establishment; or wholesale food registrant; or

~~(n)~~ (k) A publicly traded company ENTITY THAT DOES NOT

CONSTITUTE A PUBLICLY TRADED CORPORATION AS DEFINED IN THIS ARTICLE 10;

(l) A PERSON THAT IS OR HAS A CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, OR INDIRECT FINANCIAL INTEREST HOLDER THAT IS ORGANIZED OR FORMED UNDER THE LAWS OF A COUNTRY DETERMINED BY THE UNITED STATES SECRETARY OF STATE TO HAVE REPEATEDLY PROVIDED SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM OR IS INCLUDED AMONG THE LIST OF "COVERED COUNTRIES" IN SECTION 1502 OF THE FEDERAL "DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT", PUB.L. 111-203;

(m) A PERSON THAT IS OR HAS A CONTROLLING BENEFICIAL OWNER THAT IS AN "INELIGIBLE ISSUER" PURSUANT TO SECTION 44-10-103 (50)(d)(I);

(n) A PERSON THAT IS OR HAS A CONTROLLING BENEFICIAL OWNER THAT IS DISQUALIFIED AS A "BAD ACTOR" UNDER RULE 506 (d) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED, AND SUBJECT TO 17 CFR 230.506 (d)(1);

(o) A PERSON THAT IS NOT A PUBLICLY TRADED CORPORATION THAT IS OR HAS A PASSIVE BENEFICIAL OWNER OR INDIRECT FINANCIAL INTEREST HOLDER THAT IS DISQUALIFIED AS A "BAD ACTOR" UNDER RULE 506 (d) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED, AND SUBJECT TO 17 CFR 230.506 (d)(1);

(p) A PERSON THAT IS A PUBLICLY TRADED CORPORATION THAT IS OR HAS A NONOBJECTING PASSIVE BENEFICIAL OWNER OR INDIRECT FINANCIAL INTEREST HOLDER THAT IS DISQUALIFIED AS A "BAD ACTOR" UNDER RULE 506 (d) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED, AND SUBJECT TO 17 CFR 230.506 (d)(1); OR

(q) A PERSON THAT IS OR HAS A CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, OR INDIRECT FINANCIAL INTEREST HOLDER THAT IS PROHIBITED FROM ENGAGING IN TRANSACTIONS PURSUANT TO THIS ARTICLE 10 DUE TO ITS DESIGNATION ON THE "SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS" LIST MAINTAINED BY THE FEDERAL OFFICE OF FOREIGN ASSETS CONTROL.

(2) THE STATE LICENSING AUTHORITY MAY DENY OR REVOKE A LICENSE IF THE APPLICANT OR LICENSEE'S CRIMINAL CHARACTER OR CRIMINAL RECORD POSES A THREAT TO THE REGULATION OR CONTROL OF MARIJUANA.

(3) A MEDICAL MARIJUANA LICENSE PROVIDED BY THIS ARTICLE 10 SHALL NOT BE ISSUED TO OR HELD BY:

(a) A LICENSED PHYSICIAN MAKING PATIENT RECOMMENDATIONS; OR

(b) A PERSON WHOSE AUTHORITY TO BE A PRIMARY CAREGIVER AS DEFINED IN SECTION 25-1.5-106 (2) HAS BEEN REVOKED BY THE STATE HEALTH AGENCY.

~~(2)~~ (4) (a) In investigating the qualifications of an applicant or a licensee, the state and local licensing authorities may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the state or local licensing authority considers the applicant's criminal history record, the state or local licensing authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references, and educational achievements, especially those items pertaining to the period of time between the applicant's last criminal conviction and the consideration of the application for a state license.

(b) As used in ~~subsection (2)(a)~~ SUBSECTION (4)(a) of this section, "criminal justice agency" means any federal, state, or municipal court or any governmental agency or subunit of such agency that administers criminal justice pursuant to a statute or executive order and that allocates a substantial part of its annual budget to the administration of criminal justice.

(c) At the time of filing an application for issuance or renewal of a state medical marijuana ~~center BUSINESS license~~ ~~medical marijuana-infused product manufacturer license, or optional premises cultivation~~ OR RETAIL MARIJUANA BUSINESS license, an applicant shall submit a set of his or her fingerprints and file personal history information concerning the applicant's qualifications for a state license on forms prepared by the state licensing authority. The state or local licensing authority ~~OR LOCAL JURISDICTION~~ shall submit the fingerprints to the Colorado bureau of investigation for the

purpose of conducting fingerprint-based criminal history record checks. The Colorado bureau of investigation shall forward the fingerprints to the federal bureau of investigation for the purpose of conducting fingerprint-based criminal history record checks. The state or local licensing authority OR LOCAL JURISDICTION may acquire a name-based criminal history record check for an applicant or a license holder who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable. An applicant who has previously submitted fingerprints for state OR LOCAL licensing purposes may request that the fingerprints on file be used. The state or local licensing authority OR LOCAL JURISDICTION shall use the information resulting from the fingerprint-based criminal history record check to investigate and determine whether an applicant is qualified to hold a state OR LOCAL license pursuant to this ~~article~~ ~~11~~ ARTICLE 10. The state or local licensing authority OR LOCAL JURISDICTION may verify any of the information an applicant is required to submit.

**44-10-308. [Formerly 44-11-307 and similar to 44-12-306] Business and owner requirements - legislative declaration - definition.** (1) (a) The general assembly hereby finds and declares that:

(I) Medical marijuana businesses AND RETAIL MARIJUANA BUSINESSES need to be able to access capital in order to effectively grow their businesses and remain competitive in the marketplace;

(II) The current regulatory structure for ~~medical~~ REGULATED marijuana AND REGULATED MARIJUANA PRODUCTS creates a substantial barrier to investment from out-of-state interests AND PUBLICLY TRADED CORPORATIONS;

(III) There is insufficient capital in the state to properly fund the capital needs of Colorado medical marijuana businesses AND RETAIL MARIJUANA BUSINESSES;

(IV) Colorado medical marijuana businesses AND RETAIL MARIJUANA BUSINESSES need to have ready access to capital from investors ~~in states~~ FROM outside of Colorado; ~~and~~

(IV.5) UNDER CERTAIN CIRCUMSTANCES, PERMITTING PUBLICLY TRADED CORPORATIONS TO HOLD AN INTEREST IN MEDICAL MARIJUANA

BUSINESSES WILL BENEFIT COLORADO'S MEDICAL MARIJUANA MARKET;

(V) Providing access to legitimate sources of capital helps prevent the opportunity for those who engage in illegal activity to gain entry into the state's regulated medical AND RETAIL marijuana market.

(VI) PUBLICLY TRADED CORPORATIONS OFFERING SECURITIES FOR INVESTMENT IN MEDICAL MARIJUANA BUSINESSES OR RETAIL MARIJUANA BUSINESSES MUST TELL THE PUBLIC THE TRUTH ABOUT THEIR BUSINESS, THE SECURITIES THEY ARE SELLING, AND THE RISKS INVOLVED WITH INVESTING IN MEDICAL MARIJUANA BUSINESSES OR RETAIL MARIJUANA BUSINESSES, AND PERSONS THAT SELL AND TRADE SECURITIES RELATED TO MEDICAL MARIJUANA BUSINESSES OR RETAIL MARIJUANA BUSINESSES ARE PROHIBITED FROM ENGAGING IN DECEIT, MISREPRESENTATIONS, AND OTHER FRAUD IN THE SALE OF THE SECURITIES; AND

(VII) RECOGNIZING THAT PARTICIPATION BY PUBLICLY TRADED CORPORATIONS IN COLORADO'S MEDICAL MARIJUANA INDUSTRY AND RETAIL MARIJUANA INDUSTRY CREATES AN INCREASED NEED TO ASSESS BARRIERS OF ENTRY FOR MINORITY- AND WOMAN-OWNED BUSINESSES, WITH SUCH EFFORTS BEING MADE TO IDENTIFY SOLUTIONS TO ARRIVE AT A GREATER BALANCE AND FOR FURTHER EQUITY FOR MINORITY- AND WOMAN-OWNED BUSINESSES, AND IN A MANNER THAT IS CONSISTENT WITH THE PUBLIC SAFETY AND ENFORCEMENT GOALS AS STATED HEREIN, IT IS THEREFORE OF SUBSTANTIVE IMPORTANCE TO ADDRESS THE LACK OF MINORITY- AND WOMAN-OWNED BUSINESSES' INCLUSION IN COLORADO'S MEDICAL MARIJUANA INDUSTRY AND RETAIL MARIJUANA INDUSTRY, SOCIAL JUSTICE ISSUES ASSOCIATED WITH MARIJUANA PROHIBITION, SUITABILITY ISSUES RELATING TO PAST CONVICTIONS FOR POTENTIAL LICENSEES, LICENSING FEES, AND ECONOMIC CHALLENGES THAT ARISE WITH THE APPLICATION PROCESSES.

(b) Therefore, the general assembly is providing a mechanism for Colorado medical marijuana businesses AND RETAIL MARIJUANA BUSINESSES to access capital from investors in other states AND FROM CERTAIN PUBLICLY TRADED CORPORATIONS PURSUANT TO THIS ARTICLE 10.

(2) ~~A direct beneficial interest owner who is a natural person must either:~~

~~(a) Have been a resident of Colorado for at least one year prior to the date of the application, or~~

~~(b) Be a United States citizen prior to the date of the application.~~

~~(3) (a) A medical marijuana business may be comprised of an unlimited number of direct beneficial interest owners that have been residents of Colorado for at least one year prior to the date of the application.~~

~~(a) (b) On and after January 1, 2017, a medical marijuana business that is composed of one or more direct beneficial interest owners who have not been Colorado residents for at least one year prior to application shall have at least one officer who has been a Colorado resident for at least one year prior to application, and All officers NATURAL PERSONS with day-to-day operational control over the business must be Colorado residents. for at least one year prior to application. A medical marijuana business under this subsection (3)(b) is limited to no more than fifteen direct beneficial interest owners, including all parent and subsidiary entities, all of whom are natural persons.~~

~~(b) (c) Notwithstanding the requirements of subsection (3)(b) of this section, the state licensing authority may review the limitation on the number of direct beneficial interest owners and may increase the number of allowable interests above fifteen based on reasonable considerations such as developments in state and federal financial regulations, market conditions, and the licensee's ability to access legitimate sources of capital. A PERSON, OTHER THAN AN INDIVIDUAL, THAT IS A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS OR A CONTROLLING BENEFICIAL OWNER SHALL APPOINT AND CONTINUOUSLY MAINTAIN A REGISTERED AGENT THAT SATISFIES THE REQUIREMENTS OF SECTION 7-90-701. THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS SHALL INFORM THE STATE LICENSING AUTHORITY OF A CHANGE IN THE REGISTERED AGENT WITHIN TEN DAYS AFTER THE CHANGE.~~

~~(d) A direct beneficial interest owner that is a closely held business entity must consist entirely of natural persons who are United States citizens prior to the date of the application, including all parent and subsidiary entities.~~

~~(4) A medical marijuana business may include qualified institutional investors that own thirty percent or less of the medical marijuana business.~~

~~(5) (a) A person who intends to apply as a direct beneficial interest owner and is not a Colorado resident for at least one year prior to the date of application shall first submit a request to the state licensing authority for a finding of suitability as a direct beneficial interest owner. The person shall receive a finding of suitability prior to submitting an application to the state licensing authority to be a direct beneficial interest owner. Failure to receive a finding of suitability prior to application is grounds for denial by the state licensing authority.~~

~~(b) The state licensing authority shall perform a limited initial background check on qualified limited passive investors. If the initial background check provides reasonable cause for additional investigation, the state licensing authority may require a full background check.~~

~~(6) The state licensing authority shall review the medical marijuana business's operating documents to ensure compliance with this section.~~

~~(7) For purposes of this section, unless the context otherwise requires, "institutional investor" means:~~

~~(a) A bank as defined in section 3 (a)(6) of the federal "Securities Exchange Act of 1934", as amended;~~

~~(b) An insurance company as defined in section 2 (a)(17) of the federal "Investment Company Act of 1940", as amended;~~

~~(c) An investment company registered under section 8 of the federal "Investment Company Act of 1940", as amended;~~

~~(d) An investment adviser registered under section 203 of the federal "Investment Advisers Act of 1940", as amended;~~

~~(e) Collective trust funds as defined in section 3 (c)(11) of the federal "Investment Company Act of 1940", as amended;~~

~~(f) An employee benefit plan or pension fund that is subject to the federal "Employee Retirement Income Security Act of 1974", as amended;~~



~~excluding an employee benefit plan or pension fund sponsored by a licensee or an intermediary or holding company licensee that directly or indirectly owns five percent or more of a licensee;~~

~~(g) A state or federal government pension plan;~~

~~(h) A group comprised entirely of persons specified in subsections (7)(a) to (7)(g) of this section; or~~

~~(i) Any other entity identified through rule by the state licensing authority.~~

**44-10-309. Business owner and financial interest disclosure requirements.** (1) APPLICANTS FOR THE ISSUANCE OF A STATE LICENSE SHALL DISCLOSE TO THE STATE LICENSING AUTHORITY THE FOLLOWING:

(a) A COMPLETE AND ACCURATE ORGANIZATIONAL CHART OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS REFLECTING THE IDENTITY AND OWNERSHIP PERCENTAGES OF ITS CONTROLLING BENEFICIAL OWNERS;

(b) THE FOLLOWING INFORMATION REGARDING ALL CONTROLLING BENEFICIAL OWNERS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS:

(I) IF THE CONTROLLING BENEFICIAL OWNER IS A PUBLICLY TRADED CORPORATION, THE APPLICANT SHALL DISCLOSE THE CONTROLLING BENEFICIAL OWNERS' MANAGERS AND ANY BENEFICIAL OWNERS THAT DIRECTLY OR INDIRECTLY BENEFICIALLY OWN TEN PERCENT OR MORE OF THE OWNER'S INTEREST IN THE CONTROLLING BENEFICIAL OWNER;

(II) IF THE CONTROLLING BENEFICIAL OWNER IS NOT A PUBLICLY TRADED CORPORATION AND IS NOT A QUALIFIED PRIVATE FUND, THE APPLICANT SHALL DISCLOSE THE CONTROLLING BENEFICIAL OWNER'S MANAGERS AND ANY BENEFICIAL OWNERS THAT DIRECTLY OR INDIRECTLY BENEFICIALLY OWN TEN PERCENT OR MORE OF THE OWNER'S INTEREST IN THE CONTROLLING BENEFICIAL OWNER;

(III) IF THE CONTROLLING BENEFICIAL OWNER IS A QUALIFIED PRIVATE FUND, THE APPLICANT SHALL DISCLOSE A COMPLETE AND

ACCURATE ORGANIZATIONAL CHART OF THE QUALIFIED PRIVATE FUND REFLECTING THE IDENTITY AND OWNERSHIP PERCENTAGES OF THE QUALIFIED PRIVATE FUND'S MANAGERS, INVESTMENT ADVISERS, INVESTMENT ADVISER REPRESENTATIVES, ANY TRUSTEE OR EQUIVALENT, AND ANY OTHER PERSON THAT CONTROLS THE INVESTMENT IN, OR MANAGEMENT OR OPERATIONS OF, THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS;

(IV) IF THE CONTROLLING BENEFICIAL OWNER IS A NATURAL PERSON, THE APPLICANT SHALL DISCLOSE THE NATURAL PERSON'S IDENTIFYING INFORMATION;

(c) A PERSON THAT IS BOTH A PASSIVE BENEFICIAL OWNER AND AN INDIRECT FINANCIAL INTEREST HOLDER IN THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS; AND

(d) ANY INDIRECT FINANCIAL INTEREST HOLDER THAT HOLDS TWO OR MORE INDIRECT FINANCIAL INTERESTS IN THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS OR THAT IS CONTRIBUTING OVER FIFTY PERCENT OF THE OPERATING CAPITAL OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS.

(2) THE STATE LICENSING AUTHORITY MAY REQUEST THAT THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS DISCLOSE THE FOLLOWING:

(a) EACH BENEFICIAL OWNER AND AFFILIATE OF AN APPLICANT, MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR CONTROLLING BENEFICIAL OWNER THAT IS NOT A PUBLICLY TRADED CORPORATION OR A QUALIFIED PRIVATE FUND; AND

(b) EACH AFFILIATE OF A CONTROLLING BENEFICIAL OWNER THAT IS A QUALIFIED PRIVATE FUND.

(3) FOR REASONABLE CAUSE, THE STATE LICENSING AUTHORITY MAY REQUIRE DISCLOSURE OF:

(a) A COMPLETE AND ACCURATE LIST OF EACH NONOBJECTING BENEFICIAL INTEREST OWNER OF AN APPLICANT, MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR CONTROLLING BENEFICIAL OWNER THAT IS A PUBLICLY TRADED CORPORATION;

(b) PASSIVE BENEFICIAL OWNERS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, AND FOR ANY PASSIVE BENEFICIAL OWNER THAT IS NOT A NATURAL PERSON, THE MEMBERS OF THE BOARD OF DIRECTORS, GENERAL PARTNERS, MANAGING MEMBERS, OR MANAGERS AND TEN PERCENT OR MORE OWNERS OF THE PASSIVE BENEFICIAL OWNER;

(c) A LIST OF EACH BENEFICIAL OWNER IN A QUALIFIED PRIVATE FUND THAT IS A CONTROLLING BENEFICIAL OWNER;

(d) ALL INDIRECT FINANCIAL INTEREST HOLDERS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, AND FOR ANY INDIRECT FINANCIAL INTEREST HOLDER THAT IS NOT A NATURAL PERSON AND TEN PERCENT OR MORE BENEFICIAL OWNERS OF THE INDIRECT FINANCIAL INTEREST HOLDER.

(4) AN APPLICANT OR MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS THAT IS NOT A PUBLICLY TRADED CORPORATION SHALL AFFIRM UNDER PENALTY OF PERJURY THAT IT EXERCISED REASONABLE CARE TO CONFIRM THAT ITS PASSIVE BENEFICIAL OWNERS, INDIRECT FINANCIAL INTEREST HOLDERS, AND QUALIFIED INSTITUTIONAL INVESTORS ARE NOT PERSONS PROHIBITED PURSUANT TO SECTION 44-10-307, OR OTHERWISE RESTRICTED FROM HOLDING AN INTEREST UNDER THIS ARTICLE 10. AN APPLICANT'S OR MEDICAL MARIJUANA BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S FAILURE TO EXERCISE REASONABLE CARE IS A BASIS FOR DENIAL, FINE, SUSPENSION, REVOCATION, OR OTHER SANCTION BY THE STATE LICENSING AUTHORITY.

(5) AN APPLICANT OR MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS THAT IS A PUBLICLY TRADED CORPORATION SHALL AFFIRM UNDER PENALTY OF PERJURY THAT IT EXERCISED REASONABLE CARE TO CONFIRM THAT ITS NONOBJECTING PASSIVE BENEFICIAL OWNERS, INDIRECT FINANCIAL INTEREST HOLDERS, AND QUALIFIED INSTITUTIONAL INVESTORS ARE NOT PERSONS PROHIBITED PURSUANT TO SECTION 44-10-307, OR OTHERWISE RESTRICTED FROM HOLDING AN INTEREST UNDER THIS ARTICLE 10. AN APPLICANT'S OR MEDICAL MARIJUANA BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S FAILURE TO EXERCISE REASONABLE CARE IS A BASIS FOR DENIAL, FINE, SUSPENSION, REVOCATION, OR OTHER SANCTION BY THE STATE LICENSING AUTHORITY.

(6) THIS SECTION DOES NOT RESTRICT THE STATE LICENSING AUTHORITY'S ABILITY TO REASONABLY REQUEST INFORMATION OR RECORDS AT RENEWAL OR AS PART OF ANY OTHER INVESTIGATION FOLLOWING INITIAL LICENSURE OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS.

(7) THE SECURITIES COMMISSIONER MAY, BY RULE OR ORDER, REQUIRE ADDITIONAL DISCLOSURES IF SUCH INFORMATION IS FULL AND FAIR WITH RESPECT TO THE INVESTMENT OR IN THE INTEREST OF INVESTOR PROTECTION.

**44-10-310. Business owner and financial interest suitability requirements.** (1) THIS SECTION APPLIES TO ALL PERSONS REQUIRED TO SUBMIT A FINDING OF SUITABILITY.

(2) ANY PERSON INTENDING TO BECOME A CONTROLLING BENEFICIAL OWNER OF ANY MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, EXCEPT AS OTHERWISE PROVIDED IN SECTION 44-10-312 (4), SHALL FIRST SUBMIT A REQUEST TO THE STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY OR AN EXEMPTION FROM AN OTHERWISE REQUIRED FINDING OF SUITABILITY.

(3) FOR REASONABLE CAUSE, ANY OTHER PERSON THAT WAS DISCLOSED OR THAT SHOULD HAVE BEEN DISCLOSED PURSUANT TO SECTION 44-10-309, INCLUDING BUT NOT LIMITED TO A PASSIVE BENEFICIAL OWNER, SHALL SUBMIT A REQUEST FOR A FINDING OF SUITABILITY.

(4) FAILURE TO PROVIDE ALL REQUESTED INFORMATION IN CONNECTION WITH A REQUEST FOR A FINDING OF SUITABILITY IS GROUNDS FOR DENIAL OF THAT FINDING OF SUITABILITY.

(5) FAILURE TO RECEIVE ALL REQUIRED FINDINGS OF SUITABILITY IS GROUNDS FOR DENIAL OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER SANCTION AGAINST THE LICENSE BY THE STATE LICENSING AUTHORITY. FOR INITIAL APPLICATIONS, THE FINDING OF SUITABILITY SHALL BE REQUIRED PRIOR TO SUBMITTING THE APPLICATION FOR LICENSURE.

(6) ANY PERSON REQUIRED TO OBTAIN A FINDING OF SUITABILITY SHALL DO SO ON FORMS PROVIDED BY THE STATE LICENSING AUTHORITY AND

THE FORMS MUST CONTAIN SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY REQUIRE. EACH SUITABILITY APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF THE PERSONS PRESCRIBED BY THE STATE LICENSING AUTHORITY.

(7) A PERSON REQUESTING A FINDING OF SUITABILITY SHALL PROVIDE THE STATE LICENSING AUTHORITY WITH A DEPOSIT TO COVER THE DIRECT AND INDIRECT COSTS OF ANY INVESTIGATION NECESSARY TO DETERMINE ANY REQUIRED FINDING OF SUITABILITY UNLESS OTHERWISE ESTABLISHED BY RULE. THE STATE LICENSING AUTHORITY MAY MAKE FURTHER RULES REGARDING THE DEPOSIT AND DIRECT AND INDIRECT COSTS THAT MUST BE BILLED AGAINST THE DEPOSIT, UNLESS OTHERWISE ESTABLISHED BY RULE.

(8) WHEN DETERMINING WHETHER A PERSON IS SUITABLE OR UNSUITABLE FOR LICENSURE, THE STATE LICENSING AUTHORITY MAY CONSIDER THE PERSON'S CRIMINAL CHARACTER OR RECORD, LICENSING CHARACTER OR RECORD, OR FINANCIAL CHARACTER OR RECORD.

(9) A PERSON THAT WOULD OTHERWISE BE REQUIRED TO OBTAIN A FINDING OF SUITABILITY MAY REQUEST AN EXEMPTION FROM THE STATE LICENSING AUTHORITY AS DETERMINED BY RULE.

(10) ABSENT REASONABLE CAUSE, THE STATE LICENSING AUTHORITY SHALL APPROVE OR DENY A REQUEST FOR A FINDING OF SUITABILITY WITHIN ONE HUNDRED TWENTY DAYS FROM THE DATE OF SUBMISSION OF THE REQUEST FOR SUCH FINDING.

(11) THE STATE LICENSING AUTHORITY MAY DENY, SUSPEND, REVOKE, FINE, OR IMPOSE OTHER SANCTIONS AGAINST A PERSON'S LICENSE ISSUED PURSUANT TO THIS ARTICLE 10 IF THE STATE LICENSING AUTHORITY FINDS THE PERSON OR THE PERSON'S CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, OR INDIRECT FINANCIAL INTEREST HOLDER TO BE UNSUITABLE PURSUANT TO THIS SECTION.

**44-10-311. [Formerly 44-11-308] Restrictions for applications for new licenses.** (1) The state or a local licensing authority shall not receive or act upon an application for the issuance of a state or local MEDICAL MARIJUANA BUSINESS license pursuant to this ~~article 11~~ ARTICLE 10:

(a) If the application for a state or local license concerns a particular

location that is the same as or within one thousand feet of a location for which, within the two years immediately preceding the date of the application, the state or a local licensing authority denied an application for the same class of license due to the nature of the use or other concern related to the location;

(b) Until it is established that the applicant is, or will be, entitled to possession of the premises for which application is made under a lease, rental agreement, or other arrangement for possession of the premises or by virtue of ownership of the premises;

(c) For a location in an area where the cultivation, manufacture, and sale of medical marijuana as contemplated is not permitted under the applicable zoning laws of the municipality, city and county, or county;

(d) (I) If the building in which medical marijuana is to be sold is located within one thousand feet of a school; an alcohol or drug treatment facility; the principal campus of a college, university, or seminary; or a residential child care facility. The provisions of this section ~~shall~~ DO not affect the renewal or reissuance of a license once granted or apply to licensed premises located or to be located on land owned by a municipality, nor ~~shall~~ DO the provisions of this section apply to an existing licensed premises on land owned by the state or apply to a license in effect and actively doing business before said principal campus was constructed. The local licensing authority of a city and county, by rule or regulation; the governing body of a municipality, by ordinance; and the governing body of a county, by resolution, may vary the distance restrictions imposed by this subsection (1)(d)(I) for a license or may eliminate one or more types of schools, campuses, or facilities from the application of a distance restriction established by or pursuant to this subsection (1)(d)(I).

(II) The distances referred to in this subsection (1)(d) are to be computed by direct measurement from the nearest property line of the land used for a school or campus to the nearest portion of the building in which medical marijuana is to be sold, using a route of direct pedestrian access.

(III) In addition to the requirements of ~~section 44-11-303 (2)~~ SECTION 44-10-304 (2), the local licensing authority shall consider the evidence and make a specific finding of fact as to whether the building in which the medical marijuana is to be sold is located within any distance

restrictions established by or pursuant to this subsection (1)(d).

(2) **[Formerly 44-12-307]** The state licensing authority shall not approve an application for the issuance of a state RETAIL MARIJUANA BUSINESS license pursuant to this ~~article 12~~ ARTICLE 10 until it is established that the applicant is, or will be, entitled to possession of the premises for which application is made under a lease, rental agreement, or other arrangement for possession of the premises or by virtue of ownership of the premises.

**44-10-312. [Formerly 44-11-309 and similar to 44-12-308] Transfer of ownership.** (1) A state or local license granted under the provisions of this ~~article 11 shall not be~~ ARTICLE 10 ARE NOT transferable except as provided in this section, but this section ~~shall~~ DOES not prevent a change of location as provided in ~~section 44-11-310 (13)~~ SECTION 44-10-313 (13).

(2) For a transfer of ownership INVOLVING A CONTROLLING BENEFICIAL OWNER, a license holder shall apply to the state and local licensing authorities on forms prepared and furnished by the state licensing authority. In determining whether to permit a transfer of ownership, the state and local licensing authorities shall consider only the requirements of this ~~article 11~~ ARTICLE 10, any rules promulgated by the state licensing authority, and any other local restrictions. The local licensing authority OR LOCAL JURISDICTION may hold a hearing on the application for transfer of ownership. The local licensing authority OR LOCAL JURISDICTION shall not hold a hearing pursuant to this subsection (2) until the local licensing authority OR LOCAL JURISDICTION has posted a notice of hearing in the manner described in ~~section 44-11-302 (2)~~ SECTION 44-10-303 (2) on the licensed ~~medical marijuana center~~ premises for a period of ten days and has provided notice of the hearing to the applicant at least ten days prior to the hearing. Any transfer of ownership hearing by the state licensing authority ~~shall~~ MUST be held in compliance with the requirements specified in ~~section 44-11-302~~ SECTION 44-10-303.

(3) FOR A TRANSFER OF OWNERSHIP INVOLVING A PASSIVE BENEFICIAL OWNER, THE LICENSE HOLDER SHALL NOTIFY THE STATE LICENSING AUTHORITY ON FORMS PREPARED AND FURNISHED BY THE STATE LICENSING AUTHORITY WITHIN FORTY-FIVE DAYS TO THE EXTENT DISCLOSURE IS REQUIRED BY SECTION 44-10-309.

(4) A PERSON THAT BECOMES A CONTROLLING BENEFICIAL OWNER OF A PUBLICLY TRADED CORPORATION THAT IS A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS OR THAT BECOMES A BENEFICIAL OWNER, THROUGH DIRECT OR INDIRECT OWNERSHIP OF A CONTROLLING BENEFICIAL OWNER, OF TEN PERCENT OR MORE OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS THAT IS A PUBLICLY TRADED CORPORATION MUST DISCLOSE THE INFORMATION REQUIRED BY SECTION 44-10-309 AND APPLY TO THE STATE LICENSING AUTHORITY FOR A FINDING OF SUITABILITY OR EXEMPTION FROM A FINDING OF SUITABILITY PURSUANT TO SECTION 44-10-310 WITHIN FORTY-FIVE DAYS AFTER BECOMING SUCH A CONTROLLING BENEFICIAL OWNER. A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS SHALL NOTIFY EACH PERSON THAT IS SUBJECT TO THIS SUBSECTION (4) OF ITS REQUIREMENTS AS SOON AS THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS BECOMES AWARE OF THE BENEFICIAL OWNERSHIP TRIGGERING THE REQUIREMENT, PROVIDED THAT THE OBLIGATIONS OF THE PERSON SUBJECT TO THIS SUBSECTION (4) ARE INDEPENDENT OF, AND UNAFFECTED BY, THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S FAILURE TO GIVE THE NOTICE.

**44-10-313. [Formerly 44-11-310 and similar to 44-12-309] Licensing in general.** (1) (a) This ~~article~~ ~~††~~ ARTICLE 10 authorizes a county, municipality, or city and county to prohibit the operation of ~~medical marijuana centers, optional premises cultivation operations, and medical marijuana-infused products manufacturers' licenses~~ A MEDICAL MARIJUANA BUSINESS and to enact reasonable regulations or other restrictions applicable to medical marijuana ~~centers, optional premises cultivation licenses, and medical marijuana-infused products manufacturers' licenses~~ BUSINESSES based on local government zoning, health, safety, and public welfare laws for the distribution of medical marijuana that are more restrictive than this ~~article~~ ~~††~~ ARTICLE 10.

(b) LOCAL JURISDICTIONS ARE AUTHORIZED TO ADOPT AND ENFORCE REGULATIONS FOR RETAIL MARIJUANA BUSINESSES THAT ARE AT LEAST AS RESTRICTIVE AS THE PROVISIONS OF THIS ARTICLE 10 AND ANY RULE PROMULGATED PURSUANT TO THIS ARTICLE 10.

(2) (a) A medical marijuana ~~center, optional premises cultivation operation, or medical marijuana-infused products manufacturer~~ BUSINESS may not operate until it has been licensed by the local licensing authority and the state licensing authority pursuant to this ~~article~~ ~~††~~ ARTICLE 10. If the



state licensing authority issues the applicant a state license and the local licensing authority subsequently denies the applicant a license, the state licensing authority shall consider the local licensing authority denial as a basis for the revocation of the state-issued license. In connection with a license, the applicant shall provide a complete and accurate list of all CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL owners ~~officers~~, TO THE EXTENT DISCLOSURE IS REQUIRED BY SECTION 44-10-309, and employees who manage, own, or are otherwise substantially associated with the operation and shall provide a complete and accurate application as required by the state licensing authority.

(b) A RETAIL MARIJUANA BUSINESS MAY NOT OPERATE UNTIL IT IS LICENSED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10 AND APPROVED BY THE LOCAL JURISDICTION. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE. IN CONNECTION WITH A LICENSE, THE APPLICANT SHALL PROVIDE A COMPLETE AND ACCURATE APPLICATION AS REQUIRED BY THE STATE LICENSING AUTHORITY.

(3) A medical marijuana center, ~~optional premises cultivation operation, or medical marijuana-infused products manufacturer~~ BUSINESS THAT IS NOT A PUBLICLY TRADED CORPORATION shall notify the state licensing authority in writing within ten days after ~~an~~ A CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager ceases to work at, manage, own, or otherwise be associated with the operation. The CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager shall surrender to the state licensing authority any identification card that may have been issued by the state licensing authority on or before the date of the notification.

(4) A medical marijuana center, ~~optional premises cultivation operation, or medical marijuana-infused products manufacturer~~ BUSINESS OR RETAIL MARIJUANA BUSINESS THAT IS NOT A PUBLICLY TRADED CORPORATION shall notify the state licensing authority in writing of the name, address, and date of birth of ~~an~~ A CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager before the new CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager begins managing ~~owning~~, or associating with the operation. Any CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, manager, or employee ~~shall~~ MUST pass a fingerprint-based criminal history

record check as required by the state licensing authority and obtain the required identification prior to being associated with, managing, owning, or working at the operation.

(5) (a) A medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer BUSINESS shall not acquire, possess, cultivate, deliver, transfer, transport, supply, or dispense marijuana for any purpose except to assist patients, as defined by section 14 (1) of article XVIII of the state constitution.

(b) A RETAIL MARIJUANA BUSINESS SHALL NOT ACQUIRE, POSSESS, CULTIVATE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, OR DISPENSE MARIJUANA FOR ANY PURPOSE EXCEPT AS AUTHORIZED BY SECTION 16 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE 10.

(6) (a) All managers and employees of a medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer BUSINESS shall be residents of Colorado upon the date of their license application. All licenses granted pursuant to this article ~~11~~ shall be ARTICLE 10 ARE valid for a period not to exceed two years after the date of issuance unless revoked or suspended pursuant to this article ~~11~~ ARTICLE 10 or the rules promulgated pursuant to this article ~~11~~ ARTICLE 10.

(b) ALL MANAGERS AND EMPLOYEES WITH DAY-TO-DAY OPERATIONAL CONTROL OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS SHALL BE RESIDENTS OF COLORADO UPON THE DATE OF THEIR LICENSE APPLICATION. ALL LICENSES GRANTED PURSUANT TO THIS ARTICLE 10 ARE VALID FOR A PERIOD OF ONE YEAR AFTER THE DATE OF ISSUANCE UNLESS REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE 10 OR THE RULES PROMULGATED PURSUANT TO THIS ARTICLE 10.

(7) Before granting a local or state license, the respective licensing authority may consider, except where this article ~~11~~ ARTICLE 10 specifically provides otherwise, the requirements of this article ~~11~~ ARTICLE 10 and any rules promulgated pursuant to this article ~~11~~ ARTICLE 10, and all other reasonable restrictions that are or may be placed upon the licensee by the licensing authority. With respect to a second or additional license for the same MEDICAL MARIJUANA BUSINESS licensee or the same owner of another licensed MEDICAL MARIJUANA business pursuant to this article ~~11~~ ARTICLE 10, each licensing authority shall consider the effect on competition of

granting or denying the additional licenses to such licensee and shall not approve an application for a second or additional license that would have the effect of restraining competition.

(8) (a) Each license issued under this ~~article 11~~ ARTICLE 10 is separate and distinct. It is unlawful for a person to exercise any of the privileges granted under a license other than the license that the person holds or for a licensee to allow any other person to exercise the privileges granted under the licensee's license. A separate license ~~shall be~~ IS required for each specific business or business entity and each geographical location.

(b) At all times, a licensee shall possess and maintain possession of the premises ~~or optional premises~~ for which the license is issued by ownership, lease, rental, or other arrangement for possession of the premises.

(9) (a) The licenses provided pursuant to this ~~article 11~~ shall ARTICLE 10 MUST specify the date of issuance, the period of licensure, the name of the licensee, and the premises ~~or optional premises~~ licensed. The licensee shall conspicuously place the license at all times on the licensed premises. ~~or optional premises.~~

(b) A local licensing authority shall not transfer location of or renew a license to sell medical marijuana until the applicant for the license provides verification that a license was issued and granted by the state licensing authority for the previous license term. The state licensing authority shall not transfer location of or renew a state license until the applicant provides verification that a license was issued and granted by the local licensing authority for the previous license term.

(10) In computing any period of time prescribed by this ~~article 11~~ ARTICLE 10, the day of the act, event, or default from which the designated period of time begins to run ~~shall~~ IS not ~~be~~ included. Saturdays, Sundays, and legal holidays ~~shall be~~ ARE counted as any other day.

(11) (a) ~~A~~ EXCEPT FOR A PUBLICLY TRADED CORPORATION, A MEDICAL MARIJUANA BUSINESS licensee shall report each transfer or change of financial interest in the license to the state and local licensing authorities thirty days prior to any transfer or change pursuant to ~~section 44-11-309~~ SECTION 44-10-312. EXCEPT FOR A PUBLICLY TRADED CORPORATION, a

report ~~shall be~~ IS required for transfers of ~~capital stock of any corporation~~  
AN OWNER'S INTEREST OF ANY ENTITY regardless of size.

(b) EXCEPT FOR A PUBLICLY TRADED CORPORATION, A RETAIL MARIJUANA BUSINESS LICENSEE SHALL REPORT EACH TRANSFER OR CHANGE OF FINANCIAL INTEREST IN THE LICENSE TO THE STATE AND LOCAL LICENSING AUTHORITIES AND RECEIVE APPROVAL PRIOR TO ANY TRANSFER OR CHANGE PURSUANT TO SECTION 44-10-312. EXCEPT FOR A PUBLICLY TRADED CORPORATION, A REPORT IS REQUIRED FOR TRANSFERS OF AN OWNER'S INTEREST OF ANY ENTITY REGARDLESS OF SIZE.

(12) Each licensee shall manage the licensed premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. The licensee shall report any change in manager to the state and local licensing authorities prior to the change pursuant to subsection (4) of this section.

(13) (a) A licensee may move ~~his or her~~ THE permanent location to any other place in Colorado once permission to do so is granted by the state and local licensing authorities OR LOCAL JURISDICTION provided for in this ~~article 11~~ ARTICLE 10. Upon receipt of an application for change of location, the state licensing authority shall, within seven days, submit a copy of the application to the local licensing authority OR LOCAL JURISDICTION to determine whether the transfer complies with all local restrictions on change of location.

(b) In permitting a change of location, the state and local licensing authorities OR LOCAL JURISDICTION shall consider all reasonable restrictions that are or may be placed upon the new location by the governing board or local licensing authority of the municipality, city and county, or county, and any such change in location ~~shall~~ MUST be in accordance with all requirements of this ~~article 11~~ ARTICLE 10 and rules promulgated pursuant to this ~~article 11~~ ARTICLE 10.

(c) (I) A MEDICAL MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED AN APPROVED CHANGE OF LOCATION FROM THE STATE LICENSING AUTHORITY MAY OPERATE ONE LICENSE AT TWO GEOGRAPHICAL LOCATIONS FOR THE PURPOSE OF TRANSITIONING OPERATIONS FROM ONE LOCATION TO ANOTHER IF:

(A) THE TOTAL PLANTS CULTIVATED AT BOTH LOCATIONS DO NOT EXCEED ANY PLANT COUNT LIMIT IMPOSED ON THE LICENSE BY THIS ARTICLE 10 AND ANY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY;

(B) THE LICENSED PREMISES OF BOTH GEOGRAPHICAL LOCATIONS COMPLY WITH ALL SURVEILLANCE, SECURITY, AND INVENTORY TRACKING REQUIREMENTS IMPOSED BY THIS ARTICLE 10 AND ANY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY;

(C) BOTH THE TRANSFERRING LOCATION AND THE RECEIVING LOCATION TRACK ALL PLANTS VIRTUALLY IN TRANSITION IN THE SEED-TO-SALE TRACKING SYSTEM TO ENSURE PROPER TRACKING FOR TAXATION AND TRACKING PURPOSES;

(D) OPERATION AT BOTH GEOGRAPHICAL LOCATIONS DOES NOT EXCEED ONE HUNDRED EIGHTY DAYS, UNLESS FOR GOOD CAUSE SHOWN, THE ONE-HUNDRED-EIGHTY-DAY DEADLINE MAY BE EXTENDED FOR AN ADDITIONAL ONE HUNDRED TWENTY DAYS; AND

(E) THE MEDICAL MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE OBTAINS THE PROPER STATE PERMIT AND LOCAL PERMIT OR LICENSE. IF THE CHANGE OF LOCATION IS WITHIN THE SAME LOCAL JURISDICTION, THE LICENSEE MUST FIRST OBTAIN A TRANSITION PERMIT FROM THE STATE LICENSING AUTHORITY AND, IF REQUIRED BY THE LOCAL JURISDICTION, A TRANSITION PERMIT OR OTHER FORM OF APPROVAL FROM THE LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION. IF THE CHANGE OF LOCATION IS TO A DIFFERENT LOCAL JURISDICTION, THE LICENSEE MUST FIRST OBTAIN A LICENSE FROM THE LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION WHERE IT INTENDS TO LOCATE, A TRANSITION PERMIT FROM THE STATE LICENSING AUTHORITY, AND, IF REQUIRED BY THE LOCAL JURISDICTION, A TRANSITION PERMIT OR OTHER FORM OF APPROVAL FROM THE LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION FOR THE LOCAL JURISDICTION WHERE IT INTENDS TO LOCATE.

(II) CONDUCT AT EITHER LOCATION MAY BE BASIS FOR FINE, SUSPENSION, REVOCATION, OR OTHER SANCTION AGAINST THE LICENSE.

**44-10-314. License renewal.** (1) [Formerly 44-11-311 (1)] Ninety days prior to the expiration date of an existing MEDICAL MARIJUANA

BUSINESS OR RETAIL MARIJUANA BUSINESS license, the state licensing authority shall notify the licensee of the expiration date by first-class mail at the licensee's address of record with the state licensing authority. A licensee ~~shall~~ MUST apply for the renewal of an existing license to the local licensing authority ~~not less than forty-five days and to the state licensing authority not less than thirty days prior to the date of expiration.~~ A local licensing authority shall not accept an application for renewal of a license ~~after the date of expiration, except as provided in subsection (3) of this section.~~ The state licensing authority may extend the expiration date of the license and accept a late application for renewal of a license provided that the applicant has filed a timely renewal application with the local licensing authority. All renewals filed with the local licensing authority and subsequently approved by the local licensing authority shall next be processed by the state licensing authority. The state licensing authority may ~~administratively continue the license and accept a later application for renewal of a license at the discretion of the state licensing authority~~ WITHIN THE TIME FRAME REQUIRED BY LOCAL ORDINANCE OR REGULATION AND TO THE STATE LICENSING AUTHORITY PRIOR TO THE EXPIRATION OF THE LICENSE. THE LICENSEE SHALL PROVIDE THE STATE LICENSING AUTHORITY WITH INFORMATION ESTABLISHING THAT THE APPLICATION COMPLIES WITH ALL LOCAL REQUIREMENTS FOR THE RENEWAL OF A LICENSE. IF A LICENSEE SUBMITS A TIMELY AND SUFFICIENT RENEWAL APPLICATION, THE LICENSEE MAY CONTINUE TO OPERATE UNTIL THE APPLICATION IS FINALLY ACTED UPON BY THE STATE LICENSING AUTHORITY. The local licensing authority may hold a hearing on the application for renewal OF A MEDICAL MARIJUANA BUSINESS LICENSE only if the licensee has had complaints filed against it, has a history of violations, or there are allegations against the licensee that would constitute good cause. The local licensing authority shall not hold a renewal hearing provided for by this subsection (1) for a medical marijuana ~~center~~ STORE until it has posted a notice of hearing on the licensed medical marijuana ~~center~~ STORE premises in the manner described in ~~section 44-11-302.~~ (2) SECTION 44-10-303 (2) for a period of ten days and provided notice to the applicant at least ten days prior to the hearing. The local licensing authority may refuse to renew any license for good cause, subject to judicial review.

**[Formerly 44-12-310 (1)]** ~~(1) Ninety days prior to the expiration date of an existing license, the state licensing authority shall notify the licensee of the expiration date by first-class mail at the licensee's address of record with the state licensing authority. A licensee may apply for the~~

~~renewal of an existing license to the state licensing authority not less than thirty days prior to the date of expiration. Upon receipt of an application for renewal of an existing license and any applicable fees, the state licensing authority shall submit, within seven days, a copy of the application to the local jurisdiction to determine whether the application complies with all local restrictions on renewal of licenses. The state licensing authority shall not accept an application for renewal of a license after the date of expiration, except as provided in subsection (3) of this section. The state licensing authority may extend the expiration date of the license and accept a late application for renewal of a license if the applicant has filed a timely renewal application with the local licensing authority. The state or the local licensing authority, in its discretion, subject to the requirements of this subsection (1) and subsection (3) of this section and based upon reasonable grounds, may waive the thirty-day time requirements set forth in this subsection (1).~~

(2) [Formerly 44-11-311 (2)] The state licensing authority may require an additional fingerprint request when there is a demonstrated investigative need.

**44-10-315. [Formerly 44-11-312 and similar to 44-12-311] Inactive licenses.** The state or local licensing authority, in its discretion, may revoke or elect not to renew any license if it determines that the licensed premises have been inactive, without good cause, for at least one year.

**44-10-316. [Formerly 44-11-313 and similar to 44-12-312] Unlawful financial assistance.** (1) The state licensing authority, by rule, shall require a complete disclosure of all persons having a direct or indirect financial interest, and the extent of such interest, in each license issued under this article ~~11~~ PURSUANT TO SECTION 44-10-309 IN CONNECTION WITH EACH LICENSE ISSUED UNDER THIS ARTICLE 10.

~~(2) A person shall not have an unreported financial interest in a license pursuant to this article 11 unless that person has undergone a fingerprint-based criminal history record check as provided for by the state licensing authority in its rules; except that this subsection (2) does not apply to banks or savings and loan associations supervised and regulated by an agency of the state or federal government, or to FHA-approved mortgagees, or to stockholders, directors, or officers thereof.~~

~~(3)~~ (2) This section is intended to prohibit and prevent the control of the outlets for the sale of ~~medical~~ REGULATED marijuana AND REGULATED MARIJUANA PRODUCTS by a person or party other than the persons licensed pursuant to the provisions of this ~~article 11~~ ARTICLE 10.

#### PART 4 LICENSE TYPES

**44-10-401. [Formerly 44-11-401 and similar to 44-12-401] Classes of licenses.** (1) For the purpose of regulating the cultivation, manufacture, distribution, and sale of ~~medical~~ REGULATED marijuana AND REGULATED MARIJUANA PRODUCTS, the state licensing authority in its discretion, upon application in the prescribed form made to it, 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 11~~ ARTICLE 10.

(2) (a) THE FOLLOWING ARE MEDICAL MARIJUANA LICENSES:

(a) (I) Medical marijuana ~~center~~ STORE license;

~~(b)~~ (II) ~~Optional premises cultivation~~ MEDICAL MARIJUANA CULTIVATION FACILITY license;

~~(c)~~ (III) Medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER license;

~~(d)~~ (IV) Medical marijuana testing facility license;

~~(e) Occupational licenses and registrations for owners, managers, operators, employees, contractors, and other support staff employed by, working in, or having access to restricted areas of the licensed premises, as determined by the state licensing authority. Upon receipt of an affirmation under penalty of perjury that the applicant is enrolled in a marijuana-based workforce development or training program operated by an entity licensed under this article 11 or by a school that is authorized by the private occupational school division in Colorado that will require access or employment within a premises licensed pursuant to this article 11 or article 12 of this title 44, the state licensing authority may exempt for up to two years based on the length of the program the residency requirement in section 44-11-310 (6) for a person applying for an occupational license for~~



~~participation in a marijuana-based workforce development or training program. The state licensing authority may take any action with respect to a registration pursuant to this article 11 as it may with respect to a license pursuant to this article 11, in accordance with the procedures established pursuant to this article 11.~~

~~(f)~~ (V) Medical marijuana transporter license;

~~(g)~~ (VI) Medical marijuana business operator license; AND

~~(h)~~ (VII) Marijuana research and development license. ~~and~~

~~(i) Marijuana research and development cultivation license.~~

(b) THE FOLLOWING ARE RETAIL MARIJUANA LICENSES:

(I) RETAIL MARIJUANA STORE LICENSE;

(II) RETAIL MARIJUANA CULTIVATION FACILITY LICENSE;

(III) RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSE;

(IV) RETAIL MARIJUANA TESTING FACILITY LICENSE;

(V) RETAIL MARIJUANA TRANSPORTER LICENSE;

(VI) RETAIL MARIJUANA BUSINESS OPERATOR LICENSE;

(VII) RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE; AND

(VIII) RETAIL MARIJUANA ACCELERATOR MANUFACTURER LICENSE;

(c) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS, MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE STATE LICENSING AUTHORITY. UPON RECEIPT OF AN AFFIRMATION UNDER PENALTY OF PERJURY THAT THE APPLICANT IS ENROLLED IN A MARIJUANA-BASED WORKFORCE DEVELOPMENT OR TRAINING PROGRAM OPERATED BY AN ENTITY LICENSED UNDER THIS ARTICLE 10 OR BY A SCHOOL THAT IS

AUTHORIZED BY THE PRIVATE OCCUPATIONAL SCHOOL DIVISION IN COLORADO THAT WILL REQUIRE ACCESS OR EMPLOYMENT WITHIN A PREMISES LICENSED PURSUANT TO THIS ARTICLE 10, THE STATE LICENSING AUTHORITY MAY EXEMPT FOR UP TO TWO YEARS BASED ON THE LENGTH OF THE PROGRAM THE RESIDENCY REQUIREMENT IN SECTION 44-10-313 (6) FOR A PERSON APPLYING FOR AN OCCUPATIONAL LICENSE FOR PARTICIPATION IN A MARIJUANA-BASED WORKFORCE DEVELOPMENT OR TRAINING PROGRAM. THE STATE LICENSING AUTHORITY MAY TAKE ANY ACTION WITH RESPECT TO A REGISTRATION OR PERMIT PURSUANT TO THIS ARTICLE 10 AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE 10, IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS ARTICLE 10.

~~(1.5)~~ (3) (a) Prior to accepting a court appointment as a receiver, personal representative, executor, administrator, guardian, conservator, trustee, or any other similarly situated person to take possession of, operate, manage, or control a licensed medical marijuana business, the proposed appointee shall certify to the court that the proposed appointee is not prohibited from being issued a medical marijuana license pursuant to ~~section 44-11-306 (1)~~ SECTION 44-10-307 (1). Within the time frame established by rules promulgated by the state licensing authority pursuant to ~~section 44-11-202 (2)(a)(XXVII)~~ SECTION 44-10-203 (2)(q), an appointee shall notify the state and local licensing authorities of the appointment and shall apply to the state licensing authority for a finding of suitability.

(b) Upon notification of an appointment required by ~~subsection (1.5)(a)~~ SUBSECTION (3)(a) of this section, the state licensing authority shall issue a temporary appointee registration to the appointee effective as of the date of the appointment. Pursuant to ~~sections 44-11-202 (1)(a), 44-11-601, and 24-4-104~~ SECTIONS 24-4-104, 44-10-202 (1)(b), AND 44-10-901, the appointee's temporary appointee registration may be suspended, revoked, or subject to other sanction if the state licensing authority finds the appointee to be unsuitable or if the appointee fails to comply with this ~~article 11 or article 12 of this title 44~~ ARTICLE 10, the rules promulgated pursuant thereto, or any order of the state licensing authority. If an appointee's temporary appointee registration is suspended or revoked, the appointee shall immediately cease performing all activities for which a license is required by this ~~article 11~~ ARTICLE 10. For purposes of ~~section 44-11-601 (1)~~ SECTION 44-10-901 (1), the appointee is deemed an agent of the licensed medical marijuana business.

(c) The appointee shall inform the court of any action taken against the temporary appointee registration by the state licensing authority pursuant to ~~section 44-11-601 or 24-4-104~~ SECTION 24-4-104 OR 44-10-901 within two business days of any such action.

(d) Unless otherwise permitted by this ~~article 11~~ ARTICLE 10 and rules promulgated pursuant to this ~~article 11~~ ARTICLE 10, a person shall not take possession of, operate, manage, or control a medical marijuana business on behalf of another except by court appointment and in accordance with this ~~subsection (1.5)~~ SUBSECTION (3) and rules promulgated pursuant thereto.

~~(2)~~ (4) All persons licensed pursuant to this ~~article 11~~ ARTICLE 10 shall collect sales tax on all sales made pursuant to the licensing activities.

~~(3)~~ (5) A state chartered bank or a credit union may loan money to any person licensed pursuant to this ~~article 11~~ ARTICLE 10 for the operation of a licensed MEDICAL OR RETAIL MARIJUANA business. A marijuana financial services cooperative organized pursuant to article 33 of title 11 may accept as a member, loan money to, and accept deposits from any entity licensed pursuant to this ~~article 11~~ ARTICLE 10 for the operation of a licensed MEDICAL OR RETAIL MARIJUANA business.

(6) FOR A PERSON APPLYING FOR AN ACCELERATOR LICENSE, THE STATE LICENSING AUTHORITY SHALL NOT DENY AN APPLICATION ON THE SOLE BASIS OF THE PRIOR MARIJUANA CONVICTION OF THE APPLICANT AND AT ITS DISCRETION MAY WAIVE OTHER REQUIREMENTS.

## PART 5 MEDICAL MARIJUANA LICENSE TYPES

**44-10-501. [Formerly 44-11-402] Medical marijuana store license.** (1) (a) A medical marijuana ~~center~~ STORE license ~~shall~~ MAY be issued only to a person selling medical marijuana pursuant to the terms and conditions of this ~~article 11~~ ARTICLE 10.

(b) The medical marijuana ~~center~~ STORE shall track all of its medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products from the point that they are transferred from a ~~medical marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA CULTIVATION FACILITY or medical

~~marijuana-infused~~ MARIJUANA products manufacturer to the point of sale.

(2) (a) Notwithstanding the provisions of this section, a medical marijuana ~~center~~ STORE licensee may also sell medical ~~marijuana-infused~~ MARIJUANA products that are prepackaged and labeled so as to clearly indicate all of the following:

(I) That the product contains medical marijuana;

(II) That the product is manufactured without any regulatory oversight for health, safety, or efficacy; and

(III) That there may be health risks associated with the consumption or use of the product.

(b) A medical marijuana STORE licensee may contract with a medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee for the manufacture of medical ~~marijuana-infused~~ MARIJUANA products upon a medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee's licensed premises.

(3) (a) Every person selling medical marijuana as provided for in this ~~article 11~~ ARTICLE 10 shall sell only medical marijuana acquired from ~~an optional premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY licensee, medical ~~marijuana-infused~~ MARIJUANA products manufacturer licensee, or another medical marijuana ~~center~~ STORE.

(b) A medical marijuana ~~center~~ STORE may not sell more than two ounces of medical marijuana to a patient or caregiver; except that a medical marijuana ~~center~~ STORE may sell more than two ounces to a patient or caregiver who has been recommended an extended ounce count by his or her recommending physician in accordance with regulations adopted by the state licensing authority.

(c) In addition to medical marijuana, a medical marijuana ~~center~~ STORE may sell no more than six immature plants to a patient; except that a medical marijuana ~~center~~ STORE may sell more than six immature plants, but may not exceed half the recommended plant count, to a patient who has been recommended an expanded plant count by his or her recommending physician in accordance with regulations adopted by the state licensing

authority. A medical marijuana ~~center~~ STORE may sell immature plants to a primary caregiver, another medical marijuana ~~center~~ STORE, or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer pursuant to rules promulgated by the state licensing authority.

(d) A medical marijuana ~~center~~ STORE may sell medical marijuana to another medical marijuana ~~center~~, ~~an optional premises cultivation facility~~ STORE, A MEDICAL MARIJUANA CULTIVATION FACILITY, or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer pursuant to rules promulgated by the state licensing authority.

(e) (I) A MEDICAL MARIJUANA STORE THAT SELLS AN INDUSTRIAL HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A MEDICAL MARIJUANA STORE SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR MEDICAL MARIJUANA PRODUCTS AT A LICENSED MEDICAL MARIJUANA TESTING FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

(II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO A MEDICAL MARIJUANA STORE PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO SECTION 25-5-426.

~~(e)~~ (f) The provisions of this subsection (3) do not apply to medical ~~marijuana-infused~~ MARIJUANA products.

~~(4) Repealed.~~

~~(5)~~ (4) Prior to initiating a sale, the employee of the medical

marijuana ~~center~~ STORE making the sale shall verify that the purchaser has a valid registry identification card issued pursuant to section 25-1.5-106 or a copy of a current and complete new application for the medical marijuana registry administered by the department of public health and environment that is documented by ~~a certified mail return receipt~~ PROOF as having been submitted to the department of public health and environment within the preceding thirty-five days, and a valid picture identification card that matches the name on the registry identification card. A purchaser may not provide a copy of a renewal application in order to make a purchase at a medical marijuana ~~center~~ STORE. A purchaser may only make a purchase using a copy of his or her application from 8 a.m. to 5 p.m., Monday through Friday. If the purchaser presents a copy of his or her application at the time of purchase, the employee must contact the department of public health and environment to determine whether the purchaser's application has been denied. The employee shall not complete the transaction if the purchaser's application has been denied. If the purchaser's application has been denied, the employee ~~shall be~~ IS authorized to confiscate the purchaser's copy of the application and the documentation of ~~the certified mail return receipt~~ PROOF OF SUBMITTAL, if possible, and shall, within seventy-two hours after the confiscation, turn it over to the department of public health and environment or a local law enforcement agency. The failure to confiscate the copy of the application and document of ~~the certified mail return receipt~~ PROOF OF SUBMITTAL or to turn it over to the state health department or a state or local law enforcement agency within seventy-two hours after the confiscation ~~shall not constitute~~ IS NOT a criminal offense.

~~(6)~~ (5) Transactions for the sale of medical marijuana or a medical ~~marijuana-infused~~ MARIJUANA product at a medical marijuana ~~center~~ STORE may be completed by using an automated machine that is in a restricted access area of the ~~center~~ STORE if the machine complies with the rules promulgated by the state licensing authority regarding the transaction of sale of product at a medical marijuana ~~center~~ STORE and the transaction complies with ~~subsection (5)~~ SUBSECTION (4) of this section.

~~(7)~~ (6) A medical marijuana ~~center~~ STORE may provide, except as required by ~~section 44-11-202 (3)(a)(I)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility that has a medical marijuana testing facility license from the state licensing authority for testing and research purposes. A medical marijuana ~~center~~ STORE shall maintain a record of what was

provided to the testing facility, the identity of the testing facility, and the results of the testing.

~~(8) (7) All medical marijuana sold at a licensed medical marijuana center shall be labeled with a list of all chemical additives, including but not limited to nonorganic pesticides, herbicides, and fertilizers, that were used in the cultivation and the production of the medical marijuana.~~

~~(9) (8) A licensed medical marijuana center STORE shall comply with all provisions of article 34 of title 24, as the provisions relate to persons with disabilities.~~

~~(10) (9) Notwithstanding the provisions of section 44-11-901 (4)(f) SECTION 44-10-701 (3)(g), a medical marijuana center STORE may sell below cost or donate to a patient who has been designated indigent by the state health agency or who is in hospice care:~~

~~(a) Medical marijuana; or~~

~~(b) No more than six immature plants; except that a medical marijuana center STORE may sell or donate more than six immature plants, but may not exceed half the recommended plant count, to a patient who has been recommended an expanded plant count by his or her recommending physician; or~~

~~(c) Medical marijuana-infused MARIJUANA products to patients.~~

~~(10) (a) EXCEPT AS PROVIDED IN SUBSECTION (10)(b) OF THIS SECTION, A MEDICAL MARIJUANA STORE SHALL NOT SELL, INDIVIDUALLY OR IN ANY COMBINATION, MORE THAN TWO OUNCES OF MEDICAL MARIJUANA FLOWER, FORTY GRAMS OF MEDICAL MARIJUANA CONCENTRATE, OR MEDICAL MARIJUANA PRODUCTS CONTAINING A COMBINED TOTAL OF TWENTY THOUSAND MILLIGRAMS TO A PATIENT IN A SINGLE BUSINESS DAY.~~

~~(b) (I) A MEDICAL MARIJUANA STORE MAY SELL MEDICAL MARIJUANA FLOWER IN AN AMOUNT THAT EXCEEDS THE SALES LIMITATION ESTABLISHED PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION ONLY TO A PATIENT WHO HAS A PHYSICIAN RECOMMENDATION FOR MORE THAN TWO OUNCES OF FLOWER AND IS REGISTERED WITH THE MEDICAL MARIJUANA STORE.~~

(II) A MEDICAL MARIJUANA STORE MAY SELL MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS IN AN AMOUNT THAT EXCEEDS THE SALES LIMITATION PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION ONLY TO A PATIENT WHO HAS A PHYSICIAN EXEMPTION FROM THE SALES LIMITATION AND IS REGISTERED WITH THE MEDICAL MARIJUANA STORE. A PHYSICIAN MAKING MEDICAL MARIJUANA RECOMMENDATIONS FOR A DEBILITATING MEDICAL CONDITION OR DISABLING MEDICAL CONDITION PURSUANT TO ARTICLE 1.5 OF TITLE 25 MAY EXEMPT A PATIENT FROM THE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS SALES LIMITATION ESTABLISHED IN SUBSECTION (10)(a) OF THIS SECTION. A PHYSICIAN PROVIDING AN EXEMPTION SHALL DOCUMENT AND MAINTAIN THE EXEMPTION IN THE PHYSICIAN'S RECORD-KEEPING SYSTEM FOR THE PATIENT AND SHALL PROVIDE WRITTEN DOCUMENTATION TO THE PATIENT TO ALLOW A MEDICAL MARIJUANA STORE TO VERIFY THE EXEMPTION. THE WRITTEN DOCUMENTATION OF THE EXEMPTION PROVIDED TO A PATIENT MUST, AT A MINIMUM, INCLUDE THE PATIENT'S NAME AND REGISTRY NUMBER, THE PHYSICIAN'S NAME, VALID LICENSE NUMBER, PHYSICAL BUSINESS ADDRESS, ANY ELECTRONIC MAILING ADDRESS, AND PHONE NUMBER. THE STATE HEALTH AGENCY MAY REQUIRE A PHYSICIAN PROVIDING AN EXEMPTION TO THE SALES LIMITATION TO DOCUMENT THE EXEMPTION IN THE MEDICAL MARIJUANA REGISTRY.

(c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO ESTABLISH CERTAIN EXEMPTIONS TO THE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS SALES LIMITATION AND MAY ESTABLISH RECORD-KEEPING REQUIREMENTS FOR MEDICAL MARIJUANA STORES ENGAGING IN SALES TRANSACTIONS PURSUANT TO ANY EXEMPTION TO THE SALES LIMITATION. WHEN ESTABLISHING ANY EXEMPTIONS, THE STATE LICENSING AUTHORITY SHALL CONSULT WITH MEMBERS OF THE MEDICAL MARIJUANA PATIENT COMMUNITY AND PHYSICIANS MAKING MEDICAL MARIJUANA RECOMMENDATIONS PURSUANT TO SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND ARTICLE 1.5 OF TITLE 25.

(d) A MEDICAL MARIJUANA STORE SHALL NOT ENGAGE IN SALES TRANSACTIONS TO THE SAME PATIENT DURING THE SAME BUSINESS DAY WHEN THE MEDICAL MARIJUANA STORE OR ITS EMPLOYEE KNOWS OR REASONABLY SHOULD HAVE KNOWN THAT THE SALES TRANSACTION WOULD RESULT IN THE PATIENT POSSESSING MORE THAN THE SALES LIMITATION ESTABLISHED BY SUBSECTION (10)(a) OF THIS SECTION.



(11) (a) (I) THERE IS AUTHORIZED A MEDICAL MARIJUANA DELIVERY PERMIT TO A MEDICAL MARIJUANA STORE LICENSE AUTHORIZING THE PERMIT HOLDER TO DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS.

(II) A MEDICAL MARIJUANA DELIVERY PERMIT IS VALID FOR ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE MEDICAL MARIJUANA STORE LICENSE.

(III) A MEDICAL MARIJUANA DELIVERY PERMIT ISSUED PURSUANT TO THIS SECTION APPLIES TO ONLY ONE MEDICAL MARIJUANA STORE; EXCEPT THAT, A SINGLE MEDICAL MARIJUANA DELIVERY PERMIT MAY APPLY TO MULTIPLE MEDICAL MARIJUANA STORES PROVIDED THAT THE MEDICAL MARIJUANA STORES ARE IN THE SAME LOCAL JURISDICTION AND ARE IDENTICALLY OWNED, AS DEFINED BY THE STATE LICENSING AUTHORITY FOR PURPOSES OF THIS SECTION.

(IV) THE STATE LICENSING AUTHORITY MAY ISSUE A MEDICAL MARIJUANA DELIVERY PERMIT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A MEDICAL MARIJUANA STORE LICENSE ISSUED PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY HAS DISCRETION IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A MEDICAL MARIJUANA DELIVERY PERMIT. A MEDICAL MARIJUANA DELIVERY PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS DEEMED A REVOCABLE PRIVILEGE OF A LICENSED MEDICAL MARIJUANA STORE. A VIOLATION RELATED TO A MEDICAL MARIJUANA DELIVERY PERMIT IS GROUNDS FOR A FINE OR SUSPENSION OR REVOCATION OF THE DELIVERY PERMIT OR MEDICAL MARIJUANA STORE LICENSE.

(b) A MEDICAL MARIJUANA STORE LICENSEE SHALL NOT MAKE DELIVERIES OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS TO PATIENTS OR PARENTS OR GUARDIANS WHILE ALSO TRANSPORTING MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS BETWEEN LICENSED PREMISES IN THE SAME VEHICLE.

(c) A LICENSED MEDICAL MARIJUANA STORE SHALL CHARGE A ONE-DOLLAR SURCHARGE ON EACH DELIVERY. THE LICENSED MEDICAL MARIJUANA STORE SHALL REMIT THE SURCHARGES COLLECTED ON A MONTHLY BASIS TO THE MUNICIPALITY WHERE THE LICENSED MEDICAL MARIJUANA STORE IS LOCATED, OR TO THE COUNTY IF THE LICENSED

MEDICAL MARIJUANA STORE IS IN AN UNINCORPORATED AREA, FOR LOCAL LAW ENFORCEMENT COSTS RELATED TO MARIJUANA ENFORCEMENT. FAILURE TO COMPLY WITH THIS SUBSECTION (11)(c) MAY RESULT IN NONRENEWAL OF THE MEDICAL MARIJUANA DELIVERY PERMIT.

(d) A LICENSED MEDICAL MARIJUANA STORE WITH A MEDICAL MARIJUANA DELIVERY PERMIT MAY DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS ONLY TO THE PATIENT OR PARENT OR GUARDIAN WHO PLACED THE ORDER AND WHO:

(I) IS A CURRENT REGISTRANT OF THE MEDICAL MARIJUANA PATIENT REGISTRY AND IS TWENTY-ONE YEARS OF AGE OR OLDER OR THE PARENT OR GUARDIAN OF A PATIENT WHO IS ALSO THE PATIENT'S PRIMARY CAREGIVER;

(II) RECEIVES THE DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS PURSUANT TO RULES; AND

(III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

(e) ANY PERSON DELIVERING MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS MUST POSSESS A VALID OCCUPATIONAL LICENSE AND BE A CURRENT EMPLOYEE OF THE LICENSED MEDICAL MARIJUANA STORE OR MEDICAL MARIJUANA TRANSPORTER LICENSEE WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT; MUST HAVE UNDERGONE TRAINING REGARDING PROOF-OF-AGE IDENTIFICATION AND VERIFICATION, INCLUDING ALL FORMS OF IDENTIFICATION THAT ARE DEEMED ACCEPTABLE BY THE STATE LICENSING AUTHORITY; AND MUST HAVE ANY OTHER TRAINING REQUIRED BY THE STATE LICENSING AUTHORITY.

(f) IN ACCORDANCE WITH THIS SUBSECTION (11) AND RULES ADOPTED TO IMPLEMENT THIS SUBSECTION (11), A LICENSED MEDICAL MARIJUANA STORE WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT MAY:

(I) RECEIVE AN ORDER BY ELECTRONIC OR OTHER MEANS FROM A PATIENT OR THE PARENT OR GUARDIAN FOR THE PURCHASE AND DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS. WHEN USING AN ONLINE PLATFORM FOR MARIJUANA DELIVERY, THE PLATFORM MUST REQUIRE THE PATIENT OR PARENT OR GUARDIAN TO CHOOSE A MEDICAL MARIJUANA STORE BEFORE VIEWING THE PRICE.

(II) DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS NOT IN EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY;

(III) DELIVER ONLY TO A PATIENT OR A PARENT OR GUARDIAN AT THE ADDRESS PROVIDED IN THE ORDER;

(IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME PATIENT OR PARENT OR GUARDIAN OR RESIDENCE;

(V) (A) DELIVER ONLY TO PRIVATE RESIDENCES;

(B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES" MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

(VI) DELIVER MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(dd); AND

(VII) USE AN EMPLOYEE TO CONDUCT DELIVERIES, OR CONTRACT WITH A MEDICAL MARIJUANA TRANSPORTER THAT HAS A VALID MEDICAL MARIJUANA DELIVERY PERMIT TO CONDUCT DELIVERIES ON ITS BEHALF, FROM ITS MEDICAL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE.

(g) (I) AT THE TIME OF THE ORDER, THE MEDICAL MARIJUANA STORE SHALL REQUIRE THE PATIENT OR PARENT OR GUARDIAN TO PROVIDE INFORMATION NECESSARY TO VERIFY THE PATIENT IS QUALIFIED TO PURCHASE AND RECEIVE A DELIVERY OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS PURSUANT TO THIS SECTION. THE PROVIDED INFORMATION MUST, AT A MINIMUM, INCLUDE THE FOLLOWING:

(A) THE PATIENT'S NAME AND DATE OF BIRTH;

(B) THE REGISTRATION NUMBER REFLECTED ON THE PATIENT'S REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106;

(C) IF THE PATIENT IS UNDER EIGHTEEN YEARS OF AGE, THE NAME AND DATE OF BIRTH OF THE PARENT OR GUARDIAN DESIGNATED AS THE PATIENT'S PRIMARY CAREGIVER, AND IF APPLICABLE, THE REGISTRATION NUMBER OF THE PRIMARY CAREGIVER;

(D) THE ADDRESS OF THE RESIDENCE WHERE THE ORDER WILL BE DELIVERED; AND

(E) ANY OTHER INFORMATION REQUIRED BY STATE LICENSING AUTHORITY RULE.

(II) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO A PATIENT OR A PARENT OR GUARDIAN, THE PERSON DELIVERING THE ORDER SHALL INSPECT THE PATIENT'S OR PARENT'S OR GUARDIAN'S IDENTIFICATION AND REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106, VERIFY THE POSSESSION OF A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106, AND VERIFY THAT THE INFORMATION PROVIDED AT THE TIME OF THE ORDER MATCHES THE NAME AND AGE ON THE PATIENT'S OR PARENT'S OR GUARDIAN'S IDENTIFICATION.

(h) (I) UNLESS OTHERWISE PROVIDED BY THE STATE LICENSING AUTHORITY BY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10, ALL REQUIREMENTS APPLICABLE TO OTHER LICENSES ISSUED PURSUANT TO THIS ARTICLE 10 APPLY TO THE DELIVERY OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS, INCLUDING BUT NOT LIMITED TO INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING AND LABELING REQUIREMENTS.

(II) THE ADVERTISING REGULATIONS AND PROHIBITIONS ADOPTED PURSUANT TO SECTION 44-10-203 (3)(a) APPLY TO MEDICAL MARIJUANA DELIVERY OPERATIONS PURSUANT TO THIS SUBSECTION (11).

(i) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR CRIMINAL LAW FOR A LICENSED MEDICAL MARIJUANA STORE OR MEDICAL MARIJUANA TRANSPORTER LICENSEE WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT, OR SUCH PERSON WHO HAS MADE TIMELY AND SUFFICIENT APPLICATION FOR THE RENEWAL OF THE PERMIT, OR ITS LICENSEES TO POSSESS, TRANSPORT, AND DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS PURSUANT TO A MEDICAL MARIJUANA DELIVERY PERMIT IN AMOUNTS THAT DO NOT EXCEED AMOUNTS ESTABLISHED BY THE

STATE LICENSING AUTHORITY.

(j) A LOCAL LAW ENFORCEMENT AGENCY MAY REQUEST STATE LICENSING AUTHORITY REPORTS, INCLUDING COMPLAINTS, INVESTIGATIVE ACTIONS, AND FINAL AGENCY ACTION ORDERS, RELATED TO CRIMINAL ACTIVITY MATERIALLY RELATED TO MEDICAL MARIJUANA DELIVERY IN THE LAW ENFORCEMENT AGENCY'S JURISDICTION, AND THE STATE LICENSING AUTHORITY SHALL PROMPTLY PROVIDE ANY REPORTS IN ITS POSSESSION FOR THE LAW ENFORCEMENT AGENCY'S JURISDICTION.

(k) (I) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY AND COUNTY UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, VOTE TO ALLOW THE DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS PURSUANT TO THIS SECTION.

(II) AN ORDINANCE ADOPTED PURSUANT TO SUBSECTION (11)(k)(I) OF THIS SECTION MAY PROHIBIT DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS FROM A MEDICAL MARIJUANA STORE THAT IS OUTSIDE A MUNICIPALITY'S, COUNTY'S, CITY'S, OR CITY AND COUNTY'S JURISDICTIONAL BOUNDARIES TO AN ADDRESS WITHIN ITS JURISDICTIONAL BOUNDARIES.

(l) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IS NOT PERMITTED AT ANY SCHOOL OR ON THE CAMPUS OF ANY INSTITUTION OF HIGHER EDUCATION.

(m) (I) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING MEDICAL MARIJUANA DELIVERY PERMITS TO QUALIFIED MEDICAL MARIJUANA STORE APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2, 2020.

(II) NO LATER THAN JANUARY 2, 2021, THE STATE LICENSING

AUTHORITY SHALL SUBMIT A REPORT TO THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, REGARDING THE NUMBER OF MEDICAL MARIJUANA DELIVERY APPLICATIONS SUBMITTED, THE NUMBER OF MEDICAL MARIJUANA DELIVERY PERMITS ISSUED, ANY FINDINGS BY THE STATE LICENSING AUTHORITY OF CRIMINAL ACTIVITY MATERIALLY RELATED TO MEDICAL MARIJUANA DELIVERY, AND ANY INCIDENT REPORTS THAT INCLUDE FELONY CHARGES MATERIALLY RELATED TO MEDICAL MARIJUANA DELIVERY, WHICH WERE FILED AND REPORTED TO THE STATE LICENSING AUTHORITY BY THE LAW ENFORCEMENT AGENCY, DISTRICT ATTORNEY, OR OTHER AGENCY RESPONSIBLE FOR FILING THE FELONY CHARGES. THE STATE LICENSING AUTHORITY MAY CONSULT WITH THE DIVISION OF CRIMINAL JUSTICE IN THE DEPARTMENT OF PUBLIC SAFETY IN THE COLLECTION AND ANALYSIS OF ADDITIONAL CRIME DATA MATERIALLY RELATED TO MEDICAL MARIJUANA DELIVERY.

(12) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A LICENSED MEDICAL MARIJUANA STORE MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES, INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

**44-10-502. [Formerly 44-11-403] Medical marijuana cultivation facility license - rules - definitions.** (1) ~~An optional premises cultivation facility license~~ A MEDICAL MARIJUANA CULTIVATION FACILITY may be issued only to a person who cultivates medical marijuana for sale and distribution to licensed medical marijuana ~~centers~~ STORES, medical ~~marijuana-infused~~ MARIJUANA products manufacturer licensees, or other ~~optional premises cultivation facilities~~ MEDICAL MARIJUANA CULTIVATION FACILITIES.

(2) ~~An optional premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY shall track the marijuana it cultivates from seed or immature plant to wholesale purchase.

(3) ~~An optional premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY may provide, except as required by ~~section 44-11-202 (3)(a)(f)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility that has a MEDICAL marijuana testing facility license from the state licensing authority for testing and research purposes. ~~An optional premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY shall

maintain a record of what was provided to the testing facility, the identity of the testing facility, and the testing results.

(4) Medical marijuana or medical ~~marijuana-infused~~ MARIJUANA products may not be consumed on the premises of ~~an optional premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY.

(5)(a) A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE MAY PROVIDE A MEDICAL MARIJUANA SAMPLE AND A MEDICAL MARIJUANA CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT. A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (5)(a).

(b) MANAGERS WHO RECEIVE A SAMPLE PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION MUST HAVE A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9).

(c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION IS LIMITED TO ONE GRAM OF MEDICAL MARIJUANA PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY AND ONE-QUARTER GRAM OF A MEDICAL MARIJUANA CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM OF MEDICAL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE FINAL MEDICAL MARIJUANA PRODUCT IS TO BE USED IN A DEVICE THAT CAN DELIVER MEDICAL MARIJUANA CONCENTRATE IN A VAPORIZED FORM TO THE PERSON INHALING FROM THE DEVICE.

(d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES PROMULGATED PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).

(e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM. PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER

RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE CONSTITUTION. THE MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

(f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION, A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

(g) A MANAGER SHALL NOT:

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

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

(h) A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL NOT:

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

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

(i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL REPORTING REQUIRED FOR IMPLEMENTATION. THE MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL MAINTAIN THE INFORMATION REQUIRED BY THIS SUBSECTION (5)(i) ON THE LICENSED PREMISES FOR INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

(j) FOR PURPOSES OF THIS SUBSECTION (5) ONLY, "MANAGER" MEANS AN EMPLOYEE OF THE MEDICAL MARIJUANA BUSINESS WHO HOLDS A VALID



KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE MANAGER OF THE MEDICAL MARIJUANA BUSINESS.

(6)(a) THE STATE LICENSING AUTHORITY MAY ISSUE A CENTRALIZED DISTRIBUTION PERMIT TO A MEDICAL MARIJUANA CULTIVATION FACILITY AUTHORIZING TEMPORARY STORAGE ON ITS LICENSED PREMISES OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS RECEIVED FROM A MEDICAL MARIJUANA PRODUCTS MANUFACTURER FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT HOLDER'S COMMONLY OWNED MEDICAL MARIJUANA STORES. PRIOR TO EXERCISING THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT, A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSED PURSUANT TO THIS SECTION SHALL, AT THE TIME OF APPLICATION TO THE STATE LICENSING AUTHORITY, SEND A COPY OF THE APPLICATION OR SUPPLEMENTAL APPLICATION FOR A CENTRALIZED DISTRIBUTION PERMIT TO THE LOCAL LICENSING AUTHORITY IN THE JURISDICTION IN WHICH THE CENTRALIZED DISTRIBUTION PERMIT IS PROPOSED. THE STATE LICENSING AUTHORITY SHALL NOTIFY THE LOCAL LICENSING AUTHORITY OF ITS DECISION REGARDING THE CENTRALIZED DISTRIBUTION PERMIT.

(b) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL NOT STORE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT FOR MORE THAN NINETY DAYS.

(c) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL NOT ACCEPT ANY MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT UNLESS THE MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS ARE PACKAGED AND LABELED FOR SALE TO A PATIENT AS REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(f) AND (3)(b).

(d) ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS STORED AND PREPARED FOR TRANSPORT ON A MEDICAL MARIJUANA CULTIVATION FACILITY'S LICENSED PREMISES PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE TRANSFERRED TO A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA STORES. ALL TRANSFERS OF

MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS BY A MEDICAL MARIJUANA CULTIVATION FACILITY PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT CONSIDERATION.

(e) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY TO A MEDICAL MARIJUANA CULTIVATION FACILITY APPLY TO ACTIVITIES CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT.

(f) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL TRACK ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE POINT THEY ARE RECEIVED FROM A MEDICAL MARIJUANA PRODUCTS MANUFACTURER TO THE POINT OF TRANSFER TO A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA STORES.

(g) FOR PURPOSES OF THIS SUBSECTION (6) ONLY, "COMMONLY OWNED" MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT LEAST ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT OWNERSHIP IN EACH LICENSE.

(7) A MEDICAL MARIJUANA CULTIVATION FACILITY SHALL ONLY OBTAIN MEDICAL MARIJUANA SEEDS OR IMMATURE PLANTS FROM ITS OWN MEDICAL MARIJUANA, COMMONLY OWNED FROM THE RETAIL MARIJUANA OF AN IDENTICAL DIRECT BENEFICIAL OWNER, OR MARIJUANA THAT IS PROPERLY TRANSFERRED FROM ANOTHER MEDICAL MARIJUANA BUSINESS PURSUANT TO THE INVENTORY TRACKING REQUIREMENTS IMPOSED BY RULE.

(8) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES, INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

**44-10-503. [Formerly 44-11-404] Medical marijuana products manufacturer license - rules - definition.** (1) (a) A medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER license may be issued to a person ~~who~~ THAT manufactures medical ~~marijuana-infused~~ MARIJUANA products, pursuant to the terms and conditions of this ~~article 11~~ ARTICLE 10.

(b) A medical ~~marijuana-infused~~ MARIJUANA products manufacturer may cultivate its own medical marijuana if it obtains a ~~medical marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA CULTIVATION FACILITY license, it may purchase medical marijuana from a medical marijuana ~~center~~ STORE pursuant to subsection (3) of this section, it may purchase medical marijuana from an ~~optional premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION FACILITY licensee, or it may purchase medical marijuana from another medical ~~marijuana-infused~~ MARIJUANA products manufacturer. A medical ~~marijuana-infused~~ MARIJUANA products manufacturer shall track all of its medical marijuana from the point it is either transferred from its ~~medical marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA CULTIVATION FACILITY or the point when it is delivered to the medical ~~marijuana-infused~~ MARIJUANA products manufacturer from a medical marijuana ~~center~~, a ~~medical marijuana optional premises cultivation facility~~ STORE, MEDICAL MARIJUANA CULTIVATION FACILITY licensee, OR a medical ~~marijuana-infused~~ MARIJUANA products manufacturer ~~or one of their medical marijuana optional premises cultivation facilities~~ to the point of transfer to a medical marijuana ~~center~~ STORE or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer OR A MEDICAL MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED A CENTRALIZED DISTRIBUTION PERMIT.

(2) Medical ~~marijuana-infused~~ MARIJUANA products ~~shall~~ MUST be prepared on a licensed premises that is used exclusively for the manufacture and preparation of medical ~~marijuana-infused~~ MARIJUANA products and using equipment that is used exclusively for the manufacture and preparation of medical ~~marijuana-infused~~ MARIJUANA products; except that, subject to rules of the state licensing authority, a medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee may share the same premises as a commonly owned marijuana research and development licensee ~~or marijuana research and development cultivation licensee~~ so long as virtual or physical separation of inventory and research activity is maintained.

(3) A medical ~~marijuana-infused~~ MARIJUANA products manufacturer shall have a written agreement or contract with a medical marijuana ~~center~~ STORE or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer, which contract ~~shall~~ MUST at a minimum set forth the total amount of medical marijuana obtained from the medical marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA products manufacturer to be used in

the manufacturing process, and the total amount of medical ~~marijuana-infused~~ MARIJUANA products to be manufactured from the medical marijuana obtained from the medical marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA products manufacturer. A ~~medical marijuana-infused products manufacturer shall not use medical marijuana from more than five different medical marijuana centers or medical marijuana-infused products manufacturers in total in the production of one medical marijuana-infused product.~~ The medical ~~marijuana-infused~~ MARIJUANA products manufacturer may sell its products to any medical marijuana ~~center~~ STORE or to any medical ~~marijuana-infused~~ MARIJUANA products manufacturer.

(4) All licensed premises on which medical ~~marijuana-infused~~ MARIJUANA products are manufactured ~~shall~~ MUST meet the sanitary standards for medical ~~marijuana-infused~~ MARIJUANA product preparation promulgated pursuant to ~~section 44-11-202 (2)(a)(XII)~~ SECTION 44-10-203 (2)(i).

(5) (a) The medical ~~marijuana-infused~~ MARIJUANA product ~~shall~~ MUST be sealed and conspicuously labeled in compliance with this ~~article 11~~ ARTICLE 10 and any rules promulgated pursuant to this ~~article 11~~ ARTICLE 10. The labeling of medical ~~marijuana-infused~~ MARIJUANA products is a matter of statewide concern.

(b) (I) A MEDICAL MARIJUANA PRODUCTS MANUFACTURER THAT USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A MEDICAL MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A MEDICAL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR MEDICAL MARIJUANA PRODUCTS AT A LICENSED MEDICAL MARIJUANA TESTING FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

(II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON TRANSFERRING

AN INDUSTRIAL HEMP PRODUCT TO A MEDICAL MARIJUANA PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO SECTION 25-5-426.

(6) MEDICAL MARIJUANA OR ~~medical marijuana-infused~~ MARIJUANA products may not be consumed on a premises licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10.

(7) Notwithstanding any other provision of state law, sales of ~~medical marijuana-infused~~ MARIJUANA products shall not be exempt from state or local sales tax.

~~(8) Repealed.~~

~~(9)(a) A medical marijuana-infused products manufacturer may not have more than five hundred medical marijuana plants on its premises or at its optional premises cultivation operation; except that the director of the division that regulates medical marijuana may grant a waiver in excess of five hundred marijuana plants based on the consideration of the factors in subsection (9)(b) of this section.~~

~~(b) The director of the division that regulates medical marijuana shall consider the following factors in determining whether to grant the waiver described in subsection (9)(a) of this section:~~

~~(i) The nature of the products manufactured;~~

~~(ii) The business need;~~

~~(iii) Existing business contracts with licensed medical marijuana centers for the production of medical marijuana-infused products; and~~

~~(iv) The ability to contract with licensed medical marijuana centers for the production of medical marijuana-infused products.~~

~~(10)~~ (8) A medical ~~marijuana-infused~~ MARIJUANA products manufacturer may provide, except as required by ~~section 44-11-202~~ ~~(3)(a)(i)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility that has a medical marijuana testing facility license from the state licensing authority for testing and research purposes. A medical marijuana products manufacturer shall maintain a record of what was provided to the testing facility, the identity of the testing facility, and the results of the testing.

~~(11)~~ (9) A medical ~~marijuana-infused~~ MARIJUANA products manufacturer shall not:

(a) Add any medical marijuana to a food product where the manufacturer of the food product holds a trademark to the food product's name; except that a MEDICAL MARIJUANA PRODUCTS manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the medical ~~marijuana-infused~~ MARIJUANA products manufacturer does not state or advertise to the ~~consumer~~ PATIENT that the final medical ~~marijuana-infused~~ MARIJUANA product contains a trademarked food product;

(b) Intentionally or knowingly label or package a medical ~~marijuana-infused~~ MARIJUANA product in a manner that would cause a reasonable ~~consumer~~ PATIENT confusion as to whether the medical ~~marijuana-infused~~ MARIJUANA product was a trademarked food product; or

(c) Label or package a medical ~~marijuana-infused~~ MARIJUANA product in a manner that violates any federal trademark law or regulation.

~~(12)~~ (10) (a) A medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee may provide a medical marijuana concentrate and a medical ~~marijuana-infused~~ MARIJUANA product sample to no more than five managers employed by the licensee for purposes of quality control and product development. A medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this ~~subsection (12)(a)~~ SUBSECTION (10)(a).

(b) Managers who receive a sample pursuant to ~~subsection (12)(a)~~ SUBSECTION (10)(a) of this section must have a valid registry identification

card issued pursuant to section 25-1.5-106 (9).

(c) A sample authorized pursuant to ~~subsection (12)(a)~~ SUBSECTION (10)(a) of this section is limited to one serving size of edible medical ~~marijuana-infused~~ MARIJUANA product and its applicable equivalent serving size of nonedible medical ~~marijuana-infused~~ MARIJUANA product per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of medical marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of medical marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver medical marijuana concentrate in a vaporized form to the person inhaling from the device.

(d) A sample authorized pursuant to ~~subsection (12)(a)~~ SUBSECTION (10)(a) of this section must be labeled and packaged pursuant to the rules promulgated pursuant to ~~section 44-11-202 (2)(a)(XIV) and (2)(a)(XV)~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(e) A sample provided pursuant to ~~subsection (12)(a)~~ SUBSECTION (10)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.

(f) Prior to a manager receiving a sample pursuant to ~~subsection (12)(a)~~ SUBSECTION (10)(a) of this section, a medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.

(g) A manager shall not:

(I) Receive more than a total of fifteen grams of medical marijuana concentrate or fourteen individual serving-size edibles or its applicable equivalent in nonedible medical ~~marijuana-infused~~ MARIJUANA products per calendar month, regardless of the number of licenses that the manager is associated with; or

(II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.

(h) A medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall not:

(I) Allow a manager to consume the sample on the licensed premises; or

(II) Use the sample as a means of compensation to a manager.

(i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The medical ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall maintain the information required by this ~~subsection (12)(i)~~ SUBSECTION (10)(i) on the licensed premises for inspection by the state and local licensing authorities.

(j) For purposes of this ~~subsection (12)~~ SUBSECTION (10) only, "manager" means an employee of the medical ~~marijuana-business~~ MARIJUANA PRODUCTS MANUFACTURER who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the medical ~~marijuana-business~~ MARIJUANA PRODUCTS MANUFACTURER.

(11) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A LICENSED MEDICAL MARIJUANA PRODUCTS MANUFACTURER MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES, INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

**44-10-504. [Formerly 44-11-405] Medical marijuana testing facility license - rules.** (1) (a) A medical marijuana testing facility license may be issued to a person who performs testing and research on medical marijuana, INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF



ARTICLE 5 OF TITLE 25, for medical marijuana licensees, medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products for marijuana and research development licensees, ~~and marijuana research and development cultivation licensees~~, and marijuana or ~~marijuana-infused~~ MARIJUANA products grown or produced by a registered patient or registered primary caregiver on behalf of a registered patient, upon verification of registration pursuant to section 25-1.5-106 (7)(e) and verification that the patient is a participant in a clinical or observational study conducted by a marijuana research and development licensee, AND INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25. ~~or marijuana research and development cultivation licensee~~. The facility may develop and test medical marijuana products.

(b) The testing of medical marijuana, medical ~~marijuana-infused~~ MARIJUANA products, and medical marijuana concentrate, and the associated standards, is a matter of statewide concern.

(2) The state licensing authority shall promulgate rules pursuant to its authority in ~~section 44-11-202 (1)(b)~~ SECTION 44-10-202 (1)(c) related to acceptable testing and research practices, including but not limited to testing, standards, quality control analysis, equipment certification and calibration, and chemical identification and other substances used in bona fide research methods.

(3) A person who has an interest in a medical marijuana testing facility license from the state licensing authority for testing purposes shall not have any interest in a licensed medical marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer. A person that has an interest in a licensed medical marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer shall not have an interest in a facility that has a medical marijuana testing facility license.

**44-10-505. [Formerly 44-11-406] Medical marijuana transporter**

**license.** (1) (a) A medical marijuana transporter license may be issued to a person to provide logistics, distribution, DELIVERY, and storage of medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products. Notwithstanding any other provisions of law, a medical marijuana transporter license is valid for two years but cannot be transferred with a change of ownership. A licensed medical marijuana transporter is responsible for the medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products once it takes control of the product.

(b) A licensed medical marijuana transporter may contract with multiple licensed medical marijuana businesses.

(c) On and after July 1, 2017, all medical marijuana transporters shall hold a valid medical marijuana transporter license; except that an entity licensed pursuant to this ~~article 11~~ ARTICLE 10 that provides its own distribution is not required to have a medical marijuana transporter license to transport and distribute its products. The state licensing authority shall begin accepting applications after January 1, 2017.

(2) A medical marijuana transporter licensee may maintain a licensed premises to temporarily store medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products and to use as a centralized distribution point. The licensed premises must be located in a jurisdiction that permits the operation of medical marijuana ~~centers~~ STORES. A licensed medical marijuana transporter may store and distribute medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products from this location. A storage facility must meet the same security requirements that are required to obtain a medical marijuana ~~optional premise cultivation~~ CULTIVATION FACILITY license.

(3) A medical marijuana transporter licensee shall use the seed-to-sale tracking system developed pursuant to ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a) to create shipping manifests documenting the transport of medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products throughout the state.

(4) A medical marijuana transporter licensee may:

(a) Maintain and operate one or more warehouses in the state to handle medical marijuana and medical ~~marijuana-infused~~ MARIJUANA

products; and

(b) Deliver medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products on orders previously taken if the place where orders are taken and delivered is licensed.

(5) (a) (I) THERE IS AUTHORIZED A MEDICAL MARIJUANA DELIVERY PERMIT TO A MEDICAL MARIJUANA TRANSPORTER LICENSE AUTHORIZING THE PERMIT HOLDER TO DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS.

(II) A MEDICAL MARIJUANA DELIVERY PERMIT IS VALID FOR ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE MEDICAL MARIJUANA TRANSPORTER LICENSE.

(III) A MEDICAL MARIJUANA DELIVERY PERMIT ISSUED PURSUANT TO THIS SECTION APPLIES TO ONLY ONE MEDICAL MARIJUANA TRANSPORTER; EXCEPT THAT A SINGLE MEDICAL MARIJUANA DELIVERY PERMIT MAY APPLY TO MULTIPLE MEDICAL MARIJUANA TRANSPORTERS IF THE MEDICAL MARIJUANA TRANSPORTERS ARE IN THE SAME LOCAL JURISDICTION AND ARE IDENTICALLY OWNED, AS DEFINED BY THE STATE LICENSING AUTHORITY FOR PURPOSES OF THIS SECTION.

(IV) THE STATE LICENSING AUTHORITY MAY ISSUE A MEDICAL MARIJUANA DELIVERY PERMIT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A MEDICAL MARIJUANA TRANSPORTER LICENSE ISSUED PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY HAS DISCRETION IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A MEDICAL MARIJUANA DELIVERY PERMIT. A MEDICAL MARIJUANA DELIVERY PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS DEEMED A REVOCABLE PRIVILEGE OF A LICENSED MEDICAL MARIJUANA TRANSPORTER. A VIOLATION RELATED TO A MEDICAL MARIJUANA DELIVERY PERMIT IS GROUNDS FOR A FINE OR SUSPENSION OR REVOCATION OF THE DELIVERY PERMIT OR MEDICAL MARIJUANA TRANSPORTER LICENSE.

(b) A MEDICAL MARIJUANA TRANSPORTER LICENSEE SHALL NOT MAKE DELIVERIES OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS TO PATIENTS OR PARENTS OR GUARDIANS WHILE ALSO TRANSPORTING MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS

BETWEEN LICENSED PREMISES IN THE SAME VEHICLE.

(c) A LICENSED MEDICAL MARIJUANA TRANSPORTER WITH A MEDICAL MARIJUANA DELIVERY PERMIT MAY DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS ON BEHALF OF A MEDICAL MARIJUANA STORE ONLY TO THE PATIENT OR PARENT OR GUARDIAN WHO PLACED THE ORDER WITH A MEDICAL MARIJUANA STORE AND WHO:

(I) IS A CURRENT REGISTRANT OF THE MEDICAL MARIJUANA PATIENT REGISTRY AND IS TWENTY-ONE YEARS OF AGE OR OLDER OR THE PARENT OR GUARDIAN OF A PATIENT WHO IS ALSO THE PATIENT'S PRIMARY CAREGIVER;

(II) RECEIVES THE DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS PURSUANT TO RULES; AND

(III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

(d) IN ACCORDANCE WITH THIS SUBSECTION (5) AND RULES ADOPTED TO IMPLEMENT THIS SUBSECTION (5), A LICENSED MEDICAL MARIJUANA TRANSPORTER WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT MAY:

(I) NOT ACCEPT ORDERS ON BEHALF OF A MEDICAL MARIJUANA STORE AND MAY ONLY PICK UP ALREADY PACKAGED MEDICAL MARIJUANA DELIVERY ORDERS FROM A MEDICAL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE AND DELIVER THOSE ORDERS TO THE APPROPRIATE PATIENT, PARENT, OR GUARDIAN;

(II) DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS NOT IN EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY;

(III) DELIVER ONLY TO A PATIENT OR PARENT OR GUARDIAN AT THE ADDRESS PROVIDED IN THE ORDER;

(IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME PATIENT OR RESIDENCE;

(V) (A) DELIVER ONLY TO A PRIVATE RESIDENCE;

(B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES" MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

(VI) DELIVER MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(dd); AND

(VII) USE AN EMPLOYEE TO CONDUCT DELIVERIES ON BEHALF OF, AND PURSUANT TO A CONTRACT WITH, A MEDICAL MARIJUANA STORE THAT HAS A VALID MEDICAL MARIJUANA DELIVERY PERMIT FROM ITS MEDICAL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE.

(e) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO A PATIENT OR A PARENT OR GUARDIAN, THE PERSON DELIVERING THE ORDER SHALL INSPECT THE PATIENT'S OR PARENT'S OR GUARDIAN'S IDENTIFICATION AND REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106, VERIFY THE POSSESSION OF A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106, AND VERIFY THAT THE INFORMATION PROVIDED AT THE TIME OF THE ORDER MATCHES THE NAME AND AGE ON THE PATIENT'S OR PARENT'S OR GUARDIAN'S IDENTIFICATION.

(f) ANY PERSON DELIVERING MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS FOR A MEDICAL MARIJUANA TRANSPORTER MUST POSSESS A VALID OCCUPATIONAL LICENSE AND BE A CURRENT EMPLOYEE OF THE MEDICAL MARIJUANA TRANSPORTER LICENSEE WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT; MUST HAVE UNDERGONE TRAINING REGARDING PROOF-OF-AGE IDENTIFICATION AND VERIFICATION, INCLUDING ALL FORMS OF IDENTIFICATION THAT ARE DEEMED ACCEPTABLE BY THE STATE LICENSING AUTHORITY; AND MUST HAVE ANY OTHER TRAINING REQUIRED BY THE STATE LICENSING AUTHORITY.

(g) (I) UNLESS OTHERWISE PROVIDED BY THE STATE LICENSING AUTHORITY BY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10, ALL REQUIREMENTS APPLICABLE TO OTHER LICENSES ISSUED PURSUANT TO THIS ARTICLE 10 APPLY TO THE DELIVERY OF MEDICAL MARIJUANA AND MEDICAL

MARIJUANA PRODUCTS, INCLUDING BUT NOT LIMITED TO INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING AND LABELING REQUIREMENTS.

(II) THE ADVERTISING REGULATIONS AND PROHIBITIONS ADOPTED PURSUANT TO SECTION 44-10-203 (3)(a) APPLY TO MEDICAL MARIJUANA DELIVERY OPERATIONS PURSUANT TO THIS SUBSECTION (5).

(h) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR CRIMINAL LAW FOR A LICENSED MEDICAL MARIJUANA TRANSPORTER LICENSEE WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT, OR SUCH PERSON WHO HAS MADE TIMELY AND SUFFICIENT APPLICATION FOR THE RENEWAL OF THE PERMIT, OR ITS LICENSEES TO POSSESS, TRANSPORT, AND DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS PURSUANT TO A MEDICAL MARIJUANA DELIVERY PERMIT IN AMOUNTS THAT DO NOT EXCEED AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

(i) (I) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY AND COUNTY UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, VOTE TO ALLOW THE DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS PURSUANT TO THIS SECTION.

(II) AN ORDINANCE ADOPTED PURSUANT TO SUBSECTION (5)(i)(I) OF THIS SECTION MAY PROHIBIT DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS FROM A MEDICAL MARIJUANA STORE THAT IS OUTSIDE A MUNICIPALITY'S, COUNTY'S, CITY'S, OR CITY AND COUNTY'S JURISDICTIONAL BOUNDARIES TO AN ADDRESS WITHIN ITS JURISDICTIONAL BOUNDARIES.

(j) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING MEDICAL MARIJUANA DELIVERY PERMITS TO QUALIFIED MEDICAL MARIJUANA

TRANSPORTER APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2, 2021.

**44-10-506. [Formerly 44-11-407] Medical marijuana business operator license.** A medical marijuana business operator license may be issued to an entity or person who operates a medical marijuana ~~establishment~~ BUSINESS licensed pursuant to this ~~article 11~~ ARTICLE 10, for ~~an owner~~ ANOTHER MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS licensed pursuant to this ~~article 11~~ ARTICLE 10, and who may receive a portion of the profits as compensation.

**44-10-507. [Formerly 44-11-408] Marijuana research and development license.** (1) ~~(a)~~ A marijuana research and development license may be issued to a person to ~~possess marijuana for the limited research purposes identified in subsection (2) of this section~~ GROW, CULTIVATE, POSSESS, AND TRANSFER, BY SALE OR DONATION, MARIJUANA PURSUANT TO SECTION 44-10-203 (1)(i) OR SUBSECTION (4) OF THIS SECTION FOR THE LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION (2) OF THIS SECTION.

~~(b) A marijuana research and development cultivation license may be issued to a person to grow, cultivate, possess, and transfer, by sale or donation, marijuana pursuant to section 44-11-202 (2)(a)(XXVI) or subsection (4) of this section for the limited research purposes identified in subsection (2) of this section.~~

(2) A license identified in subsection (1) of this section may be issued for the following limited research purposes:

(a) To test chemical potency and composition levels;

(b) To conduct clinical investigations of marijuana-derived medicinal products;

(c) To conduct research on the efficacy and safety of administering marijuana as part of medical treatment;

(d) To conduct genomic, horticultural, or agricultural research; and

(e) To conduct research on marijuana-affiliated products or systems.

(3) (a) As part of the application process for a marijuana research and development license, ~~or marijuana research and development cultivation license~~; an applicant shall submit to the state licensing authority a description of the research that the applicant intends to conduct and whether the research will be conducted with a public institution or using public money. If the research will not be conducted with a public institution or with public money, the state licensing authority shall grant the application if it determines that the application meets the criteria in subsection (2) of this section.

(b) If the research will be conducted with a public institution or public money, the scientific advisory council established in section 25-1.5-106.5 (3) shall review an applicant's research project to determine that it meets the requirements of subsection (2) of this section and to assess the following:

(I) The project's quality, study design, value, or impact;

(II) Whether the applicant has the appropriate personnel; expertise; facilities; infrastructure; funding; and human, animal, or other approvals in place to successfully conduct the project; and

(III) Whether the amount of marijuana to be grown by the applicant is consistent with the project's scope and goals.

(c) If the scientific advisory council determines that the research project does not meet the requirements of subsection (2) of this section or assesses the criteria in this subsection (3) to be inadequate, the application must be denied.

(4) A marijuana research and development ~~cultivation~~ licensee may only transfer, by sale or donation, marijuana grown within its operation to other marijuana research and development licensees. ~~or marijuana research and development cultivation licensees~~. The state licensing authority may ~~revoke~~ IMPOSE SANCTIONS ON a marijuana research and development ~~cultivation~~ license for violations of this subsection (4) and any other violation of this ~~article~~ ~~††~~ ARTICLE 10.

(5) A marijuana research and development licensee ~~or marijuana research and development cultivation licensee~~ may contract to perform



research in conjunction with a public higher education research institution or another marijuana research and development licensee. ~~or marijuana research and development cultivation licensee.~~

(6) The growing, cultivating, possessing, or transferring, by sale or donation, of marijuana in accordance with this section and the rules adopted pursuant to it, by a marijuana research and development licensee, ~~or marijuana research and development cultivation licensee,~~ is not a criminal or civil offense under state law. A marijuana research and development license ~~or marijuana research and development cultivation license~~ must be issued in the name of the applicant and must specify the location in Colorado at which the marijuana research and development licensee ~~or marijuana research and development cultivation licensee~~ intends to operate. A marijuana research and development licensee ~~or marijuana research and development cultivation licensee~~ shall not allow any other person to exercise the privilege of the license.

(7) If the research conducted includes a public institution or public money, the scientific advisory council shall review any reports made by marijuana research and development licensees ~~and marijuana research and development cultivation licensees~~ under state licensing authority rule and provide the state licensing authority with its determination on whether the research project continues to meet research qualifications pursuant to this section.

## PART 6 RETAIL MARIJUANA LICENSE TYPES

**44-10-601. [Formerly 44-12-402] Retail marijuana store license - rules - definition.** (1) (a) A retail marijuana store license ~~shall~~ MAY be issued only to a person selling retail marijuana or retail marijuana products pursuant to the terms and conditions of this ~~article 12~~ ARTICLE 10.

(b) A retail marijuana store may cultivate its own retail marijuana if it obtains a retail marijuana cultivation facility license, or it may purchase retail marijuana from a licensed retail marijuana cultivation facility.

(c) A retail marijuana store shall not accept any retail marijuana purchased from a retail marijuana cultivation facility 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.

(d) The retail marijuana store 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.

(2) (a) Notwithstanding the provisions of this section, a retail marijuana store licensee may also sell retail marijuana products that are prepackaged and labeled as required by rules of the state licensing authority pursuant to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(b) A retail marijuana store licensee may transact with a retail marijuana products ~~manufacturing~~ MANUFACTURER licensee for the purchase of retail marijuana products upon a retail marijuana products ~~manufacturing~~ MANUFACTURER licensee's licensed premises or a retail marijuana store's licensed premises.

(3) (a) (I) A retail marijuana store may not sell more than one ounce of retail marijuana or its equivalent in retail marijuana products, including retail marijuana concentrate, except for nonedible, nonpsychoactive retail marijuana products, including ointments, lotions, balms, and other nontransdermal topical products, during a single transaction to a person.

(II) As used in this subsection (3)(a), "equivalent in retail marijuana products" has the same meaning as established by the state licensing authority by rule pursuant to ~~section 44-12-202 (3)(b)~~ SECTION 44-10-203 (4).

(b) (I) Prior to initiating a sale, the employee of the retail marijuana store making the sale shall verify that the purchaser has a valid identification card showing the purchaser is twenty-one years of age or older. If a person under twenty-one years of age presents a fraudulent proof of age, any action relying on the fraudulent proof of age shall not be grounds for the revocation or suspension of any license issued under this ~~article 12~~ ARTICLE 10.

(II) (A) If a retail marijuana store licensee or employee has reasonable cause to believe that a person is under twenty-one years of age and is exhibiting fraudulent proof of age in an attempt to obtain any retail

marijuana or ~~marijuana-infused~~ MARIJUANA product, the licensee or employee is authorized to confiscate such fraudulent proof of age, if possible, and shall, within seventy-two hours after the confiscation, remit to a state or local law enforcement agency. The failure to confiscate such fraudulent proof of age or to remit to a state or local law enforcement agency within seventy-two hours after the confiscation does not constitute a criminal offense.

(B) If a retail marijuana store licensee or employee believes that a person is under twenty-one years of age and is exhibiting fraudulent proof of age in an attempt to obtain any retail marijuana or retail ~~marijuana-infused~~ MARIJUANA product, the licensee or employee or any peace or police officer, acting in good faith and upon probable cause based upon reasonable grounds therefor, may detain and question such person in a reasonable manner for the purpose of ascertaining whether the person is guilty of any unlawful act regarding the purchase of retail marijuana. The questioning of a person by an employee or a peace or police officer does not render the licensee, the employee, or the peace or police officer civilly or criminally liable for slander, false arrest, false imprisonment, malicious prosecution, or unlawful detention.

(c) (I) A RETAIL MARIJUANA STORE THAT SELLS AN INDUSTRIAL HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A RETAIL MARIJUANA STORE SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

(II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA STORE PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL

REPORT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO SECTION 25-5-426.

(4) A retail marijuana store may provide, except as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility that has a marijuana testing facility license from the state licensing authority for testing and research purposes. A retail marijuana store shall maintain a record of what was provided to the testing facility, the identity of the testing facility, and the results of the testing.

(5) All retail marijuana and retail marijuana products sold at a licensed retail marijuana store shall be packaged and labeled as required by rules of the state licensing authority pursuant to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(6) A licensed retail marijuana store shall comply with all provisions of article 34 of title 24, as the provisions relate to persons with disabilities.

(7) (a) A licensed retail marijuana store may only sell retail marijuana, retail marijuana products, marijuana accessories, nonconsumable products such as apparel, and marijuana related products such as childproof packaging containers, but ~~shall be~~ IS prohibited from selling or giving away any consumable product, including but not limited to cigarettes or alcohol, or edible product that does not contain marijuana, including but not limited to sodas, candies, or baked goods; EXCEPT THAT A RETAIL MARIJUANA STORE MAY SELL INDUSTRIAL HEMP PRODUCTS.

(b) A licensed retail marijuana store may not sell any retail marijuana or retail marijuana products that contain nicotine or alcohol, if the sale of the alcohol would require a license pursuant to article 3 or 4 of this title 44.

(c) A licensed retail marijuana store shall not sell retail marijuana or retail marijuana products over the internet nor deliver retail marijuana or retail marijuana products to a person not physically present in the retail marijuana store's licensed premises.

(8) The premises of a licensed retail marijuana store is the only place where an automatic dispensing machine that contains retail marijuana

or retail marijuana products may be located. If a licensed retail marijuana store uses an automatic dispensing machine that contains retail marijuana and retail marijuana products, it must comply with the regulations promulgated by the state licensing authority for its use.

(9) Retail marijuana or retail marijuana products may not be consumed on the premises of a retail marijuana store.

(10) Notwithstanding any other provision of state law, sales of retail marijuana and retail marijuana products are not exempt from state or local sales tax.

(11) A display case containing marijuana concentrate must include the potency of the marijuana concentrate next to the name of the product.

(12) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A LICENSED RETAIL MARIJUANA STORE MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES, INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

(13) (a) (I) THERE IS AUTHORIZED A RETAIL MARIJUANA DELIVERY PERMIT TO A RETAIL MARIJUANA STORE LICENSE AUTHORIZING THE PERMIT HOLDER TO DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS.

(II) A RETAIL MARIJUANA DELIVERY PERMIT IS VALID FOR ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE RETAIL MARIJUANA STORE LICENSE OR RETAIL MARIJUANA TRANSPORTER LICENSE.

(III) A RETAIL MARIJUANA DELIVERY PERMIT ISSUED PURSUANT TO THIS SECTION APPLIES TO ONLY ONE RETAIL MARIJUANA STORE; EXCEPT THAT A SINGLE RETAIL MARIJUANA DELIVERY PERMIT MAY APPLY TO MULTIPLE RETAIL MARIJUANA STORES IF THE RETAIL MARIJUANA STORES ARE IN THE SAME LOCAL JURISDICTION AND ARE IDENTICALLY OWNED, AS DEFINED BY THE STATE LICENSING AUTHORITY FOR PURPOSES OF THIS SECTION.

(IV) THE STATE LICENSING AUTHORITY MAY ISSUE A RETAIL MARIJUANA DELIVERY PERMIT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A RETAIL MARIJUANA STORE LICENSE ISSUED PURSUANT TO THIS ARTICLE 10. A PERMIT APPLICANT

IS PROHIBITED FROM DELIVERING RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS WITHOUT STATE AND LOCAL JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF THE STATE LICENSING AUTHORITY APPROVAL, THE STATE PERMIT EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED PERMIT. THE STATE LICENSING AUTHORITY HAS DISCRETION IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A RETAIL MARIJUANA DELIVERY PERMIT. A RETAIL MARIJUANA DELIVERY PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS DEEMED A REVOCABLE PRIVILEGE OF A LICENSED RETAIL MARIJUANA STORE OR RETAIL MARIJUANA TRANSPORTER LICENSEE. A VIOLATION RELATED TO A RETAIL MARIJUANA DELIVERY PERMIT IS GROUNDS FOR A FINE OR SUSPENSION OR REVOCATION OF THE DELIVERY PERMIT OR RETAIL MARIJUANA STORE LICENSE.

(b) A RETAIL MARIJUANA STORE LICENSEE SHALL NOT MAKE DELIVERIES OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO INDIVIDUALS WHILE ALSO TRANSPORTING RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS BETWEEN LICENSED PREMISES IN THE SAME VEHICLE.

(c) THE LICENSED RETAIL MARIJUANA STORE SHALL CHARGE A ONE-DOLLAR SURCHARGE ON EACH DELIVERY. THE LICENSED RETAIL MARIJUANA STORE SHALL REMIT THE SURCHARGES COLLECTED ON A MONTHLY BASIS TO THE MUNICIPALITY WHERE THE LICENSED RETAIL MARIJUANA STORE IS LOCATED, OR TO THE COUNTY IF THE LICENSED RETAIL MARIJUANA STORE IS IN AN UNINCORPORATED AREA, FOR LOCAL LAW ENFORCEMENT COSTS RELATED TO MARIJUANA ENFORCEMENT. FAILURE TO COMPLY WITH THIS SUBSECTION (13)(c) MAY RESULT IN NONRENEWAL OF THE RETAIL MARIJUANA DELIVERY PERMIT.

(d) A LICENSED RETAIL MARIJUANA STORE WITH A RETAIL MARIJUANA DELIVERY PERMIT MAY DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS ONLY TO THE INDIVIDUAL WHO PLACED THE ORDER AND WHO:

(I) IS TWENTY-ONE YEARS OF AGE OR OLDER;

(II) RECEIVES THE DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO RULES; AND

(III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

(e) ANY PERSON DELIVERING RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS MUST POSSESS A VALID OCCUPATIONAL LICENSE AND BE A CURRENT EMPLOYEE OF THE LICENSED RETAIL MARIJUANA STORE OR RETAIL MARIJUANA TRANSPORTER LICENSEE WITH A VALID RETAIL MARIJUANA DELIVERY PERMIT; MUST HAVE UNDERGONE TRAINING REGARDING PROOF-OF-AGE IDENTIFICATION AND VERIFICATION, INCLUDING ALL FORMS OF IDENTIFICATION THAT ARE DEEMED ACCEPTABLE BY THE STATE LICENSING AUTHORITY; AND MUST HAVE ANY OTHER TRAINING REQUIRED BY THE STATE LICENSING AUTHORITY.

(f) IN ACCORDANCE WITH THIS SUBSECTION (13) AND RULES ADOPTED TO IMPLEMENT THIS SUBSECTION (13), A LICENSED RETAIL MARIJUANA STORE WITH A VALID RETAIL MARIJUANA DELIVERY PERMIT MAY:

(I) RECEIVE AN ORDER THROUGH ELECTRONIC OR OTHER MEANS FOR THE PURCHASE AND DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS. WHEN USING AN ONLINE PLATFORM FOR MARIJUANA DELIVERY, THE PLATFORM MUST REQUIRE THE INDIVIDUAL TO CHOOSE A RETAIL MARIJUANA STORE BEFORE VIEWING THE PRICE.

(II) DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS NOT IN EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY;

(III) DELIVER ONLY TO AN INDIVIDUAL AT THE ADDRESS PROVIDED IN THE ORDER;

(IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME INDIVIDUAL OR RESIDENCE;

(V) (A) DELIVER ONLY TO PRIVATE RESIDENCES;

(B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES" MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

(VI) DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(dd); AND

(VII) USE AN EMPLOYEE TO CONDUCT DELIVERIES, OR CONTRACT WITH A RETAIL MARIJUANA TRANSPORTER THAT HAS A VALID RETAIL MARIJUANA DELIVERY PERMIT TO CONDUCT DELIVERIES ON ITS BEHALF, FROM ITS RETAIL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE.

(g) (I) AT THE TIME OF THE ORDER, THE RETAIL MARIJUANA STORE SHALL REQUIRE THE INDIVIDUAL TO PROVIDE INFORMATION NECESSARY TO VERIFY THE INDIVIDUAL IS AT LEAST TWENTY-ONE YEARS OF AGE. THE PROVIDED INFORMATION MUST, AT A MINIMUM, INCLUDE THE FOLLOWING:

(A) THE INDIVIDUAL'S NAME AND DATE OF BIRTH;

(B) THE ADDRESS OF THE RESIDENCE WHERE THE ORDER WILL BE DELIVERED; AND

(C) ANY OTHER INFORMATION REQUIRED BY STATE LICENSING AUTHORITY RULE.

(II) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO AN INDIVIDUAL, THE PERSON DELIVERING THE ORDER SHALL INSPECT THE INDIVIDUAL'S IDENTIFICATION AND VERIFY THAT THE INFORMATION PROVIDED AT THE TIME OF THE ORDER MATCHES THE NAME AND AGE ON THE INDIVIDUAL'S IDENTIFICATION.

(h) (I) UNLESS OTHERWISE PROVIDED BY THE STATE LICENSING AUTHORITY BY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10, ALL REQUIREMENTS APPLICABLE TO OTHER LICENSES ISSUED PURSUANT TO THIS ARTICLE 10 APPLY TO THE DELIVERY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS, INCLUDING BUT NOT LIMITED TO INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING AND LABELING REQUIREMENTS.

(II) THE ADVERTISING REGULATIONS AND PROHIBITIONS ADOPTED PURSUANT TO SECTION 44-10-203 (3)(a) APPLY TO RETAIL MARIJUANA



DELIVERY OPERATIONS PURSUANT TO THIS SUBSECTION (13).

(i) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR CRIMINAL LAW FOR A LICENSED RETAIL MARIJUANA STORE OR RETAIL MARIJUANA TRANSPORTER LICENSEE WITH A VALID RETAIL MARIJUANA DELIVERY PERMIT, OR SUCH PERSON WHO HAS MADE TIMELY AND SUFFICIENT APPLICATION FOR THE RENEWAL OF THE PERMIT, OR ITS LICENSEES TO POSSESS, TRANSPORT, AND DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO A RETAIL MARIJUANA DELIVERY PERMIT IN AMOUNTS THAT DO NOT EXCEED AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

(j) A LOCAL LAW ENFORCEMENT AGENCY MAY REQUEST STATE LICENSING AUTHORITY REPORTS, INCLUDING COMPLAINTS, INVESTIGATIVE ACTION, AND FINAL AGENCY ACTION ORDERS, RELATED TO CRIMINAL ACTIVITY MATERIALLY RELATED TO RETAIL MARIJUANA DELIVERY IN THE LAW ENFORCEMENT AGENCY'S JURISDICTION, AND THE STATE LICENSING AUTHORITY SHALL PROMPTLY PROVIDE ANY REPORTS IN ITS POSSESSION FOR THE LAW ENFORCEMENT AGENCY'S JURISDICTION.

(k) (I) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY AND COUNTY UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, VOTE TO ALLOW THE DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO THIS SECTION.

(II) AN ORDINANCE ADOPTED PURSUANT TO SUBSECTION (13)(k)(I) OF THIS SECTION MAY PROHIBIT DELIVERY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA STORE THAT IS OUTSIDE A MUNICIPALITY'S, COUNTY'S, CITY'S, OR CITY AND COUNTY'S JURISDICTIONAL BOUNDARIES TO AN ADDRESS WITHIN ITS JURISDICTIONAL BOUNDARIES.

(l) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IS NOT PERMITTED AT ANY SCHOOL OR ON THE CAMPUS OF ANY INSTITUTION OF HIGHER EDUCATION.

(m) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING RETAIL MARIJUANA DELIVERY PERMITS TO QUALIFIED RETAIL MARIJUANA STORE APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2, 2021.

**44-10-602. [Formerly 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 MANUFACTURER licensees, or other retail marijuana cultivation facilities.

(2) A retail marijuana cultivation facility shall remit any applicable excise tax due in accordance with article 28.8 of title 39, based on the average wholesale prices set by the state licensing authority.

(3) A retail marijuana cultivation facility shall track the marijuana it cultivates from seed or immature plant to wholesale purchase. Prior to delivery of any sold retail marijuana, the retail marijuana cultivation facility shall provide evidence that it paid any applicable excise tax on the retail marijuana due pursuant to article 28.8 of title 39.

(4) A retail marijuana cultivation facility may provide, except as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility that has a RETAIL marijuana testing facility license from the state licensing authority for testing and research purposes. A retail marijuana cultivation facility shall maintain a record of what was provided to the testing facility, the identity of the testing facility, and the testing results.

(5) Retail marijuana or retail marijuana products may not be consumed on the premises of a retail marijuana cultivation facility.

(6) (a) A retail marijuana cultivation facility licensee may provide a retail marijuana sample and a retail marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality

control and product development. A retail marijuana cultivation facility licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (6)(a).

(b) An excise tax shall be levied and collected on the sample of unprocessed retail marijuana by a retail marijuana cultivation facility. The excise tax must be calculated based on the average market rate of the unprocessed retail marijuana.

(c) A sample authorized pursuant to subsection (6)(a) of this section is limited to one gram of retail marijuana per batch as defined in rules promulgated by the state licensing authority, and one-quarter gram of a retail marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of retail marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver retail marijuana concentrate in a vaporized form to the person inhaling from the device.

(d) A sample authorized pursuant to subsection (6)(a) of this section must be labeled and packaged pursuant to the rules promulgated pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(e) A sample provided pursuant to subsection (6)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The retail marijuana cultivation facility licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.

(f) Prior to a manager receiving a sample pursuant to subsection (6)(a) of this section, a retail marijuana cultivation facility licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.

(g) A manager shall not:

(I) Receive more than one ounce total of retail marijuana or eight grams of retail marijuana concentrate samples per calendar month, regardless of the number of licenses that the manager is associated with; or

(II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.

(h) A retail marijuana cultivation facility licensee shall not:

(I) Allow a manager to consume the sample on the licensed premises; or

(II) Use the sample as a means of compensation to a manager.

(i) The state licensing authority may establish additional inventory tracking and record keeping, including additional reporting required for implementation. The retail marijuana cultivation facility licensee shall maintain the information required by this subsection (6)(i) on the licensed premises for inspection by the state and local licensing authorities.

(j) For purposes of this subsection (6) only, "manager" means an employee of the retail marijuana ~~business~~ CULTIVATION FACILITY who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the retail marijuana ~~business~~ CULTIVATION FACILITY.

(7) (a) The state licensing authority may issue a centralized distribution permit to a retail marijuana cultivation facility authorizing temporary storage on its licensed premises of retail marijuana concentrate and retail marijuana products received from a retail marijuana ~~establishment~~ BUSINESS for the sole purpose of transfer to the permit holder's commonly owned retail marijuana stores. Prior to exercising the privileges of a centralized distribution permit, a retail marijuana cultivation facility licensed pursuant to this section shall, at the time of application to the state licensing authority, send a copy of the application or supplemental application for a centralized distribution permit to the local jurisdiction in which the centralized distribution permit is proposed. The state licensing authority shall notify the local jurisdiction of its decision regarding the

centralized distribution permit.

(b) A retail marijuana cultivation facility shall not store retail marijuana concentrate or retail marijuana products pursuant to a centralized distribution permit for more than ninety days.

(c) A retail marijuana cultivation facility shall not accept any retail marijuana concentrate or retail marijuana products pursuant to a centralized distribution permit unless the retail marijuana concentrate and retail marijuana products are packaged and labeled for sale to a consumer as required by rules promulgated by the state licensing authority pursuant to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(d) All retail marijuana concentrate and retail marijuana products stored and prepared for transport on a retail marijuana cultivation facility's licensed premises pursuant to a centralized distribution permit must only be transferred to a retail marijuana cultivation facility licensee's commonly owned retail marijuana stores. All transfers of retail marijuana concentrate and retail marijuana products by a retail marijuana cultivation facility pursuant to a centralized distribution permit are without consideration.

(e) All security and surveillance requirements that apply to a retail marijuana cultivation facility apply to activities conducted pursuant to the privileges of a centralized distribution permit.

(f) A retail marijuana cultivation facility shall track all retail marijuana concentrate and retail marijuana products possessed pursuant to a centralized distribution permit in the seed-to-sale tracking system from the point it is received from a retail marijuana ~~establishment~~ BUSINESS to the point of transfer to a retail marijuana cultivation facility licensee's commonly owned retail marijuana stores.

(g) For purposes of this section only, "commonly owned" means licenses that have an ownership structure with at least one natural person with a minimum of five percent ownership in each license.

(8) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES, INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

(9) AN ACCELERATOR CULTIVATOR LICENSEE MAY OPERATE ON THE PREMISES OF A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE IF BEFORE EACH ACCELERATOR LICENSEE OPERATES, THE RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE HAS ITS PREMISES ENDORSED PURSUANT TO RULE AND EACH ACCELERATOR LICENSEE IS LICENSED TO OPERATE ON THAT PREMISES.

(10) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT HOSTS AN ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR LICENSEE OPERATING ON ITS PREMISES. A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE THAT HOSTS AN ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE CAPITAL ASSISTANCE TO AN ACCELERATOR LICENSEE OPERATING ON ITS PREMISES.

(11) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT HOSTS AN ACCELERATOR LICENSEE, PURSUANT TO RULE AND AGENCY DISCRETION, MAY BE ELIGIBLE FOR REDUCTION IN LICENSE FEES OR OTHER INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

(12) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL ONLY OBTAIN RETAIL MARIJUANA SEEDS OR IMMATURE PLANTS FROM ITS OWN RETAIL MARIJUANA, COMMONLY OWNED FROM THE MEDICAL MARIJUANA OF AN IDENTICAL DIRECT BENEFICIAL OWNER, OR MARIJUANA THAT IS PROPERLY TRANSFERRED FROM ANOTHER RETAIL MARIJUANA BUSINESS PURSUANT TO THE INVENTORY TRACKING REQUIREMENTS IMPOSED BY RULE.

**44-10-603. [Formerly 44-12-404] Retail marijuana products manufacturer license - rules - definition.** (1) (a) A retail marijuana products ~~manufacturing~~ MANUFACTURER license may be issued to a person who manufactures retail marijuana products pursuant to the terms and conditions of this ~~article 12~~ ARTICLE 10.

(b) A retail marijuana products manufacturer may cultivate its own retail marijuana if it obtains a retail marijuana cultivation facility license, or it may purchase retail marijuana from a licensed retail marijuana cultivation facility. A retail marijuana products manufacturer shall track all of its retail marijuana from the point it is either transferred from its retail marijuana cultivation facility or the point when it is delivered to the retail

marijuana products manufacturer from a licensed retail marijuana cultivation facility to the point of transfer to a licensed retail marijuana store, a licensed retail marijuana products manufacturer, a retail marijuana testing facility, or a licensed retail marijuana cultivation facility with a centralized distribution permit pursuant to ~~section 44-12-403 (7)~~ SECTION 44-10-602 (7).

(c) A retail marijuana products manufacturer shall not accept any retail marijuana purchased from a retail marijuana cultivation facility unless the retail marijuana products manufacturer is provided with evidence that any applicable excise tax due pursuant to article 28.8 of title 39 was paid.

(d) A retail marijuana products manufacturer shall not:

(I) Add any marijuana to a food product where the manufacturer of the food product holds a trademark to the food product's name; except that a RETAIL MARIJUANA PRODUCTS manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the RETAIL marijuana ~~product~~ PRODUCTS manufacturer does not state or advertise to the consumer that the final retail marijuana product contains a trademarked food product;

(II) Intentionally or knowingly label or package a retail marijuana product in a manner that would cause a reasonable consumer confusion as to whether the retail marijuana product was a trademarked food product; or

(III) Label or package a product in a manner that violates any federal trademark law or regulation.

(2) Retail marijuana products ~~shall~~ MUST be prepared on a licensed premises that is used exclusively for the manufacture and preparation of retail marijuana or retail marijuana products and using equipment that is used exclusively for the manufacture and preparation of retail marijuana products; except that, if permitted by the local jurisdiction and subject to rules of the state licensing authority, a retail marijuana products ~~manufacturing~~ MANUFACTURER licensee may share the same premises as a:

(a) ~~Medical marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee so long as a virtual or physical separation of inventory is maintained; ~~or~~

(b) Commonly owned marijuana research and development licensee ~~or marijuana research and development cultivation licensee~~ so long as virtual or physical separation of inventory and research activity is maintained; OR

(c) ACCELERATOR MANUFACTURER LICENSEE IF THE RETAIL MARIJUANA PRODUCTS MANUFACTURER HAS ITS PREMISES ENDORSED PURSUANT TO RULE BEFORE EACH ACCELERATOR MANUFACTURER LICENSEE OPERATES AND EACH ACCELERATOR LICENSEE IS LICENSED TO OPERATE ON THAT PREMISES.

(3) All licensed premises on which retail marijuana products are manufactured ~~shall~~ MUST meet the sanitary standards for retail marijuana product preparation promulgated pursuant to ~~section 44-12-202 (3)(a)(XI)~~ SECTION 44-10-203 (2)(i).

(4) (a) The retail marijuana product ~~shall~~ MUST be sealed and conspicuously labeled in compliance with this ~~article 12~~ ARTICLE 10 and any rules promulgated pursuant to this ~~article 12~~ ARTICLE 10. The labeling of retail marijuana products is a matter of statewide concern.

(b) The standard symbol requirements as promulgated pursuant to ~~section 44-12-202 (3)(e)~~ SECTION 44-10-203 (2)(y) do not apply to a multi-serving liquid retail marijuana product, which is impracticable to mark, if the product complies with all statutory and rule packaging requirements for multi-serving edibles and complies with the following enhanced requirements to reduce the risk of accidental ingestion. A multi-serving liquid must:

(I) Be packaged in a structure that uses a single mechanism to achieve both child-resistance and accurate pouring measurement of each liquid serving in increments equal to or less than ten milligrams of active THC per serving, with no more than one hundred milligrams of active THC total per package; and

(II) The measurement component is within the child-resistant cap or closure of the bottle and is not a separate component.

(5) Retail marijuana or retail marijuana products may not be consumed on the premises of a retail marijuana products ~~manufacturing~~



facility MANUFACTURER.

(6) A retail marijuana products manufacturer may provide, except as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility that has a retail marijuana testing facility license from the state licensing authority for testing and research purposes. A retail marijuana products manufacturer shall maintain a record of what was provided to the testing facility, the identity of the testing facility, and the results of the testing.

(7) An edible retail marijuana product may list its ingredients and compatibility with dietary practices.

(8) A licensed retail marijuana products manufacturer shall package and label each product manufactured as required by rules of the state licensing authority pursuant to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(9) All retail marijuana products that require refrigeration to prevent spoilage must be stored and transported in a refrigerated environment.

(10)(a) A retail marijuana products ~~manufacturing~~ MANUFACTURER licensee may provide a retail marijuana product sample and a retail marijuana concentrate sample to no more than five managers employed by the licensee for purposes of quality control and product development. A retail marijuana products ~~manufacturing~~ MANUFACTURER licensee may designate no more than five managers per calendar month as recipients of quality control and product development samples authorized pursuant to this subsection (10)(a).

(b) A sample authorized pursuant to subsection (10)(a) of this section is limited to one serving size of an edible retail marijuana product not exceeding ten milligrams of THC and its applicable equivalent serving size of nonedible retail marijuana product per batch as defined in rules promulgated by the state licensing authority and one-quarter gram of retail marijuana concentrate per batch as defined in rules promulgated by the state licensing authority; except that the limit is one-half gram of retail marijuana concentrate if the intended use of the final product is to be used in a device that can be used to deliver retail marijuana concentrate in a vaporized form to the person inhaling from the device.

(c) A sample authorized pursuant to subsection (10)(a) of this section must be labeled and packaged pursuant to the rules promulgated pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION 44-10-203 (2)(f) AND (3)(b).

(d) A sample provided pursuant to subsection (10)(a) of this section must be tracked with the seed-to-sale tracking system. Prior to a manager receiving a sample, a manager must be designated in the seed-to-sale tracking system as a recipient of quality control and product development samples. A manager receiving a sample must make a voluntary decision to be tracked in the seed-to-sale tracking system and is not a consumer pursuant to section 16 (5)(c) of article XVIII of the state constitution. The retail marijuana products ~~manufacturing~~ MANUFACTURER licensee shall maintain documentation of all samples and shall make the documentation available to the state licensing authority.

(e) Prior to a manager receiving a sample pursuant to subsection (10)(a) of this section, a retail marijuana products ~~manufacturing~~ MANUFACTURER licensee shall provide a standard operating procedure to the manager explaining requirements pursuant to this section and personal possession limits pursuant to section 18-18-406.

(f) A manager shall not:

(I) Receive more than a total of eight grams of retail marijuana concentrate or fourteen individual serving-size edibles or its applicable equivalent in nonedible retail marijuana products per calendar month, regardless of the number of licenses that the manager is associated with; or

(II) Provide to or resell the sample to another licensed employee, a customer, or any other individual.

(g) A retail marijuana products manufacturing licensee shall not:

(I) Allow a manager to consume the sample on the licensed premises; or

(II) Use the sample as a means of compensation to a manager.

(h) The state licensing authority may establish additional inventory

tracking and record keeping, including additional reporting required for implementation. The retail marijuana products ~~manufacturing~~ MANUFACTURER licensee shall maintain the information required by this subsection (10)(h) on the licensed premises for inspection by the state and local licensing authorities.

(i) For purposes of this subsection (10) only, "manager" means an employee of the retail marijuana ~~business~~ PRODUCTS MANUFACTURER who holds a valid key license or associated key license and is currently designated pursuant to state licensing authority rules as the manager of the retail marijuana ~~business~~ PRODUCTS MANUFACTURER.

(11)(a) A RETAIL MARIJUANA PRODUCTS MANUFACTURER THAT USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A RETAIL MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THAT THE INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

(b) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON TRANSFERRING INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS IN VIOLATION OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO SECTION 25-5-426.

(12) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A LICENSED RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES,

INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

(13) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE THAT HOSTS AN ACCELERATOR MANUFACTURER LICENSEE MAY, PURSUANT TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR LICENSEE OPERATING ON ITS PREMISES. A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE THAT HOSTS AN ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE CAPITAL ASSISTANCE TO AN ACCELERATOR LICENSEE OPERATING ON ITS PREMISES.

(14) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE, PURSUANT TO RULE AND AGENCY DISCRETION, MAY BE ELIGIBLE FOR REDUCTION IN LICENSE FEES AND FOR GRANTS THROUGH THE OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

**44-10-604. [Formerly 44-12-405] Retail marijuana testing facility license - rules.** (1) (a) A retail marijuana testing facility license may be issued to a person who performs testing and research on retail marijuana and industrial hemp as regulated by article 61 of title 35 AND INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25. The facility may develop and test retail marijuana products, ~~and~~ industrial hemp as regulated by article 61 of title 35, AND INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25. Prior to performing testing on industrial hemp, a facility shall verify that the person requesting the testing has received a registration from the commissioner as required by section 35-61-104. PRIOR TO PERFORM TESTING ON INDUSTRIAL HEMP PRODUCTS, A FACILITY SHALL VERIFY THAT THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION AS REQUIRED BY SECTION 25-5-426.

(b) The testing of retail marijuana, retail marijuana products, and retail marijuana concentrate, and the associated standards, is a matter of statewide concern.

(2) The state licensing authority shall promulgate rules pursuant to its authority in ~~section 44-12-202 (1)(b)~~ SECTION 44-10-202 (1)(c) related to acceptable testing and research practices, including but not limited to testing, standards, quality control analysis, equipment certification and calibration, and chemical identification and other substances used in bona fide research methods.

(3) A person who has an interest in a retail marijuana testing facility license from the state licensing authority for testing purposes shall not have any interest in a licensed medical marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer. A person that has an interest in a licensed medical marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer shall not have an interest in a facility that has a retail marijuana testing facility license.

**44-10-605. [Formerly 44-12-406] Retail marijuana transporter license.** (1) (a) A retail marijuana transporter license may be issued to a person to provide logistics, distribution, DELIVERY, and storage of retail marijuana and retail marijuana products. Notwithstanding any other provisions of law, a retail marijuana transporter license is valid for two years but cannot be transferred with a change of ownership. A licensed retail marijuana transporter is responsible for the retail marijuana and retail marijuana products once it takes control of the product.

(b) A licensed retail marijuana transporter may contract with multiple licensed retail marijuana businesses.

(c) On and after July 1, 2017, all retail marijuana transporters shall hold a valid retail marijuana transporter license; except that an entity licensed pursuant to this ~~article 12~~ ARTICLE 10 that provides its own distribution is not required to have a retail marijuana transporter license to transport and distribute its products. The state licensing authority shall begin accepting applications after January 1, 2017.

(2) A retail marijuana transporter licensee may maintain a licensed premises to temporarily store retail marijuana and retail marijuana products and to use as a centralized distribution point. The licensed premises must be located in a jurisdiction that permits the operation of retail marijuana stores. A licensed retail marijuana transporter may store and distribute retail marijuana and retail marijuana products from this location. A storage

facility must meet the same security requirements that are required to obtain a retail marijuana cultivation FACILITY license.

(3) A retail marijuana transporter licensee shall use the seed-to-sale tracking system developed pursuant to ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a) to create shipping manifests documenting the transport of retail marijuana and retail marijuana products throughout the state.

(4) A retail marijuana transporter licensee may:

(a) Maintain and operate one or more warehouses in the state to handle retail marijuana and retail marijuana products; and

(b) Deliver retail marijuana products on orders previously taken if the place where orders are taken and delivered is licensed.

(5) (a) (I) THERE IS AUTHORIZED A RETAIL MARIJUANA DELIVERY PERMIT TO A RETAIL MARIJUANA TRANSPORTER LICENSE AUTHORIZING THE PERMIT HOLDER TO DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS.

(II) A RETAIL MARIJUANA DELIVERY PERMIT IS VALID FOR ONE YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE RETAIL MARIJUANA TRANSPORTER LICENSE.

(III) A RETAIL MARIJUANA DELIVERY PERMIT ISSUED PURSUANT TO THIS SECTION APPLIES TO ONLY ONE RETAIL MARIJUANA TRANSPORTER; EXCEPT THAT A SINGLE RETAIL MARIJUANA DELIVERY PERMIT MAY APPLY TO MULTIPLE RETAIL MARIJUANA TRANSPORTERS PROVIDED THAT THE RETAIL MARIJUANA TRANSPORTERS ARE IN THE SAME LOCAL JURISDICTION AND ARE IDENTICALLY OWNED, AS DEFINED BY THE STATE LICENSING AUTHORITY FOR PURPOSES OF THIS SECTION.

(IV) THE STATE LICENSING AUTHORITY MAY ISSUE A RETAIL MARIJUANA DELIVERY PERMIT TO A QUALIFIED APPLICANT, AS DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A RETAIL MARIJUANA TRANSPORTER LICENSE ISSUED PURSUANT TO THIS ARTICLE 10. A PERMIT APPLICANT IS PROHIBITED FROM DELIVERING RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS WITHOUT STATE AND LOCAL JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL JURISDICTION

APPROVAL WITHIN ONE YEAR FROM THE DATE OF THE STATE LICENSING AUTHORITY APPROVAL, THE STATE PERMIT EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED PERMIT. THE STATE LICENSING AUTHORITY HAS DISCRETION IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A RETAIL MARIJUANA DELIVERY PERMIT. A RETAIL MARIJUANA DELIVERY PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS DEEMED A REVOCABLE PRIVILEGE OF A LICENSED RETAIL MARIJUANA TRANSPORTER. A VIOLATION RELATED TO A RETAIL MARIJUANA DELIVERY PERMIT IS GROUNDS FOR A FINE OR SUSPENSION OR REVOCATION OF THE DELIVERY PERMIT OR RETAIL MARIJUANA TRANSPORTER LICENSE.

(b) A RETAIL MARIJUANA TRANSPORTER LICENSEE SHALL NOT MAKE DELIVERIES OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO INDIVIDUALS WHILE ALSO TRANSPORTING RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS BETWEEN LICENSED PREMISES IN THE SAME VEHICLE.

(c) A LICENSED RETAIL MARIJUANA TRANSPORTER WITH A RETAIL MARIJUANA DELIVERY PERMIT MAY DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS ON BEHALF OF A RETAIL MARIJUANA STORE ONLY TO THE INDIVIDUAL WHO PLACED THE ORDER WITH A RETAIL MARIJUANA STORE AND WHO:

(I) IS TWENTY-ONE YEARS OF AGE OR OLDER;

(II) RECEIVES THE DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO RULES; AND

(III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

(d) IN ACCORDANCE WITH THIS SUBSECTION (5) AND RULES ADOPTED TO IMPLEMENT THIS SUBSECTION (5), A LICENSED RETAIL MARIJUANA TRANSPORTER WITH A VALID RETAIL MARIJUANA DELIVERY PERMIT MAY:

(I) NOT ACCEPT ORDERS ON BEHALF OF A RETAIL MARIJUANA STORE AND MAY ONLY PICK UP ALREADY PACKAGED RETAIL MARIJUANA DELIVERY ORDERS FROM A RETAIL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE AND DELIVER THOSE ORDERS TO THE APPROPRIATE INDIVIDUAL;

(II) DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS NOT IN EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY;

(III) DELIVER ONLY TO AN INDIVIDUAL AT THE ADDRESS PROVIDED IN THE ORDER;

(IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME INDIVIDUAL OR RESIDENCE;

(V) (A) DELIVER ONLY TO A PRIVATE RESIDENCE;

(B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES" MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

(VI) DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION 44-10-203 (2)(dd); AND

(VII) USE AN EMPLOYEE TO CONDUCT DELIVERIES ON BEHALF OF, AND PURSUANT TO A CONTRACT WITH, A RETAIL MARIJUANA STORE THAT HAS A VALID RETAIL MARIJUANA DELIVERY PERMIT FROM ITS RETAIL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE.

(e) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO AN INDIVIDUAL, THE PERSON DELIVERING THE ORDER SHALL INSPECT THE INDIVIDUAL'S IDENTIFICATION AND VERIFY THAT THE INFORMATION PROVIDED AT THE TIME OF THE ORDER MATCHES THE NAME AND AGE ON THE INDIVIDUAL'S IDENTIFICATION.

(f) ANY PERSON DELIVERING RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS FOR A RETAIL MARIJUANA TRANSPORTER MUST POSSESS A VALID OCCUPATIONAL LICENSE AND BE A CURRENT EMPLOYEE OF THE RETAIL MARIJUANA TRANSPORTER LICENSEE WITH A VALID RETAIL MARIJUANA DELIVERY PERMIT; MUST HAVE UNDERGONE TRAINING



REGARDING PROOF-OF-AGE IDENTIFICATION AND VERIFICATION, INCLUDING ALL FORMS OF IDENTIFICATION THAT ARE DEEMED ACCEPTABLE BY THE STATE LICENSING AUTHORITY; AND MUST HAVE ANY OTHER TRAINING REQUIRED BY THE STATE LICENSING AUTHORITY.

(g) (I) UNLESS OTHERWISE PROVIDED BY THE STATE LICENSING AUTHORITY BY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10, ALL REQUIREMENTS APPLICABLE TO OTHER LICENSES ISSUED PURSUANT TO THIS ARTICLE 10 APPLY TO THE DELIVERY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS, INCLUDING BUT NOT LIMITED TO INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING AND LABELING REQUIREMENTS.

(II) THE ADVERTISING REGULATIONS AND PROHIBITIONS ADOPTED PURSUANT TO SECTION 44-10-203 (3)(a) APPLY TO RETAIL MARIJUANA DELIVERY OPERATIONS PURSUANT TO THIS SUBSECTION (5).

(h) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR CRIMINAL LAW FOR A LICENSED RETAIL MARIJUANA TRANSPORTER LICENSEE WITH A VALID RETAIL MARIJUANA DELIVERY PERMIT, OR SUCH PERSON WHO HAS MADE TIMELY AND SUFFICIENT APPLICATION FOR THE RENEWAL OF THE PERMIT, OR ITS LICENSEES TO POSSESS, TRANSPORT, AND DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS PURSUANT TO A RETAIL MARIJUANA DELIVERY PERMIT IN AMOUNTS THAT DO NOT EXCEED AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

(i) (I) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION, DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY AND COUNTY UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY, VOTE TO ALLOW THE DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO THIS SECTION.

(II) AN ORDINANCE ADOPTED PURSUANT TO SUBSECTION (5)(i)(I) OF

THIS SECTION MAY PROHIBIT DELIVERY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA STORE THAT IS OUTSIDE A MUNICIPALITY'S, COUNTY'S, CITY'S, OR CITY AND COUNTY'S JURISDICTIONAL BOUNDARIES TO AN ADDRESS WITHIN ITS JURISDICTIONAL BOUNDARIES.

(j) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING RETAIL MARIJUANA DELIVERY PERMITS TO QUALIFIED RETAIL MARIJUANA TRANSPORTER APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2, 2021.

**44-10-606. [Formerly 44-12-407] Retail marijuana business operator license.** A retail marijuana business operator license may be issued to a person who operates a retail marijuana ~~establishment~~ BUSINESS licensed pursuant to this ~~article 12~~ ARTICLE 10, for an owner licensed pursuant to this ~~article 12~~ ARTICLE 10, and who may receive a portion of the profits as compensation.

**44-10-607. Retail marijuana accelerator cultivator license.** (1) A RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE MAY BE ISSUED TO A PERSON TO OPERATE A CULTIVATION OPERATION ON THE SITE OF RETAIL MARIJUANA CULTIVATION FACILITY WITH AN ACCELERATOR ENDORSEMENT. THE RETAIL MARIJUANA ACCELERATOR CULTIVATOR MAY RECEIVE TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT FROM THE RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE WITH AN ACCELERATOR ENDORSEMENT.

(2) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING APPLICATIONS FOR RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSES ON JULY 1, 2020.

**44-10-608. Retail marijuana accelerator manufacturer license.** (1) A RETAIL MARIJUANA ACCELERATOR MANUFACTURER LICENSE MAY BE ISSUED TO A PERSON TO OPERATE A RETAIL MARIJUANA PRODUCTS MANUFACTURING OPERATION ON THE SITE OF RETAIL MARIJUANA PRODUCTS MANUFACTURING FACILITY WITH AN ACCELERATOR ENDORSEMENT. THE RETAIL MARIJUANA ACCELERATOR MANUFACTURER MAY RECEIVE TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT FROM THE RETAIL MARIJUANA PRODUCTS MANUFACTURER WITH AN ACCELERATOR ENDORSEMENT.

(2) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING APPLICATIONS FOR RETAIL MARIJUANA ACCELERATOR MANUFACTURER LICENSES ON JULY 1, 2020.

PART 7  
UNLAWFUL ACTS

**44-10-701. [Similar to 44-11-901 and 44-12-901] Unlawful acts - exceptions.** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE 10, IT IS UNLAWFUL FOR A PERSON:

(a) TO CONSUME REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS IN A LICENSED MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, AND IT SHALL BE UNLAWFUL FOR A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS TO ALLOW REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS TO BE CONSUMED UPON ITS LICENSED PREMISES;

(b) WITH KNOWLEDGE, TO PERMIT OR FAIL TO PREVENT THE USE OF HIS OR HER MEDICAL MARIJUANA PATIENT REGISTRY IDENTIFICATION BY ANY OTHER PERSON FOR THE UNLAWFUL PURCHASING OF MEDICAL MARIJUANA.

(2) IT IS UNLAWFUL FOR A PERSON TO:

(a) BUY, SELL, TRANSFER, GIVE AWAY, OR ACQUIRE REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS EXCEPT AS ALLOWED PURSUANT TO THIS ARTICLE 10 OR SECTION 14 OR SECTION 16 OF ARTICLE XVIII OF THE STATE CONSTITUTION;

(b) HAVE A CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP, OR INDIRECT FINANCIAL INTEREST IN A LICENSE PURSUANT TO THIS ARTICLE 10 THAT WAS NOT DISCLOSED IN ACCORDANCE WITH SECTION 44-10-309; EXCEPT THAT THIS SUBSECTION (2)(b) DOES NOT APPLY TO BANKS OR SAVINGS AND LOAN ASSOCIATIONS SUPERVISED AND REGULATED BY AN AGENCY OF THE STATE OR FEDERAL GOVERNMENT, OR TO FHA-APPROVED MORTGAGEES, OR TO STOCKHOLDERS, DIRECTORS, OR OFFICERS THEREOF;

(c) EXERCISE ANY PRIVILEGE OF A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10 THAT THE PERSON DOES NOT HOLD;

(d) EXERCISE ANY PRIVILEGE ASSOCIATED WITH HOLDING A CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP, OR INDIRECT FINANCIAL INTEREST IN A LICENSE THAT WAS NOT DISCLOSED IN ACCORDANCE WITH SECTION 44-10-309; OR

(e) ENGAGE IN TRANSFER OF OWNERSHIP WITHOUT PRIOR APPROVAL AS REQUIRED BY THIS ARTICLE 10, INCLUDING BUT NOT LIMITED TO:

(I) A PROPOSED TRANSFEREE OPERATING A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS BEFORE A TRANSFER OF OWNERSHIP REQUEST FOR THAT BUSINESS IS APPROVED IN WRITING BY THE STATE LICENSING AUTHORITY; OR

(II) A CURRENT CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, OR PROPOSED TRANSFEROR FAILING TO RETAIN FULL RESPONSIBILITY FOR A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS IDENTIFIED IN THE TRANSFER OF OWNERSHIP APPLICATION UNTIL THE TRANSFER REQUEST IS APPROVED IN WRITING BY THE STATE LICENSING AUTHORITY.

(3) IT IS UNLAWFUL FOR A PERSON LICENSED PURSUANT TO THIS ARTICLE 10:

(a) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION 44-10-313 (11);

(b) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO ADULTERATE OR ALTER, ANY SAMPLES OF REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS FOR THE PURPOSE OF CIRCUMVENTING CONTAMINANT TESTING DETECTION LIMITS OR POTENCY TESTING REQUIREMENTS;

(c) TO USE ADVERTISING MATERIAL THAT IS MISLEADING, DECEPTIVE, OR FALSE, OR THAT IS DESIGNED TO APPEAL TO MINORS;

(d) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR THE PURPOSE OF CONSUMPTION OF REGULATED MARIJUANA IN ANY FORM;

(e) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY REGULATED MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE

LICENSE; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

(f) TO HAVE ON THE LICENSED PREMISES ANY REGULATED MARIJUANA OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF THE REGULATED MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY CONSUMED; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

(g) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105;

(h) TO ABANDON A LICENSED PREMISES OR OTHERWISE CEASE OPERATION WITHOUT NOTIFYING THE STATE AND LOCAL LICENSING AUTHORITIES AT LEAST FORTY-EIGHT HOURS IN ADVANCE AND WITHOUT ACCOUNTING FOR AND FORFEITING TO THE STATE LICENSING AUTHORITY FOR DESTRUCTION ALL REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS;

(i) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR REGULATED MARIJUANA IN PERSON EXCEPT WITHIN THE LICENSED PREMISES;

(j) TO BUY REGULATED MARIJUANA FROM A PERSON NOT LICENSED TO SELL AS PROVIDED BY THIS ARTICLE 10;

(k) TO SELL REGULATED MARIJUANA EXCEPT IN THE PERMANENT LOCATION SPECIFICALLY DESIGNATED IN THE LICENSE FOR SALE; OR

(l) TO BURN OR OTHERWISE DESTROY REGULATED MARIJUANA OR ANY SUBSTANCE CONTAINING REGULATED MARIJUANA FOR THE PURPOSE OF EVADING AN INVESTIGATION OR PREVENTING SEIZURE.

(4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL MEDICAL MARIJUANA PURSUANT TO THIS ARTICLE 10:

(a) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED PURSUANT TO THIS ARTICLE 10 OR TO A PERSON NOT ABLE TO PRODUCE A VALID PATIENT REGISTRY IDENTIFICATION CARD, UNLESS THE PERSON HAS A COPY OF A CURRENT AND COMPLETE NEW APPLICATION FOR THE MEDICAL MARIJUANA REGISTRY ADMINISTERED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT THAT IS DOCUMENTED BY A CERTIFIED MAIL RETURN RECEIPT AS HAVING BEEN SUBMITTED TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WITHIN THE PRECEDING THIRTY-FIVE

DAYS AND THE EMPLOYEE ASSISTING THE PERSON HAS CONTACTED THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AND, AS A RESULT, DETERMINED THE PERSON'S APPLICATION HAS NOT BEEN DENIED. NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION (4)(a)(I) TO THE CONTRARY, A PERSON UNDER TWENTY-ONE YEARS OF AGE SHALL NOT BE EMPLOYED TO SELL OR DISPENSE MEDICAL MARIJUANA AT A MEDICAL MARIJUANA STORE OR GROW OR CULTIVATE MEDICAL MARIJUANA AT A MEDICAL MARIJUANA CULTIVATION FACILITY.

(II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL MARIJUANA, THE LICENSEE OR EMPLOYEE IS AUTHORIZED TO CONFISCATE THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD, IF POSSIBLE, AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION, TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR LOCAL LAW ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW ENFORCEMENT AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION DOES NOT CONSTITUTE A CRIMINAL OFFENSE.

(b) TO REQUIRE A MEDICAL MARIJUANA STORE OR MEDICAL MARIJUANA STORE WITH A MEDICAL MARIJUANA CULTIVATION FACILITY LICENSE TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC LICENSED PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

(5) [Formerly 44-12-901 (4)] It is unlawful for any person licensed to sell retail marijuana or retail marijuana products pursuant to this ~~article~~ ~~12~~ ARTICLE 10:

~~(a) To display any signs that are inconsistent with local laws or regulations;~~

~~(b) To use advertising material that is misleading, deceptive, or false, or that is designed to appeal to minors;~~

~~(c) To provide public premises, or any portion thereof, for the purpose of consumption of retail marijuana or retail marijuana products in any form;~~

~~(d) To have in possession or upon the licensed premises any marijuana, the sale of which is not permitted by the license;~~

~~(e) (a) To sell or permit the sale of retail marijuana or retail marijuana products to a person under twenty-one years of age; OR~~

~~(f) To sell more than a quarter of an ounce of retail marijuana and no more than a quarter of an ounce equivalent of a retail marijuana product during a single transaction to a nonresident of the state;~~

~~(g) 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;~~

~~(h) (b) To distribute marijuana or marijuana products, with or without remuneration, directly to another person using a mobile distribution center STORE.~~

~~(i) To violate the provisions of section 6-2-103 or 6-2-105; or~~

~~(j) To abandon a licensed premises or otherwise cease operation without notifying the state and local licensing authorities at least forty-eight hours in advance and without accounting for and forfeiting to the state licensing authority for destruction all marijuana or products containing marijuana;~~

**(6) [Formerly 44-11-901 (6)]** It shall be unlawful for a physician who makes patient referrals to a licensed medical marijuana center STORE to receive anything of value from the medical marijuana center STORE licensee or its agents, servants, officers, or owners or anyone financially interested in the licensee, and it shall be unlawful for a licensee licensed pursuant to this ~~article 11~~ ARTICLE 10 to offer anything of value to a physician for making patient referrals to the licensed medical marijuana center STORE.

**(7) [Formerly 44-11-901 (7)]** A peace officer or a law enforcement agency shall not use any patient information to make traffic stops pursuant to section 42-4-1302.

**(8) (a)** IT IS UNLAWFUL FOR A PERSON TO ENGAGE IN ANY ACT OR

OMISSION WITH THE INTENT TO EVADE DISCLOSURE, REPORTING, RECORD KEEPING, OR SUITABILITY REQUIREMENTS PURSUANT TO THIS ARTICLE 10, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

(I) FAILING TO FILE A REPORT REQUIRED UNDER THIS ARTICLE 10 OR CAUSING OR ATTEMPTING TO CAUSE A PERSON TO FAIL TO FILE SUCH A REPORT;

(II) FILING OR CAUSING OR ATTEMPTING TO CAUSE A PERSON TO FILE A REPORT REQUIRED UNDER THIS ARTICLE 10 THAT CONTAINS A MATERIAL OMISSION OR MISSTATEMENT OF FACT;

(III) MAKING FALSE OR MISLEADING STATEMENTS REGARDING THE OFFERING OF AN OWNER'S INTEREST IN A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS; OR

(IV) STRUCTURING ANY TRANSACTION WITH THE INTENT TO EVADE DISCLOSURE, REPORTING, RECORD KEEPING, OR SUITABILITY REQUIREMENTS PURSUANT TO THIS ARTICLE 10.

(b) THE STATE LICENSING AUTHORITY MAY DENY, SUSPEND, REVOKE, FINE, OR IMPOSE OTHER SANCTIONS AGAINST A PERSON'S LICENSE ISSUED UNDER THIS ARTICLE 10 IF THE STATE LICENSING AUTHORITY FINDS A VIOLATION OF THIS SUBSECTION (8) BY THE PERSON, THE PERSON'S CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, INDIRECT FINANCIAL INTEREST HOLDER, OR ANY AGENT OR EMPLOYEE THEREOF.

(9) **[Formerly 44-11-901 (8)]** A person who commits any acts that are unlawful pursuant to this ~~article 11 or the rules authorized and adopted pursuant to this article 11~~ ARTICLE 10 commits a class 2 misdemeanor and shall be punished as provided in section 18-1.3-501; ~~except for~~; THAT A VIOLATION OF SUBSECTION (5)(a) OF THIS SECTION IS A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501. For violations that would also constitute a violation of title 18, ~~which~~ THE violation shall be charged and prosecuted pursuant to title 18.

**44-10-702. Unlawful open and public consumption.** (1) THE OPEN AND PUBLIC, AS DEFINED IN SECTION 18-18-102 (20.3), CONSUMPTION OF MARIJUANA IS PROHIBITED.



(2) THE GOVERNING BODY OF A COUNTY, CITY, CITY AND COUNTY, OR MUNICIPALITY MAY ADOPT AN ORDINANCE OR RESOLUTION AUTHORIZING MARIJUANA CONSUMPTION LOCATIONS OR CIRCUMSTANCES THAT ARE EXCEPTIONS TO THE PROHIBITION DESCRIBED IN SUBSECTION (1) OF THIS SECTION IF THE LOCATIONS ARE NOT ACCESSIBLE TO THE PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC WITHOUT RESTRICTION, INCLUDING BUT NOT LIMITED TO RESTRICTIONS ON THE AGE OF THE MEMBERS OF THE PUBLIC WHO ARE ALLOWED ACCESS TO SUCH LOCATION.

(3) THE PROHIBITION IN SUBSECTION (1) OF THIS SECTION DOES NOT APPLY TO ANY BUSINESS LICENSED PURSUANT TO THIS ARTICLE 10 THAT PERMITS CONSUMPTION ON ITS PREMISES IF THE BUSINESS IS OPERATING WITHIN THE CONDITIONS OF LICENSURE.

## PART 8 FEES

### **44-10-801. [Formerly 44-11-501] Marijuana cash fund.**

(1) (a) All money collected by the state licensing authority pursuant to this ~~article 11 and article 12 of this title 44 shall~~ ARTICLE 10 MUST be transmitted to the state treasurer, who shall credit the same to the marijuana cash fund, which fund is hereby created and referred to in this section as the "fund". The fund consists of:

(I) The money collected by the state licensing authority; and

(II) Any additional general fund money appropriated to the fund that is necessary for the operation of the state licensing authority.

(b) Money in the fund is subject to annual appropriation by the general assembly to the department for the direct and indirect costs associated with implementing this ~~article 11, article 12 of this title 44~~ ARTICLE 10 and article 28.8 of title 39.

(c) Any money in the fund not expended for these purposes may be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of money in the fund shall be credited to the fund. Any unexpended and unencumbered money remaining in the fund at the end of a fiscal year ~~shall remain~~ REMAINS in the fund and shall not be credited or transferred to the general fund or another fund.

(d) (I) On July 1, 2014, the state treasurer shall transfer to the marijuana tax cash fund created in section 39-28.8-501 any money in the fund that is attributable to the retail marijuana excise tax transferred pursuant to section 39-28.8-305 (1)(b), the retail marijuana sales tax transferred pursuant to section 39-28.8-203 (1)(b), or the sales tax imposed pursuant to section 39-26-106, on the retail sale of marijuana products ~~under this article 11 and article 12 of this title 44~~ PURSUANT TO THIS ARTICLE 10.

(II) On the date on which the state controller publishes the comprehensive annual financial report of the state for the 2013-14 state fiscal year, the state treasurer shall transfer to the marijuana tax cash fund created in section 39-28.8-501 any remaining money in the fund that is attributable to the retail marijuana excise tax transferred pursuant to section 39-28.8-305 (1)(b), the retail marijuana sales tax transferred pursuant to section 39-28.8-203 (1)(b), or the sales tax imposed pursuant to section 39-26-106, on the retail sale of marijuana products under this ~~article 11 and article 12 of this title 44~~ ARTICLE 10.

(2) The executive director by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3) to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the executive director by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4).

(3) (a) The state licensing authority shall establish fees for processing the following types of applications, licenses, notices, or reports required to be submitted to the state licensing authority:

(I) Applications for licenses listed in ~~section 44-11-401~~ SECTION 44-10-401 and rules promulgated pursuant to that section;

(II) Applications to change location pursuant to ~~section 44-11-310~~ SECTION 44-10-313 (13) and rules promulgated pursuant to that section;

(III) Applications for transfer of ownership pursuant to ~~section 44-11-310~~ SECTION 44-10-312 and rules promulgated pursuant to that section;

(IV) License renewal and expired license renewal applications pursuant to ~~section 44-11-311~~ SECTION 44-10-314 and

(V) Licenses as listed in ~~section 44-11-401~~ SECTION 44-10-401.

(b) The amounts of such fees, when added to the other fees transferred to the fund pursuant to this section, ~~shall~~ MUST reflect the actual direct and indirect costs of the state licensing authority in the administration and enforcement of this ~~article 11~~ ARTICLE 10 so that the fees avoid exceeding the statutory limit on uncommitted reserves in administrative agency cash funds as set forth in section 24-75-402 (3).

(c) The state licensing authority may charge applicants licensed under this ~~article 11~~ ARTICLE 10 a fee for the cost of each fingerprint analysis and background investigation undertaken to qualify new officers, directors, managers, or employees.

(d) At least annually, the state licensing authority shall review the amounts of the fees and, if necessary, adjust the amounts to reflect the direct and indirect costs of the state licensing authority.

(4) Except as provided in subsection (5) of this section, the state licensing authority shall establish a basic fee that shall be paid at the time of service of any subpoena upon the state licensing authority, plus a fee for meals and a fee for mileage at the rate prescribed for state officers and employees in section 24-9-104 for each mile actually and necessarily traveled in going to and returning from the place named in the subpoena. If the person named in the subpoena is required to attend the place named in the subpoena for more than one day, there ~~shall~~ MUST be paid, in advance, a sum to be established by the state licensing authority for each day of attendance to cover the expenses of the person named in the subpoena.

(5) The subpoena fee established pursuant to subsection (4) of this section ~~shall~~ IS NOT be applicable to any federal, state or local governmental agency.

**44-10-802. [Formerly 44-11-502] Fees - allocation.** (1) Except as otherwise provided, all fees and fines provided for by this ~~article 11 and article 12 of this title 44~~ ARTICLE 10 shall be paid to the department, which shall transmit the fees to the state treasurer. The state treasurer shall credit

the fees to the marijuana cash fund created in ~~section 44-11-501~~ SECTION 44-10-801.

(2) The expenditures of the state licensing authority ~~shall be~~ ARE paid out of appropriations from the marijuana cash fund created in ~~section 44-11-501~~ SECTION 44-10-801.

**44-10-803. [Formerly 44-12-501] Fees.** (1) The state licensing authority may charge and collect fees ~~under~~ PURSUANT TO this ~~article 12~~. ~~The application fee for a person applying pursuant to section 44-12-104 (1)(a) shall be five hundred dollars~~ ARTICLE 10. FOR A PERSON LICENSED TO CULTIVATE OR SELL MEDICAL MARIJUANA OR TO MANUFACTURE MEDICAL MARIJUANA PRODUCTS ON OR BEFORE DECEMBER 10, 2012, THE APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS IS FIVE HUNDRED DOLLARS. The state licensing authority shall transfer two hundred fifty dollars of the fee to the marijuana cash fund and submit two hundred fifty dollars to the local jurisdiction in which the license is proposed to be issued.

(2) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, the application fee for a ~~person applying pursuant to section 44-12-104 (1)(b)~~ ~~shall be~~ RETAIL MARIJUANA BUSINESS IS five thousand dollars. The state licensing authority shall transfer two thousand five hundred dollars of the fee to the marijuana cash fund and remit two thousand five hundred dollars to the local jurisdiction in which the license is proposed to be issued. If the state licensing authority is considering raising the five-thousand-dollar application fee, it shall confer with each local jurisdiction in which a license ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE 10 is issued prior to raising the application fee. If the application fee amount is changed, it must be split evenly between the marijuana cash fund and the local jurisdiction in which the license is proposed to be issued.

(3) A local jurisdiction in which a license under this ~~article 12~~ ARTICLE 10 may be permitted may adopt and impose operating fees in an amount determined by the local jurisdiction on marijuana BUSINESSES AND establishments located within the local jurisdiction.

## PART 9 DISCIPLINARY ACTIONS

**44-10-901. [Formerly 44-12-601 and similar to**

**44-11-601] Suspension - revocation - fines.** (1) In addition to any other sanctions prescribed by this ~~article 12~~ ARTICLE 10 or rules promulgated pursuant to this ~~article 12~~ ARTICLE 10, the state licensing authority OR LOCAL LICENSING AUTHORITY has the power, on its own motion or on complaint, after investigation and opportunity for a public hearing at which the licensee must be afforded an opportunity to be heard, to fine a licensee or to suspend or revoke a license issued by the authority for a violation by the licensee or by any of the agents or employees of the licensee of the provisions of this ~~article 12~~ ARTICLE 10, or any of the rules promulgated pursuant to this ~~article 12~~ ARTICLE 10, or of any of the terms, conditions, or provisions of the license issued by the state OR LOCAL licensing authority. The state OR LOCAL licensing authority has the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to the determination of a hearing that the state OR LOCAL LICENSING authority is authorized to conduct.

(2) The state OR LOCAL licensing authority shall provide notice of suspension, revocation, fine, or other sanction, as well as the required notice of the hearing pursuant to subsection (1) of this section, by mailing the same in writing to the licensee at the address contained in the license and, if different, at the last address furnished to the authority by the licensee. Except in the case of a summary suspension, a suspension ~~shall~~ IS NOT ~~be~~ for a period longer than six months. If a license is suspended or revoked, a part of the fees paid therefor ~~shall~~ ARE NOT ~~be~~ returned to the licensee. Any license, REGISTRATION, OR PERMIT may be summarily suspended by the ~~state licensing~~ ISSUING authority without notice pending any prosecution, investigation, or public hearing pursuant to the terms of section 24-4-104 (4). Nothing in this section ~~shall prevent~~ PREVENTS the summary suspension of a license pursuant to section 24-4-104 (4). EACH PATIENT REGISTERED WITH A MEDICAL MARIJUANA STORE THAT HAS HAD ITS LICENSE SUMMARILY SUSPENDED MAY IMMEDIATELY TRANSFER HIS OR HER PRIMARY STORE TO ANOTHER LICENSED MEDICAL MARIJUANA STORE.

(3) (a) Whenever a decision of the state OR LOCAL licensing authority suspending a license for fourteen days or less becomes final, the licensee may, before the operative date of the suspension, petition for permission to pay a fine in lieu of having the license suspended for all or part of the suspension period. Upon the receipt of the petition, the state OR LOCAL LICENSING authority may, in its sole discretion, stay the proposed suspension and cause any investigation to be made ~~which~~ THAT it deems

desirable and may, in its sole discretion, grant the petition if the state OR LOCAL licensing authority is satisfied that:

(I) The public welfare would not be impaired by permitting the licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary purposes; ~~and~~

(II) The books and records of the licensee are kept in such a manner that the loss of sales that the licensee would have suffered had the suspension gone into effect can be determined with reasonable accuracy; AND

(III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE, DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND THE LICENSE OR PERMIT.

(b) The fine accepted ~~shall~~ MUST be not less than five hundred dollars nor more than one hundred thousand dollars.

(c) Payment of a fine pursuant to the provisions of this subsection (3) ~~shall~~ MUST be in the form of cash or in the form of a certified check or cashier's check made payable to the state or local licensing authority, whichever is appropriate.

(4) Upon payment of the fine pursuant to subsection (3) of this section, the state licensing authority shall enter its further order permanently staying the imposition of the suspension. Fines paid to the state licensing authority pursuant to subsection (3) of this section ~~shall be~~ ARE transmitted to the state treasurer, who shall credit the same to the ~~marijuana cash fund created in section 44-11-501~~ GENERAL FUND.

(5) In connection with a petition pursuant to subsection (3) of this section, the authority of the state OR LOCAL licensing authority is limited to the granting of such stays as are necessary for the authority to complete its investigation and make its findings and, if the authority makes such findings, to the granting of an order permanently staying the imposition of the entire suspension or that portion of the suspension not otherwise conditionally stayed.

(6) If the state OR LOCAL licensing authority does not make the findings required in subsection (3)(a) of this section and does not order the suspension permanently stayed, the suspension ~~shall go~~ GOES into effect on the operative date finally set by the state OR LOCAL licensing authority.

(7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE LICENSING AUTHORITY. No later than January 15 of each year, the state licensing authority shall compile a report of the preceding year's actions in which fines, suspensions, or revocations were imposed by the state licensing authority. The state licensing authority shall file one copy of the report with the chief clerk of the house of representatives, one copy with the secretary of the senate, and six copies in the joint legislative library.

**44-10-902. [Formerly 44-12-602 and similar to 44-11-602] Disposition of unauthorized marijuana or marijuana products and related materials - rules.** (1) The provisions of this section ~~shall~~ apply in addition to any criminal, civil, or administrative penalties and in addition to any other penalties prescribed by this ~~article 12~~ ARTICLE 10 or any rules promulgated pursuant to this ~~article 12~~ ARTICLE 10. Any provisions in this ~~article 12~~ ARTICLE 10 related to law enforcement ~~shall be~~ ARE considered a cumulative right of the people in the enforcement of the criminal laws.

(2) Every licensee licensed under this ~~article 12 shall be~~ ARTICLE 10 IS deemed, by virtue of applying for, holding, or renewing such person's license, to have expressly consented to the procedures set forth in this section.

(3) A state or local agency ~~shall~~ IS not ~~be~~ required to cultivate or care for any ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana product belonging to or seized from a licensee. A state or local agency ~~shall~~ IS not ~~be~~ authorized to sell marijuana, ~~retail~~ REGULATED or otherwise.

(4) If the state OR LOCAL licensing authority issues a final agency order imposing a disciplinary action against a licensee pursuant to ~~section 44-12-601~~ SECTION 44-10-901, then, in addition to any other remedies, the licensing authority's final agency order may specify that some or all of the licensee's marijuana or marijuana product is not ~~retail~~ REGULATED

marijuana or a ~~retail~~ REGULATED marijuana product and is an illegal controlled substance. The order may further specify that the licensee ~~shall lose~~ LOSES any interest in any of the marijuana or marijuana product even if the marijuana or marijuana product previously qualified as ~~retail~~ REGULATED marijuana or a ~~retail~~ REGULATED marijuana product. The final agency order may direct the destruction of any such marijuana and marijuana products, except as provided in subsections (5) and (6) of this section. The authorized destruction may include the incidental destruction of any containers, equipment, supplies, and other property associated with the marijuana or marijuana product.

(5) Following the issuance of a final agency order by the state OR LOCAL licensing authority against a licensee and ordering destruction authorized by subsection (4) of this section, a licensee ~~shall have~~ HAS fifteen days within which to file a petition for stay of agency action with the district court. The action ~~shall~~ MUST be filed in the city and county of Denver, which ~~shall be~~ IS deemed to be the residence of the state licensing authority for purposes of this section. The licensee shall serve the petition in accordance with the Colorado rules of civil procedure. The district court shall promptly rule upon the petition and determine whether the licensee has a substantial likelihood of success on judicial review so as to warrant delay of the destruction authorized by subsection (4) of this section or whether other circumstances, including but not limited to the need for preservation of evidence, warrant delay of such destruction. If destruction is so delayed pursuant to judicial order, the court shall issue an order setting forth terms and conditions pursuant to which the licensee may maintain the ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana product pending judicial review and prohibiting the licensee from using or distributing the ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana product pending the review. The licensing authority shall not carry out the destruction authorized by subsection (4) of this section until fifteen days have passed without the filing of a petition for stay of agency action or until the court has issued an order denying stay of agency action pursuant to this subsection (5).

(6) A district attorney shall notify the state licensing authority if it begins investigating a MEDICAL MARIJUANA BUSINESS OR retail marijuana ~~establishment~~ BUSINESS. If the state licensing authority has received notification from a district attorney that an investigation is being conducted, the state licensing authority shall not destroy any marijuana or marijuana



products from the MEDICAL MARIJUANA BUSINESS OR retail marijuana establishment BUSINESS until the destruction is approved by the district attorney.

(7) ~~On or before January 1, 2014,~~ The state licensing authority shall promulgate rules governing the implementation of this section.

## PART 10 INSPECTION OF BOOKS AND RECORDS

**44-10-1001. [Formerly 44-12-701 and similar to 44-11-701] Inspection procedures.** (1) Each licensee shall keep a complete set of all records necessary to show fully the business transactions of the licensee, all of which ~~shall be~~ ARE open at all times during business hours for the inspection and examination by the state licensing authority or its duly authorized representatives. The state licensing authority may require any licensee to furnish such information as it considers necessary for the proper administration of this ~~article 12~~ ARTICLE 10 and may require an audit to be made of the books of account and records on such occasions as it may consider necessary by an auditor to be selected by the state licensing authority who shall likewise have access to all books and records of the licensee, and the expense thereof ~~shall~~ MUST be paid by the licensee.

(2) The licensed premises, including any places of storage where ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana products are stored, cultivated, sold, dispensed, or tested ~~shall be~~ ARE subject to inspection by the state or local LICENSING AUTHORITY, OR LOCAL jurisdictions and their investigators, during all business hours and other times of apparent activity, for the purpose of inspection or investigation. Access ~~shall be~~ IS required during business hours for examination of any inventory or books and records required to be kept by the licensees. When any part of the licensed premises consists of a locked area, upon demand to the licensee, such area ~~shall~~ MUST be made available for inspection without delay, and, upon request by authorized representatives of the state or local jurisdiction, the licensee shall open the area for inspection.

(3) Each licensee shall retain all books and records necessary to show fully the business transactions of the licensee for a period of the current tax year and the three immediately prior tax years.

PART 11  
JUDICIAL REVIEW

**44-10-1101. [Formerly 44-12-801 and similar to 44-11-801] Judicial review.** Decisions by the state licensing authority are subject to judicial review pursuant to section 24-4-106.

PART 12  
RESPONSIBLE VENDOR STANDARDS

**44-10-1201. [Formerly 44-11-1101] Responsible vendor program - standards - designation.** (1) A person who wants to offer a responsible medical or retail marijuana vendor server and seller training program must submit an application to the state licensing authority for approval, which program is referred to in this ~~part~~ PART 10 as an "approved training program". The state licensing authority, in consultation with the department of public health and environment, shall approve the submitted program if the submitted program meets the minimum criteria described in subsection (2) of this section. The department of public health and environment shall review each submitted program and shall provide the state licensing authority with the department's analysis of whether the portions of the program related to the department's oversight meet the minimum criteria described in this section.

(2) An approved training program ~~shall~~ MUST contain, at a minimum, the following standards and ~~shall~~ be taught in a classroom setting in a minimum of a two-hour period:

(a) Program standards that specify, at a minimum, who must attend, the time frame for new staff to attend, recertification requirements, record keeping, testing and assessment protocols, and effectiveness evaluations; and

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

(I) Information on required licenses, age requirements, patient registry cards issued by the department of public health and environment, maintenance of records, privacy issues, and unlawful acts;

(II) Administrative and criminal liability and license and court sanctions;

(III) Statutory and regulatory requirements for employees and owners;

(III.5) STATUTORY AND REGULATORY REQUIREMENTS RELATED TO MARIJUANA DELIVERY;

(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.

(3) When promulgating program standards pursuant to subsection (2) of this section, the state licensing authority shall consider input from other state agencies, local jurisdictions, the medical and retail marijuana industry, and any other state or national seller server program.

(4) A provider of an approved training program shall maintain its training records at its principal place of business during the applicable year and for the preceding three years, and the provider shall make the records available for inspection by the licensing authority during normal business hours.

**44-10-1202. [Formerly 44-11-1102] Responsible vendor - designation.** (1) (a) A medical marijuana business ~~licensed pursuant to this article 11~~ or a retail marijuana business licensed pursuant to ~~article 12 of this title 44~~ THIS ARTICLE 10 may receive a responsible vendor designation from the program vendor after successfully completing a responsible medical or retail marijuana vendor server and seller training program approved by the state licensing authority. A responsible vendor designation is valid for two years from the date of issuance.

(b) Successful completion of an approved training program is achieved when the program has been attended by and, as determined by the program provider, satisfactorily completed by all employees selling and handling medical or retail marijuana, all managers, and all resident on-site

owners, if any.

(c) In order to maintain the responsible vendor designation, the licensed medical MARIJUANA BUSINESS or retail marijuana business must have each new employee who sells or handles medical or retail marijuana, manager, or resident on-site owner attend and satisfactorily complete a responsible medical or retail marijuana vendor server and seller training program within ninety days after being employed or becoming an owner. The licensed medical MARIJUANA BUSINESS or retail marijuana business shall maintain documentation of completion of the program by new employees, managers, or owners.

(2) A licensed medical MARIJUANA BUSINESS or retail marijuana business that receives a responsible vendor designation from the program vendor shall maintain information on all persons licensed pursuant to this ~~article 11~~ ARTICLE 10 who are in its employment and who have been trained in an approved training program. The information includes the date, place, time, and duration of training and a list of all licensed persons attending each specific training class, which class includes a training examination or assessment that demonstrates proficiency.

(3) If a local or state licensing authority initiates an administrative action against a licensee who has complied with the requirements of this section and has been designated a responsible vendor, the licensing authority shall consider the designation as a mitigating factor when imposing sanctions or penalties on the licensee.

## PART 13 SEVERABILITY

**44-10-1301. [Formerly 44-12-1101] Severability.** If any provision of this ~~article 12~~ ARTICLE 10 is found by a court of competent jurisdiction to be unconstitutional, the remaining provisions of this ~~article 12~~ ARTICLE 10 are valid, unless it appears to the court that the valid provisions of the statute are so essentially and inseparably connected with, and so dependent upon, the void provision that it cannot be presumed that the legislature would have enacted the valid provisions without the void one; or unless the court determines that the valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

PART 14  
SUNSET REVIEW - ARTICLE REPEAL

**44-10-1401. [Formerly 44-11-1001 and similar to 44-12-1001] Sunset review - repeal of article.** (1) This ~~article~~ ~~ARTICLE~~ 10 is repealed, effective September 1, ~~2019~~ 2028.

(2) Prior to the repeal of this ~~article~~ ~~ARTICLE~~ 10, the department of regulatory agencies shall conduct a sunset review as described in section 24-34-104 (5).

**SECTION 6. Repeal of provisions being relocated in this act.** In Colorado Revised Statutes, **repeal** sections 44-11-102, 44-11-103, 44-11-104, 44-11-105, and 44-11-106; parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of article 11 of title 44; sections 44-12-102, 44-12-103, 44-12-104, and 44-12-105; and parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of article 12 of title 44.

**SECTION 7. Repeal of provisions not being relocated in this act.** In Colorado Revised Statutes, **repeal** sections 44-11-101 and 44-12-101 that were not relocated.

**SECTION 8.** In Colorado Revised Statutes, 6-1-105, **amend** (1)(hhh) as follows:

**6-1-105. Deceptive trade practices.** (1) A person engages in a deceptive trade practice when, in the course of the person's business, vocation, or occupation, the person:

(hhh) Knowingly represents that hemp, hemp oil, or any derivative of a hemp plant constitutes retail marijuana or medical marijuana unless it fully satisfies the definition of such products pursuant to ~~section 44-12-103 (22) or section 44-11-104 (11)~~ SECTION 44-10-103 (34) OR (57);

**SECTION 9.** In Colorado Revised Statutes, 11-33-103, **amend** (4) as follows:

**11-33-103. Definitions.** As used in this article 33, unless the context otherwise requires:

(4) "Licensed marijuana business" means an entity licensed pursuant

to ~~section 44-11-402, 44-11-403, 44-11-404, 44-12-402, 44-12-403, 44-12-404, or 44-12-405~~ PARTS 5 AND 6 OF ARTICLE 10 OF TITLE 44.

**SECTION 10.** In Colorado Revised Statutes, 11-33-104, **amend** (2)(a)(II) as follows:

**11-33-104. Organization - charter - investigation.** (2) A co-op may be organized in the following manner:

(a) (II) A co-op may be incorporated and organized for the purpose of providing financial services to licensed marijuana businesses in good standing with the executive director of the state licensing authority created in ~~section 44-11-201~~ SECTION 44-10-201, industrial hemp businesses, and entities that provide goods or services to licensed marijuana businesses and that provide documentation to the co-op of an inability to get comparable services from a bank or credit union.

**SECTION 11.** In Colorado Revised Statutes, 11-33-106, **amend** (2) as follows:

**11-33-106. Membership - disclosures.** (2) (a) Co-op membership is limited to only entities that own, operate, or are licensed marijuana businesses in good standing with the executive director of the state licensing authority created in ~~section 44-11-201~~ SECTION 44-10-201, industrial hemp businesses, and entities that provide goods or services to licensed marijuana businesses and that provide documentation to the co-op of an inability to get comparable services from a bank or credit union.

(b) An individual is not qualified to be a member of a co-op, regardless of whether the individual is licensed, including pursuant to ~~section 44-11-401(1)(c) or 44-12-401(1)(c)~~ SECTION 44-10-401 (2)(c), to own, operate, manage, or be employed by a licensed marijuana business, either as a sole proprietor or any other form of ownership that gives the individual sole control over the licensed marijuana business.

**SECTION 12.** In Colorado Revised Statutes, 13-21-121, **amend** (2)(b) as follows:

**13-21-121. Agricultural recreation or agritourism activities - legislative declaration - inherent risks - limitation of civil liability - duty**

**to post warning notice - definitions.** (2) As used in this section, unless the context otherwise requires:

(b) "Agricultural recreation or agritourism activity" means an activity related to the normal course of agriculture, as defined in section 35-1-102 (1), which activity is engaged in by participants for entertainment, pleasure, or other recreational purposes, or for educational purposes, regardless of whether a fee is charged to the participants. "Agricultural recreation or agritourism activity" also means hunting, shooting, swimming, diving, tubing, and riding or operating a motorized recreational vehicle that occurs on or in proximity to the property of an agricultural operation or an adjacent roadway. "Agricultural recreation or agritourism activity" includes, but is not limited to, planting, cultivation, irrigation, or harvesting of crops; acceptable practices of animal husbandry; rodeo and livestock activities; and maintenance of farm or ranch equipment. "Agricultural recreation or agritourism activity" does not include any activity related to or associated with medical marijuana as defined in ~~section 44-11-104~~ SECTION 44-10-103 (34) or retail marijuana as defined in ~~section 44-12-103~~ SECTION 44-10-103 (57).

**SECTION 13.** In Colorado Revised Statutes, **amend** 13-22-601 as follows:

**13-22-601. Contracts pertaining to marijuana enforceable.** It is the public policy of the state of Colorado that a contract is not void or voidable as against public policy if it pertains to lawful activities authorized by section 16 of article XVIII of the state constitution and ~~article 12~~ ARTICLE 10 of title 44.

**SECTION 14.** In Colorado Revised Statutes, **amend** 16-2.5-121 as follows:

**16-2.5-121. Executive director of the department of revenue - senior director of enforcement for the department of revenue.** The executive director and the senior director of enforcement of the department of revenue are peace officers while engaged in the performance of their duties whose authority includes the enforcement of laws and rules regarding automobile dealers pursuant to section 44-20-105 (3), the lottery pursuant to sections 44-40-106 (3) and 44-40-107 (8), medical marijuana pursuant to ~~article 11~~ ARTICLE 10 of title 44, limited gaming pursuant to article 30 of

title 44, liquor pursuant to section 44-3-905 (1), and racing events pursuant to section 44-32-203 (1), and the enforcement of all laws of the state of Colorado and who may be certified by the P.O.S.T. board.

**SECTION 15.** In Colorado Revised Statutes, **amend** 16-2.5-124.5 as follows:

**16-2.5-124.5. Director of marijuana enforcement and marijuana enforcement investigator.** The director of the marijuana enforcement division or a marijuana enforcement investigator is a peace officer while engaged in the performance of his or her duties and while acting under proper orders or rules pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44, and shall also include the enforcement of all laws of the state of Colorado and who may be certified by the P.O.S.T. board.

**SECTION 16.** In Colorado Revised Statutes, 18-1.3-204, **amend** (1)(b) and (2)(a)(VIII)(A) as follows:

**18-1.3-204. Conditions of probation - interstate compact probation transfer cash fund - creation.** (1) (b) Notwithstanding the provisions of subsection (1)(a) of this section, unless the defendant is sentenced to probation for a conviction of a crime under ~~article 11~~ ARTICLE 10 of title 44, the possession or use of medical marijuana, as authorized pursuant to section 14 of article XVIII of the state constitution, shall not be considered another offense such that its use constitutes a violation of the terms of probation.

(2) (a) When granting probation, the court may, as a condition of probation, require that the defendant:

(VIII) Refrain from excessive use of alcohol or any unlawful use of controlled substances, as defined in section 18-18-102 (5), or of any other dangerous or abusable drug without a prescription; except that the court shall not, as a condition of probation, prohibit the possession or use of medical marijuana, as authorized pursuant to section 14 of article XVIII of the state constitution, unless:

(A) The defendant is sentenced to probation for conviction of a crime under ~~article 11~~ ARTICLE 10 of title 44; or



**SECTION 17.** In Colorado Revised Statutes, 18-18-406.3, **amend** (7) as follows:

**18-18-406.3. Medical use of marijuana by persons diagnosed with debilitating medical conditions - unlawful acts - penalty - medical marijuana program cash fund.** (7) An owner, officer, or employee of a business licensed pursuant to ~~article 11~~ ARTICLE 10 of title 44, or an employee of the state medical marijuana licensing authority, a local medical marijuana licensing authority, or the department of public health and environment, who releases or makes public a patient's medical record or any confidential information contained in any such record that is provided to or by the business licensed pursuant to ~~article 11~~ ARTICLE 10 of title 44, without the written authorization of the patient commits a class 1 misdemeanor; except that the owner, officer, or employee shall release the records or information upon request by the state or local medical marijuana licensing authority. The records or information produced for review by the state or local licensing authority shall not become public records by virtue of the disclosure and may be used only for a purpose authorized by ~~article 11~~ ARTICLE 10 of title 44, or for another state or local law enforcement purpose. The records or information shall constitute medical data as defined by section 24-72-204 (3)(a)(I). The state or local medical marijuana licensing authority may disclose any records or information so obtained only to those persons directly involved with any investigation or proceeding authorized by ~~article 11~~ ARTICLE 10 of title 44, or for any state or local law enforcement purpose.

**SECTION 18.** In Colorado Revised Statutes, 18-18-406.4, **amend** (1) as follows:

**18-18-406.4. Unlawful advertising of marijuana - exception.** (1) A person who is not licensed to sell medical marijuana ~~pursuant to article 43.3 of title 12~~ or retail marijuana pursuant to ~~article 43.4 of title 12~~ ARTICLE 10 OF TITLE 44, or pursuant to the laws regarding medical or retail marijuana under the laws of another state, who knowingly advertises in a newspaper, magazine, handbill, or other publication or on the internet the unlawful sale of marijuana, marijuana concentrate, or a ~~marijuana-infused~~ MARIJUANA product by a person not licensed to sell marijuana, marijuana concentrate, or a ~~marijuana-infused~~ MARIJUANA product commits a level 2 drug misdemeanor.

**SECTION 19.** In Colorado Revised Statutes, 18-18-406.6, **amend** (1) and (2) as follows:

**18-18-406.6. Extraction of marijuana concentrate - definitions.**

(1) It shall be unlawful for any person who is not licensed pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44 to knowingly manufacture marijuana concentrate using an inherently hazardous substance.

(2) It shall be unlawful for any person who is not licensed pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44 who owns, manages, operates, or otherwise controls the use of any premises to knowingly allow marijuana concentrate to be manufactured on the premises using an inherently hazardous substance.

**SECTION 20.** In Colorado Revised Statutes, 24-20-112, **amend** (1) and (2) as follows:

**24-20-112. Implementation of section 16 of article XVIII of the Colorado constitution - criteria for pesticide use - education oversight and materials - rules.** (1) The governor shall designate a state agency to promulgate rules to designate criteria that identify pesticides that may be used in the cultivation of marijuana as authorized pursuant to ~~article 12~~ ARTICLE 10 of title 44. The designated agency may consult with other state agencies in promulgating the rules. The agency shall publish a list of pesticides that meet the criteria on its website.

(2) The governor shall designate a state agency to work with a private advisory group to develop good cultivation and handling practices for the marijuana industry. The designated agency is encouraged to assist in the formation of a private advisory group. If a private advisory group develops good cultivation and handling practices, an entity licensed pursuant to ~~article 12~~ ARTICLE 10 of title 44 that follows those practices may include a statement of compliance on its label after receiving certification of compliance. The designated agency may consult with other state agencies to receive technical assistance.

**SECTION 21.** In Colorado Revised Statutes, 24-33.5-516, **amend** (3) as follows:

**24-33.5-516. Study marijuana implementation.** (3) The division

is not required to perform the duties required by this section until the marijuana cash fund, created in ~~section 44-11-501~~ SECTION 44-10-801, has received sufficient revenue to fully fund the appropriations made to the department of revenue related to ~~articles 11 and 12~~ ARTICLE 10 of title 44, and the general assembly has appropriated sufficient money from the fund for such duties.

**SECTION 22.** In Colorado Revised Statutes, 24-34-104, **add** (29)(a)(XII) as follows:

**24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal.** (29) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2028:

(XII) THE "COLORADO MARIJUANA CODE", ARTICLE 10 OF TITLE 44.

**SECTION 23.** In Colorado Revised Statutes, 25-1.5-106, **amend** (3.5)(b), (3.7), (3.8)(a), (7)(e)(I)(A), (8.5)(b), and (8.6)(b) as follows:

**25-1.5-106. Medical marijuana program - powers and duties of state health agency - rules - medical review board - medical marijuana program cash fund - subaccount - created - repeal.** (3.5) **Marijuana laboratory testing reference library.** (b) The reference library must contain a library of methodologies for marijuana testing in the areas of potency, homogeneity, contaminants, and solvents consistent with the laboratory requirements set by the department of revenue pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44.

(3.7) The state health agency shall convene a group of interested parties including representatives from the state licensing authority, primary caregivers, patients, marijuana testing laboratory licensees, and any other interested persons to explore laboratory testing options for medical marijuana not produced by someone licensed pursuant to ~~article 11~~ ARTICLE 10 of title 44.

(3.8) (a) The state health agency or an organization with whom the state health agency contracts shall be responsible for proficiency testing and remediating problems with laboratories licensed pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44.

(7) **Primary caregivers.** (e) (I) (A) In order to be a primary caregiver who cultivates medical marijuana for his or her patients or transports medical marijuana for his or her patients, he or she shall also register with the state licensing authority and comply with all local laws, regulations, and zoning and use restrictions. A person may not register as a primary caregiver if he or she is licensed as a medical marijuana business as described in part 4 of article 11 of title 44 or a retail marijuana business as described in part 4 of ~~article 12~~ ARTICLE 10 of title 44. An employee, contractor, or other support staff employed by a licensed entity pursuant to ~~article 11 or 12 of title 44~~, or working in or having access to a restricted area of a licensed premises pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44, may be a primary caregiver.

**(8.5) Encourage patient voluntary registration - plant limits.**

(b) A patient shall not cultivate more than ninety-nine plants. Only a medical marijuana business licensed and properly authorized pursuant to ~~article 11~~ ARTICLE 10 of title 44 may cultivate more than ninety-nine plants.

**(8.6) Primary caregiver plant limits - exceptional circumstances.**

(b) A primary caregiver shall not cultivate more than ninety-nine plants. Only a medical marijuana business licensed and properly authorized pursuant to ~~article 11~~ ARTICLE 10 of title 44 may cultivate more than ninety-nine plants. The primary caregiver is not allowed to grow additional plants until he or she is licensed by the state licensing authority.

**SECTION 24.** In Colorado Revised Statutes, 25-1.5-106.5, **repeal** (5)(b) as follows:

**25-1.5-106.5. Medical marijuana research grant program. (5)**

**Sources of marijuana.** (b) ~~A person who holds an optional premises cultivation license or medical marijuana-infused products manufacturing license issued pursuant to part 4 of article 43.3 of title 12 or a retail marijuana cultivation facility license or a retail marijuana products manufacturing license issued pursuant to part 4 of article 43.4 of title 12 may transfer marijuana to a medical research facility, including at an institution of higher education, for use in research studies funded pursuant to this section. Notwithstanding any other provision of law, a medical research facility authorized pursuant to this section to conduct medical research regarding marijuana is exempt from all otherwise applicable restrictions on the possession and use of marijuana, except that the facility~~

~~shall use the marijuana only for the medical research authorized pursuant to this section, shall not possess at any time a quantity of medical marijuana or medical marijuana-infused product in excess of the limit established in rules promulgated by the state licensing authority, and shall destroy all marijuana remaining after the research has been completed. For the fiscal years beginning on or after July 1, 2017, the general assembly may annually appropriate up to one percent of the available money in the marijuana tax cash fund created in section 39-28.8-501 to the department to be used to award grants pursuant to this section to medical research facilities so that a facility may:~~

~~(I) Purchase marijuana from a licensee specified in this subsection (5)(b) that will be used in the research; and~~

~~(II) Conduct the medical research.~~

**SECTION 25.** In Colorado Revised Statutes, 25-5-403, **repeal** (3) as follows:

~~**25-5-403. Offenses.** (3) The provisions of this section shall not apply to a medical marijuana center or a medical marijuana-infused products manufacturer licensed pursuant to article 11 of title 44 that manufactures or sells a food product that contains medical marijuana so long as the food product is labeled as containing medical marijuana and the label specifies that the product is manufactured without any regulatory oversight for health, safety, or efficacy, and that there may be health risks associated with the consumption or use of the product.~~

**SECTION 26.** In Colorado Revised Statutes, 25-14-103.5, **amend** (3)(a)(I) as follows:

**25-14-103.5. Prohibition against the use of tobacco products and retail marijuana on school property - legislative declaration - education program - special account - definitions.** (3) (a) (I) The board of education of each school district shall adopt appropriate policies and rules that mandate a prohibition against the use of all tobacco products and all retail marijuana or retail marijuana products authorized pursuant to ~~article 12~~ ARTICLE 10 of title 44 on all school property by students, teachers, staff, and visitors and that provide for the enforcement of such policies and rules.

**SECTION 27.** In Colorado Revised Statutes, 26-2-104, **amend** (2)(a)(II)(D) and (2)(h)(I)(C) as follows:

**26-2-104. Public assistance programs - electronic benefits transfer service - joint reports with department of revenue - signs - rules - repeal.** (2) (a) (II) Only those businesses that offer products or services related to the purpose of the public assistance benefits are allowed to participate in the electronic benefits transfer service through the use of point-of-sale terminals. Clients shall not be allowed to access cash benefits through the electronic benefits transfer service from automated teller machines in this state located in:

(D) Establishments licensed to sell medical marijuana or medical ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~ or retail marijuana or retail marijuana products pursuant to ~~article 12~~ ARTICLE 10 of title 44; except that the prohibition for these establishments does not take effect until sixty days after May 1, 2015; or

(h) (I) On or before January 1, 2016, the department of revenue shall adopt rules pursuant to the "State Administrative Procedure Act", article 4 of title 24, that relate to a client's use of automated teller machines at locations where the use is prohibited. The rules must apply to the following establishments:

(C) Establishments licensed to sell medical marijuana or medical ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~ or retail marijuana or retail ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 12~~ ARTICLE 10 of title 44; and

**SECTION 28.** In Colorado Revised Statutes, 29-2-114, **amend** (7) as follows:

**29-2-114. Retail marijuana excise tax - county - municipality - election - repeal.** (7) If a retail marijuana cultivation facility uses a retail marijuana transporter, as defined in ~~section 12-43.4-103 (21.5)~~ SECTION 44-10-103 (65), to transport unprocessed retail marijuana being sold or transferred by the retail marijuana cultivation facility to a retail marijuana product ~~manufacturing~~ MANUFACTURER facility, a retail marijuana store, or another retail marijuana cultivation facility, the transportation of the unprocessed retail marijuana by the retail marijuana transporter is not a

transfer of unprocessed retail marijuana for the purpose of levying any excise tax imposed pursuant to this section.

**SECTION 29.** In Colorado Revised Statutes, 29-2-115, **amend** (3)(a) introductory portion and (4)(a) as follows:

**29-2-115. Retail marijuana sales tax - county - municipality - election - legislative declaration - definition.** (3) (a) Each county in the state is authorized to levy, collect, and enforce a county special sales tax upon all sales of retail marijuana and retail marijuana products, as those terms are defined in ~~section 12-43.4-103~~ SECTION 44-10-103, under the following circumstances:

(4) (a) Each municipality in the state is authorized to levy, collect, and enforce a municipal special sales tax upon all sales of retail marijuana and retail marijuana products, as those terms are defined in ~~section 12-43.4-103~~ SECTION 44-10-103.

**SECTION 30.** In Colorado Revised Statutes, **amend** 35-61-105.5 as follows:

**35-61-105.5. Testing laboratories.** If a person registered pursuant to this article 61 wants a licensed retail marijuana testing facility to perform testing on the industrial hemp that the registrant is cultivating, that person shall use a radio frequency identification-based inventory tracking system approved by the commissioner for a sample of the registrant's industrial hemp crop. The commissioner shall only approve an inventory tracking system if that system is compatible with the state licensing authority's seed-to-sale tracking system required pursuant to ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a). A licensed retail testing facility shall provide the test results to the registrant and the commissioner. All test results ~~shall be~~ ARE considered confidential business information. This section ~~shall not be construed to~~ DOES NOT prevent the use of the tracking system for other purposes.

**SECTION 31.** In Colorado Revised Statutes, 39-22-104, **amend** (4)(r); and **repeal** (4)(s) as follows:

**39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - legislative declaration - definitions - repeal.**

(4) There shall be subtracted from federal taxable income:

(r) For income tax years commencing on or after January 1, 2014, if a taxpayer is licensed under the ~~"Colorado Medical Marijuana Code", article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES, an amount equal to any expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E of the internal revenue code because marijuana is a controlled substance under federal law;

(s) ~~For income tax years commencing on or after January 1, 2014, if a taxpayer is licensed under the "Colorado Retail Marijuana Code", article 12 of title 44, an amount equal to any expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E of the federal internal revenue code because marijuana is a controlled substance under federal law;~~

**SECTION 32.** In Colorado Revised Statutes, 39-22-304, **amend** (3)(m); and **repeal** (3)(n) as follows:

**39-22-304. Net income of corporation - legislative declaration - definitions - repeal.** (3) There shall be subtracted from federal taxable income:

(m) For income tax years commencing on or after January 1, 2014, if a taxpayer is licensed under the ~~"Colorado Medical Marijuana Code", article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES, an amount equal to any expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E of the internal revenue code because marijuana is a controlled substance under federal law;

(n) ~~For income tax years commencing on or after January 1, 2014, if a taxpayer is licensed under the "Colorado Retail Marijuana Code", article 12 of title 44, an amount equal to any expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E of the federal internal revenue code because marijuana is a controlled substance under federal law;~~

**SECTION 33.** In Colorado Revised Statutes, 39-26-102, **amend**



(5.8) as follows:

**39-26-102. Definitions.** As used in this article 26, unless the context otherwise requires:

(5.8) "Medical marijuana" shall have the same meaning as set forth in ~~section 44-11-104 (11)~~ SECTION 44-10-103 (34).

**SECTION 34.** In Colorado Revised Statutes, 39-28.8-101, **amend** (6) as follows:

**39-28.8-101. Definitions.** Unless the context otherwise requires, any terms not defined in this article 28.8 have the meanings set forth in article 26 of this title 39. As used in this article 28.8, unless the context otherwise requires:

(6) "Medical marijuana ~~center~~ STORE" means an entity licensed by the department to sell marijuana and marijuana products pursuant to section 14 of article XVIII of the state constitution and the ~~"Colorado Medical Marijuana Code", article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES.

**SECTION 35.** In Colorado Revised Statutes, 39-28.8-501, **amend** (1) and (2)(a)(I) as follows:

**39-28.8-501. Marijuana tax cash fund - creation - distribution - legislative declaration.** (1) The marijuana tax cash fund, referred to in this part 5 as the "fund", is created in the state treasury. The fund consists of any applicable retail marijuana sales tax transferred pursuant to section 39-28.8-203 (1)(b) on or after July 1, 2014, and any revenues transferred to the fund from any sales tax imposed pursuant to section 39-26-106 on the retail sale of products under ~~articles 43.3 and 43.4 of title 12, C.R.S.~~ ARTICLE 10 OF TITLE 44.

(2) (a) The general assembly shall not appropriate the money in the fund for the fiscal year in which it was received by the state; except that:

(I) The general assembly may appropriate money in the fund to the department of revenue for the fiscal years in which it was received by the state for the direct and indirect costs associated with implementing this

article 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44; and

**SECTION 36.** In Colorado Revised Statutes, 39-28.8-502, **amend** (2) as follows:

**39-28.8-502. Marijuana tax cash fund - budget requests.** (2) Beginning with the budget request required to be submitted to the joint budget committee by November 1, 2014, and for each budget request required to be submitted each November thereafter, the executive director of the department of revenue shall include in its budget request for the direct and indirect costs associated with implementing this article 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44 the amount that the department requests from the money in the marijuana cash fund created in ~~section 44-11-501~~ SECTION 44-10-801, and the amount that the department requests from the marijuana tax cash fund.

**SECTION 37. Appropriation.** (1) For the 2019-20 state fiscal year, \$396,604 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) \$292,974 for marijuana enforcement, which amount is based on an assumption that the department will require an additional 1.8 FTE; and

(b) \$103,630 for the purchase of legal services.

(2) For the 2019-20 state fiscal year, \$103,630 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(b) of this section and is based on an assumption that the department of law will require an additional 0.6 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

**SECTION 38. Act subject to petition - effective date.** Sections 5 through 37 of this act take effect January 1, 2020; except that sections 44-10-501 (3)(e), 44-10-503 (5)(b), 44-10-601 (3)(c), and 44-10-603 (11) of section 5 of this act take effect July 1, 2020, and the remainder of 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 the ninety-day period after final adjournment of the general assembly, 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.

---

Leroy M. Garcia  
PRESIDENT OF  
THE SENATE

---

KC Becker  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

---

Cindi L. Markwell  
SECRETARY OF  
THE SENATE

---

Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

(Date and Time)

---

Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO