

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 19-0365.02 Michael Dohr x4347

SENATE BILL 19-224

SENATE SPONSORSHIP

Gonzales and Fenberg, Tate

HOUSE SPONSORSHIP

Herod and Van Winkle,

Senate Committees

Finance
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Sunset Process - Senate Finance Committee. Sections 1 to 44 of the bill make changes to the retail and medical marijuana codes and

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

SENATE
Amended 3rd Reading
April 22, 2019

SENATE
Amended 2nd Reading
April 19, 2019

continue those codes until 2028 with a sunset review prior to 2028. The bill requires industrial hemp that is used in medical marijuana-infused products or retail marijuana products to be tested prior to manufacturing the product. The bill allows retail marijuana stores to sell industrial hemp consumables. The bill requires the state licensing authority to adopt equivalency standards for medical marijuana products and concentrate by July 1, 2020.

Under current law, there is an exception to the "Colorado Food and Drug Act" for medical marijuana but not one for retail marijuana. The bill repeals the exception for medical marijuana.

The bill streamlines the statutes related to license renewal by:

- ! Eliminating statutory timelines for local licensing and allowing local ordinance to determine the application timelines;
- ! Allowing a licensee that has submitted a timely renewal application to operate until the application is acted upon; and
- ! Repealing statutes related to the order in which state and local licenses must be processed.

Under current law, there are 2 separate licenses related to research: A research and development license and the research and development cultivation license. The bill merges the 2 licenses into one.

Current law allows medical research facilities and pesticide manufacturers to obtain medical marijuana without a license. The bill repeals that provision.

The bill gives the state licensing authorities the ability to seek injunctive relief and investigatory subpoenas from district courts.

Under current law, there is a broad grant of confidentiality to records and information related to licensees. The bill provides similar protections to applicants, patients, and customers. The bill also makes the following information that was confidential available to the public: Final agency actions, testing records on an aggregated and de-identified basis, applicant and licensee demographic information on an aggregated and de-identified basis, and enforcement forms and compliance checklists.

In both the medical marijuana code and the retail marijuana code, there are unlawful acts sections that create criminal violations, but the provisions in the 2 codes are not the same. The bill makes the unlawful acts consistent.

The bill makes it an unlawful act to engage in a regulated marijuana business without the proper license and to adulterate or alter samples of marijuana or marijuana products to circumvent testing requirements.

Under current law, a person is prohibited from being licensed if the person discharged a sentence for a felony within 5 years of applying for licensure or discharged a drug felony conviction within 10 years of

applying for licensure. The bill changes the law so a person is prohibited from licensure if the person was convicted of a felony within 3 years of applying for licensure or is currently serving a sentence for a felony or a deferred judgment or sentence.

The bill creates the following new categories of ownership: Controlling beneficial owner, passive beneficial owner, and indirect financial interest holder.

Under current law, a patient who has submitted an application to be on the registry but has not received a patient card must present a copy of the application and a certified mail return receipt when purchasing medical marijuana at a center. The bill repeals the requirement for a certified mail return receipt and requires proof of application.

Under current law, all fine revenue in the medical marijuana and retail marijuana programs goes to the marijuana cash fund. Generally, state fine revenue is credited to the general fund. The bill directs all fine revenue to the general fund.

The bill directs the state licensing authorities to track information on license disqualifications based on criminal history.

The bill makes technical changes and repeals obsolete provisions.

Sections 45 and 47 of the bill combine the laws for regulated medical marijuana and retail marijuana, currently separate articles in title 44, into one article in title 44.

Sections 48 to 76 of the bill make conforming amendments.

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

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

5 **44-11-1001. Sunset review - repeal of article.** (1) This article
6 11 is repealed, effective September 1, ~~2019~~ 2028.

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

9 **44-12-1001. Sunset review - repeal of article.** (1) This article
10 12 is repealed, effective September 1, ~~2019~~ 2028.

11 **SECTION 3.** In Colorado Revised Statutes, 24-34-104, **repeal**
12 (17)(a)(XIII) and (17)(a)(XV); and **add** (29)(a)(V) and (29)(a)(VI) as

1 follows:

2 **24-34-104. General assembly review of regulatory agencies**
3 **and functions for repeal, continuation, or reestablishment - legislative**
4 **declaration - repeal.** (17) (a) The following agencies, functions, or both,
5 are scheduled for repeal on September 1, 2019:

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

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

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

12 (V) (A) THE MEDICAL MARIJUANA CODE CREATED IN ARTICLE 11
13 OF TITLE 44.

14 (B) THIS SUBSECTION (29)(a)(V) IS REPEALED, EFFECTIVE
15 JANUARY 1, 2020.

16 (VI) (A) THE RETAIL MARIJUANA CODE CREATED IN ARTICLE 12 OF
17 TITLE 44.

18 (B) THIS SUBSECTION (29)(a)(VI) IS REPEALED, EFFECTIVE
19 JANUARY 1, 2020.

20 == == ==

21 **SECTION 4. In Colorado Revised Statutes, 18-18-102, add**
22 **(20.3) as follows:**

23 **18-18-102. Definitions. As used in this article 18:**

24 **(20.3) (a) "OPEN" OR "OPENLY" MEANS OBSERVABLE BY THE**
25 **PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC.**

26 **(b) "PUBLIC" OR "PUBLICLY" MEANS A PLACE TO WHICH THE**
27 **PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC HAS ACCESS WITHOUT**

1 RESTRICTION, INCLUDING BUT NOT LIMITED TO STREETS AND HIGHWAYS,
2 TRANSPORTATION FACILITIES, PLACES OF AMUSEMENT, PARKS,
3 PLAYGROUNDS, AND THE COMMON AREAS OF BUILDINGS AND OTHER
4 FACILITIES.

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

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

11 **ARTICLE 10**

12 **Regulated Marijuana**

13 **PART 1**

14 **COLORADO MARIJUANA CODE**

15 **44-10-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 10 IS
16 THE "COLORADO MARIJUANA CODE".

17 **44-10-102. Legislative declaration.** (1) [Formerly 44-11-102 (1)
18 **and similar to 44-12-102 (1)**] The general assembly hereby declares that
19 this ~~article 11 shall be~~ ARTICLE 10 IS deemed an exercise of the police
20 powers of the state for the protection of the economic and social welfare
21 and the health, peace, and morals of the people of this state.

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

1 compliance with the terms, conditions, limitations, and restrictions of
2 section 25-1.5-106.

3 (3) **[Formerly 44-12-102 (2)]** The general assembly further
4 declares that it is unlawful under state law to cultivate, manufacture,
5 distribute, or sell retail marijuana and retail marijuana products, except in
6 compliance with the terms, conditions, limitations, and restrictions in
7 section 16 of article XVIII of the state constitution and this ~~article 12~~
8 ARTICLE 10.

9 **44-10-103. Definitions. [Formerly 44-11-104 introductory**
10 **portion and similar to 44-12-103 introductory portion]** As used in this
11 ~~article 11~~ ARTICLE 10, unless the context otherwise requires:

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

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

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

27 (4) "ACCELERATOR MANUFACTURER" MEANS A PERSON QUALIFIED

1 FOR AN ACCELERATOR LICENSE, LICENSED TO MANUFACTURE AND
2 DISTRIBUTE RETAIL MARIJUANA CONCENTRATES AND RETAIL MARIJUANA
3 PRODUCTS ON THE PREMISES OF AN ACCELERATOR-ENDORSED
4 MANUFACTURING LICENSEE.

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

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

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

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

26 (9) "BENEFICIAL OWNER OF", "BENEFICIAL OWNERSHIP OF", OR
27 "BENEFICIALLY OWNS AN" OWNER'S INTEREST IS DETERMINED IN

1 ACCORDANCE WITH SECTION 13(d) OF THE FEDERAL "SECURITIES
2 EXCHANGE ACT OF 1934", AS AMENDED, AND RULE 13d-3 PROMULGATED
3 THEREUNDER.

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

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

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

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

24 (a) A NATURAL PERSON, AN ENTITY AS DEFINED IN SECTION
25 7-90-102 (20) THAT IS ORGANIZED UNDER THE LAWS OF AND FOR WHICH
26 ITS PRINCIPAL PLACE OF BUSINESS IS LOCATED IN ONE OF THE STATES OR
27 TERRITORIES OF THE UNITED STATES OR DISTRICT OF COLUMBIA, A

1 PUBLICLY TRADED CORPORATION, OR A QUALIFIED PRIVATE FUND THAT IS
2 NOT A QUALIFIED INSTITUTIONAL INVESTOR:

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

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

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

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

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

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

25 (16) [Formerly 44-11-104 (1.7) and similar to 44-12-103
26 (3.3)] "Fibrous waste" means any roots, stalks, and stems from a medical
27 OR RETAIL marijuana plant.

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

4 (a) The licensee or applicant has violated, does not meet, or has
5 failed to comply with any of the terms, conditions, or provisions of this
6 ~~article 11~~ ARTICLE 10; any rules promulgated pursuant to this ~~article 11~~
7 ARTICLE 10; or any supplemental local law, rules, or regulations;

8 (b) The licensee or applicant has failed to comply with any special
9 terms or conditions that were placed on its license pursuant to an order of
10 the state or local licensing authority;

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

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

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

1 THAT:

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

5 (b) HOLDS A PERMITTED ECONOMIC INTEREST THAT WAS ISSUED
6 PRIOR TO JANUARY 1, 2020, AND THAT HAS NOT BEEN CONVERTED INTO AN
7 OWNER'S INTEREST;

8 (c) IS A CONTRACT COUNTERPARTY WITH A MEDICAL MARIJUANA
9 BUSINESS OR RETAIL MARIJUANA BUSINESS, OTHER THAN A CUSTOMARY
10 EMPLOYMENT AGREEMENT, THAT HAS A DIRECT NEXUS TO THE
11 CULTIVATION, MANUFACTURE, OR SALE OF REGULATED MARIJUANA,
12 INCLUDING, BUT NOT LIMITED TO, A LEASE OF REAL PROPERTY ON WHICH
13 THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS
14 OPERATES, A LEASE OF EQUIPMENT USED IN THE CULTIVATION OF
15 REGULATED MARIJUANA, A SECURED OR UNSECURED FINANCING
16 AGREEMENT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL
17 MARIJUANA BUSINESS, A SECURITY CONTRACT WITH THE MEDICAL
18 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR A
19 MANAGEMENT AGREEMENT WITH THE MEDICAL MARIJUANA BUSINESS OR
20 RETAIL MARIJUANA BUSINESS, PROVIDED THAT NO SUCH CONTRACT
21 COMPENSATES THE CONTRACT COUNTERPARTY WITH A PERCENTAGE OF
22 REVENUE FOR PROFITS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
23 MARIJUANA BUSINESS; OR

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

26 (20) [Formerly 44-11-104 (4.2) and similar to 44-12-103
27 (5.2)] "Industrial fiber products" means intermediate or finished products

1 made from fibrous waste that are not intended for human or animal
2 consumption and are not usable or recognizable as medical OR RETAIL
3 marijuana. Industrial fiber products include but are not limited to cordage,
4 paper, fuel, textiles, bedding, insulation, construction materials, compost
5 materials, and industrial materials.

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

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

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

13 (b) IS FOR HUMAN USE OR CONSUMPTION;

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

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

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

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

1 marijuana and ~~retail-marijuana~~ REGULATED MARIJUANA products in
2 accordance with this ~~article 12~~ ARTICLE 10.

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

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

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

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

27 (29) [Formerly 44-11-104 (9) and 44-12-103 (11)] "Location"

1 means a particular parcel of land that may be identified by an address or
2 other descriptive means.

3 (30) "MANAGER" HAS THE SAME MEANING AS IN SECTION 7-90-102
4 (35.7)

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

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

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

21 (34) [Formerly 44-11-104 (11)] "Medical marijuana" means
22 marijuana that is grown and sold pursuant to the provisions of this ~~article~~
23 ~~11~~ ARTICLE 10 and for a purpose authorized by section 14 of article XVIII
24 of the state constitution but shall not be considered a nonprescription drug
25 for purposes of section 12-42.5-102 (21) or 39-26-717, or an
26 over-the-counter medication for purposes of section 25.5-5-322. IF THE
27 CONTEXT REQUIRES, MEDICAL MARIJUANA INCLUDES MEDICAL MARIJUANA

1 CONCENTRATE AND MEDICAL MARIJUANA PRODUCTS.

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

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

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

22 (38) [Formerly 44-11-104 (15)] "Medical ~~marijuana-infused~~
23 MARIJUANA product" means a product infused with medical marijuana
24 that is intended for use or consumption other than by smoking, including
25 but not limited to edible products, ointments, and tinctures. ~~These~~
26 ~~products, when manufactured or sold by a licensed medical marijuana~~
27 ~~center or a medical marijuana-infused products manufacturer, shall not be~~

1 ~~considered a food or drug for the purposes of the "Colorado Food and~~
2 ~~Drug Act", part 4 of article 5 of title 25.~~

3 (39) [Formerly 44-11-104 (16)] "Medical ~~marijuana-infused~~
4 MARIJUANA products manufacturer" means a person licensed pursuant to
5 this ~~article 11~~ ARTICLE 10 to operate a business as described in ~~section~~
6 ~~44-11-404~~ SECTION 44-10-503.

7 (40) [Formerly 44-11-104 (13)] "Medical marijuana ~~center~~
8 STORE" means a person licensed pursuant to this ~~article 11~~ ARTICLE 10 to
9 operate a business as described in ~~section 44-11-402~~ SECTION 44-10-501
10 that sells medical marijuana to registered patients or primary caregivers
11 as defined in section 14 of article XVIII of the state constitution, but is
12 not a primary caregiver.

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

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

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

1 (44) [Formerly 44-12-103 (16)] "Operating fees", as referred to
2 in section 16 (5)(f) of article XVIII of the state constitution, means fees
3 that may be charged by a local jurisdiction for costs, including but not
4 limited to inspection, administration, and enforcement of retail marijuana
5 establishments BUSINESSES authorized pursuant to this ~~article 12~~ ARTICLE
6 10.

7 (45) "OWNER'S INTEREST" HAS THE SAME MEANING AS IN SECTION
8 7-90-102 (44) AND IS SYNONYMOUS WITH THE TERM "SECURITY" UNLESS
9 THE CONTEXT OTHERWISE REQUIRES.

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

14 (47) [Formerly 44-11-104 (20) and similar to 44-12-103
15 (17)] "Permitted economic interest" means any unsecured convertible
16 debt instrument, option agreement, warrant, or any other right to obtain
17 an ownership interest when the holder of such interest is a natural person
18 who is a lawful United States resident and whose right to convert into an
19 ownership interest is contingent on the holder qualifying and obtaining a
20 license as an owner under this ~~article 11~~ ARTICLE 10, or such other
21 agreements as may be permitted by rule of the state licensing authority.

22 (48) [Formerly 44-12-103 (18) and similar to 44-11-104
23 (48) PERSON" HAS THE SAME MEANING AS DEFINED IN SECTION 7-90-102
24 (49).

25 (49) [Formerly 44-12-103 (19) and similar to 44-11-104
26 (22)] "Premises" means a distinctly identified, as required by the state
27 licensing authority, and definite location, which may include a building,

1 a part of a building, a room, or any other definite contiguous area.

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

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

11 (I) CONSTITUTES "COVERED SECURITIES" PURSUANT TO SECTION
12 18 (b)(1)(A) OF THE FEDERAL "SECURITIES ACT OF 1933", AS AMENDED;
13 OR

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

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

22 (B) THE PERSON HAS ESTABLISHED AND IS IN COMPLIANCE WITH
23 CORPORATE GOVERNANCE MEASURES PURSUANT TO CORPORATE
24 GOVERNANCE OBLIGATIONS IMPOSED ON SECURITIES QUALIFIED AND
25 QUOTED ON THE OTCQX TIER OF THE OTC MARKETS.

26 (b) IS AN ENTITY THAT HAS A CLASS OF SECURITIES LISTED ON THE
27 CANADIAN SECURITIES EXCHANGE, TORONTO STOCK EXCHANGE, TSX

1 VENTURE EXCHANGE, OR OTHER EQUITY SECURITIES EXCHANGE
2 RECOGNIZED BY THE STATE LICENSING AUTHORITY, IF:

3 (I) THE ENTITY CONSTITUTES A "FOREIGN PRIVATE ISSUER", AS
4 DEFINED IN RULE 405 PROMULGATED PURSUANT TO THE FEDERAL
5 "SECURITIES ACT OF 1933", AS AMENDED, WHOSE SECURITIES ARE EXEMPT
6 FROM REGISTRATION PURSUANT TO SECTION 12 OF THE FEDERAL
7 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED, PURSUANT TO RULE
8 12g3-2 (b) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES
9 EXCHANGE ACT OF 1934", AS AMENDED; AND

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

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

16 (d) A "PUBLICLY TRADED CORPORATION" DESCRIBED IN
17 SUBSECTION (46)(a), (46)(b), OR (46)(c) OF THIS SECTION DOES NOT
18 INCLUDE:

19 (I) AN "INELIGIBLE ISSUER", AS DEFINED IN RULE 405
20 PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF 1933",
21 AS AMENDED, UNLESS SUCH PUBLICLY TRADED CORPORATION SATISFIES
22 THE DEFINITION OF INELIGIBLE ISSUER SOLELY BECAUSE IT IS ONE OR MORE
23 OF THE FOLLOWING, AND THE PERSON IS FILING REPORTS ON A CURRENT
24 BASIS WITH THE FEDERAL SECURITIES AND EXCHANGE COMMISSION
25 PURSUANT TO THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", AS
26 AMENDED, AS IF THE SECURITIES CONSTITUTED "COVERED SECURITIES" AS
27 DESCRIBED IN SUBSECTION (46)(a)(I) OF THIS SECTION, AND PRIOR TO

1 BECOMING A PUBLICLY TRADED CORPORATION, THE PERSON FOR AT LEAST
2 TWO YEARS WAS LICENSED BY THE STATE LICENSING AUTHORITY AS A
3 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS WITH A
4 DEMONSTRATED HISTORY OF OPERATIONS IN THE STATE OF COLORADO,
5 AND DURING SUCH TIME WAS NOT SUBJECT TO SUSPENSION OR
6 REVOCATION OF THE LICENSE:

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

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

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

16 (II) A PERSON DISQUALIFIED AS A "BAD ACTOR" UNDER RULE 506
17 (d) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF
18 1933", AS AMENDED."

19 (51) "QUALIFIED INSTITUTIONAL INVESTOR" MEANS:

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

25 (b) A BANK HOLDING COMPANY AS DEFINED IN THE FEDERAL
26 "BANK HOLDING COMPANY ACT OF 1956", AS AMENDED, IF THE BANK
27 HOLDING COMPANY IS REGISTERED AND CURRENT IN ALL APPLICABLE

1 REPORTING AND RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND
2 RULES PROMULGATED THEREUNDER;

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

8 (d) AN INVESTMENT COMPANY REGISTERED UNDER SECTION 8 OF
9 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED, AND
10 SUBJECT TO 15 U.S.C. SEC. 80a-1 TO 80a-64, IF THE INVESTMENT
11 COMPANY IS CURRENT IN ALL APPLICABLE REPORTING AND
12 RECORD-KEEPING REQUIREMENTS UNDER SUCH ACT AND RULES
13 PROMULGATED THEREUNDER;

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

19 (f) A STATE OR FEDERAL GOVERNMENT PENSION PLAN;

20 (g) A GROUP COMPRISED ENTIRELY OF PERSONS SPECIFIED IN
21 SUBSECTIONS (47)(a) TO (47)(f) OF THIS SECTION; OR

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

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

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

7 (b) SATISFIES ONE OR MORE OF THE FOLLOWING:

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

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

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

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

18 (54) "REGULATED MARIJUANA" MEANS MEDICAL MARIJUANA AND
19 RETAIL MARIJUANA. IF THE CONTEXT REQUIRES, REGULATED MARIJUANA
20 INCLUDES MEDICAL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA
21 PRODUCTS, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA
22 PRODUCTS.

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

25 (56) [Formerly 44-12-103 (21) and similar to 44-11-104
26 (24)] "Resealable" means that the package continues to function within
27 effectiveness specifications, which shall be established by the state

1 licensing authority similar to the federal "Poison Prevention Packaging
2 Act of 1970", 15 U.S.C. sec. 1471 et seq., for the number of openings and
3 closings customary for its size and contents, which shall be determined
4 by the state licensing authority.

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

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

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

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

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

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

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

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

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

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

25 **(67) [Formerly 44-12-103 (32) and similar to 44-11-104**
26 **(25)]** "School" means a public or private preschool or a public or private
27 elementary, middle, junior high, or high school or institution of higher

1 education.

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

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

9 **44-10-104. Applicability - medical marijuana - retail**
10 **marijuana. [Formerly 44-11-103 (1)]** ~~(1) (a) On July 1, 2010, a person~~
11 ~~who is operating an established, locally approved business for the purpose~~
12 ~~of cultivation, manufacture, or sale of medical marijuana or medical~~
13 ~~marijuana-infused products or a person who has applied to a local~~
14 ~~government to operate a locally approved business for the purpose of~~
15 ~~cultivation, manufacture, or sale of medical marijuana or medical~~
16 ~~marijuana-infused products that is subsequently granted may continue to~~
17 ~~operate that business in accordance with any applicable state or local~~
18 ~~laws. "Established", as used in this subsection (1)(a), shall mean owning~~
19 ~~or leasing a space with a storefront and remitting sales taxes in a timely~~
20 ~~manner on retail sales of the business as required pursuant to section~~
21 ~~39-26-105, as well as any applicable local sales taxes.~~

22 (b) ~~To continue operating a business or operation as described in~~
23 ~~subsection (1)(a) of this section, the owner shall, on or before August 1,~~
24 ~~2010, complete forms as provided by the department of revenue and shall~~
25 ~~pay a fee, which shall be credited to the medical marijuana license cash~~
26 ~~fund established pursuant to section 44-11-501. The purpose of the fee~~
27 ~~shall be to pay for the direct and indirect costs of the state licensing~~

1 ~~authority and the development of application procedures and rules~~
2 ~~necessary to implement this article 11. Payment of the fee and completion~~
3 ~~of the form shall not create a local or state license or a present or future~~
4 ~~entitlement to receive a license. An owner issued a local license after~~
5 ~~August 1, 2010, shall complete the forms and pay the fee pursuant to this~~
6 ~~subsection (1)(b) within thirty days after issuance of the local license. In~~
7 ~~addition to any criminal penalties for selling without a license, it shall be~~
8 ~~unlawful to continue operating a business or operation without filing the~~
9 ~~forms and paying the fee as described in this subsection (1)(b), and any~~
10 ~~violation of this section shall be prima facie evidence of unsatisfactory~~
11 ~~character, record, and reputation for any future application for license~~
12 ~~under this article 11.~~

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

18 ~~(2) (1) (a) [Formerly 44-11-103 (2)(a)] Prior to July 1, 2011, A~~
19 ~~county, city and county, or municipality may adopt and enforce a~~
20 ~~resolution or ordinance licensing, regulating, or prohibiting the cultivation~~
21 ~~or sale of medical marijuana. In a county, city and county, or municipality~~
22 ~~where such an ordinance or resolution has been adopted, a person who is~~
23 ~~not registered as a patient or primary caregiver pursuant to section~~
24 ~~25-1.5-106 and who is cultivating or selling medical marijuana shall IS~~
25 ~~not be entitled to an affirmative defense to a criminal prosecution as~~
26 ~~provided for in section 14 of article XVIII of the state constitution unless~~
27 ~~the person is in compliance with the applicable county or municipal law.~~

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

4 **(b) [Formerly 44-11-106]** The operation of this ~~article 11~~ ARTICLE
5 10 AS IT RELATES TO MEDICAL MARIJUANA shall be statewide unless a
6 municipality, county, city, or city and county, by either a majority of the
7 registered electors of the municipality, county, city, or city and county
8 voting at a regular election or special election called in accordance with
9 the "Colorado Municipal Election Code of 1965", article 10 of title 31, or
10 the "Uniform Election Code of 1992", articles 1 to 13 of title 1, as
11 applicable, or a majority of the members of the governing board for the
12 municipality, county, city, or city and county, vote to prohibit the
13 operation of medical marijuana ~~centers, optional premises cultivation~~
14 ~~operations~~ STORES, MEDICAL MARIJUANA CULTIVATION FACILITIES, and
15 medical ~~marijuana-infused~~ MARIJUANA products manufacturers' licenses.

16 **(c) [Formerly 44-11-103 (2)(c)]** ~~On and after July 1, 2011, All~~
17 businesses for the purpose of cultivation, manufacture, or sale of medical
18 marijuana or medical ~~marijuana-infused~~ MARIJUANA products, as defined
19 in this ~~article 11, shall be~~ ARTICLE 10 ARE subject to the terms and
20 conditions of this ~~article 11~~ ARTICLE 10 and any rules promulgated
21 pursuant to this ~~article 11, except that a person that has met the deadlines~~
22 ~~set forth in subsections (1)(a) and (1)(b) of this section that has not had~~
23 ~~its application acted upon by the state licensing authority may continue to~~
24 ~~operate until action is taken on the application, unless the person is~~
25 ~~operating in a jurisdiction that has imposed a prohibition on licensure.~~
26 ~~While continuing to operate prior to the licensing authority acting on the~~
27 ~~application, the person shall otherwise be subject to the terms and~~

1 conditions of this article 11 and all rules promulgated pursuant to this
2 article 11 ARTICLE 10.

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

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

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

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

26 **[Formerly 44-12-104 (1)]** ~~(1)(a) (I) On or after October 1, 2013,~~
27 ~~a person who is operating in good standing a licensed medical marijuana~~

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

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

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

1 ~~(IV) An applicant pursuant to this subsection (1)(a) may apply for~~
2 ~~a retail marijuana establishment license and retain the medical marijuana~~
3 ~~license. The applicant may apply to have the medical marijuana licensed~~
4 ~~operation and the retail marijuana establishment at the same location only~~
5 ~~if the local jurisdiction permits the medical marijuana licensed operation~~
6 ~~and the retail marijuana establishment to be operated at the same location.~~
7 ~~At the time that the retail marijuana establishment license becomes~~
8 ~~effective, the applicant shall identify the medical marijuana inventory that~~
9 ~~will become retail marijuana inventory; except that beginning on July 1,~~
10 ~~2016, an applicant shall not be allowed to transfer medical marijuana~~
11 ~~inventory from a medical marijuana center or from a medical~~
12 ~~marijuana-infused products manufacturer to any retail marijuana~~
13 ~~establishment. Beginning on July 1, 2016, the only transfer of medical~~
14 ~~marijuana allowed pursuant to this subsection (1)(a)(IV) is the transfer of~~
15 ~~medical marijuana inventory from a medical marijuana cultivation facility~~
16 ~~to a retail marijuana cultivation facility.~~

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

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

26 **(2) [Formerly 44-12-104 (2)]** (a) A person applying pursuant to
27 ~~subsection (1) of this section shall~~ FOR LICENSURE PURSUANT TO THIS

1 ARTICLE 10 MUST complete forms as provided by the state licensing
2 authority and ~~shall~~ MUST pay the application fee and the licensing fee,
3 which ~~shall~~ MUST be credited to the marijuana cash fund established
4 pursuant to ~~section 44-11-501~~ SECTION 44-10-801. The state licensing
5 authority shall forward, within seven days, one-half of the RETAIL
6 MARIJUANA BUSINESS license application fee to the local jurisdiction
7 unless the local jurisdiction has prohibited the operation of retail
8 marijuana ~~establishments~~ BUSINESSES pursuant to section 16 (5)(f) of
9 article XVIII of the state constitution. If the license is denied, the state
10 licensing authority shall refund the licensing fee to the applicant.

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

18 (3) **[Formerly 44-12-104 (3)]** As provided in section 16 (5)(f) of
19 article XVIII of the state constitution, any local jurisdiction may enact
20 ordinances or regulations governing the time, place, manner, and number
21 of retail marijuana ~~establishments~~ BUSINESSES, which may include a local
22 licensing requirement, or may prohibit the operation of retail marijuana
23 ~~establishments~~ BUSINESSES through the enactment of an ordinance or
24 through a referred or initiated measure. If a county acts through an
25 initiated measure, the proponents shall submit a petition signed by not
26 less than fifteen percent of the registered electors in the county.

27 (4) **[Formerly 44-12-104 (4) and similar to 44-11-103**

1 ~~(2)(e)]~~ This ~~article 12~~ ARTICLE 10 sets forth the exclusive means by which
2 cultivation, manufacture, sale, distribution, dispensing, and testing of
3 ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED marijuana products
4 may occur in the state of Colorado.

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

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

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

23 **44-10-105. Marijuana employee designation.** AN EMPLOYEE OF
24 A LICENSEE IS NOT AN AGRICULTURAL WORKER UNLESS THE EMPLOYEE IS
25 A FARM LABORER AS DESCRIBED IN SECTION 8-3-104 (11).

26 **44-10-106. Marijuana employee labor rights.** IF THE NATIONAL
27 LABOR RELATIONS BOARD OR A COURT RULES THAT MARIJUANA OR

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

8 PART 2

9 STATE LICENSING AUTHORITY

10 **44-10-201. State licensing authority - creation.**

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

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

26 (2) [Formerly 44-11-201 (2)] The executive director ~~shall be~~ IS
27 the chief administrative officer of the state licensing authority and may

1 employ, pursuant to section 13 of article XII of the state constitution, such
2 officers and employees as may be determined to be necessary, which
3 officers and employees ~~shall be~~ ARE part of the department.

4 (3) **[Formerly 44-11-201 (3)]** A state licensing authority employee
5 with regulatory oversight responsibilities for marijuana businesses
6 licensed by the state licensing authority shall not work for, represent, or
7 provide consulting services to or otherwise derive pecuniary gain from a
8 MEDICAL OR RETAIL marijuana business licensed by the state licensing
9 authority or other business entity established for the primary purpose of
10 providing services to the marijuana industry for a period of six months
11 following his or her last day of employment with the state licensing
12 authority.

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

19 **44-10-202. Powers and duties of state licensing authority -**
20 **rules - legislative declaration. [Formerly 44-12-202 (2) introductory**
21 **portion] (1) Powers and duties.** The state licensing authority ~~has the~~
22 ~~authority to~~ SHALL:

23 (a) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM
24 THAT TRACKS REGULATED MARIJUANA FROM EITHER THE SEED OR
25 IMMATURE PLANT STAGE UNTIL THE REGULATED MARIJUANA OR
26 REGULATED MARIJUANA PRODUCT IS SOLD TO A PATIENT AT A MEDICAL
27 MARIJUANA STORE OR TO A CUSTOMER AT A RETAIL MARIJUANA STORE TO

1 ENSURE THAT NO REGULATED MARIJUANA GROWN OR PROCESSED BY A
2 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS IS SOLD
3 OR OTHERWISE TRANSFERRED EXCEPT BY A MEDICAL OR RETAIL
4 MARIJUANA STORE; EXCEPT THAT THE MEDICAL MARIJUANA OR MEDICAL
5 MARIJUANA PRODUCT IS NO LONGER SUBJECT TO THE TRACKING SYSTEM
6 ONCE THE MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCT HAS
7 BEEN:

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

10 (II) TRANSFERRED TO A PESTICIDE MANUFACTURER IN QUANTITIES
11 THAT ARE LIMITED AS SPECIFIED IN RULES PROMULGATED BY THE STATE
12 LICENSING AUTHORITY, IN CONSULTATION WITH THE DEPARTMENTS OF
13 PUBLIC HEALTH AND ENVIRONMENT AND AGRICULTURE. THE RULES MUST
14 DEFINE A PESTICIDE MANUFACTURER THAT IS AUTHORIZED TO CONDUCT
15 RESEARCH AND MUST AUTHORIZE A PESTICIDE MANUFACTURER TO
16 CONDUCT RESEARCH TO ESTABLISH SAFE AND EFFECTIVE PROTOCOLS FOR
17 THE USE OF PESTICIDES ON MEDICAL MARIJUANA. NOTWITHSTANDING ANY
18 OTHER PROVISION OF LAW, A PESTICIDE MANUFACTURER AUTHORIZED
19 PURSUANT TO THIS SUBSECTION (1)(a)(II) TO CONDUCT PESTICIDE
20 RESEARCH REGARDING MARIJUANA MUST BE LOCATED IN COLORADO,
21 MUST CONDUCT THE RESEARCH IN COLORADO, AND IS EXEMPT FROM ALL
22 OTHERWISE APPLICABLE RESTRICTIONS ON THE POSSESSION AND USE OF
23 MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS;
24 EXCEPT THAT THE MANUFACTURER SHALL:

25 (A) NOT POSSESS AT ANY TIME A QUANTITY OF MEDICAL
26 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCT IN EXCESS OF THE
27 LIMIT ESTABLISHED IN RULES PROMULGATED BY THE STATE LICENSING

1 AUTHORITY:

2 (B) USE THE MEDICAL MARIJUANA AND MEDICAL
3 MARIJUANA-INFUSED PRODUCT ONLY FOR THE PESTICIDE RESEARCH
4 AUTHORIZED PURSUANT TO THIS SUBSECTION (1)(a)(II):

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

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

11 (b) [Formerly 44-12-202 (2)(a)] Grant or refuse state licenses for
12 the cultivation, manufacture, distribution, sale, and testing of ~~retail~~
13 REGULATED marijuana and ~~retail~~ REGULATED marijuana products as
14 provided by law; suspend, fine, restrict, or revoke such licenses, whether
15 active, expired, or surrendered, upon a violation of this ~~article 12~~ ARTICLE
16 10 or any rule promulgated pursuant to this ~~article 12~~ ARTICLE 10; and
17 impose any penalty authorized by this ~~article 12~~ ARTICLE 10 or any rule
18 promulgated pursuant to this ~~article 12~~ ARTICLE 10. The state licensing
19 authority may take any action with respect to a registration **OR PERMIT**
20 pursuant to this ~~article 12~~ ARTICLE 10 as it may with respect to a license
21 pursuant to this ~~article 12~~ ARTICLE 10, in accordance with the procedures
22 established pursuant to this ~~article 12~~ ARTICLE 10.

23 (c) [Formerly 44-12-202 (2)(b)] Promulgate, ~~on or before July 1,~~
24 ~~2013,~~ rules for the proper regulation and control of the cultivation,
25 manufacture, distribution, sale, and testing of ~~retail~~ REGULATED marijuana
26 and ~~retail~~ REGULATED marijuana products and for the enforcement of this
27 ~~article 12~~ ARTICLE 10 and promulgate amended rules and such special

1 rulings and findings as necessary;

2 (d) **[Formerly 44-11-202 (1)(c)]** Hear and determine at a public
3 hearing any contested state license denial and any complaints against a
4 licensee and administer oaths and issue subpoenas to require the presence
5 of persons and the production of papers, books, and records necessary to
6 the determination of any hearing so held, all in accordance with article 4
7 of title 24. The state licensing authority may, at its discretion, delegate to
8 the department hearing officers the authority to conduct licensing,
9 disciplinary, and rule-making hearings ~~under~~ PURSUANT TO section
10 24-4-105. When conducting the hearings, the hearing officers ~~shall be~~
11 ARE employees of the state licensing authority under the direction and
12 supervision of the executive director and the state licensing authority.

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

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

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

27 (2) NOTHING IN THIS ARTICLE 10 DELEGATES TO THE STATE

1 LICENSING AUTHORITY THE POWER TO FIX PRICES FOR REGULATED
2 MARIJUANA.

3 (3) NOTHING IN THIS ARTICLE 10 LIMITS A LAW ENFORCEMENT
4 AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO
5 A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS. A LAW
6 ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN A COLORADO CRIME
7 INFORMATION CENTER CRIMINAL HISTORY RECORD CHECK OF A PRIMARY
8 CAREGIVER, LICENSEE, OR EMPLOYEE OF A LICENSEE DURING AN
9 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO MEDICAL
10 MARIJUANA. A LAW ENFORCEMENT AGENCY HAS THE AUTHORITY TO RUN
11 A COLORADO CRIME INFORMATION CENTER CRIMINAL HISTORY RECORD
12 CHECK OF A LICENSEE OR EMPLOYEE OF A LICENSEE DURING AN
13 INVESTIGATION OF UNLAWFUL ACTIVITY RELATED TO REGULATED
14 MARIJUANA AND REGULATED MARIJUANA PRODUCTS.

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

21 (5) (a) THE STATE LICENSING AUTHORITY HAS THE AUTHORITY TO
22 PETITION A DISTRICT COURT FOR AN INVESTIGATIVE SUBPOENA
23 APPLICABLE TO A PERSON WHO IS NOT LICENSED PURSUANT TO THIS
24 ARTICLE 10 TO OBTAIN DOCUMENTS OR INFORMATION NECESSARY TO
25 ENFORCE THE PROVISIONS OF THIS ARTICLE 10 AND ANY RULES
26 PROMULGATED PURSUANT TO THIS ARTICLE 10 AFTER REASONABLE
27 EFFORTS HAVE BEEN MADE TO OBTAIN REQUESTED DOCUMENTS OR

1 INFORMATION WITHOUT A SUBPOENA.

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

13 (I) THREATENS PUBLIC HEALTH OR SAFETY;

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

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

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

25 **44-10-203. State licensing authority - rules. (1) Permissive**
26 **rule-making.** RULES PROMULGATED PURSUANT TO SECTION 44-10-202
27 (1)(c) MAY INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING

1 SUBJECTS:

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

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

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

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

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

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

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

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

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

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

20 (2) **Mandatory rule-making.** RULES PROMULGATED PURSUANT
21 TO SECTION 44-10-202 (1)(c) MUST INCLUDE BUT NEED NOT BE LIMITED TO
22 THE FOLLOWING SUBJECTS:

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

27 (b) **[Formerly 44-12-202 (3)(a)(II)]** Subject to the limitations

1 contained in section 16 (5)(a)(II) of article XVIII of the state constitution
2 and consistent with this ~~article 12~~ ARTICLE 10, a schedule of application,
3 licensing, and renewal fees for MEDICAL MARIJUANA BUSINESSES AND
4 retail marijuana ~~establishments~~ BUSINESSES;

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

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

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

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

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

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

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

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

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

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

26 (V) THE STATE LICENSING AUTHORITY SHALL DETERMINE AN
27 ACCEPTABLE VARIANCE FOR POTENCY REPRESENTATIONS AND

1 PROCEDURES TO ADDRESS POTENCY MISREPRESENTATIONS. THE STATE
2 LICENSING AUTHORITY SHALL DETERMINE AN ACCEPTABLE VARIANCE OF
3 AT LEAST PLUS OR MINUS FIFTEEN PERCENT FOR POTENCY
4 REPRESENTATIONS AND PROCEDURES TO ADDRESS POTENCY
5 MISREPRESENTATIONS.

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

9 (VII) A STATE, LOCAL, OR MUNICIPAL AGENCY SHALL NOT EMPLOY
10 OR USE THE RESULTS OF ANY TEST OF REGULATED MARIJUANA OR
11 REGULATED MARIJUANA PRODUCTS CONDUCTED BY AN ANALYTICAL
12 LABORATORY THAT IS NOT CERTIFIED PURSUANT TO THIS SUBSECTION
13 (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR THAT IS NOT
14 ACCREDITED TO THE INTERNATIONAL ORGANIZATION FOR
15 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
16 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
17 IN THAT FIELD OF TESTING. STARTING JANUARY 1, 2018, A STATE, LOCAL,
18 OR MUNICIPAL AGENCY MAY USE OR EMPLOY THE RESULTS OF ANY TEST
19 OF REGULATED MARIJUANA OR REGULATED MARIJUANA PRODUCTS
20 CONDUCTED ON OR AFTER JANUARY 1, 2018, BY AN ANALYTICAL
21 LABORATORY THAT IS CERTIFIED PURSUANT TO THIS SUBSECTION
22 (2)(d)(VII) FOR THE PARTICULAR TESTING CATEGORY OR IS ACCREDITED
23 PURSUANT TO THE INTERNATIONAL ORGANIZATION FOR
24 STANDARDIZATION/ INTERNATIONAL ELECTROTECHNICAL COMMISSION
25 17025:2005 STANDARD, OR ANY SUBSEQUENT SUPERSEDING STANDARD,
26 IN THAT FIELD OF TESTING.

27 (VIII) ON OR BEFORE JANUARY 1, 2019, THE STATE LICENSING

1 AUTHORITY SHALL REQUIRE A MEDICAL MARIJUANA TESTING FACILITY OR
2 RETAIL MARIJUANA TESTING FACILITY TO BE ACCREDITED BY A BODY THAT
3 IS ITSELF RECOGNIZED BY THE INTERNATIONAL LABORATORY
4 ACCREDITATION COOPERATION IN A CATEGORY OF TESTING PURSUANT TO
5 THE INTERNATIONAL ORGANIZATION FOR
6 STANDARDIZATION/INTERNATIONAL ELECTROTECHNICAL COMMISSION
7 17025:2005 STANDARD, OR A SUBSEQUENT SUPERSEDING STANDARD, IN
8 ORDER TO RECEIVE CERTIFICATION OR MAINTAIN CERTIFICATION; EXCEPT
9 THAT THE STATE LICENSING AUTHORITY MAY BY RULE ESTABLISH
10 CONDITIONS FOR PROVIDING EXTENSIONS TO A NEWLY LICENSED MEDICAL
11 MARIJUANA TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY
12 FOR A PERIOD NOT TO EXCEED TWELVE MONTHS OR A MEDICAL MARIJUANA
13 TESTING FACILITY OR RETAIL MARIJUANA TESTING FACILITY FOR GOOD
14 CAUSE AS DEFINED BY RULES PROMULGATED BY THE STATE LICENSING
15 AUTHORITY, WHICH MUST INCLUDE BUT MAY NOT BE LIMITED TO WHEN AN
16 APPLICATION FOR ACCREDITATION HAS BEEN SUBMITTED AND IS PENDING
17 WITH A RECOGNIZED ACCREDITING BODY.

18 (IX) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
19 THAT PREVENT REDUNDANT TESTING OF MARIJUANA AND MARIJUANA
20 CONCENTRATE, INCLUDING, BUT NOT LIMITED TO, POTENCY TESTING OF
21 MARIJUANA ALLOCATED TO EXTRACTIONS, AND RESIDUAL SOLVENT
22 TESTING OF MARIJUANA CONCENTRATE WHEN ALL INPUTS OF THE
23 MARIJUANA CONCENTRATE HAVE PASSED RESIDUAL SOLVENT TESTING
24 PURSUANT TO THIS SUBSECTION (2)(d).

25 (e) [Formerly 44-12-202 (3)(a)(V) and similar to 44-11-202
26 (2)(a)(X)] Security requirements for any premises licensed pursuant to
27 this ~~article 12~~ ARTICLE 10, including, at a minimum, lighting, physical

1 security, video, and alarm requirements, and other minimum procedures
2 for internal control as deemed necessary by the state licensing authority
3 to properly administer and enforce the provisions of this ~~article 12~~
4 ARTICLE 10, including reporting requirements for changes, alterations, or
5 modifications to the premises;

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

12 (I) WARNING LABELS;

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

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

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

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

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

26 (i) **[Formerly 44-12-202 (3)(a)(XI) and similar to 44-11-202**
27 **(2)(a)(XII)]** Sanitary requirements for MEDICAL MARIJUANA BUSINESSES

1 AND retail marijuana ~~establishments~~ BUSINESSES, including but not
2 limited to sanitary requirements for the preparation of ~~retail~~ REGULATED
3 marijuana products;

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

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

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

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

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

1 ~~REQUIREMENTS FOR DELIVERIES~~; and requirements for licensed premises;

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

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

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

16 (r) **[Formerly 44-12-202 (3)(a)(XXIII) and similar to 44-11-202**
17 **(2)(a)(XXVIII)]** Requirements for a centralized distribution permit for
18 MEDICAL MARIJUANA CULTIVATION FACILITIES OR retail marijuana
19 cultivation facilities issued pursuant to ~~section 44-12-403 (7)~~ SECTION
20 44-10-503 (6) OR 44-10-602 (7), including but not limited to permit
21 application requirements and privileges and restrictions of a centralized
22 distribution permit; and

23 (s) **[Formerly 44-12-202 (3)(a)(XXIV) and similar to 44-11-202**
24 **(2)(a)(XXIX)]** Requirements for issuance of colocation permits to a
25 marijuana research and development licensee ~~or a marijuana research and~~
26 ~~development cultivation licensee~~ authorizing colocation with a MEDICAL
27 MARIJUANA PRODUCTS MANUFACTURER OR retail marijuana products

1 ~~manufacturing~~ MANUFACTURER licensed premises, including application
2 requirements, eligibility, restrictions to prevent cross-contamination and
3 to ensure physical separation of inventory and research activities, and
4 other privileges and restrictions of permits;

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

15 (u) [Formerly 44-11-202 (2)(a)(IX) and 44-12-202 (3)(c)(V)]
16 Identification of state licensees and their ~~owners, officers~~ CONTROLLING
17 BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, managers, and
18 employees;

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

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

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

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

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

21 (aa) THE IMPLEMENTATION OF AN ACCELERATOR PROGRAM
22 INCLUDING BUT NOT LIMITED TO RULES TO ESTABLISH SEVERED LIABILITY
23 FOR LICENSEES OPERATING ON THE SAME PHYSICAL PREMISES, SEVERED
24 CUSTODIANSHIP OF REGULATED PRODUCTS, PROTECTIONS OF THE
25 INTELLECTUAL PROPERTY OF THE ACCELERATOR LICENSEE, INCENTIVES
26 FOR LICENSEES ENDORSED AS ACCELERATORS, AND ADDITIONAL
27 REQUIREMENTS IF A PERSON APPLYING FOR AN ACCELERATOR

1 ENDORSEMENT HAS LESS THAN TWO YEARS EXPERIENCE OPERATING A
2 LICENSED FACILITY UNDER THIS TITLE 10:

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

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

12 (II) RECORD-KEEPING REQUIREMENTS;

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

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

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

21 (cc) REQUIREMENTS FOR A TRANSITION PERMIT FOR MEDICAL
22 MARIJUANA CULTIVATION FACILITIES OR RETAIL MARIJUANA CULTIVATION
23 FACILITIES ISSUED PURSUANT TO SECTION 44-10-311 (13)(c), INCLUDING
24 BUT NOT LIMITED TO PERMIT APPLICATION REQUIREMENTS AND
25 RESTRICTIONS OF A TRANSITION PERMIT.

26 (dd) REQUIREMENTS FOR MEDICAL MARIJUANA AND MEDICAL
27 MARIJUANA-INFUSED PRODUCTS DELIVERY AS DESCRIBED IN SECTION

1 44-10-501 (11) AND SECTION 44-10-505 (5) AND RETAIL MARIJUANA AND
2 RETAIL MARIJUANA PRODUCTS DELIVERY AS DESCRIBED IN SECTION
3 44-10-601 (13) AND SECTION 44-10-605 (5), INCLUDING:

4 (A) QUALIFICATIONS AND ELIGIBILITY REQUIREMENTS FOR
5 LICENSED MEDICAL MARIJUANA STORES AND MEDICAL MARIJUANA
6 TRANSPORTERS APPLYING FOR A MEDICAL MARIJUANA DELIVERY PERMIT;

7 (B) TRAINING REQUIREMENTS FOR PERSONNEL OF MEDICAL
8 MARIJUANA STORES, RETAIL MARIJUANA STORES, MEDICAL MARIJUANA
9 TRANSPORTERS, AND RETAIL MARIJUANA TRANSPORTERS THAT HOLD A
10 MEDICAL MARIJUANA OR RETAIL MARIJUANA DELIVERY PERMIT WHO WILL
11 DELIVER MEDICAL MARIJUANA OR MEDICAL MARIJUANA PRODUCTS OR
12 RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS PURSUANT TO THIS
13 ARTICLE 10 AND REQUIREMENTS THAT MEDICAL MARIJUANA STORES,
14 RETAIL MARIJUANA STORES, MEDICAL MARIJUANA TRANSPORTERS, AND
15 RETAIL MARIJUANA TRANSPORTERS OBTAIN A RESPONSIBLE VENDOR
16 DESIGNATION PURSUANT TO SECTION 44-10-1201 PRIOR TO CONDUCTING
17 A DELIVERY;

18 (C) PROCEDURES FOR PROOF OF MEDICAL MARIJUANA REGISTRY
19 AND AGE IDENTIFICATION AND VERIFICATION;

20 (D) SECURITY REQUIREMENTS;

21 (E) DELIVERY VEHICLE REQUIREMENTS, INCLUDING
22 REQUIREMENTS FOR SURVEILLANCE;

23 (F) RECORD-KEEPING REQUIREMENTS;

24 (G) LIMITS ON THE AMOUNT OF MEDICAL MARIJUANA AND
25 MEDICAL MARIJUANA PRODUCTS AND RETAIL MARIJUANA AND RETAIL
26 MARIJUANA PRODUCTS THAT MAY BE CARRIED IN A DELIVERY VEHICLE
27 AND DELIVERED TO A PATIENT OR PARENT OR GUARDIAN, WHICH CANNOT

1 EXCEED LIMITS PLACED ON SALES AT LICENSED MEDICAL MARIJUANA
2 STORES;

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

7 (I) INVENTORY TRACKING SYSTEM REQUIREMENTS;

8 (J) HEALTH AND SAFETY REQUIREMENTS FOR MEDICAL MARIJUANA
9 AND MEDICAL MARIJUANA PRODUCTS DELIVERED TO A PATIENT OR PARENT
10 OR GUARDIAN AND FOR RETAIL MARIJUANA AND RETAIL MARIJUANA
11 PRODUCTS DELIVERED TO AN INDIVIDUAL;

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

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

26 (M) THE PERMITTED HOURS OF DELIVERY OF MEDICAL MARIJUANA
27 AND MEDICAL MARIJUANA-INFUSED PRODUCTS AND RETAIL MARIJUANA

1 AND RETAIL MARIJUANA PRODUCTS;

2 (N) REQUIREMENTS FOR AREAS WHERE MEDICAL MARIJUANA AND

3 MEDICAL MARIJUANA-INFUSED PRODUCTS ORDERS ARE STORED, WEIGHED,

4 PACKAGED, PREPARED, AND TAGGED, INCLUDING REQUIREMENTS THAT

5 MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS

6 CANNOT BE PLACED INTO A DELIVERY VEHICLE UNTIL AFTER AN ORDER

7 HAS BEEN PLACED AND THAT ALL DELIVERY ORDERS MUST BE PACKAGED

8 ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA STORE OR ITS

9 ASSOCIATED STATE LICENSING AUTHORITY-AUTHORIZED STORAGE

10 FACILITY AS DEFINED BY RULE AFTER AN ORDER HAS BEEN RECEIVED; AND

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

12 OF GIFT CARDS AND PREPAYMENT ACCOUNTS.

13 (ee) (I) (A) OWNERSHIP AND FINANCIAL DISCLOSURE PROCEDURES

14 AND REQUIREMENTS PURSUANT TO THIS ARTICLE 10;

15 (B) RECORDS A MEDICAL MARIJUANA BUSINESS OR RETAIL

16 MARIJUANA BUSINESS IS REQUIRED TO MAINTAIN REGARDING ITS

17 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, AND

18 INDIRECT FINANCIAL INTEREST HOLDERS THAT MAY BE SUBJECT TO

19 DISCLOSURE AT RENEWAL OR AS PART OF ANY OTHER INVESTIGATION

20 FOLLOWING INITIAL LICENSURE OF A MEDICAL MARIJUANA BUSINESS OR

21 RETAIL MARIJUANA BUSINESS;

22 (C) PROCEDURES AND REQUIREMENTS FOR FINDINGS OF

23 SUITABILITY PURSUANT TO THIS ARTICLE 10, INCLUDING FEES NECESSARY

24 TO COVER THE DIRECT AND INDIRECT COSTS OF ANY SUITABILITY

25 INVESTIGATION;

26 (D) PROCEDURES AND REQUIREMENTS CONCERNING THE

27 DIVESTITURE OF THE BENEFICIAL OWNERSHIP OF A PERSON FOUND

1 UNSUITABLE BY THE STATE LICENSING AUTHORITY;

2 (E) PROCEDURES, PROCESSES, AND REQUIREMENTS FOR TRANSFERS

3 OF OWNERSHIP INVOLVING A PUBLICLY TRADED CORPORATION, INCLUDING

4 BUT NOT LIMITED TO MERGERS WITH A PUBLICLY TRADED CORPORATION,

5 INVESTMENT BY A PUBLICLY TRADED CORPORATION, AND PUBLIC

6 OFFERINGS;

7 (F) DESIGNATION OF PERSONS THAT BY VIRTUE OF COMMON

8 CONTROL CONSTITUTE CONTROLLING BENEFICIAL OWNERS;

9 (G) MODIFICATION OF THE PERCENTAGE OF OWNER'S INTERESTS

10 THAT MAY BE HELD BY A CONTROLLING BENEFICIAL OWNER AND PASSIVE

11 BENEFICIAL OWNER;

12 (H) DESIGNATION OF PERSONS THAT QUALIFY FOR AN EXEMPTION

13 FROM AN OTHERWISE REQUIRED FINDING OF SUITABILITY; AND

14 (I) DESIGNATION OF INDIRECT FINANCIAL INTEREST HOLDERS AND

15 QUALIFIED INSTITUTIONAL INVESTORS.

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

17 MUST NOT BE ANY MORE RESTRICTIVE THAN THE REQUIREMENTS

18 EXPRESSLY ESTABLISHED UNDER THIS ARTICLE 10.

19 (3) IN PROMULGATING RULES PURSUANT TO THIS SECTION, THE

20 STATE LICENSING AUTHORITY MAY SEEK THE ASSISTANCE OF THE

21 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT WHEN NECESSARY

22 BEFORE PROMULGATING RULES ON THE FOLLOWING SUBJECTS:

23 (a) [Similar to 44-11-202 (3)(a)(II) and 44-12-202

24 (3)(d)(I)] SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT

25 LIMITED TO A PROHIBITION ON MASS-MARKET CAMPAIGNS THAT HAVE A

26 HIGH LIKELIHOOD OF REACHING PERSONS UNDER EIGHTEEN YEARS OF AGE

27 FOR MEDICAL MARIJUANA AND HAVE A HIGH LIKELIHOOD OF REACHING

1 PERSONS UNDER TWENTY-ONE YEARS OF AGE FOR RETAIL MARIJUANA AND
2 OTHER SUCH RULES THAT MAY INCLUDE:

3 (I) ALLOWING PACKAGING AND ACCESSORY BRANDING;

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

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

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

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

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

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

21 (I) PACKAGED IN PACKAGING MEETING REQUIREMENTS
22 ESTABLISHED BY THE STATE LICENSING AUTHORITY SIMILAR TO THE
23 FEDERAL "POISON PREVENTION PACKAGING ACT OF 1970", 15 U.S.C. SEC.
24 1471 ET SEQ., AS AMENDED; AND

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

1 STORE;

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

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

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

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

23 (g) **[Formerly 44-12-202 (3)(d)(VIII)(A) and similar to**
24 **44-11-202 (3)(a)(III)(A)]** A prohibition on the production and sale of
25 edible ~~retail~~ REGULATED marijuana products that are in the distinct shape
26 of a human, animal, or fruit. Geometric shapes and products that are
27 simply fruit flavored are not considered fruit. Products in the shape of a

1 marijuana leaf are permissible. Nothing in this ~~subsection (3)(a)(VIII)~~
2 SUBSECTION (3)(g) applies to a company logo.

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

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

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

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

25 (a) The state licensing authority shall create a statewide licensure
26 class system for ~~optional premises~~ MEDICAL MARIJUANA cultivation
27 facility licenses. The classifications may be based upon square footage of

1 the facility; lights, lumens, or wattage; lit canopy; the number of
2 cultivating plants; other reasonable metrics; or any combination thereof.
3 The state licensing authority shall create a fee structure for the licensure
4 class system.

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

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

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

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

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

27 (A) Consider the total current and anticipated demand for medical

1 marijuana and medical ~~marijuana-infused~~ MARIJUANA products in
2 Colorado;

3 (B) Consider any other relevant factors; and

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

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

12 (6) [Formerly 44-12-202 (4)] **Statewide class system cultivation**
13 **facility rules - retail marijuana.** (a) The state licensing authority shall
14 create a statewide licensure class system for retail marijuana cultivation
15 ~~facilities~~ FACILITY LICENSES. The classifications may be based upon
16 square footage of the facility; lights, lumens, or wattage; lit canopy; the
17 number of cultivating plants; ~~a combination of the foregoing; or other~~
18 reasonable metrics; OR ANY COMBINATION THEREOF. The state licensing
19 authority shall create a fee structure for the ~~license~~ LICENSURE class
20 system.

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

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

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

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

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

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

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

19 (7) THE STATE LICENSING AUTHORITY MAY DENY, SUSPEND,
20 REVOKE, FINE, OR IMPOSE OTHER SANCTIONS AGAINST A PERSON'S LICENSE
21 ISSUED PURSUANT TO THIS ARTICLE 10 IF THE STATE LICENSING
22 AUTHORITY FINDS THE PERSON OR THE PERSON'S CONTROLLING
23 BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, OR INDIRECT FINANCIAL
24 INTEREST HOLDER FAILED TO TIMELY FILE ANY REPORT, DISCLOSURE,
25 REGISTRATION STATEMENT, OR OTHER SUBMISSION REQUIRED BY ANY
26 STATE OR FEDERAL REGULATORY AUTHORITY THAT IS RELATED TO THE
27 CONDUCT OF THEIR BUSINESS.

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

4 **44-10-204. Confidentiality.** (1) THE STATE LICENSING
5 AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

6 (a) REPORTS OR OTHER INFORMATION OBTAINED FROM A MEDICAL
7 MARIJUANA OR RETAIL MARIJUANA LICENSEE OR A MEDICAL MARIJUANA
8 OR RETAIL MARIJUANA LICENSE APPLICANT CONTAINING ANY
9 INDIVIDUALIZED DATA, INFORMATION, OR RECORDS RELATED TO THE
10 APPLICANT OR LICENSEE OR ITS OPERATION, INCLUDING SALES
11 INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS, FINANCIAL
12 RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION INFORMATION,
13 TESTING RESULTS, AND SECURITY INFORMATION AND PLANS, OR
14 REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER RECORDS THAT
15 ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO STATE LAW. SUCH
16 REPORTS OR OTHER INFORMATION MAY BE USED ONLY FOR A PURPOSE
17 AUTHORIZED BY THIS ARTICLE 10, FOR INVESTIGATION OR ENFORCEMENT
18 OF ANY INTERNATIONAL, FEDERAL, STATE, OR LOCAL SECURITIES LAW OR
19 REGULATIONS, OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT
20 PURPOSE. ANY INFORMATION RELEASED RELATED TO PATIENTS MAY BE
21 USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10, ____ TO
22 VERIFY THAT A PERSON WHO PRESENTED A REGISTRY IDENTIFICATION
23 CARD ISSUED PURSUANT TO SECTION 25-1.5-106(9) TO A STATE OR LOCAL
24 LAW ENFORCEMENT OFFICIAL IS LAWFULLY IN POSSESSION OF SUCH CARD,
25 AS A PART OF AN ACTIVE INVESTIGATION, AS A PART OF A PROCEEDING
26 AUTHORIZED BY THIS ARTICLE 10 OR ARTICLE 1.5 OF TITLE 25, OR FOR ANY
27 STATE OR LOCAL LAW ENFORCEMENT PURPOSE INVOLVING EVIDENCE OF

1 SALES TRANSACTIONS IN VIOLATION OF THIS ARTICLE 10 OR EVIDENCE OF
2 CRIMINAL ACTIVITY. THE INFORMATION OR RECORDS RELATED TO A
3 PATIENT CONSTITUTE MEDICAL DATA AS DESCRIBED BY SECTION
4 24-72-204 (3)(a)(I), AND THE INFORMATION OR RECORDS MAY ONLY BE
5 DISCLOSED TO THOSE PERSONS DIRECTLY INVOLVED WITH AN ACTIVE
6 INVESTIGATION OR PROCEEDING. ANY CUSTOMER INFORMATION MAY BE
7 USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10.

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

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

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

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

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

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

24 (d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

25 PART 3

26 LICENSING PROCEDURES

27 **44-10-301. [Formerly 44-11-301] Local licensing authority -**

1 **applications - licenses.** (1) A local licensing authority may issue only the
2 following medical marijuana licenses upon payment of the fee and
3 compliance with all local licensing requirements to be determined by the
4 local licensing authority:

- 5 (a) A medical marijuana ~~center~~ STORE license;
- 6 (b) ~~An optional premises cultivation~~ A MEDICAL MARIJUANA
7 CULTIVATION FACILITY license;
- 8 (c) A medical ~~marijuana-infused~~ MARIJUANA products
9 ~~manufacturing~~ MANUFACTURER license;
- 10 (d) A medical marijuana testing facility license;
- 11 (e) A medical marijuana transporter license;
- 12 (f) A medical marijuana business operator license; ■
- 13 (g) A marijuana research and development license; and
- 14 (h) ~~A marijuana research and development cultivation license.~~
- 15 (i) A MEDICAL MARIJUANA DELIVERY PERMIT. ■

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

25 ~~(b)~~ (II) In addition to all other standards applicable to the issuance
26 of licenses under this ~~article 11~~ ARTICLE 10, the local governing body may
27 adopt additional standards for the issuance of medical marijuana ~~center~~

1 STORE, ~~optional premises cultivation~~ MEDICAL MARIJUANA CULTIVATION
2 FACILITY, or medical ~~marijuana-infused~~ MARIJUANA products
3 manufacturer licenses consistent with the intent of this ~~article 11~~ ARTICLE
4 10 that may include, but need not be limited to:

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

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

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

12 ~~(3)~~ (b) An application for a license specified in subsection (1) of
13 this section ~~shall~~ MUST be filed with the state licensing authority and the
14 appropriate local licensing authority on forms provided by the state
15 licensing authority and ~~shall~~ MUST contain such information as the state
16 licensing authority may require and any forms as the local licensing
17 authority may require. Each application ~~shall~~ MUST be verified by the oath
18 or affirmation of the persons prescribed by the state licensing authority.

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

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

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

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

21 **44-10-302. [Formerly 44-11-503] Local license fees - medical**
22 **marijuana.** (1) Each application for a local license FOR A MEDICAL
23 MARIJUANA BUSINESS provided for in this article -- SECTION 44-10-301
24 (1) filed with a local licensing authority shall MUST be accompanied by
25 an application fee in an amount determined by the local licensing
26 authority.

27 (2) License fees as determined by the local licensing authority

1 ~~shall~~ MUST be paid to the treasurer of the municipality, city and county,
2 or county where the licensed premises is located in advance of the
3 approval, denial, or renewal of the license.

4 **44-10-303. [Formerly 44-11-302] Public hearing notice -**
5 **posting and publication. (1) Medical marijuana business licenses.**

6 (a) Upon receipt of an application for a local license FOR A MEDICAL
7 MARIJUANA BUSINESS, except an application for renewal or for transfer of
8 ownership, a local licensing authority may schedule a public hearing upon
9 the application to be held not less than thirty days after the date of the
10 application. If the local licensing authority schedules a hearing for a
11 MEDICAL MARIJUANA BUSINESS license application, it shall post and
12 publish public notice thereof not less than ten days prior to the hearing.
13 The local licensing authority shall give public notice by posting a sign in
14 a conspicuous place on the license applicant's premises for which license
15 application has been made and by publication in a newspaper of general
16 circulation in the county in which the applicant's premises are located.

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

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

27 ~~(4)~~ (d) If the building in which medical marijuana is to be

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

8 ~~(5)~~ (2) **Medical marijuana application review.** (a) When
9 conducting its application review, the state licensing authority may advise
10 the local licensing authority of any items that it finds that could result in
11 the denial of the license application. Upon correction of the noted
12 discrepancies, if the correction is permitted by the state licensing
13 authority, the state licensing authority shall notify the local licensing
14 authority of its conditional approval of the license application
15 amendments. The state licensing authority shall then issue the applicant's
16 state license, which ~~shall remain~~ IS conditioned upon local authority
17 approval.

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

23 (3) **[Formerly 44-12-302 (1)] Retail marijuana business**
24 **licenses.** (a) If a local jurisdiction issues local licenses for a retail
25 marijuana ~~establishment~~ BUSINESS, a local jurisdiction may schedule a
26 public hearing on the application. If the local jurisdiction schedules a
27 hearing, it shall post and publish public notice thereof not less than ten

1 days prior to the hearing. The local jurisdiction shall give public notice by
2 posting a sign in a conspicuous place on the license applicant's premises
3 for which a local license application has been made and by publication in
4 a newspaper of general circulation in the county in which the applicant's
5 premises are located.

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

13 **44-10-304. [Formerly 44-11-303] Results of investigation -**
14 **decision of authorities - medical marijuana.** (1) Not less than five days
15 prior to the date of the public hearing authorized in ~~section 44-11-302~~
16 SECTION 44-10-303, the local licensing authority shall make known its
17 findings, based on its investigation, in writing to the applicant and other
18 parties of interest. The local licensing authority has authority to refuse to
19 issue a license provided for in this section for good cause, subject to
20 judicial review.

21 (2) Before entering a decision approving or denying the
22 application for a local MEDICAL MARIJUANA BUSINESS license, the local
23 licensing authority may consider, except where this ~~article 11~~ ARTICLE 10
24 specifically provides otherwise, the facts and evidence adduced as a result
25 of its investigation, as well as any other facts pertinent to the type of
26 license for which application has been made, including the number, type,
27 and availability of medical marijuana ~~centers, optional premises~~

1 ~~cultivation operations~~ STORES, MEDICAL MARIJUANA CULTIVATION
2 FACILITIES, or medical ~~marijuana-infused~~ MARIJUANA products
3 manufacturers located in or near the premises under consideration, and
4 any other pertinent matters affecting the qualifications of the applicant for
5 the conduct of the type of business proposed.

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

12 (4) After approval of an application, the local licensing authority
13 shall not issue a local license until the building in which the business to
14 be conducted is ready for occupancy with such furniture, fixtures, and
15 equipment in place as are necessary to comply with the applicable
16 provisions of this ~~article 11~~ ARTICLE 10, and then only after the state or
17 local licensing authority has inspected the premises to determine that the
18 applicant has complied with the architect's drawing and the plot plan and
19 detailed sketch for the interior of the building submitted with the
20 application PURSUANT TO SECTION 44-10-301 (4).

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

27 **44-10-305. [Formerly 44-11-304 (1)] State licensing authority**

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

15 (2) (a) **[Formerly 44-11-304 (2)]** The state licensing authority
16 shall issue a state license to a medical marijuana ~~center, an optional~~
17 ~~premises cultivation operation~~ STORE, A MEDICAL MARIJUANA
18 CULTIVATION FACILITY, ~~or a medical marijuana-infused~~ MARIJUANA
19 products manufacturer, A MEDICAL MARIJUANA TESTING FACILITY, A
20 MEDICAL MARIJUANA TRANSPORTER, A MEDICAL MARIJUANA BUSINESS
21 OPERATOR, OR A MARIJUANA RESEARCH AND DEVELOPMENT FACILITY
22 pursuant to this section upon satisfactory completion of the applicable
23 criminal history background check associated with the application, and
24 the state license is conditioned upon local licensing authority approval. A
25 license applicant is prohibited from operating a licensed medical
26 marijuana business without both state and local licensing authority
27 approval. The denial of an application by the local licensing authority

1 ~~shall be~~ IS considered as a basis for the state licensing authority to revoke
2 the state-issued license.

3 (b) **[Similar to 44-12-303 (1)]** THE STATE LICENSING AUTHORITY
4 MAY ISSUE A STATE LICENSE TO AN APPLICANT PURSUANT TO THIS SECTION
5 FOR A RETAIL MARIJUANA BUSINESS UPON COMPLETION OF THE
6 APPLICABLE CRIMINAL HISTORY BACKGROUND CHECK ASSOCIATED WITH
7 THE APPLICATION, AND THE STATE LICENSE IS CONDITIONED UPON LOCAL
8 JURISDICTION APPROVAL. A LICENSE APPLICANT IS PROHIBITED FROM
9 OPERATING A LICENSED RETAIL MARIJUANA BUSINESS WITHOUT STATE AND
10 LOCAL JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE
11 LOCAL JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF
12 STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND
13 MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL
14 LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE
15 THE STATE-ISSUED LICENSE.

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

26 ~~(4) (3)~~ **[Formerly 44-11-304 (4)]** Nothing in this article 11 shall
27 preempt ARTICLE 10 PREEMPTS or otherwise impair IMPAIRS the power of

1 a local government to enact ordinances or resolutions concerning matters
2 authorized to local governments.

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

9 **44-10-306. [Formerly 44-11-305 and similar to**
10 **44-12-304] Denial of application.** (1) The state licensing authority shall
11 deny a state license if the premises on which the applicant proposes to
12 conduct its business does not meet the requirements of this ~~article 11~~
13 ARTICLE 10 or for reasons set forth in ~~section 44-11-104 (2)(c) or~~
14 ~~44-11-304~~ SECTION 44-10-103 (19)(c) OR 44-10-305, and the state
15 licensing authority may REFUSE OR deny a license, RENEWAL,
16 REINSTATEMENT, OR INITIAL LICENSE for good cause as defined by ~~section~~
17 ~~44-11-104 (2)(a) or (2)(b)~~ SECTION 44-10-103 (19)(a) OR (19)(b).

18 (2) If the state licensing authority denies a state license pursuant
19 to subsection (1) of this section, the applicant ~~shall be~~ IS entitled to a
20 hearing pursuant to section 24-4-104 (9) and judicial review pursuant to
21 section 24-4-106. The state licensing authority shall provide written
22 notice of the grounds for denial of the state license to the applicant and
23 to the local licensing authority at least fifteen days prior to the hearing.

24 **44-10-307. [Formerly 44-11-306 and similar to**
25 **44-12-305] Persons prohibited as licensees - definition.** (1) A license
26 provided by this ~~article 11~~ ARTICLE 10 shall not be issued to or held by:

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

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

4 (c) ~~A corporation,~~ PERSON OTHER THAN AN INDIVIDUAL if the
5 criminal history of any of its ~~officers, directors, or stockholders~~
6 CONTROLLING BENEFICIAL OWNERS indicates that ~~the officer, director,~~
7 ~~or stockholder~~ A CONTROLLING BENEFICIAL OWNER is not of good
8 moral character AFTER CONSIDERING THE FACTORS IN SECTION 24-5-101
9 (2);

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

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

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

16 (g) (f) A person licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10
17 who, during a period of licensure, or who, at the time of application, has
18 failed to:

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

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

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

27 (i) (h) (I) A person who ~~has discharged a sentence for a conviction~~

1 WAS CONVICTED of a felony in the ~~five~~ THREE years immediately
2 preceding his or her application date OR WHO IS CURRENTLY SUBJECT TO
3 A SENTENCE FOR A FELONY CONVICTION; EXCEPT FOR AN ACCELERATOR
4 LICENSE, A MARIJUANA CONVICTION IS NOT THE SOLE BASIS FOR LICENSE
5 DENIAL; or

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

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

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

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

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

4 ~~(n)~~ (l) A publicly traded ~~company~~ ENTITY THAT DOES NOT
5 CONSTITUTE A PUBLICLY TRADED CORPORATION AS DEFINED IN THIS
6 ARTICLE 10;

7 (m) A PERSON THAT IS OR HAS A CONTROLLING BENEFICIAL
8 OWNER, PASSIVE BENEFICIAL OWNER, OR INDIRECT FINANCIAL INTEREST
9 HOLDER THAT IS ORGANIZED OR FORMED UNDER THE LAWS OF A COUNTRY
10 DETERMINED BY THE UNITED STATES SECRETARY OF STATE TO HAVE
11 REPEATEDLY PROVIDED SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM
12 OR IS INCLUDED AMONG THE LIST OF "COVERED COUNTRIES" IN SECTION
13 1502 OF THE FEDERAL "DODD-FRANK WALL STREET REFORM AND
14 CONSUMER PROTECTION ACT", PUB.L. 111-203;

15 (n) A PERSON THAT IS OR HAS A CONTROLLING BENEFICIAL OWNER
16 THAT IS AN "INELIGIBLE ISSUER" PURSUANT TO SECTION 44-10-103 (46)
17 (d)(1);

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

22 (p) A PERSON THAT IS NOT A PUBLICLY TRADED CORPORATION
23 THAT IS OR HAS A PASSIVE BENEFICIAL OWNER OR INDIRECT FINANCIAL
24 INTEREST HOLDER THAT IS DISQUALIFIED AS A "BAD ACTOR" UNDER RULE
25 506 (d) PROMULGATED PURSUANT TO THE FEDERAL "SECURITIES ACT OF
26 1933", AS AMENDED, AND SUBJECT TO 17 CFR 230.506 (d)(1);

27 (q) A PERSON THAT IS A PUBLICLY TRADED CORPORATION THAT IS

1 OR HAS A NONOBJECTING PASSIVE BENEFICIAL OWNER OR INDIRECT
2 FINANCIAL INTEREST HOLDER THAT IS DISQUALIFIED AS A "BAD ACTOR"
3 UNDER RULE 506 (d) PROMULGATED PURSUANT TO THE FEDERAL
4 "SECURITIES ACT OF 1933", AS AMENDED, AND SUBJECT TO 17 CFR
5 230.506 (d)(1); OR

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

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

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

18 (a) A LICENSED PHYSICIAN MAKING PATIENT RECOMMENDATIONS;
19 OR

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

23 ~~(2)~~ (4) (a) In investigating the qualifications of an applicant or a
24 licensee, the state and local licensing authorities may have access to
25 criminal history record information furnished by a criminal justice agency
26 subject to any restrictions imposed by such agency. In the event the state
27 or local licensing authority considers the applicant's criminal history

1 record, the state or local licensing authority shall also consider any
2 information provided by the applicant regarding such criminal history
3 record, including but not limited to evidence of rehabilitation, character
4 references, and educational achievements, especially those items
5 pertaining to the period of time between the applicant's last criminal
6 conviction and the consideration of the application for a state license.

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

13 (c) At the time of filing an application for issuance or renewal of
14 a state medical marijuana ~~center~~ BUSINESS license ~~medical~~
15 ~~marijuana-infused product manufacturer license, or optional premises~~
16 ~~cultivation~~ OR RETAIL MARIJUANA BUSINESS license, an applicant shall
17 submit a set of his or her fingerprints and file personal history information
18 concerning the applicant's qualifications for a state license on forms
19 prepared by the state licensing authority. The state or local licensing
20 authority OR LOCAL JURISDICTION shall submit the fingerprints to the
21 Colorado bureau of investigation for the purpose of conducting
22 fingerprint-based criminal history record checks. The Colorado bureau of
23 investigation shall forward the fingerprints to the federal bureau of
24 investigation for the purpose of conducting fingerprint-based criminal
25 history record checks. The state or local licensing authority OR LOCAL
26 JURISDICTION may acquire a name-based criminal history record check for
27 an applicant or a license holder who has twice submitted to a

1 fingerprint-based criminal history record check and whose fingerprints
2 are unclassifiable. An applicant who has previously submitted
3 fingerprints for state OR LOCAL licensing purposes may request that the
4 fingerprints on file be used. The state or local licensing authority OR
5 LOCAL JURISDICTION shall use the information resulting from the
6 fingerprint-based criminal history record check to investigate and
7 determine whether an applicant is qualified to hold a state OR LOCAL
8 license pursuant to this ~~article 11~~ ARTICLE 10. The state or local licensing
9 authority OR LOCAL JURISDICTION may verify any of the information an
10 applicant is required to submit.

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

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

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

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

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

27 (IV.5) UNDER CERTAIN CIRCUMSTANCES, PERMITTING PUBLICLY

1 TRADED CORPORATIONS TO HOLD AN INTEREST IN MEDICAL MARIJUANA
2 BUSINESSES WILL BENEFIT COLORADO'S MEDICAL MARIJUANA MARKET;

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

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

15 (VII) RECOGNIZING THAT PARTICIPATION BY PUBLICLY TRADED
16 CORPORATIONS IN COLORADO'S MEDICAL MARIJUANA INDUSTRY AND
17 RETAIL MARIJUANA INDUSTRY CREATES AN INCREASED NEED TO ASSESS
18 BARRIERS OF ENTRY FOR MINORITY- AND WOMAN-OWNED BUSINESSES,
19 WITH SUCH EFFORTS BEING MADE TO IDENTIFY SOLUTIONS TO ARRIVE AT
20 A GREATER BALANCE AND FOR FURTHER EQUITY FOR MINORITY- AND
21 WOMAN-OWNED BUSINESSES, AND IN A MANNER THAT IS CONSISTENT WITH
22 THE PUBLIC SAFETY AND ENFORCEMENT GOALS AS STATED HEREIN, IT IS
23 THEREFORE OF SUBSTANTIVE IMPORTANCE TO ADDRESS THE LACK OF
24 MINORITY- AND WOMAN-OWNED BUSINESSES' INCLUSION IN COLORADO'S
25 MEDICAL MARIJUANA INDUSTRY AND RETAIL MARIJUANA INDUSTRY,
26 SOCIAL JUSTICE ISSUES ASSOCIATED WITH MARIJUANA PROHIBITION,
27 SUITABILITY ISSUES RELATING TO PAST CONVICTIONS FOR POTENTIAL

1 LICENSEES, LICENSING FEES, AND ECONOMIC CHALLENGES THAT ARISE
2 WITH THE APPLICATION PROCESSES.

3 (b) Therefore, the general assembly is providing a mechanism for
4 Colorado medical marijuana businesses AND RETAIL MARIJUANA
5 BUSINESSES to access capital from investors in other states AND FROM
6 CERTAIN PUBLICLY TRADED CORPORATIONS PURSUANT TO THIS ARTICLE
7 10.

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

10 (a) Have been a resident of Colorado for at least one year prior to
11 the date of the application; or

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

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

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

27 (b) (c) Notwithstanding the requirements of subsection (3)(b) of

1 ~~this section, the state licensing authority may review the limitation on the~~
2 ~~number of direct beneficial interest owners and may increase the number~~
3 ~~of allowable interests above fifteen based on reasonable considerations~~
4 ~~such as developments in state and federal financial regulations, market~~
5 ~~conditions, and the licensee's ability to access legitimate sources of~~
6 ~~capital.~~ A PERSON, OTHER THAN AN INDIVIDUAL, THAT IS A MEDICAL
7 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS OR A CONTROLLING
8 BENEFICIAL OWNER SHALL APPOINT AND CONTINUOUSLY MAINTAIN A
9 REGISTERED AGENT THAT SATISFIES THE REQUIREMENTS OF SECTION
10 7-90-701. THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
11 BUSINESS SHALL INFORM THE STATE LICENSING AUTHORITY OF A CHANGE
12 IN THE REGISTERED AGENT WITHIN TEN DAYS AFTER THE CHANGE.

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

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

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

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

5
6 ~~(6) The state licensing authority shall review the medical~~
7 ~~marijuana business's operating documents to ensure compliance with this~~
8 ~~section.~~

9
10 ~~(7) For purposes of this section, unless the context otherwise~~
11 ~~requires, "institutional investor" means:~~

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

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

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

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

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

22 ~~(f) An employee benefit plan or pension fund that is subject to the~~
23 ~~federal "Employee Retirement Income Security Act of 1974", as~~
24 ~~amended, excluding an employee benefit plan or pension fund sponsored~~
25 ~~by a licensee or an intermediary or holding company licensee that directly~~
26 ~~or indirectly owns five percent or more of a licensee;~~

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

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

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

5 **44-10-309. Business owner and financial interest disclosure**
6 **requirements.** (1) APPLICANTS FOR THE ISSUANCE OF A STATE LICENSE
7 SHALL DISCLOSE TO THE STATE LICENSING AUTHORITY THE FOLLOWING:

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

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

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

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

27 (III) IF THE CONTROLLING BENEFICIAL OWNER IS A QUALIFIED

1 PRIVATE FUND, THE APPLICANT SHALL DISCLOSE A COMPLETE AND
2 ACCURATE ORGANIZATIONAL CHART OF THE QUALIFIED PRIVATE FUND
3 REFLECTING THE IDENTITY AND OWNERSHIP PERCENTAGES OF THE
4 QUALIFIED PRIVATE FUND'S MANAGERS, INVESTMENT ADVISERS,
5 INVESTMENT ADVISER REPRESENTATIVES, ANY TRUSTEE OR EQUIVALENT,
6 AND ANY OTHER PERSON THAT CONTROLS THE INVESTMENT IN, OR
7 MANAGEMENT OR OPERATIONS OF, THE MEDICAL MARIJUANA BUSINESS OR
8 RETAIL MARIJUANA BUSINESS;

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

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

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

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

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

27 (b) EACH AFFILIATE OF A CONTROLLING BENEFICIAL OWNER THAT

1 IS A QUALIFIED PRIVATE FUND.

2 (3) FOR REASONABLE CAUSE, THE STATE LICENSING AUTHORITY

3 MAY REQUIRE DISCLOSURE OF:

4 (a) A COMPLETE AND ACCURATE LIST OF EACH NONOBJECTING

5 BENEFICIAL INTEREST OWNER OF AN APPLICANT, MEDICAL MARIJUANA

6 BUSINESS OR RETAIL MARIJUANA BUSINESS, OR CONTROLLING BENEFICIAL

7 OWNER THAT IS A PUBLICLY TRADED CORPORATION;

8 (b) PASSIVE BENEFICIAL OWNERS OF THE MEDICAL MARIJUANA

9 BUSINESS OR RETAIL MARIJUANA BUSINESS, AND FOR ANY PASSIVE

10 BENEFICIAL OWNER THAT IS NOT A NATURAL PERSON, THE MEMBERS OF

11 THE BOARD OF DIRECTORS, GENERAL PARTNERS, MANAGING MEMBERS, OR

12 MANAGERS AND TEN PERCENT OR MORE OWNERS OF THE PASSIVE

13 BENEFICIAL OWNER;

14 (c) A LIST OF EACH BENEFICIAL OWNER IN A QUALIFIED PRIVATE

15 FUND THAT IS A CONTROLLING BENEFICIAL OWNER;

16 (d) ALL INDIRECT FINANCIAL INTEREST HOLDERS OF THE MEDICAL

17 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, AND FOR ANY

18 INDIRECT FINANCIAL INTEREST HOLDER THAT IS NOT A NATURAL PERSON

19 AND TEN PERCENT OR MORE BENEFICIAL OWNERS OF THE INDIRECT

20 FINANCIAL INTEREST HOLDER.

21 (4) AN APPLICANT OR MEDICAL MARIJUANA BUSINESS OR RETAIL

22 MARIJUANA BUSINESS THAT IS NOT A PUBLICLY TRADED CORPORATION

23 SHALL AFFIRM UNDER PENALTY OF PERJURY THAT IT EXERCISED

24 REASONABLE CARE TO CONFIRM THAT ITS PASSIVE BENEFICIAL OWNERS,

25 INDIRECT FINANCIAL INTEREST HOLDERS, AND QUALIFIED INSTITUTIONAL

26 INVESTORS ARE NOT PERSONS PROHIBITED PURSUANT TO SECTION

27 44-10-307, OR OTHERWISE RESTRICTED FROM HOLDING AN INTEREST

1 UNDER THIS ARTICLE 10. AN APPLICANT'S OR MEDICAL MARIJUANA
2 BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S FAILURE TO EXERCISE
3 REASONABLE CARE IS A BASIS FOR DENIAL, FINE, SUSPENSION,
4 REVOCATION, OR OTHER SANCTION BY THE STATE LICENSING AUTHORITY.

5 (5) AN APPLICANT OR MEDICAL MARIJUANA BUSINESS OR RETAIL
6 MARIJUANA BUSINESS THAT IS A PUBLICLY TRADED CORPORATION SHALL
7 AFFIRM UNDER PENALTY OF PERJURY THAT IT EXERCISED REASONABLE
8 CARE TO CONFIRM THAT ITS NONOBJECTING PASSIVE BENEFICIAL OWNERS,
9 INDIRECT FINANCIAL INTEREST HOLDERS, AND QUALIFIED INSTITUTIONAL
10 INVESTORS ARE NOT PERSONS PROHIBITED PURSUANT TO SECTION
11 44-10-307, OR OTHERWISE RESTRICTED FROM HOLDING AN INTEREST
12 UNDER THIS ARTICLE 10. AN APPLICANT'S OR MEDICAL MARIJUANA
13 BUSINESS'S OR RETAIL MARIJUANA BUSINESS'S FAILURE TO EXERCISE
14 REASONABLE CARE IS A BASIS FOR DENIAL, FINE, SUSPENSION,
15 REVOCATION, OR OTHER SANCTION BY THE STATE LICENSING AUTHORITY.

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

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

25 **44-10-310. Business owner and financial interest suitability**
26 **requirements.** (1) THIS SECTION APPLIES TO ALL PERSONS REQUIRED TO
27 SUBMIT A FINDING OF SUITABILITY.

1 (2) ANY PERSON INTENDING TO BECOME A CONTROLLING
2 BENEFICIAL OWNER OF ANY MEDICAL MARIJUANA BUSINESS OR RETAIL
3 MARIJUANA BUSINESS, EXCEPT AS OTHERWISE PROVIDED IN SECTION
4 44-10-310 (4), SHALL FIRST SUBMIT A REQUEST TO THE STATE LICENSING
5 AUTHORITY FOR A FINDING OF SUITABILITY OR AN EXEMPTION FROM AN
6 OTHERWISE REQUIRED FINDING OF SUITABILITY.

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

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

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

21 (6) ANY PERSON REQUIRED TO OBTAIN A FINDING OF SUITABILITY
22 SHALL DO SO ON FORMS PROVIDED BY THE STATE LICENSING AUTHORITY
23 AND THE FORMS MUST CONTAIN SUCH INFORMATION AS THE STATE
24 LICENSING AUTHORITY MAY REQUIRE. EACH SUITABILITY APPLICATION
25 MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF THE PERSONS
26 PRESCRIBED BY THE STATE LICENSING AUTHORITY.

27 (7) A PERSON REQUESTING A FINDING OF SUITABILITY SHALL

1 PROVIDE THE STATE LICENSING AUTHORITY WITH A DEPOSIT TO COVER THE
2 DIRECT AND INDIRECT COSTS OF ANY INVESTIGATION NECESSARY TO
3 DETERMINE ANY REQUIRED FINDING OF SUITABILITY UNLESS OTHERWISE
4 ESTABLISHED BY RULE. THE STATE LICENSING AUTHORITY MAY MAKE
5 FURTHER RULES REGARDING THE DEPOSIT AND DIRECT AND INDIRECT
6 COSTS THAT MUST BE BILLED AGAINST THE DEPOSIT, UNLESS OTHERWISE
7 ESTABLISHED BY RULE.

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

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

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

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

25 **44-10-311. [Formerly 44-11-308] Restrictions for applications**
26 **for new licenses.** (1) The state or a local licensing authority shall not
27 receive or act upon an application for the issuance of a state or local

1 MEDICAL MARIJUANA BUSINESS license pursuant to this ~~article 11~~ ARTICLE
2 10:

3 (a) If the application for a state or local license concerns a
4 particular location that is the same as or within one thousand feet of a
5 location for which, within the two years immediately preceding the date
6 of the application, the state or a local licensing authority denied an
7 application for the same class of license due to the nature of the use or
8 other concern related to the location;

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

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

16 (d) (I) If the building in which medical marijuana is to be sold is
17 located within one thousand feet of a school; an alcohol or drug treatment
18 facility; the principal campus of a college, university, or seminary; or a
19 residential child care facility. The provisions of this section ~~shall~~ DO not
20 affect the renewal or reissuance of a license once granted or apply to
21 licensed premises located or to be located on land owned by a
22 municipality, nor ~~shall~~ DO the provisions of this section apply to an
23 existing licensed premises on land owned by the state or apply to a license
24 in effect and actively doing business before said principal campus was
25 constructed. The local licensing authority of a city and county, by rule or
26 regulation; the governing body of a municipality, by ordinance; and the
27 governing body of a county, by resolution, may vary the distance

1 restrictions imposed by this subsection (1)(d)(I) for a license or may
2 eliminate one or more types of schools, campuses, or facilities from the
3 application of a distance restriction established by or pursuant to this
4 subsection (1)(d)(I).

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

10 (III) In addition to the requirements of ~~section 44-11-303 (2)~~
11 SECTION 44-10-304 (2), the local licensing authority shall consider the
12 evidence and make a specific finding of fact as to whether the building in
13 which the medical marijuana is to be sold is located within any distance
14 restrictions established by or pursuant to this subsection (1)(d).

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

22 **44-10-312. [Formerly 44-11-309 and similar to**
23 **44-12-308] Transfer of ownership.** (1) A state or local license granted
24 under the provisions of this ~~article 11 shall not be~~ ARTICLE 10 ARE NOT
25 transferable except as provided in this section, but this section ~~shall~~ DOES
26 not prevent a change of location as provided in ~~section 44-11-310 (13)~~
27 SECTION **44-10-313** (13).

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

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

23 (4) A PERSON THAT BECOMES A CONTROLLING BENEFICIAL OWNER
24 OF A PUBLICLY TRADED CORPORATION THAT IS A MEDICAL MARIJUANA
25 BUSINESS OR RETAIL MARIJUANA BUSINESS OR THAT BECOMES A
26 BENEFICIAL OWNER, THROUGH DIRECT OR INDIRECT OWNERSHIP OF A
27 CONTROLLING BENEFICIAL OWNER, OF TEN PERCENT OR MORE OF A

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

16 **44-10-313. [Formerly 44-11-310 and similar to**
17 **44-12-309] Licensing in general.** (1) (a) This ~~article 11~~ ARTICLE 10
18 authorizes a county, municipality, or city and county to prohibit the
19 operation of ~~medical marijuana centers, optional premises cultivation~~
20 ~~operations, and medical marijuana-infused products manufacturers'~~
21 ~~licenses~~ A MEDICAL MARIJUANA BUSINESS and to enact reasonable
22 regulations or other restrictions applicable to medical marijuana ~~centers,~~
23 ~~optional premises cultivation licenses, and medical marijuana-infused~~
24 ~~products manufacturers' licenses~~ BUSINESSES based on local government
25 zoning, health, safety, and public welfare laws for the distribution of
26 medical marijuana that are more restrictive than this ~~article 11~~ ARTICLE
27 10.

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

5 (2) (a) A medical marijuana ~~center, optional premises cultivation~~
6 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
7 may not operate until it has been licensed by the local licensing authority
8 and the state licensing authority pursuant to this ~~article 11~~ ARTICLE 10. If
9 the state licensing authority issues the applicant a state license and the
10 local licensing authority subsequently denies the applicant a license, the
11 state licensing authority shall consider the local licensing authority denial
12 as a basis for the revocation of the state-issued license. In connection with
13 a license, the applicant shall provide a complete and accurate list of all
14 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL ~~owners officers,~~
15 ~~TO THE EXTENT DISCLOSURE IS REQUIRED BY SECTION 44-10-309,~~ and
16 employees who manage, own, or are otherwise substantially associated
17 with the operation and shall provide a complete and accurate application
18 as required by the state licensing authority.

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

27 (3) A medical marijuana ~~center, optional premises cultivation~~

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

10 (4) A medical marijuana ~~center, optional premises cultivation~~
11 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
12 OR RETAIL MARIJUANA BUSINESS ~~THAT IS NOT A PUBLICLY TRADED~~
13 ~~CORPORATION~~ shall notify the state licensing authority in writing of the
14 name, address, and date of birth of ~~an~~ A CONTROLLING BENEFICIAL owner,
15 ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager before the new
16 CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or
17 manager begins managing ~~owning~~, or associating with the operation. Any
18 CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER,
19 manager, or employee ~~shall~~ MUST pass a fingerprint-based criminal
20 history record check as required by the state licensing authority and obtain
21 the required identification prior to being associated with, managing,
22 owning, or working at the operation.

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

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

5 (6)(a) All managers and employees of a medical marijuana center,
6 ~~optional premises cultivation operation, or medical marijuana-infused~~
7 ~~products manufacturer~~ BUSINESS shall be residents of Colorado upon the
8 date of their license application. All licenses granted pursuant to this
9 ~~article 11~~ shall be ARTICLE 10 ARE valid for a period not to exceed two
10 years after the date of issuance unless revoked or suspended pursuant to
11 this ~~article 11~~ ARTICLE 10 or the rules promulgated pursuant to this ~~article~~
12 ~~11~~ ARTICLE 10.

13 (b) ALL MANAGERS AND EMPLOYEES WITH DAY-TO-DAY
14 OPERATIONAL CONTROL OF A MEDICAL MARIJUANA BUSINESS OR RETAIL
15 MARIJUANA BUSINESS SHALL BE RESIDENTS OF COLORADO UPON THE DATE
16 OF THEIR LICENSE APPLICATION. ALL LICENSES GRANTED PURSUANT TO
17 THIS ARTICLE 10 ARE VALID FOR A PERIOD OF ONE YEAR AFTER THE DATE
18 OF ISSUANCE UNLESS REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE
19 10 OR THE RULES PROMULGATED PURSUANT TO THIS ARTICLE 10.

20 (7) Before granting a local or state license, the respective
21 licensing authority may consider, except where this ~~article 11~~ ARTICLE 10
22 specifically provides otherwise, the requirements of this ~~article 11~~
23 ARTICLE 10 and any rules promulgated pursuant to this ~~article 11~~ ARTICLE
24 10, and all other reasonable restrictions that are or may be placed upon
25 the licensee by the licensing authority. With respect to a second or
26 additional license for the same MEDICAL MARIJUANA BUSINESS licensee
27 or the same owner of another licensed MEDICAL MARIJUANA business

1 pursuant to this ~~article 11~~ ARTICLE 10, each licensing authority shall
2 consider the effect on competition of granting or denying the additional
3 licenses to such licensee and shall not approve an application for a second
4 or additional license that would have the effect of restraining competition.

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

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

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

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

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

6 (11) (a) ~~EXCEPT FOR A PUBLICLY TRADED CORPORATION, A~~
7 MEDICAL MARIJUANA BUSINESS licensee shall report each transfer or
8 change of financial interest in the license to the state and local licensing
9 authorities thirty days prior to any transfer or change pursuant to ~~section~~
10 ~~44-11-309~~ SECTION 44-10-312. ~~EXCEPT FOR A PUBLICLY TRADED~~
11 CORPORATION, a report ~~shall be~~ IS required for transfers of ~~capital stock~~
12 ~~of any corporation~~ AN OWNER'S INTEREST OF ANY ENTITY regardless of
13 size.

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

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

27 (13) (a) A licensee may move ~~his or her~~ THE permanent location

1 to any other place in Colorado once permission to do so is granted by the
2 state and local licensing authorities OR LOCAL JURISDICTION provided for
3 in this ~~article 11~~ ARTICLE 10. Upon receipt of an application for change
4 of location, the state licensing authority shall, within seven days, submit
5 a copy of the application to the local licensing authority OR LOCAL
6 JURISDICTION to determine whether the transfer complies with all local
7 restrictions on change of location.

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

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

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

25 (B) THE LICENSED PREMISES OF BOTH GEOGRAPHICAL LOCATIONS
26 COMPLY WITH ALL SURVEILLANCE, SECURITY, AND INVENTORY TRACKING
27 REQUIREMENTS IMPOSED BY THIS ARTICLE 10 AND ANY RULES

1 PROMULGATED BY THE STATE LICENSING AUTHORITY;

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

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

10 (E) THE MEDICAL MARIJUANA CULTIVATION FACILITY OR RETAIL
11 MARIJUANA CULTIVATION FACILITY LICENSEE OBTAINS THE PROPER STATE
12 PERMIT AND LOCAL PERMIT OR LICENSE. IF THE CHANGE OF LOCATION IS
13 WITHIN THE SAME LOCAL JURISDICTION, THE LICENSEE MUST FIRST OBTAIN
14 A TRANSITION PERMIT FROM THE STATE LICENSING AUTHORITY AND, IF
15 REQUIRED BY THE LOCAL JURISDICTION, A TRANSITION PERMIT OR OTHER
16 FORM OF APPROVAL FROM THE LOCAL LICENSING AUTHORITY OR LOCAL
17 JURISDICTION. IF THE CHANGE OF LOCATION IS TO A DIFFERENT LOCAL
18 JURISDICTION, THE LICENSEE MUST FIRST OBTAIN A LICENSE FROM THE
19 LOCAL LICENSING AUTHORITY OR LOCAL JURISDICTION WHERE IT INTENDS
20 TO LOCATE, A TRANSITION PERMIT FROM THE STATE LICENSING
21 AUTHORITY, AND, IF REQUIRED BY THE LOCAL JURISDICTION, A TRANSITION
22 PERMIT OR OTHER FORM OF APPROVAL FROM THE LOCAL LICENSING
23 AUTHORITY OR LOCAL JURISDICTION FOR THE LOCAL JURISDICTION WHERE
24 IT INTENDS TO LOCATE.

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

27 **44-10-314. License renewal. (1) [Formerly 44-11-311**

1 **(1)** Ninety days prior to the expiration date of an existing MEDICAL
2 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license, the state
3 licensing authority shall notify the licensee of the expiration date by
4 first-class mail at the licensee's address of record with the state licensing
5 authority. A licensee ~~shall~~ MUST apply for the renewal of an existing
6 license to the local licensing authority ~~not less than forty-five days and to~~
7 ~~the state licensing authority not less than thirty days prior to the date of~~
8 ~~expiration. A local licensing authority shall not accept an application for~~
9 ~~renewal of a license after the date of expiration, except as provided in~~
10 ~~subsection (3) of this section. The state licensing authority may extend the~~
11 ~~expiration date of the license and accept a late application for renewal of~~
12 ~~a license provided that the applicant has filed a timely renewal application~~
13 ~~with the local licensing authority. All renewals filed with the local~~
14 ~~licensing authority and subsequently approved by the local licensing~~
15 ~~authority shall next be processed by the state licensing authority. The state~~
16 ~~licensing authority may administratively continue the license and accept~~
17 ~~a later application for renewal of a license at the discretion of the state~~
18 ~~licensing authority~~ WITHIN THE TIME FRAME REQUIRED BY LOCAL
19 ORDINANCE OR REGULATION AND TO THE STATE LICENSING AUTHORITY
20 PRIOR TO THE EXPIRATION OF THE LICENSE. THE LICENSEE SHALL PROVIDE
21 THE STATE LICENSING AUTHORITY WITH INFORMATION ESTABLISHING THAT
22 THE APPLICATION COMPLIES WITH ALL LOCAL REQUIREMENTS FOR THE
23 RENEWAL OF A LICENSE. IF A LICENSEE SUBMITS A TIMELY AND SUFFICIENT
24 RENEWAL APPLICATION, THE LICENSEE MAY CONTINUE TO OPERATE UNTIL
25 THE APPLICATION IS FINALLY ACTED UPON BY THE STATE LICENSING
26 AUTHORITY. The local licensing authority may hold a hearing on the
27 application for renewal OF A MEDICAL MARIJUANA BUSINESS LICENSE only

1 if the licensee has had complaints filed against it, has a history of
2 violations, or there are allegations against the licensee that would
3 constitute good cause. The local licensing authority shall not hold a
4 renewal hearing provided for by this subsection (1) for a medical
5 marijuana ~~center~~ STORE until it has posted a notice of hearing on the
6 licensed medical marijuana ~~center~~ STORE premises in the manner
7 described in ~~section 44-11-302.~~ (2) SECTION 44-10-303 (2) for a period of
8 ten days and provided notice to the applicant at least ten days prior to the
9 hearing. The local licensing authority may refuse to renew any license for
10 good cause, subject to judicial review.

11 **[Formerly 44-12-310 (1)]** ~~Ninety days prior to the expiration date~~
12 ~~of an existing license, the state licensing authority shall notify the licensee~~
13 ~~of the expiration date by first-class mail at the licensee's address of record~~
14 ~~with the state licensing authority. A licensee may apply for the renewal~~
15 ~~of an existing license to the state licensing authority not less than thirty~~
16 ~~days prior to the date of expiration. Upon receipt of an application for~~
17 ~~renewal of an existing license and any applicable fees, the state licensing~~
18 ~~authority shall submit, within seven days, a copy of the application to the~~
19 ~~local jurisdiction to determine whether the application complies with all~~
20 ~~local restrictions on renewal of licenses. The state licensing authority~~
21 ~~shall not accept an application for renewal of a license after the date of~~
22 ~~expiration, except as provided in subsection (3) of this section. The state~~
23 ~~licensing authority may extend the expiration date of the license and~~
24 ~~accept a late application for renewal of a license if the applicant has filed~~
25 ~~a timely renewal application with the local licensing authority. The state~~
26 ~~or the local licensing authority, in its discretion, subject to the~~
27 ~~requirements of this subsection (1) and subsection (3) of this section and~~

1 ~~based upon reasonable grounds, may waive the thirty-day time~~
2 ~~requirements set forth in this subsection (1).~~

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

6 **44-10-315. [Formerly 44-11-312 and similar to**
7 **44-12-311] Inactive licenses.** The state or local licensing authority, in its
8 discretion, may revoke or elect not to renew any license if it determines
9 that the licensed premises have been inactive, without good cause, for at
10 least one year.

11 **44-10-316. [Formerly 44-11-313 and similar to**
12 **44-12-312] Unlawful financial assistance.** (1) The state licensing
13 authority, by rule, shall require a complete disclosure **of all persons**
14 ~~having a direct or indirect financial interest, and the extent of such~~
15 ~~interest, in each license issued under this article 11 PURSUANT TO SECTION~~
16 **44-10-309 IN CONNECTION WITH EACH LICENSE ISSUED UNDER THIS**
17 **ARTICLE 10.**

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

26 ~~(3)~~ (2) This section is intended to prohibit and prevent the control
27 of the outlets for the sale of ~~medical~~ REGULATED marijuana AND

1 REGULATED MARIJUANA PRODUCTS by a person or party other than the
2 persons licensed pursuant to the provisions of this ~~article 11~~ ARTICLE 10.

3 PART 4

4 LICENSE TYPES

5 **44-10-401. [Formerly 44-11-401 and similar to**
6 **44-12-401] Classes of licenses.** (1) For the purpose of regulating the
7 cultivation, manufacture, distribution, and sale of ~~medical~~ REGULATED
8 marijuana AND REGULATED MARIJUANA PRODUCTS, the state licensing
9 authority in its discretion, upon application in the prescribed form made
10 to it, may issue and grant to the applicant a license from any of the
11 following classes, subject to the provisions and restrictions provided by
12 this ~~article 11~~ ARTICLE 10.

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

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

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

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

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

20 (e) ~~Occupational licenses and registrations for owners, managers,~~
21 ~~operators, employees, contractors, and other support staff employed by,~~
22 ~~working in, or having access to restricted areas of the licensed premises,~~
23 ~~as determined by the state licensing authority. Upon receipt of an~~
24 ~~affirmation under penalty of perjury that the applicant is enrolled in a~~
25 ~~marijuana-based workforce development or training program operated by~~
26 ~~an entity licensed under this article 11 or by a school that is authorized by~~
27 ~~the private occupational school division in Colorado that will require~~

1 access or employment within a premises licensed pursuant to this article
2 11 or article 12 of this title 44, the state licensing authority may exempt
3 for up to two years based on the length of the program the residency
4 requirement in section 44-11-310 (6) for a person applying for an
5 occupational license for participation in a marijuana-based workforce
6 development or training program. The state licensing authority may take
7 any action with respect to a registration pursuant to this article 11 as it
8 may with respect to a license pursuant to this article 11, in accordance
9 with the procedures established pursuant to this article 11.

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

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

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

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

14 (b) THE FOLLOWING ARE RETAIL MARIJUANA LICENSES:

15 (I) RETAIL MARIJUANA STORE LICENSE;

16 (II) RETAIL MARIJUANA CULTIVATION FACILITY LICENSE;

17 (III) RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSE;

18 (IV) RETAIL MARIJUANA TESTING FACILITY LICENSE;

19 (V) RETAIL MARIJUANA TRANSPORTER LICENSE; ==

20 (VI) RETAIL MARIJUANA BUSINESS OPERATOR LICENSE;

21 (VII) RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE;

22 AND

23 (VIII) RETAIL MARIJUANA ACCELERATOR MANUFACTURER

24 LICENSE;

25 (c) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,

26 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER

27 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO

1 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE
2 STATE LICENSING AUTHORITY. UPON RECEIPT OF AN AFFIRMATION UNDER
3 PENALTY OF PERJURY THAT THE APPLICANT IS ENROLLED IN A
4 MARIJUANA-BASED WORKFORCE DEVELOPMENT OR TRAINING PROGRAM
5 OPERATED BY AN ENTITY LICENSED UNDER THIS ARTICLE 10 OR BY A
6 SCHOOL THAT IS AUTHORIZED BY THE PRIVATE OCCUPATIONAL SCHOOL
7 DIVISION IN COLORADO THAT WILL REQUIRE ACCESS OR EMPLOYMENT
8 WITHIN A PREMISES LICENSED PURSUANT TO THIS ARTICLE 10, THE STATE
9 LICENSING AUTHORITY MAY EXEMPT FOR UP TO TWO YEARS BASED ON THE
10 LENGTH OF THE PROGRAM THE RESIDENCY REQUIREMENT IN SECTION
11 ~~44-10-313~~ (6) FOR A PERSON APPLYING FOR AN OCCUPATIONAL LICENSE
12 FOR PARTICIPATION IN A MARIJUANA-BASED WORKFORCE DEVELOPMENT
13 OR TRAINING PROGRAM. THE STATE LICENSING AUTHORITY MAY TAKE ANY
14 ACTION WITH RESPECT TO A REGISTRATION ~~OR PERMIT~~ PURSUANT TO THIS
15 ARTICLE 10 AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS
16 ARTICLE 10, IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED
17 PURSUANT TO THIS ARTICLE 10.

18 ~~(1.5)~~ (3) (a) Prior to accepting a court appointment as a receiver,
19 personal representative, executor, administrator, guardian, conservator,
20 trustee, or any other similarly situated person to take possession of,
21 operate, manage, or control a licensed medical marijuana business, the
22 proposed appointee shall certify to the court that the proposed appointee
23 is not prohibited from being issued a medical marijuana license pursuant
24 to ~~section 44-11-306 (1)~~ SECTION 44-10-307 (1). Within the time frame
25 established by rules promulgated by the state licensing authority pursuant
26 to ~~section 44-11-202 (2)(a)(XXVII)~~ SECTION 44-10-203 (2)(q), an
27 appointee shall notify the state and local licensing authorities of the

1 appointment and shall apply to the state licensing authority for a finding
2 of suitability.

3 (b) Upon notification of an appointment required by ~~subsection~~
4 ~~(1.5)(a)~~ SUBSECTION (3)(a) of this section, the state licensing authority
5 shall issue a temporary appointee registration to the appointee effective
6 as of the date of the appointment. Pursuant to ~~sections 44-11-202 (1)(a),~~
7 ~~44-11-601, and 24-4-104~~ SECTIONS 24-4-104, 44-10-202 (1)(b), AND
8 44-10-901, the appointee's temporary appointee registration may be
9 suspended, revoked, or subject to other sanction if the state licensing
10 authority finds the appointee to be unsuitable or if the appointee fails to
11 comply with this ~~article 11 or article 12 of this title 44~~ ARTICLE 10, the
12 rules promulgated pursuant thereto, or any order of the state licensing
13 authority. If an appointee's temporary appointee registration is suspended
14 or revoked, the appointee shall immediately cease performing all
15 activities for which a license is required by this ~~article 11~~ ARTICLE 10. For
16 purposes of ~~section 44-11-601 (1)~~ SECTION 44-10-901 (1), the appointee
17 is deemed an agent of the licensed medical marijuana business.

18 (c) The appointee shall inform the court of any action taken
19 against the temporary appointee registration by the state licensing
20 authority pursuant to ~~section 44-11-601 or 24-4-104~~ SECTION 24-4-104 OR
21 44-10-901 within two business days of any such action.

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

1 ~~marijuana center~~ STORE licensee may also sell medical ~~marijuana-infused~~
2 MARIJUANA products that are prepackaged and labeled so as to clearly
3 indicate all of the following:

4 (I) That the product contains medical marijuana;

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

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

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

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

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

27 (c) In addition to medical marijuana, a medical marijuana ~~center~~

1 STORE may sell no more than six immature plants to a patient; except that
2 a medical marijuana ~~center~~ STORE may sell more than six immature
3 plants, but may not exceed half the recommended plant count, to a patient
4 who has been recommended an expanded plant count by his or her
5 recommending physician in accordance with regulations adopted by the
6 state licensing authority. A medical marijuana ~~center~~ STORE may sell
7 immature plants to a primary caregiver, another medical marijuana ~~center~~
8 STORE, or a medical ~~marijuana-infused~~ MARIJUANA products manufacturer
9 pursuant to rules promulgated by the state licensing authority.

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

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

26 (II) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
27 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE

1 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
2 TRANSFERRING AN INDUSTRIAL HEMP PRODUCT TO A MEDICAL MARIJUANA
3 STORE PURSUANT TO THIS SECTION SHALL COMPLY WITH SAMPLING AND
4 TESTING STANDARDS CONSISTENT WITH THOSE ESTABLISHED BY THE
5 STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 10. THE STATE
6 LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC
7 HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF
8 VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO
9 SECTION 25-5-426.

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

12 ~~(4) Repealed.~~

13 ~~(5)~~ (4) Prior to initiating a sale, the employee of the medical
14 marijuana ~~center~~ STORE making the sale shall verify that the purchaser has
15 a valid registry identification card issued pursuant to section 25-1.5-106
16 or a copy of a current and complete new application for the medical
17 marijuana registry administered by the department of public health and
18 environment that is documented by a ~~certified mail return receipt~~ PROOF
19 as having been submitted to the department of public health and
20 environment within the preceding thirty-five days, and a valid picture
21 identification card that matches the name on the registry identification
22 card. A purchaser may not provide a copy of a renewal application in
23 order to make a purchase at a medical marijuana ~~center~~ STORE. A
24 purchaser may only make a purchase using a copy of his or her
25 application from 8 a.m. to 5 p.m., Monday through Friday. If the
26 purchaser presents a copy of his or her application at the time of purchase,
27 the employee must contact the department of public health and

1 environment to determine whether the purchaser's application has been
2 denied. The employee shall not complete the transaction if the purchaser's
3 application has been denied. If the purchaser's application has been
4 denied, the employee ~~shall be~~ IS authorized to confiscate the purchaser's
5 copy of the application and the documentation of ~~the certified mail return~~
6 ~~receipt~~ PROOF OF SUBMITTAL, if possible, and shall, within seventy-two
7 hours after the confiscation, turn it over to the department of public health
8 and environment or a local law enforcement agency. The failure to
9 confiscate the copy of the application and document of ~~the certified mail~~
10 ~~return receipt~~ PROOF OF SUBMITTAL or to turn it over to the state health
11 department or a state or local law enforcement agency within seventy-two
12 hours after the confiscation ~~shall not constitute~~ IS NOT a criminal offense.

13 ~~(6)~~ (5) Transactions for the sale of medical marijuana or a medical
14 ~~marijuana-infused~~ MARIJUANA product at a medical marijuana ~~center~~
15 STORE may be completed by using an automated machine that is in a
16 restricted access area of the ~~center~~ STORE if the machine complies with
17 the rules promulgated by the state licensing authority regarding the
18 transaction of sale of product at a medical marijuana ~~center~~ STORE and the
19 transaction complies with ~~subsection (5)~~ SUBSECTION (4) of this section.

20 ~~(7)~~ (6) A medical marijuana ~~center~~ STORE may provide, except as
21 required by ~~section 44-11-202 (3)(a)(i)~~ SECTION 44-10-203 (2)(d), a
22 sample of its products to a facility that has a medical marijuana testing
23 facility license from the state licensing authority for testing and research
24 purposes. A medical marijuana ~~center~~ STORE shall maintain a record of
25 what was provided to the testing facility, the identity of the testing
26 facility, and the results of the testing.

27 ~~(8)~~ (7) All medical marijuana sold at a licensed medical marijuana

1 center shall be labeled with a list of all chemical additives, including but
2 not limited to nonorganic pesticides, herbicides, and fertilizers, that were
3 used in the cultivation and the production of the medical marijuana.

4 (9) (8) A licensed medical marijuana center STORE shall comply
5 with all provisions of article 34 of title 24, as the provisions relate to
6 persons with disabilities.

7 (10) (9) Notwithstanding the provisions of section 44-11-901
8 (4)(f) SECTION 44-10-701 (3)(g), a medical marijuana center STORE may
9 sell below cost or donate to a patient who has been designated indigent
10 by the state health agency or who is in hospice care:

11 (a) Medical marijuana; or

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

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

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

25 (b) (I) A MEDICAL MARIJUANA STORE MAY SELL MEDICAL
26 MARIJUANA FLOWER IN AN AMOUNT THAT EXCEEDS THE SALES LIMITATION
27 ESTABLISHED PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION ONLY TO

1 A PATIENT WHO HAS A PHYSICIAN RECOMMENDATION FOR MORE THAN TWO
2 OUNCES OF FLOWER AND IS REGISTERED WITH THE MEDICAL MARIJUANA
3 STORE.

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

25 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
26 ESTABLISH CERTAIN EXEMPTIONS TO THE MEDICAL MARIJUANA
27 CONCENTRATE OR MEDICAL MARIJUANA PRODUCTS SALES LIMITATION AND

1 MAY ESTABLISH RECORD-KEEPING REQUIREMENTS FOR MEDICAL
2 MARIJUANA STORES ENGAGING IN SALES TRANSACTIONS PURSUANT TO
3 ANY EXEMPTION TO THE SALES LIMITATION. WHEN ESTABLISHING ANY
4 EXEMPTIONS, THE STATE LICENSING AUTHORITY SHALL CONSULT WITH
5 MEMBERS OF THE MEDICAL MARIJUANA PATIENT COMMUNITY AND
6 PHYSICIANS MAKING MEDICAL MARIJUANA RECOMMENDATIONS PURSUANT
7 TO SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND
8 ARTICLE 1.5 OF TITLE 25.

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

16 (11) (a) (I) THERE IS AUTHORIZED A MEDICAL MARIJUANA
17 DELIVERY PERMIT TO A MEDICAL MARIJUANA STORE LICENSE AUTHORIZING
18 THE PERMIT HOLDER TO DELIVER MEDICAL MARIJUANA AND MEDICAL
19 MARIJUANA-INFUSED PRODUCTS.

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

23 (III) A MEDICAL MARIJUANA DELIVERY PERMIT ISSUED PURSUANT
24 TO THIS SECTION APPLIES TO ONLY ONE MEDICAL MARIJUANA STORE;
25 EXCEPT THAT, A SINGLE MEDICAL MARIJUANA DELIVERY PERMIT MAY
26 APPLY TO MULTIPLE MEDICAL MARIJUANA STORES PROVIDED THAT THE
27 MEDICAL MARIJUANA STORES ARE IN THE SAME LOCAL JURISDICTION AND

1 ARE IDENTICALLY OWNED, AS DEFINED BY THE STATE LICENSING
2 AUTHORITY FOR PURPOSES OF THIS SECTION.

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

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

20 (c) A LICENSED MEDICAL MARIJUANA STORE SHALL CHARGE A
21 ONE-DOLLAR SURCHARGE ON EACH DELIVERY. THE LICENSED MEDICAL
22 MARIJUANA STORE SHALL REMIT THE SURCHARGES COLLECTED ON A
23 MONTHLY BASIS TO THE MUNICIPALITY WHERE THE LICENSED MEDICAL
24 MARIJUANA STORE IS LOCATED, OR TO THE COUNTY IF THE LICENSED
25 MEDICAL MARIJUANA STORE IS IN AN UNINCORPORATED AREA, FOR LOCAL
26 LAW ENFORCEMENT COSTS RELATED TO MARIJUANA ENFORCEMENT.
27 FAILURE TO COMPLY WITH THIS SUBSECTION (11)(c) MAY RESULT IN

1 NONRENEWAL OF THE MEDICAL MARIJUANA DELIVERY PERMIT.

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

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

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

12 (III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

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

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

26 (I) RECEIVE AN ORDER BY ELECTRONIC OR OTHER MEANS FROM A
27 PATIENT OR THE PARENT OR GUARDIAN FOR THE PURCHASE AND DELIVERY

1 OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS.
2 WHEN USING AN ONLINE PLATFORM FOR MARIJUANA DELIVERY, THE
3 PLATFORM MUST REQUIRE THE PATIENT OR PARENT OR GUARDIAN TO
4 CHOOSE A MEDICAL MARIJUANA STORE BEFORE VIEWING THE PRICE.

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

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

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

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

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

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

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

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

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

9 (B) THE REGISTRATION NUMBER REFLECTED ON THE PATIENT'S
10 REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION
11 25-1.5-106;

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

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

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

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

1 GUARDIAN'S IDENTIFICATION.

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

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

12 (i) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR
13 CRIMINAL LAW FOR A LICENSED MEDICAL MARIJUANA STORE OR MEDICAL
14 MARIJUANA TRANSPORTER LICENSEE WITH A VALID MEDICAL MARIJUANA
15 DELIVERY PERMIT, OR SUCH PERSON WHO HAS MADE TIMELY AND
16 SUFFICIENT APPLICATION FOR THE RENEWAL OF THE PERMIT, OR ITS
17 LICENSEES TO POSSESS, TRANSPORT, AND DELIVER MEDICAL MARIJUANA
18 AND MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO A MEDICAL
19 MARIJUANA DELIVERY PERMIT IN AMOUNTS THAT DO NOT EXCEED
20 AMOUNTS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

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

1 (k) (I) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION,
2 DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
3 PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY
4 AND COUNTY UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY,
5 BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE
6 MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR
7 ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE
8 "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE
9 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF
10 TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE
11 GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND
12 COUNTY, VOTE TO ALLOW THE DELIVERY OF MEDICAL MARIJUANA OR
13 MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO THIS SECTION.

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

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

24 (m) (I) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING
25 MEDICAL MARIJUANA DELIVERY PERMITS TO QUALIFIED MEDICAL
26 MARIJUANA STORE APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2,
27 2020.

1 (II) NO LATER THAN JANUARY 2, 2021, THE STATE LICENSING
2 AUTHORITY SHALL SUBMIT A REPORT TO THE FINANCE COMMITTEES OF THE
3 HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR
4 COMMITTEES, REGARDING THE NUMBER OF MEDICAL MARIJUANA
5 DELIVERY APPLICATIONS SUBMITTED, THE NUMBER OF MEDICAL
6 MARIJUANA DELIVERY PERMITS ISSUED, ANY FINDINGS BY THE STATE
7 LICENSING AUTHORITY OF CRIMINAL ACTIVITY MATERIALLY RELATED TO
8 MEDICAL MARIJUANA DELIVERY, AND ANY INCIDENT REPORTS THAT
9 INCLUDE FELONY CHARGES MATERIALLY RELATED TO MEDICAL
10 MARIJUANA DELIVERY, WHICH WERE FILED AND REPORTED TO THE STATE
11 LICENSING AUTHORITY BY THE LAW ENFORCEMENT AGENCY, DISTRICT
12 ATTORNEY, OR OTHER AGENCY RESPONSIBLE FOR FILING THE FELONY
13 CHARGES. THE STATE LICENSING AUTHORITY MAY CONSULT WITH THE
14 DIVISION OF CRIMINAL JUSTICE IN THE DEPARTMENT OF PUBLIC SAFETY IN
15 THE COLLECTION AND ANALYSIS OF ADDITIONAL CRIME DATA MATERIALLY
16 RELATED TO MEDICAL MARIJUANA DELIVERY.

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

21 **44-10-502. [Formerly 44-11-403] Medical marijuana**
22 **cultivation facility license - rules - definitions.** (1) ~~An optional~~
23 ~~premises cultivation facility license~~ A MEDICAL MARIJUANA CULTIVATION
24 FACILITY may be issued only to a person who cultivates medical
25 marijuana for sale and distribution to licensed medical marijuana ~~centers~~
26 STORES, medical ~~marijuana-infused~~ MARIJUANA products manufacturer
27 licensees, or other ~~optional premises cultivation facilities~~ MEDICAL

1 MARIJUANA CULTIVATION FACILITIES.

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

5 (3) ~~An optional premises cultivation facility~~ A MEDICAL
6 MARIJUANA CULTIVATION FACILITY may provide, except as required by
7 ~~section 44-11-202 (3)(a)(i)~~ SECTION 44-10-203 (2)(d), a sample of its
8 products to a facility that has a MEDICAL marijuana testing facility license
9 from the state licensing authority for testing and research purposes. ~~An~~
10 ~~optional premises cultivation facility~~ A MEDICAL MARIJUANA
11 CULTIVATION FACILITY shall maintain a record of what was provided to
12 the testing facility, the identity of the testing facility, and the testing
13 results.

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

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

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

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

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

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

26 (f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO
27 SUBSECTION (5)(a) OF THIS SECTION, A MEDICAL MARIJUANA CULTIVATION

1 FACILITY LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE
2 TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION
3 AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

4 (g) A MANAGER SHALL NOT:

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

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

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

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

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

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

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

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

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

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

1 (d) ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
2 MARIJUANA PRODUCTS STORED AND PREPARED FOR TRANSPORT ON A
3 MEDICAL MARIJUANA CULTIVATION FACILITY'S LICENSED PREMISES
4 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE
5 TRANSFERRED TO A MEDICAL MARIJUANA CULTIVATION FACILITY
6 LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA STORES. ALL
7 TRANSFERS OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
8 MARIJUANA PRODUCTS BY A MEDICAL MARIJUANA CULTIVATION FACILITY
9 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT
10 CONSIDERATION.

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

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

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

26 (7) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
27 CONTRARY, A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY MAY

1 COMPENSATE ITS EMPLOYEES USING PERFORMANCE-BASED INCENTIVES,
2 INCLUDING SALES-BASED PERFORMANCE-BASED INCENTIVES.

3 **44-10-503. [Formerly 44-11-404] Medical marijuana products**
4 **manufacturer license - rules - definition.** (1) (a) A medical
5 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
6 license may be issued to a person ~~who~~ THAT manufactures medical
7 ~~marijuana-infused~~ MARIJUANA products, pursuant to the terms and
8 conditions of this ~~article 11~~ ARTICLE 10.

9 (b) A medical ~~marijuana-infused~~ MARIJUANA products
10 manufacturer may cultivate its own medical marijuana if it obtains a
11 ~~medical marijuana optional premises cultivation facility~~ MEDICAL
12 MARIJUANA CULTIVATION FACILITY license, it may purchase medical
13 marijuana from a medical marijuana ~~center~~ STORE pursuant to subsection
14 (3) of this section, it may purchase medical marijuana from ~~an optional~~
15 ~~premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION
16 FACILITY licensee, or it may purchase medical marijuana from another
17 medical ~~marijuana-infused~~ MARIJUANA products manufacturer. A medical
18 ~~marijuana-infused~~ MARIJUANA products manufacturer shall track all of its
19 medical marijuana from the point it is either transferred from its ~~medical~~
20 ~~marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA
21 CULTIVATION FACILITY or the point when it is delivered to the medical
22 ~~marijuana-infused~~ MARIJUANA products manufacturer from a medical
23 marijuana ~~center~~, a ~~medical marijuana optional premises cultivation~~
24 ~~facility~~ STORE, MEDICAL MARIJUANA CULTIVATION FACILITY licensee, OR
25 a medical ~~marijuana-infused~~ MARIJUANA products manufacturer ~~or one of~~
26 ~~their medical marijuana optional premises cultivation facilities~~ to the
27 point of transfer to a medical marijuana ~~center~~ STORE or a medical

1 ~~marijuana-infused~~ MARIJUANA products manufacturer OR A MEDICAL
2 MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED A CENTRALIZED
3 DISTRIBUTION PERMIT.

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

15 (3) A medical ~~marijuana-infused~~ MARIJUANA products
16 manufacturer shall have a written agreement or contract with a medical
17 marijuana ~~center~~ STORE or a medical ~~marijuana-infused~~ MARIJUANA
18 products manufacturer, which contract ~~shall~~ MUST at a minimum set forth
19 the total amount of medical marijuana obtained from the medical
20 marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA
21 products manufacturer to be used in the manufacturing process, and the
22 total amount of medical ~~marijuana-infused~~ MARIJUANA products to be
23 manufactured from the medical marijuana obtained from the medical
24 marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA
25 products manufacturer. A medical marijuana-infused products
26 manufacturer shall not use medical marijuana from more than five
27 different medical marijuana centers or medical marijuana-infused

1 ~~products manufacturers in total in the production of one medical~~
2 ~~marijuana-infused product.~~ The medical ~~marijuana-infused~~ MARIJUANA
3 products manufacturer may sell its products to any medical marijuana
4 ~~center~~ STORE or to any medical ~~marijuana-infused~~ MARIJUANA products
5 manufacturer.

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

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

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

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

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

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

18 ~~(8) Repealed.~~

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

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

- 1 ~~(I) The nature of the products manufactured;~~
2 ~~(II) The business need;~~
3 ~~(III) Existing business contracts with licensed medical marijuana~~
4 ~~centers for the production of medical marijuana-infused products; and~~
5 ~~(IV) The ability to contract with licensed medical marijuana~~
6 ~~centers for the production of medical marijuana-infused products.~~

7 ~~(10)~~ (8) A medical ~~marijuana-infused~~ MARIJUANA products
8 manufacturer may provide, except as required by ~~section 44-11-202~~
9 ~~(3)(a)(i)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility
10 that has a medical marijuana testing facility license from the state
11 licensing authority for testing and research purposes. A medical
12 marijuana products manufacturer shall maintain a record of what was
13 provided to the testing facility, the identity of the testing facility, and the
14 results of the testing.

15 ~~(11)~~ (9) A medical ~~marijuana-infused~~ MARIJUANA products
16 manufacturer shall not:

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

26 (b) Intentionally or knowingly label or package a medical
27 ~~marijuana-infused~~ MARIJUANA product in a manner that would cause a

1 reasonable ~~consumer~~ PATIENT confusion as to whether the medical
2 ~~marijuana-infused~~ MARIJUANA product was a trademarked food product;
3 or

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

6 ~~(12)~~ (10) (a) A medical ~~marijuana-infused~~ MARIJUANA products
7 ~~manufacturing~~ MANUFACTURER licensee may provide a medical marijuana
8 concentrate and a medical ~~marijuana-infused~~ MARIJUANA product sample
9 to no more than five managers employed by the licensee for purposes of
10 quality control and product development. A medical ~~marijuana-infused~~
11 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee may
12 designate no more than five managers per calendar month as recipients
13 of quality control and product development samples authorized pursuant
14 to this ~~subsection (12)(a)~~ SUBSECTION (10)(a).

15 (b) Managers who receive a sample pursuant to ~~subsection (12)(a)~~
16 SUBSECTION (10)(a) of this section must have a valid registry
17 identification card issued pursuant to section 25-1.5-106 (9).

18 (c) A sample authorized pursuant to ~~subsection (12)(a)~~
19 SUBSECTION (10)(a) of this section is limited to one serving size of edible
20 medical ~~marijuana-infused~~ MARIJUANA product and its applicable
21 equivalent serving size of nonedible medical ~~marijuana-infused~~
22 MARIJUANA product per batch as defined in rules promulgated by the state
23 licensing authority and one-quarter gram of medical marijuana
24 concentrate per batch as defined in rules promulgated by the state
25 licensing authority; except that the limit is one-half gram of medical
26 marijuana concentrate if the intended use of the final product is to be used
27 in a device that can be used to deliver medical marijuana concentrate in

1 a vaporized form to the person inhaling from the device.

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

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

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

23 (g) A manager shall not:

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

1 manager is associated with; or
2 (II) Provide to or resell the sample to another licensed employee,
3 a customer, or any other individual.

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

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

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

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

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

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

25 **44-10-504. [Formerly 44-11-405] Medical marijuana testing**
26 **facility license - rules.** (1) (a) A medical marijuana testing facility
27 license may be issued to a person who performs testing and research on

1 medical marijuana, INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART
2 4 OF ARTICLE 5 OF TITLE 25, for medical marijuana licensees, medical
3 marijuana and medical ~~marijuana-infused~~ MARIJUANA products for
4 marijuana and research development licensees, ~~and marijuana research~~
5 ~~and development cultivation licensees~~, and marijuana or
6 ~~marijuana-infused~~ MARIJUANA products grown or produced by a
7 registered patient or registered primary caregiver on behalf of a registered
8 patient, upon verification of registration pursuant to section 25-1.5-106
9 (7)(e) and verification that the patient is a participant in a clinical or
10 observational study conducted by a marijuana research and development
11 licensee, AND INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF
12 ARTICLE 5 OF TITLE 25. ~~or marijuana research and development cultivation~~
13 ~~licensee~~. The facility may develop and test medical marijuana products.

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

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

23 (3) A person who has an interest in a medical marijuana testing
24 facility license from the state licensing authority for testing purposes shall
25 not have any interest in a licensed medical marijuana ~~center~~ STORE, a
26 licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA
27 CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA

1 products manufacturer, a licensed retail marijuana store, a licensed retail
2 marijuana cultivation facility, or a licensed retail marijuana products
3 manufacturer. A person that has an interest in a licensed medical
4 marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation~~
5 ~~operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed
6 medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed
7 retail marijuana store, a licensed retail marijuana cultivation facility, or
8 a licensed retail marijuana products manufacturer shall not have an
9 interest in a facility that has a medical marijuana testing facility license.

10 **44-10-505. [Formerly 44-11-406] Medical marijuana**
11 **transporter license.** (1)(a) A medical marijuana transporter license may
12 be issued to a person to provide logistics, distribution, DELIVERY, and
13 storage of medical marijuana and medical ~~marijuana-infused~~ MARIJUANA
14 products. Notwithstanding any other provisions of law, a medical
15 marijuana transporter license is valid for two years but cannot be
16 transferred with a change of ownership. A licensed medical marijuana
17 transporter is responsible for the medical marijuana and medical
18 ~~marijuana-infused~~ MARIJUANA products once it takes control of the
19 product.

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

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

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

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

16 (4) A medical marijuana transporter licensee may:

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

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

23 (5)(a)(I) THERE IS AUTHORIZED A MEDICAL MARIJUANA DELIVERY
24 PERMIT TO A MEDICAL MARIJUANA TRANSPORTER LICENSE AUTHORIZING
25 THE PERMIT HOLDER TO DELIVER MEDICAL MARIJUANA AND MEDICAL
26 MARIJUANA-INFUSED PRODUCTS.

27 (II) A MEDICAL MARIJUANA DELIVERY PERMIT IS VALID FOR ONE

1 YEAR AND MAY BE RENEWED ANNUALLY UPON RENEWAL OF THE MEDICAL
2 MARIJUANA TRANSPORTER LICENSE.

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

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

22 (b) A MEDICAL MARIJUANA TRANSPORTER LICENSEE SHALL NOT
23 MAKE DELIVERIES OF MEDICAL MARIJUANA OR MEDICAL
24 MARIJUANA-INFUSED PRODUCTS TO PATIENTS OR PARENTS OR GUARDIANS
25 WHILE ALSO TRANSPORTING MEDICAL MARIJUANA OR MEDICAL
26 MARIJUANA-INFUSED PRODUCTS BETWEEN LICENSED PREMISES IN THE
27 SAME VEHICLE.

1 (c) A LICENSED MEDICAL MARIJUANA TRANSPORTER WITH A
2 MEDICAL MARIJUANA DELIVERY PERMIT MAY DELIVER MEDICAL
3 MARIJUANA AND MEDICAL MARIJUANA-INFUSED PRODUCTS ON BEHALF OF
4 A MEDICAL MARIJUANA STORE ONLY TO THE PATIENT OR PARENT OR
5 GUARDIAN WHO PLACED THE ORDER WITH A MEDICAL MARIJUANA STORE
6 AND WHO:

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

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

13 (III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

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

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

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

27 (III) DELIVER ONLY TO A PATIENT OR PARENT OR GUARDIAN AT

1 THE ADDRESS PROVIDED IN THE ORDER;

2 (IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME

3 PATIENT OR RESIDENCE;

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

5 (B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES"

6 MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE

7 DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES

8 ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN

9 INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

10 (VI) DELIVER MEDICAL MARIJUANA OR MEDICAL

11 MARIJUANA-INFUSED PRODUCTS ONLY BY A MOTOR VEHICLE THAT

12 COMPLIES WITH THIS SECTION AND THE RULES PROMULGATED PURSUANT

13 TO THIS SECTION AND SECTION 44-10-203 (2)(cc); AND

14 (VII) USE AN EMPLOYEE TO CONDUCT DELIVERIES ON BEHALF OF,

15 AND PURSUANT TO A CONTRACT WITH, A MEDICAL MARIJUANA STORE THAT

16 HAS A VALID MEDICAL MARIJUANA DELIVERY PERMIT FROM ITS MEDICAL

17 MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING

18 AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE.

19 (e) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO A

20 PATIENT OR A PARENT OR GUARDIAN, THE PERSON DELIVERING THE ORDER

21 SHALL INSPECT THE PATIENT'S OR PARENT'S OR GUARDIAN'S

22 IDENTIFICATION AND REGISTRY IDENTIFICATION CARD ISSUED PURSUANT

23 TO SECTION 25-1.5-106, VERIFY THE POSSESSION OF A VALID REGISTRY

24 IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106, AND

25 VERIFY THAT THE INFORMATION PROVIDED AT THE TIME OF THE ORDER

26 MATCH THE NAME AND AGE ON THE PATIENT'S OR PARENT'S OR

27 GUARDIAN'S IDENTIFICATION.

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

11 (g) (I) UNLESS OTHERWISE PROVIDED BY THE STATE LICENSING
12 AUTHORITY BY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10, ALL
13 REQUIREMENTS APPLICABLE TO OTHER LICENSES ISSUED PURSUANT TO
14 THIS ARTICLE 10 APPLY TO THE DELIVERY OF MEDICAL MARIJUANA AND
15 MEDICAL MARIJUANA-INFUSED PRODUCTS, INCLUDING BUT NOT LIMITED
16 TO INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING AND
17 LABELING REQUIREMENTS.

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

21 (h) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR
22 CRIMINAL LAW FOR A LICENSED MEDICAL MARIJUANA TRANSPORTER
23 LICENSEE WITH A VALID MEDICAL MARIJUANA DELIVERY PERMIT, OR SUCH
24 PERSON WHO HAS MADE TIMELY AND SUFFICIENT APPLICATION FOR THE
25 RENEWAL OF THE PERMIT, OR ITS LICENSEES TO POSSESS, TRANSPORT, AND
26 DELIVER MEDICAL MARIJUANA AND MEDICAL MARIJUANA-INFUSED
27 PRODUCTS PURSUANT TO A MEDICAL MARIJUANA DELIVERY PERMIT IN

1 AMOUNTS THAT DO NOT EXCEED AMOUNTS ESTABLISHED BY THE STATE
2 LICENSING AUTHORITY.

3 (i) (I) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION,
4 DELIVERY OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED
5 PRODUCTS IS NOT PERMITTED IN ANY MUNICIPALITY, COUNTY, OR CITY
6 AND COUNTY UNLESS THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY,
7 BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF THE
8 MUNICIPALITY, COUNTY, OR CITY AND COUNTY VOTING AT A REGULAR
9 ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH THE
10 "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF TITLE
11 31, OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF
12 TITLE 1, AS APPLICABLE, OR A MAJORITY OF THE MEMBERS OF THE
13 GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY, OR CITY AND
14 COUNTY, VOTE TO ALLOW THE DELIVERY OF MEDICAL MARIJUANA OR
15 MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO THIS SECTION.

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

22 (j) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING
23 MEDICAL MARIJUANA DELIVERY PERMITS TO QUALIFIED MEDICAL
24 MARIJUANA TRANSPORTER APPLICANTS ON, BUT NOT EARLIER THAN,
25 JANUARY 2, 2021.

26 **44-10-506. [Formerly 44-11-407] Medical marijuana business**
27 **operator license.** A medical marijuana business operator license may be

1 issued to an entity or person who operates a medical marijuana
2 establishment BUSINESS licensed pursuant to this ~~article 11~~ ARTICLE 10,
3 for ~~an owner~~ ANOTHER MEDICAL MARIJUANA BUSINESS OR RETAIL
4 MARIJUANA BUSINESS licensed pursuant to this ~~article 11~~ ARTICLE 10, and
5 who may receive a portion of the profits as compensation.

6 **44-10-507. [Formerly 44-11-408] Marijuana research and**
7 **development license.** (1) (a) A marijuana research and development
8 license may be issued to a person to ~~possess marijuana for the limited~~
9 ~~research purposes identified in subsection (2) of this section~~ GROW,
10 CULTIVATE, POSSESS, AND TRANSFER, BY SALE OR DONATION, MARIJUANA
11 PURSUANT TO SECTION 44-10-203 (1)(i) OR SUBSECTION (4) OF THIS
12 SECTION FOR THE LIMITED RESEARCH PURPOSES IDENTIFIED IN SUBSECTION
13 (2) OF THIS SECTION.

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

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

- 21 (a) To test chemical potency and composition levels;
- 22 (b) To conduct clinical investigations of marijuana-derived
23 medicinal products;
- 24 (c) To conduct research on the efficacy and safety of
25 administering marijuana as part of medical treatment;
- 26 (d) To conduct genomic, horticultural, or agricultural research;
- 27 and

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

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

12 (b) If the research will be conducted with a public institution or
13 public money, the scientific advisory council established in section
14 25-1.5-106.5 (3) shall review an applicant's research project to determine
15 that it meets the requirements of subsection (2) of this section and to
16 assess the following:

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

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

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

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

27 (4) A marijuana research and development ~~cultivation~~ licensee

1 may only transfer, by sale or donation, marijuana grown within its
2 operation to other marijuana research and development licensees. ~~or~~
3 ~~marijuana research and development cultivation licensees~~. The state
4 licensing authority may ~~revoke~~ IMPOSE SANCTIONS ON a marijuana
5 research and development ~~cultivation~~ license for violations of this
6 subsection (4) and any other violation of this ~~article~~ ~~11~~ ARTICLE 10.

7 (5) A marijuana research and development licensee ~~or marijuana~~
8 ~~research and development cultivation licensee~~ may contract to perform
9 research in conjunction with a public higher education research institution
10 or another marijuana research and development licensee. ~~or marijuana~~
11 ~~research and development cultivation licensee~~.

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

24 (7) If the research conducted includes a public institution or public
25 money, the scientific advisory council shall review any reports made by
26 marijuana research and development licensees ~~and marijuana research~~
27 ~~and development cultivation licensees~~ under state licensing authority rule

1 and provide the state licensing authority with its determination on
2 whether the research project continues to meet research qualifications
3 pursuant to this section.

4 PART 6

5 RETAIL MARIJUANA LICENSE TYPES

6 **44-10-601. [Formerly 44-12-402] Retail marijuana store license**

7 **- rules - definition.** (1) (a) A retail marijuana store license ~~shall~~ MAY be
8 issued only to a person selling retail marijuana or retail marijuana
9 products pursuant to the terms and conditions of this ~~article 12~~ ARTICLE
10 10.

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

15 (c) A retail marijuana store shall not accept any retail marijuana
16 purchased from a retail marijuana cultivation facility unless the retail
17 marijuana store is provided with evidence that any applicable excise tax
18 due, pursuant to article 28.8 of title 39, was paid.

19 (d) The retail marijuana store shall track all of its retail marijuana
20 and retail marijuana products from the point that they are transferred from
21 a retail marijuana cultivation facility or retail marijuana products
22 manufacturer to the point of sale.

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

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

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

12 (II) As used in this subsection (3)(a), "equivalent in retail
13 marijuana products" has the same meaning as established by the state
14 licensing authority by rule pursuant to ~~section 44-12-202 (3)(b)~~ SECTION
15 44-10-203 (4).

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

23 (II) (A) If a retail marijuana store licensee or employee has
24 reasonable cause to believe that a person is under twenty-one years of age
25 and is exhibiting fraudulent proof of age in an attempt to obtain any retail
26 marijuana or ~~marijuana-infused~~ MARIJUANA product, the licensee or
27 employee is authorized to confiscate such fraudulent proof of age, if

1 possible, and shall, within seventy-two hours after the confiscation, remit
2 to a state or local law enforcement agency. The failure to confiscate such
3 fraudulent proof of age or to remit to a state or local law enforcement
4 agency within seventy-two hours after the confiscation does not constitute
5 a criminal offense.

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

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

1 ENVIRONMENT PURSUANT TO SECTION 25-5-426.

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

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

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

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

27 (7) (a) A licensed retail marijuana store may only sell retail

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

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

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

16 (8) The premises of a licensed retail marijuana store is the only
17 place where an automatic dispensing machine that contains retail
18 marijuana or retail marijuana products may be located. If a licensed retail
19 marijuana store uses an automatic dispensing machine that contains retail
20 marijuana and retail marijuana products, it must comply with the
21 regulations promulgated by the state licensing authority for its use.

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

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

27 (11) A display case containing marijuana concentrate must include

1 the potency of the marijuana concentrate next to the name of the product.

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

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

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

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

20 (IV) THE STATE LICENSING AUTHORITY MAY ISSUE A RETAIL
21 MARIJUANA DELIVERY PERMIT TO A QUALIFIED APPLICANT, AS
22 DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A RETAIL
23 MARIJUANA STORE LICENSE ISSUED PURSUANT TO THIS ARTICLE 10. A
24 PERMIT APPLICANT IS PROHIBITED FROM DELIVERING RETAIL MARIJUANA
25 AND RETAIL MARIJUANA PRODUCTS WITHOUT STATE AND LOCAL
26 JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL
27 JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF THE STATE

1 LICENSING AUTHORITY APPROVAL, THE STATE PERMIT EXPIRES AND MAY
2 NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING
3 AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE THE
4 STATE-ISSUED PERMIT. THE STATE LICENSING AUTHORITY HAS DISCRETION
5 IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A
6 RETAIL MARIJUANA DELIVERY PERMIT. A RETAIL MARIJUANA DELIVERY
7 PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS DEEMED A
8 REVOCABLE PRIVILEGE OF A LICENSED RETAIL MARIJUANA STORE OR
9 RETAIL MARIJUANA TRANSPORTER LICENSEE. A VIOLATION RELATED TO A
10 RETAIL MARIJUANA DELIVERY PERMIT IS GROUNDS FOR A FINE OR
11 SUSPENSION OR REVOCATION OF THE DELIVERY PERMIT OR RETAIL
12 MARIJUANA STORE LICENSE.

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

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

27 (d) A LICENSED RETAIL MARIJUANA STORE WITH A RETAIL

1 MARIJUANA DELIVERY PERMIT MAY DELIVER RETAIL MARIJUANA AND
2 RETAIL MARIJUANA PRODUCTS ONLY TO THE INDIVIDUAL WHO PLACED THE
3 ORDER AND WHO:

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

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

7 (III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.

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

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

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

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

1 AUTHORITY;

2 (III) DELIVER ONLY TO AN INDIVIDUAL AT THE ADDRESS PROVIDED

3 IN THE ORDER;

4 (IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME

5 INDIVIDUAL OR RESIDENCE;

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

7 (B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES"

8 MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE

9 DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES

10 ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN

11 INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

12 (VI) DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA

13 PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION

14 AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION

15 44-10-203 (2)(cc); AND

16 (VII) USE AN EMPLOYEE TO CONDUCT DELIVERIES, OR CONTRACT

17 WITH A RETAIL MARIJUANA TRANSPORTER THAT HAS A VALID RETAIL

18 MARIJUANA DELIVERY PERMIT TO CONDUCT DELIVERIES ON ITS BEHALF,

19 FROM ITS RETAIL MARIJUANA STORE OR ITS ASSOCIATED STATE LICENSING

20 AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED BY RULE.

21 (g) (I) AT THE TIME OF THE ORDER, THE RETAIL MARIJUANA STORE

22 SHALL REQUIRE THE INDIVIDUAL TO PROVIDE INFORMATION NECESSARY TO

23 VERIFY THE INDIVIDUAL IS AT LEAST TWENTY-ONE YEARS OF AGE. THE

24 PROVIDED INFORMATION MUST, AT A MINIMUM, INCLUDE THE FOLLOWING:

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

26 (B) THE ADDRESS OF THE RESIDENCE WHERE THE ORDER WILL BE

27 DELIVERED; AND

1 (C) ANY OTHER INFORMATION REQUIRED BY STATE LICENSING
2 AUTHORITY RULE.

3 (II) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO AN
4 INDIVIDUAL, THE PERSON DELIVERING THE ORDER SHALL INSPECT THE
5 INDIVIDUAL'S IDENTIFICATION AND VERIFY THAT THE INFORMATION
6 PROVIDED AT THE TIME OF THE ORDER MATCH THE NAME AND AGE ON THE
7 INDIVIDUAL'S IDENTIFICATION.

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

15 (II) THE ADVERTISING REGULATIONS AND PROHIBITIONS ADOPTED
16 PURSUANT TO SECTION 44-10-203 (3)(a) APPLY TO RETAIL MARIJUANA
17 DELIVERY OPERATIONS PURSUANT TO THIS SUBSECTION (13).

18 (i) IT IS NOT A VIOLATION OF ANY PROVISION OF STATE, CIVIL, OR
19 CRIMINAL LAW FOR A LICENSED RETAIL MARIJUANA STORE OR RETAIL
20 MARIJUANA TRANSPORTER LICENSEE WITH A VALID RETAIL MARIJUANA
21 DELIVERY PERMIT, OR SUCH PERSON WHO HAS MADE TIMELY AND
22 SUFFICIENT APPLICATION FOR THE RENEWAL OF THE PERMIT, OR ITS
23 LICENSEES TO POSSESS, TRANSPORT, AND DELIVER RETAIL MARIJUANA OR
24 RETAIL MARIJUANA PRODUCTS PURSUANT TO A RETAIL MARIJUANA
25 DELIVERY PERMIT IN AMOUNTS THAT DO NOT EXCEED AMOUNTS
26 ESTABLISHED BY THE STATE LICENSING AUTHORITY.

27 (j) A LOCAL LAW ENFORCEMENT AGENCY MAY REQUEST STATE

1 LICENSING AUTHORITY REPORTS, INCLUDING COMPLAINTS, INVESTIGATIVE
2 ACTION, AND FINAL AGENCY ACTION ORDERS, RELATED TO CRIMINAL
3 ACTIVITY MATERIALLY RELATED TO RETAIL MARIJUANA DELIVERY IN THE
4 LAW ENFORCEMENT AGENCY'S JURISDICTION, AND THE STATE LICENSING
5 AUTHORITY SHALL PROMPTLY PROVIDE ANY REPORTS IN ITS POSSESSION
6 FOR THE LAW ENFORCEMENT AGENCY'S JURISDICTION.

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

20 (II) AN ORDINANCE ADOPTED PURSUANT TO SUBSECTION (13)(k)(I)
21 OF THIS SECTION MAY PROHIBIT DELIVERY OF RETAIL MARIJUANA AND
22 RETAIL MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA STORE THAT IS
23 OUTSIDE A MUNICIPALITY'S, COUNTY'S, CITY'S, OR CITY AND COUNTY'S
24 JURISDICTIONAL BOUNDARIES TO AN ADDRESS WITHIN ITS JURISDICTIONAL
25 BOUNDARIES.

26 (l) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION,
27 DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IS NOT

1 PERMITTED AT ANY SCHOOL OR ON THE CAMPUS OF ANY INSTITUTION OF
2 HIGHER EDUCATION.

3 (m) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING
4 RETAIL MARIJUANA DELIVERY PERMITS TO QUALIFIED RETAIL MARIJUANA
5 STORE APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2, 2021.

6 **44-10-602. [Formerly 44-12-403] Retail marijuana cultivation**
7 **facility license - rules - definitions.** (1) A retail marijuana cultivation
8 facility license may be issued only to a person who cultivates retail
9 marijuana for sale and distribution to licensed retail marijuana stores,
10 retail marijuana products ~~manufacturing~~ MANUFACTURER licensees, or
11 other retail marijuana cultivation facilities.

12 (2) A retail marijuana cultivation facility shall remit any
13 applicable excise tax due in accordance with article 28.8 of title 39, based
14 on the average wholesale prices set by the state licensing authority.

15 (3) A retail marijuana cultivation facility shall track the marijuana
16 it cultivates from seed or immature plant to wholesale purchase. Prior to
17 delivery of any sold retail marijuana, the retail marijuana cultivation
18 facility shall provide evidence that it paid any applicable excise tax on the
19 retail marijuana due pursuant to article 28.8 of title 39.

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

27 (5) Retail marijuana or retail marijuana products may not be

1 consumed on the premises of a retail marijuana cultivation facility.

2 (6) (a) A retail marijuana cultivation facility licensee may provide
3 a retail marijuana sample and a retail marijuana concentrate sample to no
4 more than five managers employed by the licensee for purposes of quality
5 control and product development. A retail marijuana cultivation facility
6 licensee may designate no more than five managers per calendar month
7 as recipients of quality control and product development samples
8 authorized pursuant to this subsection (6)(a).

9 (b) An excise tax shall be levied and collected on the sample of
10 unprocessed retail marijuana by a retail marijuana cultivation facility. The
11 excise tax must be calculated based on the average market rate of the
12 unprocessed retail marijuana.

13 (c) A sample authorized pursuant to subsection (6)(a) of this
14 section is limited to one gram of retail marijuana per batch as defined in
15 rules promulgated by the state licensing authority, and one-quarter gram
16 of a retail marijuana concentrate per batch as defined in rules
17 promulgated by the state licensing authority; except that the limit is
18 one-half gram of retail marijuana concentrate if the intended use of the
19 final product is to be used in a device that can be used to deliver retail
20 marijuana concentrate in a vaporized form to the person inhaling from the
21 device.

22 (d) A sample authorized pursuant to subsection (6)(a) of this
23 section must be labeled and packaged pursuant to the rules promulgated
24 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
25 44-10-203 (2)(f) AND (3)(b).

26 (e) A sample provided pursuant to subsection (6)(a) of this section
27 must be tracked with the seed-to-sale tracking system. Prior to a manager

1 receiving a sample, a manager must be designated in the seed-to-sale
2 tracking system as a recipient of quality control and product development
3 samples. A manager receiving a sample must make a voluntary decision
4 to be tracked in the seed-to-sale tracking system and is not a consumer
5 pursuant to section 16 (5)(c) of article XVIII of the state constitution. The
6 retail marijuana cultivation facility licensee shall maintain documentation
7 of all samples and shall make the documentation available to the state
8 licensing authority.

9 (f) Prior to a manager receiving a sample pursuant to subsection
10 (6)(a) of this section, a retail marijuana cultivation facility licensee shall
11 provide a standard operating procedure to the manager explaining
12 requirements pursuant to this section and personal possession limits
13 pursuant to section 18-18-406.

14 (g) A manager shall not:

15 (I) Receive more than one ounce total of retail marijuana or eight
16 grams of retail marijuana concentrate samples per calendar month,
17 regardless of the number of licenses that the manager is associated with;
18 or

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

21 (h) A retail marijuana cultivation facility licensee shall not:

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

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

25 (i) The state licensing authority may establish additional inventory
26 tracking and record keeping, including additional reporting required for
27 implementation. The retail marijuana cultivation facility licensee shall

1 maintain the information required by this subsection (6)(i) on the licensed
2 premises for inspection by the state and local licensing authorities.

3 (j) For purposes of this subsection (6) only, "manager" means an
4 employee of the retail marijuana ~~business~~ CULTIVATION FACILITY who
5 holds a valid key license or associated key license and is currently
6 designated pursuant to state licensing authority rules as the manager of
7 the retail marijuana ~~business~~ CULTIVATION FACILITY.

8 (7) (a) The state licensing authority may issue a centralized
9 distribution permit to a retail marijuana cultivation facility authorizing
10 temporary storage on its licensed premises of retail marijuana concentrate
11 and retail marijuana products received from a retail marijuana
12 ~~establishment~~ BUSINESS for the sole purpose of transfer to the permit
13 holder's commonly owned retail marijuana stores. Prior to exercising the
14 privileges of a centralized distribution permit, a retail marijuana
15 cultivation facility licensed pursuant to this section shall, at the time of
16 application to the state licensing authority, send a copy of the application
17 or supplemental application for a centralized distribution permit to the
18 local jurisdiction in which the centralized distribution permit is proposed.
19 The state licensing authority shall notify the local jurisdiction of its
20 decision regarding the centralized distribution permit.

21 (b) A retail marijuana cultivation facility shall not store retail
22 marijuana concentrate or retail marijuana products pursuant to a
23 centralized distribution permit for more than ninety days.

24 (c) A retail marijuana cultivation facility shall not accept any retail
25 marijuana concentrate or retail marijuana products pursuant to a
26 centralized distribution permit unless the retail marijuana concentrate and
27 retail marijuana products are packaged and labeled for sale to a consumer

1 as required by rules promulgated by the state licensing authority pursuant
2 to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

3 (d) All retail marijuana concentrate and retail marijuana products
4 stored and prepared for transport on a retail marijuana cultivation
5 facility's licensed premises pursuant to a centralized distribution permit
6 must only be transferred to a retail marijuana cultivation facility licensee's
7 commonly owned retail marijuana stores. All transfers of retail marijuana
8 concentrate and retail marijuana products by a retail marijuana cultivation
9 facility pursuant to a centralized distribution permit are without
10 consideration.

11 (e) All security and surveillance requirements that apply to a retail
12 marijuana cultivation facility apply to activities conducted pursuant to the
13 privileges of a centralized distribution permit.

14 (f) A retail marijuana cultivation facility shall track all retail
15 marijuana concentrate and retail marijuana products possessed pursuant
16 to a centralized distribution permit in the seed-to-sale tracking system
17 from the point it is received from a retail marijuana ~~establishment~~
18 BUSINESS to the point of transfer to a retail marijuana cultivation facility
19 licensee's commonly owned retail marijuana stores.

20 (g) For purposes of this section only, "commonly owned" means
21 licenses that have an ownership structure with at least one natural person
22 with a minimum of five percent ownership in each license.

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

27 (9) AN ACCELERATOR CULTIVATOR LICENSEE MAY OPERATE ON

1 THE PREMISES OF A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE
2 IF BEFORE EACH ACCELERATOR LICENSEE OPERATES, THE RETAIL
3 MARIJUANA CULTIVATION FACILITY LICENSEE HAS ITS PREMISES ENDORSED
4 PURSUANT TO RULE AND EACH ACCELERATOR LICENSEE IS LICENSED TO
5 OPERATE ON THAT PREMISES.

6 (10) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT
7 HOSTS AN ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE
8 TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR LICENSEE
9 OPERATING ON ITS PREMISES. A RETAIL MARIJUANA PRODUCTS
10 MANUFACTURER LICENSEE THAT HOSTS AN ACCELERATOR LICENSEE MAY,
11 PURSUANT TO RULE, PROVIDE CAPITAL ASSISTANCE TO AN ACCELERATOR
12 LICENSEE OPERATING ON ITS PREMISES.

13 (11) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT
14 HOSTS AN ACCELERATOR LICENSEE, PURSUANT TO RULE AND AGENCY
15 DISCRETION, MAY BE ELIGIBLE FOR REDUCTION IN LICENSE FEES OR OTHER
16 INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE
17 OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

18 **44-10-603. [Formerly 44-12-404] Retail marijuana products**
19 **manufacturer license - rules - definition.** (1) (a) A retail marijuana
20 products ~~manufacturing~~ MANUFACTURER license may be issued to a
21 person who manufactures retail marijuana products pursuant to the terms
22 and conditions of this ~~article 12~~ ARTICLE 10.

23 (b) A retail marijuana products manufacturer may cultivate its
24 own retail marijuana if it obtains a retail marijuana cultivation facility
25 license, or it may purchase retail marijuana from a licensed retail
26 marijuana cultivation facility. A retail marijuana products manufacturer
27 shall track all of its retail marijuana from the point it is either transferred

1 from its retail marijuana cultivation facility or the point when it is
2 delivered to the retail marijuana products manufacturer from a licensed
3 retail marijuana cultivation facility to the point of transfer to a licensed
4 retail marijuana store, a licensed retail marijuana products manufacturer,
5 a retail marijuana testing facility, or a licensed retail marijuana cultivation
6 facility with a centralized distribution permit pursuant to ~~section~~
7 ~~44-12-403 (7)~~ SECTION 44-10-602 (7).

8 (c) A retail marijuana products manufacturer shall not accept any
9 retail marijuana purchased from a retail marijuana cultivation facility
10 unless the retail marijuana products manufacturer is provided with
11 evidence that any applicable excise tax due pursuant to article 28.8 of title
12 39 was paid.

13 (d) A retail marijuana products manufacturer shall not:

14 (I) Add any marijuana to a food product where the manufacturer
15 of the food product holds a trademark to the food product's name; except
16 that a RETAIL MARIJUANA PRODUCTS manufacturer may use a trademarked
17 food product if the manufacturer uses the product as a component or as
18 part of a recipe and where the RETAIL marijuana ~~product~~ PRODUCTS
19 manufacturer does not state or advertise to the consumer that the final
20 retail marijuana product contains a trademarked food product;

21 (II) Intentionally or knowingly label or package a retail marijuana
22 product in a manner that would cause a reasonable consumer confusion
23 as to whether the retail marijuana product was a trademarked food
24 product; or

25 (III) Label or package a product in a manner that violates any
26 federal trademark law or regulation.

27 (2) Retail marijuana products ~~shall~~ MUST be prepared on a

1 licensed premises that is used exclusively for the manufacture and
2 preparation of retail marijuana or retail marijuana products and using
3 equipment that is used exclusively for the manufacture and preparation
4 of retail marijuana products; except that, if permitted by the local
5 jurisdiction and subject to rules of the state licensing authority, a retail
6 marijuana products ~~manufacturing~~ MANUFACTURER licensee may share
7 the same premises as a:

8 (a) Medical ~~marijuana-infused~~ MARIJUANA products
9 ~~manufacturing~~ MANUFACTURER licensee so long as a virtual or physical
10 separation of inventory is maintained; ~~or~~

11 (b) Commonly owned marijuana research and development
12 licensee ~~or marijuana research and development cultivation licensee~~ so
13 long as virtual or physical separation of inventory and research activity
14 is maintained; OR

15 (c) ACCELERATOR MANUFACTURER LICENSEE IF THE RETAIL
16 MARIJUANA PRODUCTS MANUFACTURER HAS ITS PREMISES ENDORSED
17 PURSUANT TO RULE BEFORE EACH ACCELERATOR MANUFACTURER
18 LICENSEE OPERATES AND EACH ACCELERATOR LICENSEE IS LICENSED TO
19 OPERATE ON THAT PREMISES.

20 (3) All licensed premises on which retail marijuana products are
21 manufactured ~~shall~~ MUST meet the sanitary standards for retail marijuana
22 product preparation promulgated pursuant to ~~section 44-12-202 (3)(a)(XI)~~
23 SECTION 44-10-203 (2)(i).

24 (4) (a) The retail marijuana product ~~shall~~ MUST be sealed and
25 conspicuously labeled in compliance with this ~~article 12~~ ARTICLE 10 and
26 any rules promulgated pursuant to this ~~article 12~~ ARTICLE 10. The labeling
27 of retail marijuana products is a matter of statewide concern.

1 (b) The standard symbol requirements as promulgated pursuant to
2 ~~section 44-12-202 (3)(c)~~ SECTION 44-10-203 (2)(y) do not apply to a
3 multi-serving liquid retail marijuana product, which is impracticable to
4 mark, if the product complies with all statutory and rule packaging
5 requirements for multi-serving edibles and complies with the following
6 enhanced requirements to reduce the risk of accidental ingestion. A
7 multi-serving liquid must:

8 (I) Be packaged in a structure that uses a single mechanism to
9 achieve both child-resistance and accurate pouring measurement of each
10 liquid serving in increments equal to or less than ten milligrams of active
11 THC per serving, with no more than one hundred milligrams of active
12 THC total per package; and

13 (II) The measurement component is within the child-resistant cap
14 or closure of the bottle and is not a separate component.

15 (5) Retail marijuana or retail marijuana products may not be
16 consumed on the premises of a retail marijuana products ~~manufacturing~~
17 ~~facility~~ MANUFACTURER.

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

25 (7) An edible retail marijuana product may list its ingredients and
26 compatibility with dietary practices.

27 (8) A licensed retail marijuana products manufacturer shall

1 package and label each product manufactured as required by rules of the
2 state licensing authority pursuant to ~~section 44-12-202~~ SECTION
3 44-10-203 (2)(f) AND (3)(b).

4 (9) All retail marijuana products that require refrigeration to
5 prevent spoilage must be stored and transported in a refrigerated
6 environment.

7 (10) (a) A retail marijuana products ~~manufacturing~~
8 MANUFACTURER licensee may provide a retail marijuana product sample
9 and a retail marijuana concentrate sample to no more than five managers
10 employed by the licensee for purposes of quality control and product
11 development. A retail marijuana products ~~manufacturing~~ MANUFACTURER
12 licensee may designate no more than five managers per calendar month
13 as recipients of quality control and product development samples
14 authorized pursuant to this subsection (10)(a).

15 (b) A sample authorized pursuant to subsection (10)(a) of this
16 section is limited to one serving size of an edible retail marijuana product
17 not exceeding ten milligrams of THC and its applicable equivalent
18 serving size of nonedible retail marijuana product per batch as defined in
19 rules promulgated by the state licensing authority and one-quarter gram
20 of retail marijuana concentrate per batch as defined in rules promulgated
21 by the state licensing authority; except that the limit is one-half gram of
22 retail marijuana concentrate if the intended use of the final product is to
23 be used in a device that can be used to deliver retail marijuana
24 concentrate in a vaporized form to the person inhaling from the device.

25 (c) A sample authorized pursuant to subsection (10)(a) of this
26 section must be labeled and packaged pursuant to the rules promulgated
27 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION

1 44-10-203 (2)(f) AND (3)(b).

2 (d) A sample provided pursuant to subsection (10)(a) of this
3 section must be tracked with the seed-to-sale tracking system. Prior to a
4 manager receiving a sample, a manager must be designated in the
5 seed-to-sale tracking system as a recipient of quality control and product
6 development samples. A manager receiving a sample must make a
7 voluntary decision to be tracked in the seed-to-sale tracking system and
8 is not a consumer pursuant to section 16 (5)(c) of article XVIII of the
9 state constitution. The retail marijuana products manufacturing
10 MANUFACTURER licensee shall maintain documentation of all samples and
11 shall make the documentation available to the state licensing authority.

12 (e) Prior to a manager receiving a sample pursuant to subsection
13 (10)(a) of this section, a retail marijuana products manufacturing
14 MANUFACTURER licensee shall provide a standard operating procedure to
15 the manager explaining requirements pursuant to this section and personal
16 possession limits pursuant to section 18-18-406.

17 (f) A manager shall not:

18 (I) Receive more than a total of eight grams of retail marijuana
19 concentrate or fourteen individual serving-size edibles or its applicable
20 equivalent in nonedible retail marijuana products per calendar month,
21 regardless of the number of licenses that the manager is associated with;
22 or

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

25 (g) A retail marijuana products manufacturing licensee shall not:

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

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

2 (h) The state licensing authority may establish additional
3 inventory tracking and record keeping, including additional reporting
4 required for implementation. The retail marijuana products ~~manufacturing~~
5 MANUFACTURER licensee shall maintain the information required by this
6 subsection (10)(h) on the licensed premises for inspection by the state and
7 local licensing authorities.

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

13 (11) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURER THAT
14 USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A RETAIL
15 MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP
16 PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY
17 THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203
18 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT,
19 A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THAT THE
20 INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL
21 MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING
22 FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP
23 PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF
24 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

25 (b) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
26 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
27 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON

1 TRANSFERRING INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA
2 PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY
3 WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE
4 ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS
5 ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE
6 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS
7 OR FINDINGS IN VIOLATION OF THIS SECTION BY A PERSON REGISTERED
8 PURSUANT TO SECTION 25-5-426.

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

13 (13) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE
14 THAT HOSTS AN ACCELERATOR MANUFACTURER LICENSEE MAY, PURSUANT
15 TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE TO AN
16 ACCELERATOR LICENSEE OPERATING ON ITS PREMISES. A RETAIL
17 MARIJUANA PRODUCTS MANUFACTURER LICENSEE THAT HOSTS AN
18 ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE CAPITAL
19 ASSISTANCE TO AN ACCELERATOR LICENSEE OPERATING ON ITS PREMISES.

20 (14) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE,
21 PURSUANT TO RULE AND AGENCY DISCRETION, MAY BE ELIGIBLE FOR
22 REDUCTION IN LICENSE FEES AND FOR GRANTS THROUGH THE OFFICE OF
23 ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

24 **44-10-604. [Formerly 44-12-405] Retail marijuana testing**
25 **facility license - rules.** (1) (a) A retail marijuana testing facility license
26 may be issued to a person who performs testing and research on retail
27 marijuana and industrial hemp as regulated by article 61 of title 35 AND

1 INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF
2 TITLE 25. The facility may develop and test retail marijuana products, ~~and~~
3 industrial hemp as regulated by article 61 of title 35, AND INDUSTRIAL
4 HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25.
5 Prior to performing testing on industrial hemp, a facility shall verify that
6 the person requesting the testing has received a registration from the
7 commissioner as required by section 35-61-104. PRIOR TO PERFORM
8 TESTING ON INDUSTRIAL HEMP PRODUCTS, A FACILITY SHALL VERIFY THAT
9 THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION AS
10 REQUIRED BY SECTION 25-5-426.

11 (b) The testing of retail marijuana, retail marijuana products, and
12 retail marijuana concentrate, and the associated standards, is a matter of
13 statewide concern.

14 (2) The state licensing authority shall promulgate rules pursuant
15 to its authority in ~~section 44-12-202 (1)(b)~~ SECTION 44-10-202 (1)(c)
16 related to acceptable testing and research practices, including but not
17 limited to testing, standards, quality control analysis, equipment
18 certification and calibration, and chemical identification and other
19 substances used in bona fide research methods.

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

1 marijuana center STORE, a licensed ~~optional premises cultivation~~
2 ~~operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed
3 medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed
4 retail marijuana store, a licensed retail marijuana cultivation facility, or
5 a licensed retail marijuana products manufacturer shall not have an
6 interest in a facility that has a retail marijuana testing facility license.

7 **44-10-605. [Formerly 44-12-406] Retail marijuana transporter**

8 **license.** (1) (a) A retail marijuana transporter license may be issued to a
9 person to provide logistics, distribution, DELIVERY, and storage of retail
10 marijuana and retail marijuana products. Notwithstanding any other
11 provisions of law, a retail marijuana transporter license is valid for two
12 years but cannot be transferred with a change of ownership. A licensed
13 retail marijuana transporter is responsible for the retail marijuana and
14 retail marijuana products once it takes control of the product.

15 (b) A licensed retail marijuana transporter may contract with
16 multiple licensed retail marijuana businesses.

17 (c) On and after July 1, 2017, all retail marijuana transporters shall
18 hold a valid retail marijuana transporter license; except that an entity
19 licensed pursuant to this ~~article 12~~ ARTICLE 10 that provides its own
20 distribution is not required to have a retail marijuana transporter license
21 to transport and distribute its products. The state licensing authority shall
22 begin accepting applications after January 1, 2017.

23 (2) A retail marijuana transporter licensee may maintain a licensed
24 premises to temporarily store retail marijuana and retail marijuana
25 products and to use as a centralized distribution point. The licensed
26 premises must be located in a jurisdiction that permits the operation of
27 retail marijuana stores. A licensed retail marijuana transporter may store

1 and distribute retail marijuana and retail marijuana products from this
2 location. A storage facility must meet the same security requirements that
3 are required to obtain a retail marijuana cultivation FACILITY license.

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

9 (4) A retail marijuana transporter licensee may:

10 (a) Maintain and operate one or more warehouses in the state to
11 handle retail marijuana and retail marijuana products; and

12 (b) Deliver retail marijuana products on orders previously taken
13 if the place where orders are taken and delivered is licensed.

14 (5) (a) (I) THERE IS AUTHORIZED A RETAIL MARIJUANA DELIVERY
15 PERMIT TO A RETAIL MARIJUANA TRANSPORTER LICENSE AUTHORIZING THE
16 PERMIT HOLDER TO DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA
17 PRODUCTS.

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

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

1 (IV) THE STATE LICENSING AUTHORITY MAY ISSUE A RETAIL
2 MARIJUANA DELIVERY PERMIT TO A QUALIFIED APPLICANT, AS
3 DETERMINED BY THE STATE LICENSING AUTHORITY, THAT HOLDS A RETAIL
4 MARIJUANA TRANSPORTER LICENSE ISSUED PURSUANT TO THIS ARTICLE 10.
5 A PERMIT APPLICANT IS PROHIBITED FROM DELIVERING RETAIL MARIJUANA
6 AND RETAIL MARIJUANA PRODUCTS WITHOUT STATE AND LOCAL
7 JURISDICTION APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL
8 JURISDICTION APPROVAL WITHIN ONE YEAR FROM THE DATE OF THE STATE
9 LICENSING AUTHORITY APPROVAL, THE STATE PERMIT EXPIRES AND MAY
10 NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING
11 AUTHORITY, THE STATE LICENSING AUTHORITY SHALL REVOKE THE
12 STATE-ISSUED PERMIT. THE STATE LICENSING AUTHORITY HAS DISCRETION
13 IN DETERMINING WHETHER AN APPLICANT IS QUALIFIED TO RECEIVE A
14 RETAIL MARIJUANA DELIVERY PERMIT. A RETAIL MARIJUANA DELIVERY
15 PERMIT ISSUED BY THE STATE LICENSING AUTHORITY IS DEEMED A
16 REVOCABLE PRIVILEGE OF A LICENSED RETAIL MARIJUANA TRANSPORTER.
17 A VIOLATION RELATED TO A RETAIL MARIJUANA DELIVERY PERMIT IS
18 GROUNDS FOR A FINE OR SUSPENSION OR REVOCATION OF THE DELIVERY
19 PERMIT OR RETAIL MARIJUANA TRANSPORTER LICENSE.

20 (b) A RETAIL MARIJUANA TRANSPORTER LICENSEE SHALL NOT
21 MAKE DELIVERIES OF RETAIL MARIJUANA OR RETAIL MARIJUANA
22 PRODUCTS TO INDIVIDUALS WHILE ALSO TRANSPORTING RETAIL
23 MARIJUANA OR RETAIL MARIJUANA PRODUCTS BETWEEN LICENSED
24 PREMISES IN THE SAME VEHICLE.

25 (c) A LICENSED RETAIL MARIJUANA TRANSPORTER WITH A RETAIL
26 MARIJUANA DELIVERY PERMIT MAY DELIVER RETAIL MARIJUANA AND
27 RETAIL MARIJUANA PRODUCTS ON BEHALF OF A RETAIL MARIJUANA STORE

1 ONLY TO THE INDIVIDUAL WHO PLACED THE ORDER WITH A RETAIL
2 MARIJUANA STORE AND WHO:
3 (I) IS TWENTY-ONE YEARS OF AGE OR OLDER;
4 (II) RECEIVES THE DELIVERY OF RETAIL MARIJUANA OR RETAIL
5 MARIJUANA PRODUCTS PURSUANT TO RULES; AND
6 (III) POSSESSES AN ACCEPTABLE FORM OF IDENTIFICATION.
7 (d) IN ACCORDANCE WITH THIS SUBSECTION (5) AND RULES
8 ADOPTED TO IMPLEMENT THIS SUBSECTION (5), A LICENSED RETAIL
9 MARIJUANA TRANSPORTER WITH A VALID RETAIL MARIJUANA DELIVERY
10 PERMIT MAY:
11 (I) NOT ACCEPT ORDERS ON BEHALF OF A RETAIL MARIJUANA
12 STORE AND MAY ONLY PICK UP ALREADY PACKAGED RETAIL MARIJUANA
13 DELIVERY ORDERS FROM A RETAIL MARIJUANA STORE OR ITS ASSOCIATED
14 STATE LICENSING AUTHORITY-AUTHORIZED STORAGE FACILITY AS DEFINED
15 BY RULE AND DELIVER THOSE ORDERS TO THE APPROPRIATE INDIVIDUAL;
16 (II) DELIVER RETAIL MARIJUANA AND RETAIL MARIJUANA
17 PRODUCTS NOT IN EXCESS OF THE AMOUNTS ESTABLISHED BY THE STATE
18 LICENSING AUTHORITY;
19 (III) DELIVER ONLY TO AN INDIVIDUAL AT THE ADDRESS PROVIDED
20 IN THE ORDER;
21 (IV) DELIVER NO MORE THAN ONCE PER DAY TO THE SAME
22 INDIVIDUAL OR RESIDENCE;
23 (V) (A) DELIVER ONLY TO A PRIVATE RESIDENCE;
24 (B) FOR PURPOSES OF THIS SECTION, "PRIVATE RESIDENCES"
25 MEANS PRIVATE PREMISES WHERE A PERSON LIVES, SUCH AS A PRIVATE
26 DWELLING PLACE OR PLACE OF HABITATION, AND SPECIFICALLY EXCLUDES
27 ANY PREMISES LOCATED AT A SCHOOL OR ON THE CAMPUS OF AN

1 INSTITUTION OF HIGHER EDUCATION, OR ANY OTHER PUBLIC PROPERTY.

2 (VI) DELIVER RETAIL MARIJUANA OR RETAIL MARIJUANA
3 PRODUCTS ONLY BY A MOTOR VEHICLE THAT COMPLIES WITH THIS SECTION
4 AND THE RULES PROMULGATED PURSUANT TO THIS SECTION AND SECTION
5 44-10-203 (2)(cc); AND

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

11 (e) PRIOR TO TRANSFERRING POSSESSION OF THE ORDER TO AN
12 INDIVIDUAL, THE PERSON DELIVERING THE ORDER SHALL INSPECT THE
13 INDIVIDUAL'S IDENTIFICATION AND VERIFY THAT THE INFORMATION
14 PROVIDED AT THE TIME OF THE ORDER MATCH THE NAME AND AGE ON THE
15 INDIVIDUAL'S IDENTIFICATION.

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

25 (g) (I) UNLESS OTHERWISE PROVIDED BY THE STATE LICENSING
26 AUTHORITY BY RULES PROMULGATED PURSUANT TO THIS ARTICLE 10, ALL
27 REQUIREMENTS APPLICABLE TO OTHER LICENSES ISSUED PURSUANT TO

1 THIS ARTICLE 10 APPLY TO THE DELIVERY OF RETAIL MARIJUANA AND
2 RETAIL MARIJUANA PRODUCTS, INCLUDING BUT NOT LIMITED TO
3 INVENTORY TRACKING, TRANSPORTATION, AND PACKAGING AND LABELING
4 REQUIREMENTS.

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

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

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

1 DELIVERY OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS
2 PURSUANT TO THIS SECTION.

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

9 (j) THE STATE LICENSING AUTHORITY SHALL BEGIN ISSUING RETAIL
10 MARIJUANA DELIVERY PERMITS TO QUALIFIED RETAIL MARIJUANA
11 TRANSPORTER APPLICANTS ON, BUT NOT EARLIER THAN, JANUARY 2, 2021.

12 **44-10-606. [Formerly 44-12-407] Retail marijuana business**
13 **operator license.** A retail marijuana business operator license may be
14 issued to a person who operates a retail marijuana establishment BUSINESS
15 licensed pursuant to this ~~article 12~~ ARTICLE 10, for an owner licensed
16 pursuant to this ~~article 12~~ ARTICLE 10, and who may receive a portion of
17 the profits as compensation.

18 **44-10-607. Retail marijuana accelerator cultivator**
19 **license.** (1) A RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE
20 MAY BE ISSUED TO A PERSON TO OPERATE A CULTIVATION OPERATION ON
21 THE SITE OF RETAIL MARIJUANA CULTIVATION FACILITY WITH AN
22 ACCELERATOR ENDORSEMENT. THE RETAIL MARIJUANA ACCELERATOR
23 CULTIVATOR MAY RECEIVE TECHNICAL ASSISTANCE AND FINANCIAL
24 SUPPORT FROM THE RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE
25 WITH AN ACCELERATOR ENDORSEMENT.

26 (2) THE STATE LICENSING AUTHORITY SHALL BEGIN ACCEPTING
27 APPLICATIONS FOR RETAIL MARIJUANA ACCELERATOR CULTIVATOR

1 MARIJUANA.

2 (2) IT IS UNLAWFUL FOR A PERSON TO:

3 (a) BUY, SELL, TRANSFER, GIVE AWAY, OR ACQUIRE REGULATED
4 MARIJUANA OR REGULATED MARIJUANA PRODUCTS EXCEPT AS ALLOWED
5 PURSUANT TO THIS ARTICLE 10 OR SECTION 14 OR SECTION 16 OF ARTICLE
6 XVIII OF THE STATE CONSTITUTION;

7 (b) HAVE A CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE
8 BENEFICIAL OWNERSHIP, OR INDIRECT FINANCIAL INTEREST IN A LICENSE
9 PURSUANT TO THIS ARTICLE 10 THAT WAS NOT DISCLOSED IN ACCORDANCE
10 WITH SECTION 44-10-309; EXCEPT THAT THIS SUBSECTION (2)(b) DOES NOT
11 APPLY TO BANKS OR SAVINGS AND LOAN ASSOCIATIONS SUPERVISED AND
12 REGULATED BY AN AGENCY OF THE STATE OR FEDERAL GOVERNMENT, OR
13 TO FHA-APPROVED MORTGAGEES, OR TO STOCKHOLDERS, DIRECTORS, OR
14 OFFICERS THEREOF;

15 (c) EXERCISE ANY PRIVILEGE OF A LICENSE ISSUED PURSUANT TO
16 THIS ARTICLE 10 THAT THE PERSON DOES NOT HOLD;

17 (d) EXERCISE ANY PRIVILEGE ASSOCIATED WITH HOLDING A
18 CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP,
19 OR INDIRECT FINANCIAL INTEREST IN A LICENSE THAT WAS NOT DISCLOSED
20 IN ACCORDANCE WITH SECTION 44-10-309; OR

21 (e) ENGAGE IN TRANSFER OF OWNERSHIP WITHOUT PRIOR
22 APPROVAL AS REQUIRED BY THIS ARTICLE 10, INCLUDING BUT NOT LIMITED
23 TO:

24 (I) A PROPOSED TRANSFEREE OPERATING A MEDICAL MARIJUANA
25 BUSINESS OR RETAIL MARIJUANA BUSINESS BEFORE A TRANSFER OF
26 OWNERSHIP REQUEST FOR THAT BUSINESS IS APPROVED IN WRITING BY THE
27 STATE LICENSING AUTHORITY; OR

1 (II) A CURRENT CONTROLLING BENEFICIAL OWNER, PASSIVE
2 BENEFICIAL OWNER, OR PROPOSED TRANSFEROR FAILING TO RETAIN FULL
3 RESPONSIBILITY FOR A MEDICAL MARIJUANA BUSINESS OR RETAIL
4 MARIJUANA BUSINESS IDENTIFIED IN THE TRANSFER OF OWNERSHIP
5 APPLICATION UNTIL THE TRANSFER REQUEST IS APPROVED IN WRITING BY
6 THE STATE LICENSING AUTHORITY.

7 (3) IT IS UNLAWFUL FOR A PERSON LICENSED PURSUANT TO THIS
8 ARTICLE 10:

9 (a) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
10 44-10-313 (11);

11 (b) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO
12 ADULTERATE OR ALTER, ANY SAMPLES OF REGULATED MARIJUANA OR
13 REGULATED MARIJUANA PRODUCTS FOR THE PURPOSE OF CIRCUMVENTING
14 CONTAMINANT TESTING DETECTION LIMITS OR POTENCY TESTING
15 REQUIREMENTS;

16 (c) TO USE ADVERTISING MATERIAL THAT IS MISLEADING,
17 DECEPTIVE, OR FALSE, OR THAT IS DESIGNED TO APPEAL TO MINORS;

18 (d) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR
19 THE PURPOSE OF CONSUMPTION OF REGULATED MARIJUANA IN ANY FORM;

20 (e) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
21 REGULATED MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE
22 LICENSE; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

23 (f) TO HAVE ON THE LICENSED PREMISES ANY REGULATED
24 MARIJUANA OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF
25 THE REGULATED MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY
26 CONSUMED; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

27 (g) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105;

1 (h) TO ABANDON A LICENSED PREMISES OR OTHERWISE CEASE
2 OPERATION WITHOUT NOTIFYING THE STATE AND LOCAL LICENSING
3 AUTHORITIES AT LEAST FORTY-EIGHT HOURS IN ADVANCE AND WITHOUT
4 ACCOUNTING FOR AND FORFEITING TO THE STATE LICENSING AUTHORITY
5 FOR DESTRUCTION ALL REGULATED MARIJUANA OR REGULATED
6 MARIJUANA PRODUCTS;

7 (i) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR REGULATED
8 MARIJUANA IN PERSON EXCEPT WITHIN THE LICENSED PREMISES;

9 (j) TO BUY REGULATED MARIJUANA FROM A PERSON NOT LICENSED
10 TO SELL AS PROVIDED BY THIS ARTICLE 10;

11 (k) TO SELL REGULATED MARIJUANA EXCEPT IN THE PERMANENT
12 LOCATION SPECIFICALLY DESIGNATED IN THE LICENSE FOR SALE; OR

13 (l) TO BURN OR OTHERWISE DESTROY REGULATED MARIJUANA OR
14 ANY SUBSTANCE CONTAINING REGULATED MARIJUANA FOR THE PURPOSE
15 OF EVADING AN INVESTIGATION OR PREVENTING SEIZURE.

16 (4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL MEDICAL
17 MARIJUANA PURSUANT TO THIS ARTICLE 10:

18 (a) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED
19 PURSUANT TO THIS ARTICLE 10 OR TO A PERSON NOT ABLE TO PRODUCE A
20 VALID PATIENT REGISTRY IDENTIFICATION CARD, UNLESS THE PERSON HAS
21 A COPY OF A CURRENT AND COMPLETE NEW APPLICATION FOR THE
22 MEDICAL MARIJUANA REGISTRY ADMINISTERED BY THE DEPARTMENT OF
23 PUBLIC HEALTH AND ENVIRONMENT THAT IS DOCUMENTED BY A CERTIFIED
24 MAIL RETURN RECEIPT AS HAVING BEEN SUBMITTED TO THE DEPARTMENT
25 OF PUBLIC HEALTH AND ENVIRONMENT WITHIN THE PRECEDING
26 THIRTY-FIVE DAYS AND THE EMPLOYEE ASSISTING THE PERSON HAS
27 CONTACTED THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

1 AND, AS A RESULT, DETERMINED THE PERSON'S APPLICATION HAS NOT
2 BEEN DENIED. NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION
3 (4)(a)(I) TO THE CONTRARY, A PERSON UNDER TWENTY-ONE YEARS OF AGE
4 SHALL NOT BE EMPLOYED TO SELL OR DISPENSE MEDICAL MARIJUANA AT
5 A MEDICAL MARIJUANA STORE OR GROW OR CULTIVATE MEDICAL
6 MARIJUANA AT A MEDICAL MARIJUANA CULTIVATION FACILITY.

7 (II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE
8 CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT
9 REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL
10 MARIJUANA, THE LICENSEE OR EMPLOYEE IS AUTHORIZED TO CONFISCATE
11 THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD, IF POSSIBLE,
12 AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION,
13 TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR LOCAL LAW
14 ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE FRAUDULENT
15 PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT OVER TO THE
16 STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW ENFORCEMENT
17 AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION DOES
18 NOT CONSTITUTE A CRIMINAL OFFENSE.

19 (b) TO REQUIRE A MEDICAL MARIJUANA STORE OR MEDICAL
20 MARIJUANA STORE WITH A MEDICAL MARIJUANA CULTIVATION FACILITY
21 LICENSE TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC
22 LICENSED PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

23 (5) **[Formerly 44-12-901 (4)]** It is unlawful for any person
24 licensed to sell retail marijuana or retail marijuana products pursuant to
25 this ~~article 12~~ ARTICLE 10:

26 ~~(a) To display any signs that are inconsistent with local laws or~~
27 ~~regulations;~~

1 ~~(b) To use advertising material that is misleading, deceptive, or~~
2 ~~false, or that is designed to appeal to minors;~~

3 ~~(c) To provide public premises, or any portion thereof, for the~~
4 ~~purpose of consumption of retail marijuana or retail marijuana products~~
5 ~~in any form;~~

6 ~~(d) To have in possession or upon the licensed premises any~~
7 ~~marijuana, the sale of which is not permitted by the license;~~

8 ~~(e)~~ (a) To sell or permit the sale of retail marijuana or retail
9 marijuana products to a person under twenty-one years of age; OR

10 ~~(f) To sell more than a quarter of an ounce of retail marijuana and~~
11 ~~no more than a quarter of an ounce equivalent of a retail marijuana~~
12 ~~product during a single transaction to a nonresident of the state;~~

13 ~~(g) To have on the licensed premises any retail marijuana, retail~~
14 ~~marijuana products, or marijuana paraphernalia that shows evidence of~~
15 ~~the retail marijuana having been consumed or partially consumed;~~

16 ~~(h)~~ (b) To distribute marijuana or marijuana products, with or
17 without remuneration, directly to another person using a mobile
18 distribution ~~center~~ STORE.

19 ~~(i) To violate the provisions of section 6-2-103 or 6-2-105; or~~

20 ~~(j) To abandon a licensed premises or otherwise cease operation~~
21 ~~without notifying the state and local licensing authorities at least~~
22 ~~forty-eight hours in advance and without accounting for and forfeiting to~~
23 ~~the state licensing authority for destruction all marijuana or products~~
24 ~~containing marijuana;~~

25 (6) [Formerly 44-11-901 (6)] It shall be unlawful for a physician
26 who makes patient referrals to a licensed medical marijuana ~~center~~ STORE
27 to receive anything of value from the medical marijuana ~~center~~ STORE

1 licensee or its agents, servants, officers, or owners or anyone financially
2 interested in the licensee, and it shall be unlawful for a licensee licensed
3 pursuant to this ~~article 11~~ ARTICLE 10 to offer anything of value to a
4 physician for making patient referrals to the licensed medical marijuana
5 center STORE.

6 (7) [Formerly 44-11-901 (7)] A peace officer or a law
7 enforcement agency shall not use any patient information to make traffic
8 stops pursuant to section 42-4-1302.

9 (8) (a) IT IS UNLAWFUL FOR A PERSON TO ENGAGE IN ANY ACT OR
10 OMISSION WITH THE INTENT TO EVADE DISCLOSURE, REPORTING, RECORD
11 KEEPING, OR SUITABILITY REQUIREMENTS PURSUANT TO THIS ARTICLE 10,
12 INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

13 (I) FAILING TO FILE A REPORT REQUIRED UNDER THIS ARTICLE 10
14 OR CAUSING OR ATTEMPTING TO CAUSE A PERSON TO FAIL TO FILE SUCH A
15 REPORT;

16 (II) FILING OR CAUSING OR ATTEMPTING TO CAUSE A PERSON TO
17 FILE A REPORT REQUIRED UNDER THIS ARTICLE 10 THAT CONTAINS A
18 MATERIAL OMISSION OR MISSTATEMENT OF FACT;

19 (III) MAKING FALSE OR MISLEADING STATEMENTS REGARDING THE
20 OFFERING OF AN OWNER'S INTEREST IN A MEDICAL MARIJUANA BUSINESS
21 OR RETAIL MARIJUANA BUSINESS; OR

22 (IV) STRUCTURING ANY TRANSACTION WITH THE INTENT TO EVADE
23 DISCLOSURE, REPORTING, RECORD KEEPING, OR SUITABILITY
24 REQUIREMENTS PURSUANT TO THIS ARTICLE 10.

25 (b) THE STATE LICENSING AUTHORITY MAY DENY, SUSPEND,
26 REVOKE, FINE, OR IMPOSE OTHER SANCTIONS AGAINST A PERSON'S LICENSE
27 ISSUED UNDER THIS ARTICLE 10 IF THE STATE LICENSING AUTHORITY FINDS

1 A VIOLATION OF THIS SUBSECTION (8) BY THE PERSON, THE PERSON'S
2 CONTROLLING BENEFICIAL OWNER, PASSIVE BENEFICIAL OWNER, INDIRECT
3 FINANCIAL INTEREST HOLDER, OR ANY AGENT OR EMPLOYEE THEREOF.

4 (9) [Formerly 44-11-901 (8)] A person who commits any acts that
5 are unlawful pursuant to this article 11 or the rules authorized and
6 adopted pursuant to this article 11 ARTICLE 10 commits a class 2
7 misdemeanor and shall be punished as provided in section 18-1.3-501;
8 except for, THAT A VIOLATION OF SUBSECTION (5)(a) OF THIS SECTION IS
9 A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN
10 SECTION 18-1.3-501. For violations that would also constitute a violation
11 of title 18, which THE violation shall be charged and prosecuted pursuant
12 to title 18.

13 **44-10-702. Unlawful open and public consumption.** (1) THE
14 OPEN AND PUBLIC, AS DEFINED IN SECTION 18-18-102 (20.3),
15 CONSUMPTION OF MARIJUANA IS PROHIBITED.

16 (2) THE GOVERNING BODY OF A COUNTY, CITY, CITY AND COUNTY,
17 OR MUNICIPALITY MAY ADOPT AN ORDINANCE OR RESOLUTION
18 AUTHORIZING MARIJUANA CONSUMPTION LOCATIONS OR CIRCUMSTANCES
19 THAT ARE EXCEPTIONS TO THE PROHIBITION DESCRIBED IN SUBSECTION (1)
20 OF THIS SECTION IF THE LOCATIONS ARE NOT ACCESSIBLE TO THE PUBLIC
21 OR A SUBSTANTIAL NUMBER OF THE PUBLIC WITHOUT RESTRICTION,
22 INCLUDING BUT NOT LIMITED TO RESTRICTIONS ON THE AGE OF THE
23 MEMBERS OF THE PUBLIC WHO ARE ALLOWED ACCESS TO SUCH LOCATION.

24 (3) THE PROHIBITION IN SUBSECTION (1) OF THIS SECTION DOES
25 NOT APPLY TO ANY BUSINESS LICENSED PURSUANT TO THIS ARTICLE 10
26 THAT PERMITS CONSUMPTION ON ITS PREMISES IF THE BUSINESS IS
27 OPERATING WITHIN THE CONDITIONS OF LICENSURE.

1 PART 8

2 FEES

3 **44-10-801. [Formerly 44-11-501] Marijuana cash fund.**

4 (1) (a) All money collected by the state licensing authority pursuant to
5 this ~~article 11 and article 12 of this title 44~~ shall ARTICLE 10 MUST be
6 transmitted to the state treasurer, who shall credit the same to the
7 marijuana cash fund, which fund is hereby created and referred to in this
8 section as the "fund". The fund consists of:

9 (I) The money collected by the state licensing authority; and

10 (II) Any additional general fund money appropriated to the fund
11 that is necessary for the operation of the state licensing authority.

12 (b) Money in the fund is subject to annual appropriation by the
13 general assembly to the department for the direct and indirect costs
14 associated with implementing this ~~article 11, article 12 of this title 44~~
15 ARTICLE 10 and article 28.8 of title 39.

16 (c) Any money in the fund not expended for these purposes may
17 be invested by the state treasurer as provided by law. All interest and
18 income derived from the investment and deposit of money in the fund
19 shall be credited to the fund. Any unexpended and unencumbered money
20 remaining in the fund at the end of a fiscal year ~~shall remain~~ REMAINS in
21 the fund and shall not be credited or transferred to the general fund or
22 another fund.

23 (d) (I) On July 1, 2014, the state treasurer shall transfer to the
24 marijuana tax cash fund created in section 39-28.8-501 any money in the
25 fund that is attributable to the retail marijuana excise tax transferred
26 pursuant to section 39-28.8-305 (1)(b), the retail marijuana sales tax
27 transferred pursuant to section 39-28.8-203 (1)(b), or the sales tax

1 imposed pursuant to section 39-26-106, on the retail sale of marijuana
2 products ~~under this article 11 and article 12 of this title 44~~ PURSUANT TO
3 THIS ARTICLE 10.

4 (II) On the date on which the state controller publishes the
5 comprehensive annual financial report of the state for the 2013-14 state
6 fiscal year, the state treasurer shall transfer to the marijuana tax cash fund
7 created in section 39-28.8-501 any remaining money in the fund that is
8 attributable to the retail marijuana excise tax transferred pursuant to
9 section 39-28.8-305 (1)(b), the retail marijuana sales tax transferred
10 pursuant to section 39-28.8-203 (1)(b), or the sales tax imposed pursuant
11 to section 39-26-106, on the retail sale of marijuana products under this
12 ~~article 11 and article 12 of this title 44~~ ARTICLE 10.

13 (2) The executive director by rule or as otherwise provided by law
14 may reduce the amount of one or more of the fees if necessary pursuant
15 to section 24-75-402 (3) to reduce the uncommitted reserves of the fund
16 to which all or any portion of one or more of the fees is credited. After the
17 uncommitted reserves of the fund are sufficiently reduced, the executive
18 director by rule or as otherwise provided by law may increase the amount
19 of one or more of the fees as provided in section 24-75-402 (4).

20 (3) (a) The state licensing authority shall establish fees for
21 processing the following types of applications, licenses, notices, or
22 reports required to be submitted to the state licensing authority:

23 (I) Applications for licenses listed in ~~section 44-11-401~~ SECTION
24 44-10-401 and rules promulgated pursuant to that section;

25 (II) Applications to change location pursuant to ~~section 44-11-310~~
26 SECTIONS 44-10-313 (13) and rules promulgated pursuant to that section;

27 (III) Applications for transfer of ownership pursuant to ~~section~~

1 ~~44-11-310~~ SECTION ~~44-11-312~~ and rules promulgated pursuant to that
2 section;

3 (IV) License renewal and expired license renewal applications
4 pursuant to ~~section 44-11-311~~ SECTION ~~44-10-314~~ and

5 (V) Licenses as listed in ~~section 44-11-401~~ SECTION 44-10-401.

6 (b) The amounts of such fees, when added to the other fees
7 transferred to the fund pursuant to this section, ~~shall~~ MUST reflect the
8 actual direct and indirect costs of the state licensing authority in the
9 administration and enforcement of this ~~article 11~~ ARTICLE 10 so that the
10 fees avoid exceeding the statutory limit on uncommitted reserves in
11 administrative agency cash funds as set forth in section 24-75-402 (3).

12 (c) The state licensing authority may charge applicants licensed
13 under this ~~article 11~~ ARTICLE 10 a fee for the cost of each fingerprint
14 analysis and background investigation undertaken to qualify new officers,
15 directors, managers, or employees.

16 (d) At least annually, the state licensing authority shall review the
17 amounts of the fees and, if necessary, adjust the amounts to reflect the
18 direct and indirect costs of the state licensing authority.

19 (4) Except as provided in subsection (5) of this section, the state
20 licensing authority shall establish a basic fee that shall be paid at the time
21 of service of any subpoena upon the state licensing authority, plus a fee
22 for meals and a fee for mileage at the rate prescribed for state officers and
23 employees in section 24-9-104 for each mile actually and necessarily
24 traveled in going to and returning from the place named in the subpoena.
25 If the person named in the subpoena is required to attend the place named
26 in the subpoena for more than one day, there ~~shall~~ MUST be paid, in
27 advance, a sum to be established by the state licensing authority for each

1 day of attendance to cover the expenses of the person named in the
2 subpoena.

3 (5) The subpoena fee established pursuant to subsection (4) of this
4 section ~~shall~~ IS not ~~be~~ applicable to any federal, state or local
5 governmental agency.

6 **44-10-802. [Formerly 44-11-502] Fees - allocation.** (1) Except
7 as otherwise provided, all fees and fines provided for by this ~~article 11~~
8 ~~and article 12 of this title 44~~ ARTICLE 10 shall be paid to the department,
9 which shall transmit the fees to the state treasurer. The state treasurer
10 shall credit the fees to the marijuana cash fund created in ~~section~~
11 ~~44-11-501~~ SECTION 44-10-801.===

12 (2) The expenditures of the state licensing authority ~~shall be~~ ARE
13 paid out of appropriations from the marijuana cash fund created in ~~section~~
14 ~~44-11-501~~ SECTION 44-10-801.

15 **44-10-803. [Formerly 44-12-501] Fees.** (1) The state licensing
16 authority may charge and collect fees ~~under~~ PURSUANT TO this ~~article 12.~~
17 ~~The application fee for a person applying pursuant to section 44-12-104~~
18 ~~(1)(a) shall be five hundred dollars~~ ARTICLE 10. FOR A PERSON LICENSED
19 TO CULTIVATE OR SELL MEDICAL MARIJUANA OR TO MANUFACTURE
20 MEDICAL MARIJUANA PRODUCTS ON OR BEFORE DECEMBER 10, 2012, THE
21 APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS IS FIVE HUNDRED
22 DOLLARS. The state licensing authority shall transfer two hundred fifty
23 dollars of the fee to the marijuana cash fund and submit two hundred fifty
24 dollars to the local jurisdiction in which the license is proposed to be
25 issued.

26 (2) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, the
27 application fee for a ~~person applying pursuant to section 44-12-104 (1)(b)~~

1 ~~shall be~~ RETAIL MARIJUANA BUSINESS IS five thousand dollars. The state
2 licensing authority shall transfer two thousand five hundred dollars of the
3 fee to the marijuana cash fund and remit two thousand five hundred
4 dollars to the local jurisdiction in which the license is proposed to be
5 issued. If the state licensing authority is considering raising the
6 five-thousand-dollar application fee, it shall confer with each local
7 jurisdiction in which a license ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE
8 10 is issued prior to raising the application fee. If the application fee
9 amount is changed, it must be split evenly between the marijuana cash
10 fund and the local jurisdiction in which the license is proposed to be
11 issued.

12 (3) A local jurisdiction in which a license under this ~~article 12~~
13 ARTICLE 10 may be permitted may adopt and impose operating fees in an
14 amount determined by the local jurisdiction on marijuana BUSINESSES
15 AND establishments located within the local jurisdiction.

16 PART 9

17 DISCIPLINARY ACTIONS

18 **44-10-901. [Formerly 44-12-601 and similar to**
19 **44-11-601] Suspension - revocation - fines.** (1) In addition to any other
20 sanctions prescribed by this ~~article 12~~ ARTICLE 10 or rules promulgated
21 pursuant to this ~~article 12~~ ARTICLE 10, the state licensing authority OR
22 LOCAL LICENSING AUTHORITY has the power, on its own motion or on
23 complaint, after investigation and opportunity for a public hearing at
24 which the licensee must be afforded an opportunity to be heard, to fine a
25 licensee or to suspend or revoke a license issued by the authority for a
26 violation by the licensee or by any of the agents or employees of the
27 licensee of the provisions of this ~~article 12~~ ARTICLE 10, or any of the rules

1 promulgated pursuant to this ~~article 12~~ ARTICLE 10, or of any of the terms,
2 conditions, or provisions of the license issued by the state OR LOCAL
3 licensing authority. The state OR LOCAL licensing authority has the power
4 to administer oaths and issue subpoenas to require the presence of persons
5 and the production of papers, books, and records necessary to the
6 determination of a hearing that the state OR LOCAL LICENSING authority is
7 authorized to conduct.

8 (2) The state OR LOCAL licensing authority shall provide notice of
9 suspension, revocation, fine, or other sanction, as well as the required
10 notice of the hearing pursuant to subsection (1) of this section, by mailing
11 the same in writing to the licensee at the address contained in the license
12 and, if different, at the last address furnished to the authority by the
13 licensee. Except in the case of a summary suspension, a suspension ~~shall~~
14 ~~IS not be~~ for a period longer than six months. If a license is suspended or
15 revoked, a part of the fees paid therefor ~~shall~~ ARE not ~~be~~ returned to the
16 licensee. Any license, REGISTRATION, OR PERMIT may be summarily
17 suspended by the ~~state licensing~~ ISSUING authority without notice pending
18 any prosecution, investigation, or public hearing pursuant to the terms of
19 section 24-4-104 (4). Nothing in this section ~~shall prevent~~ PREVENTS the
20 summary suspension of a license pursuant to section 24-4-104 (4). EACH
21 PATIENT REGISTERED WITH A MEDICAL MARIJUANA STORE THAT HAS HAD
22 ITS LICENSE SUMMARILY SUSPENDED MAY IMMEDIATELY TRANSFER HIS OR
23 HER PRIMARY STORE TO ANOTHER LICENSED MEDICAL MARIJUANA STORE.

24 (3) (a) Whenever a decision of the state OR LOCAL licensing
25 authority suspending a license for fourteen days or less becomes final, the
26 licensee may, before the operative date of the suspension, petition for
27 permission to pay a fine in lieu of having the license suspended for all or

1 part of the suspension period. Upon the receipt of the petition, the state
2 OR LOCAL LICENSING authority may, in its sole discretion, stay the
3 proposed suspension and cause any investigation to be made ~~which~~ THAT
4 it deems desirable and may, in its sole discretion, grant the petition if the
5 state OR LOCAL licensing authority is satisfied that:

6 (I) The public welfare would not be impaired by permitting the
7 licensee to operate during the period set for suspension and that the
8 payment of the fine will achieve the desired disciplinary purposes; ~~and~~

9 (II) The books and records of the licensee are kept in such a
10 manner that the loss of sales that the licensee would have suffered had the
11 suspension gone into effect can be determined with reasonable accuracy;
12 AND

13 (III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED
14 OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE,
15 DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE
16 MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND
17 THE LICENSE OR PERMIT.

18 (b) The fine accepted ~~shall~~ MUST be not less than five hundred
19 dollars nor more than one hundred thousand dollars.

20 (c) Payment of a fine pursuant to the provisions of this subsection
21 (3) ~~shall~~ MUST be in the form of cash or in the form of a certified check
22 or cashier's check made payable to the state or local licensing authority,
23 whichever is appropriate.

24 (4) Upon payment of the fine pursuant to subsection (3) of this
25 section, the state licensing authority shall enter its further order
26 permanently staying the imposition of the suspension. Fines paid to the
27 state licensing authority pursuant to subsection (3) of this section ~~shall be~~

1 ARE transmitted to the state treasurer, who shall credit the same to the
2 ~~marijuana cash fund created in section 44-11-501~~ GENERAL FUND.

3 (5) In connection with a petition pursuant to subsection (3) of this
4 section, the authority of the state OR LOCAL licensing authority is limited
5 to the granting of such stays as are necessary for the authority to complete
6 its investigation and make its findings and, if the authority makes such
7 findings, to the granting of an order permanently staying the imposition
8 of the entire suspension or that portion of the suspension not otherwise
9 conditionally stayed.

10 (6) If the state OR LOCAL licensing authority does not make the
11 findings required in subsection (3)(a) of this section and does not order
12 the suspension permanently stayed, the suspension ~~shall go~~ GOES into
13 effect on the operative date finally set by the state OR LOCAL licensing
14 authority.

15 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL
16 ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO
17 THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE
18 LICENSING AUTHORITY. No later than January 15 of each year, the state
19 licensing authority shall compile a report of the preceding year's actions
20 in which fines, suspensions, or revocations were imposed by the state
21 licensing authority. The state licensing authority shall file one copy of the
22 report with the chief clerk of the house of representatives, one copy with
23 the secretary of the senate, and six copies in the joint legislative library.

24 **44-10-902. [Formerly 44-12-602 and similar to**
25 **44-11-602] Disposition of unauthorized marijuana or marijuana**
26 **products and related materials - rules.** (1) The provisions of this
27 section ~~shall~~ apply in addition to any criminal, civil, or administrative

1 penalties and in addition to any other penalties prescribed by this ~~article~~
2 ~~12~~ ARTICLE 10 or any rules promulgated pursuant to this ~~article 12~~
3 ARTICLE 10. Any provisions in this ~~article 12~~ ARTICLE 10 related to law
4 enforcement ~~shall be~~ ARE considered a cumulative right of the people in
5 the enforcement of the criminal laws.

6 (2) Every licensee licensed under this ~~article 12~~ ~~shall be~~ ARTICLE
7 10 IS deemed, by virtue of applying for, holding, or renewing such
8 person's license, to have expressly consented to the procedures set forth
9 in this section.

10 (3) A state or local agency ~~shall~~ IS not ~~be~~ required to cultivate or
11 care for any ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana
12 product belonging to or seized from a licensee. A state or local agency
13 ~~shall~~ IS not ~~be~~ authorized to sell marijuana, ~~retail~~ REGULATED or
14 otherwise.

15 (4) If the state OR LOCAL licensing authority issues a final agency
16 order imposing a disciplinary action against a licensee pursuant to ~~section~~
17 ~~44-12-601~~ SECTION 44-10-901, then, in addition to any other remedies,
18 the licensing authority's final agency order may specify that some or all
19 of the licensee's marijuana or marijuana product is not ~~retail~~ REGULATED
20 marijuana or a ~~retail~~ REGULATED marijuana product and is an illegal
21 controlled substance. The order may further specify that the licensee ~~shall~~
22 ~~lose~~ LOSES any interest in any of the marijuana or marijuana product even
23 if the marijuana or marijuana product previously qualified as ~~retail~~
24 REGULATED marijuana or a ~~retail~~ REGULATED marijuana product. The
25 final agency order may direct the destruction of any such marijuana and
26 marijuana products, except as provided in subsections (5) and (6) of this
27 section. The authorized destruction may include the incidental destruction

1 of any containers, equipment, supplies, and other property associated with
2 the marijuana or marijuana product.

3 (5) Following the issuance of a final agency order by the state OR
4 LOCAL licensing authority against a licensee and ordering destruction
5 authorized by subsection (4) of this section, a licensee ~~shall have~~ HAS
6 fifteen days within which to file a petition for stay of agency action with
7 the district court. The action ~~shall~~ MUST be filed in the city and county of
8 Denver, which ~~shall be~~ IS deemed to be the residence of the state
9 licensing authority for purposes of this section. The licensee shall serve
10 the petition in accordance with the Colorado rules of civil procedure. The
11 district court shall promptly rule upon the petition and determine whether
12 the licensee has a substantial likelihood of success on judicial review so
13 as to warrant delay of the destruction authorized by subsection (4) of this
14 section or whether other circumstances, including but not limited to the
15 need for preservation of evidence, warrant delay of such destruction. If
16 destruction is so delayed pursuant to judicial order, the court shall issue
17 an order setting forth terms and conditions pursuant to which the licensee
18 may maintain the ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED
19 marijuana product pending judicial review and prohibiting the licensee
20 from using or distributing the ~~retail~~ REGULATED marijuana or ~~retail~~
21 REGULATED marijuana product pending the review. The licensing
22 authority shall not carry out the destruction authorized by subsection (4)
23 of this section until fifteen days have passed without the filing of a
24 petition for stay of agency action or until the court has issued an order
25 denying stay of agency action pursuant to this subsection (5).

26 (6) A district attorney shall notify the state licensing authority if
27 it begins investigating a MEDICAL MARIJUANA BUSINESS OR retail

1 marijuana establishment BUSINESS. If the state licensing authority has
2 received notification from a district attorney that an investigation is being
3 conducted, the state licensing authority shall not destroy any marijuana or
4 marijuana products from the MEDICAL MARIJUANA BUSINESS OR retail
5 marijuana establishment BUSINESS until the destruction is approved by the
6 district attorney.

7 (7) ~~On or before January 1, 2014,~~ The state licensing authority
8 shall promulgate rules governing the implementation of this section.

9 PART 10

10 INSPECTION OF BOOKS AND RECORDS

11 **44-10-1001. [Formerly 44-12-701 and similar to**
12 **44-11-701] Inspection procedures.** (1) Each licensee shall keep a
13 complete set of all records necessary to show fully the business
14 transactions of the licensee, all of which ~~shall be~~ ARE open at all times
15 during business hours for the inspection and examination by the state
16 licensing authority or its duly authorized representatives. The state
17 licensing authority may require any licensee to furnish such information
18 as it considers necessary for the proper administration of this ~~article 12~~
19 ARTICLE 10 and may require an audit to be made of the books of account
20 and records on such occasions as it may consider necessary by an auditor
21 to be selected by the state licensing authority who shall likewise have
22 access to all books and records of the licensee, and the expense thereof
23 ~~shall~~ MUST be paid by the licensee.

24 (2) The licensed premises, including any places of storage where
25 ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana products are
26 stored, cultivated, sold, dispensed, or tested ~~shall be~~ ARE subject to
27 inspection by the state or local LICENSING AUTHORITY, OR LOCAL

1 jurisdictions and their investigators, during all business hours and other
2 times of apparent activity, for the purpose of inspection or investigation.
3 Access ~~shall be~~ IS required during business hours for examination of any
4 inventory or books and records required to be kept by the licensees. When
5 any part of the licensed premises consists of a locked area, upon demand
6 to the licensee, such area ~~shall~~ MUST be made available for inspection
7 without delay, and, upon request by authorized representatives of the state
8 or local jurisdiction, the licensee shall open the area for inspection.

9 (3) Each licensee shall retain all books and records necessary to
10 show fully the business transactions of the licensee for a period of the
11 current tax year and the three immediately prior tax years.

12 PART 11

13 JUDICIAL REVIEW

14 **44-10-1101. [Formerly 44-12-801 and similar to**
15 **44-11-801] Judicial review.** Decisions by the state licensing authority are
16 subject to judicial review pursuant to section 24-4-106.

17 PART 12

18 RESPONSIBLE VENDOR STANDARDS

19 **44-10-1201. [Formerly 44-11-1101] Responsible vendor**
20 **program - standards - designation.** (1) A person who wants to offer a
21 responsible medical or retail marijuana vendor server and seller training
22 program must submit an application to the state licensing authority for
23 approval, which program is referred to in this ~~part 11~~ PART 10 as an
24 "approved training program". The state licensing authority, in
25 consultation with the department of public health and environment, shall
26 approve the submitted program if the submitted program meets the
27 minimum criteria described in subsection (2) of this section. The

1 department of public health and environment shall review each submitted
2 program and shall provide the state licensing authority with the
3 department's analysis of whether the portions of the program related to
4 the department's oversight meet the minimum criteria described in this
5 section.

6 (2) An approved training program ~~shall~~ MUST contain, at a
7 minimum, the following standards and ~~shall~~ be taught in a classroom
8 setting in a minimum of a two-hour period:

9 (a) Program standards that specify, at a minimum, who must
10 attend, the time frame for new staff to attend, recertification requirements,
11 record keeping, testing and assessment protocols, and effectiveness
12 evaluations; and

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

15 (I) Information on required licenses, age requirements, patient
16 registry cards issued by the department of public health and environment,
17 maintenance of records, privacy issues, and unlawful acts;

18 (II) Administrative and criminal liability and license and court
19 sanctions;

20 (III) Statutory and regulatory requirements for employees and
21 owners;

22 (III.5) STATUTORY AND REGULATORY REQUIREMENTS RELATED TO
23 MARIJUANA DELIVERY;

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

26 (V) Local and state licensing and enforcement, which may include
27 but need not be limited to key statutes and rules affecting patients,

1 owners, managers, and employees.

2 (3) When promulgating program standards pursuant to subsection
3 (2) of this section, the state licensing authority shall consider input from
4 other state agencies, local jurisdictions, the medical and retail marijuana
5 industry, and any other state or national seller server program.

6 (4) A provider of an approved training program shall maintain its
7 training records at its principal place of business during the applicable
8 year and for the preceding three years, and the provider shall make the
9 records available for inspection by the licensing authority during normal
10 business hours.

11 **44-10-1202. [Formerly 44-11-1102] Responsible vendor -**
12 **designation.** (1) (a) A medical marijuana business licensed pursuant to
13 ~~this article 11~~ or a retail marijuana business licensed pursuant to ~~article~~
14 ~~12 of this title 44~~ THIS ARTICLE 10 may receive a responsible vendor
15 designation from the program vendor after successfully completing a
16 responsible medical or retail marijuana vendor server and seller training
17 program approved by the state licensing authority. A responsible vendor
18 designation is valid for two years from the date of issuance.

19 (b) Successful completion of an approved training program is
20 achieved when the program has been attended by and, as determined by
21 the program provider, satisfactorily completed by all employees selling
22 and handling medical or retail marijuana, all managers, and all resident
23 on-site owners, if any.

24 (c) In order to maintain the responsible vendor designation, the
25 licensed medical MARIJUANA BUSINESS or retail marijuana business must
26 have each new employee who sells or handles medical or retail marijuana,
27 manager, or resident on-site owner attend and satisfactorily complete a

1 responsible medical or retail marijuana vendor server and seller training
2 program within ninety days after being employed or becoming an owner.
3 The licensed medical MARIJUANA BUSINESS or retail marijuana business
4 shall maintain documentation of completion of the program by new
5 employees, managers, or owners.

6 (2) A licensed medical MARIJUANA BUSINESS or retail marijuana
7 business that receives a responsible vendor designation from the program
8 vendor shall maintain information on all persons licensed pursuant to this
9 ~~article 11~~ ARTICLE 10 who are in its employment and who have been
10 trained in an approved training program. The information includes the
11 date, place, time, and duration of training and a list of all licensed persons
12 attending each specific training class, which class includes a training
13 examination or assessment that demonstrates proficiency.

14 (3) If a local or state licensing authority initiates an administrative
15 action against a licensee who has complied with the requirements of this
16 section and has been designated a responsible vendor, the licensing
17 authority shall consider the designation as a mitigating factor when
18 imposing sanctions or penalties on the licensee.

19 PART 13

20 SEVERABILITY

21 **44-10-1301. [Formerly 44-12-1101] Severability.** If any
22 provision of this ~~article 12~~ ARTICLE 10 is found by a court of competent
23 jurisdiction to be unconstitutional, the remaining provisions of this ~~article~~
24 ~~12~~ ARTICLE 10 are valid, unless it appears to the court that the valid
25 provisions of the statute are so essentially and inseparably connected
26 with, and so dependent upon, the void provision that it cannot be
27 presumed that the legislature would have enacted the valid provisions

1 without the void one; or unless the court determines that the valid
2 provisions, standing alone, are incomplete and are incapable of being
3 executed in accordance with the legislative intent.

4 PART 14

5 SUNSET REVIEW - ARTICLE REPEAL

6 **44-10-1401. [Formerly 44-11-1001 and similar to**
7 **44-12-1001] Sunset review - repeal of article.** (1) This ~~article 11~~
8 ARTICLE 10 is repealed, effective September 1, 2019 2028.

9 (2) Prior to the repeal of this ~~article 11~~ ARTICLE 10, the department
10 of regulatory agencies shall conduct a sunset review as described in
11 section 24-34-104 (5).

12 **SECTION 6. Repeal of provisions being relocated in this act.**

13 In Colorado Revised Statutes, **repeal** sections 44-11-102, 44-11-103,
14 44-11-104, 44-11-105, and 44-11-106; parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and
15 11 of article 11 of title 44; sections 44-12-102, 44-12-103, 44-12-104, and
16 44-12-105; and parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of article 12 of title
17 44.

18 **SECTION 7. Repeal of provisions not being relocated in this**
19 **act.** In Colorado Revised Statutes, **repeal** sections 44-11-101 and
20 44-12-101 that were not relocated.

21 **SECTION 8.** In Colorado Revised Statutes, 6-1-105, **amend**
22 (1)(hhh) as follows:

23 **6-1-105. Deceptive trade practices.** (1) A person engages in a
24 deceptive trade practice when, in the course of the person's business,
25 vocation, or occupation, the person:

26 (hhh) Knowingly represents that hemp, hemp oil, or any derivative
27 of a hemp plant constitutes retail marijuana or medical marijuana unless

1 it fully satisfies the definition of such products pursuant to ~~section~~
2 ~~44-12-103 (22) or section 44-11-104 (11)~~ SECTION 44-10-103 (34) OR
3 (57);

4 **SECTION 9.** In Colorado Revised Statutes, 11-33-103, **amend**
5 (4) as follows:

6 **11-33-103. Definitions.** As used in this article 33, unless the
7 context otherwise requires:

8 (4) "Licensed marijuana business" means an entity licensed
9 pursuant to ~~section 44-11-402, 44-11-403, 44-11-404, 44-12-402,~~
10 ~~44-12-403, 44-12-404, or 44-12-405~~ PARTS 5 AND 6 OF ARTICLE 10 OF
11 TITLE 44.

12 **SECTION 10.** In Colorado Revised Statutes, 11-33-104, **amend**
13 (2)(a)(II) as follows:

14 **11-33-104. Organization - charter - investigation.** (2) A co-op
15 may be organized in the following manner:

16 (a) (II) A co-op may be incorporated and organized for the
17 purpose of providing financial services to licensed marijuana businesses
18 in good standing with the executive director of the state licensing
19 authority created in ~~section 44-11-201~~ SECTION 44-10-201, industrial
20 hemp businesses, and entities that provide goods or services to licensed
21 marijuana businesses and that provide documentation to the co-op of an
22 inability to get comparable services from a bank or credit union.

23 **SECTION 11.** In Colorado Revised Statutes, 11-33-106, **amend**
24 (2) as follows:

25 **11-33-106. Membership - disclosures.** (2) (a) Co-op
26 membership is limited to only entities that own, operate, or are licensed
27 marijuana businesses in good standing with the executive director of the

1 state licensing authority created in ~~section 44-11-201~~ SECTION 44-10-201,
2 industrial hemp businesses, and entities that provide goods or services to
3 licensed marijuana businesses and that provide documentation to the
4 co-op of an inability to get comparable services from a bank or credit
5 union.

6 (b) An individual is not qualified to be a member of a co-op,
7 regardless of whether the individual is licensed, including pursuant to
8 ~~section 44-11-401 (1)(c) or 44-12-401 (1)(c)~~ SECTION 44-10-401 (2)(c),
9 to own, operate, manage, or be employed by a licensed marijuana
10 business, either as a sole proprietor or any other form of ownership that
11 gives the individual sole control over the licensed marijuana business.

12 **SECTION 12.** In Colorado Revised Statutes, 13-21-121, **amend**
13 (2)(b) as follows:

14 **13-21-121. Agricultural recreation or agritourism activities -**
15 **legislative declaration - inherent risks - limitation of civil liability -**
16 **duty to post warning notice - definitions.** (2) As used in this section,
17 unless the context otherwise requires:

18 (b) "Agricultural recreation or agritourism activity" means an
19 activity related to the normal course of agriculture, as defined in section
20 35-1-102 (1), which activity is engaged in by participants for
21 entertainment, pleasure, or other recreational purposes, or for educational
22 purposes, regardless of whether a fee is charged to the participants.
23 "Agricultural recreation or agritourism activity" also means hunting,
24 shooting, swimming, diving, tubing, and riding or operating a motorized
25 recreational vehicle that occurs on or in proximity to the property of an
26 agricultural operation or an adjacent roadway. "Agricultural recreation or
27 agritourism activity" includes, but is not limited to, planting, cultivation,

1 irrigation, or harvesting of crops; acceptable practices of animal
2 husbandry; rodeo and livestock activities; and maintenance of farm or
3 ranch equipment. "Agricultural recreation or agritourism activity" does
4 not include any activity related to or associated with medical marijuana
5 as defined in ~~section 44-11-104~~ SECTION 44-10-103 (34) or retail
6 marijuana as defined in ~~section 44-12-103~~ SECTION 44-10-103 (57).

7 **SECTION 13.** In Colorado Revised Statutes, **amend** 13-22-601
8 as follows:

9 **13-22-601. Contracts pertaining to marijuana enforceable.** It
10 is the public policy of the state of Colorado that a contract is not void or
11 voidable as against public policy if it pertains to lawful activities
12 authorized by section 16 of article XVIII of the state constitution and
13 ~~article 12~~ ARTICLE 10 of title 44.

14 **SECTION 14.** In Colorado Revised Statutes, **amend** 16-2.5-121
15 as follows:

16 **16-2.5-121. Executive director of the department of revenue**
17 **- senior director of enforcement for the department of revenue.** The
18 executive director and the senior director of enforcement of the
19 department of revenue are peace officers while engaged in the
20 performance of their duties whose authority includes the enforcement of
21 laws and rules regarding automobile dealers pursuant to section
22 44-20-105 (3), the lottery pursuant to sections 44-40-106 (3) and
23 44-40-107 (8), medical marijuana pursuant to ~~article 11~~ ARTICLE 10 of
24 title 44, limited gaming pursuant to article 30 of title 44, liquor pursuant
25 to section 44-3-905 (1), and racing events pursuant to section 44-32-203
26 (1), and the enforcement of all laws of the state of Colorado and who may
27 be certified by the P.O.S.T. board.

1 **SECTION 15.** In Colorado Revised Statutes, **amend**
2 16-2.5-124.5 as follows:

3 **16-2.5-124.5. Director of marijuana enforcement and**
4 **marijuana enforcement investigator.** The director of the marijuana
5 enforcement division or a marijuana enforcement investigator is a peace
6 officer while engaged in the performance of his or her duties and while
7 acting under proper orders or rules pursuant to ~~article 11 or 12~~ ARTICLE 10
8 of title 44, and shall also include the enforcement of all laws of the state
9 of Colorado and who may be certified by the P.O.S.T. board.

10 **SECTION 16.** In Colorado Revised Statutes, 18-1.3-204, **amend**
11 (1)(b) and (2)(a)(VIII)(A) as follows:

12 **18-1.3-204. Conditions of probation - interstate compact**
13 **probation transfer cash fund - creation.** (1) (b) Notwithstanding the
14 provisions of subsection (1)(a) of this section, unless the defendant is
15 sentenced to probation for a conviction of a crime under ~~article 11~~
16 ARTICLE 10 of title 44, the possession or use of medical marijuana, as
17 authorized pursuant to section 14 of article XVIII of the state constitution,
18 shall not be considered another offense such that its use constitutes a
19 violation of the terms of probation.

20 (2) (a) When granting probation, the court may, as a condition of
21 probation, require that the defendant:

22 (VIII) Refrain from excessive use of alcohol or any unlawful use
23 of controlled substances, as defined in section 18-18-102 (5), or of any
24 other dangerous or abusable drug without a prescription; except that the
25 court shall not, as a condition of probation, prohibit the possession or use
26 of medical marijuana, as authorized pursuant to section 14 of article
27 XVIII of the state constitution, unless:

1 (A) The defendant is sentenced to probation for conviction of a
2 crime under ~~article 11~~ ARTICLE 10 of title 44; or

3 **SECTION 17.** In Colorado Revised Statutes, 18-18-406.3,
4 **amend** (7) as follows:

5 **18-18-406.3. Medical use of marijuana by persons diagnosed**
6 **with debilitating medical conditions - unlawful acts - penalty -**
7 **medical marijuana program cash fund.** (7) An owner, officer, or
8 employee of a business licensed pursuant to ~~article 11~~ ARTICLE 10 of title
9 44, or an employee of the state medical marijuana licensing authority, a
10 local medical marijuana licensing authority, or the department of public
11 health and environment, who releases or makes public a patient's medical
12 record or any confidential information contained in any such record that
13 is provided to or by the business licensed pursuant to ~~article 11~~ ARTICLE
14 10 of title 44, without the written authorization of the patient commits a
15 class 1 misdemeanor; except that the owner, officer, or employee shall
16 release the records or information upon request by the state or local
17 medical marijuana licensing authority. The records or information
18 produced for review by the state or local licensing authority shall not
19 become public records by virtue of the disclosure and may be used only
20 for a purpose authorized by ~~article 11~~ ARTICLE 10 of title 44, or for
21 another state or local law enforcement purpose. The records or
22 information shall constitute medical data as defined by section 24-72-204
23 (3)(a)(I). The state or local medical marijuana licensing authority may
24 disclose any records or information so obtained only to those persons
25 directly involved with any investigation or proceeding authorized by
26 ~~article 11~~ ARTICLE 10 of title 44, or for any state or local law enforcement
27 purpose.

1 **SECTION 18.** In Colorado Revised Statutes, 18-18-406.4,
2 **amend** (1) as follows:

3 **18-18-406.4. Unlawful advertising of marijuana - exception.**

4 (1) A person who is not licensed to sell medical marijuana pursuant to
5 ~~article 43.3 of title 12~~ or retail marijuana pursuant to ~~article 43.4 of title~~
6 ~~12~~ ARTICLE 10 OF TITLE 44, or pursuant to the laws regarding medical or
7 retail marijuana under the laws of another state, who knowingly
8 advertises in a newspaper, magazine, handbill, or other publication or on
9 the internet the unlawful sale of marijuana, marijuana concentrate, or a
10 ~~marijuana-infused~~ MARIJUANA product by a person not licensed to sell
11 marijuana, marijuana concentrate, or a ~~marijuana-infused~~ MARIJUANA
12 product commits a level 2 drug misdemeanor.

13 **SECTION 19.** In Colorado Revised Statutes, 18-18-406.6,
14 **amend** (1) and (2) as follows:

15 **18-18-406.6. Extraction of marijuana concentrate - definitions.**

16 (1) It shall be unlawful for any person who is not licensed pursuant to
17 ~~article 11 or 12~~ ARTICLE 10 of title 44 to knowingly manufacture
18 marijuana concentrate using an inherently hazardous substance.

19 (2) It shall be unlawful for any person who is not licensed
20 pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44 who owns, manages,
21 operates, or otherwise controls the use of any premises to knowingly
22 allow marijuana concentrate to be manufactured on the premises using an
23 inherently hazardous substance.

24 **SECTION 20.** In Colorado Revised Statutes, 24-20-112, **amend**
25 (1) and (2) as follows:

26 **24-20-112. Implementation of section 16 of article XVIII of the**
27 **Colorado constitution - criteria for pesticide use - education oversight**

1 **and materials - rules.** (1) The governor shall designate a state agency
2 to promulgate rules to designate criteria that identify pesticides that may
3 be used in the cultivation of marijuana as authorized pursuant to ~~article~~
4 ~~12~~ ARTICLE 10 of title 44. The designated agency may consult with other
5 state agencies in promulgating the rules. The agency shall publish a list
6 of pesticides that meet the criteria on its website.

7 (2) The governor shall designate a state agency to work with a
8 private advisory group to develop good cultivation and handling practices
9 for the marijuana industry. The designated agency is encouraged to assist
10 in the formation of a private advisory group. If a private advisory group
11 develops good cultivation and handling practices, an entity licensed
12 pursuant to ~~article 12~~ ARTICLE 10 of title 44 that follows those practices
13 may include a statement of compliance on its label after receiving
14 certification of compliance. The designated agency may consult with
15 other state agencies to receive technical assistance.

16 **SECTION 21.** In Colorado Revised Statutes, 24-33.5-516,
17 **amend** (3) as follows:

18 **24-33.5-516. Study marijuana implementation.** (3) The
19 division is not required to perform the duties required by this section until
20 the marijuana cash fund, created in ~~section 44-11-501~~ SECTION
21 44-10-801, has received sufficient revenue to fully fund the
22 appropriations made to the department of revenue related to ~~articles 11~~
23 ~~and 12~~ ARTICLE 10 of title 44, and the general assembly has appropriated
24 sufficient money from the fund for such duties.

25 **SECTION 22.** In Colorado Revised Statutes, 24-34-104, **add**
26 (29)(a)(VII) as follows:

27 **24-34-104. General assembly review of regulatory agencies**

1 **and functions for repeal, continuation, or reestablishment - legislative**
2 **declaration - repeal.** (29) (a) The following agencies, functions, or both,
3 are scheduled for repeal on September 1, 2028:

4 (VII) THE "COLORADO MARIJUANA CODE", ARTICLE 10 OF TITLE
5 44.

6 **SECTION 23.** In Colorado Revised Statutes, 25-1.5-106, **amend**
7 (3.5)(b), (3.7), (3.8)(a), (7)(e)(I)(A), (8.5)(b), and (8.6)(b) as follows:

8 **25-1.5-106. Medical marijuana program - powers and duties**
9 **of state health agency - rules - medical review board - medical**
10 **marijuana program cash fund - subaccount - created - repeal.**

11 (3.5) **Marijuana laboratory testing reference library.** (b) The
12 reference library must contain a library of methodologies for marijuana
13 testing in the areas of potency, homogeneity, contaminants, and solvents
14 consistent with the laboratory requirements set by the department of
15 revenue pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44.

16 (3.7) The state health agency shall convene a group of interested
17 parties including representatives from the state licensing authority,
18 primary caregivers, patients, marijuana testing laboratory licensees, and
19 any other interested persons to explore laboratory testing options for
20 medical marijuana not produced by someone licensed pursuant to ~~article~~
21 ~~11~~ ARTICLE 10 of title 44.

22 (3.8) (a) The state health agency or an organization with whom the
23 state health agency contracts shall be responsible for proficiency testing
24 and remediating problems with laboratories licensed pursuant to ~~article~~
25 ~~11 or 12~~ ARTICLE 10 of title 44.

26 (7) **Primary caregivers.** (e) (I) (A) In order to be a primary
27 caregiver who cultivates medical marijuana for his or her patients or

1 transports medical marijuana for his or her patients, he or she shall also
2 register with the state licensing authority and comply with all local laws,
3 regulations, and zoning and use restrictions. A person may not register as
4 a primary caregiver if he or she is licensed as a medical marijuana
5 business ~~as described in part 4 of article 11 of title 44~~ or a retail marijuana
6 business as described in part 4 of ~~article 12~~ ARTICLE 10 of title 44. An
7 employee, contractor, or other support staff employed by a licensed entity
8 ~~pursuant to article 11 or 12 of title 44~~, or working in or having access to
9 a restricted area of a licensed premises pursuant to ~~article 11 or 12~~
10 ARTICLE 10 of title 44, may be a primary caregiver.

11 (8.5) **Encourage patient voluntary registration - plant limits.**

12 (b) A patient shall not cultivate more than ninety-nine plants. Only a
13 medical marijuana business licensed and properly authorized pursuant to
14 ~~article 11~~ ARTICLE 10 of title 44 may cultivate more than ninety-nine
15 plants.

16 (8.6) **Primary caregiver plant limits - exceptional**
17 **circumstances.** (b) A primary caregiver shall not cultivate more than
18 ninety-nine plants. Only a medical marijuana business licensed and
19 properly authorized pursuant to ~~article 11~~ ARTICLE 10 of title 44 may
20 cultivate more than ninety-nine plants. The primary caregiver is not
21 allowed to grow additional plants until he or she is licensed by the state
22 licensing authority.

23 **SECTION 24.** In Colorado Revised Statutes, 25-1.5-106.5,
24 **repeal** (5)(b) as follows:

25 **25-1.5-106.5. Medical marijuana research grant program.** (5)
26 **Sources of marijuana.** (b) ~~A person who holds an optional premises~~
27 ~~cultivation license or medical marijuana-infused products manufacturing~~

1 ~~license issued pursuant to part 4 of article 43.3 of title 12 or a retail~~
2 ~~marijuana cultivation facility license or a retail marijuana products~~
3 ~~manufacturing license issued pursuant to part 4 of article 43.4 of title 12~~
4 ~~may transfer marijuana to a medical research facility, including at an~~
5 ~~institution of higher education, for use in research studies funded pursuant~~
6 ~~to this section. Notwithstanding any other provision of law, a medical~~
7 ~~research facility authorized pursuant to this section to conduct medical~~
8 ~~research regarding marijuana is exempt from all otherwise applicable~~
9 ~~restrictions on the possession and use of marijuana; except that the~~
10 ~~facility shall use the marijuana only for the medical research authorized~~
11 ~~pursuant to this section, shall not possess at any time a quantity of~~
12 ~~medical marijuana or medical marijuana-infused product in excess of the~~
13 ~~limit established in rules promulgated by the state licensing authority, and~~
14 ~~shall destroy all marijuana remaining after the research has been~~
15 ~~completed. For the fiscal years beginning on or after July 1, 2017, the~~
16 ~~general assembly may annually appropriate up to one percent of the~~
17 ~~available money in the marijuana tax cash fund created in section~~
18 ~~39-28.8-501 to the department to be used to award grants pursuant to this~~
19 ~~section to medical research facilities so that a facility may:~~

- 20 ~~(I) Purchase marijuana from a licensee specified in this subsection~~
21 ~~(5)(b) that will be used in the research; and~~
22 ~~(H) Conduct the medical research.~~

23 **SECTION 25.** In Colorado Revised Statutes, 25-5-403, **repeal** (3)
24 as follows:

25 **25-5-403. Offenses.** (3) ~~The provisions of this section shall not~~
26 ~~apply to a medical marijuana center or a medical marijuana-infused~~
27 ~~products manufacturer licensed pursuant to article 11 of title 44 that~~

1 ~~manufactures or sells a food product that contains medical marijuana so~~
2 ~~long as the food product is labeled as containing medical marijuana and~~
3 ~~the label specifies that the product is manufactured without any regulatory~~
4 ~~oversight for health, safety, or efficacy, and that there may be health risks~~
5 ~~associated with the consumption or use of the product.~~

6 **SECTION 26.** In Colorado Revised Statutes, 25-14-103.5,
7 **amend** (3)(a)(I) as follows:

8 **25-14-103.5. Prohibition against the use of tobacco products**
9 **and retail marijuana on school property - legislative declaration -**
10 **education program - special account - definitions.** (3) (a) (I) The board
11 of education of each school district shall adopt appropriate policies and
12 rules that mandate a prohibition against the use of all tobacco products
13 and all retail marijuana or retail marijuana products authorized pursuant
14 to ~~article 12~~ ARTICLE 10 of title 44 on all school property by students,
15 teachers, staff, and visitors and that provide for the enforcement of such
16 policies and rules.

17 **SECTION 27.** In Colorado Revised Statutes, 26-2-104, **amend**
18 (2)(a)(II)(D) and (2)(h)(I)(C) as follows:

19 **26-2-104. Public assistance programs - electronic benefits**
20 **transfer service - joint reports with department of revenue - signs -**
21 **rules - repeal.** (2) (a) (II) Only those businesses that offer products or
22 services related to the purpose of the public assistance benefits are
23 allowed to participate in the electronic benefits transfer service through
24 the use of point-of-sale terminals. Clients shall not be allowed to access
25 cash benefits through the electronic benefits transfer service from
26 automated teller machines in this state located in:

27 (D) Establishments licensed to sell medical marijuana or medical

1 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
2 or retail marijuana or retail marijuana products pursuant to ~~article 12~~
3 ARTICLE 10 of title 44; except that the prohibition for these establishments
4 does not take effect until sixty days after May 1, 2015; or

5 (h) (I) On or before January 1, 2016, the department of revenue
6 shall adopt rules pursuant to the "State Administrative Procedure Act",
7 article 4 of title 24, that relate to a client's use of automated teller
8 machines at locations where the use is prohibited. The rules must apply
9 to the following establishments:

10 (C) Establishments licensed to sell medical marijuana or medical
11 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
12 or retail marijuana or retail ~~marijuana-infused~~ MARIJUANA products
13 pursuant to ~~article 12~~ ARTICLE 10 of title 44; and

14 **SECTION 28.** In Colorado Revised Statutes, 29-2-114, **amend**
15 (7) as follows:

16 **29-2-114. Retail marijuana excise tax - county - municipality**
17 **- election - repeal.** (7) If a retail marijuana cultivation facility uses a
18 retail marijuana transporter, as defined in ~~section 12-43.4-103 (21.5)~~
19 SECTION 44-10-103 (65), to transport unprocessed retail marijuana being
20 sold or transferred by the retail marijuana cultivation facility to a retail
21 marijuana product ~~manufacturing~~ MANUFACTURER facility, a retail
22 marijuana store, or another retail marijuana cultivation facility, the
23 transportation of the unprocessed retail marijuana by the retail marijuana
24 transporter is not a transfer of unprocessed retail marijuana for the
25 purpose of levying any excise tax imposed pursuant to this section.

26 **SECTION 29.** In Colorado Revised Statutes, 29-2-115, **amend**
27 (3)(a) introductory portion and (4)(a) as follows:

1 **29-2-115. Retail marijuana sales tax - county - municipality -**
2 **election - legislative declaration - definition.** (3) (a) Each county in the
3 state is authorized to levy, collect, and enforce a county special sales tax
4 upon all sales of retail marijuana and retail marijuana products, as those
5 terms are defined in ~~section 12-43.4-103~~ SECTION 44-10-103, under the
6 following circumstances:

7 (4) (a) Each municipality in the state is authorized to levy, collect,
8 and enforce a municipal special sales tax upon all sales of retail marijuana
9 and retail marijuana products, as those terms are defined in ~~section~~
10 ~~12-43.4-103~~ SECTION 44-10-103.

11 **SECTION 30.** In Colorado Revised Statutes, **amend** 35-61-105.5
12 as follows:

13 **35-61-105.5. Testing laboratories.** If a person registered pursuant
14 to this article 61 wants a licensed retail marijuana testing facility to
15 perform testing on the industrial hemp that the registrant is cultivating,
16 that person shall use a radio frequency identification-based inventory
17 tracking system approved by the commissioner for a sample of the
18 registrant's industrial hemp crop. The commissioner shall only approve
19 an inventory tracking system if that system is compatible with the state
20 licensing authority's seed-to-sale tracking system required pursuant to
21 ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a). A licensed retail testing
22 facility shall provide the test results to the registrant and the
23 commissioner. All test results ~~shall be~~ ARE considered confidential
24 business information. This section ~~shall not be construed to~~ DOES NOT
25 prevent the use of the tracking system for other purposes.

26 **SECTION 31.** In Colorado Revised Statutes, 39-22-104, **amend**
27 (4)(r); and **repeal** (4)(s) as follows:

1 **39-22-104. Income tax imposed on individuals, estates, and**
2 **trusts - single rate - legislative declaration - definitions - repeal.**

3 (4) There shall be subtracted from federal taxable income:

4 (r) For income tax years commencing on or after January 1, 2014,
5 if a taxpayer is licensed under the "~~Colorado Medical Marijuana Code~~",
6 ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS
7 PREDECESSOR CODES, an amount equal to any expenditure that is eligible
8 to be claimed as a federal income tax deduction but is disallowed by
9 section 280E of the internal revenue code because marijuana is a
10 controlled substance under federal law;

11 ~~(s) For income tax years commencing on or after January 1, 2014,~~
12 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
13 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
14 ~~to be claimed as a federal income tax deduction but is disallowed by~~
15 ~~section 280E of the federal internal revenue code because marijuana is a~~
16 ~~controlled substance under federal law;~~

17 **SECTION 32.** In Colorado Revised Statutes, 39-22-304, **amend**
18 (3)(m); and **repeal** (3)(n) as follows:

19 **39-22-304. Net income of corporation - legislative declaration**
20 **- definitions - repeal.** (3) There shall be subtracted from federal taxable
21 income:

22 (m) For income tax years commencing on or after January 1,
23 2014, if a taxpayer is licensed under the "~~Colorado Medical Marijuana~~
24 ~~Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44,
25 OR ITS PREDECESSOR CODES, an amount equal to any expenditure that is
26 eligible to be claimed as a federal income tax deduction but is disallowed
27 by section 280E of the internal revenue code because marijuana is a

1 controlled substance under federal law;

2 (n) ~~For income tax years commencing on or after January 1, 2014,~~
3 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
4 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
5 ~~to be claimed as a federal income tax deduction but is disallowed by~~
6 ~~section 280E of the federal internal revenue code because marijuana is a~~
7 ~~controlled substance under federal law;~~

8 **SECTION 33.** In Colorado Revised Statutes, 39-26-102, **amend**
9 (5.8) as follows:

10 **39-26-102. Definitions.** As used in this article 26, unless the
11 context otherwise requires:

12 (5.8) "Medical marijuana" shall have the same meaning as set
13 forth in ~~section 44-11-104 (11)~~ SECTION 44-10-103 (34).

14 **SECTION 34.** In Colorado Revised Statutes, 39-28.8-101,
15 **amend** (6) as follows:

16 **39-28.8-101. Definitions.** Unless the context otherwise requires,
17 any terms not defined in this article 28.8 have the meanings set forth in
18 article 26 of this title 39. As used in this article 28.8, unless the context
19 otherwise requires:

20 (6) "Medical marijuana ~~center~~ STORE" means an entity licensed by
21 the department to sell marijuana and marijuana products pursuant to
22 section 14 of article XVIII of the state constitution and the ~~"Colorado~~
23 ~~Medical Marijuana Code", article 11 "COLORADO MARIJUANA CODE",~~
24 ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES.

25 **SECTION 35.** In Colorado Revised Statutes, 39-28.8-501,
26 **amend** (1) and (2)(a)(I) as follows:

27 **39-28.8-501. Marijuana tax cash fund - creation - distribution**

1 **- legislative declaration.** (1) The marijuana tax cash fund, referred to in
2 this part 5 as the "fund", is created in the state treasury. The fund consists
3 of any applicable retail marijuana sales tax transferred pursuant to section
4 39-28.8-203 (1)(b) on or after July 1, 2014, and any revenues transferred
5 to the fund from any sales tax imposed pursuant to section 39-26-106 on
6 the retail sale of products under ~~articles 43.3 and 43.4 of title 12, C.R.S.~~
7 ARTICLE 10 OF TITLE 44.

8 (2) (a) The general assembly shall not appropriate the money in
9 the fund for the fiscal year in which it was received by the state; except
10 that:

11 (I) The general assembly may appropriate money in the fund to
12 the department of revenue for the fiscal years in which it was received by
13 the state for the direct and indirect costs associated with implementing
14 this article 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44; and

15 **SECTION 36.** In Colorado Revised Statutes, 39-28.8-502,
16 **amend** (2) as follows:

17 **39-28.8-502. Marijuana tax cash fund - budget requests.**

18 (2) Beginning with the budget request required to be submitted to the
19 joint budget committee by November 1, 2014, and for each budget
20 request required to be submitted each November thereafter, the executive
21 director of the department of revenue shall include in its budget request
22 for the direct and indirect costs associated with implementing this article
23 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44 the amount that the
24 department requests from the money in the marijuana cash fund created
25 in ~~section 44-11-501~~ SECTION 44-10-801, and the amount that the
26 department requests from the marijuana tax cash fund.

27 **SECTION 37. Appropriation.** (1) For the 2019-20 state fiscal

1 year, \$396,604 is appropriated to the department of revenue. This
2 appropriation is from the marijuana cash fund created in section
3 44-11-501 (1)(a), C.R.S. To implement this act, the department may use
4 this appropriation as follows:

5 (a) \$292,974 for marijuana enforcement, which amount is based
6 on an assumption that the department will require an additional 1.8 FTE;
7 and

8 (b) \$103,630 for the purchase of legal services.

9 (2) For the 2019-20 state fiscal year, \$103,630 is appropriated to
10 the department of law. This appropriation is from reappropriated funds
11 received from the department of revenue under subsection (1)(b) of this
12 section and is based on an assumption that the department of law will
13 require an additional 0.6 FTE. To implement this act, the department of
14 law may use this appropriation to provide legal services for the
15 department of revenue.

16 **SECTION 38. Act subject to petition - effective date.** Sections
17 5 through 37 of this act take effect January 1, 2020; except that sections
18 44-10-501 (3)(e), 44-10-503 (5)(b), 44-10-601 (3)(c), and 44-10-603 (11)
19 of section 5 of this act take effect July 1, 2020, and the remainder of this
20 act takes effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly (August
22 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within the ninety-day period after final adjournment of the general
26 assembly, then the act, item, section, or part will not take effect unless
27 approved by the people at the general election to be held in November

- 1 2020 and, in such case, will take effect on the date of the official
- 2 declaration of the vote thereon by the governor.