

**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,

HOUSE SPONSORSHIP

(None),

Senate Committees

Finance
Appropriations

House Committees

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.

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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SECTION 1. In Colorado Revised Statutes, **add 44-12-902 as**

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follows:

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44-12-902. Unlawful open and public consumption. (1) THE

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OPEN AND PUBLIC, AS DEFINED IN SECTION 18-18-102 (20.3),

7

CONSUMPTION OF MARIJUANA IS PROHIBITED.

8

(2) THE GOVERNING BODY OF A COUNTY, CITY, CITY AND COUNTY,

9

OR MUNICIPALITY MAY ADOPT AN ORDINANCE OR RESOLUTION

10

AUTHORIZING MARIJUANA CONSUMPTION LOCATIONS OR CIRCUMSTANCES

11

THAT ARE EXCEPTIONS TO THE PROHIBITION DESCRIBED IN SUBSECTION (1)

12

OF THIS SECTION IF THE LOCATIONS ARE NOT ACCESSIBLE TO THE PUBLIC

1 OR A SUBSTANTIAL NUMBER OF THE PUBLIC WITHOUT RESTRICTION,
2 INCLUDING BUT NOT LIMITED TO RESTRICTIONS ON THE AGE OF THE
3 MEMBERS OF THE PUBLIC WHO ARE ALLOWED ACCESS TO SUCH LOCATION.

4 (3) THE PROHIBITION IN SUBSECTION (1) OF THIS SECTION DOES
5 NOT APPLY TO ANY BUSINESS LICENSED PURSUANT TO THIS ARTICLE 12
6 THAT PERMITS CONSUMPTION ON ITS PREMISES IF THE BUSINESS IS
7 OPERATING WITHIN THE CONDITIONS OF LICENSURE.

8 **SECTION 2.** In Colorado Revised Statutes, 44-11-1001, **amend**
9 (1) as follows:

10 **44-11-1001. Sunset review - repeal of article.** (1) This article
11 is repealed, effective September 1, ~~2019~~ 2028.

12 **SECTION 3.** In Colorado Revised Statutes, 44-12-1001, **amend**
13 (1) as follows:

14 **44-12-1001. Sunset review - repeal of article.** (1) This article
15 is repealed, effective September 1, ~~2019~~ 2028.

16 **SECTION 4.** In Colorado Revised Statutes, 24-34-104, **repeal**
17 (17)(a)(XIII) and (17)(a)(XV); and **add** (29)(a)(V) and (29)(a)(VI) as
18 follows:

19 **24-34-104. General assembly review of regulatory agencies**
20 **and functions for repeal, continuation, or reestablishment - legislative**
21 **declaration - repeal.** (17) (a) The following agencies, functions, or both,
22 are scheduled for repeal on September 1, 2019:

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

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

27 (29) (a) The following agencies, functions, or both, are scheduled

1 for repeal on September 1, 2028:

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

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

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

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

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11 SECTION 5. In Colorado Revised Statutes, 18-18-102, add
12 (20.3) as follows:

13 18-18-102. Definitions. As used in this article 18:

14 (20.3) (a) "OPEN" OR "OPENLY" MEANS OBSERVABLE BY THE
15 PUBLIC OR A SUBSTANTIAL NUMBER OF THE PUBLIC.

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

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

25 SECTION 6. In Colorado Revised Statutes, add with amended
26 and relocated provisions, as those provisions will exist on July 1, 2019,
27 article 10 to title 44 as follows:

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ARTICLE 10

Regulated Marijuana

PART 1

COLORADO MARIJUANA CODE

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

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

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

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

44-10-103. Definitions. [Formerly 44-11-104 introductory portion and similar to 44-12-103 introductory portion] As used in this

1 ~~article 11~~ ARTICLE 10, unless the context otherwise requires:

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

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

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

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

22 (5) "AFFILIATE" OF A PERSON OR "AFFILIATED" WITH A SPECIFIED
23 PERSON MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE
24 OR MORE INTERMEDIARIES, CONTROLS OR IS CONTROLLED BY, OR IS UNDER
25 COMMON CONTROL WITH, THE PERSON SPECIFIED.

26 (6) "CONTROL", "CONTROLS", "CONTROLLED", "CONTROLLING",
27 "CONTROLLED BY", AND "UNDER COMMON CONTROL WITH", MEANS THE

1 POSSESSION, DIRECT OR INDIRECT, OF THE POWER TO DIRECT OR CAUSE THE
2 DIRECTION OF THE MANAGEMENT OR POLICIES OF A PERSON, WHETHER
3 THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY CONTRACT, OR
4 OTHERWISE.

5 (7) "CONTROLLING BENEFICIAL OWNER" MEANS A PERSON THAT:

6 (a) IS THE BENEFICIAL OWNER OF FIVE PERCENT OR MORE OF THE
7 SECURITIES OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
8 BUSINESS;

9 (b) IS AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS, RETAIL
10 MARIJUANA BUSINESS, OR OF ANY OTHER CONTROLLING BENEFICIAL
11 OWNER OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
12 BUSINESS AND INCLUDES WITHOUT LIMITATION ANY OFFICER, DIRECTOR,
13 MANAGING MEMBER, GENERAL PARTNER, OR TRUSTEE; OR

14 (c) IS OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE
15 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, EXCEPT
16 AS AUTHORIZED BY SECTION 44-10-506.

17 (8) [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 (9) [Formerly 44-12-103 (3)] "Executive director" means the
24 executive director of the department of revenue.

25 (10) [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 (11) [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 (12) [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 (13) [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 OF A
26 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND IS
27 NOT OTHERWISE IN A POSITION TO EXERCISE CONTROL OVER THE MEDICAL

1 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS AND 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 OWNERSHIP INTEREST; OR

8 (c) IS A CONTRACT COUNTERPARTY WITH A MEDICAL MARIJUANA
9 BUSINESS OR RETAIL MARIJUANA BUSINESS THAT HAS A DIRECT NEXUS TO
10 THE CULTIVATION, MANUFACTURE, SALE, OR TESTING OF REGULATED
11 MARIJUANA, INCLUDING BUT NOT LIMITED TO A LEASE OF REAL PROPERTY
12 ON WHICH THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
13 BUSINESS OPERATES, A LEASE OF EQUIPMENT USED IN THE CULTIVATION,
14 MANUFACTURING, SALE, OR TESTING OF REGULATED MARIJUANA, A
15 SECURED OR UNSECURED FINANCING AGREEMENT WITH THE MEDICAL
16 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS, OR A SECURITY
17 CONTRACT WITH THE MEDICAL MARIJUANA BUSINESS OR RETAIL
18 MARIJUANA BUSINESS; EXCEPT THAT THE CONTRACT SHALL NOT
19 COMPENSATE THE CONTRACT COUNTERPARTY WITH A PERCENTAGE OF
20 REVENUE OR PROFITS OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
21 MARIJUANA BUSINESS.

22 (14) [Formerly 44-11-104 (4.2) and similar to 44-12-103
23 (5.2)] "Industrial fiber products" means intermediate or finished products
24 made from fibrous waste that are not intended for human or animal
25 consumption and are not usable or recognizable as medical OR RETAIL
26 marijuana. Industrial fiber products include but are not limited to cordage,
27 paper, fuel, textiles, bedding, insulation, construction materials, compost

1 materials, and industrial materials.

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

6 (16) "INDUSTRIAL HEMP PRODUCT" MEANS A FINISHED PRODUCT
7 CONTAINING INDUSTRIAL HEMP THAT:

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

9 (b) IS FOR HUMAN USE OR CONSUMPTION;

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

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

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

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

26 (19) [Formerly 44-11-104 (7) and similar to 44-12-103
27 (8)] "Licensee" means a person licensed or registered pursuant to this

1 ~~article 11~~ ARTICLE 10.

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

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

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

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

26 (24) [Formerly 44-12-103 (12)] "Marijuana accessories" has the
27 same meaning as defined in section 16 (2)(g) of article XVIII of the state

1 constitution.

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

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

16 (27) "MEDICAL MARIJUANA BUSINESS" MEANS ANY OF THE
17 FOLLOWING ENTITIES LICENSED PURSUANT TO THIS ARTICLE 10: A
18 MEDICAL MARIJUANA STORE, A MEDICAL MARIJUANA CULTIVATION
19 FACILITY, A MEDICAL MARIJUANA PRODUCTS MANUFACTURER, A MEDICAL
20 MARIJUANA TESTING FACILITY, A MARIJUANA RESEARCH AND
21 DEVELOPMENT LICENSEE, A MEDICAL MARIJUANA BUSINESS OPERATOR, OR
22 A MEDICAL MARIJUANA TRANSPORTER.

23 (28) [Formerly 44-11-104 (12)] "Medical marijuana business
24 operator" means an entity or person ~~who~~ THAT is not an owner and ~~who~~
25 THAT is licensed to provide professional operational services to a medical
26 marijuana ~~establishment~~ BUSINESS for direct remuneration from the
27 medical marijuana ~~establishment~~ BUSINESS.

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

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

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

17 (32) [Formerly 44-11-104 (13)] "Medical marijuana ~~center~~
18 STORE" means a person licensed pursuant to this ~~article~~ ~~11~~ ARTICLE 10 to
19 operate a business as described in ~~section 44-11-402~~ SECTION 44-10-501
20 that sells medical marijuana to registered patients or primary
21 CAREGIVER as defined in section 14 of article XVIII of the state
22 constitution, but is not a primary caregiver.

23 (33) [Formerly 44-11-104 (14)] "Medical marijuana transporter"
24 means an entity or person that is licensed to transport medical marijuana
25 and medical ~~marijuana-infused~~ MARIJUANA products from one medical
26 marijuana ~~establishment~~ BUSINESS to another medical marijuana
27 ~~establishment~~ BUSINESS and to temporarily store the transported medical

1 marijuana and medical ~~marijuana-infused~~ MARIJUANA products at its
2 licensed premises, but is not authorized to sell medical marijuana or
3 medical ~~marijuana-infused~~ MARIJUANA products under any circumstances.

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

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

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

17 (37) "PASSIVE BENEFICIAL OWNER" MEANS A PERSON THAT IS NOT
18 AN AFFILIATE OF A MEDICAL MARIJUANA BUSINESS OR A RETAIL
19 MARIJUANA BUSINESS, IS NOT OTHERWISE IN A POSITION TO EXERCISE
20 CONTROL OVER THE MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
21 BUSINESS, AND IS THE BENEFICIAL OWNER OF LESS THAN FIVE PERCENT OF
22 THE SECURITIES OF THE MEDICAL MARIJUANA BUSINESS OR RETAIL
23 MARIJUANA BUSINESS OR IS A QUALIFIED INSTITUTIONAL INVESTOR.

24 (38) [Formerly 44-11-104 (20) and similar to 44-12-103
25 (17)] "Permitted economic interest" means any unsecured convertible
26 debt instrument, option agreement, warrant, or any other right to obtain
27 an ownership interest when the holder of such interest is a natural person

1 who is a lawful United States resident and whose right to convert into an
2 ownership interest is contingent on the holder qualifying and obtaining a
3 license as an owner under this ~~article~~ ~~11~~ ARTICLE 10, or such other
4 agreements as may be permitted by rule of the state licensing authority.

5 (39) [Formerly 44-12-103 (18) and similar to 44-11-104
6 (21)] "Person" means a natural person, partnership, association, company,
7 corporation, limited liability company, or organization; except that
8 "person" does not include any governmental organization.

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

13 (41) [Similar to 44-11-307 (7) and 44-12-306 (7)] "QUALIFIED
14 INSTITUTIONAL INVESTOR" MEANS AN INSTITUTIONAL INVESTOR THAT IS
15 A PASSIVE BENEFICIAL OWNER HOLDING NO MORE THAN THIRTY PERCENT
16 IN THE LICENSEE AND THAT IS:

17 (a) A BANK AS DEFINED IN SECTION 3 (a)(6) OF THE FEDERAL
18 "SECURITIES EXCHANGE ACT OF 1934", AS AMENDED;

19 (b) AN INSURANCE COMPANY AS DEFINED IN SECTION 2 (a)(17) OF
20 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED;

21 (c) AN INVESTMENT COMPANY REGISTERED UNDER SECTION 8 OF
22 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED;

23 (d) AN INVESTMENT ADVISER REGISTERED UNDER SECTION 203 OF
24 THE FEDERAL "INVESTMENT ADVISERS ACT OF 1940", AS AMENDED;

25 (e) COLLECTIVE TRUST FUNDS AS DEFINED IN SECTION 3 (c)(11) OF
26 THE FEDERAL "INVESTMENT COMPANY ACT OF 1940", AS AMENDED;

27 (f) AN EMPLOYEE BENEFIT PLAN OR PENSION FUND THAT IS

1 SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY
2 ACT OF 1974", AS AMENDED, EXCLUDING AN EMPLOYEE BENEFIT PLAN OR
3 PENSION FUND SPONSORED BY A LICENSEE OR AN INTERMEDIARY OR
4 HOLDING COMPANY LICENSEE THAT DIRECTLY OR INDIRECTLY OWNS FIVE
5 PERCENT OR MORE OF A LICENSEE;

6 (g) A STATE OR FEDERAL GOVERNMENT PENSION PLAN;

7 (h) A GROUP COMPRISED ENTIRELY OF PERSONS SPECIFIED IN
8 SUBSECTIONS (38)(a) TO (38)(g) OF THIS SECTION; OR

9 (i) ANY OTHER ENTITY IDENTIFIED THROUGH RULE BY THE STATE
10 LICENSING AUTHORITY.

11 (42) "REGULATED MARIJUANA" MEANS MEDICAL MARIJUANA AND
12 RETAIL MARIJUANA. IF THE CONTEXT REQUIRES, REGULATED MARIJUANA
13 INCLUDES MEDICAL MARIJUANA CONCENTRATE, MEDICAL MARIJUANA
14 PRODUCTS, RETAIL MARIJUANA CONCENTRATE, AND RETAIL MARIJUANA
15 PRODUCTS.

16 (43) "REGULATED MARIJUANA PRODUCTS" MEANS MEDICAL
17 MARIJUANA PRODUCTS AND RETAIL MARIJUANA PRODUCTS.

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

25 (45) [Formerly 44-12-103 (22)] "Retail marijuana" means
26 "marijuana" or "marihuana", as defined in section 16 (2)(f) of article
27 XVIII of the state constitution, that is cultivated, manufactured,

1 distributed, or sold by a licensed retail marijuana establishment BUSINESS.
2 IF THE CONTEXT REQUIRES, RETAIL MARIJUANA INCLUDES RETAIL
3 MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS.

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

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

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

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

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

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

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

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

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

18 (55) [Formerly 44-12-103 (32) and similar to 44-11-104
19 (25)] "School" means a public or private preschool or a public or private
20 elementary, middle, junior high, or high school or institution of higher
21 education.

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

27 **44-10-104. Applicability - medical marijuana - retail**

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

13 (b) ~~To continue operating a business or operation as described in~~
14 ~~subsection (1)(a) of this section, the owner shall, on or before August 1,~~
15 ~~2010, complete forms as provided by the department of revenue and shall~~
16 ~~pay a fee, which shall be credited to the medical marijuana license cash~~
17 ~~fund established pursuant to section 44-11-501. The purpose of the fee~~
18 ~~shall be to pay for the direct and indirect costs of the state licensing~~
19 ~~authority and the development of application procedures and rules~~
20 ~~necessary to implement this article 11. Payment of the fee and completion~~
21 ~~of the form shall not create a local or state license or a present or future~~
22 ~~entitlement to receive a license. An owner issued a local license after~~
23 ~~August 1, 2010, shall complete the forms and pay the fee pursuant to this~~
24 ~~subsection (1)(b) within thirty days after issuance of the local license. In~~
25 ~~addition to any criminal penalties for selling without a license, it shall be~~
26 ~~unlawful to continue operating a business or operation without filing the~~
27 ~~forms and paying the fee as described in this subsection (1)(b), and any~~

1 violation of this section shall be prima facie evidence of unsatisfactory
2 character, record, and reputation for any future application for license
3 under this article 11.

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

9 (2) (1) (a) [Formerly 44-11-103 (2)(a)] Prior to July 1, 2011, A
10 county, city and county, or municipality may adopt and enforce a
11 resolution or ordinance licensing, regulating, or prohibiting the cultivation
12 or sale of medical marijuana. In a county, city and county, or municipality
13 where such an ordinance or resolution has been adopted, a person who is
14 not registered as a patient or primary caregiver pursuant to section
15 25-1.5-106 and who is cultivating or selling medical marijuana shall
16 not be entitled to an affirmative defense to a criminal prosecution as
17 provided for in section 14 of article XVIII of the state constitution unless
18 the person is in compliance with the applicable county or municipal law.

19 [Formerly 44-11-103 (2)(b)] (b) ~~On or before September 1,~~
20 ~~2010, a business or operation shall certify that it is cultivating at least~~
21 ~~seventy percent of the medical marijuana necessary for its operation.~~

22 (b) [Formerly 44-11-106] The operation of this article ~~11~~ ARTICLE
23 10 AS IT RELATES TO MEDICAL MARIJUANA shall be statewide unless a
24 municipality, county, city, or city and county, by either a majority of the
25 registered electors of the municipality, county, city, or city and county
26 voting at a regular election or special election called in accordance with
27 the "Colorado Municipal Election Code of 1965", article 10 of title 31, or

1 the "Uniform Election Code of 1992", articles 1 to 13 of title 1, as
2 applicable, or a majority of the members of the governing board for the
3 municipality, county, city, or city and county, vote to prohibit the
4 operation of medical marijuana ~~centers, optional premises cultivation~~
5 ~~operations~~ STORES, MEDICAL MARIJUANA CULTIVATION FACILITIES, and
6 medical ~~marijuana-infused~~ MARIJUANA products manufacturers' licenses.

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

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

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

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

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

17 ~~**[Formerly 44-12-104 (1)] (1)(a)(I)** On or after October 1, 2013,~~
18 ~~a person who is operating in good standing a licensed medical marijuana~~
19 ~~center, an optional premises cultivation license, or a licensed medical~~
20 ~~marijuana-infused products business or a person who had a pending~~
21 ~~application with the state licensing authority prior to December 10, 2012,~~
22 ~~has paid all applicable licensing fees, and has not yet had that application~~
23 ~~approved may apply for a retail marijuana establishment license under~~
24 ~~this article 12.~~

25 ~~(H) An applicant pursuant to this subsection (1)(a) shall indicate~~
26 ~~whether he or she wants to surrender the current medical marijuana~~
27 ~~license issued pursuant to part 4 of article 11 of this title 44 or intends to~~

1 retain the license in addition to the retail marijuana establishment license.

2 ~~(III) If the applicant indicates a desire to surrender the medical~~
3 ~~marijuana license, the applicant shall continue to operate under that~~
4 ~~license so long as the license remains in effect until a retail marijuana~~
5 ~~establishment license is approved. If the retail marijuana establishment~~
6 ~~license is granted, the applicant shall have fourteen days from the~~
7 ~~effective date of the license to surrender the medical marijuana license to~~
8 ~~the state licensing authority. If the retail marijuana license is granted, on~~
9 ~~the effective date of the license, all medical marijuana plants and~~
10 ~~inventory shall become retail marijuana plants and inventory on the date~~
11 ~~of the retail marijuana establishment license; except that beginning on~~
12 ~~July 1, 2016, an applicant shall not be allowed to transfer medical~~
13 ~~marijuana plants and inventory from a medical marijuana center or from~~
14 ~~a medical marijuana-infused products manufacturer to any retail~~
15 ~~marijuana establishment. Beginning on July 1, 2016, the only transfer of~~
16 ~~medical marijuana allowed pursuant to this subsection (1)(a)(III) is the~~
17 ~~transfer of medical marijuana plants and inventory from a medical~~
18 ~~marijuana cultivation facility to a retail marijuana cultivation facility.~~

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

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

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

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

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

1 licensing authority shall refund the licensing fee to the applicant.

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

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

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

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

1 employees.

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

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

14 PART 2

15 STATE LICENSING AUTHORITY

16 **44-10-201. State licensing authority - creation.**

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

25 (b) [**Formerly 44-12-201**] ~~For the purpose of regulating and~~
26 ~~controlling the licensing of the cultivation, manufacture, distribution,~~
27 ~~sale, and testing of retail marijuana and retail marijuana products in this~~

1 state, The state licensing authority ~~created in section 44-11-201~~ shall also
2 ~~have~~ ALSO HAS regulatory authority for retail marijuana and retail
3 marijuana products as permitted in section 16 of article XVIII of the state
4 constitution and this ~~article 12~~ ARTICLE 10.

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

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

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

25 **44-10-202. Powers and duties of state licensing authority -**
26 **rules - legislative declaration. [Formerly 44-12-202 (2) introductory**
27 **portion] (1) Powers and duties.** The state licensing authority ~~has the~~

1 ~~authority to~~ SHALL:

2 (a) DEVELOP AND MAINTAIN A SEED-TO-SALE TRACKING SYSTEM
3 THAT TRACKS REGULATED MARIJUANA FROM EITHER THE SEED OR
4 IMMATURE PLANT STAGE UNTIL THE REGULATED MARIJUANA OR
5 REGULATED MARIJUANA PRODUCT IS SOLD TO A PATIENT AT A MEDICAL
6 MARIJUANA STORE OR TO A CUSTOMER AT A RETAIL MARIJUANA STORE TO
7 ENSURE THAT NO REGULATED MARIJUANA GROWN OR PROCESSED BY A
8 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS IS SOLD
9 OR OTHERWISE TRANSFERRED EXCEPT BY A MEDICAL OR RETAIL
10 MARIJUANA STORE;

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 pursuant to
20 this ~~article 12~~ ARTICLE 10 as it may with respect to a license pursuant to
21 this ~~article 12~~ ARTICLE 10, in accordance with the procedures established
22 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~~ ~~†~~ 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 OBSOLETE TESTING OF MARIJUANA AND MARIJUANA
20 PRODUCTS, INCLUDING, BUT NOT LIMITED TO, POTENCY TESTING OF
21 MARIJUANA ALLOCATED TO EXTRACTIONS, AND CONTAMINANT TESTING
22 OF MARIJUANA PRODUCTS WHEN ALL INPUTS OF THE MARIJUANA PRODUCT
23 HAVE PASSED CONTAMINANT TESTING PURSUANT TO SUBSECTION (2)(d)
24 OF THIS SECTION.

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 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 PASSIVE BENEFICIAL OWNERS, managers, contractors, employees, and
9 other support staff of entities licensed pursuant to this ~~article 12~~ ARTICLE
10 10, including a fingerprint-based criminal history record check as may be
11 required by the state licensing authority prior to issuing a card;

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

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

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

25 (x) [Formerly 44-11-202 (3)(a)(IV) and 44-12-202 (5)] THE
26 conditions under which a licensee is authorized to transfer fibrous waste
27 to a person for the purpose of producing only industrial fiber products.

1 The conditions must include contract requirements that stipulate that the
2 fibrous waste will only be used to produce industrial fiber products;
3 record-keeping requirements; security measures related to the transport
4 and transfer of fibrous waste; REQUIREMENTS FOR handling contaminated
5 fibrous waste; ~~requirements~~; and processes associated with handling
6 fibrous waste. The rules ~~shall~~ MUST not require licensees to alter fibrous
7 waste from its natural state prior to transfer.

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

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

18 (aa) THE IMPLEMENTATION OF AN ACCELERATOR PROGRAM
19 INCLUDING BUT NOT LIMITED TO RULES TO ESTABLISH SEVERED LIABILITY
20 FOR LICENSEES OPERATING ON THE SAME PHYSICAL PREMISES, SEVERED
21 CUSTODIANSHIP OF REGULATED PRODUCTS, PROTECTIONS OF THE
22 INTELLECTUAL PROPERTY OF THE ACCELERATOR LICENSEE, INCENTIVES
23 FOR LICENSEES ENDORSED AS ACCELERATORS, AND ADDITIONAL
24 REQUIREMENTS IF A PERSON APPLYING FOR AN ACCELERATOR
25 ENDORSEMENT HAS LESS THAN TWO YEARS EXPERIENCE OPERATING A
26 LICENSED FACILITY UNDER THIS TITLE 10; AND

27 (bb) CONDITIONS UNDER WHICH A LICENSEE IS AUTHORIZED TO

1 TRANSFER ELECTRONIC CANNABIS WASTE TO A PERSON FOR THE PURPOSES
2 OF RECYCLING OR REUSE. THE CONDITIONS MUST INCLUDE CONTRACT
3 REQUIREMENTS THAT STIPULATE WHAT THE ELECTRONIC CANNABIS WASTE
4 WILL BE USED FOR; RECORD-KEEPING REQUIREMENTS; SECURITY
5 MEASURES RELATED TO THE TRANSPORT AND TRANSFER OF ELECTRONIC
6 CANNABIS WASTE; HANDLING CONTAMINATED ELECTRONIC CANNABIS
7 WASTE REQUIREMENTS; AND PROCESSES ASSOCIATED WITH HANDLING
8 ELECTRONIC CANNABIS WASTE. THE RULES SHALL NOT REQUIRE LICENSEES
9 TO ALTER OR DESTROY ELECTRONIC CANNABIS WASTE PRIOR TO TRANSFER.

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

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

- 21 (I) ALLOWING PACKAGING AND ACCESSORY BRANDING;
- 22 (II) PROHIBITING HEALTH OR PHYSICAL BENEFIT CLAIMS IN
23 ADVERTISING, MERCHANDISING, AND PACKAGING;
- 24 (III) PROHIBITING UNSOLICITED POP-UP ADVERTISING ON THE
25 INTERNET;
- 26 (IV) PROHIBITING BANNER ADS ON MASS-MARKET WEBSITES;
- 27 (V) PROHIBITING OPT-IN MARKETING THAT DOES NOT PERMIT AN

1 EASY AND PERMANENT OPT-OUT FEATURE; AND

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

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

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

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

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

23 (d) **[Formerly 44-12-202 (3)(d)(IV)]** A standardized marijuana
24 serving size amount for edible retail marijuana products that does not
25 contain more than ten milligrams of active THC, designed only to provide
26 consumers with information about the total number of servings of active
27 THC in a particular retail marijuana product, not as a limitation on the

1 total amount of THC in any particular item; labeling requirements
2 regarding servings for edible retail marijuana products; and limitations on
3 the total amount of active THC in a sealed internal package that is no
4 more than one hundred milligrams of active THC;

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

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

14 (g) **[Formerly 44-12-202 (3)(d)(VIII)(A) and similar to**
15 **44-11-202 (3)(a)(III)(A)]** A prohibition on the production and sale of
16 edible ~~retail~~ REGULATED marijuana products that are in the distinct shape
17 of a human, animal, or fruit. Geometric shapes and products that are
18 simply fruit flavored are not considered fruit. Products in the shape of a
19 marijuana leaf are permissible. Nothing in this ~~subsection (3)(a)(VIII)~~
20 SUBSECTION (3)(g) applies to a company logo.

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

25 **WARNING: USING MARIJUANA, IN ANY FORM, WHILE YOU**
26 **ARE PREGNANT OR BREASTFEEDING PASSES THC TO YOUR**
27 **BABY AND MAY BE HARMFUL TO YOUR BABY. THERE IS NO**

1 KNOWN SAFE AMOUNT OF MARIJUANA USE DURING
2 PREGNANCY OR BREASTFEEDING.

3 (4) **Equivalency.** RULES PROMULGATED PURSUANT TO
4 SUBSECTION 44-10-202 (1)(c) MUST ALSO INCLUDE:

5 (a) ESTABLISHING THE EQUIVALENT OF ONE OUNCE OF MEDICAL
6 MARIJUANA FLOWER IN VARIOUS MEDICAL MARIJUANA PRODUCTS,
7 INCLUDING MEDICAL MARIJUANA CONCENTRATE, ON OR BEFORE JANUARY
8 1, 2020. WHEN ESTABLISHING EQUIVALENCY STANDARDS, THE STATE
9 LICENSING AUTHORITY SHALL TAKE INTO CONSIDERATION THE MEDICAL
10 NEEDS OF MEDICAL MARIJUANA PATIENTS. PRIOR TO PROMULGATING THE
11 RULES REQUIRED BY THIS SUBSECTION (4)(a), THE STATE LICENSING
12 AUTHORITY MAY CONTRACT FOR A SCIENTIFIC STUDY TO DETERMINE THE
13 EQUIVALENCY OF MEDICAL MARIJUANA FLOWER IN MEDICAL MARIJUANA
14 PRODUCTS, INCLUDING MEDICAL MARIJUANA CONCENTRATE.

15 (b) [**Similar to 44-12-202 (3)(b)(I)**] ESTABLISHING THE
16 EQUIVALENT OF ONE OUNCE OF RETAIL MARIJUANA FLOWER IN VARIOUS
17 RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA
18 CONCENTRATE. PRIOR TO PROMULGATING THE RULES REQUIRED BY THIS
19 SUBSECTION (4)(b), THE STATE LICENSING AUTHORITY MAY CONTRACT
20 FOR A SCIENTIFIC STUDY TO DETERMINE THE EQUIVALENCY OF MARIJUANA
21 FLOWER IN RETAIL MARIJUANA PRODUCTS, INCLUDING RETAIL MARIJUANA
22 CONCENTRATE.

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

27 (a) The state licensing authority shall create a statewide licensure

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

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

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

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

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

27 (II) When considering any such limitations, the state licensing

1 authority shall:

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

5 (B) Consider any other relevant factors; and

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

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

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

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

26 ~~(A)~~ (I) Placing or modifying a limit on the number of licenses that
27 it issues, by class or overall, but in placing or modifying the limits, the

1 authority shall consider the reasonable availability of new licenses after
2 a limit is established or modified;

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

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

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

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

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

21 **44-10-204. Confidentiality.** (1) THE STATE LICENSING
22 AUTHORITY SHALL MAINTAIN THE CONFIDENTIALITY OF:

23 (a) REPORTS OR OTHER INFORMATION OBTAINED FROM A MEDICAL
24 MARIJUANA OR RETAIL MARIJUANA LICENSEE OR A MEDICAL MARIJUANA
25 OR RETAIL MARIJUANA LICENSE APPLICANT CONTAINING ANY
26 INDIVIDUALIZED DATA, INFORMATION, OR RECORDS RELATED TO THE
27 APPLICANT OR LICENSEE OR ITS OPERATION, INCLUDING SALES

1 INFORMATION, LEASES, BUSINESS ORGANIZATION RECORDS, FINANCIAL
2 RECORDS, TAX RETURNS, CREDIT REPORTS, CULTIVATION INFORMATION,
3 TESTING RESULTS, AND SECURITY INFORMATION AND PLANS, OR
4 REVEALING ANY CUSTOMER INFORMATION, OR ANY OTHER RECORDS THAT
5 ARE EXEMPT FROM PUBLIC INSPECTION PURSUANT TO STATE LAW. SUCH
6 REPORTS OR OTHER INFORMATION MAY BE USED ONLY FOR A PURPOSE
7 AUTHORIZED BY THIS ARTICLE 10 OR FOR ANY OTHER STATE OR LOCAL
8 LAW ENFORCEMENT PURPOSE. ANY INFORMATION RELEASED RELATED TO
9 PATIENTS MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS
10 ARTICLE 10, OR TO VERIFY THAT A PERSON WHO PRESENTED A REGISTRY
11 IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9) TO A
12 STATE OR LOCAL LAW ENFORCEMENT OFFICIAL IS LAWFULLY IN
13 POSSESSION OF SUCH CARD. ANY CUSTOMER INFORMATION MAY BE USED
14 ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE 10.

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

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

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

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

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

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

4 (d) ENFORCEMENT FORMS AND COMPLIANCE CHECKLISTS.

5 PART 3
6 LICENSING PROCEDURES

7 **44-10-301. [Formerly 44-11-301] Local licensing authority -**
8 **applications - licenses.** (1) A local licensing authority may issue only the
9 following medical marijuana licenses upon payment of the fee and
10 compliance with all local licensing requirements to be determined by the
11 local licensing authority:

- 12 (a) A medical marijuana ~~center~~ STORE license;
- 13 (b) ~~An optional premises cultivation~~ A MEDICAL MARIJUANA
14 CULTIVATION FACILITY license;
- 15 (c) A medical ~~marijuana-infused~~ MARIJUANA products
16 ~~manufacturing~~ MANUFACTURER license;
- 17 (d) A medical marijuana testing facility license;
- 18 (e) A medical marijuana transporter license;
- 19 (f) A medical marijuana business operator license; AND
- 20 (g) A marijuana research and development license. ~~and~~
- 21 ~~(h) A marijuana research and development cultivation license.~~

22 (2) (a) (I) A local licensing authority shall not issue a local license
23 TO A MEDICAL MARIJUANA BUSINESS within a municipality, city and
24 county, or the unincorporated portion of a county unless the governing
25 body of the municipality or city and county has adopted an ordinance, or
26 the governing body of the county has adopted a resolution, containing
27 specific standards for license issuance, or if no such ordinance or

1 resolution is adopted prior to July 1, 2012, then a local licensing authority
2 shall consider the minimum licensing requirements of this part 3 when
3 issuing a license.

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

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

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

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

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

25 ~~(4)~~ (c) An applicant shall file, at the time of application for a
26 license, plans and specifications for the interior of the building if the
27 building to be occupied is in existence at the time. If the building is not

1 in existence, the applicant shall file a plot plan and a detailed sketch for
2 the interior and submit an architect's drawing of the building to be
3 constructed. In its discretion, the local or state licensing authority may
4 impose additional requirements necessary for the approval of the
5 application.

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

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

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

27 **44-10-302. [Formerly 44-11-503] Local license fees - medical**

1 **marijuana.** (1) Each application for a local license FOR A MEDICAL
2 MARIJUANA BUSINESS provided for in ~~this article~~ ~~11~~ SECTION 44-10-301
3 (1) filed with a local licensing authority ~~shall~~ MUST be accompanied by
4 an application fee in an amount determined by the local licensing
5 authority.

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

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

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

23 ~~(2)~~ (b) Public notice given by posting ~~shall~~ MUST include a sign
24 of suitable material, not less than twenty-two inches wide and twenty-six
25 inches high, composed of letters not less than one inch in height and
26 stating the type of license applied for, the date of the application, the date
27 of the hearing, the name and address of the applicant, and such other

1 information as may be required to fully apprise the public of the nature of
2 the application. The sign ~~shall~~ MUST contain the names and addresses of
3 the officers, directors, or manager of the facility to be licensed.

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

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

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

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

1 ~~shall~~ MUST be retained by the respective licensing authority.

2 (3) **[Formerly 44-12-302 (1)] Retail marijuana business**
3 **licenses.** (a) If a local jurisdiction issues local licenses for a retail
4 marijuana ~~establishment~~ BUSINESS, a local jurisdiction may schedule a
5 public hearing on the application. If the local jurisdiction schedules a
6 hearing, it shall post and publish public notice thereof not less than ten
7 days prior to the hearing. The local jurisdiction shall give public notice by
8 posting a sign in a conspicuous place on the license applicant's premises
9 for which a local license application has been made and by publication in
10 a newspaper of general circulation in the county in which the applicant's
11 premises are located.

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

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

27 (2) Before entering a decision approving or denying the

1 application for a local MEDICAL MARIJUANA BUSINESS license, the local
2 licensing authority may consider, except where this ~~article 11~~ ARTICLE 10
3 specifically provides otherwise, the facts and evidence adduced as a result
4 of its investigation, as well as any other facts pertinent to the type of
5 license for which application has been made, including the number, type,
6 and availability of medical marijuana ~~centers, optional premises~~
7 ~~cultivation operations~~ STORES, MEDICAL MARIJUANA CULTIVATION
8 FACILITIES, or medical ~~marijuana-infused~~ MARIJUANA products
9 manufacturers located in or near the premises under consideration, and
10 any other pertinent matters affecting the qualifications of the applicant for
11 the conduct of the type of business proposed.

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

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

27 (5) After approval of an application for conditional state licensure,

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

6 **44-10-305. [Formerly 44-11-304 (1)] State licensing authority**
7 **- application and issuance procedures.** (1) Applications for a state
8 MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license
9 under the provisions of this ~~article 11 shall~~ ARTICLE 10 MUST be made to
10 the state licensing authority on forms prepared and furnished by the state
11 licensing authority and ~~shall~~ MUST set forth such information as the state
12 licensing authority may require to enable the state licensing authority to
13 determine whether a state MEDICAL MARIJUANA BUSINESS OR RETAIL
14 MARIJUANA BUSINESS license should be granted. The information ~~shall~~
15 MUST include the name and address of the applicant, the names and
16 addresses of the ~~officers, directors,~~ CONTROLLING BENEFICIAL OWNERS or
17 managers, and all other information deemed necessary by the state
18 licensing authority. Each application ~~shall~~ MUST be verified by the oath
19 or affirmation of such person or persons as the state licensing authority
20 may prescribe.

21 (2) (a) **[Formerly 44-11-304 (2)]** The state licensing authority
22 shall issue a state license to a medical marijuana ~~center, an optional~~
23 ~~premises cultivation operation~~ STORE, A MEDICAL MARIJUANA
24 CULTIVATION FACILITY, ~~or a medical marijuana-infused~~ MARIJUANA
25 products manufacturer, A MEDICAL MARIJUANA TESTING FACILITY, A
26 MEDICAL MARIJUANA TRANSPORTER, A MEDICAL MARIJUANA BUSINESS
27 OPERATOR, OR A MARIJUANA RESEARCH AND DEVELOPMENT FACILITY

1 pursuant to this section upon satisfactory completion of the applicable
2 criminal history background check associated with the application, and
3 the state license is conditioned upon local licensing authority approval. A
4 license applicant is prohibited from operating a licensed medical
5 marijuana business without both state and local licensing authority
6 approval. The denial of an application by the local licensing authority
7 shall be IS considered as a basis for the state licensing authority to revoke
8 the state-issued license.

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

22 [Formerly 44-11-304 (3)] (3) ~~An applicant that has been~~
23 ~~permitted to operate a medical marijuana business under the provisions~~
24 ~~of section 44-11-103 (1)(b) and has been issued a conditional license by~~
25 ~~the state licensing authority pursuant to subsection (2) of this section may~~
26 ~~continue to operate the business while an application is pending with the~~
27 ~~local licensing authority. If the local licensing authority denies the license~~

1 application, the medical marijuana business shall cease operations upon
2 receiving the denial. The denial of an application by the local licensing
3 authority shall be considered as a basis for the state licensing authority to
4 revoke the state-issued license.

5 (4) (3) [Formerly 44-11-304 (4)] Nothing in this article 11 shall
6 preempt ARTICLE 10 PREEMPTS or otherwise impair IMPAIRS the power of
7 a local government to enact ordinances or resolutions concerning matters
8 authorized to local governments.

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 (13)(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 (13)(a) OR (13)(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 OR PASSIVE BENEFICIAL OWNERS
7 indicates that ~~the officer, director, or stockholder~~ A CONTROLLING
8 BENEFICIAL OWNER OR PASSIVE BENEFICIAL OWNER is not of good moral
9 character AFTER CONSIDERING THE FACTORS IN SECTION 24-5-101 (2);

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

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

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

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

11 (a) A LICENSED PHYSICIAN MAKING PATIENT RECOMMENDATIONS;
12 OR

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

16 ~~(2)~~ (4) (a) In investigating the qualifications of an applicant or a
17 licensee, the state and local licensing authorities may have access to
18 criminal history record information furnished by a criminal justice agency
19 subject to any restrictions imposed by such agency. In the event the state
20 or local licensing authority considers the applicant's criminal history
21 record, the state or local licensing authority shall also consider any
22 information provided by the applicant regarding such criminal history
23 record, including but not limited to evidence of rehabilitation, character
24 references, and educational achievements, especially those items
25 pertaining to the period of time between the applicant's last criminal
26 conviction and the consideration of the application for a state license.

27 (b) As used in ~~subsection (2)(a)~~ SUBSECTION (4)(a) of this section,

1 "criminal justice agency" means any federal, state, or municipal court or
2 any governmental agency or subunit of such agency that administers
3 criminal justice pursuant to a statute or executive order and that allocates
4 a substantial part of its annual budget to the administration of criminal
5 justice.

6 (c) At the time of filing an application for issuance or renewal of
7 a state medical marijuana ~~center~~ BUSINESS license ~~medical~~
8 ~~marijuana-infused product manufacturer license, or optional premises~~
9 ~~cultivation~~ OR RETAIL MARIJUANA BUSINESS license, an applicant shall
10 submit a set of his or her fingerprints and file personal history information
11 concerning the applicant's qualifications for a state license on forms
12 prepared by the state licensing authority. The state or local licensing
13 authority OR LOCAL JURISDICTION shall submit the fingerprints to the
14 Colorado bureau of investigation for the purpose of conducting
15 fingerprint-based criminal history record checks. The Colorado bureau of
16 investigation shall forward the fingerprints to the federal bureau of
17 investigation for the purpose of conducting fingerprint-based criminal
18 history record checks. The state or local licensing authority OR LOCAL
19 JURISDICTION may acquire a name-based criminal history record check for
20 an applicant or a license holder who has twice submitted to a
21 fingerprint-based criminal history record check and whose fingerprints
22 are unclassifiable. An applicant who has previously submitted
23 fingerprints for state OR LOCAL licensing purposes may request that the
24 fingerprints on file be used. The state or local licensing authority OR
25 LOCAL JURISDICTION shall use the information resulting from the
26 fingerprint-based criminal history record check to investigate and
27 determine whether an applicant is qualified to hold a state OR LOCAL

1 license pursuant to this ~~article 11~~ ARTICLE 10. The state or local licensing
2 authority OR LOCAL JURISDICTION may verify any of the information an
3 applicant is required to submit.

4 **44-10-308. [Formerly 44-11-307 and similar to**
5 **44-12-306] Business and owner requirements - legislative declaration**
6 **- definition.** (1) (a) The general assembly hereby finds and declares that:

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

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

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

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

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

22 (b) Therefore, the general assembly is providing a mechanism for
23 Colorado medical marijuana businesses AND RETAIL MARIJUANA
24 BUSINESSES to access capital from investors in other states.

25 (2) A ~~direct beneficial interest owner~~ CONTROLLING BENEFICIAL
26 OWNER OR PASSIVE BENEFICIAL OWNER who is a natural person must
27 either:

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

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

4 (3) (a) A medical marijuana business OR RETAIL MARIJUANA
5 BUSINESS may be comprised of an unlimited number of ~~direct beneficial~~
6 ~~interest owners~~ CONTROLLING BENEFICIAL OWNERS OR PASSIVE
7 BENEFICIAL OWNERS that have been residents of Colorado for at least one
8 year prior to the date of the application.

9 (b) On and after January 1, 2017, a medical marijuana business OR
10 RETAIL MARIJUANA BUSINESS that is composed of one or more ~~direct~~
11 ~~beneficial interest owners~~ CONTROLLING BENEFICIAL OWNERS OR PASSIVE
12 BENEFICIAL OWNERS who have not been Colorado residents for at least
13 one year prior to application shall have at least one officer who has been
14 a Colorado resident for at least one year prior to application, and all
15 officers with day-to-day operational control over the business must be
16 Colorado residents for at least one year prior to application. A medical
17 marijuana business OR RETAIL MARIJUANA BUSINESS under this subsection
18 (3)(b) is limited to no more than fifteen ~~direct beneficial interest owners~~
19 CONTROLLING BENEFICIAL OWNERS AND PASSIVE BENEFICIAL OWNERS,
20 including all parent and subsidiary entities, all of whom are natural
21 persons.

22 (c) Notwithstanding the requirements of subsection (3)(b) of this
23 section, the state licensing authority may review the limitation on the
24 number of ~~direct beneficial interest owners~~ CONTROLLING BENEFICIAL
25 OWNERS AND PASSIVE BENEFICIAL OWNERS and may increase the number
26 of allowable interests above fifteen based on reasonable considerations
27 such as developments in state and federal financial regulations, market

1 conditions, and the licensee's ability to access legitimate sources of
2 capital.

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

8 (4) A medical marijuana business OR RETAIL MARIJUANA BUSINESS
9 may include qualified institutional investors that own thirty percent or less
10 of the medical marijuana business OR RETAIL MARIJUANA BUSINESS.

11 (5) PRIOR TO SUBMITTING AN INITIAL APPLICATION AND AT ANY
12 TIME THEREAFTER WHEN REQUESTED BY THE STATE LICENSING AUTHORITY
13 IN ITS REASONABLE DISCRETION, A PERSON THAT IS OR INTENDS TO
14 BECOME A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
15 BUSINESS LICENSEE SHALL DISCLOSE TO THE STATE LICENSING AUTHORITY
16 A COMPLETE AND ACCURATE LIST OF THE FOLLOWING:

17 (a) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
18 MARIJUANA BUSINESS'S OFFICERS, DIRECTORS, AND AFFILIATES;

19 (b) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
20 MARIJUANA BUSINESS'S CONTROLLING BENEFICIAL OWNERS, AND IF THE
21 CONTROLLING BENEFICIAL OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS,
22 DIRECTORS, BENEFICIAL OWNERS, AND AFFILIATES OF THE CONTROLLING
23 BENEFICIAL OWNER; AND

24 (c) ALL OF THE MEDICAL MARIJUANA BUSINESS'S OR RETAIL
25 MARIJUANA BUSINESS'S PASSIVE BENEFICIAL OWNERS AND, IF THE PASSIVE
26 BENEFICIAL OWNER IS NOT AN INDIVIDUAL, ALL OFFICERS, DIRECTORS,
27 BENEFICIAL OWNERS, AND AFFILIATES OF THE PASSIVE BENEFICIAL OWNER.

1 ~~(5)~~ (6) (a) A person ~~who~~ THAT intends to apply ~~as a direct~~
2 ~~beneficial interest owner~~ TO BECOME A CONTROLLING BENEFICIAL OWNER
3 OR PASSIVE BENEFICIAL OWNER and is not a Colorado resident for at least
4 one year prior to the date of application shall first submit a request to the
5 state licensing authority for a finding of suitability. ~~as a direct beneficial~~
6 ~~interest owner. The person shall~~ FAILURE TO PROVIDE ALL REQUESTED
7 INFORMATION IN CONNECTION WITH A REQUEST FOR A FINDING OF
8 SUITABILITY IS GROUNDS FOR DENIAL OF THAT FINDING OF SUITABILITY.
9 EVERY PROPOSED CONTROLLING BENEFICIAL OWNER OR PASSIVE
10 BENEFICIAL OWNER MUST receive a finding of suitability OR AN
11 EXEMPTION FROM A FINDING OF SUITABILITY BY THE STATE LICENSING
12 AUTHORITY prior to submitting ~~an~~ A MEDICAL MARIJUANA BUSINESS OR
13 RETAIL MARIJUANA BUSINESS application to the state licensing authority.
14 ~~to be a direct beneficial interest owner.~~ Failure to receive a ~~finding~~ ALL
15 REQUIRED FINDINGS of suitability prior to application is grounds for denial
16 OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER
17 SANCTION AGAINST THE LICENSEE by the state licensing authority.

18 (b) ~~The state licensing authority shall perform a limited initial~~
19 ~~background check on qualified limited passive investors. If the initial~~
20 ~~background check provides reasonable cause for additional investigation,~~
21 ~~the state licensing authority may require a full background check~~ THE
22 STATE LICENSING AUTHORITY MAY REQUIRE ANY PERSON THAT WAS
23 DISCLOSED OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO SUBSECTION
24 (5) OF THIS SECTION TO OBTAIN A FINDING OF SUITABILITY PRIOR TO
25 SUBMISSION OF A MEDICAL MARIJUANA BUSINESS OR RETAIL MARIJUANA
26 BUSINESS APPLICATION. FAILURE TO PROVIDE ANY INFORMATION
27 REQUESTED IN CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS

1 FOR DENIAL OF THAT REQUEST FOR A FINDING OF SUITABILITY. ALL
2 INDIVIDUALS WHO ARE NOT COLORADO RESIDENTS FOR AT LEAST ONE
3 YEAR PRIOR TO THE DATE OF APPLICATION SHALL OBTAIN ANY REQUIRED
4 FINDING OF SUITABILITY PRIOR TO SUBMITTING A MEDICAL MARIJUANA
5 BUSINESS OR RETAIL MARIJUANA BUSINESS APPLICATION TO THE STATE
6 LICENSING AUTHORITY. FAILURE OF A PERSON TO OBTAIN ANY REQUIRED
7 FINDING OF SUITABILITY PRIOR TO APPLICATION IS GROUNDS FOR DENIAL
8 OF AN APPLICATION OR FOR SUSPENSION, REVOCATION, OR OTHER
9 SANCTION AGAINST THE LICENSEE BY THE STATE LICENSING AUTHORITY.

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

13 (7) IN ITS REASONABLE DISCRETION, AT ANY TIME, THE STATE
14 LICENSING AUTHORITY MAY REQUIRE ANY PERSON THAT WAS DISCLOSED
15 OR SHOULD HAVE BEEN DISCLOSED PURSUANT TO THIS SECTION TO OBTAIN
16 A FINDING OF SUITABILITY. FAILURE TO PROVIDE ANY INFORMATION
17 REQUESTED IN CONNECTION WITH A FINDING OF SUITABILITY IS GROUNDS
18 FOR DENIAL OF THAT REQUEST FOR A FINDING OF SUITABILITY. FAILURE OF
19 A PERSON TO OBTAIN ANY REQUIRED FINDING OF SUITABILITY MAY BE
20 GROUNDS FOR DENIAL OF AN APPLICATION OR FOR SUSPENSION,
21 REVOCATION, OR OTHER SANCTION AGAINST THE LICENSE BY THE STATE
22 LICENSING AUTHORITY.

23 (8) A PERSON, OTHER THAN AN INDIVIDUAL, THAT IS A
24 CONTROLLING BENEFICIAL OWNER SHALL APPOINT AND CONTINUOUSLY
25 MAINTAIN A REGISTERED AGENT THAT SATISFIES THE REQUIREMENTS OF
26 SECTION 7-90-701. THE MEDICAL MARIJUANA BUSINESS OR RETAIL
27 MARIJUANA BUSINESS SHALL INFORM THE STATE LICENSING AUTHORITY OF

1 A CHANGE IN THE REGISTERED AGENT WITHIN TEN DAYS AFTER THE
2 CHANGE.

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

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

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

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

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

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

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

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

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

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

25 **44-10-309. [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 **44-10-310. [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 44-10-311 (13).

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

17 **44-10-311. [Formerly 44-11-310 and similar to**
18 **44-12-309] Licensing in general.** (1) (a) This ~~article 11~~ ARTICLE 10
19 authorizes a county, municipality, or city and county to prohibit the
20 operation of ~~medical marijuana centers, optional premises cultivation~~
21 ~~operations, and medical marijuana-infused products manufacturers'~~
22 ~~licenses~~ A MEDICAL MARIJUANA BUSINESS and to enact reasonable
23 regulations or other restrictions applicable to medical marijuana ~~centers,~~
24 ~~optional premises cultivation licenses, and medical marijuana-infused~~
25 ~~products manufacturers' licenses~~ BUSINESSES based on local government
26 zoning, health, safety, and public welfare laws for the distribution of
27 medical marijuana that are more restrictive than this ~~article 11~~ ARTICLE

1 10.

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

6 (2) (a) A medical marijuana ~~center, optional premises cultivation~~
7 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
8 may not operate until it has been licensed by the local licensing authority
9 and the state licensing authority pursuant to this ~~article 11~~ ARTICLE 10. If
10 the state licensing authority issues the applicant a state license and the
11 local licensing authority subsequently denies the applicant a license, the
12 state licensing authority shall consider the local licensing authority denial
13 as a basis for the revocation of the state-issued license. In connection with
14 a license, the applicant shall provide a complete and accurate list of all
15 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL owners, ~~officers,~~
16 and employees who manage, own, or are otherwise substantially
17 associated with the operation and shall provide a complete and accurate
18 application 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 shall notify the state licensing authority in writing within ten days after ~~an~~
3 A CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER,
4 or manager ceases to work at, manage, own, or otherwise be associated
5 with the operation. The CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
6 BENEFICIAL OWNER, or manager shall surrender to the state licensing
7 authority any identification card that may have been issued by the state
8 licensing authority on or before the date of the notification.

9 (4) A medical marijuana ~~center, optional premises cultivation~~
10 ~~operation, or medical marijuana-infused products manufacturer~~ BUSINESS
11 OR RETAIL MARIJUANA BUSINESS shall notify the state licensing authority
12 in writing of the name, address, and date of birth of ~~an~~ A CONTROLLING
13 BENEFICIAL owner, ~~officer~~ PASSIVE BENEFICIAL OWNER, or manager
14 before the new CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
15 BENEFICIAL OWNER, or manager begins managing ~~owning~~, or associating
16 with the operation. Any CONTROLLING BENEFICIAL owner, ~~officer~~ PASSIVE
17 BENEFICIAL OWNER, manager, or employee ~~shall~~ MUST pass a
18 fingerprint-based criminal history record check as required by the state
19 licensing authority and obtain the required identification prior to being
20 associated with, managing, owning, or working at the operation.

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

26 (b) A RETAIL MARIJUANA BUSINESS SHALL NOT ACQUIRE, POSSESS,
27 CULTIVATE, DELIVER, TRANSFER, TRANSPORT, SUPPLY, OR DISPENSE

1 MARIJUANA FOR ANY PURPOSE EXCEPT AS AUTHORIZED BY SECTION 16 OF
2 ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE 10.

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

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

17 (7) Before granting a local or state license, the respective
18 licensing authority may consider, except where this ~~article~~ ~~or~~ ARTICLE 10
19 specifically provides otherwise, the requirements of this ~~article~~ ~~or~~
20 ARTICLE 10 and any rules promulgated pursuant to this ~~article~~ ~~or~~ ARTICLE
21 10, and all other reasonable restrictions that are or may be placed upon
22 the licensee by the licensing authority. With respect to a second or
23 additional license for the same MEDICAL MARIJUANA BUSINESS licensee
24 or the same owner of another licensed MEDICAL MARIJUANA business
25 pursuant to this ~~article~~ ~~or~~ ARTICLE 10, each licensing authority shall
26 consider the effect on competition of granting or denying the additional
27 licenses to such licensee and shall not approve an application for a second

1 or additional license that would have the effect of restraining competition.

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

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

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

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

25 (10) In computing any period of time prescribed by this ~~article 11~~
26 ARTICLE 10, the day of the act, event, or default from which the
27 designated period of time begins to run ~~shall~~ IS not be included.

1 Saturdays, Sundays, and legal holidays ~~shall be~~ ARE counted as any other
2 day.

3 (11) (a) A MEDICAL MARIJUANA BUSINESS licensee shall report
4 each transfer or change of financial interest in the license to the state and
5 local licensing authorities thirty days prior to any transfer or change
6 pursuant to ~~section 44-11-309~~ SECTION 44-10-310. A report ~~shall be~~ IS
7 required for transfers of capital stock of any corporation regardless of
8 size.

9 (b) A RETAIL MARIJUANA BUSINESS LICENSEE SHALL REPORT EACH
10 TRANSFER OR CHANGE OF FINANCIAL INTEREST IN THE LICENSE TO THE
11 STATE AND LOCAL LICENSING AUTHORITIES AND RECEIVE APPROVAL PRIOR
12 TO ANY TRANSFER OR CHANGE PURSUANT TO SECTION 44-10-310. A
13 REPORT IS REQUIRED FOR TRANSFERS OF CAPITAL STOCK OF ANY
14 CORPORATION REGARDLESS OF SIZE.

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

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

1 restrictions on change of location.

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

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

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

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

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

27 (D) OPERATION AT BOTH GEOGRAPHICAL LOCATIONS DOES NOT

1 EXCEED ONE HUNDRED EIGHTY DAYS, UNLESS FOR GOOD CAUSE SHOWN,
2 THE ONE-HUNDRED-EIGHTY-DAY DEADLINE MAY BE EXTENDED FOR AN
3 ADDITIONAL ONE HUNDRED TWENTY DAYS; AND

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

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

21 **44-10-312. License renewal.** (1) [Formerly 44-11-311
22 (1)] Ninety days prior to the expiration date of an existing MEDICAL
23 MARIJUANA BUSINESS OR RETAIL MARIJUANA BUSINESS license, the state
24 licensing authority shall notify the licensee of the expiration date by
25 first-class mail at the licensee's address of record with the state licensing
26 authority. A licensee shall MUST apply for the renewal of an existing
27 license to the local licensing authority ~~not less than forty-five days and to~~

1 ~~the state licensing authority not less than thirty days prior to the date of~~
2 ~~expiration. A local licensing authority shall not accept an application for~~
3 ~~renewal of a license after the date of expiration, except as provided in~~
4 ~~subsection (3) of this section. The state licensing authority may extend the~~
5 ~~expiration date of the license and accept a late application for renewal of~~
6 ~~a license provided that the applicant has filed a timely renewal application~~
7 ~~with the local licensing authority. All renewals filed with the local~~
8 ~~licensing authority and subsequently approved by the local licensing~~
9 ~~authority shall next be processed by the state licensing authority. The state~~
10 ~~licensing authority may administratively continue the license and accept~~
11 ~~a later application for renewal of a license at the discretion of the state~~
12 ~~licensing authority~~ WITHIN THE TIME FRAME REQUIRED BY LOCAL
13 ORDINANCE OR REGULATION AND TO THE STATE LICENSING AUTHORITY
14 PRIOR TO THE EXPIRATION OF THE LICENSE. THE LICENSEE SHALL PROVIDE
15 THE STATE LICENSING AUTHORITY WITH INFORMATION ESTABLISHING THAT
16 THE APPLICATION COMPLIES WITH ALL LOCAL REQUIREMENTS FOR THE
17 RENEWAL OF A LICENSE. IF A LICENSEE SUBMITS A TIMELY AND SUFFICIENT
18 RENEWAL APPLICATION, THE LICENSEE MAY CONTINUE TO OPERATE UNTIL
19 THE APPLICATION IS FINALLY ACTED UPON BY THE STATE LICENSING
20 AUTHORITY. The local licensing authority may hold a hearing on the
21 application for renewal OF A MEDICAL MARIJUANA BUSINESS LICENSE only
22 if the licensee has had complaints filed against it, has a history of
23 violations, or there are allegations against the licensee that would
24 constitute good cause. The local licensing authority shall not hold a
25 renewal hearing provided for by this subsection (1) for a medical
26 marijuana center STORE until it has posted a notice of hearing on the
27 licensed medical marijuana center STORE premises in the manner

1 described in ~~section 44-11-302. (2)~~ SECTION 44-10-303 (2) for a period of
2 ten days and provided notice to the applicant at least ten days prior to the
3 hearing. The local licensing authority may refuse to renew any license for
4 good cause, subject to judicial review.

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

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

27 **44-10-313. [Formerly 44-11-312 and similar to**

1 **44-12-311] Inactive licenses.** The state or local licensing authority, in its
2 discretion, may revoke or elect not to renew any license if it determines
3 that the licensed premises have been inactive, without good cause, for at
4 least one year.

5 **44-10-314. [Formerly 44-11-313 and similar to**
6 **44-12-312] Unlawful financial assistance.** (1) The state licensing
7 authority, by rule, shall require a complete disclosure of all persons
8 ~~having a direct or indirect financial interest, and the extent of such~~
9 ~~interest, in each license issued under this article~~ **11** THAT ARE
10 CONTROLLING BENEFICIAL OWNERS, PASSIVE BENEFICIAL OWNERS, AND
11 INDIRECT FINANCIAL INTEREST HOLDERS OF THE MEDICAL MARIJUANA
12 BUSINESS OR RETAIL MARIJUANA BUSINESS.

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

21 ~~(3)~~ (2) This section is intended to prohibit and prevent the control
22 of the outlets for the sale of ~~medical~~ REGULATED marijuana AND
23 REGULATED MARIJUANA PRODUCTS by a person or party other than the
24 persons licensed pursuant to the provisions of this ~~article~~ **11** ARTICLE 10.

25 PART 4

26 LICENSE TYPES

27 **44-10-401. [Formerly 44-11-401 and similar to**

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

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

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

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

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

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

15 (e) ~~Occupational licenses and registrations for owners, managers,~~
16 ~~operators, employees, contractors, and other support staff employed by,~~
17 ~~working in, or having access to restricted areas of the licensed premises,~~
18 ~~as determined by the state licensing authority. Upon receipt of an~~
19 ~~affirmation under penalty of perjury that the applicant is enrolled in a~~
20 ~~marijuana-based workforce development or training program operated by~~
21 ~~an entity licensed under this article 11 or by a school that is authorized by~~
22 ~~the private occupational school division in Colorado that will require~~
23 ~~access or employment within a premises licensed pursuant to this article~~
24 ~~11 or article 12 of this title 44, the state licensing authority may exempt~~
25 ~~for up to two years based on the length of the program the residency~~
26 ~~requirement in section 44-11-310 (6) for a person applying for an~~
27 ~~occupational license for participation in a marijuana-based workforce~~

1 development or training program. The state licensing authority may take
2 any action with respect to a registration pursuant to this article 11 as it
3 may with respect to a license pursuant to this article 11, in accordance
4 with the procedures established pursuant to this article 11.

- 5 (f) (V) Medical marijuana transporter license;
- 6 (g) (VI) Medical marijuana business operator license; AND
- 7 (h) (VII) Marijuana research and development license. and
- 8 (i) ~~Marijuana research and development cultivation license.~~

- 9 (b) THE FOLLOWING ARE RETAIL MARIJUANA LICENSES:
- 10 (I) RETAIL MARIJUANA STORE LICENSE;
 - 11 (II) RETAIL MARIJUANA CULTIVATION FACILITY LICENSE;
 - 12 (III) RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSE;
 - 13 (IV) RETAIL MARIJUANA TESTING FACILITY LICENSE;
 - 14 (V) RETAIL MARIJUANA TRANSPORTER LICENSE;
 - 15 (VI) RETAIL MARIJUANA BUSINESS OPERATOR LICENSE;
 - 16 (VII) RETAIL MARIJUANA ACCELERATOR CULTIVATOR LICENSE;

17 AND

18 (VIII) RETAIL MARIJUANA ACCELERATOR MANUFACTURER

19 LICENSE;

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

1 SCHOOL THAT IS AUTHORIZED BY THE PRIVATE OCCUPATIONAL SCHOOL
2 DIVISION IN COLORADO THAT WILL REQUIRE ACCESS OR EMPLOYMENT
3 WITHIN A PREMISES LICENSED PURSUANT TO THIS ARTICLE 10, THE STATE
4 LICENSING AUTHORITY MAY EXEMPT FOR UP TO TWO YEARS BASED ON THE
5 LENGTH OF THE PROGRAM THE RESIDENCY REQUIREMENT IN SECTION
6 44-10-311 (6) FOR A PERSON APPLYING FOR AN OCCUPATIONAL LICENSE
7 FOR PARTICIPATION IN A MARIJUANA-BASED WORKFORCE DEVELOPMENT
8 OR TRAINING PROGRAM. THE STATE LICENSING AUTHORITY MAY TAKE ANY
9 ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS ARTICLE 10
10 AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS ARTICLE 10, IN
11 ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT TO THIS
12 ARTICLE 10.

13 ~~(1.5)~~ (3) (a) Prior to accepting a court appointment as a receiver,
14 personal representative, executor, administrator, guardian, conservator,
15 trustee, or any other similarly situated person to take possession of,
16 operate, manage, or control a licensed medical marijuana business, the
17 proposed appointee shall certify to the court that the proposed appointee
18 is not prohibited from being issued a medical marijuana license pursuant
19 to ~~section 44-11-306 (1)~~ SECTION 44-10-307 (1). Within the time frame
20 established by rules promulgated by the state licensing authority pursuant
21 to ~~section 44-11-202 (2)(a)(XXVII)~~ SECTION 44-10-203 (2)(q), an
22 appointee shall notify the state and local licensing authorities of the
23 appointment and shall apply to the state licensing authority for a finding
24 of suitability.

25 (b) Upon notification of an appointment required by ~~subsection~~
26 ~~(1.5)(a)~~ SUBSECTION (3)(a) of this section, the state licensing authority
27 shall issue a temporary appointee registration to the appointee effective

1 as of the date of the appointment. Pursuant to ~~sections 44-11-202 (1)(a),~~
2 ~~44-11-601, and 24-4-104~~ SECTIONS 24-4-104, 44-10-202 (1)(b), AND
3 44-10-901, the appointee's temporary appointee registration may be
4 suspended, revoked, or subject to other sanction if the state licensing
5 authority finds the appointee to be unsuitable or if the appointee fails to
6 comply with this ~~article 11 or article 12 of this title 44~~ ARTICLE 10, the
7 rules promulgated pursuant thereto, or any order of the state licensing
8 authority. If an appointee's temporary appointee registration is suspended
9 or revoked, the appointee shall immediately cease performing all
10 activities for which a license is required by this ~~article 11~~ ARTICLE 10. For
11 purposes of ~~section 44-11-601 (1)~~ SECTION 44-10-901 (1), the appointee
12 is deemed an agent of the licensed medical marijuana business.

13 (c) The appointee shall inform the court of any action taken
14 against the temporary appointee registration by the state licensing
15 authority pursuant to ~~section 44-11-601 or 24-4-104~~ SECTION 24-4-104 OR
16 44-10-901 within two business days of any such action.

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

23 ~~(2)~~ (4) All persons licensed pursuant to this ~~article 11~~ ARTICLE 10
24 shall collect sales tax on all sales made pursuant to the licensing
25 activities.

26 ~~(3)~~ (5) A state chartered bank or a credit union may loan money
27 to any person licensed pursuant to this ~~article 11~~ ARTICLE 10 for the

1 operation of a licensed MEDICAL OR RETAIL MARIJUANA business. A
2 marijuana financial services cooperative organized pursuant to article 33
3 of title 11 may accept as a member, loan money to, and accept deposits
4 from any entity licensed pursuant to this ~~article 11~~ ARTICLE 10 for the
5 operation of a licensed MEDICAL OR RETAIL MARIJUANA business.

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

10 PART 5

11 MEDICAL MARIJUANA LICENSE TYPES

12 **44-10-501. [Formerly 44-11-402] Medical marijuana store**
13 **license.** (1) (a) A medical marijuana ~~center~~ STORE license ~~shall~~ MAY be
14 issued only to a person selling medical marijuana pursuant to the terms
15 and conditions of this ~~article 11~~ ARTICLE 10.

16 (b) The medical marijuana ~~center~~ STORE shall track all of its
17 medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products
18 from the point that they are transferred from a ~~medical marijuana optional~~
19 ~~premises cultivation facility~~ MEDICAL MARIJUANA CULTIVATION FACILITY
20 or medical ~~marijuana-infused~~ MARIJUANA products manufacturer to the
21 point of sale.

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

- 26 (I) That the product contains medical marijuana;
- 27 (II) That the product is manufactured without any regulatory

1 oversight for health, safety, or efficacy; and

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

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

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

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

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

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

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

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

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

1 LICENSING AUTHORITY SHALL REPORT TO THE DEPARTMENT OF PUBLIC
2 HEALTH AND ENVIRONMENT ANY INVESTIGATIONS OR FINDINGS OF
3 VIOLATIONS OF THIS SECTION BY A PERSON REGISTERED PURSUANT TO
4 SECTION 25-5-426.

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

7 ~~(4) Repealed.~~

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

1 ~~receipt~~ PROOF OF SUBMITTAL, if possible, and shall, within seventy-two
2 hours after the confiscation, turn it over to the department of public health
3 and environment or a local law enforcement agency. The failure to
4 confiscate the copy of the application and document of ~~the certified mail~~
5 ~~return receipt~~ PROOF OF SUBMITTAL or to turn it over to the state health
6 department or a state or local law enforcement agency within seventy-two
7 hours after the confiscation ~~shall not constitute~~ IS NOT a criminal offense.

8 ~~(6)~~ (5) Transactions for the sale of medical marijuana or a medical
9 ~~marijuana-infused~~ MARIJUANA product at a medical marijuana ~~center~~
10 STORE may be completed by using an automated machine that is in a
11 restricted access area of the ~~center~~ STORE if the machine complies with
12 the rules promulgated by the state licensing authority regarding the
13 transaction of sale of product at a medical marijuana ~~center~~ STORE and the
14 transaction complies with ~~subsection (5)~~ SUBSECTION (4) of this section.

15 ~~(7)~~ (6) A medical marijuana ~~center~~ STORE may provide, except as
16 required by ~~section 44-11-202 (3)(a)(f)~~ SECTION 44-10-203 (2)(d), a
17 sample of its products to a facility that has a medical marijuana testing
18 facility license from the state licensing authority for testing and research
19 purposes. A medical marijuana ~~center~~ STORE shall maintain a record of
20 what was provided to the testing facility, the identity of the testing
21 facility, and the results of the testing.

22 ~~(8)~~ (7) All medical marijuana sold at a licensed medical marijuana
23 ~~center shall be labeled with a list of all chemical additives, including but~~
24 ~~not limited to nonorganic pesticides, herbicides, and fertilizers, that were~~
25 ~~used in the cultivation and the production of the medical marijuana.~~

26 ~~(9)~~ (8) A licensed medical marijuana ~~center~~ STORE shall comply
27 with all provisions of article 34 of title 24, as the provisions relate to

1 persons with disabilities.

2 ~~(10)~~ (9) Notwithstanding the provisions of ~~section 44-11-901~~
3 ~~(4)(f)~~ SECTION 44-10-701 (3)(g), a medical marijuana ~~center~~ STORE may
4 sell below cost or donate to a patient who has been designated indigent
5 by the state health agency or who is in hospice care:

6 (a) Medical marijuana; or

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

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

13 **44-10-502. [Formerly 44-11-403] Medical marijuana**
14 **cultivation facility license - rules - definitions.** (1) ~~An optional~~
15 ~~premises cultivation facility license~~ A MEDICAL MARIJUANA CULTIVATION
16 FACILITY may be issued only to a person who cultivates medical
17 marijuana for sale and distribution to licensed medical marijuana ~~centers~~
18 STORES, medical ~~marijuana-infused~~ MARIJUANA products manufacturer
19 licensees, or other ~~optional premises cultivation facilities~~ MEDICAL
20 MARIJUANA CULTIVATION FACILITIES.

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

24 (3) ~~An optional premises cultivation facility~~ A MEDICAL
25 MARIJUANA CULTIVATION FACILITY may provide, except as required by
26 ~~section 44-11-202 (3)(a)(f)~~ SECTION 44-10-203 (2)(d), a sample of its
27 products to a facility that has a MEDICAL marijuana testing facility license

1 from the state licensing authority for testing and research purposes. ~~An~~
2 ~~optional premises cultivation facility~~ A MEDICAL MARIJUANA
3 CULTIVATION FACILITY shall maintain a record of what was provided to
4 the testing facility, the identity of the testing facility, and the testing
5 results.

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

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

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

20 (c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (5)(a) OF
21 THIS SECTION IS LIMITED TO ONE GRAM OF MEDICAL MARIJUANA PER
22 BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING
23 AUTHORITY AND ONE-QUARTER GRAM OF A MEDICAL MARIJUANA
24 CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE
25 STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM
26 OF MEDICAL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE
27 FINAL MEDICAL MARIJUANA PRODUCT IS TO BE USED IN A DEVICE THAT

1 CAN DELIVER MEDICAL MARIJUANA CONCENTRATE IN A VAPORIZED FORM
2 TO THE PERSON INHALING FROM THE DEVICE.

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

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

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

23 (g) A MANAGER SHALL NOT:

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

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

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

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

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

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

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

20 (6) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A
21 CENTRALIZED DISTRIBUTION PERMIT TO A MEDICAL MARIJUANA
22 CULTIVATION FACILITY AUTHORIZING TEMPORARY STORAGE ON ITS
23 LICENSED PREMISES OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL
24 MARIJUANA PRODUCTS RECEIVED FROM A MEDICAL MARIJUANA PRODUCTS
25 MANUFACTURER FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT
26 HOLDER'S COMMONLY OWNED MEDICAL MARIJUANA STORES. PRIOR TO
27 EXERCISING THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT, A

1 MEDICAL MARIJUANA CULTIVATION FACILITY LICENSED PURSUANT TO THIS
2 SECTION SHALL, AT THE TIME OF APPLICATION TO THE STATE LICENSING
3 AUTHORITY, SEND A COPY OF THE APPLICATION OR SUPPLEMENTAL
4 APPLICATION FOR A CENTRALIZED DISTRIBUTION PERMIT TO THE LOCAL
5 LICENSING AUTHORITY IN THE JURISDICTION IN WHICH THE CENTRALIZED
6 DISTRIBUTION PERMIT IS PROPOSED. THE STATE LICENSING AUTHORITY
7 SHALL NOTIFY THE LOCAL LICENSING AUTHORITY OF ITS DECISION
8 REGARDING THE CENTRALIZED DISTRIBUTION PERMIT.

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

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

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

1 PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT
2 CONSIDERATION.

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

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

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

18 **44-10-503. [Formerly 44-11-404] Medical marijuana products**
19 **manufacturer license - rules - definition.** (1) (a) A medical
20 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
21 license may be issued to a person ~~who~~ THAT manufactures medical
22 ~~marijuana-infused~~ MARIJUANA products, pursuant to the terms and
23 conditions of this ~~article~~ ~~11~~ ARTICLE 10.

24 (b) A medical ~~marijuana-infused~~ MARIJUANA products
25 manufacturer may cultivate its own medical marijuana if it obtains a
26 ~~medical marijuana optional premises cultivation facility~~ MEDICAL
27 MARIJUANA CULTIVATION FACILITY license, it may purchase medical

1 marijuana from a medical marijuana ~~center~~ STORE pursuant to subsection
2 (3) of this section, it may purchase medical marijuana from ~~an optional~~
3 ~~premises cultivation facility~~ A MEDICAL MARIJUANA CULTIVATION
4 FACILITY licensee, or it may purchase medical marijuana from another
5 medical ~~marijuana-infused~~ MARIJUANA products manufacturer. A medical
6 ~~marijuana-infused~~ MARIJUANA products manufacturer shall track all of its
7 medical marijuana from the point it is either transferred from its ~~medical~~
8 ~~marijuana optional premises cultivation facility~~ MEDICAL MARIJUANA
9 CULTIVATION FACILITY or the point when it is delivered to the medical
10 ~~marijuana-infused~~ MARIJUANA products manufacturer from a medical
11 marijuana ~~center~~, a ~~medical marijuana optional premises cultivation~~
12 ~~facility~~ STORE, MEDICAL MARIJUANA CULTIVATION FACILITY licensee, OR
13 a medical ~~marijuana-infused~~ MARIJUANA products manufacturer ~~or one of~~
14 ~~their medical marijuana optional premises cultivation facilities~~ to the
15 point of transfer to a medical marijuana ~~center~~ STORE or a medical
16 ~~marijuana-infused~~ MARIJUANA products manufacturer OR A MEDICAL
17 MARIJUANA CULTIVATION FACILITY THAT HAS OBTAINED A CENTRALIZED
18 DISTRIBUTION PERMIT.

19 (2) Medical ~~marijuana-infused~~ MARIJUANA products ~~shall~~ MUST
20 be prepared on a licensed premises that is used exclusively for the
21 manufacture and preparation of medical ~~marijuana-infused~~ MARIJUANA
22 products and using equipment that is used exclusively for the manufacture
23 and preparation of medical ~~marijuana-infused~~ MARIJUANA products;
24 except that, subject to rules of the state licensing authority, a medical
25 ~~marijuana-infused~~ MARIJUANA products ~~manufacturing~~ MANUFACTURER
26 licensee may share the same premises as a commonly owned marijuana
27 research and development licensee ~~or marijuana research and~~

1 ~~development cultivation licensee~~ so long as virtual or physical separation
2 of inventory and research activity is maintained.

3 (3) A medical ~~marijuana-infused~~ MARIJUANA products
4 manufacturer shall have a written agreement or contract with a medical
5 marijuana ~~center~~ STORE or a medical ~~marijuana-infused~~ MARIJUANA
6 products manufacturer, which contract ~~shall~~ MUST at a minimum set forth
7 the total amount of medical marijuana obtained from the medical
8 marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA
9 products manufacturer to be used in the manufacturing process, and the
10 total amount of medical ~~marijuana-infused~~ MARIJUANA products to be
11 manufactured from the medical marijuana obtained from the medical
12 marijuana ~~center~~ STORE or the medical ~~marijuana-infused~~ MARIJUANA
13 products manufacturer. A medical marijuana-infused products
14 manufacturer shall not use medical marijuana from more than five
15 different medical marijuana centers or medical marijuana-infused
16 products manufacturers in total in the production of one medical
17 marijuana-infused product. The medical ~~marijuana-infused~~ MARIJUANA
18 products manufacturer may sell its products to any medical marijuana
19 ~~center~~ STORE or to any medical ~~marijuana-infused~~ MARIJUANA products
20 manufacturer.

21 (4) All licensed premises on which medical ~~marijuana-infused~~
22 MARIJUANA products are manufactured ~~shall~~ MUST meet the sanitary
23 standards for medical ~~marijuana-infused~~ MARIJUANA product preparation
24 promulgated pursuant to ~~section 44-11-202 (2)(a)(XII)~~ SECTION
25 44-10-203 (2)(i).

26 (5) (a) The medical ~~marijuana-infused~~ MARIJUANA product ~~shall~~
27 MUST be sealed and conspicuously labeled in compliance with this ~~article~~

1 ~~ARTICLE 10~~ and any rules promulgated pursuant to this ~~article~~
2 ARTICLE 10. The labeling of medical ~~marijuana-infused~~ MARIJUANA
3 products is a matter of statewide concern.

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

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

27 (6) MEDICAL MARIJUANA OR medical ~~marijuana-infused~~

1 MARIJUANA products may not be consumed on a premises licensed
2 pursuant to this ~~article 11~~ ARTICLE 10.

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

6 ~~(8) Repealed.~~

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

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

16 ~~(I) The nature of the products manufactured;~~

17 ~~(II) The business need;~~

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

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

22 ~~(10)~~ (8) A medical ~~marijuana-infused~~ MARIJUANA products
23 manufacturer may provide, except as required by ~~section 44-11-202~~
24 ~~(3)(a)(I)~~ SECTION 44-10-203 (2)(d), a sample of its products to a facility
25 that has a medical marijuana testing facility license from the state
26 licensing authority for testing and research purposes. A medical
27 marijuana products manufacturer shall maintain a record of what was

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

3 ~~(11)~~ (9) A medical ~~marijuana-infused~~ MARIJUANA products
4 manufacturer shall not:

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

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

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

21 ~~(12)~~ (10) (a) A medical ~~marijuana-infused~~ MARIJUANA products
22 ~~manufacturing~~ MANUFACTURER licensee may provide a medical marijuana
23 concentrate and a medical ~~marijuana-infused~~ MARIJUANA product sample
24 to no more than five managers employed by the licensee for purposes of
25 quality control and product development. A medical ~~marijuana-infused~~
26 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee may
27 designate no more than five managers per calendar month as recipients

1 of quality control and product development samples authorized pursuant
2 to this ~~subsection (12)(a)~~ SUBSECTION (10)(a).

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

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

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

21 (e) A sample provided pursuant to ~~subsection (12)(a)~~ SUBSECTION
22 (10)(a) of this section must be tracked with the seed-to-sale tracking
23 system. Prior to a manager receiving a sample, a manager must be
24 designated in the seed-to-sale tracking system as a recipient of quality
25 control and product development samples. A manager receiving a sample
26 must make a voluntary decision to be tracked in the seed-to-sale tracking
27 system and is not a consumer pursuant to section 16 (5)(c) of article

1 XVIII of the state constitution. The medical ~~marijuana-infused~~
2 MARIJUANA products ~~manufacturing~~ MANUFACTURER licensee shall
3 maintain documentation of all samples and shall make the documentation
4 available to the state licensing authority.

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

11 (g) A manager shall not:

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

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

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

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

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

24 (i) The state licensing authority may establish additional inventory
25 tracking and record keeping, including additional reporting required for
26 implementation. The medical ~~marijuana-infused~~ MARIJUANA products
27 ~~manufacturing~~ MANUFACTURER licensee shall maintain the information

1 required by this ~~subsection (12)(i)~~ SUBSECTION (10)(i) on the licensed
2 premises for inspection by the state and local licensing authorities.

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

9 **44-10-504. [Formerly 44-11-405] Medical marijuana testing**
10 **facility license - rules.** (1) (a) A medical marijuana testing facility
11 license may be issued to a person who performs testing and research on
12 medical marijuana, INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART
13 4 OF ARTICLE 5 OF TITLE 25, for medical marijuana licensees, medical
14 marijuana and medical ~~marijuana-infused~~ MARIJUANA products for
15 marijuana and research development licensees, ~~and marijuana research~~
16 ~~and development cultivation licensees~~, and marijuana or
17 ~~marijuana-infused~~ MARIJUANA products grown or produced by a
18 registered patient or registered primary caregiver on behalf of a registered
19 patient, upon verification of registration pursuant to section 25-1.5-106
20 (7)(e) and verification that the patient is a participant in a clinical or
21 observational study conducted by a marijuana research and development
22 licensee, AND INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF
23 ARTICLE 5 OF TITLE 25. ~~or marijuana research and development cultivation~~
24 ~~licensee~~. The facility may develop and test medical marijuana products.

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

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

7 (3) A person who has an interest in a medical marijuana testing
8 facility license from the state licensing authority for testing purposes shall
9 not have any interest in a licensed medical marijuana ~~center~~ STORE, a
10 licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA
11 CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA
12 products manufacturer, a licensed retail marijuana store, a licensed retail
13 marijuana cultivation facility, or a licensed retail marijuana products
14 manufacturer. A person that has an interest in a licensed medical
15 marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation~~
16 ~~operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed
17 medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed
18 retail marijuana store, a licensed retail marijuana cultivation facility, or
19 a licensed retail marijuana products manufacturer shall not have an
20 interest in a facility that has a medical marijuana testing facility license.

21 **44-10-505. [Formerly 44-11-406] Medical marijuana**
22 **transporter license.** (1) (a) A medical marijuana transporter license may
23 be issued to a person to provide logistics, distribution, and storage of
24 medical marijuana and medical ~~marijuana-infused~~ MARIJUANA products.
25 Notwithstanding any other provisions of law, a medical marijuana
26 transporter license is valid for two years but cannot be transferred with a
27 change of ownership. A licensed medical marijuana transporter is

1 responsible for the medical marijuana and medical ~~marijuana-infused~~
2 MARIJUANA products once it takes control of the product.

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

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

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

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

26 (4) A medical marijuana transporter licensee may:

27 (a) Maintain and operate one or more warehouses in the state to

1 handle medical marijuana and medical ~~marijuana-infused~~ MARIJUANA
2 products; and

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

6 **44-10-506. [Formerly 44-11-407] Medical marijuana business**
7 **operator license.** A medical marijuana business operator license may be
8 issued to an entity or person who operates a medical marijuana
9 ~~establishment~~ BUSINESS licensed pursuant to this ~~article 11~~ ARTICLE 10,
10 for an owner licensed pursuant to this ~~article 11~~ ARTICLE 10, and who may
11 receive a portion of the profits as compensation.

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

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

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

27 (a) To test chemical potency and composition levels;

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

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

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

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

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

18 (b) If the research will be conducted with a public institution or
19 public money, the scientific advisory council established in section
20 25-1.5-106.5 (3) shall review an applicant's research project to determine
21 that it meets the requirements of subsection (2) of this section and to
22 assess the following:

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

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

27 (III) Whether the amount of marijuana to be grown by the

1 applicant is consistent with the project's scope and goals.

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

6 (4) A marijuana research and development ~~cultivation~~ licensee
7 may only transfer, by sale or donation, marijuana grown within its
8 operation to other marijuana research and development licensees. ~~or~~
9 ~~marijuana research and development cultivation licensees~~. The state
10 licensing authority may ~~revoke~~ IMPOSE SANCTIONS ON a marijuana
11 research and development ~~cultivation~~ license for violations of this
12 subsection (4) and any other violation of this ~~article~~ ~~11~~ ARTICLE 10.

13 (5) A marijuana research and development licensee ~~or marijuana~~
14 ~~research and development cultivation licensee~~ may contract to perform
15 research in conjunction with a public higher education research institution
16 or another marijuana research and development licensee. ~~or marijuana~~
17 ~~research and development cultivation licensee~~.

18 (6) The growing, cultivating, possessing, or transferring, by sale
19 or donation, of marijuana in accordance with this section and the rules
20 adopted pursuant to it, by a marijuana research and development licensee,
21 ~~or marijuana research and development cultivation licensee~~, is not a
22 criminal or civil offense under state law. A marijuana research and
23 development license ~~or marijuana research and development cultivation~~
24 ~~license~~ must be issued in the name of the applicant and must specify the
25 location in Colorado at which the marijuana research and development
26 licensee ~~or marijuana research and development cultivation licensee~~
27 intends to operate. A marijuana research and development licensee ~~or~~

1 ~~marijuana research and development cultivation licensee~~ shall not allow
2 any other person to exercise the privilege of the license.

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

10 PART 6

11 RETAIL MARIJUANA LICENSE TYPES

12 **44-10-601. [Formerly 44-12-402] Retail marijuana store license**
13 **- rules - definition.** (1) (a) A retail marijuana store license ~~shall~~ MAY be
14 issued only to a person selling retail marijuana or retail marijuana
15 products pursuant to the terms and conditions of this ~~article 12~~ ARTICLE
16 10.

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

21 (c) A retail marijuana store shall not accept any retail marijuana
22 purchased from a retail marijuana cultivation facility unless the retail
23 marijuana store is provided with evidence that any applicable excise tax
24 due, pursuant to article 28.8 of title 39, was paid.

25 (d) The retail marijuana store shall track all of its retail marijuana
26 and retail marijuana products from the point that they are transferred from
27 a retail marijuana cultivation facility or retail marijuana products

1 manufacturer to the point of sale.

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

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

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

18 (II) As used in this subsection (3)(a), "equivalent in retail
19 marijuana products" has the same meaning as established by the state
20 licensing authority by rule pursuant to ~~section 44-12-202 (3)(b)~~ SECTION
21 44-10-203 (4).

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

1 this ~~article 12~~ ARTICLE 10.

2 (II) (A) If a retail marijuana store licensee or employee has
3 reasonable cause to believe that a person is under twenty-one years of age
4 and is exhibiting fraudulent proof of age in an attempt to obtain any retail
5 marijuana or ~~marijuana-infused~~ MARIJUANA product, the licensee or
6 employee is authorized to confiscate such fraudulent proof of age, if
7 possible, and shall, within seventy-two hours after the confiscation, remit
8 to a state or local law enforcement agency. The failure to confiscate such
9 fraudulent proof of age or to remit to a state or local law enforcement
10 agency within seventy-two hours after the confiscation does not constitute
11 a criminal offense.

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

24 (c) (I) A RETAIL MARIJUANA STORE THAT SELLS AN INDUSTRIAL
25 HEMP PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP PRODUCT HAS
26 PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY THE STATE
27 LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203 (2)(d). PRIOR TO

1 TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT, A RETAIL
2 MARIJUANA STORE SHALL VERIFY THE INDUSTRIAL HEMP PRODUCT PASSED
3 ALL TESTING REQUIRED FOR RETAIL MARIJUANA PRODUCTS AT A LICENSED
4 RETAIL MARIJUANA TESTING FACILITY AND THAT THE PERSON
5 TRANSFERRING THE INDUSTRIAL HEMP PRODUCT HAS RECEIVED A
6 REGISTRATION FROM THE DEPARTMENT OF PUBLIC HEALTH AND
7 ENVIRONMENT PURSUANT TO SECTION 25-5-426.

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

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

26 (5) All retail marijuana and retail marijuana products sold at a
27 licensed retail marijuana store shall be packaged and labeled as required

1 by rules of the state licensing authority pursuant to ~~section 44-12-202~~
2 SECTION 44-10-203 (2)(f) AND (3)(b).

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

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

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

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

22 (8) The premises of a licensed retail marijuana store is the only
23 place where an automatic dispensing machine that contains retail
24 marijuana or retail marijuana products may be located. If a licensed retail
25 marijuana store uses an automatic dispensing machine that contains retail
26 marijuana and retail marijuana products, it must comply with the
27 regulations promulgated by the state licensing authority for its use.

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

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

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

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

12 **44-10-602. [Formerly 44-12-403] Retail marijuana cultivation**
13 **facility license - rules - definitions.** (1) A retail marijuana cultivation
14 facility license may be issued only to a person who cultivates retail
15 marijuana for sale and distribution to licensed retail marijuana stores,
16 retail marijuana products ~~manufacturing~~ MANUFACTURER licensees, or
17 other retail marijuana cultivation facilities.

18 (2) A retail marijuana cultivation facility shall remit any
19 applicable excise tax due in accordance with article 28.8 of title 39, based
20 on the average wholesale prices set by the state licensing authority.

21 (3) A retail marijuana cultivation facility shall track the marijuana
22 it cultivates from seed or immature plant to wholesale purchase. Prior to
23 delivery of any sold retail marijuana, the retail marijuana cultivation
24 facility shall provide evidence that it paid any applicable excise tax on the
25 retail marijuana due pursuant to article 28.8 of title 39.

26 (4) A retail marijuana cultivation facility may provide, except as
27 required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a

1 sample of its products to a facility that has a RETAIL marijuana testing
2 facility license from the state licensing authority for testing and research
3 purposes. A retail marijuana cultivation facility shall maintain a record of
4 what was provided to the testing facility, the identity of the testing
5 facility, and the testing results.

6 (5) Retail marijuana or retail marijuana products may not be
7 consumed on the premises of a retail marijuana cultivation facility.

8 (6) (a) A retail marijuana cultivation facility licensee may provide
9 a retail marijuana sample and a retail marijuana concentrate sample to no
10 more than five managers employed by the licensee for purposes of quality
11 control and product development. A retail marijuana cultivation facility
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 (6)(a).

15 (b) An excise tax shall be levied and collected on the sample of
16 unprocessed retail marijuana by a retail marijuana cultivation facility. The
17 excise tax must be calculated based on the average market rate of the
18 unprocessed retail marijuana.

19 (c) A sample authorized pursuant to subsection (6)(a) of this
20 section is limited to one gram of retail marijuana per batch as defined in
21 rules promulgated by the state licensing authority, and one-quarter gram
22 of a retail marijuana concentrate per batch as defined in rules
23 promulgated by the state licensing authority; except that the limit is
24 one-half gram of retail marijuana concentrate if the intended use of the
25 final product is to be used in a device that can be used to deliver retail
26 marijuana concentrate in a vaporized form to the person inhaling from the
27 device.

1 (d) A sample authorized pursuant to subsection (6)(a) of this
2 section must be labeled and packaged pursuant to the rules promulgated
3 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
4 44-10-203 (2)(f) AND (3)(b).

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

15 (f) Prior to a manager receiving a sample pursuant to subsection
16 (6)(a) of this section, a retail marijuana cultivation facility licensee shall
17 provide a standard operating procedure to the manager explaining
18 requirements pursuant to this section and personal possession limits
19 pursuant to section 18-18-406.

20 (g) A manager shall not:

21 (I) Receive more than one ounce total of retail marijuana or eight
22 grams of retail marijuana concentrate samples per calendar month,
23 regardless of the number of licenses that the manager is associated with;
24 or

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

27 (h) A retail marijuana cultivation facility licensee shall not:

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

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

4 (i) The state licensing authority may establish additional inventory
5 tracking and record keeping, including additional reporting required for
6 implementation. The retail marijuana cultivation facility licensee shall
7 maintain the information required by this subsection (6)(i) on the licensed
8 premises for inspection by the state and local licensing authorities.

9 (j) For purposes of this subsection (6) only, "manager" means an
10 employee of the retail marijuana ~~business~~ CULTIVATION FACILITY who
11 holds a valid key license or associated key license and is currently
12 designated pursuant to state licensing authority rules as the manager of
13 the retail marijuana ~~business~~ CULTIVATION FACILITY.

14 (7) (a) The state licensing authority may issue a centralized
15 distribution permit to a retail marijuana cultivation facility authorizing
16 temporary storage on its licensed premises of retail marijuana concentrate
17 and retail marijuana products received from a retail marijuana
18 ~~establishment~~ BUSINESS for the sole purpose of transfer to the permit
19 holder's commonly owned retail marijuana stores. Prior to exercising the
20 privileges of a centralized distribution permit, a retail marijuana
21 cultivation facility licensed pursuant to this section shall, at the time of
22 application to the state licensing authority, send a copy of the application
23 or supplemental application for a centralized distribution permit to the
24 local jurisdiction in which the centralized distribution permit is proposed.
25 The state licensing authority shall notify the local jurisdiction of its
26 decision regarding the centralized distribution permit.

27 (b) A retail marijuana cultivation facility shall not store retail

1 marijuana concentrate or retail marijuana products pursuant to a
2 centralized distribution permit for more than ninety days.

3 (c) A retail marijuana cultivation facility shall not accept any retail
4 marijuana concentrate or retail marijuana products pursuant to a
5 centralized distribution permit unless the retail marijuana concentrate and
6 retail marijuana products are packaged and labeled for sale to a consumer
7 as required by rules promulgated by the state licensing authority pursuant
8 to ~~section 44-12-202~~ SECTION 44-10-203 (2)(f) AND (3)(b).

9 (d) All retail marijuana concentrate and retail marijuana products
10 stored and prepared for transport on a retail marijuana cultivation
11 facility's licensed premises pursuant to a centralized distribution permit
12 must only be transferred to a retail marijuana cultivation facility licensee's
13 commonly owned retail marijuana stores. All transfers of retail marijuana
14 concentrate and retail marijuana products by a retail marijuana cultivation
15 facility pursuant to a centralized distribution permit are without
16 consideration.

17 (e) All security and surveillance requirements that apply to a retail
18 marijuana cultivation facility apply to activities conducted pursuant to the
19 privileges of a centralized distribution permit.

20 (f) A retail marijuana cultivation facility shall track all retail
21 marijuana concentrate and retail marijuana products possessed pursuant
22 to a centralized distribution permit in the seed-to-sale tracking system
23 from the point it is received from a retail marijuana ~~establishment~~
24 BUSINESS to the point of transfer to a retail marijuana cultivation facility
25 licensee's commonly owned retail marijuana stores.

26 (g) For purposes of this section only, "commonly owned" means
27 licenses that have an ownership structure with at least one natural person

1 with a minimum of five percent ownership in each license.

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

6 (9) AN ACCELERATOR CULTIVATOR LICENSEE MAY OPERATE ON
7 THE PREMISES OF A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE
8 IF BEFORE EACH ACCELERATOR LICENSEE OPERATES, THE RETAIL
9 MARIJUANA CULTIVATION FACILITY LICENSEE HAS ITS PREMISES ENDORSED
10 PURSUANT TO RULE AND EACH ACCELERATOR LICENSEE IS LICENSED TO
11 OPERATE ON THAT PREMISES.

12 (10) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT
13 HOSTS AN ACCELERATOR LICENSEE MAY, PURSUANT TO RULE, PROVIDE
14 TECHNICAL AND COMPLIANCE ASSISTANCE TO AN ACCELERATOR LICENSEE
15 OPERATING ON ITS PREMISES. A RETAIL MARIJUANA PRODUCTS
16 MANUFACTURER LICENSEE THAT HOSTS A CANNABIS OPPORTUNITY
17 MANUFACTURER LICENSEE MAY, PURSUANT TO RULE, PROVIDE CAPITAL
18 ASSISTANCE TO A CANNABIS OPPORTUNITY MANUFACTURER LICENSEE
19 OPERATING ON ITS PREMISES.

20 (11) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE THAT
21 HOSTS AN ACCELERATOR LICENSEE, PURSUANT TO RULE AND AGENCY
22 DISCRETION, MAY BE ELIGIBLE FOR REDUCTION IN LICENSE FEES OR OTHER
23 INCENTIVES AVAILABLE THROUGH THE DEPARTMENT OF REVENUE OR THE
24 OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

25 **44-10-603. [Formerly 44-12-404] Retail marijuana products**
26 **manufacturer license - rules - definition.** (1) (a) A retail marijuana
27 products ~~manufacturing~~ MANUFACTURER license may be issued to a

1 person who manufactures retail marijuana products pursuant to the terms
2 and conditions of this ~~article 12~~ ARTICLE 10.

3 (b) A retail marijuana products manufacturer may cultivate its
4 own retail marijuana if it obtains a retail marijuana cultivation facility
5 license, or it may purchase retail marijuana from a licensed retail
6 marijuana cultivation facility. A retail marijuana products manufacturer
7 shall track all of its retail marijuana from the point it is either transferred
8 from its retail marijuana cultivation facility or the point when it is
9 delivered to the retail marijuana products manufacturer from a licensed
10 retail marijuana cultivation facility to the point of transfer to a licensed
11 retail marijuana store, a licensed retail marijuana products manufacturer,
12 a retail marijuana testing facility, or a licensed retail marijuana cultivation
13 facility with a centralized distribution permit pursuant to ~~section~~
14 ~~44-12-403 (7)~~ SECTION 44-10-602 (7).

15 (c) A retail marijuana products manufacturer shall not accept any
16 retail marijuana purchased from a retail marijuana cultivation facility
17 unless the retail marijuana products manufacturer is provided with
18 evidence that any applicable excise tax due pursuant to article 28.8 of title
19 39 was paid.

20 (d) A retail marijuana products manufacturer shall not:

21 (I) Add any marijuana to a food product where the manufacturer
22 of the food product holds a trademark to the food product's name; except
23 that a RETAIL MARIJUANA PRODUCTS manufacturer may use a trademarked
24 food product if the manufacturer uses the product as a component or as
25 part of a recipe and where the RETAIL marijuana ~~product~~ PRODUCTS
26 manufacturer does not state or advertise to the consumer that the final
27 retail marijuana product contains a trademarked food product;

1 (II) Intentionally or knowingly label or package a retail marijuana
2 product in a manner that would cause a reasonable consumer confusion
3 as to whether the retail marijuana product was a trademarked food
4 product; or

5 (III) Label or package a product in a manner that violates any
6 federal trademark law or regulation.

7 (2) Retail marijuana products ~~shall~~ MUST be prepared on a
8 licensed premises that is used exclusively for the manufacture and
9 preparation of retail marijuana or retail marijuana products and using
10 equipment that is used exclusively for the manufacture and preparation
11 of retail marijuana products; except that, if permitted by the local
12 jurisdiction and subject to rules of the state licensing authority, a retail
13 marijuana products ~~manufacturing~~ MANUFACTURER licensee may share
14 the same premises as a:

15 (a) Medical ~~marijuana-infused~~ MARIJUANA products
16 ~~manufacturing~~ MANUFACTURER licensee so long as a virtual or physical
17 separation of inventory is maintained; or

18 (b) Commonly owned marijuana research and development
19 licensee ~~or marijuana research and development cultivation licensee~~ so
20 long as virtual or physical separation of inventory and research activity
21 is maintained; OR

22 (c) ACCELERATOR MANUFACTURER LICENSEE SO LONG AS BEFORE
23 EACH ACCELERATOR MANUFACTURER LICENSEE OPERATES, THE
24 MANUFACTURER LICENSEE HAS ITS PREMISES ENDORSED PURSUANT TO
25 RULE AND EACH ACCELERATOR LICENSEE IS LICENSED TO OPERATE ON
26 THAT PREMISES.

27 (3) All licensed premises on which retail marijuana products are

1 manufactured ~~shall~~ MUST meet the sanitary standards for retail marijuana
2 product preparation promulgated pursuant to ~~section 44-12-202 (3)(a)(XI)~~
3 SECTION 44-10-203 (2)(i).

4 (4) (a) The retail marijuana product ~~shall~~ MUST be sealed and
5 conspicuously labeled in compliance with this ~~article 12~~ ARTICLE 10 and
6 any rules promulgated pursuant to this ~~article 12~~ ARTICLE 10. The labeling
7 of retail marijuana products is a matter of statewide concern.

8 (b) The standard symbol requirements as promulgated pursuant to
9 ~~section 44-12-202 (3)(e)~~ SECTION 44-10-203 (2)(y) do not apply to a
10 multi-serving liquid retail marijuana product, which is impracticable to
11 mark, if the product complies with all statutory and rule packaging
12 requirements for multi-serving edibles and complies with the following
13 enhanced requirements to reduce the risk of accidental ingestion. A
14 multi-serving liquid must:

15 (I) Be packaged in a structure that uses a single mechanism to
16 achieve both child-resistance and accurate pouring measurement of each
17 liquid serving in increments equal to or less than ten milligrams of active
18 THC per serving, with no more than one hundred milligrams of active
19 THC total per package; and

20 (II) The measurement component is within the child-resistant cap
21 or closure of the bottle and is not a separate component.

22 (5) Retail marijuana or retail marijuana products may not be
23 consumed on the premises of a retail marijuana products ~~manufacturing~~
24 ~~facility~~ MANUFACTURER.

25 (6) A retail marijuana products manufacturer may provide, except
26 as required by ~~section 44-12-202 (3)(a)(IV)~~ SECTION 44-10-203 (2)(d), a
27 sample of its products to a facility that has a retail marijuana testing

1 facility license from the state licensing authority for testing and research
2 purposes. A retail marijuana products manufacturer shall maintain a
3 record of what was provided to the testing facility, the identity of the
4 testing facility, and the results of the testing.

5 (7) An edible retail marijuana product may list its ingredients and
6 compatibility with dietary practices.

7 (8) A licensed retail marijuana products manufacturer shall
8 package and label each product manufactured as required by rules of the
9 state licensing authority pursuant to ~~section 44-12-202~~ SECTION
10 44-10-203 (2)(f) AND (3)(b).

11 (9) All retail marijuana products that require refrigeration to
12 prevent spoilage must be stored and transported in a refrigerated
13 environment.

14 (10) (a) A retail marijuana products ~~manufacturing~~
15 MANUFACTURER licensee may provide a retail marijuana product sample
16 and a retail marijuana concentrate sample to no more than five managers
17 employed by the licensee for purposes of quality control and product
18 development. A retail marijuana products ~~manufacturing~~ MANUFACTURER
19 licensee may designate no more than five managers per calendar month
20 as recipients of quality control and product development samples
21 authorized pursuant to this subsection (10)(a).

22 (b) A sample authorized pursuant to subsection (10)(a) of this
23 section is limited to one serving size of an edible retail marijuana product
24 not exceeding ten milligrams of THC and its applicable equivalent
25 serving size of nonedible retail marijuana product per batch as defined in
26 rules promulgated by the state licensing authority and one-quarter gram
27 of retail marijuana concentrate per batch as defined in rules promulgated

1 by the state licensing authority; except that the limit is one-half gram of
2 retail marijuana concentrate if the intended use of the final product is to
3 be used in a device that can be used to deliver retail marijuana
4 concentrate in a vaporized form to the person inhaling from the device.

5 (c) A sample authorized pursuant to subsection (10)(a) of this
6 section must be labeled and packaged pursuant to the rules promulgated
7 pursuant to ~~section 44-12-202 (3)(a)(VII) and (3)(d)(H)~~ SECTION
8 44-10-203 (2)(f) AND (3)(b).

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

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

24 (f) A manager shall not:

25 (I) Receive more than a total of eight grams of retail marijuana
26 concentrate or fourteen individual serving-size edibles or its applicable
27 equivalent in nonedible retail marijuana products per calendar month,

1 regardless of the number of licenses that the manager is associated with;
2 or

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

5 (g) A retail marijuana products manufacturing 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 (h) The state licensing authority may establish additional
10 inventory tracking and record keeping, including additional reporting
11 required for implementation. The retail marijuana products ~~manufacturing~~
12 MANUFACTURER licensee shall maintain the information required by this
13 subsection (10)(h) on the licensed premises for inspection by the state and
14 local licensing authorities.

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

20 (11) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURER THAT
21 USES AN INDUSTRIAL HEMP PRODUCT AS AN INGREDIENT IN A RETAIL
22 MARIJUANA PRODUCT SHALL ENSURE THAT THE INDUSTRIAL HEMP
23 PRODUCT HAS PASSED ALL TESTING REQUIRED BY RULES PROMULGATED BY
24 THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 44-10-203
25 (2)(d). PRIOR TO TAKING POSSESSION OF THE INDUSTRIAL HEMP PRODUCT,
26 A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL VERIFY THAT THE
27 INDUSTRIAL HEMP PRODUCT PASSED ALL TESTING REQUIRED FOR RETAIL

1 MARIJUANA PRODUCTS AT A LICENSED RETAIL MARIJUANA TESTING
2 FACILITY AND THAT THE PERSON TRANSFERRING THE INDUSTRIAL HEMP
3 PRODUCT HAS RECEIVED A REGISTRATION FROM THE DEPARTMENT OF
4 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-5-426.

5 (b) ABSENT SAMPLING AND TESTING STANDARDS ESTABLISHED BY
6 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR THE
7 SAMPLING AND TESTING OF AN INDUSTRIAL HEMP PRODUCT, A PERSON
8 TRANSFERRING INDUSTRIAL HEMP PRODUCT TO A RETAIL MARIJUANA
9 PRODUCTS MANUFACTURER PURSUANT TO THIS SECTION SHALL COMPLY
10 WITH SAMPLING AND TESTING STANDARDS CONSISTENT WITH THOSE
11 ESTABLISHED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS
12 ARTICLE 10. THE STATE LICENSING AUTHORITY SHALL REPORT TO THE
13 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ANY INVESTIGATIONS
14 OR FINDINGS IN VIOLATION OF THIS SECTION BY A PERSON REGISTERED
15 PURSUANT TO SECTION 25-5-426.

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

20 (13) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE
21 THAT HOSTS AN ACCELERATOR MANUFACTURER LICENSEE MAY, PURSUANT
22 TO RULE, PROVIDE TECHNICAL AND COMPLIANCE ASSISTANCE TO AN
23 ACCELERATOR LICENSEE OPERATING ON ITS PREMISES. A RETAIL
24 MARIJUANA PRODUCTS MANUFACTURER LICENSEE THAT HOSTS A
25 CANNABIS OPPORTUNITY MANUFACTURER LICENSEE MAY, PURSUANT TO
26 RULE, PROVIDE CAPITAL ASSISTANCE TO A CANNABIS OPPORTUNITY
27 MANUFACTURER LICENSEE OPERATING ON ITS PREMISES.

1 (14) A RETAIL MARIJUANA PRODUCTS MANUFACTURER LICENSEE,
2 PURSUANT TO RULE AND AGENCY DISCRETION, MAY BE ELIGIBLE FOR
3 REDUCTION IN LICENSE FEES AND FOR GRANTS THROUGH THE OFFICE OF
4 ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE.

5 **44-10-604. [Formerly 44-12-405] Retail marijuana testing**
6 **facility license - rules.** (1) (a) A retail marijuana testing facility license
7 may be issued to a person who performs testing and research on retail
8 marijuana and industrial hemp as regulated by article 61 of title 35 AND
9 INDUSTRIAL HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF
10 TITLE 25. The facility may develop and test retail marijuana products, ~~and~~
11 industrial hemp as regulated by article 61 of title 35, AND INDUSTRIAL
12 HEMP PRODUCTS AS REGULATED BY PART 4 OF ARTICLE 5 OF TITLE 25.
13 Prior to performing testing on industrial hemp, a facility shall verify that
14 the person requesting the testing has received a registration from the
15 commissioner as required by section 35-61-104. PRIOR TO PERFORM
16 TESTING ON INDUSTRIAL HEMP PRODUCTS, A FACILITY SHALL VERIFY THAT
17 THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION AS
18 REQUIRED BY SECTION 25-5-426.

19 (b) The testing of retail marijuana, retail marijuana products, and
20 retail marijuana concentrate, and the associated standards, is a matter of
21 statewide concern.

22 (2) The state licensing authority shall promulgate rules pursuant
23 to its authority in ~~section 44-12-202 (1)(b)~~ SECTION 44-10-202 (1)(c)
24 related to acceptable testing and research practices, including but not
25 limited to testing, standards, quality control analysis, equipment
26 certification and calibration, and chemical identification and other
27 substances used in bona fide research methods.

1 (3) A person who has an interest in a retail marijuana testing
2 facility license from the state licensing authority for testing purposes shall
3 not have any interest in a licensed medical marijuana ~~center~~ STORE, a
4 licensed ~~optional premises cultivation operation~~ MEDICAL MARIJUANA
5 CULTIVATION FACILITY, a licensed medical ~~marijuana-infused~~ MARIJUANA
6 products manufacturer, a licensed retail marijuana store, a licensed retail
7 marijuana cultivation facility, or a licensed retail marijuana products
8 manufacturer. A person that has an interest in a licensed medical
9 marijuana ~~center~~ STORE, a licensed ~~optional premises cultivation~~
10 ~~operation~~ MEDICAL MARIJUANA CULTIVATION FACILITY, a licensed
11 medical ~~marijuana-infused~~ MARIJUANA products manufacturer, a licensed
12 retail marijuana store, a licensed retail marijuana cultivation facility, or
13 a licensed retail marijuana products manufacturer shall not have an
14 interest in a facility that has a retail marijuana testing facility license.

15 **44-10-605. [Formerly 44-12-406] Retail marijuana transporter**
16 **license.** (1) (a) A retail marijuana transporter license may be issued to a
17 person to provide logistics, distribution, and storage of retail marijuana
18 and retail marijuana products. Notwithstanding any other provisions of
19 law, a retail marijuana transporter license is valid for two years but cannot
20 be transferred with a change of ownership. A licensed retail marijuana
21 transporter is responsible for the retail marijuana and retail marijuana
22 products once it takes control of the product.

23 (b) A licensed retail marijuana transporter may contract with
24 multiple licensed retail marijuana businesses.

25 (c) On and after July 1, 2017, all retail marijuana transporters shall
26 hold a valid retail marijuana transporter license; except that an entity
27 licensed pursuant to this ~~article 12~~ ARTICLE 10 that provides its own

1 distribution is not required to have a retail marijuana transporter license
2 to transport and distribute its products. The state licensing authority shall
3 begin accepting applications after January 1, 2017.

4 (2) A retail marijuana transporter licensee may maintain a licensed
5 premises to temporarily store retail marijuana and retail marijuana
6 products and to use as a centralized distribution point. The licensed
7 premises must be located in a jurisdiction that permits the operation of
8 retail marijuana stores. A licensed retail marijuana transporter may store
9 and distribute retail marijuana and retail marijuana products from this
10 location. A storage facility must meet the same security requirements that
11 are required to obtain a retail marijuana cultivation FACILITY license.

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

17 (4) A retail marijuana transporter licensee may:

18 (a) Maintain and operate one or more warehouses in the state to
19 handle retail marijuana and retail marijuana products; and

20 (b) Deliver retail marijuana products on orders previously taken
21 if the place where orders are taken and delivered is licensed.

22 **44-10-606. [Formerly 44-12-407] Retail marijuana business**
23 **operator license.** A retail marijuana business operator license may be
24 issued to a person who operates a retail marijuana establishment BUSINESS
25 licensed pursuant to this ~~article 12~~ ARTICLE 10, for an owner licensed
26 pursuant to this ~~article 12~~ ARTICLE 10, and who may receive a portion of
27 the profits as compensation.

1 CONSUMED UPON ITS LICENSED PREMISES;

2 (b) WITH KNOWLEDGE, TO PERMIT OR FAIL TO PREVENT THE USE OF
3 HIS OR HER MEDICAL MARIJUANA PATIENT REGISTRY IDENTIFICATION BY
4 ANY OTHER PERSON FOR THE UNLAWFUL PURCHASING OF MEDICAL
5 MARIJUANA.

6 (2) IT IS UNLAWFUL FOR A PERSON TO:

7 (a) BUY, SELL, TRANSFER, GIVE AWAY, OR ACQUIRE REGULATED
8 MARIJUANA OR REGULATED MARIJUANA PRODUCTS EXCEPT AS ALLOWED
9 PURSUANT TO THIS ARTICLE 10 OR SECTION 14 OR SECTION 16 OF ARTICLE
10 XVIII OF THE STATE CONSTITUTION;

11 (b) HAVE AN UNREPORTED CONTROLLING BENEFICIAL OWNERSHIP,
12 PASSIVE BENEFICIAL OWNERSHIP, OR INDIRECT FINANCIAL INTEREST IN A
13 LICENSE PURSUANT TO THIS ARTICLE 10; EXCEPT THAT THIS SUBSECTION
14 (2)(b) DOES NOT APPLY TO BANKS OR SAVINGS AND LOAN ASSOCIATIONS
15 SUPERVISED AND REGULATED BY AN AGENCY OF THE STATE OR FEDERAL
16 GOVERNMENT, OR TO FHA-APPROVED MORTGAGEES, OR TO
17 STOCKHOLDERS, DIRECTORS, OR OFFICERS THEREOF;

18 (c) EXERCISE ANY PRIVILEGE OF A LICENSE ISSUED PURSUANT TO
19 THIS ARTICLE 10 THAT THE PERSON DOES NOT HOLD;

20 (d) EXERCISE ANY PRIVILEGE ASSOCIATED WITH HOLDING A
21 CONTROLLING BENEFICIAL OWNERSHIP, PASSIVE BENEFICIAL OWNERSHIP,
22 OR INDIRECT FINANCIAL INTEREST IN A LICENSE WITHOUT PRIOR APPROVAL
23 FROM THE STATE LICENSING AUTHORITY; OR

24 (e) ENGAGE IN TRANSFER OF OWNERSHIP WITHOUT PRIOR
25 APPROVAL AS REQUIRED BY THIS ARTICLE 10, INCLUDING BUT NOT LIMITED
26 TO:

27 (I) A PROPOSED TRANSFEREE OPERATING A MEDICAL MARIJUANA

1 BUSINESS OR RETAIL MARIJUANA BUSINESS BEFORE A TRANSFER OF
2 OWNERSHIP REQUEST FOR THAT BUSINESS IS APPROVED IN WRITING BY THE
3 STATE LICENSING AUTHORITY; OR

4 (II) A CURRENT CONTROLLING BENEFICIAL OWNER, PASSIVE
5 BENEFICIAL OWNER, OR PROPOSED TRANSFEROR FAILING TO RETAIN FULL
6 RESPONSIBILITY FOR A MEDICAL MARIJUANA BUSINESS OR RETAIL
7 MARIJUANA BUSINESS IDENTIFIED IN THE TRANSFER OF OWNERSHIP
8 APPLICATION UNTIL THE TRANSFER REQUEST IS APPROVED IN WRITING BY
9 THE STATE LICENSING AUTHORITY.

10 (3) IT IS UNLAWFUL FOR A PERSON LICENSED PURSUANT TO THIS
11 ARTICLE 10:

12 (a) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
13 44-10-311 (11);

14 (b) TO KNOWINGLY ADULTERATE OR ALTER, OR TO ATTEMPT TO
15 ADULTERATE OR ALTER, ANY SAMPLES OF REGULATED MARIJUANA OR
16 REGULATED MARIJUANA PRODUCTS FOR THE PURPOSE OF CIRCUMVENTING
17 CONTAMINANT TESTING DETECTION LIMITS OR POTENCY TESTING
18 REQUIREMENTS;

19 (c) TO USE ADVERTISING MATERIAL THAT IS MISLEADING,
20 DECEPTIVE, OR FALSE, OR THAT IS DESIGNED TO APPEAL TO MINORS;

21 (d) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR
22 THE PURPOSE OF CONSUMPTION OF REGULATED MARIJUANA IN ANY FORM;

23 (e) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
24 REGULATED MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE
25 LICENSE; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

26 (f) TO HAVE ON THE LICENSED PREMISES ANY REGULATED
27 MARIJUANA OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF

1 THE REGULATED MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY
2 CONSUMED; EXCEPT IF IT IS FOR PURPOSES OF RECYCLING;

3 (g) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105;

4 (h) TO ABANDON A LICENSED PREMISES OR OTHERWISE CEASE
5 OPERATION WITHOUT NOTIFYING THE STATE AND LOCAL LICENSING
6 AUTHORITIES AT LEAST FORTY-EIGHT HOURS IN ADVANCE AND WITHOUT
7 ACCOUNTING FOR AND FORFEITING TO THE STATE LICENSING AUTHORITY
8 FOR DESTRUCTION ALL REGULATED MARIJUANA OR REGULATED
9 MARIJUANA PRODUCTS;

10 (i) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR REGULATED
11 MARIJUANA IN PERSON EXCEPT WITHIN THE LICENSED PREMISES;

12 (j) TO BUY REGULATED MARIJUANA FROM A PERSON NOT LICENSED
13 TO SELL AS PROVIDED BY THIS ARTICLE 10;

14 (k) TO SELL REGULATED MARIJUANA EXCEPT IN THE PERMANENT
15 LOCATION SPECIFICALLY DESIGNATED IN THE LICENSE FOR SALE; OR

16 (l) TO BURN OR OTHERWISE DESTROY REGULATED MARIJUANA OR
17 ANY SUBSTANCE CONTAINING REGULATED MARIJUANA FOR THE PURPOSE
18 OF EVADING AN INVESTIGATION OR PREVENTING SEIZURE.

19 (4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL MEDICAL
20 MARIJUANA PURSUANT TO THIS ARTICLE 10:

21 (a) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED
22 PURSUANT TO THIS ARTICLE 10 OR TO A PERSON NOT ABLE TO PRODUCE A
23 VALID PATIENT REGISTRY IDENTIFICATION CARD, UNLESS THE PERSON HAS
24 A COPY OF A CURRENT AND COMPLETE NEW APPLICATION FOR THE
25 MEDICAL MARIJUANA REGISTRY ADMINISTERED BY THE DEPARTMENT OF
26 PUBLIC HEALTH AND ENVIRONMENT THAT IS DOCUMENTED BY A CERTIFIED
27 MAIL RETURN RECEIPT AS HAVING BEEN SUBMITTED TO THE DEPARTMENT

1 OF PUBLIC HEALTH AND ENVIRONMENT WITHIN THE PRECEDING
2 THIRTY-FIVE DAYS AND THE EMPLOYEE ASSISTING THE PERSON HAS
3 CONTACTED THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
4 AND, AS A RESULT, DETERMINED THE PERSON'S APPLICATION HAS NOT
5 BEEN DENIED. NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION
6 (4)(a)(I) TO THE CONTRARY, A PERSON UNDER TWENTY-ONE YEARS OF AGE
7 SHALL NOT BE EMPLOYED TO SELL OR DISPENSE MEDICAL MARIJUANA AT
8 A MEDICAL MARIJUANA STORE OR GROW OR CULTIVATE MEDICAL
9 MARIJUANA AT A MEDICAL MARIJUANA CULTIVATION FACILITY.

10 (II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE
11 CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT
12 REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL
13 MARIJUANA, THE LICENSEE OR EMPLOYEE IS AUTHORIZED TO CONFISCATE
14 THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD, IF POSSIBLE,
15 AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION,
16 TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR LOCAL LAW
17 ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE FRAUDULENT
18 PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT OVER TO THE
19 STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW ENFORCEMENT
20 AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE CONFISCATION DOES
21 NOT CONSTITUTE A CRIMINAL OFFENSE.

22 (b) TO REQUIRE A MEDICAL MARIJUANA STORE OR MEDICAL
23 MARIJUANA STORE WITH A MEDICAL MARIJUANA CULTIVATION FACILITY
24 LICENSE TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC
25 LICENSED PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

26 (5) [Formerly 44-12-901 (4)] It is unlawful for any person
27 licensed to sell retail marijuana or retail marijuana products pursuant to

1 this ~~article 12~~ ARTICLE 10:

2 ~~(a) To display any signs that are inconsistent with local laws or~~
3 ~~regulations;~~

4 ~~(b) To use advertising material that is misleading, deceptive, or~~
5 ~~false, or that is designed to appeal to minors;~~

6 ~~(c) To provide public premises, or any portion thereof, for the~~
7 ~~purpose of consumption of retail marijuana or retail marijuana products~~
8 ~~in any form;~~

9 ~~(d) To have in possession or upon the licensed premises any~~
10 ~~marijuana, the sale of which is not permitted by the license;~~

11 ~~(e) (a) To sell or permit the sale of retail marijuana or retail~~
12 ~~marijuana products to a person under twenty-one years of age; OR~~

13 ~~(f) To sell more than a quarter of an ounce of retail marijuana and~~
14 ~~no more than a quarter of an ounce equivalent of a retail marijuana~~
15 ~~product during a single transaction to a nonresident of the state;~~

16 ~~(g) To have on the licensed premises any retail marijuana, retail~~
17 ~~marijuana products, or marijuana paraphernalia that shows evidence of~~
18 ~~the retail marijuana having been consumed or partially consumed;~~

19 ~~(h) (b) To distribute marijuana or marijuana products, with or~~
20 ~~without remuneration, directly to another person using a mobile~~
21 ~~distribution center STORE.~~

22 ~~(i) To violate the provisions of section 6-2-103 or 6-2-105; or~~

23 ~~(j) To abandon a licensed premises or otherwise cease operation~~
24 ~~without notifying the state and local licensing authorities at least~~
25 ~~forty-eight hours in advance and without accounting for and forfeiting to~~
26 ~~the state licensing authority for destruction all marijuana or products~~
27 ~~containing marijuana;~~

1 (6) [Formerly 44-11-901 (6)] It shall be unlawful for a physician
2 who makes patient referrals to a licensed medical marijuana center STORE
3 to receive anything of value from the medical marijuana center STORE
4 licensee or its agents, servants, officers, or owners or anyone financially
5 interested in the licensee, and it shall be unlawful for a licensee licensed
6 pursuant to this ~~article 11~~ ARTICLE 10 to offer anything of value to a
7 physician for making patient referrals to the licensed medical marijuana
8 center STORE.

9 (7) [Formerly 44-11-901 (7)] A peace officer or a law
10 enforcement agency shall not use any patient information to make traffic
11 stops pursuant to section 42-4-1302.

12 (8) [Formerly 44-11-901 (8)] A person who commits any acts that
13 are unlawful pursuant to this ~~article 11~~ or the rules authorized and
14 ~~adopted pursuant to this article 11~~ ARTICLE 10 commits a class 2
15 misdemeanor and shall be punished as provided in section 18-1.3-501;
16 except for, THAT A VIOLATION OF SUBSECTION (5)(a) OF THIS SECTION IS
17 A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN
18 SECTION 18-1.3-501. For violations that would also constitute a violation
19 of title 18, ~~which~~ THE violation shall be charged and prosecuted pursuant
20 to title 18.

21 **44-10-702. Unlawful open and public consumption.** (1) THE
22 OPEN AND PUBLIC, AS DEFINED IN SECTION 18-18-102 (20.3),
23 CONSUMPTION OF MARIJUANA IS PROHIBITED.

24 (2) THE GOVERNING BODY OF A COUNTY, CITY, CITY AND COUNTY,
25 OR MUNICIPALITY MAY ADOPT AN ORDINANCE OR RESOLUTION
26 AUTHORIZING MARIJUANA CONSUMPTION LOCATIONS OR CIRCUMSTANCES
27 THAT ARE EXCEPTIONS TO THE PROHIBITION DESCRIBED IN SUBSECTION (1)

1 OF THIS SECTION IF THE LOCATIONS ARE NOT ACCESSIBLE TO THE PUBLIC
2 OR A SUBSTANTIAL NUMBER OF THE PUBLIC WITHOUT RESTRICTION,
3 INCLUDING BUT NOT LIMITED TO RESTRICTIONS ON THE AGE OF THE
4 MEMBERS OF THE PUBLIC WHO ARE ALLOWED ACCESS TO SUCH LOCATION.

5 (3) THE PROHIBITION IN SUBSECTION (1) OF THIS SECTION DOES
6 NOT APPLY TO ANY BUSINESS LICENSED PURSUANT TO THIS ARTICLE 10
7 THAT PERMITS CONSUMPTION ON ITS PREMISES IF THE BUSINESS IS
8 OPERATING WITHIN THE CONDITIONS OF LICENSURE.

9 PART 8

10 FEES

11 **44-10-801. [Formerly 44-11-501] Marijuana cash fund.**

12 (1) (a) All money collected by the state licensing authority pursuant to
13 this ~~article 11 and article 12 of this title 44~~ shall ARTICLE 10 MUST be
14 transmitted to the state treasurer, who shall credit the same to the
15 marijuana cash fund, which fund is hereby created and referred to in this
16 section as the "fund". The fund consists of:

17 (I) The money collected by the state licensing authority; and

18 (II) Any additional general fund money appropriated to the fund
19 that is necessary for the operation of the state licensing authority.

20 (b) Money in the fund is subject to annual appropriation by the
21 general assembly to the department for the direct and indirect costs
22 associated with implementing this ~~article 11, article 12 of this title 44~~
23 ARTICLE 10 and article 28.8 of title 39.

24 (c) Any money in the fund not expended for these purposes may
25 be invested by the state treasurer as provided by law. All interest and
26 income derived from the investment and deposit of money in the fund
27 shall be credited to the fund. Any unexpended and unencumbered money

1 remaining in the fund at the end of a fiscal year shall remain REMAINS in
2 the fund and shall not be credited or transferred to the general fund or
3 another fund.

4 (d) (I) On July 1, 2014, the state treasurer shall transfer to the
5 marijuana tax cash fund created in section 39-28.8-501 any money in the
6 fund that is attributable to the retail marijuana excise tax transferred
7 pursuant to section 39-28.8-305 (1)(b), the retail marijuana sales tax
8 transferred pursuant to section 39-28.8-203 (1)(b), or the sales tax
9 imposed pursuant to section 39-26-106, on the retail sale of marijuana
10 products ~~under this article 11 and article 12 of this title 44~~ PURSUANT TO
11 THIS ARTICLE 10.

12 (II) On the date on which the state controller publishes the
13 comprehensive annual financial report of the state for the 2013-14 state
14 fiscal year, the state treasurer shall transfer to the marijuana tax cash fund
15 created in section 39-28.8-501 any remaining money in the fund that is
16 attributable to the retail marijuana excise tax transferred pursuant to
17 section 39-28.8-305 (1)(b), the retail marijuana sales tax transferred
18 pursuant to section 39-28.8-203 (1)(b), or the sales tax imposed pursuant
19 to section 39-26-106, on the retail sale of marijuana products under this
20 ~~article 11 and article 12 of this title 44~~ ARTICLE 10.

21 (2) The executive director by rule or as otherwise provided by law
22 may reduce the amount of one or more of the fees if necessary pursuant
23 to section 24-75-402 (3) to reduce the uncommitted reserves of the fund
24 to which all or any portion of one or more of the fees is credited. After the
25 uncommitted reserves of the fund are sufficiently reduced, the executive
26 director by rule or as otherwise provided by law may increase the amount
27 of one or more of the fees as provided in section 24-75-402 (4).

1 (3) (a) The state licensing authority shall establish fees for
2 processing the following types of applications, licenses, notices, or
3 reports required to be submitted to the state licensing authority:

4 (I) Applications for licenses listed in ~~section 44-11-401~~ SECTION
5 44-10-401 and rules promulgated pursuant to that section;

6 (II) Applications to change location pursuant to ~~section 44-11-310~~
7 SECTIONS 44-10-311 (13) and rules promulgated pursuant to that section;

8 (III) Applications for transfer of ownership pursuant to ~~section~~
9 ~~44-11-310~~ SECTION 44-10-310 and rules promulgated pursuant to that
10 section;

11 (IV) License renewal and expired license renewal applications
12 pursuant to ~~section 44-11-311~~ SECTION 44-10-312; and

13 (V) Licenses as listed in ~~section 44-11-401~~ SECTION 44-10-401.

14 (b) The amounts of such fees, when added to the other fees
15 transferred to the fund pursuant to this section, ~~shall~~ MUST reflect the
16 actual direct and indirect costs of the state licensing authority in the
17 administration and enforcement of this ~~article 11~~ ARTICLE 10 so that the
18 fees avoid exceeding the statutory limit on uncommitted reserves in
19 administrative agency cash funds as set forth in section 24-75-402 (3).

20 (c) The state licensing authority may charge applicants licensed
21 under this ~~article 11~~ ARTICLE 10 a fee for the cost of each fingerprint
22 analysis and background investigation undertaken to qualify new officers,
23 directors, managers, or employees.

24 (d) At least annually, the state licensing authority shall review the
25 amounts of the fees and, if necessary, adjust the amounts to reflect the
26 direct and indirect costs of the state licensing authority.

27 (4) Except as provided in subsection (5) of this section, the state

1 licensing authority shall establish a basic fee that shall be paid at the time
2 of service of any subpoena upon the state licensing authority, plus a fee
3 for meals and a fee for mileage at the rate prescribed for state officers and
4 employees in section 24-9-104 for each mile actually and necessarily
5 traveled in going to and returning from the place named in the subpoena.
6 If the person named in the subpoena is required to attend the place named
7 in the subpoena for more than one day, there ~~shall~~ MUST be paid, in
8 advance, a sum to be established by the state licensing authority for each
9 day of attendance to cover the expenses of the person named in the
10 subpoena.

11 (5) The subpoena fee established pursuant to subsection (4) of this
12 section ~~shall~~ IS not ~~be~~ applicable to any federal, state or local
13 governmental agency.

14 **44-10-802. [Formerly 44-11-502] Fees - allocation.** (1) Except
15 as otherwise provided, all fees and fines provided for by this ~~article 11~~
16 ~~and article 12 of this title 44~~ ARTICLE 10 shall be paid to the department,
17 which shall transmit the fees to the state treasurer. The state treasurer
18 shall credit the fees to the marijuana cash fund created in ~~section~~
19 ~~44-11-501~~ SECTION 44-10-801. ==

20 (2) The expenditures of the state licensing authority ~~shall be~~ ARE
21 paid out of appropriations from the marijuana cash fund created in ~~section~~
22 ~~44-11-501~~ SECTION 44-10-801.

23 **44-10-803. [Formerly 44-12-501] Fees.** (1) The state licensing
24 authority may charge and collect fees ~~under~~ PURSUANT TO this ~~article 12.~~
25 ~~The application fee for a person applying pursuant to section 44-12-104~~
26 ~~(1)(a) shall be five hundred dollars~~ ARTICLE 10. FOR A PERSON LICENSED
27 TO CULTIVATE OR SELL MEDICAL MARIJUANA OR TO MANUFACTURE

1 MEDICAL MARIJUANA PRODUCTS ON OR BEFORE DECEMBER 10, 2012, THE
2 APPLICATION FEE FOR A RETAIL MARIJUANA BUSINESS IS FIVE HUNDRED
3 DOLLARS. The state licensing authority shall transfer two hundred fifty
4 dollars of the fee to the marijuana cash fund and submit two hundred fifty
5 dollars to the local jurisdiction in which the license is proposed to be
6 issued.

7 (2) EXCEPT AS PROVIDED IN SUBSECTION (1) OF THIS SECTION, the
8 application fee for a ~~person applying pursuant to section 44-12-104(1)(b)~~
9 ~~shall be~~ RETAIL MARIJUANA BUSINESS IS five thousand dollars. The state
10 licensing authority shall transfer two thousand five hundred dollars of the
11 fee to the marijuana cash fund and remit two thousand five hundred
12 dollars to the local jurisdiction in which the license is proposed to be
13 issued. If the state licensing authority is considering raising the
14 five-thousand-dollar application fee, it shall confer with each local
15 jurisdiction in which a license ~~under~~ PURSUANT TO this ~~article 12~~ ARTICLE
16 10 is issued prior to raising the application fee. If the application fee
17 amount is changed, it must be split evenly between the marijuana cash
18 fund and the local jurisdiction in which the license is proposed to be
19 issued.

20 (3) A local jurisdiction in which a license under this ~~article 12~~
21 ARTICLE 10 may be permitted may adopt and impose operating fees in an
22 amount determined by the local jurisdiction on marijuana BUSINESSES
23 AND establishments located within the local jurisdiction.

24 PART 9

25 DISCIPLINARY ACTIONS

26 **44-10-901. [Formerly 44-12-601 and similar to**
27 **44-11-601] Suspension - revocation - fines.** (1) In addition to any other

1 sanctions prescribed by this ~~article 12~~ ARTICLE 10 or rules promulgated
2 pursuant to this ~~article 12~~ ARTICLE 10, the state licensing authority OR
3 LOCAL LICENSING AUTHORITY has the power, on its own motion or on
4 complaint, after investigation and opportunity for a public hearing at
5 which the licensee must be afforded an opportunity to be heard, to fine a
6 licensee or to suspend or revoke a license issued by the authority for a
7 violation by the licensee or by any of the agents or employees of the
8 licensee of the provisions of this ~~article 12~~ ARTICLE 10, or any of the rules
9 promulgated pursuant to this ~~article 12~~ ARTICLE 10, or of any of the terms,
10 conditions, or provisions of the license issued by the state OR LOCAL
11 licensing authority. The state OR LOCAL licensing authority has the power
12 to administer oaths and issue subpoenas to require the presence of persons
13 and the production of papers, books, and records necessary to the
14 determination of a hearing that the state OR LOCAL LICENSING authority is
15 authorized to conduct.

16 (2) The state OR LOCAL licensing authority shall provide notice of
17 suspension, revocation, fine, or other sanction, as well as the required
18 notice of the hearing pursuant to subsection (1) of this section, by mailing
19 the same in writing to the licensee at the address contained in the license
20 and, if different, at the last address furnished to the authority by the
21 licensee. Except in the case of a summary suspension, a suspension ~~shall~~
22 ~~IS not be~~ for a period longer than six months. If a license is suspended or
23 revoked, a part of the fees paid therefor ~~shall~~ ARE not ~~be~~ returned to the
24 licensee. Any license, REGISTRATION, OR PERMIT may be summarily
25 suspended by the ~~state licensing~~ ISSUING authority without notice pending
26 any prosecution, investigation, or public hearing pursuant to the terms of
27 section 24-4-104 (4). Nothing in this section ~~shall prevent~~ PREVENTS the

1 summary suspension of a license pursuant to section 24-4-104 (4). EACH
2 PATIENT REGISTERED WITH A MEDICAL MARIJUANA STORE THAT HAS HAD
3 ITS LICENSE SUMMARILY SUSPENDED MAY IMMEDIATELY TRANSFER HIS OR
4 HER PRIMARY STORE TO ANOTHER LICENSED MEDICAL MARIJUANA STORE.

5 (3) (a) Whenever a decision of the state OR LOCAL licensing
6 authority suspending a license for fourteen days or less becomes final, the
7 licensee may, before the operative date of the suspension, petition for
8 permission to pay a fine in lieu of having the license suspended for all or
9 part of the suspension period. Upon the receipt of the petition, the state
10 OR LOCAL LICENSING authority may, in its sole discretion, stay the
11 proposed suspension and cause any investigation to be made ~~which~~ THAT
12 it deems desirable and may, in its sole discretion, grant the petition if the
13 state OR LOCAL licensing authority is satisfied that:

14 (I) The public welfare would not be impaired by permitting the
15 licensee to operate during the period set for suspension and that the
16 payment of the fine will achieve the desired disciplinary purposes; ~~and~~

17 (II) The books and records of the licensee are kept in such a
18 manner that the loss of sales that the licensee would have suffered had the
19 suspension gone into effect can be determined with reasonable accuracy;

20 AND

21 (III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED
22 OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE,
23 DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE
24 MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND
25 THE LICENSE OR PERMIT.

26 (b) The fine accepted ~~shall~~ MUST be not less than five hundred
27 dollars nor more than one hundred thousand dollars.

1 (c) Payment of a fine pursuant to the provisions of this subsection
2 (3) ~~shall~~ MUST be in the form of cash or in the form of a certified check
3 or cashier's check made payable to the state or local licensing authority,
4 whichever is appropriate.

5 (4) Upon payment of the fine pursuant to subsection (3) of this
6 section, the state licensing authority shall enter its further order
7 permanently staying the imposition of the suspension. Fines paid to the
8 state licensing authority pursuant to subsection (3) of this section ~~shall be~~
9 ARE transmitted to the state treasurer, who shall credit the same to the
10 ~~marijuana cash fund created in section 44-11-501~~ GENERAL FUND.

11 (5) In connection with a petition pursuant to subsection (3) of this
12 section, the authority of the state OR LOCAL licensing authority is limited
13 to the granting of such stays as are necessary for the authority to complete
14 its investigation and make its findings and, if the authority makes such
15 findings, to the granting of an order permanently staying the imposition
16 of the entire suspension or that portion of the suspension not otherwise
17 conditionally stayed.

18 (6) If the state OR LOCAL licensing authority does not make the
19 findings required in subsection (3)(a) of this section and does not order
20 the suspension permanently stayed, the suspension ~~shall go~~ GOES into
21 effect on the operative date finally set by the state OR LOCAL licensing
22 authority.

23 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL
24 ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO
25 THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE
26 LICENSING AUTHORITY. No later than January 15 of each year, the state
27 licensing authority shall compile a report of the preceding year's actions

1 in which fines, suspensions, or revocations were imposed by the state
2 licensing authority. The state licensing authority shall file one copy of the
3 report with the chief clerk of the house of representatives, one copy with
4 the secretary of the senate, and six copies in the joint legislative library.

5 **44-10-902. [Formerly 44-12-602 and similar to**
6 **44-11-602] Disposition of unauthorized marijuana or marijuana**
7 **products and related materials - rules.** (1) The provisions of this
8 section shall apply in addition to any criminal, civil, or administrative
9 penalties and in addition to any other penalties prescribed by this ~~article~~
10 ~~12~~ ARTICLE 10 or any rules promulgated pursuant to this ~~article 12~~
11 ARTICLE 10. Any provisions in this ~~article 12~~ ARTICLE 10 related to law
12 enforcement shall be ARE considered a cumulative right of the people in
13 the enforcement of the criminal laws.

14 (2) Every licensee licensed under this ~~article 12~~ shall be ARTICLE
15 10 IS deemed, by virtue of applying for, holding, or renewing such
16 person's license, to have expressly consented to the procedures set forth
17 in this section.

18 (3) A state or local agency shall IS not be required to cultivate or
19 care for any ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana
20 product belonging to or seized from a licensee. A state or local agency
21 shall IS not be authorized to sell marijuana, ~~retail~~ REGULATED or
22 otherwise.

23 (4) If the state OR LOCAL licensing authority issues a final agency
24 order imposing a disciplinary action against a licensee pursuant to ~~section~~
25 ~~44-12-601~~ SECTION 44-10-901, then, in addition to any other remedies,
26 the licensing authority's final agency order may specify that some or all
27 of the licensee's marijuana or marijuana product is not ~~retail~~ REGULATED

1 marijuana or a ~~retail~~ REGULATED marijuana product and is an illegal
2 controlled substance. The order may further specify that the licensee ~~shall~~
3 ~~lose~~ LOSES any interest in any of the marijuana or marijuana product even
4 if the marijuana or marijuana product previously qualified as ~~retail~~
5 REGULATED marijuana or a ~~retail~~ REGULATED marijuana product. The
6 final agency order may direct the destruction of any such marijuana and
7 marijuana products, except as provided in subsections (5) and (6) of this
8 section. The authorized destruction may include the incidental destruction
9 of any containers, equipment, supplies, and other property associated with
10 the marijuana or marijuana product.

11 (5) Following the issuance of a final agency order by the state OR
12 LOCAL licensing authority against a licensee and ordering destruction
13 authorized by subsection (4) of this section, a licensee ~~shall have~~ HAS
14 fifteen days within which to file a petition for stay of agency action with
15 the district court. The action ~~shall~~ MUST be filed in the city and county of
16 Denver, which ~~shall be~~ IS deemed to be the residence of the state
17 licensing authority for purposes of this section. The licensee shall serve
18 the petition in accordance with the Colorado rules of civil procedure. The
19 district court shall promptly rule upon the petition and determine whether
20 the licensee has a substantial likelihood of success on judicial review so
21 as to warrant delay of the destruction authorized by subsection (4) of this
22 section or whether other circumstances, including but not limited to the
23 need for preservation of evidence, warrant delay of such destruction. If
24 destruction is so delayed pursuant to judicial order, the court shall issue
25 an order setting forth terms and conditions pursuant to which the licensee
26 may maintain the ~~retail~~ REGULATED marijuana and ~~retail~~ REGULATED
27 marijuana product pending judicial review and prohibiting the licensee

1 from using or distributing the ~~retail~~ REGULATED marijuana or ~~retail~~
2 REGULATED marijuana product pending the review. The licensing
3 authority shall not carry out the destruction authorized by subsection (4)
4 of this section until fifteen days have passed without the filing of a
5 petition for stay of agency action or until the court has issued an order
6 denying stay of agency action pursuant to this subsection (5).

7 (6) A district attorney shall notify the state licensing authority if
8 it begins investigating a MEDICAL MARIJUANA BUSINESS OR retail
9 marijuana ~~establishment~~ BUSINESS. If the state licensing authority has
10 received notification from a district attorney that an investigation is being
11 conducted, the state licensing authority shall not destroy any marijuana or
12 marijuana products from the MEDICAL MARIJUANA BUSINESS OR retail
13 marijuana ~~establishment~~ BUSINESS until the destruction is approved by the
14 district attorney.

15 (7) ~~On or before January 1, 2014,~~ The state licensing authority
16 shall promulgate rules governing the implementation of this section.

17 PART 10

18 INSPECTION OF BOOKS AND RECORDS

19 **44-10-1001. [Formerly 44-12-701 and similar to**
20 **44-11-701] Inspection procedures.** (1) Each licensee shall keep a
21 complete set of all records necessary to show fully the business
22 transactions of the licensee, all of which ~~shall be~~ ARE open at all times
23 during business hours for the inspection and examination by the state
24 licensing authority or its duly authorized representatives. The state
25 licensing authority may require any licensee to furnish such information
26 as it considers necessary for the proper administration of this ~~article 12~~
27 ARTICLE 10 and may require an audit to be made of the books of account

1 and records on such occasions as it may consider necessary by an auditor
2 to be selected by the state licensing authority who shall likewise have
3 access to all books and records of the licensee, and the expense thereof
4 ~~shall~~ MUST be paid by the licensee.

5 (2) The licensed premises, including any places of storage where
6 ~~retail~~ REGULATED marijuana or ~~retail~~ REGULATED marijuana products are
7 stored, cultivated, sold, dispensed, or tested ~~shall be~~ ARE subject to
8 inspection by the state or local LICENSING AUTHORITY, OR LOCAL
9 jurisdictions and their investigators, during all business hours and other
10 times of apparent activity, for the purpose of inspection or investigation.
11 Access ~~shall be~~ IS required during business hours for examination of any
12 inventory or books and records required to be kept by the licensees. When
13 any part of the licensed premises consists of a locked area, upon demand
14 to the licensee, such area ~~shall~~ MUST be made available for inspection
15 without delay, and, upon request by authorized representatives of the state
16 or local jurisdiction, the licensee shall open the area for inspection.

17 (3) Each licensee shall retain all books and records necessary to
18 show fully the business transactions of the licensee for a period of the
19 current tax year and the three immediately prior tax years.

20 PART 11

21 JUDICIAL REVIEW

22 **44-10-1101. [Formerly 44-12-801 and similar to**
23 **44-11-801] Judicial review.** Decisions by the state licensing authority are
24 subject to judicial review pursuant to section 24-4-106.

25 PART 12

26 RESPONSIBLE VENDOR STANDARDS

27 **44-10-1201. [Formerly 44-11-1101] Responsible vendor**

1 **program - standards - designation.** (1) A person who wants to offer a
2 responsible medical or retail marijuana vendor server and seller training
3 program must submit an application to the state licensing authority for
4 approval, which program is referred to in this ~~part~~ PART 10 as an
5 "approved training program". The state licensing authority, in
6 consultation with the department of public health and environment, shall
7 approve the submitted program if the submitted program meets the
8 minimum criteria described in subsection (2) of this section. The
9 department of public health and environment shall review each submitted
10 program and shall provide the state licensing authority with the
11 department's analysis of whether the portions of the program related to
12 the department's oversight meet the minimum criteria described in this
13 section.

14 (2) An approved training program ~~shall~~ MUST contain, at a
15 minimum, the following standards and ~~shall~~ be taught in a classroom
16 setting in a minimum of a two-hour period:

17 (a) Program standards that specify, at a minimum, who must
18 attend, the time frame for new staff to attend, recertification requirements,
19 record keeping, testing and assessment protocols, and effectiveness
20 evaluations; and

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

23 (I) Information on required licenses, age requirements, patient
24 registry cards issued by the department of public health and environment,
25 maintenance of records, privacy issues, and unlawful acts;

26 (II) Administrative and criminal liability and license and court
27 sanctions;

1 (III) Statutory and regulatory requirements for employees and
2 owners;

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

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

8 (3) When promulgating program standards pursuant to subsection
9 (2) of this section, the state licensing authority shall consider input from
10 other state agencies, local jurisdictions, the medical and retail marijuana
11 industry, and any other state or national seller server program.

12 (4) A provider of an approved training program shall maintain its
13 training records at its principal place of business during the applicable
14 year and for the preceding three years, and the provider shall make the
15 records available for inspection by the licensing authority during normal
16 business hours.

17 **44-10-1202. [Formerly 44-11-1102] Responsible vendor -**
18 **designation.** (1) (a) A medical marijuana business licensed pursuant to
19 ~~this article 11~~ or a retail marijuana business licensed pursuant to ~~article~~
20 ~~12 of this title 44~~ THIS ARTICLE 10 may receive a responsible vendor
21 designation from the program vendor after successfully completing a
22 responsible medical or retail marijuana vendor server and seller training
23 program approved by the state licensing authority. A responsible vendor
24 designation is valid for two years from the date of issuance.

25 (b) Successful completion of an approved training program is
26 achieved when the program has been attended by and, as determined by
27 the program provider, satisfactorily completed by all employees selling

1 and handling medical or retail marijuana, all managers, and all resident
2 on-site owners, if any.

3 (c) In order to maintain the responsible vendor designation, the
4 licensed medical MARIJUANA BUSINESS or retail marijuana business must
5 have each new employee who sells or handles medical or retail marijuana,
6 manager, or resident on-site owner attend and satisfactorily complete a
7 responsible medical or retail marijuana vendor server and seller training
8 program within ninety days after being employed or becoming an owner.
9 The licensed medical MARIJUANA BUSINESS or retail marijuana business
10 shall maintain documentation of completion of the program by new
11 employees, managers, or owners.

12 (2) A licensed medical MARIJUANA BUSINESS or retail marijuana
13 business that receives a responsible vendor designation from the program
14 vendor shall maintain information on all persons licensed pursuant to this
15 ~~article~~ ~~11~~ ARTICLE 10 who are in its employment and who have been
16 trained in an approved training program. The information includes the
17 date, place, time, and duration of training and a list of all licensed persons
18 attending each specific training class, which class includes a training
19 examination or assessment that demonstrates proficiency.

20 (3) If a local or state licensing authority initiates an administrative
21 action against a licensee who has complied with the requirements of this
22 section and has been designated a responsible vendor, the licensing
23 authority shall consider the designation as a mitigating factor when
24 imposing sanctions or penalties on the licensee.

25 PART 13

26 SEVERABILITY

27 **44-10-1301. [Formerly 44-12-1101] Severability.** If any

1 provision of this ~~article~~ ~~12~~ ARTICLE 10 is found by a court of competent
2 jurisdiction to be unconstitutional, the remaining provisions of this ~~article~~
3 ~~12~~ ARTICLE 10 are valid, unless it appears to the court that the valid
4 provisions of the statute are so essentially and inseparably connected
5 with, and so dependent upon, the void provision that it cannot be
6 presumed that the legislature would have enacted the valid provisions
7 without the void one; or unless the court determines that the valid
8 provisions, standing alone, are incomplete and are incapable of being
9 executed in accordance with the legislative intent.

10 PART 14

11 SUNSET REVIEW - ARTICLE REPEAL

12 **44-10-1401. [Formerly 44-11-1001 and similar to**
13 **44-12-1001] Sunset review - repeal of article.** (1) This ~~article~~ ~~11~~
14 ARTICLE 10 is repealed, effective September 1, ~~2019~~ 2028.

15 (2) Prior to the repeal of this ~~article~~ ~~11~~ ARTICLE 10, the department
16 of regulatory agencies shall conduct a sunset review as described in
17 section 24-34-104 (5).

18 **SECTION 7. Repeal of provisions being relocated in this act.**
19 In Colorado Revised Statutes, **repeal** sections 44-11-102, 44-11-103,
20 44-11-104, 44-11-105, and 44-11-106; parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and
21 11 of article 11 of title 44; sections 44-12-102, 44-12-103, 44-12-104, and
22 44-12-105; and parts 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of article 12 of title
23 44.

24 **SECTION 8. Repeal of provisions not being relocated in this**
25 **act.** In Colorado Revised Statutes, **repeal** sections 44-11-101 and
26 44-12-101 that were not relocated.

27 **SECTION 9.** In Colorado Revised Statutes, 6-1-105, **amend**

1 (1)(hhh) as follows:

2 **6-1-105. Deceptive trade practices.** (1) A person engages in a
3 deceptive trade practice when, in the course of the person's business,
4 vocation, or occupation, the person:

5 (hhh) Knowingly represents that hemp, hemp oil, or any derivative
6 of a hemp plant constitutes retail marijuana or medical marijuana unless
7 it fully satisfies the definition of such products pursuant to ~~section~~
8 ~~44-12-103 (22) or section 44-11-104 (11)~~ SECTION 44-10-103 (26) OR
9 (45):

10 **SECTION 10.** In Colorado Revised Statutes, 11-33-103, **amend**
11 (4) as follows:

12 **11-33-103. Definitions.** As used in this article 33, unless the
13 context otherwise requires:

14 (4) "Licensed marijuana business" means an entity licensed
15 pursuant to ~~section 44-11-402, 44-11-403, 44-11-404, 44-12-402,~~
16 ~~44-12-403, 44-12-404, or 44-12-405~~ PARTS 5 AND 6 OF ARTICLE 10 OF
17 TITLE 44.

18 **SECTION 11.** In Colorado Revised Statutes, 11-33-104, **amend**
19 (2)(a)(II) as follows:

20 **11-33-104. Organization - charter - investigation.** (2) A co-op
21 may be organized in the following manner:

22 (a) (II) A co-op may be incorporated and organized for the
23 purpose of providing financial services to licensed marijuana businesses
24 in good standing with the executive director of the state licensing
25 authority created in ~~section 44-11-201~~ SECTION 44-10-201, industrial
26 hemp businesses, and entities that provide goods or services to licensed
27 marijuana businesses and that provide documentation to the co-op of an

1 inability to get comparable services from a bank or credit union.

2 **SECTION 12.** In Colorado Revised Statutes, 11-33-106, **amend**
3 (2) as follows:

4 **11-33-106. Membership - disclosures.** (2) (a) Co-op
5 membership is limited to only entities that own, operate, or are licensed
6 marijuana businesses in good standing with the executive director of the
7 state licensing authority created in ~~section 44-11-201~~ SECTION 44-10-201,
8 industrial hemp businesses, and entities that provide goods or services to
9 licensed marijuana businesses and that provide documentation to the
10 co-op of an inability to get comparable services from a bank or credit
11 union.

12 (b) An individual is not qualified to be a member of a co-op,
13 regardless of whether the individual is licensed, including pursuant to
14 ~~section 44-11-401 (1)(c) or 44-12-401 (1)(c)~~ SECTION 44-10-401 (2)(c),
15 to own, operate, manage, or be employed by a licensed marijuana
16 business, either as a sole proprietor or any other form of ownership that
17 gives the individual sole control over the licensed marijuana business.

18 **SECTION 13.** In Colorado Revised Statutes, 13-21-121, **amend**
19 (2)(b) as follows:

20 **13-21-121. Agricultural recreation or agritourism activities -**
21 **legislative declaration - inherent risks - limitation of civil liability -**
22 **duty to post warning notice - definitions.** (2) As used in this section,
23 unless the context otherwise requires:

24 (b) "Agricultural recreation or agritourism activity" means an
25 activity related to the normal course of agriculture, as defined in section
26 35-1-102 (1), which activity is engaged in by participants for
27 entertainment, pleasure, or other recreational purposes, or for educational

1 purposes, regardless of whether a fee is charged to the participants.
2 "Agricultural recreation or agritourism activity" also means hunting,
3 shooting, swimming, diving, tubing, and riding or operating a motorized
4 recreational vehicle that occurs on or in proximity to the property of an
5 agricultural operation or an adjacent roadway. "Agricultural recreation or
6 agritourism activity" includes, but is not limited to, planting, cultivation,
7 irrigation, or harvesting of crops; acceptable practices of animal
8 husbandry; rodeo and livestock activities; and maintenance of farm or
9 ranch equipment. "Agricultural recreation or agritourism activity" does
10 not include any activity related to or associated with medical marijuana
11 as defined in ~~section 44-11-104~~ SECTION 44-10-103 (26) or retail
12 marijuana as defined in ~~section 44-12-103~~ SECTION 44-10-103 (45).

13 **SECTION 14.** In Colorado Revised Statutes, **amend** 13-22-601
14 as follows:

15 **13-22-601. Contracts pertaining to marijuana enforceable.** It
16 is the public policy of the state of Colorado that a contract is not void or
17 voidable as against public policy if it pertains to lawful activities
18 authorized by section 16 of article XVIII of the state constitution and
19 ~~article 12~~ ARTICLE 10 of title 44.

20 **SECTION 15.** In Colorado Revised Statutes, **amend** 16-2.5-121
21 as follows:

22 **16-2.5-121. Executive director of the department of revenue**
23 **- senior director of enforcement for the department of revenue.** The
24 executive director and the senior director of enforcement of the
25 department of revenue are peace officers while engaged in the
26 performance of their duties whose authority includes the enforcement of
27 laws and rules regarding automobile dealers pursuant to section

1 44-20-105 (3), the lottery pursuant to sections 44-40-106 (3) and
2 44-40-107 (8), medical marijuana pursuant to ~~article 11~~ ARTICLE 10 of
3 title 44, limited gaming pursuant to article 30 of title 44, liquor pursuant
4 to section 44-3-905 (1), and racing events pursuant to section 44-32-203
5 (1), and the enforcement of all laws of the state of Colorado and who may
6 be certified by the P.O.S.T. board.

7 **SECTION 16.** In Colorado Revised Statutes, **amend**
8 16-2.5-124.5 as follows:

9 **16-2.5-124.5. Director of marijuana enforcement and**
10 **marijuana enforcement investigator.** The director of the marijuana
11 enforcement division or a marijuana enforcement investigator is a peace
12 officer while engaged in the performance of his or her duties and while
13 acting under proper orders or rules pursuant to ~~article 11 or 12~~ ARTICLE 10
14 of title 44, and shall also include the enforcement of all laws of the state
15 of Colorado and who may be certified by the P.O.S.T. board.

16 **SECTION 17.** In Colorado Revised Statutes, 18-1.3-204, **amend**
17 (1)(b) and (2)(a)(VIII)(A) as follows:

18 **18-1.3-204. Conditions of probation - interstate compact**
19 **probation transfer cash fund - creation.** (1) (b) Notwithstanding the
20 provisions of subsection (1)(a) of this section, unless the defendant is
21 sentenced to probation for a conviction of a crime under ~~article 11~~
22 ARTICLE 10 of title 44, the possession or use of medical marijuana, as
23 authorized pursuant to section 14 of article XVIII of the state constitution,
24 shall not be considered another offense such that its use constitutes a
25 violation of the terms of probation.

26 (2) (a) When granting probation, the court may, as a condition of
27 probation, require that the defendant:

1 (VIII) Refrain from excessive use of alcohol or any unlawful use
2 of controlled substances, as defined in section 18-18-102 (5), or of any
3 other dangerous or abusable drug without a prescription; except that the
4 court shall not, as a condition of probation, prohibit the possession or use
5 of medical marijuana, as authorized pursuant to section 14 of article
6 XVIII of the state constitution, unless:

7 (A) The defendant is sentenced to probation for conviction of a
8 crime under ~~article 11~~ ARTICLE 10 of title 44; or

9 **SECTION 18.** In Colorado Revised Statutes, 18-18-406.3,
10 **amend** (7) as follows:

11 **18-18-406.3. Medical use of marijuana by persons diagnosed**
12 **with debilitating medical conditions - unlawful acts - penalty -**
13 **medical marijuana program cash fund.** (7) An owner, officer, or
14 employee of a business licensed pursuant to ~~article 11~~ ARTICLE 10 of title
15 44, or an employee of the state medical marijuana licensing authority, a
16 local medical marijuana licensing authority, or the department of public
17 health and environment, who releases or makes public a patient's medical
18 record or any confidential information contained in any such record that
19 is provided to or by the business licensed pursuant to ~~article 11~~ ARTICLE
20 10 of title 44, without the written authorization of the patient commits a
21 class 1 misdemeanor; except that the owner, officer, or employee shall
22 release the records or information upon request by the state or local
23 medical marijuana licensing authority. The records or information
24 produced for review by the state or local licensing authority shall not
25 become public records by virtue of the disclosure and may be used only
26 for a purpose authorized by ~~article 11~~ ARTICLE 10 of title 44, or for
27 another state or local law enforcement purpose. The records or

1 information shall constitute medical data as defined by section 24-72-204
2 (3)(a)(I). The state or local medical marijuana licensing authority may
3 disclose any records or information so obtained only to those persons
4 directly involved with any investigation or proceeding authorized by
5 ~~article 11~~ ARTICLE 10 of title 44, or for any state or local law enforcement
6 purpose.

7 **SECTION 19.** In Colorado Revised Statutes, 18-18-406.4,
8 **amend** (1) as follows:

9 **18-18-406.4. Unlawful advertising of marijuana - exception.**

10 (1) A person who is not licensed to sell medical marijuana pursuant to
11 ~~article 43.3 of title 12~~ or retail marijuana pursuant to ~~article 43.4 of title~~
12 ~~12~~ ARTICLE 10 OF TITLE 44, or pursuant to the laws regarding medical or
13 retail marijuana under the laws of another state, who knowingly
14 advertises in a newspaper, magazine, handbill, or other publication or on
15 the internet the unlawful sale of marijuana, marijuana concentrate, or a
16 ~~marijuana-infused~~ MARIJUANA product by a person not licensed to sell
17 marijuana, marijuana concentrate, or a ~~marijuana-infused~~ MARIJUANA
18 product commits a level 2 drug misdemeanor.

19 **SECTION 20.** In Colorado Revised Statutes, 18-18-406.6,
20 **amend** (1) and (2) as follows:

21 **18-18-406.6. Extraction of marijuana concentrate - definitions.**

22 (1) It shall be unlawful for any person who is not licensed pursuant to
23 ~~article 11 or 12~~ ARTICLE 10 of title 44 to knowingly manufacture
24 marijuana concentrate using an inherently hazardous substance.

25 (2) It shall be unlawful for any person who is not licensed
26 pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44 who owns, manages,
27 operates, or otherwise controls the use of any premises to knowingly

1 allow marijuana concentrate to be manufactured on the premises using an
2 inherently hazardous substance.

3 **SECTION 21.** In Colorado Revised Statutes, 24-20-112, **amend**
4 (1) and (2) as follows:

5 **24-20-112. Implementation of section 16 of article XVIII of the**
6 **Colorado constitution - criteria for pesticide use - education oversight**
7 **and materials - rules.** (1) The governor shall designate a state agency
8 to promulgate rules to designate criteria that identify pesticides that may
9 be used in the cultivation of marijuana as authorized pursuant to ~~article~~
10 ~~12~~ ARTICLE 10 of title 44. The designated agency may consult with other
11 state agencies in promulgating the rules. The agency shall publish a list
12 of pesticides that meet the criteria on its website.

13 (2) The governor shall designate a state agency to work with a
14 private advisory group to develop good cultivation and handling practices
15 for the marijuana industry. The designated agency is encouraged to assist
16 in the formation of a private advisory group. If a private advisory group
17 develops good cultivation and handling practices, an entity licensed
18 pursuant to ~~article 12~~ ARTICLE 10 of title 44 that follows those practices
19 may include a statement of compliance on its label after receiving
20 certification of compliance. The designated agency may consult with
21 other state agencies to receive technical assistance.

22 **SECTION 22.** In Colorado Revised Statutes, 24-33.5-516,
23 **amend** (3) as follows:

24 **24-33.5-516. Study marijuana implementation.** (3) The
25 division is not required to perform the duties required by this section until
26 the marijuana cash fund, created in ~~section 44-11-501~~ SECTION
27 44-10-801, has received sufficient revenue to fully fund the

1 appropriations made to the department of revenue related to ~~articles 11~~
2 ~~and 12~~ ARTICLE 10 of title 44, and the general assembly has appropriated
3 sufficient money from the fund for such duties.

4 **SECTION 23.** In Colorado Revised Statutes, 24-34-104, **add**
5 (29)(a)(VII) as follows:

6 **24-34-104. General assembly review of regulatory agencies**
7 **and functions for repeal, continuation, or reestablishment - legislative**
8 **declaration - repeal.** (29) (a) The following agencies, functions, or both,
9 are scheduled for repeal on September 1, 2028:

10 (VII) THE "COLORADO MARIJUANA CODE", ARTICLE 10 OF TITLE
11 44.

12 **SECTION 24.** In Colorado Revised Statutes, 25-1.5-106, **amend**
13 (3.5)(b), (3.7), (3.8)(a), (7)(e)(I)(A), (8.5)(b), and (8.6)(b) as follows:

14 **25-1.5-106. Medical marijuana program - powers and duties**
15 **of state health agency - rules - medical review board - medical**
16 **marijuana program cash fund - subaccount - created - repeal.**

17 (3.5) **Marijuana laboratory testing reference library.** (b) The
18 reference library must contain a library of methodologies for marijuana
19 testing in the areas of potency, homogeneity, contaminants, and solvents
20 consistent with the laboratory requirements set by the department of
21 revenue pursuant to ~~article 11 or 12~~ ARTICLE 10 of title 44.

22 (3.7) The state health agency shall convene a group of interested
23 parties including representatives from the state licensing authority,
24 primary caregivers, patients, marijuana testing laboratory licensees, and
25 any other interested persons to explore laboratory testing options for
26 medical marijuana not produced by someone licensed pursuant to ~~article~~
27 ~~11~~ ARTICLE 10 of title 44.

1 (3.8) (a) The state health agency or an organization with whom the
2 state health agency contracts shall be responsible for proficiency testing
3 and remediating problems with laboratories licensed pursuant to ~~article~~
4 ~~11 or 12~~ ARTICLE 10 of title 44.

5 (7) **Primary caregivers.** (e) (I) (A) In order to be a primary
6 caregiver who cultivates medical marijuana for his or her patients or
7 transports medical marijuana for his or her patients, he or she shall also
8 register with the state licensing authority and comply with all local laws,
9 regulations, and zoning and use restrictions. A person may not register as
10 a primary caregiver if he or she is licensed as a medical marijuana
11 business as described in part 4 of ~~article 11~~ of title 44 or a retail marijuana
12 business as described in part 4 of ~~article 12~~ ARTICLE 10 of title 44. An
13 employee, contractor, or other support staff employed by a licensed entity
14 pursuant to ~~article 11 or 12~~ of title 44, or working in or having access to
15 a restricted area of a licensed premises pursuant to ~~article 11 or 12~~
16 ARTICLE 10 of title 44, may be a primary caregiver.

17 (8.5) **Encourage patient voluntary registration - plant limits.**
18 (b) A patient shall not cultivate more than ninety-nine plants. Only a
19 medical marijuana business licensed and properly authorized pursuant to
20 ~~article 11~~ ARTICLE 10 of title 44 may cultivate more than ninety-nine
21 plants.

22 (8.6) **Primary caregiver plant limits - exceptional**
23 **circumstances.** (b) A primary caregiver shall not cultivate more than
24 ninety-nine plants. Only a medical marijuana business licensed and
25 properly authorized pursuant to ~~article 11~~ ARTICLE 10 of title 44 may
26 cultivate more than ninety-nine plants. The primary caregiver is not
27 allowed to grow additional plants until he or she is licensed by the state

1 licensing authority.

2 **SECTION 25.** In Colorado Revised Statutes, 25-1.5-106.5,
3 **repeal** (5)(b) as follows:

4 **25-1.5-106.5. Medical marijuana research grant program.** (5)

5 **Sources of marijuana.** (b) ~~A person who holds an optional premises~~
6 ~~cultivation license or medical marijuana-infused products manufacturing~~
7 ~~license issued pursuant to part 4 of article 43.3 of title 12 or a retail~~
8 ~~marijuana cultivation facility license or a retail marijuana products~~
9 ~~manufacturing license issued pursuant to part 4 of article 43.4 of title 12~~
10 ~~may transfer marijuana to a medical research facility, including at an~~
11 ~~institution of higher education, for use in research studies funded pursuant~~
12 ~~to this section. Notwithstanding any other provision of law, a medical~~
13 ~~research facility authorized pursuant to this section to conduct medical~~
14 ~~research regarding marijuana is exempt from all otherwise applicable~~
15 ~~restrictions on the possession and use of marijuana; except that the~~
16 ~~facility shall use the marijuana only for the medical research authorized~~
17 ~~pursuant to this section, shall not possess at any time a quantity of~~
18 ~~medical marijuana or medical marijuana-infused product in excess of the~~
19 ~~limit established in rules promulgated by the state licensing authority, and~~
20 ~~shall destroy all marijuana remaining after the research has been~~
21 ~~completed. For the fiscal years beginning on or after July 1, 2017, the~~
22 ~~general assembly may annually appropriate up to one percent of the~~
23 ~~available money in the marijuana tax cash fund created in section~~
24 ~~39-28.8-501 to the department to be used to award grants pursuant to this~~
25 ~~section to medical research facilities so that a facility may:~~

26 (I) Purchase marijuana from a licensee specified in this subsection
27 (5)(b) that will be used in the research; and

1 ~~(H) Conduct the medical research.~~

2 **SECTION 26.** In Colorado Revised Statutes, 25-5-403, **repeal** (3)
3 as follows:

4 **25-5-403. Offenses.** (3) ~~The provisions of this section shall not~~
5 ~~apply to a medical marijuana center or a medical marijuana-infused~~
6 ~~products manufacturer licensed pursuant to article 11 of title 44 that~~
7 ~~manufactures or sells a food product that contains medical marijuana so~~
8 ~~long as the food product is labeled as containing medical marijuana and~~
9 ~~the label specifies that the product is manufactured without any regulatory~~
10 ~~oversight for health, safety, or efficacy, and that there may be health risks~~
11 ~~associated with the consumption or use of the product.~~

12 **SECTION 27.** In Colorado Revised Statutes, 25-14-103.5,
13 **amend** (3)(a)(I) as follows:

14 **25-14-103.5. Prohibition against the use of tobacco products**
15 **and retail marijuana on school property - legislative declaration -**
16 **education program - special account - definitions.** (3) (a) (I) The board
17 of education of each school district shall adopt appropriate policies and
18 rules that mandate a prohibition against the use of all tobacco products
19 and all retail marijuana or retail marijuana products authorized pursuant
20 to ~~article 12~~ ARTICLE 10 of title 44 on all school property by students,
21 teachers, staff, and visitors and that provide for the enforcement of such
22 policies and rules.

23 **SECTION 28.** In Colorado Revised Statutes, 26-2-104, **amend**
24 (2)(a)(II)(D) and (2)(h)(I)(C) as follows:

25 **26-2-104. Public assistance programs - electronic benefits**
26 **transfer service - joint reports with department of revenue - signs -**
27 **rules - repeal.** (2) (a) (II) Only those businesses that offer products or

1 services related to the purpose of the public assistance benefits are
2 allowed to participate in the electronic benefits transfer service through
3 the use of point-of-sale terminals. Clients shall not be allowed to access
4 cash benefits through the electronic benefits transfer service from
5 automated teller machines in this state located in:

6 (D) Establishments licensed to sell medical marijuana or medical
7 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
8 or retail marijuana or retail marijuana products pursuant to ~~article 12~~
9 ARTICLE 10 of title 44; except that the prohibition for these establishments
10 does not take effect until sixty days after May 1, 2015; or

11 (h) (I) On or before January 1, 2016, the department of revenue
12 shall adopt rules pursuant to the "State Administrative Procedure Act",
13 article 4 of title 24, that relate to a client's use of automated teller
14 machines at locations where the use is prohibited. The rules must apply
15 to the following establishments:

16 (C) Establishments licensed to sell medical marijuana or medical
17 ~~marijuana-infused~~ MARIJUANA products pursuant to ~~article 11 of title 44~~
18 or retail marijuana or retail ~~marijuana-infused~~ MARIJUANA products
19 pursuant to ~~article 12~~ ARTICLE 10 of title 44; and

20 **SECTION 29.** In Colorado Revised Statutes, 29-2-114, **amend**
21 (7) as follows:

22 **29-2-114. Retail marijuana excise tax - county - municipality**
23 **- election - repeal.** (7) If a retail marijuana cultivation facility uses a
24 retail marijuana transporter, as defined in ~~section 12-43.4-103 (21.5)~~
25 SECTION 44-10-103 (53), to transport unprocessed retail marijuana being
26 sold or transferred by the retail marijuana cultivation facility to a retail
27 marijuana product ~~manufacturing~~ MANUFACTURER facility, a retail

1 marijuana store, or another retail marijuana cultivation facility, the
2 transportation of the unprocessed retail marijuana by the retail marijuana
3 transporter is not a transfer of unprocessed retail marijuana for the
4 purpose of levying any excise tax imposed pursuant to this section.

5 **SECTION 30.** In Colorado Revised Statutes, 29-2-115, **amend**
6 (3)(a) introductory portion and (4)(a) as follows:

7 **29-2-115. Retail marijuana sales tax - county - municipality -**
8 **election - legislative declaration - definition.** (3) (a) Each county in the
9 state is authorized to levy, collect, and enforce a county special sales tax
10 upon all sales of retail marijuana and retail marijuana products, as those
11 terms are defined in ~~section 12-43.4-103~~ SECTION 44-10-103, under the
12 following circumstances:

13 (4) (a) Each municipality in the state is authorized to levy, collect,
14 and enforce a municipal special sales tax upon all sales of retail marijuana
15 and retail marijuana products, as those terms are defined in ~~section~~
16 ~~12-43.4-103~~ SECTION 44-10-103.

17 **SECTION 31.** In Colorado Revised Statutes, **amend** 35-61-105.5
18 as follows:

19 **35-61-105.5. Testing laboratories.** If a person registered pursuant
20 to this article 61 wants a licensed retail marijuana testing facility to
21 perform testing on the industrial hemp that the registrant is cultivating,
22 that person shall use a radio frequency identification-based inventory
23 tracking system approved by the commissioner for a sample of the
24 registrant's industrial hemp crop. The commissioner shall only approve
25 an inventory tracking system if that system is compatible with the state
26 licensing authority's seed-to-sale tracking system required pursuant to
27 ~~section 44-12-202 (1)~~ SECTION 44-10-202 (1)(a). A licensed retail testing

1 facility shall provide the test results to the registrant and the
2 commissioner. All test results ~~shall be~~ ARE considered confidential
3 business information. This section ~~shall not be construed to~~ DOES NOT
4 prevent the use of the tracking system for other purposes.

5 **SECTION 32.** In Colorado Revised Statutes, 39-22-104, **amend**
6 (4)(r); and **repeal** (4)(s) as follows:

7 **39-22-104. Income tax imposed on individuals, estates, and**
8 **trusts - single rate - legislative declaration - definitions - repeal.**

9 (4) There shall be subtracted from federal taxable income:

10 (r) For income tax years commencing on or after January 1, 2014,
11 if a taxpayer is licensed under the "~~Colorado Medical Marijuana Code~~",
12 ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44, OR ITS
13 PREDECESSOR CODES, 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 internal revenue code because marijuana is a
16 controlled substance under federal law;

17 (s) ~~For income tax years commencing on or after January 1, 2014,~~
18 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
19 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
20 ~~to be claimed as a federal income tax deduction but is disallowed by~~
21 ~~section 280E of the federal internal revenue code because marijuana is a~~
22 ~~controlled substance under federal law;~~

23 **SECTION 33.** In Colorado Revised Statutes, 39-22-304, **amend**
24 (3)(m); and **repeal** (3)(n) as follows:

25 **39-22-304. Net income of corporation - legislative declaration**
26 **- definitions - repeal.** (3) There shall be subtracted from federal taxable
27 income:

1 (m) For income tax years commencing on or after January 1,
2 2014, if a taxpayer is licensed under the "~~Colorado Medical Marijuana~~
3 ~~Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE", ARTICLE 10 of title 44,
4 OR ITS PREDECESSOR CODES, an amount equal to any expenditure that is
5 eligible to be claimed as a federal income tax deduction but is disallowed
6 by section 280E of the internal revenue code because marijuana is a
7 controlled substance under federal law;

8 (n) ~~For income tax years commencing on or after January 1, 2014,~~
9 ~~if a taxpayer is licensed under the "Colorado Retail Marijuana Code",~~
10 ~~article 12 of title 44, an amount equal to any expenditure that is eligible~~
11 ~~to be claimed as a federal income tax deduction but is disallowed by~~
12 ~~section 280E of the federal internal revenue code because marijuana is a~~
13 ~~controlled substance under federal law;~~

14 **SECTION 34.** In Colorado Revised Statutes, 39-26-102, **amend**
15 (5.8) as follows:

16 **39-26-102. Definitions.** As used in this article 26, unless the
17 context otherwise requires:

18 (5.8) "Medical marijuana" shall have the same meaning as set
19 forth in ~~section 44-11-104 (11)~~ SECTION 44-10-103 (26).

20 **SECTION 35.** In Colorado Revised Statutes, 39-28.8-101,
21 **amend** (6) as follows:

22 **39-28.8-101. Definitions.** Unless the context otherwise requires,
23 any terms not defined in this article 28.8 have the meanings set forth in
24 article 26 of this title 39. As used in this article 28.8, unless the context
25 otherwise requires:

26 (6) "Medical marijuana ~~center~~ STORE" means an entity licensed by
27 the department to sell marijuana and marijuana products pursuant to

1 section 14 of article XVIII of the state constitution and the "~~Colorado~~
2 ~~Medical Marijuana Code~~", ~~article 11~~ "COLORADO MARIJUANA CODE",
3 ARTICLE 10 of title 44, OR ITS PREDECESSOR CODES.

4 **SECTION 36.** In Colorado Revised Statutes, 39-28.8-501,
5 **amend** (1) and (2)(a)(I) as follows:

6 **39-28.8-501. Marijuana tax cash fund - creation - distribution**
7 **- legislative declaration.** (1) The marijuana tax cash fund, referred to in
8 this part 5 as the "fund", is created in the state treasury. The fund consists
9 of any applicable retail marijuana sales tax transferred pursuant to section
10 39-28.8-203 (1)(b) on or after July 1, 2014, and any revenues transferred
11 to the fund from any sales tax imposed pursuant to section 39-26-106 on
12 the retail sale of products under ~~articles 43.3 and 43.4 of title 12, C.R.S.~~
13 ARTICLE 10 OF TITLE 44.

14 (2) (a) The general assembly shall not appropriate the money in
15 the fund for the fiscal year in which it was received by the state; except
16 that:

17 (I) The general assembly may appropriate money in the fund to
18 the department of revenue for the fiscal years in which it was received by
19 the state for the direct and indirect costs associated with implementing
20 this article 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44; and

21 **SECTION 37.** In Colorado Revised Statutes, 39-28.8-502,
22 **amend** (2) as follows:

23 **39-28.8-502. Marijuana tax cash fund - budget requests.**

24 (2) Beginning with the budget request required to be submitted to the
25 joint budget committee by November 1, 2014, and for each budget
26 request required to be submitted each November thereafter, the executive
27 director of the department of revenue shall include in its budget request

1 for the direct and indirect costs associated with implementing this article
2 28.8 and ~~articles 11 and 12~~ ARTICLE 10 of title 44 the amount that the
3 department requests from the money in the marijuana cash fund created
4 in ~~section 44-11-501~~ SECTION 44-10-801, and the amount that the
5 department requests from the marijuana tax cash fund.

6 **SECTION 38. Appropriation.** (1) For the 2019-20 state fiscal
7 year, \$396,604 is appropriated to the department of revenue. This
8 appropriation is from the marijuana cash fund created in section
9 44-11-501 (1)(a), C.R.S. To implement this act, the department may use
10 this appropriation as follows:

11 (a) \$292,974 for marijuana enforcement, which amount is based
12 on an assumption that the department will require an additional 1.8 FTE;
13 and

14 (b) \$103,630 for the purchase of legal services.

15 (2) For the 2019-20 state fiscal year, \$103,630 is appropriated to
16 the department of law. This appropriation is from reappropriated funds
17 received from the department of revenue under subsection (1)(b) of this
18 section and is based on an assumption that the department of law will
19 require an additional 0.6 FTE. To implement this act, the department of
20 law may use this appropriation to provide legal services for the
21 department of revenue.

22 **SECTION 39. Act subject to petition - effective date.** Sections
23 6 through 37 of this act take effect January 1, 2020, and the remainder of
24 this act takes effect at 12:01 a.m. on the day following the expiration of
25 the ninety-day period after final adjournment of the general assembly
26 (August 2, 2019, if adjournment sine die is on May 3, 2019); except that,
27 if a referendum petition is filed pursuant to section 1 (3) of article V of

1 the state constitution against this act or an item, section, or part of this act
2 within the ninety-day period after final adjournment of the general
3 assembly, then the act, item, section, or part will not take effect unless
4 approved by the people at the general election to be held in November
5 2020 and, in such case, will take effect on the date of the official
6 declaration of the vote thereon by the governor, except that sections 6
7 through 37 take effect January 1, 2020.