First Regular Session Seventy-third General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House HOUSE BILL 21-1301

LLS NO. 21-0814.01 Jennifer Berman x3286

HOUSE SPONSORSHIP

Esgar and Holtorf, Bernett, Bird, Boesenecker, Duran, Gray, Hooton, Lontine, McCormick, McLachlan, Michaelson Jenet, Ricks, Snyder, Valdez A., Woodrow

SENATE SPONSORSHIP

Coram and Moreno, Ginal, Gonzales, Holbert, Jaquez Lewis, Rankin

House Committees

Agriculture, Livestock, & Water Finance Appropriations Senate Committees Finance Appropriations

A BILL FOR AN ACT

101	CONCERNING THE REMOVAL OF IMPEDIMENTS TO CANNABIS FARMING,
102	AND, IN CONNECTION THEREWITH, PERMITTING CONTINGENCY
103	PLANS TO REDUCE CROP LOSS BASED ON ADVERSE WEATHER AND
104	CONVENING A WORKING GROUP TO EXAMINE MEASURES TO
105	REDUCE CROSS-POLLINATION, AND 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 <u>http://leg.colorado.gov</u>.)

Section 1 defines "cross-pollination", "farm", "licensed outdoor marijuana farm", "volunteer plant", and "registered outdoor hemp farm"





Amended 2nd Reading May 25, 2021

HOUSE

in connection with the convening of a working group in section 2 to examine measures to minimize cross-pollination between cannabis plants.

Section 4 requires the state licensing authority to convene a working group on or before November 1, 2021, to examine existing rules and tax laws that apply to the wholesale marijuana cultivation market to explore how the rules and laws could be amended to better position Colorado businesses to be competitive in interstate commerce if marijuana is legalized federally. The working group is required to report its findings and recommendations to the executive director of the department of revenue and the general assembly on or before June 1, 2022.

Section 5 requires the state licensing authority to engage in rule-making on:

- The process, procedures, and requirements for contingency plans for outdoor marijuana cultivation facilities to ameliorate crop loss due to adverse weather;
- Procedures for outdoor marijuana cultivation facilities to follow to temporarily cover crops to protect them from extreme weather; and
- Procedures for the conditional issuance of an employee license identification card.

Sections 6 and 7 authorize medical marijuana cultivation and retail marijuana cultivation facility licensees with outdoor cultivation facilities, starting January 1, 2022, to file with the state licensing authority a contingency plan for when there is a threat to operations due to an adverse weather event and, if approved, to follow the plan if there is an adverse weather event.

Before January 1, 2022, sections 6 and 7 authorize a medical marijuana cultivation facility licensee or a retail marijuana cultivation facility licensee with outdoor cultivation facilities to take reasonable and necessary steps to ameliorate crop loss due to an adverse weather event. The action is not a violation of state law or rules or local law or regulations unless the state licensing authority or a local authority can show that the action was not reasonable and necessary to prevent or ameliorate crop loss due to an adverse weather event.

Section 3 defines "adverse weather event" to mean damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind, or tornado or an adverse natural occurrence, such as an earthquake or a flood.

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

2

SECTION 1. In Colorado Revised Statutes, 35-61-101, amend

1 (3); and **add** (4.3), (7.4), (7.6), (7.8), (8.4), (8.7), and (10) as follows: 2 **35-61-101.** Definitions. As used in this article 61, unless the 3 context otherwise requires: 4 (3) "Commissioner" means the commissioner of agriculture OR 5 THE COMMISSIONER'S DESIGNEE. 6 (4.3) "CROSS-POLLINATION" MEANS THE TRANSFER OF POLLEN 7 FROM ONE PLANT TO THE FLOWER OF ANOTHER PLANT. 8 (7.4) "LICENSED OUTDOOR MARIJUANA CULTIVATION" MEANS THE 9 LICENSED PREMISES, AS DEFINED IN SECTION 44-10-103 (24), USED FOR 10 OUTDOOR CULTIVATION OF MARIJUANA. 11 (7.6) "MARIJUANA" HAS THE SAME MEANING AS "REGULATED MARIJUANA" AS DEFINED IN SECTION 44-10-103 (54). 12 13 (7.8) (a) "OUTDOOR CULTIVATION" MEANS: 14 (I) A REGISTERED OUTDOOR HEMP CULTIVATION; 15 (II) A LICENSED OUTDOOR MARIJUANA CULTIVATION; 16 (III) THE PREMISES FOR WHICH A PERSON APPLIES FOR 17 REGISTRATION TO ENGAGE IN OUTDOOR CULTIVATION OF HEMP OR A 18 LICENSE TO ENGAGE IN OUTDOOR CULTIVATION OF MARIJUANA; OR 19 (IV) THE PREMISES ON WHICH A PERSON PREVIOUSLY HAD A 20 REGISTERED OUTDOOR HEMP CULTIVATION OR A LICENSED OUTDOOR 21 MARIJUANA CULTIVATION. 22 (b) "OUTDOOR CULTIVATION", WITH RESPECT TO MARIJUANA, 23 MEANS A LICENSED MARIJUANA GROW THAT OPERATES SEASONALLY 24 WITHIN A TEMPORARY GREENHOUSE OR ON AN OPEN PLOT OF LAND. 25 (c) "OUTDOOR CULTIVATION", WITH RESPECT TO MARIJUANA, DOES 26 NOT INCLUDE A LICENSED MARIJUANA GROW THAT OPERATES 27 YEAR-ROUND WITHIN A CONSTRUCTED FACILITY OR PERMANENT

1 GREENHOUSE.

2 (8.4) "REGISTERED OUTDOOR HEMP <u>CULTIVATION"</u> MEANS THE
3 PREMISES THAT ARE SUBJECT TO REGISTRATION UNDER SECTION 35-61-104
4 AND ARE USED FOR OUTDOOR CULTIVATION OF HEMP.

5 (8.7) "STATE LICENSING AUTHORITY" MEANS THE STATE LICENSING
6 AUTHORITY CREATED IN SECTION 44-10-201 FOR THE PURPOSE OF
7 REGULATING AND CONTROLLING THE LICENSING OF THE CULTIVATION,
8 MANUFACTURE, DISTRIBUTION, SALE, AND TESTING OF MARIJUANA IN THIS
9 STATE.

10 (10) "VOLUNTEER <u>CANNABIS</u> PLANT" MEANS A CANNABIS PLANT
11 GROWING SPONTANEOUSLY WITHOUT DIRECT HUMAN CONTROL OR
12 SUPERVISION.

SECTION 2. In Colorado Revised Statutes, add 35-61-110.3 as
follows:

35-61-110.3. Cross-pollination - working group - reporting repeal. (1) ON OR BEFORE NOVEMBER 1, 2021, THE COMMISSIONER, IN
COLLABORATION WITH THE STATE LICENSING AUTHORITY, THE
GOVERNOR'S DEPUTY LEGAL COUNSEL, AND THE GOVERNOR'S SPECIAL
ADVISOR ON CANNABIS, SHALL <u>WORK WITH A WORKING GROUP CONVENED</u>
TO STUDY AND RECOMMEND OPTIONS FOR MINIMIZING CROSS-POLLINATION
BETWEEN CANNABIS PLANTS, INCLUDING:

(a) HOW TO MINIMIZE VOLUNTEER <u>CANNABIS</u> PLANTS GROWING ON
 AREAS OF LAND THAT ARE NOT REGISTERED OUTDOOR HEMP
 <u>CULTIVATIONS</u> OR LICENSED OUTDOOR MARIJUANA <u>CULTIVATIONS</u>,
 REGARDLESS OF WHETHER THE PROPERTY WAS PREVIOUSLY REGISTERED
 OR LICENSED;

27

1301

-4-

1	(b) How best to share data and the proximity between the
2	LOCATIONS OF REGISTERED OUTDOOR HEMP CULTIVATIONS, LICENSED
3	OUTDOOR MARIJUANA CULTIVATIONS, AND THE PROPERTIES OF
4	APPLICANTS FOR REGISTERED OUTDOOR HEMP CULTIVATIONS OR LICENSED
5	OUTDOOR MARIJUANA CULTIVATIONS, INCLUDING INFORMATION FOR EACH
6	OUTDOOR CULTIVATION REGARDING:
7	(I) The potential for cross-pollination between the
8	OUTDOOR CULTIVATION AND OTHER OUTDOOR CULTIVATIONS OR AREAS
9	OF LAND WITH VOLUNTEER CANNABIS PLANTS; AND
10	(II) PROPERTY SIZE;
11	(c) The best practices for preventing cross-pollination
12	INCLUDING:
13	(I) AN EXAMINATION OF THE STANDARDS DEVELOPED BY
14	AGRICULTURAL ORGANIZATIONS WITH EXPERTISE IN INDUSTRY-WIDE
15	STANDARDS AND PRACTICES;
16	(II) RECOMMENDATIONS FROM SUBJECT-MATTER EXPERTS; AND
17	(III) IF AVAILABLE, A REVIEW OF PRACTICES DEVELOPED BY THE
18	HEMP CENTER OF EXCELLENCE; AND
19	(d) The feasibility of conducting and financing field
20	STUDIES TO EXAMINE CROSS-POLLINATION BETWEEN OUTDOOR
21	CULTIVATIONS AND AREAS OF LAND WITH VOLUNTEER CANNABIS PLANTS.
22	(2) In convening the working group, the appointing
23	AUTHORITIES SHOULD STRIVE TO INCLUDE REPRESENTATION OF A DIVERSE
24	CROSS-SECTION OF MEMBERS. MEMBERS OF THE WORKING GROUP SHALL
25	BE APPOINTED ON OR BEFORE OCTOBER 15, 2021, AS FOLLOWS:
26	(a) The chairs of the house agriculture, livestock, and
27	WATER COMMITTEE AND THE SENATE AGRICULTURE AND NATURAL

1	RESOURCES COMMITTEE OR THEIR SUCCESSOR COMMITTEES SHALL
2	JOINTLY APPOINT:
3	(I) Two members from affected licensed marijuana
4	CULTIVATION BUSINESSES IN THE STATE;
5	(II) ONE GENETICIST WITH EXPERTISE IN CANNABIS BREEDING;
6	(III) ONE SCIENTIST OR AGRONOMIST WITH EXPERTISE IN
7	CROSS-POLLINATION;
8	(IV) TWO MEMBERS FROM SOFTWARE COMPANIES THAT SERVICE
9	THE AGRICULTURAL INDUSTRY;
10	(V) Two members from businesses in the state with
11	EXPERIENCE GROWING HEMP FROM FEMINIZED SEEDS OR CLONES
12	PRIMARILY FOR CANNABINOID PRODUCTION;
13	(VI) TWO MEMBERS REPRESENTING COMPANIES WITH EXPERTISE
14	IN AGRICULTURAL SURVEYING;
15	(VII) Two members from businesses in the state with
16	EXPERIENCE IN THE DEVELOPMENT OF SEED THAT IS CERTIFIED BY THE
17	ASSOCIATION OF OFFICIAL SEED CERTIFYING AGENCIES; AND
18	(VIII) Two members from businesses in the state with
19	EXPERIENCE IN GROWING HEMP GRAIN AND FIBER VARIETIES; AND
20	(b) The state licensing authority shall appoint four
21	MEMBERS AS FOLLOWS:
22	(I) Two each with expertise in licensed marijuana
23	CULTIVATION REGULATIONS; AND
24	(II) TWO EACH REPRESENTING A LICENSED MARIJUANA OUTDOOR
25	CULTIVATION BUSINESS WITH EXPERTISE IN CANNABIS GENETICS.
26	(3) The working group's recommendations must not
27	INCLUDE MANDATES ON THE TYPE, LOCATION, OR TIMING OF ANY CROP

1 PLANTING; HOWEVER, THIS WILL NOT LIMIT THE ABILITY OF PROPERTY 2 OWNERS TO ENTER INTO VOLUNTARY AGREEMENTS. 3 (4) ON OR BEFORE NOVEMBER 1, 2022, THE WORKING GROUP 4 SHALL SUBMIT A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE 5 HOUSE OF REPRESENTATIVES AGRICULTURE, LIVESTOCK, AND WATER 6 COMMITTEE AND THE SENATE AGRICULTURE AND NATURAL RESOURCES 7 COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE DEPARTMENT AND 8 THE STATE LICENSING AUTHORITY SHALL POST THE REPORT ON THEIR 9 PUBLIC WEBSITES. 10 (5) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2023. 11 SECTION 3. In Colorado Revised Statutes, 44-10-103, add (6.5) 12 as follows: 13 44-10-103. Definitions. As used in this article 10, unless the 14 context otherwise requires: 15 (6.5) "ADVERSE WEATHER EVENT" MEANS: 16 (a) DAMAGING WEATHER, WHICH INVOLVES A DROUGHT, A FREEZE, 17 HAIL, EXCESSIVE MOISTURE, EXCESSIVE WIND, OR A TORNADO; 18 (b) AN ADVERSE NATURAL OCCURRENCE, WHICH INVOLVES AN 19 EARTHQUAKE, WILDFIRE, OR FLOOD; OR 20 (c) ANY ADDITIONAL ADVERSE WEATHER EVENT OR ADVERSE 21 NATURAL OCCURRENCE AS THE STATE LICENSING AUTHORITY MAY DEFINE 22 BY RULE. 23 24 SECTION 4. In Colorado Revised Statutes, add 44-10-107 as 25 follows: 26 **44-10-107.** Cannabinoids. IT IS UNLAWFUL TO DISTRIBUTE OR 27 SELL PRODUCTS CONTAINING INTOXICATING CANNABINOIDS INCLUDING

1 BUT NOT LIMITED TO DELTA-8 TETRAHYDROCANNABINOL, DELTA-9 2 TETRAHYDROCANNABINOL, DELTA-10 TETRAHYDROCANNABINOL, 3 EXO-TETRAHYDROCANNABINOL, AND OTHER TETRAHYDROCANNABINOL 4 ISOMERS, SALTS, OR DERIVATIVES THAT HAVE A CONCENTRATION GREATER 5 THAN THREE-TENTHS OF ONE PERCENT, WHETHER FROM REGULATED 6 MARIJUANA, INDUSTRIAL HEMP, INDUSTRIAL HEMP PRODUCTS, OR 7 OTHERWISE, EXCEPT IF DISTRIBUTED OR SOLD IN COMPLIANCE WITH THE 8 TERMS, CONDITIONS, LIMITATIONS, AND RESTRICTIONS SET FORTH IN 9 SECTION 16 OF ARTICLE XVIII OF THE STATE CONSTITUTION OR THIS 10 ARTICLE 10. 11 SECTION 5. In Colorado Revised Statutes, 44-10-202, amend 12 (1)(f) and (1)(g); and add (1)(h) as follows: 13 44-10-202. Powers and duties of state licensing authority -14 rules - report - legislative declaration - repeal. (1) Powers and duties. 15 The state licensing authority shall: 16 (f) Prepare and transmit annually, in the form and manner 17 prescribed by the heads of the principal departments pursuant to section 18 24-1-136, a report accounting to the governor for the efficient discharge 19 of all responsibilities assigned by law or directive to the state licensing 20 authority; and 21 (g) Collect and maintain data related to licensing disqualifications 22 and all sanctions based on past criminal history pursuant to the 23 requirements in section 24-34-104 (6)(b)(IX); AND 24 (h) (I) ON OR BEFORE NOVEMBER 1, 2021, IN COLLABORATION 25 WITH THE GOVERNOR'S DEPUTY LEGAL COUNSEL AND THE GOVERNOR'S 26 SPECIAL ADVISOR ON CANNABIS, CONVENE A WORKING GROUP TO EXAMINE 27 THE EXISTING RULES AND TAX LAWS THAT APPLY TO THE STATE'S

1301

1 WHOLESALE MARIJUANA CULTIVATION MARKET. THE WORKING GROUP 2 SHALL EXPLORE OPTIONS ON HOW THE EXISTING RULES AND TAX LAWS 3 COULD BE AMENDED TO BETTER POSITION BUSINESSES IN THE STATE TO BE 4 COMPETITIVE IF MARIJUANA IS LEGALIZED UNDER FEDERAL LAW. ON OR 5 BEFORE JUNE 1, 2022, THE WORKING GROUP SHALL SUBMIT A REPORT OF 6 ITS FINDINGS AND RECOMMENDATIONS TO THE EXECUTIVE DIRECTOR AND 7 THE GENERAL ASSEMBLY, WHICH REPORT MAY INCLUDE 8 RECOMMENDATIONS FOR LEGISLATION. 9 (II) THIS SUBSECTION (1)(h) IS REPEALED, EFFECTIVE SEPTEMBER 10 1.2022. 11 SECTION 6. In Colorado Revised Statutes, 44-10-203, amend 12 (1)(j); and **add** (1)(i.5), (1)(j.5), and (9) as follows: 13 State licensing authority - rules - definition. 44-10-203. 14 (1) **Permissive rule-making.** Rules promulgated pursuant to section 15 44-10-202 (1)(c) may include but need not be limited to the following 16 subjects: 17 (i.5) REQUIREMENTS FOR THE MANUFACTURE, CONVERSION, 18 DISTRIBUTION, AND SALE OF PRODUCTS CONTAINING INTOXICATING 19 CANNABINOIDS INCLUDING BUT NOT LIMITED TO DELTA-8 20 TETRAHYDROCANNABINOL, DELTA-9 TETRAHYDROCANNABINOL, 21 DELTA-10 TETRAHYDROCANNABINOL, EXO-TETRAHYDROCANNABINOL, 22 AND OTHER TETRAHYDROCANNABINOL ISOMERS, SALTS, OR DERIVATIVES 23 THAT HAVE A CONCENTRATION GREATER THAN THREE-TENTHS OF ONE 24 PERCENT, WHETHER FROM REGULATED MARIJUANA, INDUSTRIAL HEMP, 25 INDUSTRIAL HEMP PRODUCTS, OR OTHERWISE; 26 (i) A definition for "disproportionate impacted area" to the extent

27 relevant state of Colorado data exists, is available, and is used for the

purpose of determining eligibility for a social equity licensee; and
 (j.5) THE IMPLEMENTATION OF CONTINGENCY PLANS PURSUANT TO
 SECTIONS 44-10-502 (9) AND 44-10-602 (13), INCLUDING THE <u>DEFINITION</u>
 <u>OF OUTDOOR CULTIVATION, ADVERSE WEATHER EVENT, OR ADVERSE</u>
 <u>NATURAL OCCURRENCE AND THE</u> PROCESS, PROCEDURES, REQUIREMENTS,
 AND RESTRICTIONS FOR CONTINGENCY PLANS; AND

7 (9) (a) THE STATE LICENSING AUTHORITY MAY, BY RULE, 8 ESTABLISH PROCEDURES FOR THE CONDITIONAL ISSUANCE OF AN 9 EMPLOYEE LICENSE IDENTIFICATION CARD AT THE TIME OF APPLICATION. 10 THE STATE LICENSING AUTHORITY SHALL BASE ITS (b) (I) 11 ISSUANCE OF AN EMPLOYEE LICENSE IDENTIFICATION CARD PURSUANT TO 12 THIS SUBSECTION (9) ON THE RESULTS OF AN INITIAL INVESTIGATION THAT 13 DEMONSTRATE THE APPLICANT IS QUALIFIED TO HOLD SUCH LICENSE. THE 14 EMPLOYEE LICENSE APPLICATION FOR WHICH AN EMPLOYEE LICENSE 15 IDENTIFICATION CARD WAS ISSUED PURSUANT TO THIS SUBSECTION (9) 16 REMAINS SUBJECT TO DENIAL PENDING THE COMPLETE RESULTS OF THE 17 APPLICANT'S INITIAL FINGERPRINT-BASED CRIMINAL HISTORY RECORD 18 CHECK.

19 (II) RESULTS OF A FINGERPRINT-BASED CRIMINAL HISTORY RECORD 20 CHECK THAT DEMONSTRATE THAT AN APPLICANT POSSESSING AN 21 EMPLOYEE LICENSE IDENTIFICATION CARD PURSUANT TO THIS SUBSECTION 22 (9) IS NOT QUALIFIED TO HOLD A LICENSE ISSUED UNDER THIS ARTICLE 10 23 ARE GROUNDS FOR DENIAL OF THE EMPLOYEE LICENSE APPLICATION. IF 24 THE EMPLOYEE LICENSE APPLICATION IS DENIED, THE APPLICANT SHALL 25 RETURN THE EMPLOYEE LICENSE IDENTIFICATION CARD TO THE STATE 26 LICENSING AUTHORITY WITHIN A TIME PERIOD THAT THE STATE LICENSING 27 AUTHORITY ESTABLISHES BY RULE.

SECTION <u>7.</u> In Colorado Revised Statutes, 44-10-502, add (9)
 as follows:

3 44-10-502. Medical marijuana cultivation facility 4 license - rules - definitions. (9) (a) BEGINNING JANUARY 1, 2022, A 5 MEDICAL MARIJUANA CULTIVATION FACILITY LICENSEE THAT CULTIVATES 6 MEDICAL MARIJUANA OUTDOORS MAY FILE A CONTINGENCY PLAN FOR ITS 7 OUTDOOR CULTIVATION OPERATION TO ADDRESS HOW THE LICENSEE WILL 8 RESPOND WHEN THERE IS AN ADVERSE WEATHER EVENT. IF THE LICENSEE 9 FILES A CONTINGENCY PLAN, THE LICENSEE SHALL ALSO SUBMIT A COPY OF 10 THE PLAN TO THE LOCAL LICENSING AUTHORITY IN THE LOCAL 11 JURISDICTION WHERE THE LICENSEE OPERATES. IF THE CONTINGENCY PLAN 12 IS APPROVED BY THE STATE LICENSING AUTHORITY, THE MEDICAL 13 MARIJUANA CULTIVATION FACILITY LICENSEE MAY FOLLOW THE 14 CONTINGENCY PLAN IN THE CASE OF AN ADVERSE WEATHER EVENT.

15 (b) AFTER THE STATE LICENSING AUTHORITY APPROVES A
16 CONTINGENCY PLAN, IT SHALL NOTIFY THE LOCAL LICENSING AUTHORITY
17 OF THE APPROVAL. THE LOCAL LICENSING AUTHORITY MAY ENFORCE
18 LOCAL LAND USE AND ZONING LAWS AND REGULATIONS REGARDING THE
19 CONTINGENCY PLAN AND MAY DEVELOP INTERNAL REGULATORY
20 PROCESSES TO EVALUATE CONTINGENCY PLANS.

(c) ON AND AFTER JANUARY 1, 2023, A LOCAL LICENSING
AUTHORITY MAY REQUIRE THAT AN APPLICANT FOR A MEDICAL
MARIJUANA CULTIVATION FACILITY LICENSE INCLUDE A CONTINGENCY
PLAN WITH THE APPLICATION FOR THE LOCAL LICENSING AUTHORITY'S
REVIEW AND APPROVAL.

26

27 SECTION <u>8.</u> In Colorado Revised Statutes, 44-10-602, add (13)

-11-

1 as follows:

2 44-10-602. Retail marijuana cultivation facility license - rules 3 - definitions. (13) (a) BEGINNING JANUARY 1, 2022, A RETAIL 4 MARIJUANA CULTIVATION FACILITY LICENSEE THAT CULTIVATES RETAIL 5 MARIJUANA OUTDOORS MAY FILE A CONTINGENCY PLAN FOR ITS OUTDOOR 6 CULTIVATION OPERATION TO ADDRESS HOW THE LICENSEE WILL RESPOND 7 WHEN THERE IS AN ADVERSE WEATHER EVENT. IF THE LICENSEE FILES A 8 CONTINGENCY PLAN, THE LICENSEE SHALL ALSO SUBMIT A COPY OF THE 9 PLAN TO THE LOCAL LICENSING AUTHORITY IN THE LOCAL JURISDICTION 10 WHERE THE LICENSEE OPERATES. IF THE CONTINGENCY PLAN IS APPROVED 11 BY THE STATE LICENSING AUTHORITY, THE RETAIL MARIJUANA 12 CULTIVATION FACILITY LICENSEE MAY FOLLOW THE CONTINGENCY PLAN 13 IN THE CASE OF AN ADVERSE WEATHER EVENT.

(b) AFTER THE STATE LICENSING AUTHORITY APPROVES A
15 CONTINGENCY PLAN, IT SHALL NOTIFY THE LOCAL LICENSING AUTHORITY
16 OF THE APPROVAL. THE LOCAL LICENSING AUTHORITY MAY ENFORCE
17 LOCAL LAND USE AND ZONING LAWS AND REGULATIONS REGARDING THE
18 CONTINGENCY PLAN AND MAY DEVELOP INTERNAL REGULATORY
19 PROCESSES TO EVALUATE CONTINGENCY PLANS.

20 (c) ON AND AFTER JANUARY 1, 2023, A LOCAL LICENSING 21 AUTHORITY MAY REQUIRE THAT AN APPLICANT FOR A RETAIL MARIJUANA 22 CULTIVATION FACILITY LICENSE INCLUDE A CONTINGENCY PLAN WITH THE 23 APPLICATION FOR THE LOCAL LICENSING AUTHORITY'S REVIEW AND 24 APPROVAL.

25

SECTION <u>9.</u> Appropriation. (1) For the 2021-22 state fiscal
 year, \$104,780 is appropriated to the department of agriculture for use by

1	agricultural services. This appropriation consists of \$52,390 from the
2	industrial hemp registration program cash fund created in section
3	35-61-106 (1), C.R.S., and \$52,390 from the marijuana tax cash fund
4	created in section 39-28.8-501 (1), C.R.S. To implement this act, the
5	department may use this appropriation as follows:
6	(a) \$83,512, which consists of \$52,390 from the industrial hemp
7	registration program cash fund and \$31,122 from the marijuana tax cash
8	fund, for use by agricultural services for the plant industry division, which
9	amount is based on an assumption that the department will require an
10	additional 0.7 FTE; and
11	(b) \$21,268 from the marijuana tax cash fund for the purchase of
12	legal services.
13	(2) For the 2021-22 state fiscal year, \$21,268 is appropriated to
14	the department of law. This appropriation is from reappropriated funds
15	received from the department of agriculture under subsection (1)(b) of
16	this section and is based on an assumption that the department of law will
17	require an additional 0.1 FTE. To implement this act, the department of
18	law may use this appropriation to provide legal services for the
19	department of agriculture.
20	(3) For the 2021-22 state fiscal year, \$279,194 is appropriated to
21	the department of revenue. This appropriation is from the marijuana cash
22	fund created in section 44-10-801 (1)(a), C.R.S. To implement this act,
23	the department may use this appropriation as follows:
24	(a) \$247,292 for use by the specialized business group for
25	marijuana enforcement, which amount is based on an assumption that the
26	group will require an additional 1.9 FTE; and
27	(b) \$31,902 for the purchase of legal services.

1 (4) For the 2021-22 state fiscal year, \$31,902 is appropriated to 2 the department of law. This appropriation is from reappropriated funds 3 received from the department of revenue under subsection (3)(b) of this 4 section and is based on an assumption that the department of law will 5 require an additional 0.2 FTE. To implement this act, the department of 6 law may use this appropriation to provide legal services for the 7 department of revenue.

8 **SECTION 10.** Act subject to petition - effective date. This act 9 takes effect at 12:01 a.m. on the day following the expiration of the 10 ninety-day period after final adjournment of the general assembly; except 11 that, if a referendum petition is filed pursuant to section 1 (3) of article V 12 of the state constitution against this act or an item, section, or part of this 13 act within such period, then the act, item, section, or part will not take 14 effect unless approved by the people at the general election to be held in 15 November 2022 and, in such case, will take effect on the date of the 16 official declaration of the vote thereon by the governor.