

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0196.01 Yelana Love x2295

SENATE BILL 23-045

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SENATE SPONSORSHIP

Rodriguez,

HOUSE SPONSORSHIP

(None),

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Senate Committees

Business, Labor, & Technology

House Committees

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A BILL FOR AN ACT

101 CONCERNING A FINANCIAL RESPONSIBILITY REQUIREMENT FOR A  
102 PERSON LICENSED TO ENGAGE IN CERTAIN ACTS RELATED TO  
103 MARIJUANA.

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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>.)*

The bill prohibits the state licensing authority from issuing or renewing a marijuana license unless the applicant or licensee shows proof of financial responsibility in an amount of not less than \$100,000 for each license. The mechanism of financial responsibility must include coverage for liability for bodily injury to lawful users resulting from the

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

manufacture, distribution, transportation, or sale of adulterated marijuana or adulterated marijuana-infused products.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-10-305, **add** (2.5)  
3 as follows:

4 **44-10-305. State licensing authority - application and issuance**  
5 **procedures - definitions.** (2.5) (a) AS USED IN THIS SUBSECTION (2.5):

6 (I) "ADULTERATED MARIJUANA" MEANS A PRODUCT SOLD AS  
7 MARIJUANA THAT CONTAINS ANY UNINTENDED SUBSTANCE OR CHEMICAL  
8 OR BIOLOGICAL MATTER OTHER THAN MARIJUANA THAT CAUSES AN  
9 ADVERSE REACTION AFTER INGESTION OR CONSUMPTION.

10 (II) "BODILY INJURY" DOES NOT INCLUDE AN EXPECTED OR  
11 INTENDED EFFECT, OR A LONG-TERM ADVERSE EFFECT, OF SMOKING,  
12 INGESTION OF, OR CONSUMPTION OF MARIJUANA OR A MARIJUANA-INFUSED  
13 PRODUCT.

14 (b) THE STATE LICENSING AUTHORITY SHALL NOT ISSUE OR RENEW  
15 A LICENSE UNDER THIS ARTICLE 10 UNLESS THE APPLICANT OR LICENSEE  
16 FILES, IN THE FORM AND MANNER DETERMINED BY THE STATE LICENSING  
17 AUTHORITY, PROOF OF FINANCIAL RESPONSIBILITY IN AN AMOUNT OF NOT  
18 LESS THAN ONE HUNDRED THOUSAND DOLLARS FOR EACH LICENSE FOR  
19 LIABILITY FOR BODILY INJURY TO LAWFUL USERS RESULTING FROM THE  
20 MANUFACTURE, DISTRIBUTION, TRANSPORTATION, OR SALE OF  
21 ADULTERATED MARIJUANA OR ADULTERATED MARIJUANA-INFUSED  
22 PRODUCTS.

23 (c) THE PROOF OF FINANCIAL RESPONSIBILITY REQUIRED IN  
24 SUBSECTION (2.5)(b) OF THIS SECTION MUST BE A LIABILITY INSURANCE  
25 POLICY THAT:

1 (I) DOES NOT INCLUDE A CONDITION, PROVISION, STIPULATION, OR  
2 LIMITATION IN THE POLICY OR ANY OTHER ENDORSEMENT THAT RELIEVES  
3 THE INSURER FROM LIABILITY FOR THE PAYMENT OF ANY CLAIM FOR  
4 WHICH THE INSURED MAY BE HELD LIABLE; AND

5 (II) COVERS BODILY INJURIES TO A PERSON, INCLUDING INJURIES  
6 THAT ARE CAUSED BY THE INTENTIONAL CONDUCT OF THE APPLICANT, THE  
7 LICENSEE, OR THE APPLICANT'S OR LICENSEE'S EMPLOYEE OR AGENT.  
8 HOWEVER, THE POLICY IS NOT REQUIRED TO COVER BODILY INJURIES TO  
9 INDIVIDUALS CAUSED BY THE APPLICANT, THE LICENSEE, OR THE  
10 APPLICANT'S OR LICENSEE'S EMPLOYEE OR AGENT IF THE APPLICANT,  
11 LICENSEE, EMPLOYEE, OR AGENT ACTED WITH THE INTENT TO HARM.

12 (d) AN APPLICANT OR A LICENSEE MUST INCLUDE WITH THE FILING  
13 REQUIRED UNDER SUBSECTION (2.5)(b) OF THIS SECTION AN ATTESTATION  
14 OF COMPLIANCE WITH THIS SUBSECTION (2.5) ON A FORM APPROVED BY  
15 THE STATE LICENSING AUTHORITY. AN OFFICER OF THE INSURER THAT  
16 ISSUES THE LIABILITY INSURANCE POLICY DESCRIBED IN SUBSECTION  
17 (2.5)(c) OF THIS SECTION MUST SIGN THE ATTESTATION OF COMPLIANCE.

18 (e) AN APPLICANT OR A LICENSEE MAY FURNISH PROOF OF  
19 FINANCIAL RESPONSIBILITY THAT EXCEEDS THE REQUIREMENTS OF  
20 SUBSECTION (2.5)(c) OF THIS SECTION.

21 (f) IF AT ANY TIME A LICENSEE FAILS TO MAINTAIN PROOF OF  
22 FINANCIAL RESPONSIBILITY AS REQUIRED UNDER THIS SUBSECTION (2.5),  
23 THE STATE LICENSING AUTHORITY SHALL IMMEDIATELY SUSPEND THE  
24 LICENSEE'S LICENSE UNTIL THE LICENSEE PROVIDES TO THE STATE  
25 LICENSING AUTHORITY PROOF OF FINANCIAL RESPONSIBILITY AS REQUIRED  
26 UNDER THIS SUBSECTION (2.5).

27 (g) AN INSURED LICENSEE SHALL NOT CANCEL THE LIABILITY

1 INSURANCE POLICY REQUIRED UNDER THIS SUBSECTION (2.5) UNLESS THE  
2 LICENSEE:

3 (I) GIVES THIRTY DAYS' PRIOR WRITTEN NOTICE TO THE STATE  
4 LICENSING AUTHORITY; AND

5 (II) PROCURES A NEW PROOF OF FINANCIAL RESPONSIBILITY POLICY  
6 REQUIRED UNDER THIS SUBSECTION (2.5) AND FILES, IN THE FORM AND  
7 MANNER DETERMINED BY THE STATE LICENSING AUTHORITY, THE PROOF  
8 OF FINANCIAL RESPONSIBILITY WITH THE STATE LICENSING AUTHORITY  
9 WITHIN THIRTY DAYS AFTER GIVING THE STATE LICENSING AUTHORITY THE  
10 NOTICE UNDER SUBSECTION (2.5)(g)(I) OF THIS SECTION.

11 **SECTION 2. Act subject to petition - effective date.** This act  
12 takes effect at 12:01 a.m. on the day following the expiration of the  
13 ninety-day period after final adjournment of the general assembly; except  
14 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
15 of the state constitution against this act or an item, section, or part of this  
16 act within such period, then the act, item, section, or part will not take  
17 effect unless approved by the people at the general election to be held in  
18 November 2024 and, in such case, will take effect on the date of the  
19 official declaration of the vote thereon by the governor.