

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0908.01 Christopher McMichael x4775

SENATE BILL 23-199

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SENATE SPONSORSHIP

Hinrichsen,

HOUSE SPONSORSHIP

(None),

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING PROCEDURES FOR THE ISSUANCE OF MARIJUANA  
102 LICENSES, AND, IN CONNECTION THEREWITH, CLARIFYING THAT  
103 THE STATE LICENSING AUTHORITY MAY REFUND LICENSING FEES  
104 WHEN AN APPLICATION IS DENIED AND ALLOWING APPLICANTS  
105 THE OPPORTUNITY TO RENEW A STATE LICENSE WHILE LOCAL  
106 JURISDICTION APPROVAL IS PENDING.

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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>.)*

A person applying for a marijuana license is required to pay both

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.

an application fee and a licensing fee. The bill clarifies that the state licensing authority may issue a refund of a licensing fee if the marijuana license application is denied but that the respective licensing authorities are to retain the application fees.

Current law requires a marijuana license applicant to obtain both a state license and local jurisdiction approval, and the state license is conditioned on local jurisdiction approval. The bill provides an applicant the opportunity to renew, for up to one year, a state license that would otherwise expire because of failure to receive local jurisdiction approval if the applicant demonstrates good cause.

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

2           **SECTION 1.** In Colorado Revised Statutes, 44-10-104, **amend**  
3 (2)(a) as follows:

4           **44-10-104. Applicability - medical marijuana - retail**  
5 **marijuana.** (2) (a) A person applying for licensure pursuant to this  
6 article 10 must complete forms as provided by the state licensing  
7 authority and must pay the application fee and the licensing fee, which  
8 must be credited to the marijuana cash fund established pursuant to  
9 section 44-10-801. The state licensing authority shall forward, within  
10 seven days AFTER RECEIPT, one-half of the retail marijuana business  
11 license application fee to the local jurisdiction unless the application is for  
12 an accelerator cultivator, accelerator manufacturer, or accelerator store  
13 license or unless the local jurisdiction has prohibited the operation of  
14 retail marijuana businesses pursuant to section 16 (5)(f) of article XVIII  
15 of the state constitution. If the license is denied, the state licensing  
16 authority shall MAY refund ONLY the licensing fee to the applicant. THE  
17 APPLICANT'S APPLICATION FEES MUST BE RETAINED BY THE RESPECTIVE  
18 LICENSING AUTHORITY.

19           **SECTION 2.** In Colorado Revised Statutes, 44-10-303, **amend**  
20 (2)(b) as follows:

1           **44-10-303. Public hearing notice - posting and publication.**

2           (2) **Medical marijuana application review.** (b) All applications  
3 submitted for review must be accompanied by all applicable state and  
4 local license and application fees. ~~Any applications that are later denied~~  
5 ~~or withdrawn may allow for a refund of license fees only.~~ All application  
6 fees provided by an applicant must be retained by the respective licensing  
7 authority.

8           **SECTION 3.** In Colorado Revised Statutes, 44-10-305, **amend**  
9 (2)(b)(I) as follows:

10           **44-10-305. State licensing authority - application and issuance**  
11 **procedures.** (2) (b) (I) (A) The state licensing authority may issue a state  
12 license to an applicant pursuant to this section for a retail marijuana  
13 business upon completion of the applicable criminal history background  
14 check associated with the application, and the state license is conditioned  
15 upon local jurisdiction approval.

16           (B) A license applicant is prohibited from operating a licensed  
17 retail marijuana business without state and local jurisdiction approval. IF  
18 AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY, THE  
19 STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

20           (C) If the applicant does not receive local jurisdiction approval  
21 within one year from the date of state licensing authority approval, the  
22 state license expires. ~~and may not be renewed. If an application is denied~~  
23 ~~by the local licensing authority, the state licensing authority shall revoke~~  
24 ~~the state-issued license~~ THE STATE LICENSING AUTHORITY MAY RENEW A  
25 LICENSE THAT HAS NOT YET RECEIVED LOCAL JURISDICTION APPROVAL  
26 PRIOR TO THE EXPIRATION OF THAT LICENSE IF AN APPLICANT SUBMITS A  
27 RENEWAL APPLICATION PURSUANT TO SECTION 44-10-314 AND

1 DEMONSTRATES TO THE STATE LICENSING AUTHORITY GOOD CAUSE AS TO  
2 WHY LOCAL JURISDICTION APPROVAL HAS NOT YET BEEN OBTAINED OR A  
3 LOCAL LICENSE HAS NOT YET BEEN ISSUED. THE STATE LICENSING  
4 AUTHORITY MAY RENEW A LICENSE FOR UP TO ONE YEAR, AND THE  
5 RENEWED STATE LICENSE IS CONDITIONED UPON LOCAL JURISDICTION  
6 APPROVAL.

7 **SECTION 4. Act subject to petition - effective date -**  
8 **applicability.** (1) This act takes effect January 1, 2024; except that, if a  
9 referendum petition is filed pursuant to section 1 (3) of article V of the  
10 state constitution against this act or an item, section, or part of this act  
11 within the ninety-day period after final adjournment of the general  
12 assembly, then the act, item, section, or part will not take effect unless  
13 approved by the people at the general election to be held in November  
14 2024 and, in such case, will take effect on the date of the official  
15 declaration of the vote thereon by the governor.

16 (2) This act applies to state and local marijuana license  
17 applications submitted on or after the applicable effective date of this act.