

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 23-0908.01 Christopher McMichael x4775

SENATE BILL 23-199

SENATE SPONSORSHIP

Hinrichsen and Van Winkle, Gonzales

HOUSE SPONSORSHIP

Lindstedt and Weinberg, Snyder, Valdez

Senate Committees
Finance

House Committees
Finance

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.**

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.

HOUSE
3rd Reading Unamended
May 6, 2023

HOUSE
Amended 2nd Reading
May 3, 2023

SENATE
3rd Reading Unamended
April 17, 2023

SENATE
Amended 2nd Reading
April 14, 2023

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.

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 STATE
18 LICENSING AUTHORITY, AND A LOCAL LICENSING AUTHORITY MAY RETAIN
19 THE APPLICANT'S APPLICATION FEES.

20 **SECTION 2.** In Colorado Revised Statutes, 44-10-303, **amend**

1 (2)(b) as follows:

2 **44-10-303. Public hearing notice - posting and publication.**

3 (2) **Medical marijuana application review.** (b) All applications
4 submitted for review must be accompanied by all applicable state and
5 local license and application fees. ~~Any applications that are later denied~~
6 ~~or withdrawn may allow for a refund of license fees only.~~ All application
7 fees provided by an applicant must be retained by the respective STATE
8 licensing authority, AND A LOCAL LICENSING AUTHORITY MAY RETAIN THE
9 APPLICANT'S APPLICATION FEES.

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

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

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

22 (C) If the applicant does not receive local jurisdiction approval
23 within one year from the date of state licensing authority approval, the
24 state license expires. ~~and may not be renewed.~~ If an application is denied
25 ~~by the local licensing authority, the state licensing authority shall revoke~~
26 ~~the state-issued license~~ THE STATE LICENSING AUTHORITY MAY RENEW A
27 LICENSE THAT HAS NOT YET RECEIVED LOCAL JURISDICTION APPROVAL

1 PRIOR TO THE EXPIRATION OF THAT LICENSE IF AN APPLICANT SUBMITS A
2 RENEWAL APPLICATION PURSUANT TO SECTION 44-10-314 AND
3 DEMONSTRATES TO THE STATE LICENSING AUTHORITY, IN A MANNER
4 DETERMINED BY THE STATE LICENSING AUTHORITY, WHY LOCAL
5 JURISDICTION APPROVAL HAS NOT YET BEEN OBTAINED OR A LOCAL
6 LICENSE HAS NOT YET BEEN ISSUED. THE STATE LICENSING AUTHORITY
7 MAY RENEW A LICENSE FOR UP TO ONE YEAR, AND THE RENEWED STATE
8 LICENSE IS CONDITIONED UPON LOCAL JURISDICTION APPROVAL.

9 **SECTION 4.** In Colorado Revised Statutes, 44-10-801, **amend**
10 **(1)(a)(II); and add (6) as follows:**

11 **44-10-801. Marijuana cash fund - transfer - repeal.** (1) (a) All
12 money collected by the state licensing authority pursuant to this article 10
13 must be transmitted to the state treasurer, who shall credit the same to the
14 marijuana cash fund, which fund is hereby created and referred to in this
15 section as the "fund". The fund consists of:

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

19 (6) (a) ON OR BEFORE SEPTEMBER 15, 2023, THE DEPARTMENT
20 SHALL REPORT TO THE STATE TREASURER ON THE AMOUNT OF THE FISCAL
21 YEAR 2022-23 GENERAL FUND REVERSION FOR THE UNUSED GENERAL
22 FUND APPROPRIATION IN THE DEPARTMENT'S IDS PRINT PRODUCTION LINE
23 ITEM OF SENATE BILL 22-1329, ENACTED IN 2022.

24 (b) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE SEPTEMBER 1,
25 2024.

26 **SECTION 5.** In Colorado Revised Statutes, 24-75-219, **add (7)(i)**
27 **as follows:**

1 **24-75-219. Transfers - transportation - capital construction -**
2 **definitions - repeal.** (7) In addition to any other transfers required by
3 this section:

4 (i) (I) ON OCTOBER 1, 2023, THE STATE TREASURER SHALL
5 TRANSFER, FOR THE 2023-24 STATE FISCAL YEAR, FROM THE GENERAL
6 FUND TO THE MARIJUANA CASH FUND, CREATED IN SECTION 44-10-801,
7 THE AMOUNT OF MONEY THAT THE DEPARTMENT OF REVENUE REPORTS TO
8 THE STATE TREASURER PURSUANT TO SECTION 44-10-801 (6).

9 (II) THIS SUBSECTION (7)(i) IS REPEALED, EFFECTIVE SEPTEMBER
10 1, 2024.

11 **SECTION 6. Act subject to petition - effective date -**
12 **applicability.** This act takes effect at 12:01 a.m. on the day following the
13 expiration of the ninety-day period after final adjournment of the general
14 assembly; except that, if a referendum petition is filed pursuant to section
15 1 (3) of article V of the state constitution against this act or an item,
16 section, or part of this act within such period, then the act, item, section,
17 or part will not take effect unless approved by the people at the general
18 election to be held in November 2024 and, in such case, will take effect
19 on the date of the official declaration of the vote thereon by the governor.

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