

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0669.01 Jery Payne x2157

SENATE BILL 24-076

SENATE SPONSORSHIP

Van Winkle and Gonzales,

HOUSE SPONSORSHIP

Lindstedt,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ADDRESS EFFICIENCY IN THE REGULATION**
102 **OF EXISTING MARIJUANA LICENSEES.**

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>.)

Current law allows the transfer of immature plants, seeds, and genetic material between a medical or retail cultivation facility and certain people, including people approved by rule. **Sections 1, 7, and 10** of the bill allow this transfer from or to a medical or retail marijuana cultivation facility from or to a person permitted by another jurisdiction to possess or cultivate marijuana. The medical or retail cultivation facility

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.*

must confirm that the purchaser is 21 years of age or older. The cultivation facility may accept online payments for the transfer. The state licensing authority may promulgate rules to implement the provision, but limits are placed on the rules that the state licensing authority may adopt.

Section 2 limits the frequency at which regulated marijuana and a regulated marijuana product need to be tested to no more than once for each required test and otherwise requires the elimination of redundant testing. **Section 2** also exempts the fungi in the genus *aspergillus* from product testing.

Current law requires beneficial owners and people who have access to the limited access areas of a medical marijuana business or retail marijuana business to have identification cards. **Section 2** repeals the requirement that beneficial owners have identification cards, but retains the requirement that people with access to the limited access areas need to have identification cards.

Section 2 also specifies that a licensee need not use radio frequency identification tags to tag or track marijuana and marijuana products.

Current law requires the marijuana enforcement division in the department of revenue (division) to promulgate rules requiring testing of marijuana and marijuana products for contaminants or substances that are harmful to health. **Section 2** clarifies that these tests should be made to determine whether the contaminants or substances are present in amounts that are harmful to health. Current law allows a licensee to remediate marijuana or marijuana products that have failed a test. **Section 2** removes a requirement that the licensee identify on the labeling that the product has failed a test when the product subsequently passed the same test. **Section 2** also authorizes retesting when the marijuana or marijuana product has failed a test.

Current law authorizes the division to establish procedures to issue a conditional employee identification card, which allows an individual to work for a license holder, after the individual has submitted an initial application and the division has conducted an investigation regarding the application but before the fingerprint record check is finished. **Section 2** requires the division to promulgate rules and issue the employee identification card upon initial review of the application.

The division is required to adopt rules authorizing a licensee to conduct fewer tests than normal upon demonstrating that the licensee's standard operating procedures and production practices result in consistent passing test results (program). **Section 2** specifically authorizes this program and sets an expiration date for reduced testing under the program at 3 years.

Sections 2, 4, 5, 6, 8, 9, and 11 extend the initial license and license renewal periods from one year to 2 years.

Section 3 requires the division to establish a system that allows a

medical or retail marijuana business that transports marijuana or marijuana products to use an electronic manifest system.

Section 5 requires the division to retain fingerprints submitted for initial licensure for use in a criminal history record check for license renewal. **Section 5** also authorizes a person who holds multiple licenses or affiliated persons who hold multiple licenses to submit a unified application for license renewal. The license holders must elect to have one or more licenses expire in less than 2 years in order to coordinate the expiration date.

Section 12 requires the division to promulgate rules categorizing each violation as a safety violation or a technical violation. The division will expunge technical violations from a licensee's record on the later date of one year after the violation is reported or when the license is renewed.

Section 13 reduces the amount of time for which a marijuana licensee must retain books and records that show the business's transactions from 3 years to one year.

Current law requires that excise tax be levied on the first transfer of unprocessed retail marijuana. **Section 14** specifies that the transfer of unprocessed retail marijuana exclusively for microbial control is not the first transfer of unprocessed retail marijuana for taxation purposes.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-10-103, **amend**
3 (18); and **add** (16.5) as follows:

4 **44-10-103. Definitions - rules.** As used in this article 10, unless
5 the context otherwise requires:

6 (16.5) (a) "GENETIC MATERIAL" MEANS CANNABIS MATERIAL USED
7 TO PROPAGATE CANNABIS PLANTS.

8 (b) "GENETIC MATERIAL" INCLUDES:

9 (I) IMMATURE PLANTS CONTAINING A DELTA-9
10 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN
11 THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS;

12 (II) CANNABIS SEEDS;

13 (III) TISSUE CULTURE; AND

14 (IV) SMALL AMOUNTS OR FRAGMENTS OF THE CANNABIS PLANT

1 CONTAINING A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF
2 NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY-WEIGHT BASIS.

3 (18) "Immature plant" means a nonflowering marijuana plant that
4 is no taller than ~~eight~~ FIFTEEN inches and no wider than ~~eight~~ FIFTEEN
5 inches AND is produced from a cutting, clipping, or seedling. ~~and is in a~~
6 ~~cultivating container.~~

7 **SECTION 2.** In Colorado Revised Statutes, 44-10-203, **amend**
8 (2) introductory portion, (2)(d)(III)(A), (2)(d)(III)(B), (2)(d)(VI),
9 (2)(d)(IX), (2)(e), (2)(t), (2)(u), (2)(dd)(XIV), and (3)(h); and **add**
10 (2)(d)(X) as follows:

11 **44-10-203. State licensing authority - rules. (2) Mandatory**
12 **rule-making.** Rules promulgated pursuant to section 44-10-202 (1)(c)
13 must include ~~but need not be limited to~~ the following subjects:

14
15 (d) (III) (A) If test results indicate the presence of ~~quantities of~~
16 ~~any~~ A substance determined to be injurious to health, the medical
17 marijuana or retail marijuana licensee shall immediately quarantine the
18 products and notify the state licensing authority. The state licensing
19 authority shall give the licensee an opportunity to remediate, INCLUDING
20 RETESTING TO DEMONSTRATE THE REMEDIATION OF, the product if the test
21 indicated the presence of a microbial. If the licensee is unable to
22 remediate the product, the licensee shall document and properly destroy
23 the adulterated product. IF THE LICENSEE IS ABLE TO REMEDIATE THE
24 PRODUCT AND THE REMEDIATED PRODUCT PASSES THE RETESTING, THE
25 LICENSEE NEED NOT INDICATE ON THE LABEL THAT THE PRODUCT FAILED
26 THE TEST BEFORE THE PRODUCT WAS REMEDIATED.

27 (B) If retail marijuana or retail marijuana product test results

1 indicate the presence of quantities of any A substance determined to be
2 injurious to health, INCLUDING PESTICIDES, the state licensing authority
3 shall give the licensee an opportunity to retest the retail marijuana or
4 retail marijuana product.

5 ==
6 (VI) The state licensing authority shall determine the protocols
7 and frequency of regulated marijuana testing by licensees, BUT THE STATE
8 LICENSING AUTHORITY SHALL NOT REQUIRE MORE THAN ONE PASSING
9 TEST, EXCEPT AS PROVIDED IN SUBSECTIONS (2)(d)(III)(A) AND
10 (2)(d)(III)(B) OF THIS SECTION, BEFORE THE REGULATED MARIJUANA IS
11 TRANSFERRED TO ANOTHER LICENSEE OR THE CONSUMER.

12 (IX) The state licensing authority shall promulgate rules that
13 prevent redundant testing of REGULATED marijuana and REGULATED
14 marijuana concentrate, including, but not limited to, potency testing of
15 marijuana allocated to extractions, and residual solvent testing of
16 marijuana concentrate when all inputs of the marijuana concentrate have
17 passed residual solvent testing pursuant to this subsection (2)(d)
18 PRODUCTS, REGARDLESS OF WHETHER THE REGULATED MARIJUANA IS
19 MEDICAL MARIJUANA OR RECREATIONAL MARIJUANA OR WHETHER THE
20 REGULATED MARIJUANA PRODUCT IS A MEDICAL MARIJUANA PRODUCT OR
21 A RECREATIONAL MARIJUANA PRODUCT.

22 (X) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES
23 CREATING A PROGRAM THAT ALLOWS A REGULATED MARIJUANA BUSINESS
24 TO CONDUCT LESS TESTING THAN OTHERWISE REQUIRED BY THE RULES
25 PROMULGATED UNDER THIS SUBSECTION (2)(d) UPON DEMONSTRATING
26 THAT STANDARD OPERATING PROCEDURES AND PRODUCTION PRACTICES
27 OF THE BUSINESS RESULT IN CONSISTENT PASSING TEST RESULTS OVER A

1 TIME FRAME ESTABLISHED IN RULE. THE STATE LICENSING AUTHORITY
2 MAY CHARGE A PER-FACILITY FEE FOR LICENSEES AT THE FACILITY OF A
3 REGULATED MARIJUANA BUSINESS TO PARTICIPATE IN THE PROGRAM. THE
4 RULES MUST ESTABLISH THAT THE REDUCED TESTING ALLOWANCE EXPIRES
5 AFTER THREE YEARS, UNLESS THE FACILITY ELECTS A SHORTER TIME
6 PERIOD TO COINCIDE WITH THE TIME THE FACILITY'S LICENSES EXPIRE OR
7 UNLESS THE FACILITY FAILS ENOUGH TESTS, AS DETERMINED BY RULE, TO
8 NO LONGER BE ELIGIBLE TO PARTICIPATE IN THE REDUCED-TESTING
9 PROGRAM.

10 (e) Security requirements for any premises licensed pursuant to
11 this article 10, including, at a minimum, lighting, physical security, video,
12 and alarm requirements, and other minimum procedures for internal
13 control as deemed necessary by the state licensing authority to properly
14 administer and enforce ~~the provisions of~~ this article 10, including
15 BIENNIAL reporting requirements for changes, alterations, or
16 modifications to the premises;

17 (t) Development of individual identification cards for ~~natural~~
18 ~~persons who are controlling beneficial owners, and any person operating,~~
19 INDIVIDUALS working in or having unescorted access to the limited access
20 areas of the licensed premises of a medical marijuana business or retail
21 marijuana business, including a fingerprint-based criminal history record
22 check as may be required by the state licensing authority prior to issuing
23 a card;

24 (u) Identification of state licensees and their controlling beneficial
25 owners, ~~passive beneficial owners,~~ managers, and employees;

26 (dd) Requirements for medical marijuana and medical marijuana
27 products delivery as described in section 44-10-501 (11) and section

1 44-10-505 (5) and retail marijuana and retail marijuana products delivery
2 as described in section 44-10-601 (13) and section 44-10-605 (5),
3 including:

4 (XIV) (A) Requirements for areas where medical marijuana and
5 medical marijuana products or retail marijuana and retail marijuana
6 products orders are stored, weighed, packaged, prepared, and tagged,
7 including requirements that medical marijuana and medical marijuana
8 products or retail marijuana and retail marijuana products cannot be
9 placed into a delivery vehicle until after an order has been placed and that
10 all delivery orders must be packaged on the licensed premises of a
11 medical marijuana store or retail marijuana store or its associated state
12 licensing authority-authorized storage facility as defined by rule after an
13 order has been received. ~~and~~

14 (B) NOTWITHSTANDING SUBSECTION (2)(dd)(XIV)(A) OF THIS
15 SECTION, ON AND AFTER JANUARY 1, 2027, A LICENSEE NEED NOT USE
16 RADIO FREQUENCY IDENTIFICATION TAGS TO TAG OR TRACK MEDICAL
17 MARIJUANA AND MEDICAL MARIJUANA PRODUCTS OR RETAIL MARIJUANA
18 AND RETAIL MARIJUANA PRODUCTS.

19 (3) In promulgating rules pursuant to this section, the state
20 licensing authority may seek the assistance of the department of public
21 health and environment when necessary before promulgating rules on the
22 following subjects:

23 (h) A requirement that every medical marijuana store and retail
24 marijuana store post, at all times and in a prominent place AT EVERY
25 POINT OF SALE, a warning that has a minimum height of three inches and
26 a width of six inches and that reads:

27 **Warning:** Using marijuana, in any form, while you are

1 pregnant or breastfeeding passes THC to your baby and
2 may be harmful to your baby. There is no known safe
3 amount of marijuana use during pregnancy or
4 breastfeeding.

5 ==

6 **SECTION 3.** In Colorado Revised Statutes, 44-10-313, **amend**
7 (6)(b) as follows:

8 **44-10-313. Licensing in general - rules.** (6) (b) (I) All regulated
9 marijuana business licenses and licenses granted to a controlling
10 beneficial owner pursuant to this article 10 are valid for a period of ~~one~~
11 ~~year~~ TWO YEARS after the date of issuance unless revoked or suspended
12 pursuant to this article 10 or the rules promulgated pursuant to this article
13 10 OR UNLESS THE LICENSEE ELECTS FOR THE LICENSE TO EXPIRE SOONER
14 THAN TWO YEARS UNDER SECTION 44-10-314 (3).

15 (II) (A) THIS SUBSECTION (6)(b) APPLIES TO LICENSES ISSUED
16 AFTER THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED.

17 (B) THIS SUBSECTION (6)(b)(II) IS REPEALED, EFFECTIVE JULY 1,
18 2026.

19 **SECTION 4.** In Colorado Revised Statutes, 44-10-314, **add**
20 (3) and (4) as follows:

21 **44-10-314. License renewal - unified renewal applications -**
22 **rules.** (3) A LICENSE ISSUED BY THE STATE LICENSING AUTHORITY UNDER
23 THIS ARTICLE 10 EXPIRES TWO YEARS AFTER ISSUANCE; EXCEPT THAT A
24 PERSON THAT HOLDS MULTIPLE LICENSES MAY ELECT TO HAVE ONE OR
25 MORE LICENSES EXPIRE IN LESS THAN TWO YEARS IN ORDER TO HAVE ALL
26 THE LICENSES EXPIRE ON THE SAME DATE. IF A LICENSEE ELECTS TO HAVE
27 A LICENSE EXPIRE IN LESS THAN TWO YEARS, THE STATE LICENSING

1 AUTHORITY SHALL PRORATE THE LICENSING OR RENEWAL FEE FOR THE
2 LICENSING PERIOD THAT IS LESS THAN TWO YEARS.

3 (4) ON OR AFTER JANUARY 1, 2026, THE STATE LICENSING
4 AUTHORITY SHALL PROMULGATE RULES AUTHORIZING MULTIPLE
5 REGULATED MARIJUANA BUSINESS LICENSEES WITH IDENTICAL
6 CONTROLLING BENEFICIAL OWNERS TO SUBMIT A SINGLE INITIAL
7 APPLICATION OR A SINGLE RENEWAL APPLICATION THROUGH A UNIFIED
8 APPLICATION PROCESS. THE STATE LICENSING AUTHORITY SHALL
9 PROMULGATE RULES SETTING STANDARDS AND REQUIREMENTS FOR
10 UNIFIED APPLICATION PROCESSING.

11 **SECTION 5.** In Colorado Revised Statutes, 44-10-501, **amend**
12 **(3)(g) and (11)(a)(II)** as follows:

13 **44-10-501. Medical marijuana store license. (3) (g) When**
14 **completing a sale of medical marijuana concentrate, the medical**
15 **marijuana store shall ~~provide the patient with~~ PHYSICALLY ATTACH TO**
16 **THE PATIENT'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT**
17 **PACKAGING the tangible educational resource created by the state**
18 **licensing authority pursuant to section 44-10-202(8) regarding the use of**
19 **medical marijuana concentrate.**

20 **(11) (a) (II) A** medical marijuana delivery permit is valid for ~~one~~
21 ~~year~~ TWO YEARS and may be renewed annually upon renewal of the
22 medical marijuana store license.

23 **SECTION 6.** In Colorado Revised Statutes, 44-10-502, **amend**
24 (7)(a) introductory portion, (7)(a)(II), (7)(a)(III), (7)(b)(I) introductory
25 portion, (7)(b)(I)(B), (7)(b)(I)(C), and (7)(b)(I)(D); **repeal** (7)(b)(II); and
26 **add** (7)(b)(III), (7)(b)(IV), (7)(c), and (7)(d) as follows:

27 **44-10-502. Medical marijuana cultivation facility license -**

1 **rules - definitions.** (7) (a) In accordance with the rules promulgated by
2 the state licensing authority, a medical marijuana cultivation facility may
3 obtain ~~immature plants, marijuana seeds, and marijuana~~ genetic material
4 ~~as genetic material is defined in rule of the state licensing authority,~~ from:

5 (II) A MEDICAL OR retail marijuana testing facility;

6 (III) ~~An entity licensed or otherwise approved to operate in~~
7 ~~another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED
8 BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE
9 GENUS CANNABIS; or

10 (b) (I) ~~The state licensing authority shall promulgate rules~~
11 ~~allowing a regulated marijuana cultivation facility to transfer immature~~
12 ~~plants, marijuana seeds, and marijuana genetic material, as genetic~~
13 ~~material is defined in rule of the state licensing authority, from~~ A
14 MEDICAL MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR
15 SHIP GENETIC MATERIAL TO:

16 (B) A MEDICAL OR retail marijuana testing facility;

17 (C) ~~An entity licensed or otherwise approved to operate in another~~
18 ~~jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY
19 ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS
20 CANNABIS; or

21 (D) Any other ~~source~~ PERSON permitted by rule of the state
22 licensing authority.

23 (II) ~~The rules promulgated under this subsection (7)(b) must~~
24 ~~include inventory tracking, reporting, and record-keeping, requirements.~~

25 (III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A
26 MEDICAL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES
27 AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING

1 INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE
2 VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION,
3 BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION. THE STATE
4 LICENSING AUTHORITY SHALL VERIFY COMPLIANCE WITH THIS
5 REQUIREMENT BY CONFIRMING THAT THE LICENSEE HAS ESTABLISHED THE
6 PROCESSES AND PROCEDURES REQUIRED UNDER THIS SUBSECTION
7 (7)(b)(III).

8 (IV) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY
9 MAY ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF
10 GENETIC MATERIAL.

11 (V) A LICENSED MEDICAL MARIJUANA CULTIVATION FACILITY
12 SHALL NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO
13 ARE PRESENT ON THE LICENSED PREMISES.

14 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
15 IMPLEMENT THIS SUBSECTION (7) TO SET REQUIREMENTS FOR INVENTORY
16 TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE
17 RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION
18 (7), THE STATE LICENSING AUTHORITY SHALL NOT:

19 (I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL UNLESS
20 THE GENETIC MATERIAL IS:

21 (A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR
22 RETAIL MARIJUANA BUSINESS; OR

23 (B) BEING TRANSFERRED BETWEEN BUSINESSES LICENSED
24 PURSUANT TO THIS ARTICLE 10;

25 (II) REQUIRE A MEDICAL MARIJUANA CULTIVATION FACILITY TO
26 TRACK GENETIC MATERIAL UNLESS THE GENETIC MATERIAL IS ON THE
27 FACILITY'S LICENSED PREMISES; _____

1 (III) REQUIRE LICENSEES TO DOCUMENT OR MAINTAIN, OR
2 PROHIBIT LICENSEES FROM DOCUMENTING OR MAINTAINING, RECORDS ON
3 THE SOURCES OR RECIPIENTS OF GENETIC MATERIAL; OR

4 (IV) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH
5 A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR OUTSIDE OF THE
6 LICENSED PREMISES.

7 (d) THIS SUBSECTION (7) DOES NOT LIMIT THE APPLICABILITY OF
8 ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR
9 ENFORCEMENT BY FEDERAL AGENCIES.

10 **SECTION 7.** In Colorado Revised Statutes, 44-10-505, **amend**
11 (5)(a)(II) as follows:

12 **44-10-505. Medical marijuana transporter license - definition.**
13 (5) (a) (II) A medical marijuana delivery permit is valid for ~~one year~~ TWO
14 YEARS and may be renewed ~~annually~~ upon renewal of the medical
15 marijuana transporter license.

16 **SECTION 8.** In Colorado Revised Statutes, 44-10-601, **amend**
17 (3)(d) and (13)(a)(II) as follows:

18 **44-10-601. Retail marijuana store license - rules - definitions.**
19 (3) (d) When completing a sale of retail marijuana concentrate, the retail
20 marijuana store shall ~~provide the customer with~~ PHYSICALLY ATTACH TO
21 THE CUSTOMER'S RECEIPT OF SALE, PRODUCT CONTAINER, OR EXIT
22 PACKAGING the tangible educational resource created by the state
23 licensing authority through rule-making pursuant to section 44-10-202 (8)
24 regarding the use of medical marijuana concentrate.

25 (13) (a) (II) A retail marijuana delivery permit is valid for ~~one~~
26 year TWO YEARS and may be renewed ~~annually~~ upon renewal of the retail
27 marijuana store license or retail marijuana transporter license.

1 **SECTION 9.** In Colorado Revised Statutes, 44-10-602, **amend**
2 (12)(a) introductory portion, (12)(a)(II), (12)(a)(III), (12)(b)(I)
3 introductory portion, (12)(b)(I)(B), (12)(b)(I)(C), and (12)(b)(I)(D);
4 **repeal** (12)(b)(II); and **add** (12)(b)(III), (12)(b)(IV), (12)(c), and (12)(d)
5 as follows:

6 **44-10-602. Retail marijuana cultivation facility license - rules**
7 **- definitions.** (12) (a) In accordance with the rules promulgated by the
8 state licensing authority, a retail marijuana cultivation facility may obtain
9 ~~immature plants, marijuana seeds, and marijuana genetic material as~~
10 ~~genetic material is defined in rule of the state licensing authority, from:~~

- 11 (II) A MEDICAL OR retail marijuana testing facility;
- 12 (III) ~~An entity licensed or otherwise approved to operate in~~
13 ~~another jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED
14 BY ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE
15 GENUS CANNABIS; or

16 (b) (I) ~~The state licensing authority shall promulgate rules~~
17 ~~allowing a regulated marijuana cultivation facility to transfer immature~~
18 ~~plants, marijuana seeds, and marijuana genetic material, as genetic~~
19 ~~material is defined in rule of the state licensing authority, from~~ A RETAIL
20 MARIJUANA CULTIVATION FACILITY MAY SELL, TRANSFER, OR SHIP
21 GENETIC MATERIAL TO:

- 22 (B) A MEDICAL OR retail marijuana testing facility;
- 23 (C) ~~An entity licensed or otherwise approved to operate in another~~
24 ~~jurisdiction~~ A PERSON LICENSED BY, APPROVED BY, OR PERMITTED BY
25 ANOTHER JURISDICTION TO POSSESS OR CULTIVATE PLANTS OF THE GENUS
26 CANNABIS; or

27 (D) Any other ~~source~~ PERSON permitted by rule of the state

1 licensing authority.

2 (II) ~~The rules promulgated under this subsection (12)(b) must~~
3 ~~include inventory tracking, reporting, and record-keeping requirements.~~

4 (III) FOR SALES, TRANSFERS, OR SHIPMENTS TO AN INDIVIDUAL, A
5 RETAIL MARIJUANA CULTIVATION FACILITY SHALL ESTABLISH PROCESSES
6 AND PROCEDURES TO CONFIRM THAT THE PURCHASING OR RECEIVING
7 INDIVIDUAL IS TWENTY-ONE YEARS OF AGE OR OLDER USING AN AGE
8 VERIFICATION PROCESS, SUCH AS AUTHENTICATION VERIFICATION,
9 BIOMETRIC VERIFICATION, OR DOCUMENT VERIFICATION. THE STATE
10 LICENSING AUTHORITY SHALL VERIFY COMPLIANCE WITH THIS
11 REQUIREMENT BY CONFIRMING THAT THE LICENSEE HAS ESTABLISHED THE
12 PROCESSES AND PROCEDURES REQUIRED UNDER THIS SUBSECTION
13 (12)(b)(III).

14 (IV) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY MAY
15 ACCEPT PAYMENT ONLINE FOR THE SALE, TRANSFER, OR SHIPMENT OF
16 GENETIC MATERIAL.

17 (V) A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY SHALL
18 NOT TRANSFER GENETIC MATERIAL DIRECTLY TO CONSUMERS WHO ARE
19 PRESENT ON THE LICENSED PREMISES.

20 (c) THE STATE LICENSING AUTHORITY MAY PROMULGATE RULES TO
21 IMPLEMENT THIS SUBSECTION (12) TO SET REQUIREMENTS FOR INVENTORY
22 TRACKING, REPORTING, AND RECORD KEEPING. IN PROMULGATING THE
23 RULES AND CONDUCTING ENFORCEMENT ACTIONS UNDER THIS SUBSECTION
24 (12), THE STATE LICENSING AUTHORITY SHALL NOT:

25 (I) REQUIRE INVENTORY TRACKING OF GENETIC MATERIAL UNLESS
26 THE GENETIC MATERIAL IS:

27 (A) ON THE LICENSED PREMISES OF A MEDICAL MARIJUANA OR

1 RETAIL MARIJUANA BUSINESS; OR

2 (B) BEING TRANSFERRED BETWEEN BUSINESSES LICENSED
3 PURSUANT TO THIS ARTICLE 10;

4 (II) REQUIRE A RETAIL MARIJUANA CULTIVATION FACILITY TO
5 TRACK GENETIC MATERIAL UNLESS THE GENETIC MATERIAL IS ON THE
6 FACILITY'S LICENSED PREMISES;

7 (III) REQUIRE LICENSEES TO DOCUMENT OR MAINTAIN, OR
8 PROHIBIT LICENSEES FROM DOCUMENTING OR MAINTAINING, RECORDS ON
9 THE SOURCES OR RECIPIENTS OF GENETIC MATERIAL; OR

10 (IV) MONITOR OR TAKE ENFORCEMENT ACTION ASSOCIATED WITH
11 A LICENSEE'S GENETIC MATERIAL ACTIVITIES THAT OCCUR OUTSIDE OF THE
12 LICENSED PREMISES.

13 (d) THIS SUBSECTION (12) DOES NOT LIMIT THE APPLICABILITY OF
14 ANOTHER STATE'S LAW, THE APPLICABILITY OF FEDERAL LAW, OR
15 ENFORCEMENT BY FEDERAL AGENCIES.

16 **SECTION 10.** In Colorado Revised Statutes, 44-10-605, **amend**
17 (5)(a)(II) as follows:

18 **44-10-605. Retail marijuana transporter license - definition.**
19 (5) (a) (II) A retail marijuana delivery permit is valid for ~~one year~~ TWO
20 YEARS and may be renewed ~~annually~~ upon renewal of the retail marijuana
21 transporter license.

22

23 **SECTION 11.** In Colorado Revised Statutes, 39-28.8-302,
24 **amend** (1)(a)(I); and **add** (1)(c) as follows:

25 **39-28.8-302. Retail marijuana - excise tax levied at first**
26 **transfer from retail marijuana cultivation facility - tax rate.**

27 (1) (a) (I) Except as otherwise provided in ~~subsection (1)(b)~~ SUBSECTION

1 (1)(b) OR (1)(c) of this section, there is levied and shall be collected, in
2 addition to the sales tax imposed pursuant to part 1 of article 26 of this
3 title 39 and part 2 of this article 28.8, a tax on the first sale or transfer of
4 unprocessed retail marijuana by a retail marijuana cultivation facility, at
5 a rate of fifteen percent of the average market rate of the unprocessed
6 retail marijuana if the transaction is between affiliated retail marijuana
7 business licensees. Except as otherwise provided in ~~subsection (1)(b)~~
8 SUBSECTION (1)(b) OR (1)(c) of this section, there is levied and shall be
9 collected, in addition to the sales tax imposed pursuant to part 1 of article
10 26 of this title 39 and part 2 of this article 28.8, a tax on the first sale or
11 transfer of unprocessed retail marijuana by a retail marijuana cultivation
12 facility, at a rate of fifteen percent of the contract price for unprocessed
13 retail marijuana if the transaction is between unaffiliated retail marijuana
14 business licensees. Retail marijuana excise tax shall also be calculated as
15 fifteen percent of the contract price when the first transfer of retail
16 marijuana that has been harvested for sale at a retail marijuana store or
17 extraction by a retail marijuana product manufacturing facility is between
18 unaffiliated retail marijuana cultivation facilities. The tax shall be
19 imposed at the time when the retail marijuana cultivation facility first
20 sells or transfers unprocessed retail marijuana from the retail marijuana
21 cultivation facility to a retail marijuana product manufacturing facility or
22 a retail marijuana store.

23 (c) THE TRANSFER OF UNPROCESSED RETAIL MARIJUANA
24 EXCLUSIVELY FOR MICROBIAL CONTROL IS DEEMED TO NOT BE THE FIRST
25 TRANSFER OF UNPROCESSED RETAIL MARIJUANA FOR THE PURPOSES OF
26 THIS SECTION.

27 **SECTION 12. Act subject to petition - effective date -**

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

10 (2) This act applies to acts committed on or after the applicable
11 effective date of this act.