



Liquor, Tobacco/Nicotine, and Marijuana

During the 2019 legislative session, the General Assembly considered a number of bills related to the regulation of liquor, tobacco/nicotine, and marijuana.

Liquor

The General Assembly passed several bills related to liquor regulations, mostly intended to clarify current law or make modifications to recently passed legislation. *Senate Bill 19-011* converts all fermented malt beverage manufacturer, wholesaler, and importer licenses into malt liquor licenses, thereby removing a dual licensing requirement that went into effect on January 1, 2019. *Senate Bill 18-243* removed the ability to be licensed as an on- and off-premises fermented malt beverage retailer. *Senate Bill 19-028* reinstated this license type for retailers in certain underserved or rural areas of the state.

Grapes and other produce that are used to make wine are subject to an excise tax of \$10 per ton. *Senate Bill 19-142* exempts produce that is used to make hard cider from this excise tax. The bill also exempts hard cider from the definition of wine for purposes of the Colorado Wine Industry Development Act, thereby removing hard cider from the purview of the Colorado Wine Industry Development Board, which is, among other priorities, tasked with promoting Colorado wine.

Tobacco/Nicotine

The General Assembly considered and passed several bills addressing electronic cigarettes and concerns surrounding vaping.

House Bill 19-1076 made several modifications to the Colorado Clean Indoor Air Act, including making electronic smoking devices subject to the act and increasing the smoke-free radius from a building entryway from 15 feet to 25 feet.

House Bill 19-1033 authorizes local governments to regulate tobacco and other nicotine products in several new ways. Under the bill, local governments may regulate the possession and purchase of cigarettes, tobacco products, and nicotine products by, and the sale of these products to, minors in a manner that is more stringent than the state. The bill also removes the provision that previously disqualified local governments from receiving their share of cigarette tax revenues if they imposed a fee or license requirement on cigarette retailers. Finally, the bill permits local governments to impose a special sales tax on cigarettes, tobacco products, and nicotine products, if approved by voters.

House Bill 19-1333 would have referred a ballot measure to the voters asking to increase taxes on cigarettes and other tobacco products and add a tax on other nicotine products, including electronic cigarettes. The bill was deemed lost in the Senate.

Liquor, Tobacco/Nicotine, and Marijuana (cont'd)

Marijuana

Following the 2018 sunset reviews of the Medical and Retail Marijuana Codes and the Medical Marijuana Program by the Colorado Department of Regulatory Agencies, the General Assembly passed *Senate Bill 19-224* and *Senate Bill 19-218*, which implemented various recommendations from the sunset reports. Senate Bill 19-224 made a multitude of changes to the laws that regulate Colorado's marijuana industry, such as:

- continuing the regulation of medical and retail marijuana through September 1, 2028;
- combining the Medical Marijuana Code and the Retail Marijuana Code into one Colorado Marijuana Code; and
- adding definitions for "open" and "public" for purposes of where marijuana consumption is prohibited.

Senate Bill 19-218 continues the Medical Marijuana Program through September 1, 2028; allows dentists and advanced practice practitioners to make medical marijuana recommendations; and implements several other recommendations from the sunset report.

In addition to Senate Bill 19-218, the General Assembly passed several bills that made additional changes to the Medical Marijuana Program.

Two bills added to the list of disabling medical conditions for which medical marijuana may be recommended and used. *House Bill 19-1028* added autism spectrum disorders to the list, and *Senate Bill 19-013* added conditions for which a physician could prescribe an opioid to the list.

House Bill 19-1031 allows medical marijuana patients who are under the age of 18 to have each parent or guardian act as a primary caregiver as of December 1, 2020.

Additionally, the General Assembly passed several bills related to the regulation of marijuana business operations.

House Bill 19-1230 allows the Marijuana Enforcement Division (MED) to issue marijuana hospitality establishment and retail marijuana hospitality and sales establishment licenses beginning January 1, 2020, if also approved by a local government. These licenses will allow for the consumption of marijuana on the licensed premises. The bill also allows for mobile marijuana hospitality establishments.

House Bill 19-1234 creates a marijuana delivery permit that will allow certain licensed marijuana businesses to deliver marijuana to customers and establishes various delivery requirements. Licensed medical marijuana centers will be able to obtain delivery permits beginning January 2, 2020, and licensed retail marijuana stores and medical and retail marijuana transporters will be able to obtain delivery permits beginning January 2, 2021.

House Bill 19-1090 made several changes related to business ownership and investment laws for marijuana businesses, including allowing publicly traded corporations to invest in or own marijuana businesses within the state.

Finally, *House Bill 19-1311* formally establishes the Institute of Cannabis Research at Colorado State University (CSU) – Pueblo, which was originally created in 2016 after the General Assembly provided funding to CSU-Pueblo to conduct research related to marijuana. The role and mission of the institute is to conduct research related to cannabis, including studying the efficacy of medical marijuana and economic development associated with cannabis in Colorado. The bill also creates an 11-member institute governing board, which is responsible for overseeing the institute.