

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

DRAFT
11.16.17

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LLS NO. 18-0540.01 Michael Dohr x4347

COMMITTEE BILL

Committee on Legal Services

BILL TOPIC: "Relocate Title 12 Marijuana To New Title 44"

A BILL FOR AN ACT

101 **CONCERNING THE NONSUBSTANTIVE RELOCATION OF LAWS RELATED**
102 **TO LEGALIZED MARIJUANA FROM TITLE 12, COLORADO**
103 **REVISED STATUTES, AS PART OF THE ORGANIZATIONAL**
104 **RECODIFICATION OF TITLE 12.**

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/>.)

Committee on Legal Services. Current law directs the office of legislative legal services to study the organizational recodification of title 12 of the Colorado Revised Statutes, which relates to professions and

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

occupations. One recommendation of the study is to relocate laws located in title [] that are administered by the department of revenue to a new title 44, which will consist solely of laws administered by the department of revenue that regulate a variety of activities.

To implement this recommendation, **section 1** of the bill creates title 44 and **section 2** relocates article 43.3 of title 12, medical marijuana, to a new article 11 in a new title 44, Colorado Revised Statutes; and **section 3** of the bill relocates article 43.4 of title 12, retail marijuana, to a new article 12 in a new title 44, Colorado Revised Statutes. **Sections 4 through 28** of the bill make conforming amendments, and **section 29** repeals the articles where the law was previously codified.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** title 44 as follows:

3 **TITLE 44**

4 **ACTIVITIES REGULATED BY THE**

5 **DEPARTMENT OF REVENUE**

6 **ARTICLE 1**

7 **Common Provisions**

8 **44-1-101. Short title.** THE SHORT TITLE OF THIS TITLE 44 IS THE
9 "DEPARTMENT OF REVENUE ACTIVITIES REGULATION ACT".

10 **44-1-102. Legislative declaration.** (1) THE GENERAL ASSEMBLY
11 HEREBY FINDS AND DECLARES THAT:

12 (a) BEFORE THE ENACTMENT OF THIS TITLE 44, LAWS
13 ADMINISTERED BY THE DEPARTMENT OF REVENUE THAT REGULATE A
14 VARIETY OF ACTIVITIES WERE CODIFIED IN TWO TITLES OF THE COLORADO
15 REVISED STATUTES, MOST PROMINENTLY IN TITLE 12, WHICH GOVERNS
16 PROFESSIONS AND OCCUPATIONS;

17 (b) MOST PROFESSIONS AND OCCUPATIONS ARE REGULATED BY
18 THE DEPARTMENT OF REGULATORY AGENCIES PURSUANT TO TITLE 12, BUT
19 PRIOR TO THE 2017 LEGISLATIVE SESSION, TITLE 12 CONTAINED NUMEROUS

1 LAWS THAT DID NOT PERTAIN TO THE REGULATION OF PROFESSIONS AND
2 OCCUPATIONS AND WERE NOT ADMINISTERED BY THE DEPARTMENT OF
3 REGULATORY AGENCIES;

4 (c) WITH THE ENACTMENT OF SECTION 2-3-510 IN 2016, THE
5 GENERAL ASSEMBLY DIRECTED THE OFFICE OF LEGISLATIVE LEGAL
6 SERVICES TO STUDY AN ORGANIZATIONAL RECODIFICATION OF TITLE 12 OF
7 THE COLORADO REVISED STATUTES, INCLUDING RELOCATING LAWS THAT
8 DO NOT PERTAIN TO PROFESSIONS AND OCCUPATIONS AND ARE NOT
9 ADMINISTERED BY THE DEPARTMENT OF REGULATORY AGENCIES;

10 (d) BASED ON RECOMMENDATIONS FROM THE TITLE 12
11 RECODIFICATION STUDY, THE GENERAL ASSEMBLY ENACTED SEVERAL
12 BILLS IN THE 2017 LEGISLATIVE SESSION TO RELOCATE OUT OF TITLE 12
13 MANY LAWS THAT ARE ADMINISTERED BY ENTITIES OTHER THAN THE
14 DEPARTMENT OF REGULATORY AGENCIES;

15 (e) THE STUDY ALSO RECOMMENDED CREATING A NEW TITLE 44
16 FOR PURPOSES OF CONSOLIDATING LAWS ADMINISTERED BY THE
17 DEPARTMENT OF REVENUE THAT REGULATE ACTIVITIES INTO A SINGLE
18 TITLE IN ORDER TO FACILITATE BOTH:

19 (I) THE PUBLIC'S AND REGULATED ENTITIES' UNDERSTANDING OF
20 THE LAWS THAT APPLY TO THEM; AND

21 (II) THE DEPARTMENT OF REVENUE'S ADMINISTRATION OF THESE
22 LAWS; AND

23 (f) CREATING A NEW TITLE 44 CONSISTING OF LAWS ADMINISTERED
24 BY THE DEPARTMENT OF REVENUE THAT REGULATE VARIOUS ACTIVITIES
25 IS NECESSARY TO IMPLEMENT THE RECOMMENDATIONS OF THE TITLE 12
26 RECODIFICATION STUDY AND FACILITATE THE REORGANIZATION OF TITLE
27 12 PERTAINING TO THE REGULATION OF PROFESSIONS AND OCCUPATIONS.

1 **44-1-103. Definitions.** AS USED IN THIS TITLE 44, UNLESS THE
2 CONTEXT OTHERWISE REQUIRES:

3 (1) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE
4 CREATED IN SECTION 24-1-117.

5 (2) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
6 THE DEPARTMENT.

7 **SECTION 2.** In Colorado Revised Statutes, **add with amended**
8 **and relocated provisions** article 11 to title 44 as follows:

9 **ARTICLE 11**

10 **Medical Marijuana**

11 **44-11-101. [Formerly 12-43.3-101] Short title.** ~~This article shall~~
12 ~~be known and may be cited as~~ THE SHORT TITLE OF THIS ARTICLE 11 IS THE
13 "Colorado Medical Marijuana Code".

14 **44-11-102. [Formerly 12-43.3-102] Legislative declaration.**

15 (1) The general assembly hereby declares that this ~~article~~ ARTICLE 11
16 shall be deemed an exercise of the police powers of the state for the
17 protection of the economic and social welfare and the health, peace, and
18 morals of the people of this state.

19 (2) The general assembly further declares that it is unlawful under
20 state law to cultivate, manufacture, distribute, or sell medical marijuana,
21 except in compliance with the terms, conditions, limitations, and
22 restrictions in section 14 of article XVIII of the state constitution and this
23 ~~article~~ ARTICLE 11 or when acting as a primary caregiver in compliance
24 with the terms, conditions, limitations, and restrictions of section
25 25-1.5-106. ~~C.R.S.~~

26 **44-11-103. [Formerly 12-43.3-103] Applicability.** (1) (a) On
27 July 1, 2010, a person who is operating an established, locally approved

1 business for the purpose of cultivation, manufacture, or sale of medical
2 marijuana or medical marijuana-infused products or a person who has
3 applied to a local government to operate a locally approved business for
4 the purpose of cultivation, manufacture, or sale of medical marijuana or
5 medical marijuana-infused products ~~which~~ THAT is subsequently granted
6 may continue to operate that business in accordance with any applicable
7 state or local laws. "Established", as used in this ~~paragraph (a)~~
8 SUBSECTION (1)(a), shall mean owning or leasing a space with a storefront
9 and remitting sales taxes in a timely manner on retail sales of the business
10 as required pursuant to section 39-26-105, ~~C.R.S.~~, as well as any
11 applicable local sales taxes.

12 (b) To continue operating a business or operation as described in
13 ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION,
14 the owner shall, on or before August 1, 2010, complete forms as provided
15 by the department of revenue and shall pay a fee, which shall be credited
16 to the medical marijuana license cash fund established pursuant to section
17 ~~42-43.3-501~~ 44-11-501. The purpose of the fee shall be to pay for the
18 direct and indirect costs of the state licensing authority and the
19 development of application procedures and rules necessary to implement
20 this ~~article~~ ARTICLE 11. Payment of the fee and completion of the form
21 shall not create a local or state license or a present or future entitlement
22 to receive a license. An owner issued a local license after August 1, 2010,
23 shall complete the forms and pay the fee pursuant to this ~~paragraph (b)~~
24 SUBSECTION (1)(b) within thirty days after issuance of the local license.
25 In addition to any criminal penalties for selling without a license, it shall
26 be unlawful to continue operating a business or operation without filing
27 the forms and paying the fee as described in this ~~paragraph (b)~~

1 SUBSECTION (1)(b), and any violation of this section shall be prima-facie
2 evidence of unsatisfactory character, record, and reputation for any future
3 application for license under this ~~article~~ ARTICLE 11.

4 (c) A county, city and county, or municipality shall provide to the
5 state licensing authority, upon request, a list that includes the name and
6 location of each local center or operation licensed in said county, city and
7 county, or municipality so that the state licensing authority can identify
8 any center or operation operating unlawfully.

9 (2) (a) Prior to July 1, 2011, a county, city and county, or
10 municipality may adopt and enforce a resolution or ordinance licensing,
11 regulating, or prohibiting the cultivation or sale of medical marijuana. In
12 a county, city and county, or municipality where such an ordinance or
13 resolution has been adopted, a person who is not registered as a patient or
14 primary caregiver pursuant to section 25-1.5-106 ~~C.R.S.~~, and who is
15 cultivating or selling medical marijuana shall not be entitled to an
16 affirmative defense to a criminal prosecution as provided for in section
17 14 of article XVIII of the state constitution unless the person is in
18 compliance with the applicable county or municipal law.

19 (b) On or before September 1, 2010, a business or operation shall
20 certify that it is cultivating at least seventy percent of the medical
21 marijuana necessary for its operation.

22 (c) On and after July 1, 2011, all businesses for the purpose of
23 cultivation, manufacture, or sale of medical marijuana or medical
24 marijuana-infused products, as defined in this ~~article~~ ARTICLE 11, shall be
25 subject to the terms and conditions of this ~~article~~ ARTICLE 11 and any
26 rules promulgated pursuant to this ~~article~~ ARTICLE 11; except that a person
27 that has met the deadlines set forth in ~~paragraphs (a) and (b) of subsection~~

1 ~~(1)~~ SUBSECTIONS (1)(a) AND (1)(b) of this section that has not had its
2 application acted upon by the state licensing authority may continue to
3 operate until action is taken on the application, unless the person is
4 operating in a jurisdiction that has imposed a prohibition on licensure.
5 While continuing to operate prior to the licensing authority acting on the
6 application, the person shall otherwise be subject to the terms and
7 conditions of this ~~article~~ ARTICLE 11 and all rules promulgated pursuant
8 to this ~~article~~ ARTICLE 11.

9 (d) (I) On and after July 1, 2012, persons who did not meet all
10 requirements of ~~paragraph (a) of subsection (1)~~ SUBSECTION (1)(a) of this
11 section as of July 1, 2010, may begin to apply for a license pursuant to
12 this ~~article~~ ARTICLE 11. A business or operation that applies and is
13 approved for its license after July 1, 2012, shall certify to the state
14 licensing authority that it is cultivating at least seventy percent of the
15 medical marijuana necessary for its operation within ninety days after
16 being licensed.

17 (II) For those persons that are licensed prior to July 1, 2012, the
18 person may apply to the local and state licensing authorities regarding
19 changes to its license and may apply for a new license if the license is for
20 a business that has been licensed and the person is purchasing that
21 business or if the business is changing license type.

22 (III) For a person who has met the deadlines set forth in
23 ~~paragraphs (a) and (b) of subsection (1)~~ SUBSECTIONS (1)(a) AND (1)(b)
24 of this section and who has lost his or her location because a city or
25 county has voted pursuant to section ~~12-43.3-106~~ 44-11-106 to ban his or
26 her operation, the person may apply for a new license with a local
27 licensing authority and transfer the location of its pending application

1 with the state licensing authority.

2 (e) This ~~article~~ ARTICLE 11 sets forth the exclusive means by
3 which manufacture, sale, distribution, and dispensing of medical
4 marijuana may occur in the state of Colorado. Licensees shall not be
5 subject to the terms of section 14 of article XVIII of the state constitution,
6 except where specifically referenced in this ~~article~~ ARTICLE 11.

7 **44-11-104. [Formerly 12-43.3-104] Definitions.** As used in this
8 ~~article 43.3~~ ARTICLE 11, unless the context otherwise requires:

9 (1) "Direct beneficial interest owner" means a person or closely
10 held business entity that owns a share or shares of stock in a licensed
11 medical marijuana business, including the officers, directors, managing
12 members, or partners of the licensed medical marijuana business or
13 closely held business entity, or a qualified limited passive investor.

14 ~~(1.3)~~ (2) "Good cause", for purposes of refusing or denying a
15 license renewal, reinstatement, or initial license issuance, means:

16 (a) The licensee or applicant has violated, does not meet, or has
17 failed to comply with any of the terms, conditions, or provisions of this
18 ~~article~~ ARTICLE 11; any rules promulgated pursuant to this ~~article~~ ARTICLE
19 11; or any supplemental local law, rules, or regulations;

20 (b) The licensee or applicant has failed to comply with any special
21 terms or conditions that were placed on its license pursuant to an order of
22 the state or local licensing authority;

23 (c) The licensed premises have been operated in a manner that
24 adversely affects the public health or welfare or the safety of the
25 immediate neighborhood in which the establishment is located.

26 ~~(1.5)~~ (3) "Immature plant" means a nonflowering medical
27 marijuana plant that is no taller than eight inches and no wider than eight

1 inches produced from a cutting, clipping, or seedling and that is in a
2 growing container that is no larger than two inches wide and two inches
3 tall that is sealed on the sides and bottom.

4 ~~(1.7)~~ (4) "Indirect beneficial interest owner" means a holder of a
5 permitted economic interest, a recipient of a commercially reasonable
6 royalty associated with the use of intellectual property by a licensee, a
7 licensed employee who receives a share of the profits from an employee
8 benefit plan, a qualified institutional investor, or another similarly
9 situated person or entity as determined by the state licensing authority.

10 ~~(2)~~ (5) "License" means to grant a license or registration pursuant
11 to this ~~article~~ ARTICLE 11.

12 ~~(3)~~ (6) "Licensed premises" means the premises specified in an
13 application for a license under this ~~article~~ ARTICLE 11, which are owned
14 or in possession of the licensee and within which the licensee is
15 authorized to cultivate, manufacture, distribute, or sell medical marijuana
16 in accordance with the provisions of this ~~article~~ ARTICLE 11.

17 ~~(4)~~ (7) "Licensee" means a person licensed or registered pursuant
18 to this ~~article~~ ARTICLE 11.

19 ~~(5)~~ (8) "Local licensing authority" means an authority designated
20 by municipal or county charter, ordinance, or resolution, or the governing
21 body of a municipality, city and county, or the board of county
22 commissioners of a county if no such authority is designated.

23 ~~(6)~~ (9) "Location" means a particular parcel of land that may be
24 identified by an address or other descriptive means.

25 ~~(6.5)~~ (10) "Marijuana-based workforce development or training
26 program" means a program designed to train individuals to work in the
27 legal medical marijuana industry operated by an entity licensed under this

1 ~~article 43.3~~ ARTICLE 11 or by a school that is authorized by the division
2 of private occupational schools.

3 ~~(7)~~ (11) "Medical marijuana" means marijuana that is grown and
4 sold pursuant to the provisions of this ~~article~~ ARTICLE 11 and for a
5 purpose authorized by section 14 of article XVIII of the state constitution
6 but shall not be considered a nonprescription drug for purposes of section
7 12-42.5-102 (21) or 39-26-717, ~~€R.S.~~, or an over-the-counter medication
8 for purposes of section 25.5-5-322. ~~€R.S.~~

9 ~~(7.5)~~ (12) "Medical marijuana business operator" means an entity
10 or person who is not an owner and who is licensed to provide professional
11 operational services to a medical marijuana establishment for direct
12 remuneration from the medical marijuana establishment.

13 ~~(8)~~ (13) "Medical marijuana center" means a person licensed
14 pursuant to this ~~article~~ ARTICLE 11 to operate a business as described in
15 section ~~12-43.3-402~~ 44-11-402 that sells medical marijuana to registered
16 patients or primary caregivers as defined in section 14 of article XVIII of
17 the state constitution, but is not a primary caregiver.

18 ~~(8.5)~~ (14) "Medical marijuana transporter" means an entity or
19 person that is licensed to transport medical marijuana and medical
20 marijuana-infused products from one medical marijuana establishment to
21 another medical marijuana establishment and to temporarily store the
22 transported medical marijuana and medical marijuana-infused products
23 at its licensed premises, but is not authorized to sell medical marijuana or
24 medical marijuana-infused products under any circumstances.

25 ~~(9)~~ (15) "Medical marijuana-infused product" means a product
26 infused with medical marijuana that is intended for use or consumption
27 other than by smoking, including but not limited to edible products,

1 ointments, and tinctures. These products, when manufactured or sold by
2 a licensed medical marijuana center or a medical marijuana-infused
3 ~~product~~ PRODUCTS manufacturer, shall not be considered a food or drug
4 for the purposes of the "Colorado Food and Drug Act", part 4 of article
5 5 of title 25. ~~C.R.S.~~

6 ~~(10)~~ (16) "Medical marijuana-infused products manufacturer"
7 means a person licensed pursuant to this ~~article~~ ARTICLE 11 to operate a
8 business as described in section ~~12-43.3-404~~ 44-11-404.

9 ~~(10.5)~~ (17) "Opaque" means that the packaging does not allow the
10 product to be seen without opening the packaging material.

11 ~~(11)~~ (18) "Optional premises" means the premises specified in an
12 application for a medical marijuana center license with related growing
13 facilities in Colorado for which the licensee is authorized to grow and
14 cultivate marijuana for a purpose authorized by section 14 of article
15 XVIII of the state constitution.

16 ~~(12)~~ (19) "Optional premises cultivation operation" means a
17 person licensed pursuant to this ~~article~~ ARTICLE 11 to operate a business
18 as described in section ~~12-43.3-403~~ 44-11-403.

19 ~~(12.3) Repealed.~~

20 ~~(12.4)~~ (20) "Permitted economic interest" means any unsecured
21 convertible debt instrument, option agreement, warrant, or any other right
22 to obtain an ownership interest when the holder of such interest is a
23 natural person who is a lawful United States resident and whose right to
24 convert into an ownership interest is contingent on the holder qualifying
25 and obtaining a license as an owner under this ~~article~~ ARTICLE 11; or such
26 other agreements as may be permitted by rule of the state licensing
27 authority.

1 ~~(13)~~ (21) "Person" means a natural person, partnership,
2 association, company, corporation, limited liability company, or
3 organization, or a manager, agent, owner, director, servant, officer, or
4 employee thereof.

5 ~~(14)~~ (22) "Premises" means a distinct and definite location, which
6 may include a building, a part of a building, a room, or any other definite
7 contiguous area.

8 ~~(14.3)~~ (23) "Qualified limited passive investor" means a natural
9 person who is a United States citizen and is a passive investor who owns
10 less than a five percent share or shares of stock in a licensed medical
11 marijuana business.

12 ~~(14.5)~~ (24) "Resealable" means that the package continues to
13 function with effectiveness specifications, which shall be established by
14 the state licensing authority similar to the federal "Poison Prevention
15 Packaging Act of 1970", 15 U.S.C. sec. 1471 et seq., for the number of
16 openings and closings customary for its size and contents, which shall be
17 determined by the state licensing authority.

18 ~~(15)~~ (25) "School" means a public or private preschool or a public
19 or private elementary, middle, junior high, or high school.

20 ~~(16)~~ (26) "State licensing authority" means the authority created
21 for the purpose of regulating and controlling the licensing of the
22 cultivation, manufacture, distribution, and sale of medical and retail
23 marijuana in this state, pursuant to section ~~12-43.3-201~~ 44-11-201.

24 **44-11-105. [Formerly 12-43.3-105] Limited access areas.**
25 Subject to the provisions of section ~~12-43.3-701~~ 44-11-701, a limited
26 access area shall be a building, room, or other contiguous area upon the
27 licensed premises where medical marijuana is grown, cultivated, stored,

1 weighed, displayed, packaged, sold, or possessed for sale, under control
2 of the licensee, with access limited to only those persons licensed by the
3 state licensing authority and those visitors escorted by a person licensed
4 by the state licensing authority. All areas of ingress or egress to limited
5 access areas shall be clearly identified as such by a sign as designated by
6 the state licensing authority.

7 **44-11-106. [Formerly 12-43.3-106] Local option.** The operation
8 of this ~~article~~ ARTICLE 11 shall be statewide unless a municipality, county,
9 city, or city and county, by either a majority of the registered electors of
10 the municipality, county, city, or city and county voting at a regular
11 election or special election called in accordance with the "Colorado
12 Municipal Election Code of 1965", article 10 of title 31, ~~C.R.S.~~, or the
13 "Uniform Election Code of 1992", articles 1 to 13 of title 1, ~~C.R.S.~~, as
14 applicable, or a majority of the members of the governing board for the
15 municipality, county, city, or city and county, vote to prohibit the
16 operation of medical marijuana centers, optional premises cultivation
17 operations, and medical marijuana-infused products manufacturers'
18 licenses.

19 **44-11-201. [Formerly 12-43.3-201] State licensing authority -**
20 **creation.** (1) For the purpose of regulating and controlling the licensing
21 of the cultivation, manufacture, distribution, and sale of medical
22 marijuana and retail marijuana in this state, there is hereby created the
23 state licensing authority, which shall be the executive director of the
24 department of revenue or the deputy director of the department of revenue
25 if the executive director so designates. The state licensing authority shall
26 adopt regulations regarding retail marijuana and retail marijuana products
27 by July 1, 2013.

1 (2) The executive director of the department of revenue shall be
2 the chief administrative officer of the state licensing authority and may
3 employ, pursuant to section 13 of article XII of the state constitution, such
4 officers and employees as may be determined to be necessary, which
5 officers and employees shall be part of the department of revenue.

6 ~~(3) Repealed.~~

7 ~~(4)~~ (3) A state licensing authority employee with regulatory
8 oversight responsibilities for marijuana businesses licensed by the state
9 licensing authority shall not work for, represent, or provide consulting
10 services to or otherwise derive pecuniary gain from a marijuana business
11 licensed by the state licensing authority or other business entity
12 established for the primary purpose of providing services to the marijuana
13 industry for a period of six months following his or her last day of
14 employment with the state licensing authority.

15 ~~(5)~~ (4) Any person who discloses confidential records or
16 information in violation of the provisions of this ~~article~~ ARTICLE 11
17 commits a class 1 misdemeanor and shall be punished as provided in
18 section 18-1.3-501. ~~C.R.S.~~ Any criminal prosecution pursuant to the
19 provisions of this section must be brought within five years from the date
20 the violation occurred.

21 **44-11-202. [Formerly 12-43.3-202] Powers and duties of state**
22 **licensing authority - rules.** (1) The state licensing authority shall:

23 (a) Grant or refuse state licenses for the cultivation, manufacture,
24 distribution, and sale of medical marijuana as provided by law; suspend,
25 fine, restrict, or revoke such licenses, whether active, expired, or
26 surrendered, upon a violation of this ~~article 43.3~~ ARTICLE 11, or a rule
27 promulgated pursuant to this ~~article 43.3~~ ARTICLE 11; and impose any

1 penalty authorized by this ~~article 43.3~~ ARTICLE 11 or any rule promulgated
2 pursuant to this ~~article 43.3~~ ARTICLE 11. The state licensing authority may
3 take any action with respect to a registration pursuant to this ~~article 43.3~~
4 ARTICLE 11 as it may with respect to a license pursuant to this ~~article 43.3~~
5 11, in accordance with the procedures established pursuant to this ~~article~~
6 ~~43.3~~ ARTICLE 11.

7 (b) ~~(f)~~ Promulgate such rules and such special rulings and findings
8 as necessary for the proper regulation and control of the cultivation,
9 manufacture, distribution, and sale of medical marijuana and for the
10 enforcement of this ~~article~~ ARTICLE 11. A county, municipality, or city
11 and county that has adopted a temporary moratorium regarding the
12 subject matter of this ~~article~~ ARTICLE 11 shall be specifically authorized
13 to extend the moratorium until June 30, 2012.

14 ~~(H) Repealed~~

15 (c) Hear and determine at a public hearing any contested state
16 license denial and any complaints against a licensee and administer oaths
17 and issue subpoenas to require the presence of persons and the production
18 of papers, books, and records necessary to the determination of any
19 hearing so held, all in accordance with article 4 of title 24. ~~C.R.S.~~ The
20 state licensing authority may, at its discretion, delegate to the department
21 of revenue hearing officers the authority to conduct licensing,
22 disciplinary, and rule-making hearings under section 24-4-105. ~~C.R.S.~~
23 When conducting ~~such~~ THE hearings, the hearing officers shall be
24 employees of the state licensing authority under the direction and
25 supervision of the executive director and the state licensing authority.

26 (d) Maintain the confidentiality of reports or other information
27 obtained from a medical or retail licensee containing any individualized

1 data, information, or records related to the licensee or its operation,
2 including sales information, financial records, tax returns, credit reports,
3 cultivation information, testing results, and security information and
4 plans, or revealing any patient information, or any other records that are
5 exempt from public inspection pursuant to state law. Such reports or other
6 information may be used only for a purpose authorized by this ~~article,~~
7 ~~article 43.4 of this title~~ ARTICLE 11 OR ARTICLE 12 OF THIS TITLE 44, or for
8 any other state or local law enforcement purpose. Any information
9 released related to patients may be used only for a purpose authorized by
10 this ~~article, article 43.4 of this title~~ ARTICLE 11 OR ARTICLE 12 OF THIS
11 TITLE, or to verify that a person who presented a registry identification
12 card to a state or local law enforcement official is lawfully in possession
13 of such card.

14 (e) Develop such forms, licenses, identification cards, and
15 applications as are necessary or convenient in the discretion of the state
16 licensing authority for the administration of this ~~article~~ ARTICLE 11 or any
17 of the rules promulgated under this ~~article~~ ARTICLE 11;

18 (f) Prepare and transmit annually, in the form and manner
19 prescribed by the heads of the principal departments pursuant to section
20 24-1-136, ~~C.R.S.~~, a report accounting to the governor for the efficient
21 discharge of all responsibilities assigned by law or directive to the state
22 licensing authority;

23 (g) In recognition of the potential medicinal value of medical
24 marijuana, make a request by January 1, 2012, to the federal drug
25 enforcement administration to consider rescheduling, for pharmaceutical
26 purposes, medical marijuana from a schedule I controlled substance to a
27 schedule II controlled substance; and

1 (h) *[Editor's note: This version of paragraph (h) is effective until*
2 *January 1, 2018.]* Develop and maintain a seed-to-sale tracking system
3 that tracks medical marijuana from either the seed or immature plant stage
4 until the medical marijuana or medical marijuana-infused product is sold
5 to a customer at a medical marijuana center to ensure that no medical
6 marijuana grown or processed by a medical marijuana establishment is
7 sold or otherwise transferred except by a medical marijuana center;

8 (h) *[Editor's note: This version of paragraph (h) is effective*
9 *January 1, 2018.]* Develop and maintain a seed-to-sale tracking system
10 that tracks medical marijuana from either the seed or immature plant stage
11 until the medical marijuana or medical marijuana-infused product is sold
12 to a customer at a medical marijuana center to ensure that no medical
13 marijuana grown or processed by a medical marijuana establishment is
14 sold or otherwise transferred except by a medical marijuana center;
15 except that the medical marijuana or medical marijuana-infused product
16 is no longer subject to the tracking system once the medical marijuana or
17 medical marijuana-infused product has been:

18 (I) Transferred to a medical research facility pursuant to section
19 25-1.5-106.5 (5)(b); or

20 (II) Transferred to a pesticide manufacturer in quantities that are
21 limited as specified in rules promulgated by the state licensing authority,
22 in consultation with the departments of public health and environment
23 and agriculture. The rules must define a pesticide manufacturer that is
24 authorized to conduct research and must authorize a pesticide
25 manufacturer to conduct research to establish safe and effective protocols
26 for the use of pesticides on medical marijuana. Notwithstanding any other
27 provision of law, a pesticide manufacturer authorized pursuant to this

1 subsection (1)(h)(II) to conduct pesticide research regarding marijuana
2 must be located in Colorado, must conduct the research in Colorado, and
3 is exempt from all otherwise applicable restrictions on the possession and
4 use of medical marijuana or medical marijuana-infused product; except
5 that the manufacturer shall:

6 (A) Not possess at any time a quantity of medical marijuana or
7 medical marijuana-infused product in excess of the limit established in
8 rules promulgated by the state licensing authority;

9 (B) Use the medical marijuana and medical marijuana-infused
10 product only for the pesticide research authorized pursuant to this
11 subsection (1)(h)(II);

12 (C) Destroy, in compliance with rules promulgated by the state
13 licensing authority, all medical marijuana and medical marijuana-infused
14 product remaining after the research has been completed; and

15 (D) Not apply pesticides for research purposes on the licensed
16 premises of a medical marijuana business.

17 (2) (a) Rules promulgated pursuant to subsection (1)(b) of this
18 section may include, but need not be limited to, the following subjects:

19 (I) Compliance with, enforcement of, or violation of any provision
20 of this ~~article~~ ARTICLE 11, section 18-18-406.3 (7), ~~C.R.S.~~, or any rule
21 issued pursuant to this ~~article~~ ARTICLE 11, including procedures and
22 grounds for denying, suspending, fining, restricting, or revoking a state
23 license issued pursuant to this ~~article~~ ARTICLE 11;

24 (II) Specifications of duties of officers and employees of the state
25 licensing authority;

26 (III) Instructions for local licensing authorities and law
27 enforcement officers;

1 (IV) Requirements for inspections, investigations, searches,
2 seizures, forfeitures, and such additional activities as may become
3 necessary from time to time;

4 (V) Creation of a range of penalties for use by the state licensing
5 authority;

6 (VI) Prohibition of misrepresentation and unfair practices;

7 (VII) Control of informational and product displays on licensed
8 premises;

9 (VIII) Development of individual identification cards for owners,
10 officers, managers, contractors, employees, and other support staff of
11 entities licensed pursuant to this ~~article~~ ARTICLE 11, including a
12 fingerprint-based criminal history record check as may be required by the
13 state licensing authority prior to issuing a card;

14 (IX) Identification of state licensees and their owners, officers,
15 managers, and employees;

16 (X) Security requirements for any premises licensed pursuant to
17 this ~~article~~ ARTICLE 11, including, at a minimum, lighting, physical
18 security, video, alarm requirements, and other minimum procedures for
19 internal control as deemed necessary by the state licensing authority to
20 properly administer and enforce the provisions of this ~~article~~ ARTICLE 11,
21 including reporting requirements for changes, alterations, or
22 modifications to the premises;

23 (XI) Regulation of the storage of, warehouses for, and
24 transportation of medical marijuana;

25 (XII) Sanitary requirements for medical marijuana centers,
26 including but not limited to sanitary requirements for the preparation of
27 medical marijuana-infused products;

1 (XIII) The specification of acceptable forms of picture
2 identification that a medical marijuana center may accept when verifying
3 a sale;

4 (XIV) Labeling standards;

5 ~~(XIV.5)~~ (XV) Prohibiting the sale of medical marijuana and
6 medical marijuana-infused products unless the product is:

7 (A) Packaged in packaging meeting requirements established by
8 the state licensing authority similar to the federal "Poison Prevention
9 Packaging Act of 1970", 15 U.S.C. sec. 1471 et seq.; or

10 (B) Placed in an opaque and resealable exit package or container
11 at the point of sale prior to exiting the store, and the container or package
12 meets the requirements established by the state licensing authority.

13 ~~(XV)~~ (XVI) Records to be kept by licensees and the required
14 availability of the records;

15 ~~(XVI)~~ (XVII) State licensing procedures, including procedures for
16 renewals, reinstatements, initial licenses, and the payment of licensing
17 fees;

18 ~~(XVII)~~ (XVIII) The reporting and transmittal of monthly sales tax
19 payments by medical marijuana centers;

20 ~~(XVIII)~~ (XIX) Authorization for the department of revenue to
21 have access to licensing information to ensure sales and income tax
22 payment and the effective administration of this ~~article~~ ARTICLE 11;

23 ~~(XVIII.5)~~ (XX) Rules effective on or before January 1, 2016,
24 relating to permitted economic interests including a process for a criminal
25 history record check, a requirement that a permitted economic interest
26 applicant submit to and pass a criminal history record check, a divestiture,
27 and other agreements that would qualify as permitted economic interests;

1 ~~(XVIII.6)~~ (XXI) Medical marijuana transporter licensed
2 businesses, including requirements for drivers, including obtaining and
3 maintaining a valid Colorado driver's license; insurance requirements;
4 acceptable time frames for transport, storage, and delivery; requirements
5 for transport vehicles; and requirements for licensed premises;

6 ~~(XVIII.7)~~ (XXII) Medical marijuana business operator licensees,
7 including the form and structure of allowable agreements between
8 operators and owners.

9 ~~(XIX)~~ (XXIII) Authorization for the department of revenue to
10 issue administrative citations and procedures for issuing, appealing, and
11 creating a citation violation list and schedule of penalties;

12 ~~(XX)~~ (XXIV) Such other matters as are necessary for the fair,
13 impartial, stringent, and comprehensive administration of this ~~article 43.3~~
14 ARTICLE 11;

15 ~~(XXI)~~ (XXV) The parameters and qualifications of an indirect
16 beneficial interest owner and a qualified limited passive investor; AND

17 ~~(XXII)~~ (XXVI) Marijuana research and development licenses and
18 marijuana research and development cultivation licenses, including
19 application requirements; renewal requirements, including whether
20 additional research projects may be added or considered; conditions for
21 license revocation; security measures to ensure marijuana is not diverted
22 to purposes other than research; the amount of plants, useable marijuana,
23 marijuana concentrates, or marijuana-infused products a licensee may
24 have on its premises; licensee reporting requirements; the conditions
25 under which marijuana possessed by medical marijuana licensees may be
26 donated to marijuana research and development licensees and marijuana
27 research and development cultivation licensees; provisions to prevent

1 contamination; requirements for destruction of marijuana after the
2 research is concluded; and any additional requirements.

3 (b) Nothing in this ~~article~~ ARTICLE 11 shall be construed as
4 delegating to the state licensing authority the power to fix prices for
5 medical marijuana.

6 (c) Nothing in this ~~article~~ ARTICLE 11 shall be construed to limit
7 a law enforcement agency's ability to investigate unlawful activity in
8 relation to a medical marijuana center, optional premises cultivation
9 operation, or medical marijuana-infused products manufacturer. A law
10 enforcement agency shall have the authority to run a Colorado crime
11 information center criminal history record check of a primary caregiver,
12 licensee, or employee of a licensee during an investigation of unlawful
13 activity related to medical marijuana.

14 ~~(2.5)~~ (3) (a) Rules promulgated pursuant to subsection (1)(b) of
15 this section must include, but need not be limited to, the following
16 subjects:

17 (I) (A) Establishing a medical marijuana and medical
18 marijuana-infused products independent testing and certification program
19 for medical marijuana licensees, within an implementation time frame,
20 and requiring licensees to test medical marijuana to ensure, at a minimum,
21 that products sold for human consumption do not contain contaminants
22 that are injurious to health and to ensure correct labeling.

23 (B) Testing may include analysis for microbial and residual
24 solvents and chemical and biological contaminants deemed to be public
25 health hazards by the Colorado department of public health and
26 environment based on medical reports and published scientific literature.

27 (C) In the event that test results indicate the presence of quantities

1 of any substance determined to be injurious to health, the licensee shall
2 immediately quarantine the products and notify the state licensing
3 authority. The state licensing authority shall give the licensee an
4 opportunity to remediate the product if the test indicated the presence of
5 a microbial. If the licensee is unable to remediate the product, the licensee
6 shall document and properly destroy the adulterated product.

7 (D) Testing shall also verify THC potency representations and
8 homogeneity for correct labeling and provide a cannabinoid profile for
9 the marijuana product.

10 (E) The state licensing authority shall determine an acceptable
11 variance for potency representations and procedures to address potency
12 misrepresentations.

13 (F) The state licensing authority shall determine the protocols and
14 frequency of marijuana testing by licensees.

15 (G) *[Editor's note: This sub-subparagraph (G) is effective*
16 *January 1, 2018.]* A state, local, or municipal agency shall not employ or
17 use the results of any test of medical marijuana or medical
18 marijuana-infused products conducted by an analytical laboratory that is
19 not certified pursuant to this subsection (2.5)(a)(I) for the particular
20 testing category and accredited pursuant to the International Organization
21 for Standardization/International Electrotechnical Commission
22 17025:2005 standard, or any subsequent superseding standard, in that
23 field of testing.

24 (II) Signage, marketing, and advertising, including but not limited
25 to a prohibition on mass-market campaigns that have a high likelihood of
26 reaching persons under eighteen years of age and other such rules that
27 may include:

1 (A) Allowing packaging and accessory branding;

2 (B) A prohibition on health or physical benefit claims in
3 advertising, merchandising, and packaging;

4 (C) A prohibition on unsolicited pop-up advertising on the
5 internet;

6 (D) A prohibition on banner ads on mass-market websites;

7 (E) A prohibition on opt-in marketing that does not permit an easy
8 and permanent opt-out feature; and

9 (F) A prohibition on marketing directed toward location-based
10 devices, including but not limited to cellular phones, unless the marketing
11 is a mobile device application installed on the device by the owner of the
12 device who is eighteen years of age or older and includes a permanent and
13 easy opt-out feature.

14 (III) (A) A prohibition on the production and sale of edible
15 medical marijuana-infused products that are in the distinct shape of a
16 human, animal, or fruit. Geometric shapes and products that are simply
17 fruit flavored are not considered fruit. Products in the shape of a
18 marijuana leaf are permissible. Nothing in this ~~subparagraph (H)~~
19 SUBSECTION (3)(a)(III) applies to a company logo.

20 (B) The rules promulgated pursuant to this ~~subparagraph (H)~~
21 SUBSECTION (3)(a)(III) shall take effect on October 1, 2017.

22 (b) The executive director of the department of public health and
23 environment shall provide to the state licensing authority standards for
24 licensing laboratories pursuant to the requirements as outlined in
25 ~~sub-subparagraph (A) of subparagraph (I) of paragraph (a) of this~~
26 ~~subsection (2.5)~~ SUBSECTION (3)(a)(I)(A) OF THIS SECTION for medical
27 marijuana and medical marijuana-infused products.

1 (c) Mandatory medical marijuana testing shall not begin until a
2 marijuana laboratory testing reference library is created and licensees are
3 set up for proficiency tests and standards.

4 ~~(3) Repealed.~~

5 **44-11-301. [Formerly 12-43.3-301] Local licensing authority -**
6 **applications - licenses.** (1) A local licensing authority may issue only the
7 following medical marijuana licenses upon payment of the fee and
8 compliance with all local licensing requirements to be determined by the
9 local licensing authority:

- 10 (a) A medical marijuana center license;
- 11 (b) An optional premises cultivation license;
- 12 (c) A medical marijuana-infused products manufacturing license;
- 13 (d) A medical marijuana testing facility license;
- 14 (e) A medical marijuana transporter license;
- 15 (f) A medical marijuana business operator license;
- 16 (g) A marijuana research and development license; and
- 17 (h) A marijuana research and development cultivation license.

18 (2) (a) A local licensing authority shall not issue a local license
19 within a municipality, city and county, or the unincorporated portion of
20 a county unless the governing body of the municipality or city and county
21 has adopted an ordinance, or the governing body of the county has
22 adopted a resolution, containing specific standards for license issuance,
23 or if no such ordinance or resolution is adopted prior to July 1, 2012, then
24 a local licensing authority shall consider the minimum licensing
25 requirements of this part 3 when issuing a license.

26 (b) In addition to all other standards applicable to the issuance of
27 licenses under this ~~article~~ ARTICLE 11, the local governing body may

1 adopt additional standards for the issuance of medical marijuana center,
2 optional premises cultivation, or medical marijuana-infused products
3 manufacturer licenses consistent with the intent of this ~~article~~ ARTICLE 11
4 that may include, but need not be limited to:

5 (I) Distance restrictions between premises for which local licenses
6 are issued;

7 (II) Reasonable restrictions on the size of an applicant's licensed
8 premises; and

9 (III) Any other requirements necessary to ensure the control of the
10 premises and the ease of enforcement of the terms and conditions of the
11 license.

12 (3) An application for a license specified in subsection (1) of this
13 section shall be filed with the state licensing authority and the appropriate
14 local licensing authority on forms provided by the state licensing
15 authority and shall contain such information as the state licensing
16 authority may require and any forms as the local licensing authority may
17 require. Each application shall be verified by the oath or affirmation of
18 the persons prescribed by the state licensing authority.

19 (4) An applicant shall file, at the time of application for a license,
20 plans and specifications for the interior of the building if the building to
21 be occupied is in existence at the time. If the building is not in existence,
22 the applicant shall file a plot plan and a detailed sketch for the interior
23 and submit an architect's drawing of the building to be constructed. In its
24 discretion, the local or state licensing authority may impose additional
25 requirements necessary for the approval of the application.

26 **44-11-302. [Formerly 12-43.3-302] Public hearing notice -**
27 **posting and publication.** (1) Upon receipt of an application for a local

1 license, except an application for renewal or for transfer of ownership, a
2 local licensing authority may schedule a public hearing upon the
3 application to be held not less than thirty days after the date of the
4 application. If the local licensing authority schedules a hearing for a
5 license application, it shall post and publish public notice thereof not less
6 than ten days prior to the hearing. The local licensing authority shall give
7 public notice by posting a sign in a conspicuous place on the license
8 applicant's premises for which license application has been made and by
9 publication in a newspaper of general circulation in the county in which
10 the applicant's premises are located.

11 (2) Public notice given by posting shall include a sign of suitable
12 material, not less than twenty-two inches wide and twenty-six inches
13 high, composed of letters not less than one inch in height and stating the
14 type of license applied for, the date of the application, the date of the
15 hearing, the name and address of the applicant, and such other
16 information as may be required to fully apprise the public of the nature of
17 the application. The sign shall contain the names and addresses of the
18 officers, directors, or manager of the facility to be licensed.

19 (3) Public notice given by publication shall contain the same
20 information as that required for signs.

21 (4) If the building in which medical marijuana is to be cultivated,
22 manufactured, or distributed is in existence at the time of the application,
23 a sign posted as required in subsections (1) and (2) of this section shall be
24 placed so as to be conspicuous and plainly visible to the general public.
25 If the building is not constructed at the time of the application, the
26 applicant shall post a sign at the premises upon which the building is to
27 be constructed in such a manner that the notice shall be conspicuous and

1 plainly visible to the general public.

2 (5) (a) ~~(Deleted by amendment, L. 2013.)~~

3 ~~(b)~~ (a) When conducting its application review, the state licensing
4 authority may advise the local licensing authority of any items that it finds
5 that could result in the denial of the license application. Upon correction
6 of the noted discrepancies, if the correction is permitted by the state
7 licensing authority, the state licensing authority shall notify the local
8 licensing authority of its conditional approval of the license application
9 amendments. The state licensing authority shall then issue the applicant's
10 state license, which shall remain conditioned upon local authority
11 approval.

12 ~~(c)~~ (b) All applications submitted for review shall be accompanied
13 by all applicable state and local license and application fees. Any
14 applications that are later denied or withdrawn may allow for a refund of
15 license fees only. All application fees provided by an applicant shall be
16 retained by the respective licensing authority.

17 **44-11-303. [Formerly 12-43.3-303] Results of investigation -**
18 **decision of authorities.** (1) Not less than five days prior to the date of
19 the public hearing authorized in section ~~12-43.3-302~~ 44-11-302, the local
20 licensing authority shall make known its findings, based on its
21 investigation, in writing to the applicant and other parties of interest. The
22 local licensing authority has authority to refuse to issue a license provided
23 for in this section for good cause, subject to judicial review.

24 (2) Before entering a decision approving or denying the
25 application for a local license, the local licensing authority may consider,
26 except where this ~~article~~ ARTICLE 11 specifically provides otherwise, the
27 facts and evidence adduced as a result of its investigation, as well as any

1 other facts pertinent to the type of license for which application has been
2 made, including the number, type, and availability of medical marijuana
3 centers, optional premises cultivation operations, or medical
4 marijuana-infused products manufacturers located in or near the premises
5 under consideration, and any other pertinent matters affecting the
6 qualifications of the applicant for the conduct of the type of business
7 proposed.

8 (3) Within thirty days after the public hearing or completion of the
9 application investigation, a local licensing authority shall issue its
10 decision approving or denying an application for local licensure. The
11 decision shall be in writing and shall state the reasons for the decision.
12 The local licensing authority shall send a copy of the decision by certified
13 mail to the applicant at the address shown in the application.

14 (4) After approval of an application, the local licensing authority
15 shall not issue a local license until the building in which the business to
16 be conducted is ready for occupancy with such furniture, fixtures, and
17 equipment in place as are necessary to comply with the applicable
18 provisions of this ~~article~~ ARTICLE 11, and then only after the state or local
19 licensing authority has inspected the premises to determine that the
20 applicant has complied with the architect's drawing and the plot plan and
21 detailed sketch for the interior of the building submitted with the
22 application.

23 (5) After approval of an application for conditional state licensure,
24 the state licensing authority shall notify the local licensing authority of
25 such approval. After approval of an application for local licensure, the
26 local licensing authority shall notify the state licensing authority of such
27 approval, who shall investigate and either approve or disapprove the

1 application for state licensure.

2 **44-11-304. [Formerly 12-43.3-305] State licensing authority**
3 **- application and issuance procedures.** (1) Applications for a state
4 license under the provisions of this ~~article~~ ARTICLE 11 shall be made to
5 the state licensing authority on forms prepared and furnished by the state
6 licensing authority and shall set forth such information as the state
7 licensing authority may require to enable the state licensing authority to
8 determine whether a state license should be granted. The information
9 shall include the name and address of the applicant, the names and
10 addresses of the officers, directors, or managers, and all other information
11 deemed necessary by the state licensing authority. Each application shall
12 be verified by the oath or affirmation of such person or persons as the
13 state licensing authority may prescribe.

14 (2) The state licensing authority shall issue a state license to a
15 medical marijuana center, an optional premises cultivation operation, or
16 a medical marijuana-infused products manufacturer pursuant to this
17 section upon satisfactory completion of the applicable criminal history
18 background check associated with the application, and the state license
19 is conditioned upon local licensing authority approval. A license applicant
20 is prohibited from operating a licensed medical marijuana business
21 without both state and local licensing authority approval. The denial of an
22 application by the local licensing authority shall be considered as a basis
23 for the state licensing authority to revoke the state-issued license.

24 ~~(2.5)~~ (3) An applicant that has been permitted to operate a medical
25 marijuana business under the provisions of section ~~12-43.3-103 (1)(b)~~
26 44-11-103 (1)(b) and has been issued a conditional license by the state
27 licensing authority pursuant to subsection (2) of this section may continue

1 to operate the business while an application is pending with the local
2 licensing authority. If the local licensing authority denies the license
3 application, the medical marijuana business shall cease operations upon
4 receiving the denial. The denial of an application by the local licensing
5 authority shall be considered as a basis for the state licensing authority to
6 revoke the state-issued license.

7 ~~(3)~~ (4) Nothing in this ~~article~~ ARTICLE 11 shall preempt or
8 otherwise impair the power of a local government to enact ordinances or
9 resolutions concerning matters authorized to local governments.

10 **44-11-305. [Formerly 12-43.3-306] Denial of application.**

11 (1) The state licensing authority shall deny a state license if the premises
12 on which the applicant proposes to conduct its business does not meet the
13 requirements of this ~~article~~ ARTICLE 11 or for reasons set forth in section
14 ~~12-43.3-104 (1.3)(c)~~ 44-11-104 (2)(c) or ~~12-43.3-305~~ 44-11-304, and the
15 state licensing authority may deny a license for good cause as defined by
16 section ~~12-43.3-104 (1.3)(a) or (1.3)(b)~~ 44-11-104 (2)(a) OR (2)(b).

17 (2) If the state licensing authority denies a state license pursuant
18 to subsection (1) of this section, the applicant shall be entitled to a
19 hearing pursuant to section 24-4-104 (9) ~~€:R:S.~~, and judicial review
20 pursuant to section 24-4-106. ~~€:R:S.~~ The state licensing authority shall
21 provide written notice of the grounds for denial of the state license to the
22 applicant and to the local licensing authority at least fifteen days prior to
23 the hearing.

24 **44-11-306. [Formerly 12-43.3-307] Persons prohibited as**
25 **licensees - definition.** (1) A license provided by this ~~article~~ ARTICLE 11
26 shall not be issued to or held by:

27 (a) A person until the fee therefore has been paid;

1 (b) A person whose criminal history indicates that he or she is not
2 of good moral character;

3 (c) A corporation, if the criminal history of any of its officers,
4 directors, or stockholders indicates that the officer, director, or
5 stockholder is not of good moral character;

6 (d) A licensed physician making patient recommendations;

7 (e) A person employing, assisted by, or financed in whole or in
8 part by any other person whose criminal history indicates he or she is not
9 of good character and reputation satisfactory to the respective licensing
10 authority;

11 (f) A person under twenty-one years of age;

12 (g) A person licensed pursuant to this ~~article~~ ARTICLE 11 who,
13 during a period of licensure, or who, at the time of application, has failed
14 to:

15 (I) File any tax return with a taxing agency related to a medical
16 marijuana business or retail marijuana establishment;

17 (II) Pay any taxes, interest, or penalties due related to a medical
18 marijuana business or retail marijuana establishment;

19 ~~(III) to (VI) (Deleted by amendment, L. 2015.)~~

20 ~~(g.5)~~ (h) A person who fails to meet qualifications for licensure
21 that directly and demonstrably relate to the operation of a medical
22 marijuana establishment;

23 ~~(h)~~ (i) (I) A person who has discharged a sentence for a conviction
24 of a felony in the five years immediately preceding his or her application
25 date; or

26 (II) A person who has discharged a sentence for a conviction of
27 a felony pursuant to any state or federal law regarding the possession,

1 distribution, manufacturing, cultivation, or use of a controlled substance
2 in the ten years immediately preceding his or her application date or five
3 years from May 28, 2013, whichever is longer; except that the licensing
4 authority may grant a license to a person if the person has a state felony
5 conviction based on possession or use of marijuana or marijuana
6 concentrate that would not be a felony if the person were convicted of the
7 offense on the date he or she applied for licensure;

8 (†) (j) A person who employs another person at a medical
9 marijuana facility who has not passed a criminal history record check;

10 (†) (k) A sheriff, deputy sheriff, police officer, or prosecuting
11 officer, or an officer or employee of the state licensing authority or a local
12 licensing authority;

13 (†) (l) A person whose authority to be a primary caregiver as
14 defined in section 25-1.5-106 (2) C.R.S., has been revoked by the state
15 health agency;

16 (†) (m) A person for a license for a location that is currently
17 licensed as a retail food establishment or wholesale food registrant; or

18 ~~(m) Repealed.~~

19 (n) A publicly traded company.

20 (2) (a) In investigating the qualifications of an applicant or a
21 licensee, the state and local licensing authorities may have access to
22 criminal history record information furnished by a criminal justice agency
23 subject to any restrictions imposed by such agency. In the event the state
24 or local licensing authority considers the applicant's criminal history
25 record, the state or local licensing authority shall also consider any
26 information provided by the applicant regarding such criminal history
27 record, including but not limited to evidence of rehabilitation, character

1 references, and educational achievements, especially those items
2 pertaining to the period of time between the applicant's last criminal
3 conviction and the consideration of the application for a state license.

4 (b) As used in ~~paragraph (a) of this subsection (2)~~ SUBSECTION
5 (2)(a) OF THIS SECTION, "criminal justice agency" means any federal, state,
6 or municipal court or any governmental agency or subunit of such agency
7 that administers criminal justice pursuant to a statute or executive order
8 and that allocates a substantial part of its annual budget to the
9 administration of criminal justice.

10 (c) At the time of filing an application for issuance or renewal of
11 a state medical marijuana center license, medical marijuana-infused
12 product manufacturer license, or optional premises cultivation license, an
13 applicant shall submit a set of his or her fingerprints and file personal
14 history information concerning the applicant's qualifications for a state
15 license on forms prepared by the state licensing authority. The state or
16 local licensing authority shall submit the fingerprints to the Colorado
17 bureau of investigation for the purpose of conducting fingerprint-based
18 criminal history record checks. The Colorado bureau of investigation
19 shall forward the fingerprints to the federal bureau of investigation for the
20 purpose of conducting fingerprint-based criminal history record checks.
21 The state or local licensing authority may acquire a name-based criminal
22 history record check for an applicant or a license holder who has twice
23 submitted to a fingerprint-based criminal history record check and whose
24 fingerprints are unclassifiable. An applicant who has previously
25 submitted fingerprints for state licensing purposes may request that the
26 fingerprints on file be used. The state or local licensing authority shall use
27 the information resulting from the fingerprint-based criminal history

1 record check to investigate and determine whether an applicant is
2 qualified to hold a state license pursuant to this ~~article~~ ARTICLE 11. The
3 state or local licensing authority may verify any of the information an
4 applicant is required to submit.

5 **44-11-307. [Formerly 12-43.3-307.5] Business and owner**
6 **requirements - legislative declaration - definitions.** (1) (a) The general
7 assembly hereby finds and declares that:

8 (I) Medical marijuana businesses need to be able to access capital
9 in order to effectively grow their businesses and remain competitive in the
10 marketplace;

11 (II) The current regulatory structure for medical marijuana creates
12 a substantial barrier to investment from out-of-state interests;

13 (III) There is insufficient capital in the state to properly fund the
14 capital needs of Colorado medical marijuana businesses;

15 (IV) Colorado medical marijuana businesses need to have ready
16 access to capital from investors in states outside of Colorado; and

17 (V) Providing access to legitimate sources of capital helps prevent
18 the opportunity for those who engage in illegal activity to gain entry into
19 the state's regulated medical marijuana market.

20 (b) Therefore, the general assembly is providing a mechanism for
21 Colorado medical marijuana businesses to access capital from investors
22 in other states.

23 (2) A direct beneficial interest owner who is a natural person must
24 either:

25 (a) Have been a resident of Colorado for at least one year prior to
26 the date of the application; or

27 (b) Be a United States citizen prior to the date of the application.

1 (3) (a) A medical marijuana business may be comprised of an
2 unlimited number of direct beneficial interest owners that have been
3 residents of Colorado for at least one year prior to the date of the
4 application.

5 (b) On and after January 1, 2017, a medical marijuana business
6 that is comprised of one or more direct beneficial interest owners who
7 have not been Colorado residents for at least one year prior to application
8 shall have at least one officer who has been a Colorado resident for at
9 least one year prior to application and all officers with day-to-day
10 operational control over the business must be Colorado residents for at
11 least one year prior to application. A medical marijuana business under
12 this ~~paragraph (b)~~ SUBSECTION (3)(b) is limited to no more than fifteen
13 direct beneficial interest owners, including all parent and subsidiary
14 entities, all of whom are natural persons.

15 (c) Notwithstanding the requirements of ~~paragraph (b) of this~~
16 ~~subsection (3)~~ SUBSECTION (3)(b) OF THIS SECTION, the state licensing
17 authority may review the limitation on the number of direct beneficial
18 interest owners and may increase the number of allowable interests above
19 fifteen based on reasonable considerations such as developments in state
20 and federal financial regulations, market conditions, and the licensee's
21 ability to access legitimate sources of capital.

22 (d) A direct beneficial interest owner that is a closely held
23 business entity must consist entirely of natural persons who are United
24 States citizens prior to the date of the application, including all parent and
25 subsidiary entities.

26 (4) A medical marijuana business may include qualified
27 institutional investors that own thirty percent or less of the medical

1 marijuana business.

2 (5) (a) A person who intends to apply as a direct beneficial
3 interest owner and is not a Colorado resident for at least one year prior to
4 the date of application shall first submit a request to the state licensing
5 authority for a finding of suitability as a direct beneficial interest owner.
6 The person shall receive a finding of suitability prior to submitting an
7 application to the state licensing authority to be a direct beneficial interest
8 owner. Failure to receive a finding of suitability prior to application is
9 grounds for denial by the state licensing authority.

10 (b) The state licensing authority shall perform a limited initial
11 background check on qualified limited passive investors. If the initial
12 background check provides reasonable cause for additional investigation,
13 the state licensing authority may require a full background check.

14 (6) The state licensing authority shall review the medical
15 marijuana business's operating documents to ensure compliance with this
16 section.

17 (7) For purposes of this section, unless the context otherwise
18 requires, "institutional investor" means:

19 (a) A bank as defined in section 3(a)(6) of the federal "Securities
20 Exchange Act of 1934", as amended;

21 (b) An insurance company as defined in section 2(a)(17) of the
22 federal "Investment Company Act of 1940", as amended;

23 (c) An investment company registered under section 8 of the
24 federal "Investment Company Act of 1940", as amended;

25 (d) An investment adviser registered under section 203 of the
26 federal "Investment Advisers Act of 1940", as amended;

27 (e) Collective trust funds as defined in section 3(c)(11) of the

1 federal "Investment Company Act of 1940", as amended;

2 (f) An employee benefit plan or pension fund that is subject to the
3 federal "Employee Retirement Income Security Act of 1974", as
4 amended, excluding an employee benefit plan or pension fund sponsored
5 by a licensee or an intermediary or holding company licensee that directly
6 or indirectly owns five percent or more of a licensee;

7 (g) A state or federal government pension plan;

8 (h) A group comprised entirely of persons specified in subsections
9 ~~(a) to (g) of this subsection (7)~~ SUBSECTIONS (7)(a) TO (7)(g) OF THIS
10 SECTION; or

11 (i) Any other entity identified through rule by the state licensing
12 authority.

13 **44-11-308. [Formerly 12-43.3-308] Restrictions for applications**
14 **for new licenses.** (1) The state or a local licensing authority shall not
15 receive or act upon an application for the issuance of a state or local
16 license pursuant to this ~~article~~ ARTICLE 11:

17 (a) If the application for a state or local license concerns a
18 particular location that is the same as or within one thousand feet of a
19 location for which, within the two years immediately preceding the date
20 of the application, the state or a local licensing authority denied an
21 application for the same class of license due to the nature of the use or
22 other concern related to the location;

23 (b) Until it is established that the applicant is, or will be, entitled
24 to possession of the premises for which application is made under a lease,
25 rental agreement, or other arrangement for possession of the premises or
26 by virtue of ownership of the premises;

27 (c) For a location in an area where the cultivation, manufacture,

1 and sale of medical marijuana as contemplated is not permitted under the
2 applicable zoning laws of the municipality, city and county, or county;

3 (d) (I) If the building in which medical marijuana is to be sold is
4 located within one thousand feet of a school, an alcohol or drug treatment
5 facility, the principal campus of a college, university, or seminary, or a
6 residential child care facility. The provisions of this section shall not
7 affect the renewal or reissuance of a license once granted or apply to
8 licensed premises located or to be located on land owned by a
9 municipality, nor shall the provisions of this section apply to an existing
10 licensed premises on land owned by the state, or apply to a license in
11 effect and actively doing business before said principal campus was
12 constructed. The local licensing authority of a city and county, by rule or
13 regulation, the governing body of a municipality, by ordinance, and the
14 governing body of a county, by resolution, may vary the distance
15 restrictions imposed by this ~~subparagraph (I)~~ SUBSECTION (1)(d)(I) for a
16 license or may eliminate one or more types of schools, campuses, or
17 facilities from the application of a distance restriction established by or
18 pursuant to this ~~subparagraph (I)~~ SUBSECTION (1)(d)(I).

19 (II) The distances referred to in this ~~paragraph (d)~~ SUBSECTION
20 (1)(d) are to be computed by direct measurement from the nearest
21 property line of the land used for a school or campus to the nearest
22 portion of the building in which medical marijuana is to be sold, using a
23 route of direct pedestrian access.

24 (III) In addition to the requirements of section ~~12-43.3-303 (2)~~
25 44-11-303 (2), the local licensing authority shall consider the evidence
26 and make a specific finding of fact as to whether the building in which
27 the medical marijuana is to be sold is located within any distance

1 restrictions established by or pursuant to this ~~paragraph (d)~~ SUBSECTION
2 (1)(d).

3 **44-11-309. [Formerly 12-43.3-309] Transfer of ownership.**

4 (1) A state or local license granted under the provisions of this ~~article~~
5 ARTICLE 11 shall not be transferable except as provided in this section, but
6 this section shall not prevent a change of location as provided in section
7 ~~12-43.3-310 (13)~~ 44-11-310 (13).

8 (2) For a transfer of ownership, a license holder shall apply to the
9 state and local licensing authorities on forms prepared and furnished by
10 the state licensing authority. In determining whether to permit a transfer
11 of ownership, the state and local licensing authorities shall consider only
12 the requirements of this ~~article~~ ARTICLE 11, any rules promulgated by the
13 state licensing authority, and any other local restrictions. The local
14 licensing authority may hold a hearing on the application for transfer of
15 ownership. The local licensing authority shall not hold a hearing pursuant
16 to this subsection (2) until the local licensing authority has posted a notice
17 of hearing in the manner described in section ~~12-43.3-302 (2)~~ 44-11-302
18 (2) on the licensed medical marijuana center premises for a period of ten
19 days and has provided notice of the hearing to the applicant at least ten
20 days prior to the hearing. Any transfer of ownership hearing by the state
21 licensing authority shall be held in compliance with the requirements
22 specified in section ~~12-43.3-302~~ 44-11-302.

23 **44-11-310. [Formerly 12-43.3-310] Licensing in general.**

24 (1) This ~~article~~ ARTICLE 11 authorizes a county, municipality, or city and
25 county to prohibit the operation of medical marijuana centers, optional
26 premises cultivation operations, and medical marijuana-infused products
27 manufacturers' licenses and to enact reasonable regulations or other

1 restrictions applicable to medical marijuana centers, optional premises
2 cultivation licenses, and medical marijuana-infused products
3 manufacturers' licenses based on local government zoning, health, safety,
4 and public welfare laws for the distribution of medical marijuana that are
5 more restrictive than this ~~article~~ ARTICLE 11.

6 (2) A medical marijuana center, optional premises cultivation
7 operation, or medical marijuana-infused products manufacturer may not
8 operate until it has been licensed by the local licensing authority and the
9 state licensing authority pursuant to this ~~article~~ ARTICLE 11. If the state
10 licensing authority issues the applicant a state license and the local
11 licensing authority subsequently denies the applicant a license, the state
12 licensing authority shall consider the local licensing authority denial as a
13 basis for the revocation of the state-issued license. In connection with a
14 license, the applicant shall provide a complete and accurate list of all
15 owners, officers, and employees who manage, own, or are otherwise
16 substantially associated with the operation and shall provide a complete
17 and accurate application as required by the state licensing authority.

18 (3) A medical marijuana center, optional premises cultivation
19 operation, or medical marijuana-infused products manufacturer shall
20 notify the state licensing authority in writing within ten days after an
21 owner, officer, or manager ceases to work at, manage, own, or otherwise
22 be associated with the operation. The owner, officer, or manager shall
23 surrender to the state licensing authority any identification card that may
24 have been issued by the state licensing authority on or before the date of
25 the notification.

26 (4) A medical marijuana center, optional premises cultivation
27 operation, or medical marijuana-infused products manufacturer shall

1 notify the state licensing authority in writing of the name, address, and
2 date of birth of an owner, officer, or manager before the new owner,
3 officer, or manager begins managing, owning, or associating with the
4 operation. Any owner, officer, manager or employee shall pass a
5 fingerprint-based criminal history record check as required by the state
6 licensing authority and obtain the required identification prior to being
7 associated with, managing, owning, or working at the operation.

8 (5) A medical marijuana center, optional premises cultivation
9 operation, or medical marijuana-infused products manufacturer shall not
10 acquire, possess, cultivate, deliver, transfer, transport, supply, or dispense
11 marijuana for any purpose except to assist patients, as defined by section
12 14 (1) of article XVIII of the state constitution.

13 (6) All managers and employees of a medical marijuana center,
14 optional premises cultivation operation, or medical marijuana-infused
15 products manufacturer shall be residents of Colorado upon the date of
16 their license application. All licenses granted pursuant to this ~~article~~
17 ARTICLE 11 shall be valid for a period not to exceed two years after the
18 date of issuance unless revoked or suspended pursuant to this ~~article~~
19 ARTICLE 11 or the rules promulgated pursuant to this ~~article~~ ARTICLE 11.

20 (7) Before granting a local or state license, the respective
21 licensing authority may consider, except where this ~~article~~ ARTICLE 11
22 specifically provides otherwise, the requirements of this ~~article~~ ARTICLE
23 11 and any rules promulgated pursuant to this ~~article~~ ARTICLE 11, and all
24 other reasonable restrictions that are or may be placed upon the licensee
25 by the licensing authority. With respect to a second or additional license
26 for the same licensee or the same owner of another licensed business
27 pursuant to this ~~article~~ ARTICLE 11, each licensing authority shall consider

1 the effect on competition of granting or denying the additional licenses
2 to such licensee and shall not approve an application for a second or
3 additional license that would have the effect of restraining competition.

4 (8) (a) Each license issued under this ~~article~~ ARTICLE 11 is
5 separate and distinct. It is unlawful for a person to exercise any of the
6 privileges granted under a license other than the license that the person
7 holds or for a licensee to allow any other person to exercise the privileges
8 granted under the licensee's license. A separate license shall be required
9 for each specific business or business entity and each geographical
10 location.

11 (b) At all times, a licensee shall possess and maintain possession
12 of the premises or optional premises for which the license is issued by
13 ownership, lease, rental, or other arrangement for possession of the
14 premises.

15 (9) (a) The licenses provided pursuant to this ~~article~~ ARTICLE 11
16 shall specify the date of issuance, the period of licensure, the name of the
17 licensee, and the premises or optional premises licensed. The licensee
18 shall conspicuously place the license at all times on the licensed premises
19 or optional premises.

20 (b) A local licensing authority shall not transfer location of or
21 renew a license to sell medical marijuana until the applicant for the
22 license provides verification that a license was issued and granted by the
23 state licensing authority for the previous license term. The state licensing
24 authority shall not transfer location of or renew a state license until the
25 applicant provides verification that a license was issued and granted by
26 the local licensing authority for the previous license term.

27 (10) In computing any period of time prescribed by this ~~article~~

1 ARTICLE 11, the day of the act, event, or default from which the
2 designated period of time begins to run shall not be included. Saturdays,
3 Sundays, and legal holidays shall be counted as any other day.

4 (11) A licensee shall report each transfer or change of financial
5 interest in the license to the state and local licensing authorities thirty days
6 prior to any transfer or change pursuant to section ~~12-43.3-309~~
7 44-11-309. A report shall be required for transfers of capital stock of any
8 corporation regardless of size.

9 (12) Each licensee shall manage the licensed premises himself or
10 herself or employ a separate and distinct manager on the premises and
11 shall report the name of the manager to the state and local licensing
12 authorities. The licensee shall report any change in manager to the state
13 and local licensing authorities prior to the change pursuant to subsection
14 (4) of this section.

15 (13) (a) A licensee may move his or her permanent location to any
16 other place in Colorado once permission to do so is granted by the state
17 and local licensing authorities provided for in this ~~article 43.3~~ ARTICLE 11.
18 Upon receipt of an application for change of location, the state licensing
19 authority shall, within seven days, submit a copy of the application to the
20 local licensing authority to determine whether the transfer complies with
21 all local restrictions on change of location.

22 (b) In permitting a change of location, the state and local licensing
23 authorities shall consider all reasonable restrictions that are or may be
24 placed upon the new location by the governing board or local licensing
25 authority of the municipality, city and county, or county, and any such
26 change in location shall be in accordance with all requirements of this
27 ~~article 43.3~~ ARTICLE 11 and rules promulgated pursuant to this ~~article 43.3~~

1 ARTICLE 11.

2 ~~(14) Repealed.~~

3 **44-11-311. [Formerly 12-43.3-311] License renewal.** (1) Ninety
4 days prior to the expiration date of an existing license, the state licensing
5 authority shall notify the licensee of the expiration date by first class mail
6 at the licensee's address of record with the state licensing authority. A
7 licensee shall apply for the renewal of an existing license to the local
8 licensing authority not less than forty-five days and to the state licensing
9 authority not less than thirty days prior to the date of expiration. A local
10 licensing authority shall not accept an application for renewal of a license
11 after the date of expiration, except as provided in subsection (2) of this
12 section. The state licensing authority may extend the expiration date of
13 the license and accept a late application for renewal of a license provided
14 that the applicant has filed a timely renewal application with the local
15 licensing authority. All renewals filed with the local licensing authority
16 and subsequently approved by the local licensing authority shall next be
17 processed by the state licensing authority. The state licensing authority
18 may administratively continue the license and accept a later application
19 for renewal of a license at the discretion of the state licensing authority.
20 The local licensing authority may hold a hearing on the application for
21 renewal only if the licensee has had complaints filed against it, has a
22 history of violations, or there are allegations against the licensee that
23 would constitute good cause. The local licensing authority shall not hold
24 a renewal hearing provided for by this subsection (1) for a medical
25 marijuana center until it has posted a notice of hearing on the licensed
26 medical marijuana center premises in the manner described in section
27 ~~12-43.3-302 (2)~~ 44-11-302 (2) for a period of ten days and provided

1 notice to the applicant at least ten days prior to the hearing. The local
2 licensing authority may refuse to renew any license for good cause,
3 subject to judicial review.

4 ~~(1.5)~~ (2) The state licensing authority may require an additional
5 fingerprint request when there is a demonstrated investigative need.

6 ~~(2)~~ (3) (a) Notwithstanding the provisions of subsection (1) of this
7 section, a licensee whose license has been expired for not more than
8 ninety days may file a late renewal application upon the payment of a
9 nonrefundable late application fee of five hundred dollars to the local
10 licensing authority. A licensee who files a late renewal application and
11 pays the requisite fees may continue to operate until both the state and
12 local licensing authorities have taken final action to approve or deny the
13 licensee's late renewal application unless the state or local licensing
14 authority summarily suspends the license pursuant to article 4 of title 24,
15 ~~C.R.S.~~, this ~~article~~ ARTICLE 11, and rules promulgated pursuant to this
16 ~~article~~ ARTICLE 11.

17 (b) The state and local licensing authorities may not accept a late
18 renewal application more than ninety days after the expiration of a
19 licensee's permanent annual license. A licensee whose permanent annual
20 license has been expired for more than ninety days shall not cultivate,
21 manufacture, distribute, or sell any medical marijuana until all required
22 licenses have been obtained.

23 (c) Notwithstanding the amount specified for the late application
24 fee in ~~paragraph (a) of this subsection (2)~~ SUBSECTION (3)(a) OF THIS
25 SECTION, the state licensing authority by rule or as otherwise provided by
26 law may reduce the amount of the fee if necessary pursuant to section
27 24-75-402 (3) ~~C.R.S.~~, by reducing the uncommitted reserves of the fund

1 to which all or any portion of the fee is credited. After the uncommitted
2 reserves of the fund are sufficiently reduced, the state licensing authority
3 by rule or as otherwise provided by law may increase the amount of the
4 fee as provided in section 24-75-402 (4). ~~C.R.S.~~

5 **44-11-312. [Formerly 12-43.3-312] Inactive licenses.** The state
6 or local licensing authority, in its discretion, may revoke or elect not to
7 renew any license if it determines that the licensed premises have been
8 inactive, without good cause, for at least one year.

9 **44-1-313. [Formerly 12-43.3-313] Unlawful financial**
10 **assistance.** (1) The state licensing authority, by rule, ~~and regulation,~~ shall
11 require a complete disclosure of all persons having a direct or indirect
12 financial interest, and the extent of such interest, in each license issued
13 under this ~~article~~ ARTICLE 11.

14 (2) A person shall not have an unreported financial interest in a
15 license pursuant to this ~~article~~ ARTICLE 11 unless that person has
16 undergone a fingerprint-based criminal history record check as provided
17 for by the state licensing authority in its rules; except that this subsection
18 (2) does not apply to banks or savings and loan associations supervised
19 and regulated by an agency of the state or federal government, or to
20 FHA-approved mortgagees, or to stockholders, directors, or officers
21 thereof.

22 (3) This section is intended to prohibit and prevent the control of
23 the outlets for the sale of medical marijuana by a person or party other
24 than the persons licensed pursuant to the provisions of this ~~article~~
25 ARTICLE 11.

26 **44-11-401. [Formerly 12-43.3-401] Classes of licenses.** (1) For
27 the purpose of regulating the cultivation, manufacture, distribution, and

1 sale of medical marijuana, the state licensing authority in its discretion,
2 upon application in the prescribed form made to it, may issue and grant
3 to the applicant a license from any of the following classes, subject to the
4 provisions and restrictions provided by this ~~article 43.3~~ ARTICLE 11:

- 5 (a) Medical marijuana center license;
- 6 (b) Optional premises cultivation license;
- 7 (c) Medical marijuana-infused products manufacturing license;
- 8 ~~(c.5)~~ (d) Medical marijuana testing facility license;
- 9 ~~(d)~~ (e) Occupational licenses and registrations for owners,
10 managers, operators, employees, contractors, and other support staff
11 employed by, working in, or having access to restricted areas of the
12 licensed premises, as determined by the state licensing authority. Upon
13 receipt of an affirmation under penalty of perjury that the applicant is
14 enrolled in a marijuana-based workforce development or training program
15 operated by an entity licensed under this ~~article 43.3~~ ARTICLE 11 or by a
16 school that is authorized by the division of private occupational schools
17 in Colorado that will require access or employment within a premises
18 licensed pursuant to this ~~article 43.3~~ ARTICLE 11 or ~~article 43.4~~ ARTICLE
19 12 of this ~~title 12~~ TITLE 44, the state licensing authority may exempt for
20 up to two years based on the length of the program the residency
21 requirement in section ~~12-43.3-310 (6)~~ 44-11-310 (6) for a person
22 applying for an occupational license for participation in a
23 marijuana-based workforce development or training program. The state
24 licensing authority may take any action with respect to a registration
25 pursuant to this ~~article 43.3~~ ARTICLE 11 as it may with respect to a license
26 pursuant to this ~~article 43.3~~ ARTICLE 11, in accordance with the
27 procedures established pursuant to this ~~article 43.3~~ ARTICLE 11.

- 1 ~~(e)~~ (f) Medical marijuana transporter license;
- 2 ~~(f)~~ (g) Medical marijuana business operator license;
- 3 ~~(g)~~ (h) Marijuana research and development license; and
- 4 ~~(h)~~ (i) Marijuana research and development cultivation license.

5 (2) All persons licensed pursuant to this ~~article~~ ARTICLE 11 shall
6 collect sales tax on all sales made pursuant to the licensing activities.

7 (3) A state chartered bank or a credit union may loan money to
8 any person licensed pursuant to this ~~article~~ ARTICLE 11 for the operation
9 of a licensed business. A marijuana financial services cooperative
10 organized pursuant to article 33 of title 11 ~~C.R.S.~~, may accept as a
11 member, loan money to, and accept deposits from any entity licensed
12 pursuant to this ~~article~~ ARTICLE 11 for the operation of a licensed
13 business.

14 **44-11-402. [Formerly 12-43.3-402] Medical marijuana center**
15 **license.** (1) (a) A medical marijuana center license shall be issued only
16 to a person selling medical marijuana pursuant to the terms and conditions
17 of this ~~article~~ ARTICLE 11.

18 (b) The medical marijuana center shall track all of its medical
19 marijuana and medical marijuana-infused products from the point that
20 they are transferred from a medical marijuana optional premises
21 cultivation facility or medical marijuana-infused products manufacturer
22 to the point of sale.

23 (2) (a) Notwithstanding the provisions of this section, a medical
24 marijuana center licensee may also sell medical marijuana-infused
25 products that are prepackaged and labeled so as to clearly indicate all of
26 the following:

- 27 (I) That the product contains medical marijuana;

1 (II) That the product is manufactured without any regulatory
2 oversight for health, safety, or efficacy; and

3 (III) That there may be health risks associated with the
4 consumption or use of the product.

5 (b) A medical marijuana licensee may contract with a medical
6 marijuana-infused products manufacturing licensee for the manufacture
7 of medical marijuana-infused products upon a medical marijuana-infused
8 products manufacturing licensee's licensed premises.

9 (3) Every person selling medical marijuana as provided for in this
10 ~~article~~ ARTICLE 11 shall sell only medical marijuana grown in its medical
11 marijuana optional premises licensed pursuant to this ~~article~~ ARTICLE 11.
12 In addition to medical marijuana, a medical marijuana center may sell no
13 more than six immature plants to a patient; except that a medical
14 marijuana center may sell more than six immature plants, but may not
15 exceed half the recommended plant count, to a patient who has been
16 recommended an expanded plant count by his or her recommending
17 physician. A medical marijuana center may sell immature plants to a
18 primary caregiver, another medical marijuana center, or a medical
19 marijuana-infused product manufacturer pursuant to rules promulgated
20 by the state licensing authority. The provisions of this subsection (3) shall
21 not apply to medical marijuana-infused products.

22 (4) Notwithstanding the requirements of subsection (3) of this
23 section to the contrary, a medical marijuana licensee may purchase not
24 more than thirty percent of its total on-hand inventory of medical
25 marijuana from another licensed medical marijuana center in Colorado.
26 A medical marijuana center may sell no more than thirty percent of its
27 total on-hand inventory to another Colorado licensed medical marijuana

1 licensee; except that the director of the division that regulates medical
2 marijuana may grant a temporary waiver:

3 (a) To a medical marijuana center or applicant if the medical
4 marijuana center or applicant suffers a catastrophic event related to its
5 inventory; or

6 (b) To a new medical marijuana center licensee for a period not
7 to exceed ninety days so the new licensee can cultivate the necessary
8 medical marijuana to comply with this subsection (4).

9 (5) Prior to initiating a sale, the employee of the medical
10 marijuana center making the sale shall verify that the purchaser has a
11 valid registry identification card issued pursuant to section 25-1.5-106
12 ~~C.R.S.~~, or a copy of a current and complete new application for the
13 medical marijuana registry administered by the department of public
14 health and environment that is documented by a certified mail return
15 receipt as having been submitted to the department of public health and
16 environment within the preceding thirty-five days, and a valid picture
17 identification card that matches the name on the registry identification
18 card. A purchaser may not provide a copy of a renewal application in
19 order to make a purchase at a medical marijuana center. A purchaser may
20 only make a purchase using a copy of his or her application from 8 a.m.
21 to 5 p.m., Monday through Friday. If the purchaser presents a copy of his
22 or her application at the time of purchase, the employee must contact the
23 department of public health and environment to determine whether the
24 purchaser's application has been denied. The employee shall not complete
25 the transaction if the purchaser's application has been denied. If the
26 purchaser's application has been denied, the employee shall be authorized
27 to confiscate the purchaser's copy of the application and the

1 documentation of the certified mail return receipt, if possible, and shall,
2 within seventy-two hours after the confiscation, turn it over to the
3 department of public health and environment or a local law enforcement
4 agency. The failure to confiscate the copy of the application and
5 document of the certified mail return receipt or to turn it over to the state
6 health department or a state or local law enforcement agency within
7 seventy-two hours after the confiscation shall not constitute a criminal
8 offense.

9 ~~(5.5)~~ (6) Transactions for the sale of medical marijuana or a
10 medical marijuana-infused product at a medical marijuana center may be
11 completed by using an automated machine that is in a restricted access
12 area of the center if the machine complies with the rules promulgated by
13 the state licensing authority regarding the transaction of sale of product
14 at a medical marijuana center and the transaction complies with
15 subsection (5) of this section.

16 ~~(6)~~ (7) A medical marijuana center may provide, except as
17 required by section ~~12-43.3-202 (2.5)(a)(i)~~ 44-11-202 (3)(a)(I), a sample
18 of its products to a facility that has a medical marijuana testing facility
19 license from the state licensing authority for testing and research
20 purposes. A medical marijuana center shall maintain a record of what was
21 provided to the testing facility, the identity of the testing facility, and the
22 results of the testing.

23 ~~(7)~~ (8) All medical marijuana sold at a licensed medical marijuana
24 center shall be labeled with a list of all chemical additives, including but
25 not limited to nonorganic pesticides, herbicides, and fertilizers, that were
26 used in the cultivation and the production of the medical marijuana.

27 ~~(8)~~ (9) A licensed medical marijuana center shall comply with all

1 provisions of article 34 of title 24, ~~C.R.S.~~, as the provisions relate to
2 persons with disabilities.

3 ~~(9)~~ (10) Notwithstanding the provisions of section ~~12-43.3-901~~
4 ~~(4)(m)~~ 44-11-901 (4)(l), a medical marijuana center may sell below cost
5 or donate to a patient who has been designated indigent by the state health
6 agency or who is in hospice care:

7 (a) Medical marijuana; or

8 (b) No more than six immature plants; except that a medical
9 marijuana center may sell or donate more than six immature plants, but
10 may not exceed half the recommended plant count, to a patient who has
11 been recommended an expanded plant count by his or her recommending
12 physician; or

13 (c) Medical marijuana-infused products to patients.

14 **44-11-403. [Formerly 12-43.3-403] Optional premises**
15 **cultivation license.** (1) An optional premises cultivation license may be
16 issued only to a person licensed pursuant to section ~~12-43.3-402 (1)~~
17 44-11-402 (1) or ~~12-43.3-404 (1)~~ 44-11-404 (1) who grows and cultivates
18 medical marijuana at an additional Colorado licensed premises
19 contiguous or not contiguous with the licensed premises of the person's
20 medical marijuana center license or the person's medical
21 marijuana-infused products manufacturing license.

22 (2) Optional premises cultivation licenses may be combined in a
23 common area solely for the purposes of growing and cultivating medical
24 marijuana and used to provide medical marijuana to more than one
25 licensed medical marijuana center or licensed medical marijuana-infused
26 product manufacturer so long as the holder of the optional premise
27 cultivation license is also a common owner of each licensed medical

1 marijuana center or licensed medical marijuana-infused product
2 manufacturer to which medical marijuana is provided. In accordance with
3 promulgated rules relating to plant and product tracking requirements,
4 each optional premises cultivation licensee shall supply medical
5 marijuana only to its associated licensed medical marijuana centers or
6 licensed medical marijuana-infused product manufacturers; except that
7 an optional premises cultivation licensee associated with a licensed
8 medical marijuana center may transport medical marijuana directly to any
9 other licensed medical marijuana center for a transaction pursuant to
10 section ~~12-43.3-402~~ (4) 44-11-402 (4) or a licensed medical
11 marijuana-infused products manufacturer for a transaction pursuant to
12 section ~~12-43.3-404~~ (3) 44-11-404 (3) if there is a corresponding
13 documented point-of-sale transaction prior to transporting the medical
14 marijuana from the optional premises cultivation premises to the licensed
15 medical marijuana center or licensed medical marijuana-infused products
16 manufacturer.

17 (3) A medical marijuana optional premises cultivation facility
18 shall track the marijuana it cultivates from seed or immature plant to
19 wholesale transfer.

20 **44-11-404. [Formerly 12-43.3-404] Medical marijuana-infused**
21 **products manufacturing license - rules.** (1) (a) A medical
22 marijuana-infused products manufacturing license may be issued to a
23 person who manufactures medical marijuana-infused products, pursuant
24 to the terms and conditions of this ~~article~~ ARTICLE 11.

25 (b) A medical marijuana-infused products manufacturer may
26 cultivate its own medical marijuana if it obtains a medical marijuana
27 optional premises cultivation facility license, it may purchase medical

1 marijuana from a medical marijuana center pursuant to subsection (3) of
2 this section, or it may purchase medical marijuana from another medical
3 marijuana-infused products manufacturer. A medical marijuana-infused
4 products manufacturer shall track all of its medical marijuana from the
5 point it is either transferred from its medical marijuana optional premises
6 cultivation facility or the point when it is delivered to the medical
7 marijuana-infused products manufacturer from a medical marijuana
8 center, a medical marijuana-infused products manufacturer, or one of
9 their medical marijuana optional premises cultivation facilities to the
10 point of transfer to a medical marijuana center or a medical
11 marijuana-infused products manufacturer.

12 (2) Medical marijuana-infused products shall be prepared on a
13 licensed premises that is used exclusively for the manufacture and
14 preparation of medical marijuana-infused products and using equipment
15 that is used exclusively for the manufacture and preparation of medical
16 marijuana-infused products.

17 (3) A medical marijuana-infused products manufacturer shall have
18 a written agreement or contract with a medical marijuana center or a
19 medical marijuana-infused products manufacturer, which contract shall
20 at a minimum set forth the total amount of medical marijuana obtained
21 from the medical marijuana center or the medical marijuana-infused
22 products manufacturer to be used in the manufacturing process, and the
23 total amount of medical marijuana-infused products to be manufactured
24 from the medical marijuana obtained from the medical marijuana center
25 or the medical marijuana-infused products manufacturer. A medical
26 marijuana-infused products manufacturer shall not use medical marijuana
27 from more than five different medical marijuana centers or medical

1 marijuana-infused products manufacturers in total in the production of
2 one medical marijuana-infused product. The medical marijuana-infused
3 products manufacturer may sell its products to any medical marijuana
4 center or to any medical marijuana-infused products manufacturer.

5 (4) All licensed premises on which medical marijuana-infused
6 products are manufactured shall meet the sanitary standards for medical
7 marijuana-infused product preparation promulgated pursuant to section
8 ~~12-43.3-202 (2)(a)(XH)~~ 44-11-202 (2)(a)(XII).

9 (5) The medical marijuana-infused product shall be sealed and
10 conspicuously labeled in compliance with this ~~article~~ ARTICLE 11 and any
11 rules promulgated pursuant to this ~~article~~ ARTICLE 11. The labeling of
12 medical marijuana-infused products is a matter of statewide concern.

13 (6) Medical marijuana-infused products may not be consumed on
14 a premises licensed pursuant to this ~~article~~ ARTICLE 11.

15 (7) Notwithstanding any other provision of state law, sales of
16 medical marijuana-infused products shall not be exempt from state or
17 local sales tax.

18 (8) A medical marijuana-infused products manufacturer that has
19 an optional premises cultivation license shall not sell any of the medical
20 marijuana that it cultivates except for the medical marijuana that is
21 contained in medical marijuana-infused products.

22 (9) (a) A medical marijuana-infused products manufacturer may
23 not have more than five hundred medical marijuana plants on its premises
24 or at its optional premises cultivation operation; except that the director
25 of the division that regulates medical marijuana may grant a waiver in
26 excess of five hundred marijuana plants based on the consideration of the
27 factors in subsection (9)(b) of this section.

1 (b) The director of the division that regulates medical marijuana
2 shall consider the following factors in determining whether to grant the
3 waiver described in ~~paragraph (a) of this subsection (9)~~ SUBSECTION
4 (9)(a) OF THIS SECTION:

- 5 (I) The nature of the products manufactured;
- 6 (II) The business need;
- 7 (III) Existing business contracts with licensed medical marijuana
8 centers for the production of medical marijuana-infused products; and
- 9 (IV) The ability to contract with licensed medical marijuana
10 centers for the production of medical marijuana-infused products.

11 (10) A medical marijuana-infused products manufacturer may
12 provide, except as required by section ~~12-43.3-202 (2.5)(a)(f)~~ 44-11-202
13 (3)(a)(I), a sample of its products to a facility that has a medical
14 marijuana testing facility license from the state licensing authority for
15 testing and research purposes. A medical marijuana products
16 manufacturer shall maintain a record of what was provided to the testing
17 facility, the identity of the testing facility, and the results of the testing.

18 (11) A medical marijuana-infused products manufacturer shall
19 not:

20 (a) Add any medical marijuana to a food product where the
21 manufacturer of the food product holds a trademark to the food product's
22 name; except that a manufacturer may use a trademarked food product if
23 the manufacturer uses the product as a component or as part of a recipe
24 and where the medical marijuana-infused products manufacturer does not
25 state or advertise to the consumer that the final medical marijuana-infused
26 product contains a trademarked food product;

27 (b) Intentionally or knowingly label or package a medical

1 marijuana-infused product in a manner that would cause a reasonable
2 consumer confusion as to whether the medical marijuana-infused product
3 was a trademarked food product; or

4 (c) Label or package a medical marijuana-infused product in a
5 manner that violates any federal trademark law or regulation.

6 **44-11-405. [Formerly 12-43.3-405] Medical marijuana testing**
7 **facility license - rules.** (1) A medical marijuana testing facility license
8 may be issued to a person who performs testing and research on medical
9 marijuana for medical marijuana licensees, medical marijuana and
10 medical marijuana-infused products for marijuana and research
11 development licensees and marijuana research and development
12 cultivation licensees, and marijuana or marijuana-infused products grown
13 or produced by a registered patient or registered primary caregiver on
14 behalf of a registered patient, upon verification of registration pursuant
15 to section 25-1.5-106 (7)(e) and verification that the patient is a
16 participant in a clinical or observational study conducted by a marijuana
17 research and development licensee or marijuana research and
18 development cultivation licensee. The facility may develop and test
19 medical marijuana products.

20 (2) The state licensing authority shall promulgate rules pursuant
21 to its authority in section ~~12-43.3-202 (1)(b)~~ 44-11-202 (1)(b) related to
22 acceptable testing and research practices, including but not limited to
23 testing, standards, quality control analysis, equipment certification and
24 calibration, and chemical identification and other substances used in bona
25 fide research methods.

26 (3) A person who has an interest in a medical marijuana testing
27 facility license from the state licensing authority for testing purposes shall

1 not have any interest in a licensed medical marijuana center, a licensed
2 optional premises cultivation operation, a licensed medical
3 marijuana-infused products manufacturer, a licensed retail marijuana
4 store, a licensed retail marijuana cultivation facility, or a licensed retail
5 marijuana products manufacturer. A person that has an interest in a
6 licensed medical marijuana center, a licensed optional premises
7 cultivation operation, a licensed medical marijuana-infused products
8 manufacturer, a licensed retail marijuana store, a licensed retail marijuana
9 cultivation facility, or a licensed retail marijuana products manufacturer
10 shall not have an interest in a facility that has a medical marijuana testing
11 facility license.

12 **44-11-406. [Formerly 12-43.3-406] Medical marijuana**
13 **transporter license.** (1) (a) A medical marijuana transporter license may
14 be issued to a person to provide logistics, distribution, and storage of
15 medical marijuana and medical marijuana-infused products.
16 Notwithstanding any other provisions of law, a medical marijuana
17 transporter license is valid for two years, but cannot be transferred with
18 a change of ownership. A licensed medical marijuana transporter is
19 responsible for the medical marijuana and medical marijuana-infused
20 products once it takes control of the product.

21 (b) A licensed medical marijuana transporter may contract with
22 multiple licensed medical marijuana businesses.

23 (c) On and after July 1, 2017, all medical marijuana transporters
24 shall hold a valid medical marijuana transporter license; except that an
25 entity licensed pursuant to this ~~article~~ ARTICLE 11 that provides its own
26 distribution is not required to have a medical marijuana transporter
27 license to transport and distribute its products. The state licensing

1 authority shall begin accepting applications after January 1, 2017.

2 (2) A medical marijuana transporter licensee may maintain a
3 licensed premises to temporarily store medical marijuana and medical
4 marijuana-infused products and to use as a centralized distribution point.
5 The licensed premises must be located in a jurisdiction that permits the
6 operation of medical marijuana centers. A licensed medical marijuana
7 transporter may store and distribute medical marijuana and medical
8 marijuana-infused products from this location. A storage facility must
9 meet the same security requirements that are required to obtain a medical
10 marijuana optional premise cultivation license.

11 (3) A medical marijuana transporter licensee shall use the
12 seed-to-sale tracking system developed pursuant to section ~~12-43.4-202~~
13 ~~(†)~~ 44-12-202 (1) to create shipping manifests documenting the transport
14 of medical marijuana and medical marijuana-infused products throughout
15 the state.

16 (4) A medical marijuana transporter licensee may:

17 (a) Maintain and operate one or more warehouses in the state to
18 handle medical marijuana and medical marijuana-infused products; and

19 (b) Deliver medical marijuana and medical marijuana-infused
20 products on orders previously taken if the place where orders are taken
21 and delivered is licensed.

22 **44-11-407. [Formerly 12-43.3-407] Medical marijuana business**
23 **operator license.** A medical marijuana business operator license may be
24 issued to an entity or person who operates a medical marijuana
25 establishment licensed pursuant to this ~~article 43.3~~ ARTICLE 11, for an
26 owner licensed pursuant to this ~~article 43.3~~ ARTICLE 11, and who may
27 receive a portion of the profits as compensation.

1 **44-11-408. [Formerly 12-43.3-408] Marijuana research and**
2 **development license - marijuana research and development**
3 **cultivation license - definition.** (1) (a) A marijuana research and

4 development license may be issued to a person to possess marijuana for
5 the limited research purposes identified in subsection (2) of this section.

6 (b) A marijuana research and development cultivation license may
7 be issued to a person to grow, cultivate, possess, and transfer, by sale or
8 donation, marijuana pursuant to section ~~12-43.3-202 (2)(a)(XXII)~~
9 44-11-202 (2)(a)(XXVI) or subsection (4) of this section for the limited
10 research purposes identified in subsection (2) of this section.

11 (2) A license identified in subsection (1) of this section may be
12 issued for the following limited research purposes:

- 13 (a) To test chemical potency and composition levels;
- 14 (b) To conduct clinical investigations of marijuana-derived
15 medicinal products;
- 16 (c) To conduct research on the efficacy and safety of
17 administering marijuana as part of medical treatment;
- 18 (d) To conduct genomic, horticultural, or agricultural research;
- 19 and
- 20 (e) To conduct research on marijuana-affiliated products or
21 systems.

22 (3) (a) As part of the application process for a marijuana research
23 and development license or marijuana research and development
24 cultivation license, an applicant shall submit to the state licensing
25 authority a description of the research that the applicant intends to
26 conduct and whether the research will be conducted with a public
27 institution or using public money. If the research will not be conducted

1 with a public institution or with public money, the state licensing
2 authority shall grant the application if it determines that the application
3 meets the criteria in subsection (2) of this section.

4 (b) If the research will be conducted with a public institution or
5 public money, the scientific advisory council established in section
6 25-1.5-106.5 (3) shall review an applicant's research project to determine
7 that it meets the requirements of subsection (2) of this section and to
8 assess the following:

9 (I) The project's quality, study design, value, or impact;

10 (II) Whether the applicant has the appropriate personnel;
11 expertise; facilities; infrastructure; funding; and human, animal, or other
12 approvals in place to successfully conduct the project; and

13 (III) Whether the amount of marijuana to be grown by the
14 applicant is consistent with the project's scope and goals.

15 (c) If the scientific advisory council determines that the research
16 project does not meet the requirements of subsection (2) of this section or
17 assesses the criteria in this subsection (3) to be inadequate, the application
18 must be denied.

19 (4) A marijuana research and development cultivation licensee
20 may only transfer, by sale or donation, marijuana grown within its
21 operation to other marijuana research and development licensees or
22 marijuana research and development cultivation licensees. The state
23 licensing authority may revoke a marijuana research and development
24 cultivation license for violations of this subsection (4) and any other
25 violation of this ~~article 43.3~~ ARTICLE 11.

26 (5) A marijuana research and development licensee or marijuana
27 research and development cultivation licensee may contract to perform

1 research in conjunction with a public higher education research institution
2 or another marijuana research and development licensee or marijuana
3 research and development cultivation licensee.

4 (6) The growing, cultivating, possessing, or transferring, by sale
5 or donation, of marijuana in accordance with this section and the rules
6 adopted pursuant to it, by a marijuana research and development licensee
7 or marijuana research and development cultivation licensee, is not a
8 criminal or civil offense under state law. A marijuana research and
9 development license or marijuana research and development cultivation
10 license must be issued in the name of the applicant and must specify the
11 location in Colorado at which the marijuana research and development
12 licensee or marijuana research and development cultivation licensee
13 intends to operate. A marijuana research and development licensee or
14 marijuana research and development cultivation licensee shall not allow
15 any other person to exercise the privilege of the license.

16 (7) If the research conducted includes a public institution or public
17 money, the scientific advisory council shall review any reports made by
18 marijuana research and development licensees and marijuana research
19 and development cultivation licensees under state licensing authority rule
20 and provide the state licensing authority with its determination on
21 whether the research project continues to meet research qualifications
22 pursuant to this section.

23 **44-11-501. [Formerly 12-43.3-501] Marijuana cash fund.**

24 (1) (a) All ~~moneys~~ MONEY collected by the state licensing authority
25 pursuant to this ~~article~~ ARTICLE 11 and ~~article 43.4~~ ARTICLE 12 of this title
26 TITLE 44 shall be transmitted to the state treasurer, who shall credit the
27 same to the marijuana cash fund, which fund is hereby created and

1 referred to in this section as the "fund". The fund consists of:

2 (I) The ~~moneys~~ MONEY collected by the state licensing authority;
3 and

4 ~~(II) to (IV) (Deleted by amendment, L. 2014.)~~

5 ~~(V)~~ (II) Any additional general fund ~~moneys~~ MONEY appropriated
6 to the fund that ~~are~~ IS necessary for the operation of the state licensing
7 authority.

8 (b) ~~Moneys~~ MONEY in the fund ~~are~~ IS subject to annual
9 appropriation by the general assembly to the department of revenue for
10 the direct and indirect costs associated with implementing this ~~article~~;
11 ~~article 43.4 of this title~~, ARTICLE 11, ARTICLE 12 OF THIS TITLE 44, and
12 article 28.8 of title 39; ~~€R.S.~~;

13 (c) Any ~~moneys~~ MONEY in the fund not expended for these
14 purposes may be invested by the state treasurer as provided by law. All
15 interest and income derived from the investment and deposit of ~~moneys~~
16 MONEY in the fund shall be credited to the fund. Any unexpended and
17 unencumbered ~~moneys~~ MONEY remaining in the fund at the end of a fiscal
18 year shall remain in the fund and shall not be credited or transferred to the
19 general fund or another fund.

20 ~~(d) and (e) Repealed.~~

21 ~~(f)~~ (d) (I) On July 1, 2014, the state treasurer shall transfer to the
22 marijuana tax cash fund created in section 39-28.8-501 ~~€R.S.~~; any
23 ~~moneys~~ MONEY in the fund that ~~are~~ IS attributable to the retail marijuana
24 excise tax transferred pursuant to section 39-28.8-305 (1)(b), ~~€R.S.~~; the
25 retail marijuana sales tax transferred pursuant to section 39-28.8-203
26 (1)(b), ~~€R.S.~~; or the sales tax imposed pursuant to section 39-26-106,
27 ~~€R.S.~~; on the retail sale of marijuana products under this ~~article~~ ARTICLE

1 11 and ~~article 43.4~~ ARTICLE 12 of this ~~title~~ TITLE 44.

2 (II) On the date on which the state controller publishes the
3 comprehensive annual financial report of the state for the 2013-14 state
4 fiscal year, the state treasurer shall transfer to the marijuana tax cash fund
5 created in section 39-28.8-501 ~~€:R:S.~~, any remaining ~~moneys~~ MONEY in
6 the fund that ~~are~~ IS attributable to the retail marijuana excise tax
7 transferred pursuant to section 39-28.8-305 (1)(b), ~~€:R:S.~~, the retail
8 marijuana sales tax transferred pursuant to section 39-28.8-203 (1)(b),
9 ~~€:R:S.~~, or the sales tax imposed pursuant to section 39-26-106, ~~€:R:S.~~, on
10 the retail sale of marijuana products under this ~~article~~ ARTICLE 11 and
11 ~~article 43.4~~ ARTICLE 12 of this ~~title~~ TITLE 44.

12 (2) The executive director of the department of revenue by rule or
13 as otherwise provided by law may reduce the amount of one or more of
14 the fees if necessary pursuant to section 24-75-402 (3) ~~€:R:S.~~, to reduce
15 the uncommitted reserves of the fund to which all or any portion of one
16 or more of the fees is credited. After the uncommitted reserves of the
17 fund are sufficiently reduced, the executive director by rule or as
18 otherwise provided by law may increase the amount of one or more of the
19 fees as provided in section 24-75-402 (4). ~~€:R:S.~~

20 (3) (a) The state licensing authority shall establish fees for
21 processing the following types of applications, licenses, notices, or
22 reports required to be submitted to the state licensing authority:

23 (I) Applications for licenses listed in section ~~12-43.3-401~~
24 44-11-401 and rules promulgated pursuant to that section;

25 (II) Applications to change location pursuant to section
26 ~~12-43.3-310~~ 44-11-310 and rules promulgated pursuant to that section;

27 (III) Applications for transfer of ownership pursuant to section

1 ~~12-43.3-310~~ 44-11-310 and rules promulgated pursuant to that section;

2 (IV) License renewal and expired license renewal applications
3 pursuant to section ~~12-43.3-311~~ 44-11-311; and

4 (V) Licenses as listed in section ~~12-43.3-401~~ 44-11-401.

5 (b) The amounts of such fees, when added to the other fees
6 transferred to the fund pursuant to this section, shall reflect the actual
7 direct and indirect costs of the state licensing authority in the
8 administration and enforcement of this ~~article~~ ARTICLE 11 so that the fees
9 avoid exceeding the statutory limit on uncommitted reserves in
10 administrative agency cash funds as set forth in section 24-75-402 (3).

11 ~~C.R.S.~~

12 (c) The state licensing authority may charge applicants licensed
13 under this ~~article~~ ARTICLE 11 a fee for the cost of each fingerprint analysis
14 and background investigation undertaken to qualify new officers,
15 directors, managers, or employees.

16 (d) At least annually, the state licensing authority shall review the
17 amounts of the fees and, if necessary, adjust the amounts to reflect the
18 direct and indirect costs of the state licensing authority.

19 (4) Except as provided in subsection (5) of this section, the state
20 licensing authority shall establish a basic fee that shall be paid at the time
21 of service of any subpoena upon the state licensing authority, plus a fee
22 for meals and a fee for mileage at the rate prescribed for state officers and
23 employees in section 24-9-104 ~~C.R.S.~~; for each mile actually and
24 necessarily traveled in going to and returning from the place named in the
25 subpoena. If the person named in the subpoena is required to attend the
26 place named in the subpoena for more than one day, there shall be paid,
27 in advance, a sum to be established by the state licensing authority for

1 each day of attendance to cover the expenses of the person named in the
2 subpoena.

3 (5) The subpoena fee established pursuant to subsection (4) of this
4 section shall not be applicable to any federal, state or local governmental
5 agency.

6 **44-11-502. [Formerly 12-43.3-502] Fees - allocation.** (1) Except
7 as otherwise provided, all fees and fines provided for by this ~~article~~
8 ARTICLE 11 and ~~article 43.4~~ ARTICLE 12 of this ~~title~~ TITLE 44 shall be paid
9 to the department of revenue, which shall transmit the fees to the state
10 treasurer. The state treasurer shall credit the fees to the marijuana cash
11 fund created in section ~~12-43.3-501~~ 44-11-501.

12 (2) The expenditures of the state licensing authority shall be paid
13 out of appropriations from the marijuana cash fund created in section
14 ~~12-43.3-501~~ 44-11-501.

15 **44-11-503. [Formerly 12-43.3-503] Local license fees.** (1) Each
16 application for a local license provided for in this ~~article~~ ARTICLE 11 filed
17 with a local licensing authority shall be accompanied by an application
18 fee in an amount determined by the local licensing authority.

19 (2) License fees as determined by the local licensing authority
20 shall be paid to the treasurer of the municipality, city and county, or
21 county where the licensed premises is located in advance of the approval,
22 denial, or renewal of the license.

23 **44-11-601. [Formerly 12-43.3-601] Suspension - revocation -**
24 **fines.** (1) In addition to any other sanctions prescribed by this ~~article~~
25 ARTICLE 11 or rules promulgated pursuant to this ~~article~~ ARTICLE 11, the
26 state licensing authority or a local licensing authority has the power, on
27 its own motion or on complaint, after investigation and opportunity for a

1 public hearing at which the licensee shall be afforded an opportunity to
2 be heard, to suspend or revoke a license issued by the respective authority
3 for a violation by the licensee or by any of the agents or employees of the
4 licensee of the provisions of this ~~article~~ ARTICLE 11, or any of the rules
5 promulgated pursuant to this ~~article~~ ARTICLE 11, or of any of the terms,
6 conditions, or provisions of the license issued by the state or local
7 licensing authority. The state licensing authority or a local licensing
8 authority has the power to administer oaths and issue subpoenas to require
9 the presence of persons and the production of papers, books, and records
10 necessary to the determination of a hearing that the state or local licensing
11 authority is authorized to conduct.

12 (2) The state or local licensing authority shall provide notice of
13 suspension, revocation, fine, or other sanction, as well as the required
14 notice of the hearing pursuant to subsection (1) of this section, by mailing
15 the same in writing to the licensee at the address contained in the license.
16 Except in the case of a summary suspension, a suspension shall not be for
17 a longer period than six months. If a license is suspended or revoked, a
18 part of the fees paid therefore shall not be returned to the licensee. Any
19 license or permit may be summarily suspended by the issuing licensing
20 authority without notice pending any prosecution, investigation, or public
21 hearing pursuant to the terms of section 24-4-104 (4). ~~C.R.S.~~ Nothing in
22 this section shall prevent the summary suspension of a license pursuant
23 to section 24-4-104 (4). ~~C.R.S.~~ Each patient registered with a medical
24 marijuana center that has had its license summarily suspended may
25 immediately transfer his or her primary center to another licensed medical
26 marijuana center.

27 (3) (a) Whenever a decision of the state licensing authority or a

1 local licensing authority suspending a license for fourteen days or less
2 becomes final, the licensee may, before the operative date of the
3 suspension, petition for permission to pay a fine in lieu of having the
4 license suspended for all or part of the suspension period. Upon the
5 receipt of the petition, the state or local licensing authority may, in its sole
6 discretion, stay the proposed suspension and cause any investigation to be
7 made which it deems desirable and may, in its sole discretion, grant the
8 petition if the state or local licensing authority is satisfied that:

9 (I) The public welfare and morals would not be impaired by
10 permitting the licensee to operate during the period set for suspension and
11 that the payment of the fine will achieve the desired disciplinary
12 purposes;

13 (II) The books and records of the licensee are kept in such a
14 manner that the loss of sales that the licensee would have suffered had the
15 suspension gone into effect can be determined with reasonable accuracy;
16 and

17 (III) The licensee has not had his or her license suspended or
18 revoked, nor had any suspension stayed by payment of a fine, during the
19 two years immediately preceding the date of the motion or complaint that
20 resulted in a final decision to suspend the license or permit.

21 (b) The fine accepted shall be not less than five hundred dollars
22 nor more than one hundred thousand dollars.

23 (c) Payment of a fine pursuant to the provisions of this subsection
24 (3) shall be in the form of cash or in the form of a certified check or
25 cashier's check made payable to the state or local licensing authority,
26 whichever is appropriate.

27 (4) Upon payment of the fine pursuant to subsection (3) of this

1 section, the state or local licensing authority shall enter its further order
2 permanently staying the imposition of the suspension. If the fine is paid
3 to a local licensing authority, the governing body of the authority shall
4 cause the ~~moneys~~ MONEY to be paid into the general fund of the local
5 licensing authority. Fines paid to the state licensing authority pursuant to
6 subsection (3) of this section shall be transmitted to the state treasurer,
7 who shall credit the same to the marijuana cash fund created in section
8 ~~42-43.3-501~~ 44-11-501.

9 (5) In connection with a petition pursuant to subsection (3) of this
10 section, the authority of the state or local licensing authority is limited to
11 the granting of such stays as are necessary for the authority to complete
12 its investigation and make its findings and, if the authority makes such
13 findings, to the granting of an order permanently staying the imposition
14 of the entire suspension or that portion of the suspension not otherwise
15 conditionally stayed.

16 (6) If the state or local licensing authority does not make the
17 findings required in ~~paragraph (a) of subsection (3)~~ SUBSECTION (3)(a) of
18 this section and does not order the suspension permanently stayed, the
19 suspension shall go into effect on the operative date finally set by the state
20 or local licensing authority.

21 (7) Each local licensing authority shall report all actions taken to
22 impose fines, suspensions, and revocations to the state licensing authority
23 in a manner required by the state licensing authority. No later than
24 January 15 of each year, the state licensing authority shall compile a
25 report of the preceding year's actions in which fines, suspensions, or
26 revocations were imposed by local licensing authorities and by the state
27 licensing authority. The state licensing authority shall file one copy of the

1 report with the chief clerk of the house of representatives, one copy with
2 the secretary of the senate, and six copies in the joint legislative library.

3 **44-11-602. [Formerly 12-43.3-602] Disposition of unauthorized**
4 **marijuana or marijuana-infused products and related materials.**

5 (1) The provisions of this section shall apply in addition to any criminal,
6 civil, or administrative penalties and in addition to any other penalties
7 prescribed by this ~~article~~ ARTICLE 11 or any rules promulgated pursuant
8 to this ~~article~~ ARTICLE 11. Any provisions in this ~~article~~ ARTICLE 11
9 related to law enforcement shall be considered a cumulative right of the
10 people in the enforcement of the criminal laws.

11 (2) Every licensee licensed under this ~~article~~ ARTICLE 11 shall be
12 deemed, by virtue of applying for, holding, or renewing such person's
13 license, to have expressly consented to the procedures set forth in this
14 section.

15 (3) A state or local agency shall not be required to cultivate or
16 care for any marijuana or marijuana-infused product belonging to or
17 seized from a licensee. A state or local agency shall not be authorized to
18 sell marijuana, medical or otherwise.

19 (4) If the state or local licensing authority issues a final agency
20 order imposing a disciplinary action against a licensee pursuant to section
21 ~~12-43.3-601~~ 44-11-601, then, in addition to any other remedies, the
22 licensing authority's final agency order may specify that some or all of the
23 licensee's marijuana or marijuana-infused product is not medical
24 marijuana or a medical marijuana-infused product and is an illegal
25 controlled substance. The order may further specify that the licensee shall
26 lose any interest in any of the marijuana or marijuana-infused product
27 even if the marijuana or marijuana-infused product previously qualified

1 as medical marijuana or a medical marijuana-infused product. The final
2 agency order may direct the destruction of any such marijuana and
3 marijuana-infused products, except as provided in subsections (5) and (6)
4 of this section. The authorized destruction may include the incidental
5 destruction of any containers, equipment, supplies, and other property
6 associated with the marijuana or marijuana-infused product.

7 (5) Following the issuance of a final agency order by the licensing
8 authority imposing a disciplinary action against a licensee and ordering
9 destruction authorized by subsection (4) of this section, a licensee shall
10 have fifteen days within which to file a petition for stay of agency action
11 with the district court. The action shall be filed in the city and county of
12 Denver, which shall be deemed to be the residence of the state licensing
13 authority for purposes of this section. The licensee shall serve the petition
14 in accordance with the rules of civil procedure. The district court shall
15 promptly rule upon the petition and shall determine whether the licensee
16 has a substantial likelihood of success on judicial review so as to warrant
17 delay of the destruction authorized by subsection (4) of this section or
18 whether other circumstances, including but not limited to the need for
19 preservation of evidence, warrant delay of such destruction. If destruction
20 is so delayed pursuant to judicial order, the court shall issue an order
21 setting forth terms and conditions pursuant to which the licensee may
22 maintain the marijuana and marijuana-infused product pending judicial
23 review, and prohibiting the licensee from using or distributing the
24 marijuana or marijuana-infused product pending the review. The
25 licensing authority shall not carry out the destruction authorized by
26 subsection (4) of this section until fifteen days have passed without the
27 filing of a petition for stay of agency action, or until the court has issued

1 an order denying stay of agency action pursuant to this subsection (5).

2 (6) A district attorney shall notify the state licensing authority if
3 he or she begins investigating a medical marijuana establishment. If the
4 state licensing authority has received notification from a district attorney
5 that an investigation is being conducted, the state licensing authority shall
6 not destroy any medical marijuana or medical marijuana-infused products
7 from the medical marijuana establishment until the destruction is
8 approved by the district attorney.

9 (7) On or before January 1, 2012, the state licensing authority
10 shall promulgate rules governing the implementation of this section.

11 **44-11-701. [Formerly 12-43.3-701] Inspection procedures.**

12 (1) Each licensee shall keep a complete set of all records necessary to
13 show fully the business transactions of the licensee, all of which shall be
14 open at all times during business hours for the inspection and examination
15 of the state licensing authority or its duly authorized representatives. The
16 state licensing authority may require any licensee to furnish such
17 information as it considers necessary for the proper administration of this
18 ~~article~~ ARTICLE 11 and may require an audit to be made of the books of
19 account and records on such occasions as it may consider necessary by an
20 auditor to be selected by the state licensing authority who shall likewise
21 have access to all books and records of the licensee, and the expense
22 thereof shall be paid by the licensee.

23 (2) The licensed premises, including any places of storage where
24 medical marijuana is grown, stored, cultivated, sold, or dispensed, shall
25 be subject to inspection by the state or local licensing authorities and their
26 investigators, during all business hours and other times of apparent
27 activity, for the purpose of inspection or investigation. For examination

1 of any inventory or books and records required to be kept by the
2 licensees, access shall be required during business hours. Where any part
3 of the licensed premises consists of a locked area, upon demand to the
4 licensee, such area shall be made available for inspection without delay,
5 and, upon request by authorized representatives of the state or local
6 licensing authority, the licensee shall open the area for inspection.

7 (3) Each licensee shall retain all books and records necessary to
8 show fully the business transactions of the licensee for a period of the
9 current tax year and the three immediately prior tax years.

10 **44-11-801. [Formerly 12-43.3-801] Judicial review.** Decisions
11 by the state licensing authority or a local licensing authority shall be
12 subject to judicial review pursuant to section 24-4-106. ~~C.R.S.~~

13 **44-11-901. [Formerly 12-43.3-901] Unlawful acts - exceptions.**

14 (1) Except as otherwise provided in this ~~article~~ ARTICLE 11, it is unlawful
15 for a person:

16 (a) To consume medical marijuana in a licensed medical
17 marijuana center, and it shall be unlawful for a medical marijuana
18 licensee to allow medical marijuana to be consumed upon its licensed
19 premises;

20 (b) With knowledge, to permit or fail to prevent the use of his or
21 her registry identification by any other person for the unlawful purchasing
22 of medical marijuana.

23 ~~(c) and (d) (Deleted by amendment, L. 2011, (HB 11-1043), ch.~~
24 ~~266, p. 1210, § 16, effective July 1, 2011.)~~

25 (2) It is unlawful for a person to buy, sell, transfer, give away, or
26 acquire medical marijuana except as allowed pursuant to this ~~article~~
27 ARTICLE 11.

1 (3) It is unlawful for a person licensed pursuant to this ~~article~~
2 ARTICLE 11:

3 (a) To be within a limited-access area unless the person's license
4 badge is displayed as required by this ~~article~~ ARTICLE 11, except as
5 provided in section ~~12-43.3-701~~ 44-11-701;

6 (b) To fail to designate areas of ingress and egress for
7 limited-access areas and post signs in conspicuous locations as required
8 by this ~~article~~ ARTICLE 11;

9 (c) To fail to report a transfer required by section ~~12-43.3-310~~
10 ~~(11)~~ 44-11-310 (11); or

11 (d) To fail to report the name of or a change in managers as
12 required by section ~~12-43.3-310~~ ~~(12)~~ 44-11-310 (12).

13 (4) It is unlawful for any person licensed to sell medical marijuana
14 pursuant to this ~~article~~ ARTICLE 11:

15 (a) To display any signs that are inconsistent with local laws or
16 regulations;

17 (b) To use advertising material that is misleading, deceptive, or
18 false, or that is designed to appeal to minors;

19 (c) To provide public premises, or any portion thereof, for the
20 purpose of consumption of medical marijuana in any form;

21 (d) (I) To sell medical marijuana to a person not licensed pursuant
22 to this ~~article~~ ARTICLE 11 or to a person not able to produce a valid patient
23 registry identification card, unless the person has a copy of a current and
24 complete new application for the medical marijuana registry administered
25 by the department of public health and environment that is documented
26 by a certified mail return receipt as having been submitted to the
27 department of public health and environment within the preceding

1 thirty-five days and the employee assisting the person has contacted the
2 department of public health and environment and, as a result, determined
3 the person's application has not been denied. Notwithstanding any
4 provision in this ~~subparagraph (f)~~ SUBSECTION (4)(d)(I) to the contrary,
5 a person under twenty-one years of age shall not be employed to sell or
6 dispense medical marijuana at a medical marijuana center or grow or
7 cultivate medical marijuana at an optional premises cultivation operation.

8 (II) If a licensee or a licensee's employee has reasonable cause to
9 believe that a person is exhibiting a fraudulent patient registry
10 identification card in an attempt to obtain medical marijuana, the licensee
11 or employee shall be authorized to confiscate the fraudulent patient
12 registry identification card, if possible, and shall, within seventy-two
13 hours after the confiscation, turn it over to the state health department or
14 local law enforcement agency. The failure to confiscate the fraudulent
15 patient registry identification card or to turn it over to the state health
16 department or a state or local law enforcement agency within seventy-two
17 hours after the confiscation shall not constitute a criminal offense.

18 (e) To possess more than six medical marijuana plants and two
19 ounces of medical marijuana for each patient who has registered the
20 center as his or her primary center pursuant to section 25-1.5-106 (8)(f);
21 ~~C.R.S.~~; except that a medical marijuana center may have an amount that
22 exceeds the six-plant and two-ounce product per patient limit if the center
23 sells to patients that are authorized to have more than six plants and two
24 ounces of product. In the case of a patient authorized to exceed the
25 six-plant and two-ounce limit, the center shall obtain documentation from
26 the patient's physician that the patient needs more than six plants and two
27 ounces of product.

1 (f) To offer for sale or solicit an order for medical marijuana in
2 person except within the licensed premises;

3 (g) To have in possession or upon the licensed premises any
4 medical marijuana, the sale of which is not permitted by the license;

5 (h) To buy medical marijuana from a person not licensed to sell
6 as provided by this ~~article~~ ARTICLE 11;

7 (i) To sell medical marijuana except in the permanent location
8 specifically designated in the license for sale;

9 (j) To have on the licensed premises any medical marijuana or
10 marijuana paraphernalia that shows evidence of the medical marijuana
11 having been consumed or partially consumed;

12 (k) To require a medical marijuana center or medical marijuana
13 center with an optional premises cultivation license to make delivery to
14 any premises other than the specific licensed premises where the medical
15 marijuana is to be sold;

16 ~~(l) Repealed.~~

17 ~~(m)~~ (l) To violate the provisions of section 6-2-103 or 6-2-105;
18 ~~C.R.S.;~~

19 ~~(n)~~ (m) To burn or otherwise destroy marijuana or any substance
20 containing marijuana for the purpose of evading an investigation or
21 preventing seizure; or

22 ~~(o)~~ (n) To abandon a licensed premises or otherwise cease
23 operation without notifying the state and local licensing authorities at
24 least forty-eight hours in advance and without accounting for and
25 forfeiting to the state licensing authority for destruction all marijuana or
26 products containing marijuana.

27 (5) Except as provided in sections ~~12-43.3-402 (4), 12-43.3-403,~~

1 ~~and 12-43.3-404~~ 44-11-402 (4), 44-11-403, AND 44-11-404, it is unlawful
2 for a medical marijuana center, medical marijuana-infused products
3 manufacturing operation with an optional premises cultivation license, or
4 medical marijuana center with an optional premises cultivation license to
5 sell, deliver, or cause to be delivered to a licensee any medical marijuana
6 not grown upon its licensed premises, or for a licensee or medical
7 marijuana center with an optional premises cultivation license or medical
8 marijuana-infused products manufacturing operation with an optional
9 premises cultivation license to sell, possess, or permit sale of medical
10 marijuana not grown upon its licensed premises. A violation of the
11 provisions of this subsection (5) by a licensee shall be grounds for the
12 immediate revocation of the license granted under this ~~article~~ ARTICLE 11.

13 (6) It shall be unlawful for a physician who makes patient referrals
14 to a licensed medical marijuana center to receive anything of value from
15 the medical marijuana center licensee or its agents, servants, officers, or
16 owners or anyone financially interested in the licensee, and it shall be
17 unlawful for a licensee licensed pursuant to this ~~article~~ ARTICLE 11 to
18 offer anything of value to a physician for making patient referrals to the
19 licensed medical marijuana center.

20 ~~(6.5)~~ (7) A peace officer or a law enforcement agency shall not
21 use any patient information to make traffic stops pursuant to section
22 42-4-1302. ~~C.R.S.~~

23 ~~(7)~~ (8) A person who commits any acts that are unlawful pursuant
24 to this ~~article~~ ARTICLE 11 or the rules authorized and adopted pursuant to
25 this ~~article~~ ARTICLE 11 commits a class 2 misdemeanor and shall be
26 punished as provided in section 18-1.3-501, ~~C.R.S.~~; except for violations
27 that would also constitute a violation of title 18, ~~C.R.S.~~; which violation

1 shall be charged and prosecuted pursuant to title 18. ~~C.R.S.~~

2 **44-11-1001. [Formerly 12-43.3-1001] Sunset review - article**
3 **repeal.** (1) This ~~article~~ ARTICLE 11 is repealed, effective September 1,
4 2019.

5 (2) Prior to the repeal of this ~~article~~ ARTICLE 11, the department
6 of regulatory agencies shall conduct a sunset review as described in
7 section 24-34-104 (5). ~~C.R.S.~~

8 **44-11-1101. [Formerly 12-43.3-1101] Responsible vendor**
9 **program - standards - designation - program.** (1) A person who wants
10 to offer a responsible medical or retail marijuana vendor server and seller
11 training program must submit an application to the state licensing
12 authority for approval, which program is referred to in this part 11 as an
13 "approved training program". The state licensing authority, in
14 consultation with the department of public health and environment, shall
15 approve the submitted program if the submitted program meets the
16 minimum criteria described in subsection (2) of this section. The
17 department of public health and environment shall review each submitted
18 program and shall provide the state licensing authority with the
19 department's analysis of whether the portions of the program related to
20 the department's oversight meet the minimum criteria described in this
21 section.

22 (2) An approved training program shall contain, at a minimum, the
23 following standards and shall be taught in a classroom setting in a
24 minimum of a two-hour period:

25 (a) Program standards that specify, at a minimum, who must
26 attend, the time frame for new staff to attend, recertification requirements,
27 record keeping, testing and assessment protocols, and effectiveness

1 evaluations; and

2 (b) A core curriculum of pertinent statutory and regulatory
3 provisions, which curriculum includes, but need not be limited to:

4 (I) Information on required licenses, age requirements, patient
5 registry cards issued by the department of public health and environment,
6 maintenance of records, privacy issues, and unlawful acts;

7 (II) Administrative and criminal liability and license and court
8 sanctions;

9 (III) Statutory and regulatory requirements for employees and
10 owners;

11 (IV) Acceptable forms of identification, including patient registry
12 cards and associated documents and procedures; and

13 (V) Local and state licensing and enforcement, which may
14 include, but need not be limited to, key statutes and rules affecting
15 patients, owners, managers, and employees.

16 ~~(2.5)~~ (3) When promulgating program standards pursuant to
17 subsection (2) of this section, the state licensing authority shall consider
18 input from other state agencies, local jurisdictions, the medical and retail
19 marijuana industry, and any other state or national seller server program.

20 ~~(3)~~ (4) A provider of an approved training program shall maintain
21 its training records at its principal place of business during the applicable
22 year and for the preceding three years, and the provider shall make the
23 records available for inspection by the licensing authority during normal
24 business hours.

25 **44-11-1102. [Formerly 12-43.3-1102] Responsible vendor -**
26 **designation.** (1) (a) A medical marijuana business licensed pursuant to
27 this ~~article~~ ARTICLE 11 or a retail marijuana business licensed pursuant to

1 ~~article 43.4~~ ARTICLE 12 of this ~~title~~ TITLE 44 may receive a responsible
2 vendor designation from the program vendor after successfully
3 completing a responsible medical or retail marijuana vendor server and
4 seller training program approved by the state licensing authority. A
5 responsible vendor designation is valid for two years from the date of
6 issuance.

7 (b) Successful completion of an approved training program is
8 achieved when the program has been attended by and, as determined by
9 the program provider, satisfactorily completed by all employees selling
10 and handling medical or retail marijuana, all managers, and all resident
11 on-site owners, if any.

12 (c) In order to maintain the responsible vendor designation, the
13 licensed medical or retail marijuana business must have each new
14 employee who sells or handles medical or retail marijuana, manager, or
15 resident on-site owner attend and satisfactorily complete a responsible
16 medical or retail marijuana vendor server and seller training program
17 within ninety days after being employed or becoming an owner. The
18 licensed medical or retail marijuana business shall maintain
19 documentation of completion of the program by new employees,
20 managers, or owners.

21 (2) A licensed medical or retail marijuana business that receives
22 a responsible vendor designation from the program vendor shall maintain
23 information on all persons licensed pursuant to this ~~article~~ ARTICLE 11
24 who are in its employment and who have been trained in an approved
25 training program. The information includes the date, place, time, and
26 duration of training and a list of all licensed persons attending each
27 specific training class, which class includes a training examination or

1 assessment that demonstrates proficiency.

2 (3) If a local or state licensing authority initiates an administrative
3 action against a licensee who has complied with the requirements of this
4 section and has been designated a responsible vendor, the licensing
5 authority shall consider the designation as a mitigating factor when
6 imposing sanctions or penalties on the licensee.

7 **SECTION 3.** In Colorado Revised Statutes, **add with amended**
8 **and relocated provisions** article 12 to title 44 as follows:

9 **ARTICLE 12**

10 **Colorado Retail Marijuana Code**

11 **44-12-101. [Formerly 12-43.4-101] Short title.** ~~This article shall~~
12 ~~be known and may be cited as~~ THE SHORT TITLE OF THIS ARTICLE 12 IS the
13 "Colorado Retail Marijuana Code".

14 **44-12-102. [Formerly 12-43.4-102] Legislative declaration.** (1)
15 The general assembly hereby declares that this ~~article~~ ARTICLE 12 shall be
16 deemed an exercise of the police powers of the state for the protection of
17 the economic and social welfare and the health, peace, and morals of the
18 people of this state.

19 (2) The general assembly further declares that it is unlawful under
20 state law to cultivate, manufacture, distribute, or sell retail marijuana and
21 retail marijuana products, except in compliance with the terms,
22 conditions, limitations, and restrictions in section 16 of article XVIII of
23 the state constitution and this ~~article~~ ARTICLE 12.

24 **44-12-103. [Formerly 12-43.4-103] Definitions.** As used in this
25 ~~article 43.4~~ ARTICLE 12, unless the context otherwise requires:

26 (1) "Direct beneficial interest owner" means a person or closely
27 held business entity that owns a share or shares of stock in a licensed

1 retail marijuana business, including the officers, directors, managing
2 members, or partners of the licensed retail marijuana business or closely
3 held business entity, or a qualified limited passive investor.

4 ~~(1.3)~~ (2) "Escorted" means appropriately checked into the limited
5 access area and accompanied by a person licensed by the state licensing
6 authority; except that trade craftspeople not normally engaged in the
7 business of cultivating, processing, or selling retail marijuana need not be
8 accompanied on a full-time basis, but only reasonably monitored.

9 ~~(1.5)~~ (3) "Executive director" means the executive director of the
10 department of revenue.

11 ~~(2)~~ (4) "Immature plant" means a nonflowering marijuana plant
12 that is no taller than eight inches and no wider than eight inches, is
13 produced from a cutting, clipping, or seedling, and is in a cultivating
14 container.

15 ~~(2.5)~~ (5) "Indirect beneficial interest owner" means a holder of a
16 permitted economic interest, a recipient of a commercially reasonable
17 royalty associated with the use of intellectual property by a licensee, a
18 licensed employee who receives a share of the profits from an employee
19 benefit plan, a qualified institutional investor, or another similarly
20 situated person or entity as determined by the state licensing authority.

21 ~~(3)~~ (6) "License" means to grant a license or registration pursuant
22 to this ~~article~~ ARTICLE 12.

23 ~~(4)~~ (7) "Licensed premises" means the premises specified in an
24 application for a license under this ~~article~~ ARTICLE 12, which are owned
25 or in possession of the licensee and within which the licensee is
26 authorized to cultivate, manufacture, distribute, sell, or test retail
27 marijuana and retail marijuana products in accordance with this ~~article~~

1 ARTICLE 12.

2 ~~(5)~~ (8) "Licensee" means a person licensed or registered pursuant
3 to this ~~article~~ ARTICLE 12.

4 ~~(6)~~ (9) "Local jurisdiction" means a locality as defined in section
5 16 (2)(e) of article XVIII of the state constitution.

6 ~~(7)~~ (10) "Local licensing authority" means, for any local
7 jurisdiction that has chosen to adopt a local licensing requirement in
8 addition to the state licensing requirements of this ~~article~~ ARTICLE 12, an
9 authority designated by municipal, county, or city and county charter,
10 ordinance, or resolution, or the governing body of a municipality or city
11 and county, or the board of county commissioners of a county if no such
12 authority is designated.

13 ~~(8)~~ (11) "Location" means a particular parcel of land that may be
14 identified by an address or other descriptive means.

15 ~~(9)~~ (12) "Marijuana accessories" has the same meaning as defined
16 in section 16 (2)(g) of article XVIII of the state constitution.

17 ~~(9.5)~~ (13) "Marijuana-based workforce development or training
18 program" means a program designed to train individuals to work in the
19 licensed retail marijuana industry operated by an entity licensed under this
20 ~~article 43.4~~ ARTICLE 12 or by a school that is authorized by the division
21 of private occupational schools.

22 ~~(10)~~ (14) "Mobile distribution center" means any vehicle other
23 than a common passenger light-duty vehicle with a short wheel base used
24 to carry a quantity of marijuana greater than one ounce.

25 ~~(10.5)~~ (15) "Opaque" means that the packaging does not allow the
26 product to be seen without opening the packaging material.

27 ~~(11)~~ (16) "Operating fees", as referred to in section 16 (5)(f) of

1 article XVIII of the state constitution, means fees that may be charged by
2 a local jurisdiction for costs, including but not limited to inspection,
3 administration, and enforcement of retail marijuana establishments
4 authorized pursuant to this ~~article~~ ARTICLE 12.

5 ~~(12) Repealed.~~

6 ~~(12.4)~~ (17) "Permitted economic interest" means any unsecured
7 convertible debt instrument, option agreement, warrant, or any other right
8 to obtain an ownership interest when the holder of such interest is a
9 natural person who is a lawful United States resident and whose right to
10 convert into an ownership interest is contingent on the holder qualifying
11 and obtaining a license as an owner under this ~~article~~ ARTICLE 12 or such
12 other agreements as may be permitted by rule by the state licensing
13 authority.

14 ~~(13)~~ (18) "Person" means a natural person, partnership,
15 association, company, corporation, limited liability company, or
16 organization; except that "person" does not include any governmental
17 organization.

18 ~~(14)~~ (19) "Premises" means a distinctly identified, as required by
19 the state licensing authority, and definite location, which may include a
20 building, a part of a building, a room, or any other definite contiguous
21 area.

22 ~~(14.3)~~ (20) "Qualified limited passive investor" means a natural
23 person who is a United States citizen and is a passive investor who owns
24 less than a five percent share or shares of stock in a licensed retail
25 marijuana business.

26 ~~(14.5)~~ (21) "Resealable" means that the package continues to
27 function within effectiveness specifications, which shall be established

1 by the state licensing authority similar to the federal "Poison Prevention
2 Packaging Act of 1970", 15 U.S.C. sec. 1471 et seq., for the number of
3 openings and closings customary for its size and contents, which shall be
4 determined by the state licensing authority.

5 ~~(15)~~ (22) "Retail marijuana" means "marijuana" or "marihuana",
6 as defined in section 16 (2)(f) of article XVIII of the state constitution,
7 that is cultivated, manufactured, distributed, or sold by a licensed retail
8 marijuana establishment.

9 ~~(16)~~ (23) "Retail marijuana cultivation facility" has the same
10 meaning as "marijuana cultivation facility" as defined in section 16 (2)(h)
11 of article XVIII of the state constitution.

12 ~~(17)~~ (24) "Retail marijuana establishment" means a retail
13 marijuana store, a retail marijuana cultivation facility, a retail marijuana
14 products manufacturer, or a retail marijuana testing facility.

15 ~~(17.5)~~ (25) "Retail marijuana establishment operator" means an
16 entity or person that is not an owner and that is licensed to provide
17 professional operational services to a retail marijuana establishment for
18 direct remuneration from the retail marijuana establishment.

19 ~~(18)~~ (26) "Retail marijuana products" means "marijuana products"
20 as defined in section 16 (2)(k) of article XVIII of the state constitution
21 that are produced at a retail marijuana products manufacturer.

22 ~~(19)~~ (27) "Retail marijuana products manufacturer" has the same
23 meaning as "marijuana product manufacturing facility" as defined in
24 section 16 (2)(j) of article XVIII of the state constitution.

25 ~~(20)~~ (28) "Retail marijuana store" has the same meaning as
26 defined in section 16 (2)(n) of article XVIII of the state constitution.

27 ~~(21)~~ (29) "Retail marijuana testing facility" means "marijuana

1 testing facility" as defined in section 16 (2)(l) of article XVIII of the state
2 constitution that is licensed pursuant to this ~~article~~ ARTICLE 12.

3 ~~(21.5)~~ (30) "Retail marijuana transporter" means an entity or
4 person that is licensed to transport retail marijuana and retail marijuana
5 products from one retail marijuana establishment to another retail
6 marijuana establishment and to temporarily store the transported retail
7 marijuana and retail marijuana products at its licensed premises, but is not
8 authorized to sell retail marijuana or retail marijuana products under any
9 circumstances.

10 ~~(22)~~ (31) "Sale" or "sell" includes to exchange, barter, or traffic
11 in, to solicit or receive and order except through a licensee licensed under
12 this ~~article~~ ARTICLE 12, to deliver for value in any way other than
13 gratuitously, to peddle or possess with intent to sell, or to traffic in for any
14 consideration promised or obtained directly or indirectly.

15 ~~(23)~~ (32) "School" means a public or private preschool or a public
16 or private elementary, middle, junior high, or high school or institution of
17 higher education.

18 ~~(24)~~ (33) "State licensing authority" means the authority created
19 for the purpose of regulating and controlling the licensing of the
20 cultivation, manufacture, distribution, sale, and testing of retail marijuana
21 in this state pursuant to section ~~12-43.4-201~~ 44-12-201.

22 **44-12-104. [Formerly 12-43.4-104] Applicability - retail**
23 **marijuana.** (1) (a) (I) On or after October 1, 2013, a person who is
24 operating in good standing a licensed medical marijuana center, an
25 optional premises cultivation license, or a licensed medical
26 marijuana-infused products business or a person who had a pending
27 application with the state licensing authority prior to December 10, 2012,

1 has paid all applicable licensing fees, and has not yet had that application
2 approved may apply for a retail marijuana establishment license under
3 this ~~article~~ ARTICLE 12.

4 (II) An applicant pursuant to this ~~paragraph (a)~~ SUBSECTION (1)(a)
5 shall indicate whether he or she wants to surrender the current medical
6 marijuana license issued pursuant to part 4 of ~~article 43.3~~ ARTICLE 11 of
7 this ~~title~~ TITLE 44 or intends to retain the license in addition to the retail
8 marijuana establishment license.

9 (III) If the applicant indicates a desire to surrender the medical
10 marijuana license, the applicant shall continue to operate under that
11 license so long as the license remains in effect until a retail marijuana
12 establishment license is approved. If the retail marijuana establishment
13 license is granted, the applicant shall have fourteen days from the
14 effective date of the license to surrender the medical marijuana license to
15 the state licensing authority. If the retail marijuana license is granted, on
16 the effective date of the license, all medical marijuana plants and
17 inventory shall become retail marijuana plants and inventory on the date
18 of the retail marijuana establishment license; except that beginning on
19 July 1, 2016, an applicant shall not be allowed to transfer medical
20 marijuana plants and inventory from a medical marijuana center or from
21 a medical marijuana-infused products manufacturer to any retail
22 marijuana establishment. Beginning on July 1, 2016, the only transfer of
23 medical marijuana allowed pursuant to this ~~subparagraph (HH)~~
24 SUBSECTION (1)(a)(III) is the transfer of medical marijuana plants and
25 inventory from a medical marijuana cultivation facility to a retail
26 marijuana cultivation facility.

27 (IV) An applicant pursuant to this ~~paragraph (a)~~ SUBSECTION

1 (1)(a) may apply for a retail marijuana establishment license and retain
2 the medical marijuana license. The applicant may apply to have the
3 medical marijuana licensed operation and the retail marijuana
4 establishment at the same location only if the local jurisdiction permits
5 the medical marijuana licensed operation and the retail marijuana
6 establishment to be operated at the same location. At the time that the
7 retail marijuana establishment license becomes effective, the applicant
8 shall identify the medical marijuana inventory that will become retail
9 marijuana inventory; except that beginning on July 1, 2016, an applicant
10 shall not be allowed to transfer medical marijuana inventory from a
11 medical marijuana center or from a medical marijuana-infused products
12 manufacturer to any retail marijuana establishment. Beginning on July 1,
13 2016, the only transfer of medical marijuana allowed pursuant to this
14 ~~subparagraph (IV)~~ SUBSECTION (1)(a)(IV) is the transfer of medical
15 marijuana inventory from a medical marijuana cultivation facility to a
16 retail marijuana cultivation facility.

17 (V) An applicant pursuant to this ~~paragraph (a)~~ SUBSECTION (1)(a)
18 who retains a medical marijuana license and obtains a retail marijuana
19 establishment license for the two licensed premises must maintain actual
20 physical separation between the two or only sell medical marijuana to
21 persons twenty-one years of age or older.

22 ~~(VI) Repealed.~~

23 ~~(b) (I) Repealed.~~

24 ~~(H)~~ On and after July 1, 2014, persons who did not meet the
25 requirements of ~~subparagraph (I) of paragraph (a) of this subsection (1)~~
26 SUBSECTION (1)(a)(I) OF THIS SECTION may apply for licensure pursuant
27 to this ~~article~~ ARTICLE 12. A license issued to a person pursuant to this

1 ~~subparagraph (H)~~ SUBSECTION (1)(b) is not effective until October 1,
2 2014.

3 ~~(c) Repealed.~~

4 (2) (a) A person applying pursuant to subsection (1) of this section
5 shall complete forms as provided by the state licensing authority and shall
6 pay the application fee and the licensing fee, which shall be credited to
7 the marijuana cash fund established pursuant to section ~~12-43.4-501~~
8 44-11-501. The state licensing authority shall forward, within seven days,
9 one-half of the license application fee to the local jurisdiction unless the
10 local jurisdiction has prohibited the operation of retail marijuana
11 establishments pursuant to section 16 (5)(f) of article XVIII of the state
12 constitution. If the license is denied, the state licensing authority shall
13 refund the licensing fee to the applicant.

14 (b) ~~(H)~~ The state licensing authority shall act upon an application
15 made pursuant to subsection (1) of this section no sooner than forty-five
16 days and no later than ninety days after the date of the application. The
17 state licensing authority shall process applications in the order in which
18 complete applications are received by the state licensing authority.

19 ~~(H) Repealed.~~

20 (3) As provided in section 16 (5)(f) of article XVIII of the state
21 constitution, any local jurisdiction may enact ordinances or regulations
22 governing the time, place, manner, and number of retail marijuana
23 establishments, which may include a local licensing requirement, or may
24 prohibit the operation of retail marijuana establishments through the
25 enactment of an ordinance or through a referred or initiated measure. If
26 a county acts through an initiated measure, the proponents shall submit
27 a petition signed by not less than fifteen percent of the registered electors

1 in the county.

2 (4) This ~~article~~ ARTICLE 12 sets forth the exclusive means by
3 which cultivation, manufacture, sale, distribution, dispensing, and testing
4 of retail marijuana and retail marijuana products may occur in the state of
5 Colorado.

6 (5) (a) Nothing in this ~~article~~ ARTICLE 12 is intended to require an
7 employer to permit or accommodate the use, consumption, possession,
8 transfer, display, transportation, sale, or cultivating of marijuana in the
9 workplace or to affect the ability of employers to have policies restricting
10 the use of marijuana by employees.

11 (b) Nothing in this ~~article~~ ARTICLE 12 prohibits a person,
12 employer, school, hospital, detention facility, corporation, or any other
13 entity who occupies, owns, or controls a property from prohibiting or
14 otherwise regulating the possession, consumption, use, display, transfer,
15 distribution, sale, transportation, or cultivating of marijuana on or in that
16 property.

17 (6) Repealed.

18 **44-12-105. [Formerly 12-43.4-105] Limited access areas.**
19 Subject to the provisions of section ~~12-43.4-701~~ 44-12-701, a limited
20 access area shall be a building, room, or other contiguous area upon the
21 licensed premises where retail marijuana and retail marijuana products are
22 cultivated, stored, weighed, packaged, or tested, under control of the
23 licensee, with access limited to only those persons licensed by the state
24 licensing authority and those visitors escorted by a person licensed by the
25 state licensing authority. All areas of ingress or egress to limited access
26 areas shall be clearly identified as such by a sign as designated by the
27 state licensing authority.

1 **44-12-201. [Formerly 12-43.4-201] State licensing authority.**

2 For the purpose of regulating and controlling the licensing of the
3 cultivation, manufacture, distribution, sale, and testing of retail marijuana
4 and retail marijuana products in this state, the state licensing authority
5 created in section ~~12-43.3-201~~ 44-11-201 shall also have regulatory
6 authority for retail marijuana and retail marijuana products as permitted
7 in section 16 of article XVIII of the state constitution and this ~~article~~
8 ARTICLE 12.

9 **44-12-202. [Formerly 12-43.4-202] (1) [Editor's note: This**
10 ***version of subsection (1) is effective until January 1, 2018.***] The state
11 licensing authority shall develop and maintain a seed-to-sale tracking
12 system that tracks retail marijuana from either seed or immature plant
13 stage until the marijuana or retail marijuana product is sold to a customer
14 at a retail marijuana store to ensure that no marijuana grown or processed
15 by a retail marijuana establishment is sold or otherwise transferred except
16 by a retail marijuana store.

17 (1) **[Editor's note: This version of subsection (1) is effective**
18 ***January 1, 2018.***] To ensure that no marijuana grown or processed by a
19 retail marijuana establishment is sold or otherwise transferred except by
20 a retail marijuana store or as authorized by law, the state licensing
21 authority shall develop and maintain a seed-to-sale tracking system that
22 tracks retail marijuana from either seed or immature plant stage until the
23 marijuana or retail marijuana product is sold to a customer at a retail
24 marijuana store; except that retail marijuana or retail marijuana product
25 is no longer subject to the tracking system once the retail marijuana has
26 been:

27 (a) Transferred to a medical research facility pursuant to section

1 25-1.5-106.5 (5)(b); or

2 (b) Transferred to a pesticide manufacturer in quantities that are
3 limited as specified in rules promulgated by the state licensing authority,
4 in consultation with the departments of public health and environment
5 and agriculture. The rules must define a pesticide manufacturer that is
6 authorized to conduct research and must authorize a pesticide
7 manufacturer to conduct research to establish safe and effective protocols
8 for the use of pesticides on retail marijuana. Notwithstanding any other
9 provision of law, a pesticide manufacturer authorized pursuant to this
10 subsection (1)(b) to conduct pesticide research regarding retail marijuana
11 must be located in Colorado, must conduct the research in Colorado, and
12 is exempt from all otherwise applicable restrictions on the possession and
13 use of retail marijuana; except that the manufacturer shall:

14 (I) Not possess at any time a quantity of retail marijuana in excess
15 of the limit established in rules promulgated by the state licensing
16 authority;

17 (II) Use the retail marijuana only for the pesticide research
18 authorized pursuant to this subsection (1)(b);

19 (III) Destroy, in compliance with rules promulgated by the state
20 licensing authority, all retail marijuana remaining after the research has
21 been completed; and

22 (IV) Not apply pesticides for research purposes on the licensed
23 premises of a retail marijuana establishment.

24 (2) The state licensing authority has the authority to:

25 (a) Grant or refuse state licenses for the cultivation, manufacture,
26 distribution, sale, and testing of retail marijuana and retail marijuana
27 products as provided by law; suspend, fine, restrict, or revoke such

1 licenses, whether active, expired, or surrendered, upon a violation of this
2 ~~article 43.4~~ ARTICLE 12 or any rule promulgated pursuant to this ~~article~~
3 ~~43.4~~ ARTICLE 12; and impose any penalty authorized by this ~~article 43.4~~
4 ARTICLE 12 or any rule promulgated pursuant to this ~~article 43.4~~ ARTICLE
5 12. The state licensing authority may take any action with respect to a
6 registration pursuant to this ~~article 43.4~~ ARTICLE 12 as it may with respect
7 to a license pursuant to this ~~article 43.4~~ ARTICLE 12, in accordance with
8 the procedures established pursuant to this ~~article 43.4~~ ARTICLE 12.

9 (b) Promulgate, on or before July 1, 2013, rules for the proper
10 regulation and control of the cultivation, manufacture, distribution, sale,
11 and testing of retail marijuana and retail marijuana products and for the
12 enforcement of this ~~article~~ ARTICLE 12 and promulgate amended rules and
13 such special rulings and findings as necessary;

14 (c) Hear and determine at a public hearing any contested state
15 license denial and any complaints against a licensee and administer oaths
16 and issue subpoenas to require the presence of persons and the production
17 of papers, books, and records necessary to the determination of any
18 hearing so held, all in accordance with article 4 of title 24. ~~C.R.S.~~ The
19 state licensing authority may, at its discretion, delegate to the department
20 of revenue hearing officers the authority to conduct licensing,
21 disciplinary, and rule-making hearings. When conducting ~~such~~ THE
22 hearings, the hearing officers are employees of the state licensing
23 authority under the direction and supervision of the executive director and
24 the state licensing authority.

25 (d) Maintain the confidentiality of reports or other information
26 obtained from a licensee containing any individualized data, information,
27 or records related to the licensee or its operation, including sales

1 information, financial records, tax returns, credit reports, cultivation
2 information, testing results, and security information and plans, or
3 revealing any customer information, or any other records that are exempt
4 from public inspection pursuant to state law. Such reports or other
5 information may be used only for a purpose authorized by this ~~article~~
6 ARTICLE 12 or for any other state or local law enforcement purpose. Any
7 customer information may be used only for a purpose authorized by this
8 ~~article~~ ARTICLE 12.

9 (e) Develop such forms, licenses, identification cards, and
10 applications as are necessary or convenient in the discretion of the state
11 licensing authority for the administration of this ~~article~~ ARTICLE 12 or any
12 of the rules promulgated under this ~~article~~ ARTICLE 12; and

13 (f) Prepare and transmit annually, in the form and manner
14 prescribed by the heads of the principal departments pursuant to section
15 24-1-136, ~~C.R.S.~~, a report accounting to the governor for the efficient
16 discharge of all responsibilities assigned by law or directive to the state
17 licensing authority.

18 (3) (a) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
19 ~~(2)~~ SUBSECTION (2)(b) of this section must include, but need not be
20 limited to, the following subjects:

21 (I) Procedures consistent with this ~~article~~ ARTICLE 12 for the
22 issuance, renewal, suspension, and revocation of licenses to operate retail
23 marijuana establishments;

24 (II) Subject to the limitations contained in section 16 (5)(a)(II) of
25 article XVIII of the state constitution and consistent with this ~~article~~
26 ARTICLE 12, a schedule of application, licensing, and renewal fees for
27 retail marijuana establishments;

1 (III) Qualifications for licensure under this ~~article~~ ARTICLE 12,
2 including but not limited to the requirement for a fingerprint-based
3 criminal history record check for all owners, officers, managers,
4 contractors, employees, and other support staff of entities licensed
5 pursuant to this ~~article~~ ARTICLE 12;

6 (IV) (A) Establishing a marijuana and marijuana products
7 independent testing and certification program, within an implementation
8 time frame established by the department, requiring licensees to test
9 marijuana to ensure at a minimum that products sold for human
10 consumption do not contain contaminants that are injurious to health and
11 to ensure correct labeling.

12 (B) Testing may include analysis for microbial and residual
13 solvents and chemical and biological contaminants deemed to be public
14 health hazards by the Colorado department of public health and
15 environment based on medical reports and published scientific literature.

16 (C) In the event that test results indicate the presence of quantities
17 of any substance determined to be injurious to health, the licensee shall
18 immediately quarantine the products and notify the state licensing
19 authority. The state licensing authority shall give the licensee an
20 opportunity to retest the product and if the second test also indicates the
21 presence of quantities of any substance determined to be injurious to
22 health then the licensee can remediate the product if the test indicated the
23 presence of a microbial. If two additional tests do not indicate the
24 presence of quantities of any substance determined to be injurious to
25 health, the product may be used or sold by the licensee. If the licensee is
26 unable to remediate the product, the licensee shall document and properly
27 destroy the adulterated product.

1 (D) Testing shall also verify THC potency representations and
2 homogeneity for correct labeling and provide a cannabinoid profile for
3 the marijuana product. An individual marijuana piece of ten milligrams
4 or less that has gone through process validation is exempt from continued
5 homogeneity testing. Homogeneity testing for one hundred milligram
6 servings may utilize validation measures.

7 (E) The state licensing authority shall determine an acceptable
8 variance for potency representations and procedures to address potency
9 misrepresentations. The state licensing authority shall determine an
10 acceptable variance of at least plus or minus fifteen percent for potency
11 representations and procedures to address potency misrepresentations.

12 (F) The state licensing authority shall determine the protocols and
13 frequency of marijuana testing by licensees.

14 (G) The executive director of the department of public health and
15 environment shall provide to the state licensing authority standards for
16 licensing laboratories pursuant to the requirements as outlined in
17 ~~sub-subparagraph (A) of this subparagraph (IV)~~ SUBSECTION
18 (3)(a)(IV)(A) OF THIS SECTION for marijuana and marijuana products.

19 (H) ***[Editor's note: This sub-subparagraph (H) is effective***
20 ***January 1, 2018.*** A state, local, or municipal agency shall not employ or
21 use the results of any test of marijuana or marijuana products conducted
22 by an analytical laboratory that is not certified pursuant to this subsection
23 (3)(a)(IV) for the particular testing category and accredited to the
24 International Organization for Standardization/International
25 Electrotechnical Commission 17025:2005 standard, or any subsequent
26 superseding standard, in that field of testing.

27 (V) Security requirements for any premises licensed pursuant to

1 this ~~article~~ ARTICLE 12, including, at a minimum, lighting, physical
2 security, video, and alarm requirements, and other minimum procedures
3 for internal control as deemed necessary by the state licensing authority
4 to properly administer and enforce the provisions of this ~~article~~ ARTICLE
5 12, including reporting requirements for changes, alterations, or
6 modifications to the premises;

7 (VI) Requirements to prevent the sale or diversion of retail
8 marijuana and retail marijuana products to persons under twenty-one
9 years of age;

10 (VII) Labeling requirements for retail marijuana and retail
11 marijuana products sold by a retail marijuana establishment that are at
12 least as stringent as imposed by section 25-4-1614 (3)(a) ~~C.R.S.~~; and
13 include but are not limited to:

14 ~~(A) to (H) (Deleted by amendment, L. 2016.)~~

15 ~~(I)~~ (A) Warning labels;

16 ~~(J) (Deleted by amendment, L. 2016.)~~

17 ~~(K)~~ (B) Amount of THC per serving and the number of servings
18 per package for marijuana products;

19 ~~(L) to (N) (Deleted by amendment, L. 2016.)~~

20 ~~(O)~~ (C) A universal symbol indicating the package contains
21 marijuana; and

22 ~~(P)~~ (D) The potency of the retail marijuana or retail marijuana
23 product highlighted on the label.

24 (VIII) Health and safety regulations and standards for the
25 manufacture of retail marijuana products and the cultivation of retail
26 marijuana;

27 (IX) Limitations on the display of retail marijuana and retail

1 marijuana products;

2 (X) Regulation of the storage of, warehouses for, and
3 transportation of retail marijuana and retail marijuana products;

4 (XI) Sanitary requirements for retail marijuana establishments,
5 including but not limited to sanitary requirements for the preparation of
6 retail marijuana products;

7 (XII) Records to be kept by licensees and the required availability
8 of the records;

9 (XIII) The reporting and transmittal of monthly sales tax payments
10 by retail marijuana stores and any applicable excise tax payments by retail
11 marijuana cultivation facilities;

12 (XIV) Authorization for the department of revenue to have access
13 to licensing information to ensure sales, excise, and income tax payment
14 and the effective administration of this ~~article~~ ARTICLE 12;

15 ~~(XIV.5)~~ (XV) Rules effective on or before January 1, 2016,
16 relating to permitted economic interests including a process for a criminal
17 history record check; a requirement that a permitted economic interest
18 applicant submit to and pass a criminal history record check; a divestiture;
19 and other agreements that would qualify as permitted economic interests;

20 ~~(XV)~~ (XVI) Compliance with, enforcement of, or violation of any
21 provision of this ~~article~~ ARTICLE 12, section 18-18-406.3 (7), C.R.S., or
22 any rule issued pursuant to this ~~article~~ ARTICLE 12, including procedures
23 and grounds for denying, suspending, fining, restricting, or revoking a
24 state license issued pursuant to this ~~article~~ ARTICLE 12;

25 ~~(XVI)~~ (XVII) Establishing a schedule of penalties and procedures
26 for issuing and appealing citations for violation of statutes and rules and
27 issuing administrative citations;

1 ~~(XVII)~~ (XVIII) Retail marijuana transporter licensed businesses,
2 including requirements for drivers, including obtaining and maintaining
3 a valid Colorado driver's license; insurance requirements; acceptable time
4 frames for transport, storage, and delivery; requirements for transport
5 vehicles; and requirements for licensed premises;

6 ~~(XVIII)~~ (XIX) Retail marijuana establishment operator licensees,
7 including the form and structure of allowable agreements between
8 operators and owners;

9 ~~(XIX)~~ (XX) Nonescorted visitors in limited access areas; and

10 ~~(XX)~~ (XXI) The parameters and qualifications of an indirect
11 beneficial interest owner and a qualified limited passive investor.

12 ~~(a.5)~~ (b) (I) Pursuant to the authority granted in ~~paragraph (b) of~~
13 ~~subsection (2)~~ SUBSECTION (2)(b) of this section, on or before January 1,
14 2016, the state licensing authority shall promulgate rules establishing the
15 equivalent of one ounce of retail marijuana flower in various retail
16 marijuana products including retail marijuana concentrate.

17 (II) Prior to promulgating the rules required by ~~subparagraph (I)~~
18 ~~of this paragraph (a.5)~~ SUBSECTION (3)(b)(I) OF THIS SECTION, the state
19 licensing authority may contract for a scientific study to determine the
20 equivalency of marijuana flower in retail marijuana products including
21 retail marijuana concentrate.

22 ~~(b)~~ (c) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
23 ~~(2)~~ SUBSECTION (2)(b) of this section must also include the following
24 subjects:

25 (I) Specifications of duties of officers and employees of the state
26 licensing authority;

27 (II) Instructions for local jurisdictions and law enforcement

1 officers;

2 (III) Requirements for inspections, investigations, searches,
3 seizures, forfeitures, and such additional activities as may become
4 necessary from time to time;

5 ~~(IV) Repealed.~~

6 ~~(V)~~ (IV) Development of individual identification cards for
7 owners, officers, managers, contractors, employees, and other support
8 staff of entities licensed pursuant to this ~~article~~ ARTICLE 12, including a
9 fingerprint-based criminal history record check as may be required by the
10 state licensing authority prior to issuing a card;

11 ~~(VI)~~ (V) Identification of state licensees and their owners,
12 officers, managers, and employees;

13 ~~(VII)~~ (VI) The specification of acceptable forms of picture
14 identification that a retail marijuana store may accept when verifying a
15 sale, including but not limited to government-issued identification cards;

16 ~~(VIII)~~ (VII) State licensing procedures, including procedures for
17 renewals, reinstatements, initial licenses, and the payment of licensing
18 fees; and

19 ~~(IX)~~ (VIII) Such other matters as are necessary for the fair,
20 impartial, stringent, and comprehensive administration of this ~~article~~
21 ARTICLE 12.

22 ~~(c)~~ (d) Rules promulgated pursuant to ~~paragraph (b) of subsection~~
23 ~~(2)~~ SUBSECTION (2)(b) of this section must also include the following
24 subjects, and the state licensing authority may seek the assistance of the
25 department of public health and environment when necessary before
26 promulgating the rules:

27 (I) Signage, marketing, and advertising, including but not limited

1 to a prohibition on mass-market campaigns that have a high likelihood of
2 reaching persons under twenty-one years of age and other such rules that
3 may include:

4 (A) Allow packaging and accessory branding;

5 (B) A prohibition on health or physical benefit claims in
6 advertising, merchandising, and packaging;

7 (C) A prohibition on unsolicited pop-up advertising on the
8 internet;

9 (D) A prohibition on banner ads on mass-market websites;

10 (E) A prohibition on opt-in marketing that does not permit an easy
11 and permanent opt-out feature; and

12 (F) A prohibition on marketing directed towards location-based
13 devices, including but not limited to cellular phones, unless the marketing
14 is a mobile device application installed on the device by the owner of the
15 device who is twenty-one years of age or older and includes a permanent
16 and easy opt-out feature;

17 ~~(H) Repealed.~~

18 ~~(HH)~~ (II) Prohibiting the sale of retail marijuana and retail
19 marijuana products unless:

20 (A) The product is packaged by the retail marijuana store or the
21 retail marijuana products manufacturer in packaging meeting
22 requirements established by the state licensing authority similar to the
23 federal "Poison Prevention Packaging Act of 1970", 15 U.S.C. sec. 1471
24 et seq.; or

25 (B) The product is placed in an opaque and resealable exit
26 package or container meeting requirements established by the state
27 licensing authority at the point of sale prior to exiting the store;

1 ~~(IV)~~ (III) The safe and lawful transport of retail marijuana and
2 retail marijuana products between the licensed business and testing
3 laboratories;

4 ~~(V)~~ (IV) A standardized marijuana serving size amount for edible
5 retail marijuana products that does not contain more than ten milligrams
6 of active THC designed only to provide consumers with information
7 about the total number of servings of active THC in a particular retail
8 marijuana product, not as a limitation on the total amount of THC in any
9 particular item, labeling requirements regarding servings for edible retail
10 marijuana products, and limitations on the total amount of active THC in
11 a sealed internal package that is no more than one hundred milligrams of
12 active THC;

13 ~~(VI)~~ (V) Labeling guidelines concerning the total content of THC
14 per unit of weight;

15 ~~(VII)~~ (VI) Prohibition or regulation of additives to any retail
16 marijuana product, including but not limited to those that are toxic,
17 designed to make the product more addictive, designed to make the
18 product more appealing to children, or misleading to consumers, but not
19 including common baking and cooking items;

20 ~~(VIII)~~ (VII) Permission for a local fire department to conduct an
21 annual fire inspection of a retail marijuana cultivation facility; and

22 ~~(IX)~~ (VIII) (A) A prohibition on the production and sale of edible
23 retail marijuana products that are in the distinct shape of a human, animal,
24 or fruit. Geometric shapes and products that are simply fruit flavored are
25 not considered fruit. Products in the shape of a marijuana leaf are
26 permissible. Nothing in this ~~subparagraph~~ ~~(IX)~~ SUBSECTION (3)(d)(VIII)
27 applies to a company logo.

1 (B) The rules promulgated pursuant to this ~~subparagraph (IX)~~
2 SUBSECTION (3)(d)(VIII) shall take effect on October 1, 2017.

3 ~~(c.5)~~ (e) (I) Pursuant to the authority granted in ~~paragraph (b) of~~
4 ~~subsection (2)~~ SUBSECTION (2)(b) of this section, on or before January 1,
5 2016, the state licensing authority shall promulgate rules requiring that
6 edible retail marijuana products be clearly identifiable, when practicable,
7 with a standard symbol indicating that it contains marijuana and is not for
8 consumption by children. The symbols promulgated by rule of the state
9 licensing authority must not appropriate signs or symbols associated with
10 another Colorado business or industry.

11 (II) On or before August 1, 2014, the state licensing authority
12 shall convene a stakeholders group, including but not limited to
13 representatives of the department of public health and environment, retail
14 marijuana store licensees, retail marijuana products manufacturers
15 licensees, child abuse prevention experts, and advocates for children's
16 health, to make recommendations for rules on how edible retail marijuana
17 products can be clearly identifiable, when practicable, to indicate that it
18 contains marijuana, is not for consumption by children, and is safe for
19 consumers. Prior to February 1, 2015, the state licensing authority shall
20 report its findings to the health and human services committee of the
21 senate and the health insurance and environment committee of the house
22 of representatives, or any successor committees.

23 ~~(d)~~ (f) Nothing in this ~~article~~ ARTICLE 12 shall be construed as
24 delegating to the state licensing authority the power to fix prices for retail
25 marijuana.

26 ~~(e)~~ (g) Nothing in this ~~article~~ ARTICLE 12 shall be construed to
27 limit a law enforcement agency's ability to investigate unlawful activity

1 in relation to a retail marijuana establishment. A law enforcement agency
2 shall have the authority to run a Colorado crime information center
3 criminal history record check of a licensee, or employee of a licensee,
4 during an investigation of unlawful activity related to retail marijuana and
5 retail marijuana products.

6 (f) (h) The general assembly finds and declares that matters
7 related to labeling as regulated pursuant to ~~subparagraph (VII) of~~
8 ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a)(VII) OF THIS
9 SECTION and ~~subparagraphs (V) and (VI) of paragraph (c) of this~~
10 ~~subsection (3)~~ SUBSECTIONS (3)(d)(IV) AND (3)(d)(V) OF THIS SECTION,
11 packaging as regulated pursuant to ~~subparagraph (III) of paragraph (c) of~~
12 ~~this subsection (3)~~ SUBSECTION (3)(d)(II) OF THIS SECTION, and testing as
13 regulated pursuant to ~~subparagraph (IV) of paragraph (a) of this~~
14 ~~subsection (3)~~ SUBSECTION (3)(a)(IV) OF THIS SECTION are matters of
15 statewide concern, and the sole regulatory authority for labeling,
16 packaging, and testing is pursuant to this section.

17 (4) (a) The state licensing authority shall create a statewide
18 licensure class system for retail marijuana cultivation facilities. The
19 classifications may be based upon square footage of the facility; lights,
20 lumens, or wattage; lit canopy; the number of cultivating plants; a
21 combination of the foregoing; or other reasonable metrics. The state
22 licensing authority shall create a fee structure for the license class system.

23 (b) (I) The state licensing authority may establish limitations upon
24 retail marijuana production through one or more of the following
25 methods:

26 (A) Placing or modifying a limit on the number of licenses that it
27 issues, by class or overall, but in placing or modifying the limits, the

1 authority shall consider the reasonable availability of new licenses after
2 a limit is established or modified;

3 (B) Placing or modifying a limit on the amount of production
4 permitted by a retail marijuana cultivation license or class of licenses
5 based upon some reasonable metric or set of metrics including, but not
6 limited to, those items detailed in ~~paragraph (a) of this subsection (4)~~
7 SUBSECTION (4)(a) OF THIS SECTION, previous months' sales, pending
8 sales, or other reasonable metrics as determined by the state licensing
9 authority; and

10 (C) Placing or modifying a limit on the total amount of production
11 by retail marijuana cultivation licensees in the state, collectively, based
12 upon some reasonable metric or set of metrics including, but not limited
13 to, those items detailed in ~~paragraph (a) of this subsection (4)~~ SUBSECTION
14 (4)(a) OF THIS SECTION, as determined by the state licensing authority.

15 (II) Notwithstanding anything contained in this ~~article~~ ARTICLE 12
16 to the contrary, in considering any such limitations, the state licensing
17 authority, in addition to any other relevant considerations, shall:

18 (A) Consider the total current and anticipated demand for retail
19 marijuana and retail marijuana products in Colorado; and

20 (B) Attempt to minimize the market for unlawful marijuana.

21 **44-12-301. [Formerly 12-43.4-301] Local approval - licensing.**

22 (1) When the state licensing authority receives an application for original
23 licensing or renewal of an existing license for any marijuana
24 establishment, the state licensing authority shall provide, within seven
25 days, a copy of the application to the local jurisdiction in which the
26 establishment is to be located unless the local jurisdiction has prohibited
27 the operation of retail marijuana establishments pursuant to section 16

1 (5)(f) of article XVIII of the state constitution. The local jurisdiction shall
2 determine whether the application complies with local restrictions on
3 time, place, manner, and the number of marijuana businesses. The local
4 jurisdiction shall inform the state licensing authority whether the
5 application complies with local restrictions on time, place, manner, and
6 the number of marijuana businesses.

7 (2) A local jurisdiction may impose a separate local licensing
8 requirement as a part of its restrictions on time, place, manner, and the
9 number of marijuana businesses. A local jurisdiction may decline to
10 impose any local licensing requirements, but a local jurisdiction shall
11 notify the state licensing authority that it either approves or denies each
12 application forwarded to it.

13 **44-12-302. [Formerly 12-43.4-302] Public hearing notice -**
14 **posting and publication.** (1) If a local jurisdiction issues local licenses
15 for a retail marijuana establishment, a local jurisdiction may schedule a
16 public hearing on the application. If the local jurisdiction schedules a
17 hearing, it shall post and publish public notice thereof not less than ten
18 days prior to the hearing. The local jurisdiction shall give public notice by
19 posting a sign in a conspicuous place on the license applicant's premises
20 for which a local license application has been made and by publication in
21 a newspaper of general circulation in the county in which the applicant's
22 premises are located.

23 (2) If a local jurisdiction does not issue local licenses, the local
24 jurisdiction may give public notice of the state license application by
25 posting a sign in a conspicuous place on the state license applicant's
26 premises for which a state license application has been made and by
27 publication in a newspaper of general circulation in the county in which

1 the applicant's premises are located.

2 **44-12-303. [Formerly 12-43.4-304] State licensing authority -**
3 **application and issuance procedures.** (1) Applications for a state
4 license under the provisions of this ~~article~~ ARTICLE 12 must be made to
5 the state licensing authority on forms prepared and furnished by the state
6 licensing authority and must set forth such information as the state
7 licensing authority may require to enable the state licensing authority to
8 determine whether a state license should be granted. The information
9 must include the name and address of the applicant and the names and
10 addresses of the officers, directors, or managers. Each application must
11 be verified by the oath or affirmation of such person or persons as the
12 state licensing authority may prescribe. The state licensing authority may
13 issue a state license to an applicant pursuant to this section upon
14 completion of the applicable criminal history background check
15 associated with the application, and the state license is conditioned upon
16 local jurisdiction approval. A license applicant is prohibited from
17 operating a licensed retail marijuana business without state and local
18 jurisdiction approval. If the applicant does not receive local jurisdiction
19 approval within one year from the date of state licensing authority
20 approval, the state license shall expire and may not be renewed. If an
21 application is denied by the local licensing authority, the state licensing
22 authority shall revoke the state-issued license.

23 (2) Nothing in this ~~article~~ ARTICLE 12 preempts or otherwise
24 impairs the power of a local government to enact ordinances or
25 resolutions concerning matters authorized to local governments.

26 **44-12-304. [Formerly 12-43.4-305] Denial of application -**
27 **definition.** (1) The state licensing authority shall deny a state license if

1 the premises on which the applicant proposes to conduct its business does
2 not meet the requirements of this ~~article~~ ARTICLE 12 or for reasons set
3 forth in section ~~12-43.4-304~~ 44-12-303. The state licensing authority may
4 refuse or deny a license renewal, reinstatement, or initial license issuance
5 for good cause. For purposes of this subsection (1), "good cause" means:

6 (a) The licensee or applicant has violated, does not meet, or has
7 failed to comply with any of the terms, conditions, or provisions of this
8 ~~article~~ ARTICLE 12, any rules promulgated pursuant to this ~~article~~ ARTICLE
9 12, or any supplemental local law, rules, or regulations;

10 (b) The licensee or applicant has failed to comply with any special
11 terms or conditions that were placed on its license pursuant to an order of
12 the state or local licensing authority; or

13 (c) The licensed premises have been operated in a manner that
14 adversely affects the public health or the safety of the immediate
15 neighborhood in which the establishment is located.

16 (2) If the state licensing authority denies a state license pursuant
17 to subsection (1) of this section, the applicant shall be entitled to a
18 hearing pursuant to section 24-4-104 (9) ~~€R.S.~~, and judicial review
19 pursuant to section 24-4-106. ~~€R.S.~~ The state licensing authority shall
20 provide written notice of the grounds for denial of the state license to the
21 applicant and to the local jurisdiction at least fifteen days prior to the
22 hearing.

23 **44-12-305. [Formerly 12-43.4-306] Persons prohibited as**
24 **licensees - definition.** (1) A license provided by this ~~article~~ ARTICLE 12
25 shall not be issued to or held by:

26 (a) A person until the fee therefor has been paid;

27 (b) An individual whose criminal history indicates that he or she

1 is not of good moral character after considering the factors in section
2 24-5-101 (2); ~~C.R.S.~~

3 (c) A person other than an individual if the criminal history of any
4 of its officers, directors, stockholders, or owners indicates that the officer,
5 director, stockholder, or owner is not of good moral character after
6 considering the factors in section 24-5-101 (2); ~~C.R.S.~~

7 (d) A person financed in whole or in part by any other person
8 whose criminal history indicates he or she is not of good moral character
9 after considering the factors in section 24-5-101 (2), ~~C.R.S.~~, and
10 reputation satisfactory to the respective licensing authority;

11 (e) A person under twenty-one years of age;

12 (f) A person licensed pursuant to this ~~article~~ ARTICLE 12 who,
13 during a period of licensure, or who, at the time of application, has failed
14 to:

15 (I) File any tax return related to a medical or retail marijuana
16 establishment; or

17 (II) Pay any taxes, interest, or penalties due, as determined by final
18 agency action, relating to a medical or retail marijuana establishment;

19 (g) A person who:

20 (I) Has discharged a sentence for a conviction of a felony in the
21 five years immediately preceding his or her application date; or

22 (II) Has discharged a sentence for a conviction of a felony
23 pursuant to any state or federal law regarding the possession, distribution,
24 manufacturing, cultivation, or use of a controlled substance in the ten
25 years immediately preceding his or her application date or five years from
26 May 28, 2013, whichever is longer; except that the licensing authority
27 may grant a license to a person if the person has a state felony conviction

1 based on possession or use of marijuana or marijuana concentrate that
2 would not be a felony if the person were convicted of the offense on the
3 date he or she applied for licensure;

4 (h) A person who employs another person at a retail marijuana
5 establishment who has not submitted fingerprints for a criminal history
6 record check or whose criminal history record check reveals that the
7 person is ineligible;

8 (i) A sheriff, deputy sheriff, police officer, or prosecuting officer,
9 or an officer or employee of the state licensing authority or a local
10 licensing authority;

11 (j) A person applying for a license for a location that is currently
12 licensed as a retail food establishment or wholesale food registrant; or

13 ~~(k) Repealed.~~

14 ~~(k)~~ (k) A publicly traded company.

15 (2) (a) In investigating the qualifications of an applicant or a
16 licensee, the state and local licensing authorities may have access to
17 criminal history record information furnished by a criminal justice agency
18 subject to any restrictions imposed by such agency. In the event the state
19 or local licensing authority considers the applicant's criminal history
20 record, the state or local licensing authority shall also consider any
21 information provided by the applicant regarding such criminal history
22 record, including but not limited to evidence of rehabilitation, character
23 references, and educational achievements, especially those items
24 pertaining to the time between the applicant's last criminal conviction and
25 the consideration of the application for a state license.

26 (b) As used in ~~paragraph (a) of this subsection (2)~~ SUBSECTION
27 (2)(a) OF THIS SECTION, "criminal justice agency" means any federal, state,

1 or municipal court or any governmental agency or subunit of such agency
2 that administers criminal justice pursuant to a statute or executive order
3 and that allocates a substantial part of its annual budget to the
4 administration of criminal justice.

5 (c) At the time of filing an application for issuance of a state retail
6 marijuana establishment license, an applicant shall submit a set of his or
7 her fingerprints and file personal history information concerning the
8 applicant's qualifications for a state license on forms prepared by the state
9 licensing authority. The state licensing authority or local jurisdiction shall
10 submit the fingerprints to the Colorado bureau of investigation for the
11 purpose of conducting fingerprint-based criminal history record checks.
12 The Colorado bureau of investigation shall forward the fingerprints to the
13 federal bureau of investigation for the purpose of conducting
14 fingerprint-based criminal history record checks. The state licensing
15 authority or local jurisdiction may acquire a name-based criminal history
16 record check for an applicant or a license holder who has twice submitted
17 to a fingerprint-based criminal history record check and whose
18 fingerprints are unclassifiable. An applicant who has previously
19 submitted fingerprints for state or local licensing purposes may request
20 that the fingerprints on file be used. The state licensing authority or local
21 jurisdiction shall use the information resulting from the fingerprint-based
22 criminal history record check to investigate and determine whether an
23 applicant is qualified to hold a state or local license pursuant to this ~~article~~
24 ARTICLE 12. The state licensing authority or local jurisdiction may verify
25 any of the information an applicant is required to submit.

26 **44-12-306. [Formerly 12-43.4-306.5] Business and owner**
27 **requirements - legislative declaration - definitions.** (1) (a) The general

1 assembly hereby finds and declares that:

2 (I) Retail marijuana businesses need to be able to access capital
3 in order to effectively grow their businesses and remain competitive in the
4 marketplace;

5 (II) The current regulatory structure for retail marijuana creates a
6 substantial barrier to investment from out-of-state interests;

7 (III) There is insufficient capital in Colorado to properly fund the
8 capital needs of Colorado retail marijuana businesses;

9 (IV) Colorado retail marijuana businesses need to have ready
10 access to capital from investors in states outside of Colorado; and

11 (V) Providing access to legitimate sources of capital helps prevent
12 the opportunity for those who engage in illegal activity to gain entry into
13 Colorado's regulated retail marijuana market.

14 (b) Therefore, the general assembly is providing a mechanism for
15 Colorado retail marijuana businesses to access capital from investors in
16 other states.

17 (2) A direct beneficial interest owner who is a natural person must
18 either:

19 (a) Have been a resident of Colorado for at least one year prior to
20 the date of the application; or

21 (b) Be a United States citizen prior to the date of the application.

22 (3) (a) A retail marijuana business may be comprised of an
23 unlimited number of direct beneficial interest owners that have been
24 residents of Colorado for at least one year prior to the date of the
25 application.

26 (b) On and after January 1, 2017, a retail marijuana business that
27 is comprised of one or more direct beneficial interest owners who have

1 not been Colorado residents for at least one year prior to application shall
2 have at least one officer who has been a Colorado resident for at least one
3 year prior to application and all officers with day-to-day operational
4 control over the business must be Colorado residents for at least one year
5 prior to application. A retail marijuana business under this ~~paragraph (b)~~
6 SUBSECTION (3)(b) is limited to no more than fifteen direct beneficial
7 interest owners, including all parent and subsidiary entities, all of whom
8 are natural persons.

9 (c) Notwithstanding the requirements of ~~paragraph (b) of this~~
10 ~~subsection (3)~~ SUBSECTION (3)(b) OF THIS SECTION, the state licensing
11 authority may review the limitation on the number of direct beneficial
12 interest owners and may increase the number of allowable interests above
13 fifteen based on reasonable considerations such as developments in state
14 and federal financial regulations, market conditions, and the licensee's
15 ability to access legitimate sources of capital.

16 (d) A direct beneficial interest owner that is a closely held
17 business entity must consist entirely of natural persons who are United
18 States citizens prior to the date of the application, including all parent and
19 subsidiary entities.

20 (4) A retail marijuana business may include qualified institutional
21 investors that own thirty percent or less of the retail marijuana business.

22 (5) (a) A person who intends to apply as a direct beneficial
23 interest owner and is not a Colorado resident for at least one year prior to
24 the date of application shall first submit a request to the state licensing
25 authority for a finding of suitability as a direct beneficial interest owner.
26 The person shall receive a finding of suitability prior to submitting an
27 application to the state licensing authority to be a direct beneficial interest

1 owner. Failure to receive a finding of suitability prior to application is
2 grounds for denial by the state licensing authority.

3 (b) The state licensing authority shall perform a limited initial
4 background check on qualified limited passive investors. If the initial
5 background check provides reasonable cause for additional investigation,
6 the state licensing authority may require a full background check.

7 (6) The state licensing authority shall review the retail marijuana
8 business's operating documents to ensure compliance with this section.

9 (7) For purposes of this section, unless the context otherwise
10 requires, "institutional investor" means:

11 (a) A bank as defined in section 3(a)(6) of the federal "Securities
12 Exchange Act of 1934", as amended;

13 (b) An insurance company as defined in section 2(a)(17) of the
14 federal "Investment Company Act of 1940", as amended;

15 (c) An investment company registered under section 8 of the
16 federal "Investment Company Act of 1940", as amended;

17 (d) An investment adviser registered under section 203 of the
18 federal "Investment Advisers Act of 1940", as amended;

19 (e) Collective trust funds as defined in section 3(c)(11) of the
20 federal "Investment Company Act of 1940", as amended;

21 (f) An employee benefit plan or pension fund that is subject to the
22 federal "Employee Retirement Income Security Act of 1974", as
23 amended, excluding an employee benefit plan or pension fund sponsored
24 by a licensee or an intermediary or holding company licensee that directly
25 or indirectly owns five percent or more of a licensee;

26 (g) A state or federal government pension plan;

27 (h) A group comprised entirely of persons specified in subsections

1 ~~(a) to (g) of this subsection (7)~~ (7)(a) TO (7)(g) OF THIS SECTION; or

2 (i) Any other entity identified through rule by the state licensing
3 authority.

4 **44-12-307. [Formerly 12-43.4-307] Restrictions for applications**
5 **for new licenses.** (1) The state licensing authority shall not approve an
6 application for the issuance of a state license pursuant to this ~~article:~~
7 ARTICLE 12

8 ~~(a) Repealed~~

9 ~~(b)~~ until it is established that the applicant is, or will be, entitled
10 to possession of the premises for which application is made under a lease,
11 rental agreement, or other arrangement for possession of the premises or
12 by virtue of ownership of the premises.

13 **44-12-308. [Formerly 12-43.4-308] Transfer of ownership.**
14 (1) A state license granted under the provisions of this ~~article~~ ARTICLE 12
15 is not transferable except as provided in this section, but this section does
16 not prevent a change of location as provided in section ~~12-43.4-309 (12)~~
17 44-12-309 (12).

18 (2) For a transfer of ownership, a license holder shall apply to the
19 state licensing authority on forms prepared and furnished by the state
20 licensing authority. Upon receipt of an application for transfer of
21 ownership, the state licensing authority shall submit, within seven days,
22 a copy of the application to the local jurisdiction to determine whether the
23 transfer complies with local restrictions on transfer of ownership. In
24 determining whether to permit a transfer of ownership, the state licensing
25 authority shall consider only the requirements of this ~~article~~ ARTICLE 12,
26 any rules promulgated by the state licensing authority, and any other local
27 restrictions. The local jurisdiction may hold a hearing on the application

1 for transfer of ownership. The local jurisdiction shall not hold a hearing
2 pursuant to this subsection (2) until the local jurisdiction has posted a
3 notice of hearing in the manner described in section ~~12-43.4-302~~ (1)
4 44-12-302 (1) on the licensed premises for a period of ten days and has
5 provided notice of the hearing to the applicant at least ten days prior to
6 the hearing. Any transfer of ownership hearing by the state licensing
7 authority shall be held in compliance with the requirements specified in
8 section ~~12-43.4-304~~ 44-12-303.

9 **44-12-309. [Formerly 12-43.4-309] Licensing in general.**

10 (1) Local jurisdictions are authorized to adopt and enforce regulations for
11 retail marijuana establishments that are at least as restrictive as the
12 provisions of this ~~article~~ ARTICLE 12 and any rule promulgated pursuant
13 to this ~~article~~ ARTICLE 12.

14 (2) A retail marijuana establishment may not operate until it is
15 licensed by the state licensing authority pursuant to this ~~article~~ ARTICLE
16 12 and approved by the local jurisdiction. If an application is denied by
17 the local licensing authority, the state licensing authority shall revoke the
18 state-issued license. In connection with a license, the applicant shall
19 provide a complete and accurate application as required by the state
20 licensing authority.

21 (3) A retail marijuana establishment shall notify the state licensing
22 authority in writing of the name, address, and date of birth of an owner,
23 officer, or manager before the new owner, officer, or manager begins
24 managing, owning, or associating with the operation. The owner, officer,
25 manager, or employee must pass a fingerprint-based criminal history
26 record check as required by the state licensing authority and obtain the
27 required identification prior to being associated with, managing, owning,

1 or working at the operation.

2 (4) A retail marijuana establishment shall not acquire, possess,
3 cultivate, deliver, transfer, transport, supply, or dispense marijuana for
4 any purpose except as authorized by section 16 of article XVIII of the
5 state constitution and this ~~article~~ ARTICLE 12.

6 (5) All managers and employees of a retail marijuana
7 establishment shall be residents of Colorado upon the date of their license
8 application. All licenses granted pursuant to this ~~article~~ ARTICLE 12 are
9 valid for a period of one year after the date of issuance unless revoked or
10 suspended pursuant to this ~~article~~ ARTICLE 12 or the rules promulgated
11 pursuant to this ~~article~~ ARTICLE 12.

12 (6) Before granting a state license, the state licensing authority
13 may consider, except when this ~~article~~ ARTICLE 12 specifically provides
14 otherwise, the requirements of this ~~article~~ ARTICLE 12 and any rules
15 promulgated pursuant to this ~~article~~ ARTICLE 12, and all other reasonable
16 restrictions that are or may be placed upon the licensee by the licensing
17 authority.

18 (7) (a) Each license issued under this ~~article~~ ARTICLE 12 is
19 separate and distinct. It is unlawful for a person to exercise any of the
20 privileges granted under a license other than the license that the person
21 holds or for a licensee to allow any other person to exercise the privileges
22 granted under the licensee's license. A separate license shall be required
23 for each specific business or business entity and each geographical
24 location.

25 (b) At all times, a licensee shall possess and maintain possession
26 of the premises for which the license is issued by ownership, lease, rental,
27 or other arrangement for possession of the premises.

1 (8) The licenses issued pursuant to this ~~article~~ ARTICLE 12 must
2 specify the date of issuance, the period of licensure, the name of the
3 licensee, and the premises licensed. The licensee shall conspicuously
4 place the license at all times on the licensed premises.

5 (9) In computing any time prescribed by this ~~article~~ ARTICLE 12,
6 the day of the act, event, or default from which the designated time begins
7 to run is not included. Saturdays, Sundays, and legal holidays are counted
8 as any other day.

9 (10) A licensee shall report each transfer or change of financial
10 interest in the license to the state and local licensing authorities and
11 receive approval prior to any transfer or change pursuant to section
12 ~~12-43.4-308~~ 44-12-308. A report is required for transfers of capital stock
13 of any corporation regardless of size.

14 (11) Each licensee shall manage the licensed premises himself or
15 herself or employ a separate and distinct manager on the premises and
16 shall report the name of the manager to the state and local licensing
17 authorities. The licensee shall report any change in manager to the state
18 and local licensing authorities within seven days after the change pursuant
19 to section ~~12-43.4-308~~ 44-12-308.

20 (12) (a) A licensee may move the permanent location to any other
21 place in Colorado once permission to do so is granted by the state and
22 local jurisdiction provided for in this ~~article~~ ARTICLE 12. Upon receipt of
23 an application for change of location, the state licensing authority shall,
24 within seven days, submit a copy of the application to the local
25 jurisdiction to determine whether the transfer complies with all local
26 restrictions on change of location.

27 (b) In permitting a change of location, the local jurisdiction shall

1 consider all reasonable restrictions that are or may be placed upon the
2 new location by the governing board of the municipality, city and county,
3 or county, and any such change in location shall be in accordance with all
4 requirements of this ~~article~~ ARTICLE 12 and rules promulgated pursuant
5 to this ~~article~~ ARTICLE 12.

6 **44-12-310. [Formerly 12-43.4-310] License renewal.** (1) Ninety
7 days prior to the expiration date of an existing license, the state licensing
8 authority shall notify the licensee of the expiration date by first-class mail
9 at the licensee's address of record with the state licensing authority. A
10 licensee may apply for the renewal of an existing license to the state
11 licensing authority not less than thirty days prior to the date of expiration.
12 Upon receipt of an application for renewal of an existing license and any
13 applicable fees, the state licensing authority shall submit, within seven
14 days, a copy of the application to the local jurisdiction to determine
15 whether the application complies with all local restrictions on renewal of
16 licenses. The state licensing authority shall not accept an application for
17 renewal of a license after the date of expiration, except as provided in
18 subsection ~~(2)~~ (3) of this section. The state licensing authority may extend
19 the expiration date of the license and accept a late application for renewal
20 of a license if the applicant has filed a timely renewal application with the
21 local licensing authority. The state or the local licensing authority, in its
22 discretion, subject to the requirements of this subsection (1) and
23 subsection ~~(2)~~ (3) of this section and based upon reasonable grounds, may
24 waive the thirty-day time requirements set forth in this subsection (1).

25 ~~(1.5)~~ (2) The state licensing authority may require an additional
26 fingerprint request when there is a demonstrated investigative need.

27 ~~(2)~~ (3) (a) Notwithstanding the provisions of subsection (1) of this

1 section, a licensee whose license has been expired for not more than
2 ninety days may file a late renewal application upon the payment of a
3 nonrefundable late application fee of five hundred dollars to the state
4 licensing authority. A licensee who files a late renewal application and
5 pays the requisite fees may continue to operate until the state licensing
6 authority takes final action to approve or deny the licensee's late renewal
7 application unless the state licensing authority summarily suspends the
8 license pursuant to article 4 of title 24, ~~C.R.S.~~, this ~~article~~ ARTICLE 12, and
9 rules promulgated pursuant to this ~~article~~ ARTICLE 12.

10 (b) The state licensing authority may administratively continue the
11 license and accept a later application for renewal of a license at the
12 discretion of the state licensing authority.

13 (c) Notwithstanding the amount specified for the late application
14 fee in ~~paragraph (a) of this subsection (2)~~ SUBSECTION (3)(a) OF THIS
15 SECTION, the state licensing authority by rule or as otherwise provided by
16 law may reduce the amount of the fee if necessary pursuant to section
17 24-75-402 (3) ~~C.R.S.~~, by reducing the uncommitted reserves of the fund
18 to which all or any portion of the fee is credited. After the uncommitted
19 reserves of the fund are sufficiently reduced, the state licensing authority,
20 by rule or as otherwise provided by law, may increase the amount of the
21 fee as provided in section 24-75-402 (4). ~~C.R.S.~~

22 **44-12-311. [Formerly 12-43.4-311] Inactive licenses.** The state
23 licensing authority, in its discretion, may revoke or elect not to renew any
24 license if it determines that the licensed premises have been inactive,
25 without good cause, for at least one year.

26 **44-12-312. [Formerly 12-43.4-312] Unlawful financial**
27 **assistance.** (1) The state licensing authority shall require a complete

1 disclosure of all persons having a direct or indirect financial interest, and
2 the extent of such interest, in each license issued under this ~~article~~
3 ARTICLE 12.

4 (2) This section is intended to prohibit and prevent the control of
5 the outlets for the sale of retail marijuana or retail marijuana products by
6 a person or party other than the persons licensed pursuant to the
7 provisions of this ~~article~~ ARTICLE 12.

8 **44-12-401. [Formerly 12-43.4-401] Classes of licenses.** (1) For
9 the purpose of regulating the cultivation, manufacture, distribution, sale,
10 and testing of retail marijuana and retail marijuana products, the state
11 licensing authority in its discretion, upon receipt of an application in the
12 prescribed form, may issue and grant to the applicant a license from any
13 of the following classes, subject to the provisions and restrictions
14 provided by this ~~article 43.4~~ ARTICLE 12:

- 15 (a) Retail marijuana store license;
- 16 (b) Retail marijuana cultivation facility license;
- 17 (c) Retail marijuana products manufacturing license;
- 18 (d) Retail marijuana testing facility license;
- 19 (e) Occupational licenses and registrations for owners, managers,
20 operators, employees, contractors, and other support staff employed by,
21 working in, or having access to restricted areas of the licensed premises,
22 as determined by the state licensing authority. Upon receipt of an
23 affirmation under penalty of perjury that the applicant is enrolled in a
24 marijuana-based workforce development or training program operated by
25 an entity licensed under this ~~article 43.4~~ ARTICLE 12 or by a school that is
26 authorized by the division of private occupational schools in Colorado
27 that will require access or employment within a premises licensed

1 pursuant to this ~~article 43.4~~ ARTICLE 12 or ~~article 43.3~~ ARTICLE 11 of this
2 ~~title 12~~ TITLE 44, the state licensing authority may exempt for up to two
3 years based on the length of the program the residency requirement in
4 section ~~12-43.4-309 (5)~~ 44-12-309 (5) for a person applying for an
5 occupational license for participation in a marijuana-based workforce
6 development or training program. The state licensing authority may take
7 any action with respect to a registration pursuant to this ~~article 43.4~~
8 ARTICLE 12 as it may with respect to a license pursuant to this ~~article 43.4~~
9 ARTICLE 12, in accordance with the procedures established pursuant to
10 this ~~article 43.4~~ ARTICLE 12.

11 (f) Retail marijuana transporter license; and

12 (g) Retail marijuana business operator license.

13 (2) (a) A person may operate a licensed medical marijuana center,
14 an optional cultivation facility, a medical marijuana-infused products
15 manufacturing facility, and any retail marijuana establishment at the same
16 location if the local jurisdiction permits a dual operation.

17 (b) (I) Except as provided in ~~subparagraph (II) of this paragraph~~
18 ~~(b)~~ SUBSECTION (2)(b)(II) OF THIS SECTION, a dual medical marijuana
19 center and retail marijuana store shall maintain separate licensed
20 premises, including entrances and exits, inventory, point of sale
21 operations, and record keeping.

22 (II) For a dual medical marijuana center and a retail marijuana
23 store that only sells medical marijuana to persons twenty-one years of age
24 or older, the state licensing authority must adopt rules concerning the
25 licensed premises including but not limited to whether to allow single
26 entrances and exits and virtual separation of inventory.

27 (c) A dual cultivation business operation shall maintain either

1 physical or virtual separation of the two facilities and the plants and
2 inventory of the two facilities.

3 (3) All persons licensed pursuant to this ~~article~~ ARTICLE 12 shall
4 collect sales tax on all retail sales made at a retail marijuana store.

5 (4) Notwithstanding any other provision of law to the contrary, a
6 licensed retail cultivation facility or a licensed retail marijuana products
7 manufacturer may compensate its employees using performance-based
8 incentives.

9 **44-12-402. [Formerly 12-43.4-402] Retail marijuana store**
10 **license - definitions.** (1) (a) A retail marijuana store license shall be
11 issued only to a person selling retail marijuana or retail marijuana
12 products pursuant to the terms and conditions of this ~~article~~ ARTICLE 12.

13 (b) A retail marijuana store may cultivate its own retail marijuana
14 if it obtains a retail marijuana cultivation facility license, or it may
15 purchase retail marijuana from a licensed retail marijuana cultivation
16 facility.

17 ~~(c) Repealed.~~

18 ~~(d)~~ (c) A retail marijuana store shall not accept any retail
19 marijuana purchased from a retail marijuana cultivation facility unless the
20 retail marijuana store is provided with evidence that any applicable excise
21 tax due, pursuant to article 28.8 of title 39, ~~C.R.S.~~, was paid.

22 ~~(e)~~ (d) The retail marijuana store shall track all of its retail
23 marijuana and retail marijuana products from the point that they are
24 transferred from a retail marijuana cultivation facility or retail marijuana
25 products manufacturer to the point of sale.

26 (2) (a) Notwithstanding the provisions of this section, a retail
27 marijuana store licensee may also sell retail marijuana products that are

1 prepackaged and labeled as required by rules of the state licensing
2 authority pursuant to section ~~12-43.4-202~~ 44-12-202.

3 (b) A retail marijuana store licensee may transact with a retail
4 marijuana products manufacturing licensee for the purchase of retail
5 marijuana products upon a retail marijuana products manufacturing
6 licensee's licensed premises or a retail marijuana store's licensed
7 premises.

8 (3) (a) (I) A retail marijuana store may not sell more than one
9 ounce of retail marijuana or its equivalent in retail marijuana products,
10 including retail marijuana concentrate, except for nonedible,
11 nonpsychoactive retail marijuana products, including ointments, lotions,
12 balms, and other nontransdermal topical products during a single
13 transaction to a person.

14 ~~(H) Repealed.~~

15 ~~(HH)~~ (II) As used in this ~~paragraph (a)~~ SUBSECTION (3)(a),
16 "equivalent in retail marijuana products" has the same meaning as
17 established by the state licensing authority by rule pursuant to section
18 ~~12-43.4-202 (3)(a.5)~~ 44-12-202 (3)(b).

19 (b) (I) Prior to initiating a sale, the employee of the retail
20 marijuana store making the sale shall verify that the purchaser has a valid
21 identification card showing the purchaser is twenty-one years of age or
22 older. If a person under twenty-one years of age presents a fraudulent
23 proof of age, any action relying on the fraudulent proof of age shall not
24 be grounds for the revocation or suspension of any license issued under
25 this ~~article~~ ARTICLE 12.

26 (II) (A) If a retail marijuana store licensee or employee has
27 reasonable cause to believe that a person is under twenty-one years of age

1 and is exhibiting fraudulent proof of age in an attempt to obtain any retail
2 marijuana or marijuana-infused product, the licensee or employee is
3 authorized to confiscate such fraudulent proof of age, if possible, and
4 shall, within seventy-two hours after the confiscation, remit to a state or
5 local law enforcement agency. The failure to confiscate such fraudulent
6 proof of age or to remit to a state or local law enforcement agency within
7 seventy-two hours after the confiscation does not constitute a criminal
8 offense.

9 (B) If a retail marijuana store licensee or employee believes that
10 a person is under twenty-one years of age and is exhibiting fraudulent
11 proof of age in an attempt to obtain any retail marijuana or retail
12 marijuana-infused product, the licensee or employee or any peace or
13 police officer, acting in good faith and upon probable cause based upon
14 reasonable grounds therefor, may detain and question such person in a
15 reasonable manner for the purpose of ascertaining whether the person is
16 guilty of any unlawful act regarding the purchase of retail marijuana. The
17 questioning of a person by an employee or a peace or police officer does
18 not render the licensee, the employee, or the peace or police officer civilly
19 or criminally liable for slander, false arrest, false imprisonment, malicious
20 prosecution, or unlawful detention.

21 (4) A retail marijuana store may provide, except as required by
22 section ~~12-43.4-202 (3)(a)(IV)~~ 44-12-202 (3)(a)(IV), a sample of its
23 products to a facility that has a marijuana testing facility license from the
24 state licensing authority for testing and research purposes. A retail
25 marijuana store shall maintain a record of what was provided to the
26 testing facility, the identity of the testing facility, and the results of the
27 testing.

1 (5) All retail marijuana and retail marijuana products sold at a
2 licensed retail marijuana store shall be packaged and labeled as required
3 by rules of the state licensing authority pursuant to section ~~12-43.4-202~~
4 44-12-202.

5 (6) A licensed retail marijuana store shall comply with all
6 provisions of article 34 of title 24, ~~C.R.S.~~, as the provisions relate to
7 persons with disabilities.

8 (7) (a) A licensed retail marijuana store may only sell retail
9 marijuana, retail marijuana products, marijuana accessories,
10 nonconsumable products such as apparel, and marijuana related products
11 such as childproof packaging containers, but shall be prohibited from
12 selling or giving away any consumable product, including but not limited
13 to cigarettes or alcohol, or edible product that does not contain marijuana,
14 including but not limited to sodas, candies, or baked goods.

15 (b) A licensed retail marijuana store may not sell any retail
16 marijuana or retail marijuana products that contain nicotine or alcohol, if
17 the sale of the alcohol would require a license pursuant to article ~~46~~ 1 or
18 ~~47~~ 2 of this ~~title~~ TITLE 44.

19 (c) A licensed retail marijuana store shall not sell retail marijuana
20 or retail marijuana products over the internet nor deliver retail marijuana
21 or retail marijuana products to a person not physically present in the retail
22 marijuana store's licensed premises.

23 (8) The premises of a licensed retail marijuana store is the only
24 place where an automatic dispensing machine that contains retail
25 marijuana or retail marijuana products may be located. If a licensed retail
26 marijuana store uses an automatic dispensing machine that contains retail
27 marijuana and retail marijuana products, it must comply with the

1 regulations promulgated by the state licensing authority for its use.

2 (9) Retail marijuana or retail marijuana products may not be
3 consumed on the premises of a retail marijuana store.

4 (10) Notwithstanding any other provision of state law, sales of
5 retail marijuana and retail marijuana products are not exempt from state
6 or local sales tax.

7 (11) A display case containing marijuana concentrate must include
8 the potency of the marijuana concentrate next to the name of the product.

9 **44-12-403. [Formerly 12-43.4-403] Retail marijuana cultivation**
10 **facility license.** (1) A retail marijuana cultivation facility license may be
11 issued only to a person who cultivates retail marijuana for sale and
12 distribution to licensed retail marijuana stores, retail marijuana products
13 manufacturing licensees, or other retail marijuana cultivation facilities.

14 ~~(2) Repealed.~~

15 ~~(3)~~ (2) A retail marijuana cultivation facility shall remit any
16 applicable excise tax due in accordance with article 28.8 of title 39,
17 ~~C.R.S.~~, based on the average wholesale prices set by the state licensing
18 authority.

19 ~~(4)~~ (3) A retail marijuana cultivation facility shall track the
20 marijuana it cultivates from seed or immature plant to wholesale
21 purchase. Prior to delivery of any sold retail marijuana, the retail
22 marijuana cultivation facility shall provide evidence that it paid any
23 applicable excise tax on the retail marijuana due pursuant to article 28.8
24 of title 39. ~~C.R.S.~~

25 ~~(5)~~ (4) A retail marijuana cultivation facility may provide, except
26 as required by section ~~12-43.4-202 (3)(a)(IV)~~ 44-12-202 (3)(a)(IV), a
27 sample of its products to a facility that has a marijuana testing facility

1 license from the state licensing authority for testing and research
2 purposes. A retail marijuana cultivation facility shall maintain a record of
3 what was provided to the testing facility, the identity of the testing
4 facility, and the testing results.

5 ~~(6)~~ (5) Retail marijuana or retail marijuana products may not be
6 consumed on the premises of a retail marijuana cultivation facility.

7 **44-12-404. [Formerly 12-43.4-404] Retail marijuana products**
8 **manufacturing license.** (1) (a) A retail marijuana products
9 manufacturing license may be issued to a person who manufactures retail
10 marijuana products pursuant to the terms and conditions of this ~~article~~
11 ARTICLE 12.

12 (b) A retail marijuana products manufacturer may cultivate its
13 own retail marijuana if it obtains a retail marijuana cultivation facility
14 license, or it may purchase retail marijuana from a licensed retail
15 marijuana cultivation facility. A retail marijuana products manufacturer
16 shall track all of its retail marijuana from the point it is either transferred
17 from its retail marijuana cultivation facility or the point when it is
18 delivered to the retail marijuana products manufacturer from a licensed
19 retail marijuana cultivation facility to the point of transfer to a licensed
20 retail marijuana store.

21 ~~(c) Repealed.~~

22 ~~(d)~~ (c) A retail marijuana products manufacturer shall not accept
23 any retail marijuana purchased from a retail marijuana cultivation facility
24 unless the retail marijuana products manufacturer is provided with
25 evidence that any applicable excise tax due pursuant to article 28.8 of title
26 39, ~~C.R.S.~~, was paid.

27 ~~(e)~~ (d) A retail marijuana products manufacturer shall not:

1 (I) Add any marijuana to a food product where the manufacturer
2 of the food product holds a trademark to the food product's name; except
3 that a manufacturer may use a trademarked food product if the
4 manufacturer uses the product as a component or as part of a recipe and
5 where the marijuana product manufacturer does not state or advertise to
6 the consumer that the final retail marijuana product contains a
7 trademarked food product;

8 (II) Intentionally or knowingly label or package a retail marijuana
9 product in a manner that would cause a reasonable consumer confusion
10 as to whether the retail marijuana product was a trademarked food
11 product; or

12 (III) Label or package a product in a manner that violates any
13 federal trademark law or regulation.

14 (2) Retail marijuana products shall be prepared on a licensed
15 premises that is used exclusively for the manufacture and preparation of
16 retail marijuana or retail marijuana products and using equipment that is
17 used exclusively for the manufacture and preparation of retail marijuana
18 products; except that, if permitted by the local jurisdiction, a retail
19 marijuana products manufacturing licensee may share the same premises
20 as a medical marijuana-infused products manufacturing licensee so long
21 as a virtual or physical separation of inventory is maintained pursuant to
22 rule of the state licensing authority.

23 (3) All licensed premises on which retail marijuana products are
24 manufactured shall meet the sanitary standards for retail marijuana
25 product preparation promulgated pursuant to section ~~12-43.4-202~~
26 ~~(3)(a)(XI)~~ 44-12-202 (3)(a)(XI).

27 (4) (a) The retail marijuana product shall be sealed and

1 conspicuously labeled in compliance with this ~~article~~ ARTICLE 12 and any
2 rules promulgated pursuant to this ~~article~~ ARTICLE 12. The labeling of
3 retail marijuana products is a matter of statewide concern.

4 (b) The standard symbol requirements as promulgated pursuant to
5 section ~~12-43.4-202 (3)(c.5)~~ 44-12-202 (3)(e) do not apply to a
6 multi-serving liquid retail marijuana product, which is impracticable to
7 mark, if the product complies with all statutory and rule packaging
8 requirements for multi-serving edibles and complies with the following
9 enhanced requirements to reduce the risk of accidental ingestion. A
10 multi-serving liquid must:

11 (I) Be packaged in a structure that uses a single mechanism to
12 achieve both child-resistance and accurate pouring measurement of each
13 liquid serving in increments equal to or less than ten milligrams of active
14 THC per serving, with no more than one hundred milligrams of active
15 THC total per package; and

16 (II) The measurement component is within the child-resistant cap
17 or closure of the bottle and is not a separate component.

18 (5) Retail marijuana or retail marijuana products may not be
19 consumed on the premises of a retail marijuana products manufacturing
20 facility.

21 (6) A retail marijuana products manufacturer may provide, except
22 as required by section ~~12-43.4-202 (3)(a)(IV)~~ 44-12-202 (3)(a)(IV), a
23 sample of its products to a facility that has a retail marijuana testing
24 facility license from the state licensing authority for testing and research
25 purposes. A retail marijuana products manufacturer shall maintain a
26 record of what was provided to the testing facility, the identity of the
27 testing facility, and the results of the testing.

1 (7) An edible retail marijuana product may list its ingredients and
2 compatibility with dietary practices.

3 (8) A licensed retail marijuana products manufacturer shall
4 package and label each product manufactured as required by rules of the
5 state licensing authority pursuant to section ~~12-43.4-202~~ 44-12-202.

6 (9) All retail marijuana products that require refrigeration to
7 prevent spoilage must be stored and transported in a refrigerated
8 environment.

9 **44-12-405. [Formerly 12-43.4-405] Retail marijuana testing**
10 **facility license - rules.** (1) A retail marijuana testing facility license may
11 be issued to a person who performs testing and research on retail
12 marijuana and industrial hemp as regulated by article 61 of title 35.
13 ~~C.R.S.~~ The facility may develop and test retail marijuana products and
14 industrial hemp as regulated by article 61 of title 35. ~~C.R.S.~~ Prior to
15 performing testing on industrial hemp, a facility shall verify that the
16 person requesting the testing has received a registration from the
17 commissioner as required by section 35-61-104. ~~C.R.S.~~

18 (2) The state licensing authority shall promulgate rules pursuant
19 to its authority in section ~~12-43.4-202 (1)(b)~~ 44-12-202 (1)(b) related to
20 acceptable testing and research practices, including but not limited to
21 testing, standards, quality control analysis, equipment certification and
22 calibration, and chemical identification and other substances used in bona
23 fide research methods.

24 (3) A person who has an interest in a retail marijuana testing
25 facility license from the state licensing authority for testing purposes shall
26 not have any interest in a licensed medical marijuana center, a licensed
27 optional premises cultivation operation, a licensed medical

1 marijuana-infused products manufacturer, a licensed retail marijuana
2 store, a licensed retail marijuana cultivation facility, or a licensed retail
3 marijuana products manufacturer. A person that has an interest in a
4 licensed medical marijuana center, a licensed optional premises
5 cultivation operation, a licensed medical marijuana-infused products
6 manufacturer, a licensed retail marijuana store, a licensed retail marijuana
7 cultivation facility, or a licensed retail marijuana products manufacturer
8 shall not have an interest in a facility that has a retail marijuana testing
9 facility license.

10 **44-12-406. [Formerly 12-43.4-406] Retail marijuana**
11 **transporter license.** (1) (a) A retail marijuana transporter license may
12 be issued to a person to provide logistics, distribution, and storage of
13 retail marijuana and retail marijuana products. Notwithstanding any other
14 provisions of law, a retail marijuana transporter license is valid for two
15 years, but cannot be transferred with a change of ownership. A licensed
16 retail marijuana transporter is responsible for the retail marijuana and
17 retail marijuana products once it takes control of the product.

18 (b) A licensed retail marijuana transporter may contract with
19 multiple licensed retail marijuana businesses.

20 (c) On and after July 1, 2017, all retail marijuana transporters shall
21 hold a valid retail marijuana transporter license; except that an entity
22 licensed pursuant to this ~~article~~ ARTICLE 12 that provides its own
23 distribution is not required to have a retail marijuana transporter license
24 to transport and distribute its products. The state licensing authority shall
25 begin accepting applications after January 1, 2017.

26 (2) A retail marijuana transporter licensee may maintain a licensed
27 premises to temporarily store retail marijuana and retail marijuana

1 products and to use as a centralized distribution point. The licensed
2 premises must be located in a jurisdiction that permits the operation of
3 retail marijuana stores. A licensed retail marijuana transporter may store
4 and distribute retail marijuana and retail marijuana products from this
5 location. A storage facility must meet the same security requirements that
6 are required to obtain a retail marijuana cultivation license.

7 (3) A retail marijuana transporter licensee shall use the
8 seed-to-sale tracking system developed pursuant to section ~~12-43.4-202~~
9 ~~(1)~~ 44-12-202 (1) to create shipping manifests documenting the transport
10 of retail marijuana and retail marijuana products throughout the state.

11 (4) A retail marijuana transporter licensee may:

12 (a) Maintain and operate one or more warehouses in the state to
13 handle retail marijuana and retail marijuana products; and

14 (b) Deliver retail marijuana products on orders previously taken
15 if the place where orders are taken and delivered is licensed.

16 **44-12-407. [Formerly 12-43.4-407] Retail marijuana business**
17 **operator license.** A retail marijuana business operator license may be
18 issued to a person who operates a retail marijuana establishment licensed
19 pursuant to this ~~article~~ ARTICLE 12, for an owner licensed pursuant to this
20 ~~article~~ ARTICLE 12, and who may receive a portion of the profits as
21 compensation.

22 **44-12-501. [Formerly 12-43.4-501] Fees.** (1) The state licensing
23 authority may charge and collect fees under this ~~article~~ ARTICLE 12. The
24 application fee for a person applying pursuant to section ~~12-43.4-104~~
25 ~~(1)(a)~~ 44-12-104 (1)(a) shall be five hundred dollars. The state licensing
26 authority shall transfer two hundred fifty dollars of the fee to the
27 marijuana cash fund and submit two hundred fifty dollars to the local

1 jurisdiction in which the license is proposed to be issued.

2 (2) The application fee for a person applying pursuant to section
3 ~~12-43.4-104 (1)(b)~~ 44-12-104 (1)(b) shall be five thousand dollars. The
4 state licensing authority shall transfer two thousand five hundred dollars
5 of the fee to the marijuana cash fund and remit two thousand five hundred
6 dollars to the local jurisdiction in which the license is proposed to be
7 issued. If the state licensing authority is considering raising the
8 five-thousand-dollar application fee, it shall confer with each local
9 jurisdiction in which a license under this ~~article~~ ARTICLE 12 is issued prior
10 to raising the application fee. If the application fee amount is changed, it
11 must be split evenly between the marijuana cash fund and the local
12 jurisdiction in which the license is proposed to be issued.

13 (3) A local jurisdiction in which a license under this ~~article~~
14 ARTICLE 12 may be permitted may adopt and impose operating fees in an
15 amount determined by the local jurisdiction on marijuana establishments
16 located within the local jurisdiction.

17 **44-12-601. [Formerly 12-43.4-601] Suspension - revocation -**
18 **fines.** (1) In addition to any other sanctions prescribed by this ~~article~~
19 ARTICLE 12 or rules promulgated pursuant to this ~~article~~ ARTICLE 12, the
20 state licensing authority has the power, on its own motion or on
21 complaint, after investigation and opportunity for a public hearing at
22 which the licensee must be afforded an opportunity to be heard, to fine a
23 licensee or to suspend or revoke a license issued by the authority for a
24 violation by the licensee or by any of the agents or employees of the
25 licensee of the provisions of this ~~article~~ ARTICLE 12, or any of the rules
26 promulgated pursuant to this ~~article~~ ARTICLE 12, or of any of the terms,
27 conditions, or provisions of the license issued by the state licensing

1 authority. The state licensing authority has the power to administer oaths
2 and issue subpoenas to require the presence of persons and the production
3 of papers, books, and records necessary to the determination of a hearing
4 that the state authority is authorized to conduct.

5 (2) The state licensing authority shall provide notice of
6 suspension, revocation, fine, or other sanction, as well as the required
7 notice of the hearing pursuant to subsection (1) of this section, by mailing
8 the same in writing to the licensee at the address contained in the license
9 and, if different, at the last address furnished to the authority by the
10 licensee. Except in the case of a summary suspension, a suspension shall
11 not be for a period longer than six months. If a license is suspended or
12 revoked, a part of the fees paid therefor shall not be returned to the
13 licensee. Any license may be summarily suspended by the state licensing
14 authority without notice pending any prosecution, investigation, or public
15 hearing pursuant to the terms of section 24-4-104 (4). ~~C.R.S.~~ Nothing in
16 this section shall prevent the summary suspension of a license pursuant
17 to section 24-4-104 (4). ~~C.R.S.~~

18 (3) (a) Whenever a decision of the state licensing authority
19 suspending a license for fourteen days or less becomes final, the licensee
20 may, before the operative date of the suspension, petition for permission
21 to pay a fine in lieu of having the license suspended for all or part of the
22 suspension period. Upon the receipt of the petition, the state authority
23 may, in its sole discretion, stay the proposed suspension and cause any
24 investigation to be made which it deems desirable and may, in its sole
25 discretion, grant the petition if the state licensing authority is satisfied
26 that:

27 (I) The public welfare would not be impaired by permitting the

1 licensee to operate during the period set for suspension and that the
2 payment of the fine will achieve the desired disciplinary purposes; and

3 (II) The books and records of the licensee are kept in such a
4 manner that the loss of sales that the licensee would have suffered had the
5 suspension gone into effect can be determined with reasonable accuracy.

6 (b) The fine accepted shall be not less than five hundred dollars
7 nor more than one hundred thousand dollars.

8 (c) Payment of a fine pursuant to the provisions of this subsection
9 (3) shall be in the form of cash or in the form of a certified check or
10 cashier's check made payable to the state or local licensing authority,
11 whichever is appropriate.

12 (4) Upon payment of the fine pursuant to subsection (3) of this
13 section, the state licensing authority shall enter its further order
14 permanently staying the imposition of the suspension. Fines paid to the
15 state licensing authority pursuant to subsection (3) of this section shall be
16 transmitted to the state treasurer, who shall credit the same to the
17 marijuana cash fund created in section ~~12-43.3-501~~ 44-11-501.

18 (5) In connection with a petition pursuant to subsection (3) of this
19 section, the authority of the state licensing authority is limited to the
20 granting of such stays as are necessary for the authority to complete its
21 investigation and make its findings and, if the authority makes such
22 findings, to the granting of an order permanently staying the imposition
23 of the entire suspension or that portion of the suspension not otherwise
24 conditionally stayed.

25 (6) If the state licensing authority does not make the findings
26 required in ~~paragraph (a) of subsection (3)~~ SUBSECTION (3)(a) of this
27 section and does not order the suspension permanently stayed, the

1 suspension shall go into effect on the operative date finally set by the state
2 licensing authority.

3 (7) No later than January 15 of each year, the state licensing
4 authority shall compile a report of the preceding year's actions in which
5 fines, suspensions, or revocations were imposed by the state licensing
6 authority. The state licensing authority shall file one copy of the report
7 with the chief clerk of the house of representatives, one copy with the
8 secretary of the senate, and six copies in the joint legislative library.

9 **44-12-602. [Formerly 12-43.4-602] Disposition of unauthorized**
10 **marijuana or marijuana products and related materials - rules.**

11 (1) The provisions of this section shall apply in addition to any criminal,
12 civil, or administrative penalties and in addition to any other penalties
13 prescribed by this ~~article~~ ARTICLE 12 or any rules promulgated pursuant
14 to this ~~article~~ ARTICLE 12. Any provisions in this ~~article~~ ARTICLE 12
15 related to law enforcement shall be considered a cumulative right of the
16 people in the enforcement of the criminal laws.

17 (2) Every licensee licensed under this ~~article~~ ARTICLE 12 shall be
18 deemed, by virtue of applying for, holding, or renewing such person's
19 license, to have expressly consented to the procedures set forth in this
20 section.

21 (3) A state or local agency shall not be required to cultivate or
22 care for any retail marijuana or retail marijuana product belonging to or
23 seized from a licensee. A state or local agency shall not be authorized to
24 sell marijuana, retail or otherwise.

25 (4) If the state licensing authority issues a final agency order
26 imposing a disciplinary action against a licensee pursuant to section
27 ~~12-43.4-601~~ 44-12-601, then, in addition to any other remedies, the

1 licensing authority's final agency order may specify that some or all of the
2 licensee's marijuana or marijuana product is not retail marijuana or a
3 retail marijuana product and is an illegal controlled substance. The order
4 may further specify that the licensee shall lose any interest in any of the
5 marijuana or marijuana product even if the marijuana or marijuana
6 product previously qualified as retail marijuana or a retail marijuana
7 product. The final agency order may direct the destruction of any such
8 marijuana and marijuana products, except as provided in subsections (5)
9 and (6) of this section. The authorized destruction may include the
10 incidental destruction of any containers, equipment, supplies, and other
11 property associated with the marijuana or marijuana product.

12 (5) Following the issuance of a final agency order by the state
13 licensing authority against a licensee and ordering destruction authorized
14 by subsection (4) of this section, a licensee shall have fifteen days within
15 which to file a petition for stay of agency action with the district court.
16 The action shall be filed in the city and county of Denver, which shall be
17 deemed to be the residence of the state licensing authority for purposes
18 of this section. The licensee shall serve the petition in accordance with the
19 Colorado rules of civil procedure. The district court shall promptly rule
20 upon the petition and determine whether the licensee has a substantial
21 likelihood of success on judicial review so as to warrant delay of the
22 destruction authorized by subsection (4) of this section or whether other
23 circumstances, including but not limited to the need for preservation of
24 evidence, warrant delay of such destruction. If destruction is so delayed
25 pursuant to judicial order, the court shall issue an order setting forth terms
26 and conditions pursuant to which the licensee may maintain the retail
27 marijuana and retail marijuana product pending judicial review and

1 prohibiting the licensee from using or distributing the retail marijuana or
2 retail marijuana product pending the review. The licensing authority shall
3 not carry out the destruction authorized by subsection (4) of this section
4 until fifteen days have passed without the filing of a petition for stay of
5 agency action or until the court has issued an order denying stay of
6 agency action pursuant to this subsection (5).

7 (6) A district attorney shall notify the state licensing authority if
8 it begins investigating a retail marijuana establishment. If the state
9 licensing authority has received notification from a district attorney that
10 an investigation is being conducted, the state licensing authority shall not
11 destroy any marijuana or marijuana products from the retail marijuana
12 establishment until the destruction is approved by the district attorney.

13 (7) On or before January 1, 2014, the state licensing authority
14 shall promulgate rules governing the implementation of this section.

15 **44-12-701. [Formerly 12-43.4-701] Inspection procedures.**

16 (1) Each licensee shall keep a complete set of all records necessary to
17 show fully the business transactions of the licensee, all of which shall be
18 open at all times during business hours for the inspection and examination
19 by the state licensing authority or its duly authorized representatives. The
20 state licensing authority may require any licensee to furnish such
21 information as it considers necessary for the proper administration of this
22 ~~article~~ ARTICLE 12 and may require an audit to be made of the books of
23 account and records on such occasions as it may consider necessary by an
24 auditor to be selected by the state licensing authority who shall likewise
25 have access to all books and records of the licensee, and the expense
26 thereof shall be paid by the licensee.

27 (2) The licensed premises, including any places of storage where

1 retail marijuana or retail marijuana products are stored, cultivated, sold,
2 dispensed, or tested shall be subject to inspection by the state or local
3 jurisdictions and their investigators, during all business hours and other
4 times of apparent activity, for the purpose of inspection or investigation.
5 Access shall be required during business hours for examination of any
6 inventory or books and records required to be kept by the licensees. When
7 any part of the licensed premises consists of a locked area, upon demand
8 to the licensee, such area shall be made available for inspection without
9 delay, and, upon request by authorized representatives of the state or local
10 jurisdiction, the licensee shall open the area for inspection.

11 (3) Each licensee shall retain all books and records necessary to
12 show fully the business transactions of the licensee for a period of the
13 current tax year and the three immediately prior tax years.

14 **44-12-801. [Formerly 12-43.4-801] Judicial review.** Decisions
15 by the state licensing authority are subject to judicial review pursuant to
16 section 24-4-106. ~~C.R.S.~~

17 **44-12-901. [Formerly 12-43.4-901] Unlawful acts - exceptions.**

18 (1) Except as otherwise provided in this ~~article~~ ARTICLE 12, it is unlawful
19 for a person to consume retail marijuana or retail marijuana products in
20 a licensed retail marijuana establishment, and it is unlawful for a retail
21 marijuana licensee to allow retail marijuana or retail marijuana products
22 to be consumed upon its licensed premises.

23 (2) It is unlawful for a person to:

24 (a) Buy, sell, transfer, give away, or acquire retail marijuana or
25 retail marijuana products except as allowed pursuant to this ~~article~~
26 ARTICLE 12 or section 16 of article XVIII of the state constitution; or

27 (b) Have an unreported financial interest or a direct interest in a

1 license pursuant to this ~~article~~ ARTICLE 12; except that this ~~paragraph (b)~~
2 SUBSECTION (2)(b) does not apply to banks or savings and loan
3 associations supervised and regulated by an agency of the state or federal
4 government, or to FHA-approved mortgagees, or to stockholders,
5 directors, or officers thereof.

6 (3) It is unlawful for a person licensed pursuant to this ~~article~~
7 ARTICLE 12:

8 (a) To be within a limited-access area unless the person's license
9 badge is displayed as required by this ~~article~~ ARTICLE 12, except as
10 provided in section ~~12-43.4-701~~ 44-12-701;

11 (b) To fail to designate areas of ingress and egress for
12 limited-access areas and post signs in conspicuous locations as required
13 by this ~~article~~ ARTICLE 12;

14 (c) To fail to report a transfer required by section ~~12-43.4-309~~
15 ~~(10)~~ 44-12-309 (10); or

16 (d) To fail to report the name of or a change in managers as
17 required by section ~~12-43.4-309~~ ~~(11)~~ 44-12-309 (11).

18 (4) It is unlawful for any person licensed to sell retail marijuana
19 or retail marijuana products pursuant to this ~~article~~ ARTICLE 12:

20 (a) To display any signs that are inconsistent with local laws or
21 regulations;

22 (b) To use advertising material that is misleading, deceptive, or
23 false, or that is designed to appeal to minors;

24 (c) To provide public premises, or any portion thereof, for the
25 purpose of consumption of retail marijuana or retail marijuana products
26 in any form;

27 (d) To have in possession or upon the licensed premises any

1 marijuana, the sale of which is not permitted by the license;

2 (e) To sell or permit the sale of retail marijuana or retail marijuana
3 products to a person under twenty-one years of age;

4 (f) To sell more than a quarter of an ounce of retail marijuana and
5 no more than a quarter of an ounce equivalent of a retail marijuana
6 product during a single transaction to a nonresident of the state;

7 (g) To have on the licensed premises any retail marijuana, retail
8 marijuana products, or marijuana paraphernalia that shows evidence of
9 the retail marijuana having been consumed or partially consumed;

10 (h) Distribute marijuana or marijuana products, with or without
11 remuneration, directly to another person using a mobile distribution
12 center;

13 (i) To violate the provisions of section 6-2-103 or 6-2-105;
14 ~~€R.S.~~; or

15 (j) To abandon a licensed premises or otherwise cease operation
16 without notifying the state and local licensing authorities at least
17 forty-eight hours in advance and without accounting for and forfeiting to
18 the state licensing authority for destruction all marijuana or products
19 containing marijuana.

20 ~~(5) Repealed.~~

21 ~~(6)~~ (5) A person who commits any acts that are unlawful pursuant
22 to this ~~article~~ ARTICLE 12 or the rules authorized and adopted pursuant to
23 this ~~article~~ ARTICLE 12 commits a class 2 misdemeanor and shall be
24 punished as provided in section 18-1.3-501; ~~€R.S.~~; except that a
25 violation of ~~paragraph (c) of subsection (4)~~ SUBSECTION (4)(e) of this
26 section is a class 1 misdemeanor and shall be punished as provided in
27 section 18-1.3-501. ~~€R.S.~~ If a violation of this ~~article~~ ARTICLE 12 or the

1 rules authorized and adopted pursuant to this ~~article~~ ARTICLE 12 also
2 constitutes a violation of title 18, ~~C.R.S.~~, the violation shall be charged
3 and prosecuted pursuant to title 18. ~~C.R.S.~~

4 **44-12-1001. [Formerly 12-43.4-1001] Sunset review - article**
5 **repeal.** (1) This ~~article~~ ARTICLE 12 is repealed, effective September 1,
6 2019.

7 (2) Prior to the repeal of this ~~article~~ ARTICLE 12, the department
8 of regulatory agencies shall conduct a sunset review as described in
9 section 24-34-104 (5). ~~C.R.S.~~

10 **44-12-1101. [Formerly 12-43.4-1101] Severability.** If any
11 provision of this ~~article~~ ARTICLE 12 is found by a court of competent
12 jurisdiction to be unconstitutional, the remaining provisions of this ~~article~~
13 ARTICLE 12 are valid, unless it appears to the court that the valid
14 provisions of the statute are so essentially and inseparably connected
15 with, and so dependent upon, the void provision that it cannot be
16 presumed that the legislature would have enacted the valid provisions
17 without the void one; or unless the court determines that the valid
18 provisions, standing alone, are incomplete and are incapable of being
19 executed in accordance with the legislative intent.

20 **SECTION 4.** In Colorado Revised Statutes, 6-1-105, **amend** (1)
21 (hhh) as follows:

22 **6-1-105. Deceptive trade practices.** (1) A person engages in a
23 deceptive trade practice when, in the course of the person's business,
24 vocation, or occupation, the person:

25 (hhh) Knowingly represents that hemp, hemp oil, or any derivative
26 of a hemp plant constitutes retail marijuana or medical marijuana unless
27 it fully satisfies the definition of such products pursuant to section

1 ~~12-43.4-103 (15), C.R.S., 44-12-103 (22) or section 12-43.3-104 (7),~~
2 ~~C.R.S. 44-11-104 (11);~~

3 **SECTION 5.** In Colorado Revised Statutes, 11-33-103, **amend**
4 the introductory portion and (4) as follows:

5 **11-33-103. Definitions.** As used in this ~~article~~ ARTICLE 33, unless
6 the context otherwise requires:

7 (4) "Licensed marijuana business" means an entity licensed
8 pursuant to section ~~12-43.3-402, 12-43.3-403, 12-43.3-404, 12-43.4-402,~~
9 ~~12-43.4-403, 12-43.4-404, or 12-43.4-405, C.R.S. 44-11-402, 44-11-403,~~
10 ~~44-11-404, 44-12-402, 44-12-403, 44-12-404, OR 44-12-405.~~

11 **SECTION 6.** In Colorado Revised Statutes, 11-33-104, **amend**
12 (2)(a)(II) as follows:

13 **11-33-104. Organization - charter - investigation.** (2) A co-op
14 may be organized in the following manner:

15 (a) (II) A co-op may be incorporated and organized for the
16 purpose of providing financial services to licensed marijuana businesses
17 in good standing with the executive director of the state licensing
18 authority created in section ~~12-43.3-201, C.R.S., 44-11-201,~~ industrial
19 hemp businesses, and entities that provide goods or services to licensed
20 marijuana businesses and that provide documentation to the co-op of an
21 inability to get comparable services from a bank or credit union.

22 **SECTION 7.** In Colorado Revised Statutes, 11-33-106, **amend**
23 (2) as follows:

24 **11-33-106. Membership - disclosures.** (2) (a) Co-op
25 membership is limited to only entities that own, operate, or are licensed
26 marijuana businesses in good standing with the executive director of the
27 state licensing authority created in section ~~12-43.3-201, C.R.S.~~

1 44-11-201, industrial hemp businesses, and entities that provide goods or
2 services to licensed marijuana businesses and that provide documentation
3 to the co-op of an inability to get comparable services from a bank or
4 credit union.

5 (b) An individual is not qualified to be a member of a co-op,
6 regardless of whether the individual is licensed, including pursuant to
7 section ~~12-43.3-401 (1)(d)~~ 44-11-401 (1)(f) or ~~12-43.4-401 (1)(e)~~, C.R.S.
8 44-12-401 (1)(e), to own, operate, manage, or be employed by a licensed
9 marijuana business, either as a sole proprietor or any other form of
10 ownership that gives the individual sole control over the licensed
11 marijuana business.

12 **SECTION 8.** In Colorado Revised Statutes, 13-21-121, **amend**
13 (2)(b) as follows:

14 **13-21-121. Agricultural recreation or agritourism activities -**
15 **legislative declaration - inherent risks - limitation of civil liability -**
16 **duty to post warning notice - definitions.** (2) As used in this section,
17 unless the context otherwise requires:

18 (b) "Agricultural recreation or agritourism activity" means an
19 activity related to the normal course of agriculture, as defined in section
20 35-1-102 (1), ~~C.R.S.~~, which activity is engaged in by participants for
21 entertainment, pleasure, or other recreational purposes, or for educational
22 purposes, regardless of whether a fee is charged to the participants.
23 "Agricultural recreation or agritourism activity" also means hunting,
24 shooting, swimming, diving, tubing, and riding or operating a motorized
25 recreational vehicle that occurs on or in proximity to the property of an
26 agricultural operation or an adjacent roadway. "Agricultural recreation or
27 agritourism activity" includes, but is not limited to, planting, cultivation,

1 irrigation, or harvesting of crops; acceptable practices of animal
2 husbandry; rodeo and livestock activities; and maintenance of farm or
3 ranch equipment. "Agricultural recreation or agritourism activity" does
4 not include any activity related to or associated with medical marijuana
5 as defined in section ~~12-43.3-104, C.R.S.~~, 44-11-104 or retail marijuana
6 as defined in section ~~12-43.4-103, C.R.S.~~ 44-12-103.

7 **SECTION 9.** In Colorado Revised Statutes, **amend** 13-22-601 as
8 follows:

9 **13-22-601. Contracts pertaining to marijuana enforceable.** It
10 is the public policy of the state of Colorado that a contract is not void or
11 voidable as against public policy if it pertains to lawful activities
12 authorized by section 16 of article XVIII of the state constitution and
13 ~~article 43.4 of title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44.

14 **SECTION 10.** In Colorado Revised Statutes, **amend** 16-2.5-121
15 as follows:

16 **16-2.5-121. Executive director of the department of revenue**
17 **- senior director of enforcement for the department of revenue.** The
18 executive director and the senior director of enforcement of the
19 department of revenue are peace officers while engaged in the
20 performance of their duties whose authority includes the enforcement of
21 laws and rules regarding automobile dealers pursuant to section 12-6-105
22 (3), the lottery pursuant to sections 24-35-205 (3) and 24-35-206 (7),
23 medical marijuana pursuant to ~~article 43.3 of title 12~~ ARTICLE 11 OF TITLE
24 44, limited gaming pursuant to section 12-47.1-204, liquor pursuant to
25 section 12-47-904 (1), and racing events pursuant to section
26 12-60-203 (1), and the enforcement of all laws of the state of Colorado
27 and who may be certified by the P.O.S.T. board.

1 **SECTION 11.** In Colorado Revised Statutes, **amend**
2 16-2.5-124.5 as follows:

3 **16-2.5-124.5. Director of marijuana enforcement and**
4 **marijuana enforcement investigator.** The director of the marijuana
5 enforcement division or a marijuana enforcement investigator is a peace
6 officer while engaged in the performance of his or her duties and while
7 acting under proper orders or rules pursuant to ~~article 43.3 or 43.4 of title~~
8 ~~12, C.R.S.~~ ARTICLE 11 OR 12 OF TITLE 44, and shall also include the
9 enforcement of all laws of the state of Colorado and who may be certified
10 by the P.O.S.T. board.

11 **SECTION 12.** In Colorado Revised Statutes, 18-1.3-204, **amend**
12 (1)(b) and (2)(a)(VIII)(A) as follows:

13 **18-1.3-204. Conditions of probation - interstate compact**
14 **probation transfer cash fund - creation.** (1) (b) Notwithstanding the
15 provisions of ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF
16 THIS SECTION, unless the defendant is sentenced to probation for a
17 conviction of a crime under ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF
18 TITLE 44, the possession or use of medical marijuana, as authorized
19 pursuant to section 14 of article XVIII of the state constitution, shall not
20 be considered another offense such that its use constitutes a violation of
21 the terms of probation.

22 (2) (a) When granting probation, the court may, as a condition of
23 probation, require that the defendant:

24 (VIII) Refrain from excessive use of alcohol or any unlawful use
25 of controlled substances, as defined in section 18-18-102 (5), or of any
26 other dangerous or abusable drug without a prescription; except that the
27 court shall not, as a condition of probation, prohibit the possession or use

1 of medical marijuana, as authorized pursuant to section 14 of article
2 XVIII of the state constitution, unless:

3 (A) The defendant is sentenced to probation for conviction of a
4 crime under ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44; or

5 **SECTION 13.** In Colorado Revised Statutes, 18-18-406.3,
6 **amend** (7) as follows:

7 **18-18-406.3. Medical use of marijuana by persons diagnosed**
8 **with debilitating medical conditions - unlawful acts - penalty -**
9 **medical marijuana program cash fund.** (7) An owner, officer, or
10 employee of a business licensed pursuant to ~~article 43.3 of title 12, C.R.S.~~
11 ARTICLE 11 OF TITLE 44, or an employee of the state medical marijuana
12 licensing authority, a local medical marijuana licensing authority, or the
13 department of public health and environment, who releases or makes
14 public a patient's medical record or any confidential information
15 contained in any such record that is provided to or by the business
16 licensed pursuant to ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE
17 44, without the written authorization of the patient commits a class 1
18 misdemeanor; except that the owner, officer, or employee shall release
19 the records or information upon request by the state or local medical
20 marijuana licensing authority. The records or information produced for
21 review by the state or local licensing authority shall not become public
22 records by virtue of the disclosure and may be used only for a purpose
23 authorized by ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44, or
24 for another state or local law enforcement purpose. The records or
25 information shall constitute medical data as defined by section 24-72-204
26 (3)(a)(I). ~~C.R.S.~~ The state or local medical marijuana licensing authority
27 may disclose any records or information so obtained only to those persons

1 directly involved with any investigation or proceeding authorized by
2 ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44, or for any state or
3 local law enforcement purpose.

4 **SECTION 14.** In Colorado Revised Statutes, 18-18-406.6,
5 **amend** (1) and (2) as follows:

6 **18-18-406.6. Extraction of marijuana concentrate - definitions.**

7 (1) It shall be unlawful for any person who is not licensed pursuant to
8 ~~article 43.3 or 43.4 of title 12, C.R.S.~~, ARTICLE 11 OR 12 OF TITLE 44 to
9 knowingly manufacture marijuana concentrate using an inherently
10 hazardous substance.

11 (2) It shall be unlawful for any person who is not licensed
12 pursuant to ~~article 43.3 or 43.4 of title 12, C.R.S.~~, ARTICLE 11 OR 12 OF
13 TITLE 44 who owns, manages, operates, or otherwise controls the use of
14 any premises to knowingly allow marijuana concentrate to be
15 manufactured on the premises using an inherently hazardous substance.

16 **SECTION 15.** In Colorado Revised Statutes, 24-20-112, **amend**
17 (1) and (2) as follows:

18 **24-20-112. Implementation of section 16 of article XVIII of the**
19 **Colorado constitution - criteria for pesticide use - education oversight**
20 **and materials.** (1) The governor shall designate a state agency to
21 promulgate rules to designate criteria that identify pesticides that may be
22 used in the cultivation of marijuana as authorized pursuant to ~~article 43.4~~
23 ~~of title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44. The designated agency may
24 consult with other state agencies in promulgating the rules. The agency
25 shall publish a list of pesticides that meet the criteria on its website.

26 (2) The governor shall designate a state agency to work with a
27 private advisory group to develop good cultivation and handling practices

1 for the marijuana industry. The designated agency is encouraged to assist
2 in the formation of a private advisory group. If a private advisory group
3 develops good cultivation and handling practices, an entity licensed
4 pursuant to ~~article 43.4 of title 12, C.R.S.~~, ARTICLE 12 OF TITLE 44 that
5 follows those practices may include a statement of compliance on its label
6 after receiving certification of compliance. The designated agency may
7 consult with other state agencies to receive technical assistance.

8 **SECTION 16.** In Colorado Revised Statutes, 24-33.5-516,
9 **amend** (3) as follows:

10 **24-33.5-516. Study marijuana implementation.** (3) The
11 division is not required to perform the duties required by this section until
12 the marijuana cash fund, created in section ~~12-43.3-501, C.R.S.~~
13 44-11-501, has received sufficient revenue to fully fund the
14 appropriations made to the department of revenue related to ~~articles 43.3~~
15 ~~and 43.4 of title 12, C.R.S.~~ ARTICLES 11 AND 12 OF TITLE 44, and the
16 general assembly has appropriated sufficient ~~moneys~~ MONEY from the
17 fund for such duties.

18 **SECTION 17.** In Colorado Revised Statutes, 24-34-104, **amend**
19 (17)(a)(XIII) and (17)(a)(XV) as follows:

20 **24-34-104. General assembly review of regulatory agencies**
21 **and functions for repeal, continuation, or reestablishment - legislative**
22 **declaration - repeal.** (17) (a) The following agencies, functions, or both,
23 are scheduled for repeal on September 1, 2019:

24 (XIII) The regulation of persons licensed in accordance with
25 ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44;

26 (XV) The regulation of persons licensed pursuant to ~~article 43.4~~
27 ~~of title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44.

1 **SECTION 18.** In Colorado Revised Statutes, 25-1.5-106, amend
2 (3.5)(b), (3.7), (3.8)(a), (7)(e)(I)(A), (8.5)(b), and (8.6)(b) as follows:

3 **25-1.5-106. Medical marijuana program - powers and duties**
4 **of state health agency - rules - medical review board - medical**
5 **marijuana program cash fund - subaccount - created - repeal.**

6 (3.5) **Marijuana laboratory testing reference library.** (b) The
7 reference library must contain a library of methodologies for marijuana
8 testing in the areas of potency, homogeneity, contaminants, and solvents
9 consistent with the laboratory requirements set by the department of
10 revenue pursuant to ~~article 43.3 or 43.4 of title 12, C.R.S.~~ ARTICLE 11 OR
11 12 OF TITLE 44.

12 (3.7) The state health agency shall convene a group of interested
13 parties including representatives from the state licensing authority,
14 primary caregivers, patients, marijuana testing laboratory licensees, and
15 any other interested persons to explore laboratory testing options for
16 medical marijuana not produced by someone licensed pursuant to ~~article~~
17 ~~43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44.

18 (3.8) (a) The state health agency or an organization with whom the
19 state health agency contracts shall be responsible for proficiency testing
20 and remediating problems with laboratories licensed pursuant to ~~article~~
21 ~~43.3 or 43.4 of title 12, C.R.S.~~ ARTICLE 11 OR 12 OF TITLE 44.

22 (7) (e) (I) (A) [*Editor's note: This version of sub-subparagraph*
23 *(A) is effective until January 1, 2018.*] In order to be a primary caregiver
24 who cultivates medical marijuana for his or her patients or transports
25 medical marijuana for his or her patients, he or she shall also register with
26 the state licensing authority. A person may not register as a primary
27 caregiver if he or she is licensed as a medical marijuana business as

1 described in part 4 of ~~article 43.3 of title 12, C.R.S.~~, ARTICLE 11 OF TITLE
2 44 or a retail marijuana business as described in part 4 of ~~article 43.4 of~~
3 ~~title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44. An employee, contractor, or other
4 support staff employed by a licensed entity pursuant to ~~article 43.3 or 43.4~~
5 ~~of title 12, C.R.S.~~ ARTICLE 11 OR 12 OF TITLE 44, or working in or having
6 access to a restricted area of a licensed premises pursuant to ~~article 43.3~~
7 ~~or 43.4 of title 12, C.R.S.~~ ARTICLE 11 OR 12 OF TITLE 44, may be a primary
8 caregiver.

9 (A) *[Editor's note: This version of sub-subparagraph (A) is*
10 *effective January 1, 2018.]* In order to be a primary caregiver who
11 cultivates medical marijuana for his or her patients or transports medical
12 marijuana for his or her patients, he or she shall also register with the
13 state licensing authority and comply with all local laws, regulations, and
14 zoning and use restrictions. A person may not register as a primary
15 caregiver if he or she is licensed as a medical marijuana business as
16 described in part 4 of ~~article 43.3 of title 12~~ ARTICLE 11 OF TITLE 44 or a
17 retail marijuana business as described in part 4 of ~~article 43.4 of title 12~~
18 ARTICLE 12 OF TITLE 44. An employee, contractor, or other support staff
19 employed by a licensed entity pursuant to ~~article 43.3 or 43.4 of title 12~~
20 ARTICLE 11 OR 12 OF TITLE 44, or working in or having access to a
21 restricted area of a licensed premises pursuant to ~~article 43.3 or 43.4 of~~
22 ~~title 12~~ ARTICLE 11 OR 12 OF TITLE 44, may be a primary caregiver.

23 (8.5) **Encourage patient voluntary registration - plant limits.**

24 (b) A patient shall not cultivate more than ninety-nine plants. Only a
25 medical marijuana business licensed and properly authorized pursuant to
26 ~~article 43.3 of title 12, C.R.S.~~, ARTICLE 11 OF TITLE 44 may cultivate more
27 than ninety-nine plants.

1 (8.6) **Primary caregivers plant limits - exceptional**
2 **circumstances.** (b) A primary caregiver shall not cultivate more than
3 ninety-nine plants. Only a medical marijuana business licensed and
4 properly authorized pursuant to ~~article 43.3 of title 12, C.R.S.~~, ARTICLE
5 11 OF TITLE 44 may cultivate more than ninety-nine plants. The primary
6 caregiver is not allowed to grow additional plants until he or she is
7 licensed by the state licensing authority.

8 **SECTION 19.** In Colorado Revised Statutes, 25-5-403, **amend**
9 (3) as follows:

10 **25-5-403. Offenses.** (3) The provisions of this section shall not
11 apply to a medical marijuana center or a medical marijuana-infused
12 products manufacturer licensed pursuant to ~~article 43.3 of title 12, C.R.S.~~,
13 ARTICLE 11 OF TITLE 44 that manufactures or sells a food product that
14 contains medical marijuana so long as the food product is labeled as
15 containing medical marijuana and the label specifies that the product is
16 manufactured without any regulatory oversight for health, safety, or
17 efficacy, and that there may be health risks associated with the
18 consumption or use of the product.

19 **SECTION 20.** In Colorado Revised Statutes, 25-14-103.5,
20 **amend** (3)(a)(I) as follows:

21 **25-14-103.5. Prohibition against the use of tobacco products**
22 **and retail marijuana on school property - legislative declaration -**
23 **education program - special account.** (3) (a) (I) The board of education
24 of each school district shall adopt appropriate policies and rules that
25 mandate a prohibition against the use of all tobacco products and all retail
26 marijuana or retail marijuana products authorized pursuant to ~~article 43.4~~
27 ~~of title 12, C.R.S.~~, ARTICLE 12 OF TITLE 44 on all school property by

1 students, teachers, staff, and visitors and that provide for the enforcement
2 of such policies and rules.

3 **SECTION 21.** In Colorado Revised Statutes, 26-2-104, **amend**
4 (2)(a)(II)(D) and (2)(h)(I)(C) as follows:

5 **26-2-104. Public assistance programs - electronic benefits**
6 **transfer service - joint reports with department of revenue - signs -**
7 **rules.** (2) (a) (II) Only those businesses that offer products or services
8 related to the purpose of the public assistance benefits are allowed to
9 participate in the electronic benefits transfer service through the use of
10 point-of-sale terminals. Clients shall not be allowed to access cash
11 benefits through the electronic benefits transfer service from automated
12 teller machines in this state located in:

13 (D) Establishments licensed to sell medical marijuana or medical
14 marijuana-infused products pursuant to ~~article 43.3 of title 12, C.R.S.,~~
15 ARTICLE 11 OF TITLE 44 or retail marijuana or retail marijuana products
16 pursuant to ~~article 43.4 of title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44; except
17 that the prohibition for these establishments does not take effect until
18 sixty days after May 1, 2015; or

19 (h) (I) On or before January 1, 2016, the department of revenue
20 shall adopt rules pursuant to the "State Administrative Procedure Act",
21 article 4 of title 24, that relate to a client's use of automated teller
22 machines at locations where such use is prohibited. The rules must apply
23 to the following establishments:

24 (C) Establishments licensed to sell medical marijuana or medical
25 marijuana-infused products pursuant to ~~article 43.3 of title 12, C.R.S.,~~
26 ARTICLE 11 OF TITLE 44 or retail marijuana or retail marijuana-infused
27 products pursuant to ~~article 43.4 of title 12, C.R.S.~~ ARTICLE 12 OF TITLE

1 44; and

2 **SECTION 22.** In Colorado Revised Statutes, **amend** 35-61-105.5
3 as follows:

4 **35-61-105.5. Testing laboratories.** If a person registered
5 pursuant to this ~~article~~ ARTICLE 61 wants a licensed retail marijuana
6 testing facility to perform testing on the industrial hemp that the registrant
7 is cultivating, that person shall use a radio frequency identification-based
8 inventory tracking system approved by the commissioner for a sample of
9 the registrant's industrial hemp crop. The commissioner shall only
10 approve an inventory tracking system if that system is compatible with the
11 state licensing authority's seed-to-sale tracking system required pursuant
12 to section ~~12-43.4-202 (1), C.R.S.~~ 44-12-202 (1). A licensed retail testing
13 facility shall provide the test results to the registrant and the
14 commissioner. All test results shall be considered confidential business
15 information. This section shall not be construed to prevent the use of the
16 tracking system for other purposes.

17 **SECTION 23.** In Colorado Revised Statutes, 39-22-104, **amend**
18 (4)(r) and (4)(s) as follows:

19 **39-22-104. Income tax imposed on individuals, estates, and**
20 **trusts - single rate - legislative declaration - definitions - repeal.**

21 (4) There shall be subtracted from federal taxable income:

22 (r) For income tax years commencing on or after January 1, 2014,
23 if a taxpayer is licensed under the "Colorado Medical Marijuana Code",
24 ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44, an amount equal
25 to any expenditure that is eligible to be claimed as a federal income tax
26 deduction but is disallowed by section 280E of the internal revenue code
27 because marijuana is a controlled substance under federal law;

1 (s) For income tax years commencing on or after January 1, 2014,
2 if a taxpayer is licensed under the "Colorado Retail Marijuana Code",
3 ~~article 43.4 of title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44, an amount equal
4 to any expenditure that is eligible to be claimed as a federal income tax
5 deduction but is disallowed by section 280E of the federal internal
6 revenue code because marijuana is a controlled substance under federal
7 law;

8 **SECTION 24.** In Colorado Revised Statutes, 39-22-304, **amend**
9 (3)(m) and (3)(n) as follows:

10 **39-22-304. Net income of corporation - legislative declaration**
11 **- definitions - repeal.** (3) There shall be subtracted from federal taxable
12 income:

13 (m) For income tax years commencing on or after January 1,
14 2014, if a taxpayer is licensed under the "Colorado Medical Marijuana
15 Code", ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44, an amount
16 equal to any expenditure that is eligible to be claimed as a federal income
17 tax deduction but is disallowed by section 280E of the internal revenue
18 code because marijuana is a controlled substance under federal law;

19 (n) For income tax years commencing on or after January 1, 2014,
20 if a taxpayer is licensed under the "Colorado Retail Marijuana Code",
21 ~~article 43.4 of title 12, C.R.S.~~ ARTICLE 12 OF TITLE 44, an amount equal
22 to any expenditure that is eligible to be claimed as a federal income tax
23 deduction but is disallowed by section 280E of the federal internal
24 revenue code because marijuana is a controlled substance under federal
25 law;

26 **SECTION 25.** In Colorado Revised Statutes, 39-26-102, **amend**
27 the introductory portion and (5.8) as follows:

1 **39-26-102. Definitions.** As used in this ~~article~~ ARTICLE 26, unless
2 the context otherwise requires:

3 (5.8) "Medical marijuana" shall have the same meaning as set
4 forth in section ~~12-43.3-104 (7), C.R.S.~~ 44-11-104 (11).

5 **SECTION 26.** In Colorado Revised Statutes, 39-28.8-101,
6 **amend** (6) as follows:

7 **39-28.8-101. Definitions.** Unless the context otherwise requires,
8 any terms not defined in this article 28.8 have the meanings set forth in
9 article 26 of this title 39. As used in this article 28.8, unless the context
10 otherwise requires:

11 (6) "Medical marijuana center" means an entity licensed by the
12 department to sell marijuana and marijuana products pursuant to section
13 14 of article XVIII of the state constitution and the "Colorado Medical
14 Marijuana Code", ~~article 43.3 of title 12, C.R.S.~~ ARTICLE 11 OF TITLE 44.

15 **SECTION 27.** In Colorado Revised Statutes, 39-28.8-501,
16 **amend** (2)(a) introductory portion and (2)(a)(I) as follows:

17 **39-28.8-501. Marijuana tax cash fund - creation - distribution**
18 **- legislative declaration.** (2) (a) The general assembly shall not
19 appropriate the ~~moneys~~ MONEY in the fund for the fiscal year in which
20 ~~they were~~ IT WAS received by the state; except that:

21 (I) The general assembly may appropriate ~~moneys~~ MONEY in the
22 fund to the department of revenue for the fiscal years in which ~~they were~~
23 IT WAS received by the state for the direct and indirect costs associated
24 with implementing this ~~article~~ ARTICLE 28.8 and ~~articles 43.3 and 43.4 of~~
25 ~~title 12, C.R.S.~~ ARTICLES 11 AND 12 OF TITLE 44; and

26 **SECTION 28.** In Colorado Revised Statutes, 39-28.8-502,
27 **amend** (2) as follows:

1 **39-28.8-502. Marijuana tax cash fund - budget requests.**

2 (2) Beginning with the budget request required to be submitted to the
3 joint budget committee by November 1, 2014, and for each budget
4 request required to be submitted each November thereafter, the executive
5 director of the department of revenue shall include in its budget request
6 for the direct and indirect costs associated with implementing this ~~article~~
7 ~~ARTICLE 28.8 and articles 43.3 and 43.4 of title 12, C.R.S.,~~ ARTICLES 11
8 ~~AND 12 OF TITLE 44~~ the amount that the department requests from the
9 ~~moneys~~ MONEY in the marijuana cash fund created in section
10 ~~12-43.3-501, C.R.S.,~~ 44-11-501, and the amount that the department
11 requests from the marijuana tax cash fund.

12 **SECTION 29. Repeal of relocated provisions in this act.** In
13 Colorado Revised Statutes, **repeal** articles 43.3 and 43.4 of title 12.

14 **SECTION 30. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly (August
17 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against this act or an item, section, or part of this act
20 within such period, then the act, item, section, or part will not take effect
21 unless approved by the people at the general election to be held in
22 November 2018 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.