

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

**REREVISED**

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

LLS NO. 10-0773.02 Michael Dohr

**HOUSE BILL 10-1284**

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**HOUSE SPONSORSHIP**

**Massey and Summers,** McCann, Rice

**SENATE SPONSORSHIP**

**Romer and Spence,**

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**House Committees**

Judiciary  
Appropriations

**Senate Committees**

Local Government and Energy  
Appropriations

SENATE  
Am ended 3rd Reading  
May 6, 2010

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**A BILL FOR AN ACT**

101 **CONCERNING REGULATION OF MEDICAL MARIJUANA, AND MAKING AN**  
102 **APPROPRIATION THEREFOR.**

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SENATE  
Am ended 2nd Reading  
May 5, 2010

**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://www.leg.state.co.us/billsummaries>.)*

HOUSE  
3rd Reading Unam ended  
April 22, 2010

**Section 1.** The bill creates the medical marijuana licensing authority (state licensing authority) in the department of revenue. The state licensing authority grants, refuses, or renews a medical marijuana center license after the licensee has received local approval. The state licensing authority also administers aspects of medical marijuana

HOUSE  
Am ended 2nd Reading  
April 20, 2010

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

licensure, including rulemaking. Many of the functions and duties of the state licensing authority are similar to those held by the state licensing authority for alcoholic beverages.

**Section 2.** Under the bill, the department of public health and environment (department) will promulgate new rules related to standards for issuing registry identification cards, documentation for physicians who prescribe medical marijuana, and sanctions for physicians who violate the bill.

A physician who certifies that a patient can use medical marijuana shall certify certain information to the department and maintain a record-keeping system for his or her medical marijuana patients. A physician who certifies that a patient can use medical marijuana shall not receive remuneration from or offer it to a primary caregiver, distributor, or any other provider of medical marijuana.

The bill requires patients under 21 years of age who want to be registered medical marijuana patients to receive recommendations from 2 doctors.

A primary caregiver may serve no more than 5 patients on the registry at one time, unless the department allows more patients due to exceptional circumstances.

A patient who is permitted to use medical marijuana must have in his or her possession a registry identification card at all times when in possession of medical marijuana.

The bill lists various places and situations in which the patient or primary caregiver may not use or possess medical marijuana. A physician who certifies that a patient can use medical marijuana may not receive remuneration from a primary caregiver related to medical marijuana or from a medical marijuana center.

The bill imposes a one-year moratorium on the opening of new medical marijuana centers, but allows current medical marijuana centers to operate for a year before becoming licensed.

**Section 3.** The bill provides an exception to the adulterated food offenses for medical marijuana centers that manufacture or sell food that contains medical marijuana if the food is labeled as containing medical marijuana and the label specifies the amount of medical marijuana.

**Sections 4, 5, and 6** make conforming amendments.

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

2 **SECTION 1.** Title 12, Colorado Revised Statutes, is amended BY  
3 **THE ADDITION OF A NEW ARTICLE** to read:

4 **ARTICLE 43.3**

1 **Medical Marijuana**

2 **PART 1**

3 **COLORADO MEDICAL MARIJUANA CODE**

4 **12-43.3-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND  
5 MAY BE CITED AS THE "COLORADO MEDICAL MARIJUANA CODE".

6 **12-43.3-102. Legislative declaration.** (1) THE GENERAL  
7 ASSEMBLY HEREBY DECLARES THAT THIS ARTICLE SHALL BE DEEMED AN  
8 EXERCISE OF THE POLICE POWERS OF THE STATE FOR THE PROTECTION OF  
9 THE ECONOMIC AND SOCIAL WELFARE AND THE HEALTH, PEACE, AND  
10 MORALS OF THE PEOPLE OF THIS STATE.

11 (2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT IT IS  
12 UNLAWFUL UNDER STATE LAW TO CULTIVATE, MANUFACTURE,  
13 DISTRIBUTE, OR SELL MEDICAL MARIJUANA, EXCEPT IN COMPLIANCE WITH  
14 THE TERMS, CONDITIONS, LIMITATIONS, AND RESTRICTIONS IN SECTION 14  
15 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE OR  
16 WHEN ACTING AS A PRIMARY CAREGIVER IN COMPLIANCE WITH THE TERMS,  
17 CONDITIONS, LIMITATIONS, AND RESTRICTIONS OF SECTION 25-1.5-106,  
18 C.R.S.

19 **12-43.3-103. Applicability.** (1) (a) ON JULY 1, 2010, A PERSON  
20 WHO IS OPERATING AN ESTABLISHED, LOCALLY APPROVED BUSINESS FOR  
21 THE PURPOSE OF CULTIVATION, MANUFACTURE, OR SALE OF MEDICAL  
22 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS OR A PERSON  
23 WHO HAS APPLIED TO A LOCAL GOVERNMENT TO OPERATE A LOCALLY  
24 APPROVED BUSINESS FOR THE PURPOSE OF CULTIVATION, MANUFACTURE,  
25 OR SALE OF MEDICAL MARIJUANA OR MEDICAL MARIJUANA-INFUSED  
26 PRODUCTS WHICH IS SUBSEQUENTLY GRANTED MAY CONTINUE TO  
27 OPERATE THAT BUSINESS IN ACCORDANCE WITH ANY APPLICABLE STATE

1 OR LOCAL LAWS. "ESTABLISHED", AS USED IN THIS PARAGRAPH (a), SHALL  
2 MEAN OWNING OR LEASING A SPACE WITH A STOREFRONT AND REMITTING  
3 SALES TAXES IN A TIMELY MANNER ON RETAIL SALES OF THE BUSINESS AS  
4 REQUIRED PURSUANT TO 39-26-105, C.R.S., AS WELL AS ANY APPLICABLE  
5 LOCAL SALES TAXES.

6 (b) TO CONTINUE OPERATING A BUSINESS OR OPERATION AS  
7 DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (1), THE OWNER SHALL,  
8 ON OR BEFORE AUGUST 1, 2010, COMPLETE FORMS AS PROVIDED BY THE  
9 DEPARTMENT OF REVENUE AND SHALL PAY A FEE, WHICH SHALL BE  
10 CREDITED TO THE MEDICAL MARIJUANA LICENSE CASH FUND ESTABLISHED  
11 PURSUANT TO SECTION 12-43.3-501. THE PURPOSE OF THE FEE SHALL BE  
12 TO PAY FOR THE DIRECT AND INDIRECT COSTS OF THE STATE LICENSING  
13 AUTHORITY AND THE DEVELOPMENT OF APPLICATION PROCEDURES AND  
14 RULES NECESSARY TO IMPLEMENT THIS ARTICLE. PAYMENT OF THE FEE  
15 AND COMPLETION OF THE FORM SHALL NOT CREATE A LOCAL OR STATE  
16 LICENSE OR A PRESENT OR FUTURE ENTITLEMENT TO RECEIVE A LICENSE.  
17 AN OWNER ISSUED A LOCAL LICENSE AFTER AUGUST 1, 2010, SHALL  
18 COMPLETE THE FORMS AND PAY THE FEE PURSUANT TO THIS PARAGRAPH  
19 (b) WITHIN THIRTY DAYS OF ISSUANCE OF THE LOCAL LICENSE. IN  
20 ADDITION TO ANY CRIMINAL PENALTIES FOR SELLING WITHOUT A LICENSE,  
21 IT SHALL BE UNLAWFUL TO CONTINUE OPERATING A BUSINESS OR  
22 OPERATION WITHOUT FILING THE FORMS AND PAYING THE FEE AS  
23 DESCRIBED IN THIS SUBSECTION (b), AND ANY VIOLATION OF THIS SECTION  
24 SHALL BE PRIMA-FACIE EVIDENCE OF UNSATISFACTORY CHARACTER,  
25 RECORD, AND REPUTATION FOR ANY FUTURE APPLICATION FOR LICENSE  
26 UNDER THIS ARTICLE.

27 (c) A COUNTY, CITY AND COUNTY, OR MUNICIPALITY SHALL

1 PROVIDE TO THE STATE LICENSING AUTHORITY, UPON REQUEST, A LIST  
2 THAT INCLUDES THE NAME AND LOCATION OF EACH LOCAL CENTER OR  
3 OPERATION LICENSED IN SAID COUNTY, CITY AND COUNTY, OR  
4 MUNICIPALITY SO THAT THE STATE LICENSING AUTHORITY CAN IDENTIFY  
5 ANY CENTER OR OPERATION OPERATING UNLAWFULLY.

6 (2) (a) PRIOR TO JULY 1, 2011, A COUNTY, CITY AND COUNTY, OR  
7 MUNICIPALITY MAY ADOPT AND ENFORCE A RESOLUTION OR ORDINANCE  
8 LICENSING, REGULATING, OR PROHIBITING THE CULTIVATION OR SALE OF  
9 MEDICAL MARIJUANA. IN A COUNTY, CITY AND COUNTY, OR MUNICIPALITY  
10 WHERE SUCH AN ORDINANCE OR RESOLUTION HAS BEEN ADOPTED, A  
11 PERSON WHO IS NOT REGISTERED AS A PATIENT OR PRIMARY CAREGIVER  
12 PURSUANT TO SECTION 25-1.5-106, C.R.S., AND WHO IS CULTIVATING OR  
13 SELLING MEDICAL MARIJUANA SHALL NOT BE ENTITLED TO AN  
14 AFFIRMATIVE DEFENSE TO A CRIMINAL PROSECUTION AS PROVIDED FOR IN  
15 SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION UNLESS THE  
16 PERSON IS IN COMPLIANCE WITH THE APPLICABLE COUNTY OR MUNICIPAL  
17 LAW.

18 (b) ON OR BEFORE SEPTEMBER 1, 2010, A BUSINESS OR OPERATION  
19 SHALL CERTIFY THAT IT IS CULTIVATING AT LEAST SEVENTY PERCENT OF  
20 THE MEDICAL MARIJUANA NECESSARY FOR ITS OPERATION.

21 (c) ON AND AFTER JULY 1, 2011, ALL BUSINESSES FOR THE  
22 PURPOSE OF CULTIVATION, MANUFACTURE, OR SALE OF MEDICAL  
23 MARIJUANA OR MEDICAL MARIJUANA-INFUSED PRODUCTS, AS DEFINED IN  
24 THIS ARTICLE, SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS  
25 ARTICLE AND ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE.

26 \_\_\_\_\_  
27 **12-43.3-104. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "GOOD CAUSE", FOR PURPOSES OF REFUSING OR DENYING A  
3 LICENSE RENEWAL, REINSTATEMENT, OR INITIAL LICENSE ISSUANCE,  
4 MEANS:

5 (a) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET,  
6 OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR  
7 PROVISIONS OF THIS ARTICLE, ANY RULES PROMULGATED PURSUANT TO  
8 THIS ARTICLE, OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR  
9 REGULATIONS;

10 (b) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH ANY  
11 SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE  
12 PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY;

13 (c) THE LICENSED PREMISES HAVE BEEN OPERATED IN A MANNER  
14 THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR WELFARE OR THE  
15 SAFETY OF THE IMMEDIATE NEIGHBORHOOD IN WHICH THE  
16 ESTABLISHMENT IS LOCATED.

17 (2) "LICENSE" MEANS TO GRANT A LICENSE OR REGISTRATION  
18 PURSUANT TO THIS ARTICLE.

19 (3) "LICENSED PREMISES" MEANS THE PREMISES SPECIFIED IN AN  
20 APPLICATION FOR A LICENSE UNDER THIS ARTICLE, WHICH ARE OWNED OR  
21 IN POSSESSION OF THE LICENSEE AND WITHIN WHICH THE LICENSEE IS  
22 AUTHORIZED TO CULTIVATE, MANUFACTURE, DISTRIBUTE, OR SELL  
23 MEDICAL MARIJUANA IN ACCORDANCE WITH THE PROVISIONS OF THIS  
24 ARTICLE.

25 (4) "LICENSEE" MEANS A PERSON LICENSED OR REGISTERED  
26 PURSUANT TO THIS ARTICLE.

27 (5) "LOCAL LICENSING AUTHORITY" MEANS AN AUTHORITY

1 DESIGNATED BY MUNICIPAL OR COUNTY CHARTER, MUNICIPAL ORDINANCE,  
2 OR COUNTY RESOLUTION.

3 (6) "LOCATION" MEANS A PARTICULAR PARCEL OF LAND THAT MAY  
4 BE IDENTIFIED BY AN ADDRESS OR OTHER DESCRIPTIVE MEANS.

5 (7) "MEDICAL MARIJUANA" MEANS MARIJUANA THAT IS GROWN  
6 AND SOLD PURSUANT TO THE PROVISIONS OF THIS ARTICLE AND FOR A  
7 PURPOSE AUTHORIZED BY SECTION 14 OF ARTICLE XVIII OF THE STATE  
8 CONSTITUTION.

9 (8) "MEDICAL MARIJUANA CENTER" MEANS A PERSON LICENSED  
10 PURSUANT TO THIS ARTICLE TO OPERATE A BUSINESS AS DESCRIBED IN  
11 SECTION 12-43.3-402 THAT SELLS MEDICAL MARIJUANA TO REGISTERED  
12 PATIENTS OR PRIMARY CAREGIVERS AS DEFINED IN SECTION 14 OF ARTICLE  
13 XVIII OF THE STATE CONSTITUTION, BUT IS NOT A PRIMARY CAREGIVER.

14 (9) "MEDICAL MARIJUANA-INFUSED PRODUCT" MEANS A PRODUCT  
15 INFUSED WITH MEDICAL MARIJUANA THAT IS INTENDED FOR USE OR  
16 CONSUMPTION OTHER THAN BY SMOKING, INCLUDING BUT NOT LIMITED TO  
17 EDIBLE PRODUCTS, OINTMENTS, AND TINCTURES. THESE PRODUCTS, WHEN  
18 MANUFACTURED OR SOLD BY A LICENSED MEDICAL MARIJUANA CENTER OR  
19 A MEDICAL MARIJUANA-INFUSED PRODUCT MANUFACTURER, SHALL NOT  
20 BE CONSIDERED A FOOD OR DRUG FOR THE PURPOSES OF THE "COLORADO  
21 FOOD AND DRUG ACT", PART 4 OF ARTICLE 5 OF TITLE 25, C.R.S.

22 (10) "MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER"  
23 MEANS A PERSON LICENSED PURSUANT TO THIS ARTICLE TO OPERATE A  
24 BUSINESS AS DESCRIBED IN SECTION 12-43.3-404.

25 (11) "OPTIONAL PREMISES" MEANS THE PREMISES SPECIFIED IN AN  
26 APPLICATION FOR A MEDICAL MARIJUANA CENTER LICENSE WITH RELATED  
27 GROWING FACILITIES IN COLORADO FOR WHICH THE LICENSEE IS

1 AUTHORIZED TO GROW AND CULTIVATE MARIJUANA FOR A PURPOSE  
2 AUTHORIZED BY SECTION 14 OF ARTICLE XVIII OF THE STATE  
3 CONSTITUTION.

4 (12) "OPTIONAL PREMISES CULTIVATION OPERATION" MEANS A  
5 PERSON LICENSED PURSUANT TO THIS ARTICLE TO OPERATE A BUSINESS AS  
6 DESCRIBED IN SECTION 12-43.3-403.

7 (13) "PERSON" MEANS A NATURAL PERSON, PARTNERSHIP,  
8 ASSOCIATION, COMPANY, CORPORATION, LIMITED LIABILITY COMPANY, OR  
9 ORGANIZATION, OR A MANAGER, AGENT, OWNER, DIRECTOR, SERVANT,  
10 OFFICER, OR EMPLOYEE THEREOF.

11 (14) "PREMISES" MEANS A DISTINCT AND DEFINITE LOCATION,  
12 WHICH MAY INCLUDE A BUILDING, A PART OF A BUILDING, A ROOM, OR ANY  
13 OTHER DEFINITE CONTIGUOUS AREA.

14 (15) "SCHOOL" MEANS A PUBLIC OR PRIVATE PRESCHOOL OR A  
15 PUBLIC OR PRIVATE ELEMENTARY, MIDDLE, JUNIOR HIGH, OR HIGH SCHOOL.

16 (16) "STATE LICENSING AUTHORITY" MEANS THE AUTHORITY  
17 CREATED FOR THE PURPOSE OF REGULATING AND CONTROLLING THE  
18 LICENSING OF THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE  
19 OF MEDICAL MARIJUANA IN THIS STATE, PURSUANT TO SECTION  
20 12-43.3-201.

21 **12-43.3-105. Limited access areas.** SUBJECT TO THE PROVISIONS  
22 OF 12-43.3-701, A LIMITED ACCESS AREA SHALL BE A BUILDING, ROOM, OR  
23 OTHER CONTIGUOUS AREA UPON THE LICENSED PREMISES WHERE MEDICAL  
24 MARIJUANA IS GROWN, CULTIVATED, STORED, WEIGHED, DISPLAYED,  
25 PACKAGED, SOLD, OR POSSESSED FOR SALE, UNDER CONTROL OF THE  
26 LICENSEE, WITH LIMITED ACCESS TO ONLY THOSE PERSONS LICENSED BY  
27 THE STATE LICENSING AUTHORITY. ALL AREAS OF INGRESS OR EGRESS TO



1 LIMITED ACCESS AREAS SHALL BE CLEARLY IDENTIFIED AS SUCH BY A SIGN  
2 AS DESIGNATED BY THE STATE LICENSING AUTHORITY.

3 **12-43.3-106. Local option.** THE OPERATION OF THIS ARTICLE  
4 SHALL BE STATEWIDE UNLESS A MUNICIPALITY, COUNTY, CITY, OR CITY  
5 AND COUNTY, BY EITHER A MAJORITY OF THE REGISTERED ELECTORS OF  
6 THE MUNICIPALITY, COUNTY, CITY, OR CITY AND COUNTY VOTING AT A  
7 REGULAR ELECTION OR SPECIAL ELECTION CALLED IN ACCORDANCE WITH  
8 THE "COLORADO MUNICIPAL ELECTION CODE OF 1965", ARTICLE 10 OF  
9 TITLE 31, C.R.S., OR THE "UNIFORM ELECTION CODE OF 1992", ARTICLES  
10 1 TO 13 OF TITLE 1, C.R.S., AS APPLICABLE, OR A MAJORITY OF THE  
11 MEMBERS OF THE GOVERNING BOARD FOR THE MUNICIPALITY, COUNTY,  
12 CITY, OR CITY AND COUNTY, VOTE TO PROHIBIT THE OPERATION OF  
13 MEDICAL MARIJUANA CENTERS, OPTIONAL PREMISES CULTIVATION  
14 OPERATIONS, AND MEDICAL MARIJUANA-INFUSED PRODUCTS  
15 MANUFACTURERS' LICENSES.

16 PART 2

17 STATE LICENSING AUTHORITY

18 **12-43.3-201. State licensing authority - creation - repeal.**  
19 (1) FOR THE PURPOSE OF REGULATING AND CONTROLLING THE LICENSING  
20 OF THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE OF  
21 MEDICAL MARIJUANA IN THIS STATE, THERE IS HEREBY CREATED THE  
22 STATE LICENSING AUTHORITY, WHICH SHALL BE THE EXECUTIVE DIRECTOR  
23 OF THE DEPARTMENT OF REVENUE OR THE DEPUTY DIRECTOR OF THE  
24 DEPARTMENT OF REVENUE IF THE EXECUTIVE DIRECTOR SO DESIGNATES.  
25 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE  
26 SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE STATE LICENSING  
27 AUTHORITY AND MAY EMPLOY, PURSUANT TO SECTION 13 OF ARTICLE XII

1 OF THE STATE CONSTITUTION, SUCH OFFICERS AND EMPLOYEES AS MAY BE  
2 DETERMINED TO BE NECESSARY, WHICH OFFICERS AND EMPLOYEES SHALL  
3 BE PART OF THE DEPARTMENT OF REVENUE. THE STATE LICENSING  
4 AUTHORITY SHALL, AT ITS DISCRETION, BASED UPON WORKLOAD, EMPLOY  
5 NO MORE THAN ONE FULL TIME EQUIVALENT EMPLOYEE FOR EACH TEN  
6 MEDICAL MARIJUANA CENTERS LICENSED BY OR MAKING APPLICATION  
7 WITH THE AUTHORITY. NO MONEYS SHALL BE APPROPRIATED TO THE  
8 STATE LICENSING AUTHORITY FROM THE GENERAL FUND FOR THE  
9 OPERATION OF THIS ARTICLE, NOR SHALL THE STATE LICENSING  
10 AUTHORITY EXPEND ANY GENERAL FUND MONEYS FOR THE OPERATION OF  
11 THIS ARTICLE.

12 (3) (a) DURING FISCAL YEAR 2010-2011, THE STATE LICENSING  
13 AUTHORITY SHALL CONSIDER EMPLOYMENT OF TEMPORARY OR CONTRACT  
14 STAFF TO CONDUCT BACKGROUND INVESTIGATIONS. THE ADDITIONAL  
15 COST OF THE BACKGROUND INVESTIGATIONS SHALL NOT EXCEED FIVE  
16 HUNDRED THOUSAND DOLLARS.

17 (b) ON JULY 1, 2010, THE DEPARTMENT OF PUBLIC HEALTH AND  
18 ENVIRONMENT SHALL LOAN TO THE STATE LICENSING AUTHORITY,  
19 CREATED IN 12-43.3-201, A SUM NOT TO EXCEED ONE MILLION DOLLARS  
20 FROM THE MEDICAL MARIJUANA CASH FUND CREATED IN 25-1.5-106. THE  
21 STATE LICENSING AUTHORITY SHALL PAY BACK THE ONE MILLION DOLLAR  
22 LOAN TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT NO  
23 LATER THAN DECEMBER 31, 2010.

24 (c) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JULY 1, 2011.

25 **12-43.3-202. Powers and duties of state licensing authority -**  
26 **repeal.** (1) THE STATE LICENSING AUTHORITY SHALL:

27 (a) GRANT OR REFUSE STATE LICENSES FOR THE CULTIVATION,

1 MANUFACTURE, DISTRIBUTION, AND SALE OF MEDICAL MARIJUANA AS  
2 PROVIDED BY LAW; SUSPEND, FINE, RESTRICT, OR REVOKE SUCH LICENSES  
3 UPON A VIOLATION OF THIS ARTICLE, OR A RULE PROMULGATED PURSUANT  
4 TO THIS ARTICLE; AND IMPOSE ANY PENALTY AUTHORIZED BY THIS  
5 ARTICLE OR ANY RULE PROMULGATED PURSUANT TO THIS ARTICLE. THE  
6 STATE LICENSING AUTHORITY MAY TAKE ANY ACTION WITH RESPECT TO A  
7 REGISTRATION PURSUANT TO THIS ARTICLE AS IT MAY WITH RESPECT TO A  
8 LICENSE PURSUANT TO THIS ARTICLE, IN ACCORDANCE WITH THE  
9 PROCEDURES ESTABLISHED PURSUANT TO THIS ARTICLE.

10 (b) (I) PROMULGATE SUCH RULES AND SUCH SPECIAL RULINGS  
11 AND FINDINGS AS NECESSARY FOR THE PROPER REGULATION AND CONTROL  
12 OF THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE OF  
13 MEDICAL MARIJUANA AND FOR THE ENFORCEMENT OF THIS ARTICLE. A  
14 COUNTY, MUNICIPALITY, OR CITY AND COUNTY THAT HAS ADOPTED A  
15 TEMPORARY MORATORIUM REGARDING THE SUBJECT MATTER OF THIS  
16 ARTICLE SHALL BE SPECIFICALLY AUTHORIZED TO EXTEND THE  
17 MORATORIUM UNTIL THE EFFECTIVE DATE OF THE RULES ADOPTED BY THE  
18 DEPARTMENT OF REVENUE IN ACCORDANCE WITH THIS ARTICLE.

19 (II) (A) THE STATE LICENSING AUTHORITY SHALL CONDUCT A  
20 PUBLIC REVIEW HEARING WITH THE DEPARTMENT OF PUBLIC HEALTH AND  
21 ENVIRONMENT BY SEPTEMBER 1, 2010, TO RECEIVE PUBLIC INPUT ON ANY  
22 EMERGENCY RULES ADOPTED BY THE STATE LICENSING AUTHORITY AND  
23 BE PROVIDED WITH AN UPDATE FROM THE INDUSTRY, CAREGIVERS,  
24 PATIENTS, AND OTHER STAKEHOLDERS REGARDING THE INDUSTRY'S  
25 CURRENT STATUS. THE STATE LICENSING AUTHORITY SHALL PROVIDE AT  
26 LEAST FIVE BUSINESS DAYS' NOTICE PRIOR TO THE HEARING.

27 (B) THIS SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1,

1 2011.

2 (c) HEAR AND DETERMINE AT A PUBLIC HEARING ANY APPEALS OF  
3 A STATE LICENSE DENIAL AND ANY COMPLAINTS AGAINST A LICENSEE AND  
4 ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE OF  
5 PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS  
6 NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN  
7 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S. THE STATE LICENSING  
8 AUTHORITY MAY, AT ITS DISCRETION, DELEGATE TO THE DEPARTMENT OF  
9 REVENUE HEARING OFFICERS THE AUTHORITY TO CONDUCT LICENSING,  
10 DISCIPLINARY, AND RULEMAKING HEARINGS UNDER SECTION 24-4-105,  
11 C.R.S. WHEN CONDUCTING SUCH HEARINGS, THE HEARING OFFICERS  
12 SHALL BE EMPLOYEES OF THE STATE LICENSING AUTHORITY UNDER THE  
13 DIRECTION AND SUPERVISION OF THE EXECUTIVE DIRECTOR AND THE  
14 STATE LICENSING AUTHORITY.

15 (d) MAINTAIN THE CONFIDENTIALITY OF REPORTS OBTAINED FROM  
16 A LICENSEE SHOWING THE SALES VOLUME OR QUANTITY OF MEDICAL  
17 MARIJUANA SOLD OR ANY OTHER RECORDS THAT ARE EXEMPT FROM  
18 PUBLIC INSPECTION PURSUANT TO STATE LAW;

19 (e) DEVELOP SUCH FORMS, LICENSES, IDENTIFICATION CARDS, AND  
20 APPLICATIONS AS ARE NECESSARY OR CONVENIENT IN THE DISCRETION OF  
21 THE STATE LICENSING AUTHORITY FOR THE ADMINISTRATION OF THIS  
22 ARTICLE OR ANY OF THE RULES PROMULGATED UNDER THIS ARTICLE;

23 (f) PREPARE AND TRANSMIT ANNUALLY, IN THE FORM AND  
24 MANNER PRESCRIBED BY THE HEADS OF THE PRINCIPAL DEPARTMENTS  
25 PURSUANT TO SECTION 24-1-136, C.R.S., A REPORT ACCOUNTING TO THE  
26 GOVERNOR FOR THE EFFICIENT DISCHARGE OF ALL RESPONSIBILITIES  
27 ASSIGNED BY LAW OR DIRECTIVE TO THE STATE LICENSING AUTHORITY;

1 AND

2 (g) IN RECOGNITION OF THE POTENTIAL MEDICINAL VALUE OF  
3 MEDICAL MARIJUANA, MAKE A REQUEST BY JANUARY 1, 2012, TO THE  
4 FEDERAL DRUG ENFORCEMENT ADMINISTRATION TO CONSIDER  
5 RESCHEDULING, FOR PHARMACEUTICAL PURPOSES, MEDICAL MARIJUANA  
6 FROM A SCHEDULE I CONTROLLED SUBSTANCE TO A SCHEDULE II  
7 CONTROLLED SUBSTANCE.

8 (2) (a) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF  
9 SUBSECTION (1) OF THIS SECTION MAY INCLUDE, BUT NEED NOT BE LIMITED  
10 TO, THE FOLLOWING SUBJECTS:

11 (I) COMPLIANCE WITH, ENFORCEMENT OF, OR VIOLATION OF ANY  
12 PROVISION OF THIS ARTICLE, OR ANY RULE ISSUED PURSUANT TO THIS  
13 ARTICLE, INCLUDING PROCEDURES AND GROUNDS FOR DENYING,  
14 SUSPENDING, FINING, RESTRICTING, OR REVOKING A STATE LICENSE ISSUED  
15 PURSUANT TO THIS ARTICLE;

16 (II) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF  
17 THE STATE LICENSING AUTHORITY;

18 (III) INSTRUCTIONS FOR LOCAL LICENSING AUTHORITIES AND LAW  
19 ENFORCEMENT OFFICERS;

20 (IV) REQUIREMENTS FOR INSPECTIONS, INVESTIGATIONS,  
21 SEARCHES, SEIZURES, AND SUCH ADDITIONAL ACTIVITIES AS MAY BECOME  
22 NECESSARY FROM TIME TO TIME;

23 (V) CREATION OF A RANGE OF PENALTIES FOR USE BY THE STATE  
24 LICENSING AUTHORITY;

25 (VI) PROHIBITION OF MISREPRESENTATION AND UNFAIR  
26 PRACTICES;

27 (VII) CONTROL OF INFORMATIONAL AND PRODUCT DISPLAYS ON

- 1 LICENSED PREMISES;
- 2 (VIII) DEVELOPMENT OF INDIVIDUAL IDENTIFICATION CARDS FOR  
3 OWNERS, OFFICERS, MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER  
4 SUPPORT STAFF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE,  
5 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AS  
6 MAY BE REQUIRED BY THE STATE LICENSING AUTHORITY PRIOR TO ISSUING  
7 A CARD;
- 8 (IX) IDENTIFICATION OF STATE LICENSEES AND THEIR OWNERS,  
9 OFFICERS, MANAGERS, AND EMPLOYEES;
- 10 (X) SECURITY REQUIREMENTS FOR ANY PREMISES LICENSED  
11 PURSUANT TO THIS ARTICLE, INCLUDING, AT A \_\_\_\_\_ MINIMUM, LIGHTING,  
12 PHYSICAL SECURITY, VIDEO, ALARM REQUIREMENTS, AND OTHER MINIMUM  
13 PROCEDURES FOR INTERNAL CONTROL AS DEEMED NECESSARY BY THE  
14 STATE LICENSING AUTHORITY TO PROPERLY ADMINISTER AND ENFORCE  
15 THE PROVISIONS OF THIS ARTICLE, INCLUDING REPORTING REQUIREMENTS  
16 FOR CHANGES, ALTERATIONS, OR MODIFICATIONS TO THE PREMISES;
- 17 (XI) REGULATION OF THE STORAGE OF, WAREHOUSES FOR, AND  
18 TRANSPORTATION OF MEDICAL MARIJUANA;
- 19 (XII) SANITARY REQUIREMENTS FOR MEDICAL MARIJUANA  
20 CENTERS, INCLUDING BUT NOT LIMITED TO SANITARY REQUIREMENTS FOR  
21 THE PREPARATION OF MEDICAL MARIJUANA-INFUSED PRODUCTS;
- 22 (XIII) THE SPECIFICATION OF ACCEPTABLE FORMS OF PICTURE  
23 IDENTIFICATION THAT A MEDICAL MARIJUANA CENTER MAY ACCEPT WHEN  
24 VERIFYING A SALE;
- 25 (XIV) LABELING STANDARDS;
- 26 (XV) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED  
27 AVAILABILITY OF THE RECORDS;

1 (XVI) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES  
2 FOR RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT  
3 OF LICENSING FEES;

4 (XVII) THE REPORTING AND TRANSMITTAL OF MONTHLY SALES  
5 TAX PAYMENTS BY MEDICAL MARIJUANA CENTERS;

6 (XVIII) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO  
7 HAVE ACCESS TO LICENSING INFORMATION TO ENSURE SALES AND INCOME  
8 TAX PAYMENT AND THE EFFECTIVE ADMINISTRATION OF THIS ARTICLE;

9 (XIX) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO  
10 ISSUE ADMINISTRATIVE CITATIONS AND PROCEDURES FOR ISSUING,  
11 APPEALING AND CREATING A CITATION VIOLATION LIST AND SCHEDULE OF  
12 PENALTIES; AND

13 (XX) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,  
14 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS  
15 ARTICLE.

16 (b) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED AS  
17 DELEGATING TO THE STATE LICENSING AUTHORITY THE POWER TO FIX  
18 PRICES FOR MEDICAL MARIJUANA.

19 (c) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO LIMIT A  
20 LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL  
21 ACTIVITY IN RELATION TO A MEDICAL MARIJUANA CENTER, OPTIONAL  
22 PREMISES CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED  
23 PRODUCTS MANUFACTURER. A LAW ENFORCEMENT AGENCY SHALL HAVE  
24 THE AUTHORITY TO RUN A COLORADO CRIME INFORMATION CENTER  
25 CRIMINAL HISTORY RECORD CHECK OF A PRIMARY CAREGIVER, LICENSEE,  
26 OR EMPLOYEE OF A LICENSEE DURING AN INVESTIGATION OF UNLAWFUL  
27 ACTIVITY RELATED TO MEDICAL MARIJUANA.

1 PART 3

2 STATE AND LOCAL LICENSING

3 **12-43.3-301. Local licensing authority - applications - licenses.**

4 (1) A LOCAL LICENSING AUTHORITY MAY ISSUE ONLY THE FOLLOWING  
5 MEDICAL MARIJUANA LICENSES UPON PAYMENT OF THE FEE AND  
6 COMPLIANCE WITH ALL LOCAL LICENSING REQUIREMENTS TO BE  
7 DETERMINED BY THE LOCAL LICENSING AUTHORITY:

8 (a) A MEDICAL MARIJUANA CENTER LICENSE;

9 (b) AN OPTIONAL PREMISES CULTIVATION LICENSE;

10 (c) A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING  
11 LICENSE.

12 (2) (a) A LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A LOCAL  
13 LICENSE WITHIN A MUNICIPALITY, CITY AND COUNTY, OR THE  
14 UNINCORPORATED PORTION OF A COUNTY UNLESS THE GOVERNING BODY  
15 OF THE MUNICIPALITY OR CITY AND COUNTY HAS ADOPTED AN ORDINANCE,  
16 OR THE GOVERNING BODY OF THE COUNTY HAS ADOPTED A RESOLUTION,  
17 CONTAINING SPECIFIC STANDARDS FOR LICENSE ISSUANCE, OR IF NO SUCH  
18 ORDINANCE OR RESOLUTION IS ADOPTED PRIOR TO JULY 1, 2011, THEN A  
19 LOCAL LICENSING AUTHORITY SHALL CONSIDER THE MINIMUM LICENSING  
20 REQUIREMENTS OF THIS PART 3 WHEN ISSUING A LICENSE.

21 (b) IN ADDITION TO ALL OTHER STANDARDS APPLICABLE TO THE  
22 ISSUANCE OF LICENSES UNDER THIS ARTICLE, THE LOCAL GOVERNING BODY  
23 MAY ADOPT ADDITIONAL STANDARDS FOR THE ISSUANCE OF MEDICAL  
24 MARIJUANA CENTER, OPTIONAL PREMISES CULTIVATION, OR MEDICAL  
25 MARIJUANA-INFUSED PRODUCTS MANUFACTURER LICENSES CONSISTENT  
26 WITH THE INTENT OF THIS ARTICLE THAT MAY INCLUDE, BUT NEED NOT BE  
27 LIMITED TO:



1 (I) DISTANCE RESTRICTIONS BETWEEN PREMISES FOR WHICH LOCAL  
2 LICENSES ARE ISSUED;

3 (II) REASONABLE RESTRICTIONS ON THE SIZE OF AN APPLICANT'S  
4 LICENSED PREMISES; AND

5 (III) ANY OTHER REQUIREMENTS NECESSARY TO ENSURE THE  
6 CONTROL OF THE PREMISES AND THE EASE OF ENFORCEMENT OF THE  
7 TERMS AND CONDITIONS OF THE LICENSE.

8 (3) AN APPLICATION FOR A LICENSE SPECIFIED IN SUBSECTION (1)  
9 OF THIS SECTION SHALL BE FILED WITH THE APPROPRIATE LOCAL  
10 LICENSING AUTHORITY ON FORMS PROVIDED BY THE STATE LICENSING  
11 AUTHORITY AND SHALL CONTAIN SUCH INFORMATION AS THE STATE  
12 LICENSING AUTHORITY MAY REQUIRE AND ANY FORMS AS THE LOCAL  
13 LICENSING AUTHORITY MAY REQUIRE. EACH APPLICATION SHALL BE  
14 VERIFIED BY THE OATH OR AFFIRMATION OF THE PERSONS PRESCRIBED BY  
15 THE STATE LICENSING AUTHORITY.

16 (4) AN APPLICANT SHALL FILE AT THE TIME OF APPLICATION FOR  
17 A LOCAL LICENSE PLANS AND SPECIFICATIONS FOR THE INTERIOR OF THE  
18 BUILDING IF THE BUILDING TO BE OCCUPIED IS IN EXISTENCE AT THE TIME.  
19 IF THE BUILDING IS NOT IN EXISTENCE, THE APPLICANT SHALL FILE A PLOT  
20 PLAN AND A DETAILED SKETCH FOR THE INTERIOR AND SUBMIT AN  
21 ARCHITECT'S DRAWING OF THE BUILDING TO BE CONSTRUCTED. IN ITS  
22 DISCRETION, THE LOCAL OR STATE LICENSING AUTHORITY MAY IMPOSE  
23 ADDITIONAL REQUIREMENTS NECESSARY FOR THE APPROVAL OF THE  
24 APPLICATION.

25 **12-43.3-302. Public hearing notice - posting and publication.**

26 (1) UPON RECEIPT OF AN APPLICATION FOR A LOCAL LICENSE, EXCEPT AN  
27 APPLICATION FOR RENEWAL OR FOR TRANSFER OF OWNERSHIP, A LOCAL

1 LICENSING AUTHORITY MAY SCHEDULE A PUBLIC HEARING UPON THE  
2 APPLICATION TO BE HELD NOT LESS THAN THIRTY DAYS AFTER THE DATE  
3 OF THE APPLICATION. IF THE LOCAL LICENSING AUTHORITY SCHEDULES A  
4 HEARING FOR A MEDICAL MARIJUANA CENTER APPLICATION, IT SHALL POST  
5 AND PUBLISH PUBLIC NOTICE THEREOF NOT LESS THAN TEN DAYS PRIOR TO  
6 THE HEARING. THE LOCAL LICENSING AUTHORITY SHALL GIVE PUBLIC  
7 NOTICE BY THE POSTING OF A SIGN IN A CONSPICUOUS PLACE ON THE  
8 MEDICAL MARIJUANA CENTER PREMISES FOR WHICH APPLICATION HAS  
9 BEEN MADE AND BY PUBLICATION IN A NEWSPAPER OF GENERAL  
10 CIRCULATION IN THE COUNTY IN WHICH THE MEDICAL MARIJUANA CENTER  
11 PREMISES ARE LOCATED.

12 (2) PUBLIC NOTICE GIVEN BY POSTING SHALL INCLUDE A SIGN OF  
13 SUITABLE MATERIAL, NOT LESS THAN TWENTY-TWO INCHES WIDE AND  
14 TWENTY-SIX INCHES HIGH, COMPOSED OF LETTERS NOT LESS THAN ONE  
15 INCH IN HEIGHT AND STATING THE TYPE OF LICENSE APPLIED FOR, THE  
16 DATE OF THE APPLICATION, THE DATE OF THE HEARING, THE NAME AND  
17 ADDRESS OF THE APPLICANT, AND SUCH OTHER INFORMATION AS MAY BE  
18 REQUIRED TO FULLY APPRISE THE PUBLIC OF THE NATURE OF THE  
19 APPLICATION. THE SIGN SHALL CONTAIN THE NAMES AND ADDRESSES OF  
20 THE OFFICERS, DIRECTORS, OR MANAGER OF THE FACILITY TO BE LICENSED.

21 (3) PUBLIC NOTICE GIVEN BY PUBLICATION SHALL CONTAIN THE  
22 SAME INFORMATION AS THAT REQUIRED FOR SIGNS.

23 (4) IF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE SOLD  
24 IS IN EXISTENCE AT THE TIME OF THE APPLICATION, A SIGN POSTED AS  
25 REQUIRED IN SUBSECTIONS (1) AND (2) OF THIS SECTION SHALL BE PLACED  
26 SO AS TO BE CONSPICUOUS AND PLAINLY VISIBLE TO THE GENERAL PUBLIC.  
27 IF THE BUILDING IS NOT CONSTRUCTED AT THE TIME OF THE APPLICATION,

1 THE APPLICANT SHALL POST A SIGN AT THE PREMISES UPON WHICH THE  
2 BUILDING IS TO BE CONSTRUCTED IN SUCH A MANNER THAT THE NOTICE  
3 SHALL BE CONSPICUOUS AND PLAINLY VISIBLE TO THE GENERAL PUBLIC.

4 (5) (a) A LOCAL LICENSING AUTHORITY, OR A LICENSE APPLICANT  
5 WITH LOCAL LICENSING AUTHORITY APPROVAL, MAY REQUEST THAT THE  
6 STATE LICENSING AUTHORITY CONDUCT A CONCURRENT REVIEW OF A NEW  
7 LICENSE APPLICATION PRIOR TO THE LOCAL LICENSING AUTHORITY'S FINAL  
8 APPROVAL OF THE LICENSE APPLICATION. LOCAL LICENSING AUTHORITIES  
9 WHO PERMIT A CONCURRENT REVIEW WILL CONTINUE TO INDEPENDENTLY  
10 REVIEW THE APPLICANT'S LICENSE APPLICATION.

11 (b) WHEN CONDUCTING A CONCURRENT APPLICATION REVIEW, THE  
12 STATE LICENSING AUTHORITY MAY ADVISE THE LOCAL LICENSING  
13 AUTHORITY OF ANY ITEMS THAT IT FINDS THAT COULD RESULT IN THE  
14 DENIAL OF THE LICENSE APPLICATION. UPON CORRECTION OF THE NOTED  
15 DISCREPANCIES IF THE CORRECTION IS PERMITTED BY THE STATE  
16 LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL NOTIFY  
17 THE LOCAL LICENSING AUTHORITY OF ITS CONDITIONAL APPROVAL OF THE  
18 LICENSE APPLICATION SUBJECT TO THE FINAL APPROVAL BY THE LOCAL  
19 LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL THEN  
20 ISSUE THE APPLICANT'S STATE LICENSE UPON RECEIVING EVIDENCE OF  
21 FINAL APPROVAL BY THE LOCAL LICENSING AUTHORITY.

22 (c) ALL APPLICATIONS SUBMITTED FOR CONCURRENT REVIEW  
23 SHALL BE ACCOMPANIED BY ALL APPLICABLE STATE LICENSE AND  
24 APPLICATION FEES. ANY APPLICATIONS THAT ARE LATER DENIED OR  
25 WITHDRAWN MAY ALLOW FOR A REFUND OF LICENSE FEES ONLY. ALL  
26 APPLICATION FEES PROVIDED BY AN APPLICANT SHALL BE RETAINED BY  
27 THE RESPECTIVE LICENSING AUTHORITY.

1           **12-43.3-303. Results of investigation - decision of authorities.**

2           (1) NOT LESS THAN FIVE DAYS PRIOR TO THE DATE OF THE PUBLIC  
3           HEARING AUTHORIZED IN SECTION 12-43.3-302, THE LOCAL LICENSING  
4           AUTHORITY SHALL MAKE KNOWN ITS FINDINGS, BASED ON ITS  
5           INVESTIGATION, IN WRITING TO THE APPLICANT AND OTHER PARTIES OF  
6           INTEREST. THE LOCAL LICENSING AUTHORITY HAS AUTHORITY TO REFUSE  
7           TO ISSUE A LICENSE PROVIDED FOR IN THIS SECTION FOR GOOD CAUSE,  
8           SUBJECT TO JUDICIAL REVIEW.

9           (2) BEFORE ENTERING A DECISION APPROVING OR DENYING THE  
10          APPLICATION FOR A LOCAL LICENSE, THE LOCAL LICENSING AUTHORITY  
11          MAY CONSIDER, EXCEPT WHERE THIS ARTICLE SPECIFICALLY PROVIDES  
12          OTHERWISE, THE FACTS AND EVIDENCE ADDUCED AS A RESULT OF ITS  
13          INVESTIGATION, AS WELL AS ANY OTHER FACTS PERTINENT TO THE TYPE  
14          OF LICENSE FOR WHICH APPLICATION HAS BEEN MADE, INCLUDING THE  
15          NUMBER, TYPE, AND AVAILABILITY OF MEDICAL MARIJUANA OUTLETS  
16          LOCATED IN OR NEAR THE PREMISES UNDER CONSIDERATION, AND ANY  
17          OTHER PERTINENT MATTERS AFFECTING THE QUALIFICATIONS OF THE  
18          APPLICANT FOR THE CONDUCT OF THE TYPE OF BUSINESS PROPOSED.

19          (3) WITHIN THIRTY DAYS AFTER THE PUBLIC HEARING OR  
20          COMPLETION OF THE APPLICATION INVESTIGATION, A LOCAL LICENSING  
21          AUTHORITY SHALL ISSUE ITS DECISION APPROVING OR DENYING AN  
22          APPLICATION FOR LOCAL LICENSURE. THE DECISION SHALL BE IN WRITING  
23          AND SHALL STATE THE REASONS FOR THE DECISION. THE LOCAL LICENSING  
24          AUTHORITY SHALL SEND A COPY OF THE DECISION BY CERTIFIED MAIL TO  
25          THE APPLICANT AT THE ADDRESS SHOWN IN THE APPLICATION.

26          (4) AFTER APPROVAL OF AN APPLICATION, A LOCAL LICENSING  
27          AUTHORITY SHALL NOT ISSUE A LOCAL LICENSE UNTIL THE BUILDING IN

1 WHICH THE BUSINESS TO BE CONDUCTED IS READY FOR OCCUPANCY WITH  
2 SUCH FURNITURE, FIXTURES, AND EQUIPMENT IN PLACE AS ARE NECESSARY  
3 TO COMPLY WITH THE APPLICABLE PROVISIONS OF THIS ARTICLE, AND THEN  
4 ONLY AFTER THE LOCAL LICENSING AUTHORITY HAS INSPECTED THE  
5 PREMISES TO DETERMINE THAT THE APPLICANT HAS COMPLIED WITH THE  
6 ARCHITECT'S DRAWING AND THE PLOT PLAN AND DETAILED SKETCH FOR  
7 THE INTERIOR OF THE BUILDING SUBMITTED WITH THE APPLICATION.

8 (5) AFTER APPROVAL OF AN APPLICATION FOR LOCAL LICENSURE,  
9 THE LOCAL LICENSING AUTHORITY SHALL NOTIFY THE STATE LICENSING  
10 AUTHORITY OF SUCH APPROVAL, WHO SHALL INVESTIGATE AND EITHER  
11 APPROVE OR DISAPPROVE THE APPLICATION FOR STATE LICENSURE.

12 **12-43.3-304. Medical marijuana license bond.** (1) BEFORE THE  
13 STATE LICENSING AUTHORITY ISSUES A STATE LICENSE TO AN APPLICANT,  
14 THE APPLICANT SHALL PROCURE AND FILE WITH THE STATE LICENSING  
15 AUTHORITY EVIDENCE OF A GOOD AND SUFFICIENT BOND IN THE AMOUNT  
16 OF FIVE THOUSAND DOLLARS WITH CORPORATE SURETY THEREON DULY  
17 LICENSED TO DO BUSINESS WITH THE STATE, APPROVED AS TO FORM BY  
18 THE ATTORNEY GENERAL OF THE STATE, AND CONDITIONED THAT THE  
19 APPLICANT SHALL REPORT AND PAY ALL SALES AND USE TAXES DUE TO THE  
20 STATE, OR FOR WHICH THE STATE IS THE COLLECTOR OR COLLECTING  
21 AGENT, IN A TIMELY MANNER, AS PROVIDED IN LAW.

22 (2) A CORPORATE SURETY SHALL NOT BE REQUIRED TO MAKE  
23 PAYMENTS TO THE STATE CLAIMING UNDER SUCH BOND UNTIL A FINAL  
24 DETERMINATION OF FAILURE TO PAY TAXES DUE TO THE STATE HAS BEEN  
25 MADE BY THE STATE LICENSING AUTHORITY OR A COURT OF COMPETENT  
26 JURISDICTION.

27 (3) ALL BONDS REQUIRED PURSUANT TO THIS SECTION SHALL BE

1 RENEWED AT SUCH TIME AS THE BONDHOLDER'S LICENSE IS RENEWED.  
2 THE RENEWAL MAY BE ACCOMPLISHED THROUGH A CONTINUATION  
3 CERTIFICATE ISSUED BY THE SURETY.

4 **12-43.3-305. State licensing authority - application and**  
5 **issuance procedures.** (1) APPLICATIONS FOR A STATE LICENSE UNDER  
6 THE PROVISIONS OF THIS ARTICLE SHALL BE MADE TO THE STATE  
7 LICENSING AUTHORITY ON FORMS PREPARED AND FURNISHED BY THE  
8 STATE LICENSING AUTHORITY AND SHALL SET FORTH SUCH INFORMATION  
9 AS THE STATE LICENSING AUTHORITY MAY REQUIRE TO ENABLE THE STATE  
10 LICENSING AUTHORITY TO DETERMINE WHETHER A STATE LICENSE SHOULD  
11 BE GRANTED. THE INFORMATION SHALL INCLUDE THE NAME AND ADDRESS  
12 OF THE APPLICANT, THE NAMES AND ADDRESSES OF THE OFFICERS,  
13 DIRECTORS, OR MANAGERS, AND ALL OTHER INFORMATION DEEMED  
14 NECESSARY BY THE STATE LICENSING AUTHORITY. EACH APPLICATION  
15 SHALL BE VERIFIED BY THE OATH OR AFFIRMATION OF SUCH PERSON OR  
16 PERSONS AS THE STATE LICENSING AUTHORITY MAY PRESCRIBE.

17 (2) THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A STATE  
18 LICENSE PURSUANT TO THIS SECTION UNTIL THE LOCAL LICENSING  
19 AUTHORITY HAS APPROVED THE APPLICATION FOR A LOCAL LICENSE AND  
20 ISSUED A LOCAL LICENSE AS PROVIDED FOR IN SECTIONS 12-43.3-301 TO  
21 12-43.3-303.

22 (3) NOTHING IN THIS ARTICLE SHALL PREEMPT OR OTHERWISE  
23 IMPAIR THE POWER OF A LOCAL GOVERNMENT TO ENACT ORDINANCES OR  
24 RESOLUTIONS CONCERNING MATTERS AUTHORIZED TO LOCAL  
25 GOVERNMENTS.

26 **12-43.3-306. Denial of application.** (1) THE STATE LICENSING  
27 AUTHORITY SHALL DENY A STATE LICENSE IF THE PREMISES ON WHICH THE

1 APPLICANT PROPOSES TO CONDUCT ITS BUSINESS DO NOT MEET THE  
2 REQUIREMENTS OF THIS ARTICLE OR FOR REASONS SET FORTH IN SECTION  
3 12-43.3-104 (1)(c) OR 12-43.3-305.

4 (2) IF THE STATE LICENSING AUTHORITY DENIES A STATE LICENSE  
5 PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE APPLICANT SHALL BE  
6 ENTITLED TO A HEARING PURSUANT TO ARTICLE 4 OF TITLE 24, C.R.S. THE  
7 STATE LICENSING AUTHORITY SHALL PROVIDE WRITTEN NOTICE OF THE  
8 GROUNDS FOR DENIAL OF THE STATE LICENSE TO THE APPLICANT AND TO  
9 THE LOCAL LICENSING AUTHORITY AT LEAST FIFTEEN DAYS PRIOR TO THE  
10 HEARING.

11 **12-43.3-307. Persons prohibited as licensees.** (1)(a) A LICENSE  
12 PROVIDED BY THIS ARTICLE SHALL NOT BE ISSUED TO OR HELD BY:

13 (I) A PERSON UNTIL THE ANNUAL FEE THEREFORE HAS BEEN PAID;

14 (II) A PERSON WHOSE CRIMINAL HISTORY INDICATES THAT HE OR  
15 SHE IS NOT OF GOOD MORAL CHARACTER;

16 (III) A CORPORATION, IF THE CRIMINAL HISTORY OF ANY OF ITS  
17 OFFICERS, DIRECTORS, OR STOCKHOLDERS INDICATES THAT THE OFFICER,  
18 DIRECTOR, OR STOCKHOLDER IS NOT OF GOOD MORAL CHARACTER;

19 (IV) A LICENSED PHYSICIAN MAKING PATIENT  
20 RECOMMENDATIONS;

21 (V) A PERSON EMPLOYING, ASSISTED BY, OR FINANCED IN WHOLE  
22 OR IN PART BY ANY OTHER PERSON WHOSE CRIMINAL HISTORY INDICATES  
23 HE OR SHE IS NOT OF GOOD CHARACTER AND REPUTATION SATISFACTORY  
24 TO THE RESPECTIVE LICENSING AUTHORITY;

25 (VI) A PERSON UNDER TWENTY-ONE YEARS OF AGE;

26 (VII) A PERSON LICENSED PURSUANT TO THIS ARTICLE WHO,  
27 DURING A PERIOD OF LICENSURE, OR WHO, AT THE TIME OF APPLICATION,

- 1 HAS FAILED TO:
- 2 (A) PROVIDE A SURETY BOND OR FILE ANY TAX RETURN WITH A
- 3 TAXING AGENCY;
- 4 (B) PAY ANY TAXES, INTEREST, OR PENALTIES DUE;
- 5 (C) PAY ANY JUDGMENTS DUE TO A GOVERNMENT AGENCY;
- 6 (D) STAY OUT OF DEFAULT ON A GOVERNMENT-ISSUED STUDENT
- 7 LOAN.
- 8 (E) PAY CHILD SUPPORT; OR
- 9 (F) REMEDY AN OUTSTANDING DELINQUENCY FOR TAXES OWED,
- 10 AN OUTSTANDING DELINQUENCY FOR JUDGMENTS OWED TO A
- 11 GOVERNMENT AGENCY, OR AN OUTSTANDING DELINQUENCY FOR CHILD
- 12 SUPPORT.
- 13 (VIII) A PERSON WHO HAS DISCHARGED A SENTENCE IN THE FIVE
- 14 YEARS IMMEDIATELY PRECEDING THE APPLICATION DATE FOR A
- 15 CONVICTION OF A FELONY OR A PERSON WHO AT ANY TIME HAS BEEN
- 16 CONVICTED OF A FELONY PURSUANT TO ANY STATE OR FEDERAL LAW
- 17 REGARDING THE POSSESSION, DISTRIBUTION, OR USE OF A CONTROLLED
- 18 SUBSTANCE.
- 19 (IX) A PERSON WHO EMPLOYS ANOTHER PERSON AT A MEDICAL
- 20 MARIJUANA FACILITY WHO HAS NOT PASSED A CRIMINAL HISTORY RECORD
- 21 CHECK;
- 22 (X) A SHERIFF, DEPUTY SHERIFF, POLICE OFFICER, OR PROSECUTING
- 23 OFFICER, OR AN OFFICER OR EMPLOYEE OF THE STATE LICENSING
- 24 AUTHORITY OR A LOCAL LICENSING AUTHORITY;
- 25 (XI) A PERSON WHOSE AUTHORITY TO BE A PRIMARY CAREGIVER
- 26 AS DEFINED IN SECTION 25-1.5-106 (2) HAS BEEN REVOKED BY THE STATE
- 27 HEALTH AGENCY; ==



1 (XII) A PERSON FOR A LICENSE FOR A LOCATION THAT IS  
2 CURRENTLY LICENSED AS A RETAIL FOOD ESTABLISHMENT OR WHOLESALE  
3 FOOD REGISTRANT; OR

4 (XIII) A PERSON WHO HAS NOT BEEN A RESIDENT OF COLORADO  
5 FOR AT LEAST TWO YEARS PRIOR TO THE DATE OF THE PERSON'S  
6 APPLICATION; EXCEPT THAT FOR A PERSON WHO SUBMITS AN APPLICATION  
7 FOR LICENSURE PURSUANT TO THIS ARTICLE BY DECEMBER 15, 2010, THIS  
8 REQUIREMENT SHALL NOT APPLY TO THAT PERSON IF THE PERSON WAS A  
9 RESIDENT OF THE STATE OF COLORADO ON DECEMBER 15, 2009.

10 (2) (a) IN INVESTIGATING THE QUALIFICATIONS OF AN APPLICANT  
11 OR A LICENSEE, THE STATE LICENSING AUTHORITY MAY HAVE ACCESS TO  
12 CRIMINAL HISTORY RECORD INFORMATION FURNISHED BY A CRIMINAL  
13 JUSTICE AGENCY SUBJECT TO ANY RESTRICTIONS IMPOSED BY SUCH  
14 AGENCY. IN THE EVENT THE STATE LICENSING AUTHORITY CONSIDERS THE  
15 APPLICANT'S CRIMINAL HISTORY RECORD, THE STATE LICENSING  
16 AUTHORITY SHALL ALSO CONSIDER ANY INFORMATION PROVIDED BY THE  
17 APPLICANT REGARDING SUCH CRIMINAL HISTORY RECORD, INCLUDING BUT  
18 NOT LIMITED TO EVIDENCE OF REHABILITATION, CHARACTER REFERENCES,  
19 AN EDUCATIONAL ACHIEVEMENTS, ESPECIALLY THOSE ITEMS PERTAINING  
20 TO THE PERIOD OF TIME BETWEEN THE APPLICANT'S LAST CRIMINAL  
21 CONVICTION AND THE CONSIDERATION OF THE APPLICATION FOR A STATE  
22 LICENSE.

23 (b) AS USED IN PARAGRAPH (a) OF THIS SUBSECTION (2),  
24 "CRIMINAL JUSTICE AGENCY" MEANS ANY FEDERAL, STATE, OR MUNICIPAL  
25 COURT OR ANY GOVERNMENTAL AGENCY OR SUBUNIT OF SUCH AGENCY  
26 THAT ADMINISTERS CRIMINAL JUSTICE PURSUANT TO A STATUTE OR  
27 EXECUTIVE ORDER AND THAT ALLOCATES A SUBSTANTIAL PART OF ITS

1 ANNUAL BUDGET TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

2 (c) AT THE TIME OF FILING AN APPLICATION FOR ISSUANCE OR  
3 RENEWAL OF A STATE MEDICAL MARIJUANA CENTER LICENSE, MEDICAL  
4 MARIJUANA-INFUSED PRODUCT MANUFACTURER LICENSE, OR OPTIONAL  
5 PREMISES CULTIVATION LICENSE, AN APPLICANT SHALL SUBMIT A SET OF  
6 HIS OR HER FINGERPRINTS AND FILE PERSONAL HISTORY INFORMATION  
7 CONCERNING THE APPLICANT'S QUALIFICATIONS FOR A STATE LICENSE ON  
8 FORMS PREPARED BY THE STATE LICENSING AUTHORITY. THE STATE  
9 LICENSING AUTHORITY SHALL SUBMIT THE FINGERPRINTS TO THE  
10 COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING  
11 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE COLORADO  
12 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  
15 LICENSING AUTHORITY MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY  
16 RECORD CHECK FOR AN APPLICANT OR A LICENSE HOLDER WHO HAS TWICE  
17 SUBMITTED TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK  
18 AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE. AN APPLICANT WHO HAS  
19 PREVIOUSLY SUBMITTED FINGERPRINTS FOR STATE LICENSING PURPOSES  
20 MAY REQUEST THAT THE FINGERPRINTS ON FILE BE USED. THE STATE  
21 LICENSING AUTHORITY SHALL USE THE INFORMATION RESULTING FROM  
22 THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO  
23 INVESTIGATE AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO  
24 HOLD A STATE LICENSE PURSUANT TO THIS ARTICLE. THE STATE  
25 LICENSING AUTHORITY MAY VERIFY ANY OF THE INFORMATION AN  
26 APPLICANT IS REQUIRED TO SUBMIT.

27 **12-43.3-308. Restrictions for applications for new licenses.**

1 (1) THE STATE OR A LOCAL LICENSING AUTHORITY SHALL NOT RECEIVE OR  
2 ACT UPON AN APPLICATION FOR THE ISSUANCE OF A STATE OR LOCAL  
3 LICENSE PURSUANT TO THIS ARTICLE:

4 (a) IF THE APPLICATION FOR A STATE OR LOCAL LICENSE CONCERNS  
5 A PARTICULAR LOCATION THAT IS THE SAME AS OR WITHIN ONE THOUSAND  
6 FEET OF A LOCATION FOR WHICH, WITHIN THE TWO YEARS IMMEDIATELY  
7 PRECEDING THE DATE OF THE APPLICATION, THE STATE OR A LOCAL  
8 LICENSING AUTHORITY DENIED AN APPLICATION FOR THE SAME CLASS OF  
9 LICENSE DUE TO THE NATURE OF THE USE OR OTHER CONCERN RELATED  
10 TO THE LOCATION;

11 (b) UNTIL IT IS ESTABLISHED THAT THE APPLICANT IS, OR WILL BE,  
12 ENTITLED TO POSSESSION OF THE PREMISES FOR WHICH APPLICATION IS  
13 MADE UNDER A LEASE, RENTAL AGREEMENT, OR OTHER ARRANGEMENT  
14 FOR POSSESSION OF THE PREMISES OR BY VIRTUE OF OWNERSHIP OF THE  
15 PREMISES;

16 (c) FOR A LOCATION IN AN AREA WHERE THE CULTIVATION,  
17 MANUFACTURE, AND SALE OF MEDICAL MARIJUANA AS CONTEMPLATED IS  
18 NOT PERMITTED UNDER THE APPLICABLE ZONING LAWS OF THE  
19 MUNICIPALITY, CITY AND COUNTY, OR COUNTY;

20 (d) (I) IF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE  
21 SOLD IS LOCATED WITHIN ONE THOUSAND FEET OF A SCHOOL, AN ALCOHOL  
22 OR DRUG TREATMENT FACILITY, OR THE PRINCIPAL CAMPUS OF A COLLEGE,  
23 UNIVERSITY, OR SEMINARY, OR A RESIDENTIAL CHILD CARE FACILITY. THE  
24 PROVISIONS OF THIS SECTION SHALL NOT AFFECT THE RENEWAL OR  
25 RE-ISSUANCE OF A LICENSE ONCE GRANTED OR APPLY TO LICENSED  
26 PREMISES LOCATED OR TO BE LOCATED ON LAND OWNED BY A  
27 MUNICIPALITY, NOR SHALL THE PROVISIONS OF THIS SECTION APPLY TO AN

1 EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE, OR APPLY  
2 TO A LICENSE IN EFFECT AND ACTIVELY DOING BUSINESS BEFORE SAID  
3 PRINCIPAL CAMPUS WAS CONSTRUCTED. THE LOCAL LICENSING  
4 AUTHORITY OF A CITY AND COUNTY, BY RULE OR REGULATION, THE  
5 GOVERNING BODY OF A MUNICIPALITY, BY ORDINANCE, AND THE  
6 GOVERNING BODY OF A COUNTY, BY RESOLUTION, MAY VARY THE  
7 DISTANCE RESTRICTIONS IMPOSED BY THIS SUBPARAGRAPH (I) FOR A  
8 LICENSE OR MAY ELIMINATE ONE OR MORE TYPES OF SCHOOLS, CAMPUSES,  
9 OR FACILITIES FROM THE APPLICATION OF A DISTANCE RESTRICTION  
10 ESTABLISHED BY OR PURSUANT TO THIS SUBPARAGRAPH (I).

11 (II) THE DISTANCES REFERRED TO IN THIS PARAGRAPH (d) ARE TO  
12 BE COMPUTED BY DIRECT MEASUREMENT FROM THE NEAREST PROPERTY  
13 LINE OF THE LAND USED FOR A SCHOOL OR CAMPUS TO THE NEAREST  
14 PORTION OF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE SOLD,  
15 USING A ROUTE OF DIRECT PEDESTRIAN ACCESS.

16 (III) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-43.3-303  
17 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE  
18 AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN  
19 WHICH THE MEDICAL MARIJUANA IS TO BE SOLD IS LOCATED WITHIN ANY  
20 DISTANCE RESTRICTIONS ESTABLISHED BY OR PURSUANT TO THIS  
21 PARAGRAPH (d).

22 **12-43.3-309. Transfer of ownership.** (1) A STATE OR LOCAL  
23 LICENSE GRANTED UNDER THE PROVISIONS OF THIS ARTICLE SHALL NOT BE  
24 TRANSFERABLE EXCEPT AS PROVIDED IN THIS SECTION, BUT THIS SECTION  
25 SHALL NOT PREVENT A CHANGE OF LOCATION AS PROVIDED IN SECTION  
26 12-43.3-310 (13).

27 (2) FOR A TRANSFER OF OWNERSHIP, A LICENSE HOLDER SHALL

1 APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES ON FORMS  
2 PREPARED AND FURNISHED BY THE STATE LICENSING AUTHORITY. IN  
3 DETERMINING WHETHER TO PERMIT A TRANSFER OF OWNERSHIP, THE  
4 STATE AND LOCAL LICENSING AUTHORITIES SHALL CONSIDER ONLY THE  
5 REQUIREMENTS OF THIS ARTICLE, ANY RULES PROMULGATED BY THE  
6 STATE LICENSING AUTHORITY, AND ANY OTHER LOCAL RESTRICTIONS. THE  
7 LOCAL LICENSING AUTHORITY MAY HOLD A HEARING ON THE APPLICATION  
8 FOR TRANSFER OF OWNERSHIP. THE LOCAL LICENSING AUTHORITY SHALL  
9 NOT HOLD A HEARING PURSUANT TO THIS SUBSECTION (2) UNTIL THE  
10 LOCAL LICENSING AUTHORITY HAS POSTED A NOTICE OF HEARING IN THE  
11 MANNER DESCRIBED IN SECTION 12-43.3-302 (2) ON THE LICENSED  
12 MEDICAL MARIJUANA CENTER PREMISES FOR A PERIOD OF TEN DAYS AND  
13 HAS PROVIDED NOTICE OF THE HEARING TO THE APPLICANT AT LEAST TEN  
14 DAYS PRIOR TO THE HEARING. ANY TRANSFER OF OWNERSHIP HEARING BY  
15 THE STATE LICENSING AUTHORITY SHALL BE HELD IN COMPLIANCE WITH  
16 THE REQUIREMENTS SPECIFIED IN SECTION 12-43.3-302.

17 **12-43.3-310. Licensing in general.** (1) THIS ARTICLE  
18 AUTHORIZES A COUNTY, MUNICIPALITY, OR CITY AND COUNTY TO PROHIBIT  
19 THE OPERATION OF MEDICAL MARIJUANA CENTERS, OPTIONAL PREMISES  
20 CULTIVATION OPERATIONS, AND MEDICAL MARIJUANA-INFUSED PRODUCTS  
21 MANUFACTURERS' LICENSES AND TO ENACT REASONABLE REGULATIONS OR  
22 OTHER RESTRICTIONS APPLICABLE TO MEDICAL MARIJUANA CENTERS,  
23 OPTIONAL PREMISES CULTIVATION LICENSES, AND MEDICAL  
24 MARIJUANA-INFUSED PRODUCTS MANUFACTURERS' LICENSES BASED ON  
25 LOCAL GOVERNMENT ZONING, HEALTH, SAFETY, AND PUBLIC WELFARE  
26 LAWS FOR THE DISTRIBUTION OF MEDICAL MARIJUANA THAT ARE MORE  
27 RESTRICTIVE THAN THIS ARTICLE.

1 (2) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES  
2 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS  
3 MANUFACTURER MAY NOT OPERATE UNTIL IT HAS BEEN LICENSED BY THE  
4 LOCAL LICENSING AUTHORITY AND THE STATE LICENSING AUTHORITY  
5 PURSUANT TO THIS ARTICLE. IN CONNECTION WITH A LICENSE, THE  
6 APPLICANT SHALL PROVIDE A COMPLETE AND ACCURATE LIST OF ALL  
7 OWNERS, OFFICERS, AND EMPLOYEES WHO WORK AT, MANAGE, OWN, OR  
8 ARE OTHERWISE ASSOCIATED WITH THE OPERATION AND SHALL PROVIDE  
9 A COMPLETE AND ACCURATE APPLICATION AS REQUIRED BY THE STATE  
10 LICENSING AUTHORITY.

11 (3) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES  
12 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS  
13 MANUFACTURER SHALL NOTIFY THE STATE LICENSING AUTHORITY IN  
14 WRITING WITHIN TEN DAYS AFTER AN OWNER, OFFICER, OR EMPLOYEE  
15 CEASES TO WORK AT, MANAGE, OWN, OR OTHERWISE BE ASSOCIATED WITH  
16 THE OPERATION. THE OWNER, OFFICER, OR EMPLOYEE SHALL SURRENDER  
17 HIS OR HER IDENTIFICATION CARD TO THE STATE LICENSING AUTHORITY ON  
18 OR BEFORE THE DATE OF THE NOTIFICATION.

19 (4) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES  
20 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS  
21 MANUFACTURER SHALL NOTIFY THE STATE LICENSING AUTHORITY IN  
22 WRITING OF THE NAME, ADDRESS, AND DATE OF BIRTH OF AN OWNER,  
23 OFFICER, MANAGER, OR EMPLOYEE BEFORE THE NEW OWNER, OFFICER, OR  
24 EMPLOYEE BEGINS WORKING AT, MANAGING, OWNING, OR BEING  
25 ASSOCIATED WITH THE OPERATION. THE OWNER, OFFICER, MANAGER, OR  
26 EMPLOYEE SHALL PASS A FINGERPRINT-BASED CRIMINAL HISTORY RECORD  
27 CHECK AS REQUIRED BY THE STATE LICENSING AUTHORITY AND OBTAIN

1 THE REQUIRED IDENTIFICATION PRIOR TO BEING ASSOCIATED WITH,  
2 MANAGING, OWNING, OR WORKING AT THE OPERATION.

3 (5) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES  
4 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS  
5 MANUFACTURER SHALL NOT ACQUIRE, POSSESS, CULTIVATE, DELIVER,  
6 TRANSFER, TRANSPORT, SUPPLY, OR DISPENSE MARIJUANA FOR ANY  
7 PURPOSE EXCEPT TO ASSIST PATIENTS, AS DEFINED BY SECTION 14(1) OF  
8 ARTICLE XVIII OF THE STATE CONSTITUTION.

9 (6) ALL OWNERS, OFFICERS, MANAGERS, AND EMPLOYEES OF A  
10 MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES CULTIVATION  
11 OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER  
12 SHALL BE RESIDENTS OF COLORADO. A LOCAL LICENSING AUTHORITY  
13 SHALL NOT ISSUE A LICENSE PROVIDED FOR IN THIS ARTICLE UNTIL THAT  
14 SHARE OF THE LICENSE APPLICATION FEE DUE TO THE STATE HAS BEEN  
15 RECEIVED BY THE DEPARTMENT OF REVENUE. ALL LICENSES GRANTED  
16 PURSUANT TO THIS ARTICLE SHALL BE VALID FOR A PERIOD NOT TO EXCEED  
17 TWO YEARS FROM THE DATE OF ISSUANCE UNLESS REVOKED OR  
18 SUSPENDED PURSUANT TO THIS ARTICLE OR THE RULES PROMULGATED  
19 PURSUANT TO THIS ARTICLE.

20 (7) BEFORE GRANTING A LOCAL OR STATE LICENSE, THE  
21 RESPECTIVE LICENSING AUTHORITY MAY CONSIDER, EXCEPT WHERE THIS  
22 ARTICLE SPECIFICALLY PROVIDES OTHERWISE, THE REQUIREMENTS OF THIS  
23 ARTICLE AND ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE, AND  
24 ALL OTHER REASONABLE RESTRICTIONS THAT ARE OR MAY BE PLACED  
25 UPON THE LICENSEE BY THE LICENSING AUTHORITY. WITH RESPECT TO A  
26 SECOND OR ADDITIONAL LICENSE FOR THE SAME LICENSEE OR THE SAME  
27 OWNER OF ANOTHER LICENSED BUSINESS PURSUANT TO THIS ARTICLE,

1 EACH LICENSING AUTHORITY SHALL CONSIDER THE EFFECT ON  
2 COMPETITION OF GRANTING OR DENYING THE ADDITIONAL LICENSES TO  
3 SUCH LICENSEE AND SHALL NOT APPROVE AN APPLICATION FOR A SECOND  
4 OR ADDITIONAL LICENSE THAT WOULD HAVE THE EFFECT OF RESTRAINING  
5 COMPETITION.

6 (8) (a) EACH LICENSE ISSUED UNDER THIS ARTICLE IS SEPARATE  
7 AND DISTINCT. IT IS UNLAWFUL FOR A PERSON TO EXERCISE ANY OF THE  
8 PRIVILEGES GRANTED UNDER A LICENSE OTHER THAN THE LICENSE THAT  
9 THE PERSON HOLDS OR FOR A LICENSEE TO ALLOW ANY OTHER PERSON TO  
10 EXERCISE THE PRIVILEGES GRANTED UNDER THE LICENSEE'S LICENSE. A  
11 SEPARATE LICENSE SHALL BE REQUIRED FOR EACH SPECIFIC BUSINESS OR  
12 BUSINESS ENTITY AND EACH GEOGRAPHICAL LOCATION.

13 (b) AT ALL TIMES, A LICENSEE SHALL POSSESS AND MAINTAIN  
14 POSSESSION OF THE PREMISES OR OPTIONAL PREMISES FOR WHICH THE  
15 LICENSE IS ISSUED BY OWNERSHIP, LEASE, RENTAL, OR OTHER  
16 ARRANGEMENT FOR POSSESSION OF THE PREMISES.

17 (9) (a) THE LICENSES PROVIDED PURSUANT TO THIS ARTICLE SHALL  
18 SPECIFY THE DATE OF ISSUANCE, THE PERIOD OF LICENSURE, THE NAME OF  
19 THE LICENSEE, AND THE PREMISES OR OPTIONAL PREMISES LICENSED. THE  
20 LICENSEE SHALL CONSPICUOUSLY PLACE THE LICENSE AT ALL TIMES ON  
21 THE LICENSED PREMISES OR OPTIONAL PREMISES.

22 (b) A LOCAL LICENSING AUTHORITY SHALL NOT TRANSFER  
23 LOCATION OF OR RENEW A LICENSE TO SELL MEDICAL MARIJUANA UNTIL  
24 THE APPLICANT FOR THE LICENSE PRODUCES A LICENSE ISSUED AND  
25 GRANTED BY THE STATE LICENSING AUTHORITY COVERING THE WHOLE  
26 PERIOD FOR WHICH A LICENSE OR LICENSE RENEWAL IS SOUGHT.

27 (10) IN COMPUTING ANY PERIOD OF TIME PRESCRIBED BY THIS



1 ARTICLE, THE DAY OF THE ACT, EVENT, OR DEFAULT FROM WHICH THE  
2 DESIGNATED PERIOD OF TIME BEGINS TO RUN SHALL NOT BE INCLUDED.  
3 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS SHALL BE COUNTED AS ANY  
4 OTHER DAY.

5 (11) A LICENSEE SHALL REPORT EACH TRANSFER OR CHANGE OF  
6 FINANCIAL INTEREST IN THE LICENSE TO THE STATE AND LOCAL LICENSING  
7 AUTHORITIES, THIRTY DAYS PRIOR TO ANY TRANSFER OR CHANGE  
8 PURSUANT TO SECTION 12-43.3-309. A REPORT SHALL BE REQUIRED FOR  
9 TRANSFERS OF CAPITAL STOCK OF ANY CORPORATION REGARDLESS OF  
10 SIZE.

11 (12) EACH LICENSEE SHALL MANAGE THE LICENSED PREMISES  
12 HIMSELF OR HERSELF OR EMPLOY A SEPARATE AND DISTINCT MANAGER ON  
13 THE PREMISES AND SHALL REPORT THE NAME OF THE MANAGER TO THE  
14 STATE AND LOCAL LICENSING AUTHORITIES. THE LICENSEE SHALL REPORT  
15 ANY CHANGE IN MANAGER TO THE STATE AND LOCAL LICENSING  
16 AUTHORITIES THIRTY DAYS PRIOR TO THE CHANGE PURSUANT TO SECTION  
17 12-43.3-309.

18 (13) (a) A LICENSEE MAY MOVE HIS OR HER PERMANENT LOCATION  
19 TO ANY OTHER PLACE IN THE SAME MUNICIPALITY OR CITY AND COUNTY  
20 FOR WHICH THE LICENSE WAS ORIGINALLY GRANTED, OR IN THE SAME  
21 COUNTY IF THE LICENSE WAS GRANTED FOR A PLACE OUTSIDE THE  
22 CORPORATE LIMITS OF A MUNICIPALITY OR CITY AND COUNTY, BUT IT  
23 SHALL BE UNLAWFUL TO CULTIVATE, MANUFACTURE, DISTRIBUTE OR SELL  
24 MEDICAL MARIJUANA AT ANY SUCH PLACE UNTIL PERMISSION TO DO SO IS  
25 GRANTED BY THE STATE AND LOCAL LICENSING AUTHORITIES PROVIDED  
26 FOR IN THIS ARTICLE.

27 (b) IN PERMITTING A CHANGE OF LOCATION, THE STATE AND LOCAL

1 LICENSING AUTHORITIES SHALL CONSIDER ALL REASONABLE RESTRICTIONS  
2 THAT ARE OR MAY BE PLACED UPON THE NEW LOCATION BY THE  
3 GOVERNING BOARD OR LOCAL LICENSING AUTHORITY OF THE  
4 MUNICIPALITY, CITY AND COUNTY, OR COUNTY AND ANY SUCH CHANGE IN  
5 LOCATION SHALL BE IN ACCORDANCE WITH ALL REQUIREMENTS OF THIS  
6 ARTICLE AND RULES PROMULGATED PURSUANT TO THIS ARTICLE.

7 (14) THE LOCATION OF AN OPTIONAL PREMISES CULTIVATION  
8 OPERATION AS DESCRIBED IN SECTION 12-43.3-403 SHALL BE A  
9 CONFIDENTIAL RECORD AND SHALL BE EXEMPT FROM THE COLORADO  
10 OPEN RECORDS ACT. STATE AND LOCAL LICENSING AUTHORITIES SHALL  
11 KEEP THE LOCATION OF AN OPTIONAL PREMISES CULTIVATION OPERATION  
12 CONFIDENTIAL AND SHALL REDACT THE LOCATION FROM ALL PUBLIC  
13 RECORDS. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY,  
14 A STATE OR LOCAL LICENSING AGENCY MAY SHARE INFORMATION  
15 REGARDING THE LOCATION OF AN OPTIONAL PREMISES CULTIVATION  
16 OPERATION WITH A PEACE OFFICER OR A LAW ENFORCEMENT AGENCY.

17 **12-43.3-311. License renewal.** (1) NINETY DAYS PRIOR TO THE  
18 EXPIRATION DATE OF AN EXISTING LICENSE, THE STATE LICENSING  
19 AUTHORITY SHALL NOTIFY THE LICENSEE OF THE EXPIRATION DATE BY  
20 FIRST CLASS MAIL AT THE LICENSEE'S ADDRESS OF RECORD WITH THE  
21 STATE LICENSING AUTHORITY. A LICENSEE SHALL APPLY FOR THE  
22 RENEWAL OF AN EXISTING LICENSE TO THE LOCAL LICENSING AUTHORITY  
23 NOT LESS THAN FORTY-FIVE DAYS AND TO THE STATE LICENSING  
24 AUTHORITY NOT LESS THAN THIRTY DAYS PRIOR TO THE DATE OF  
25 EXPIRATION. A LOCAL LICENSING AUTHORITY SHALL NOT ACCEPT AN  
26 APPLICATION FOR RENEWAL OF A LICENSE AFTER THE DATE OF EXPIRATION,  
27 EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION. THE STATE

1 LICENSING AUTHORITY MAY EXTEND THE EXPIRATION DATE OF THE  
2 LICENSE AND ACCEPT A LATE APPLICATION FOR RENEWAL OF A LICENSE  
3 PROVIDED THAT THE APPLICANT HAS FILED A TIMELY RENEWAL  
4 APPLICATION WITH THE LOCAL LICENSING AUTHORITY. ALL RENEWALS  
5 FILED WITH THE LOCAL LICENSING AUTHORITY AND SUBSEQUENTLY  
6 APPROVED BY THE LOCAL LICENSING AUTHORITY SHALL NEXT BE  
7 PROCESSED BY THE STATE LICENSING AUTHORITY. THE STATE OR THE  
8 LOCAL LICENSING AUTHORITY, IN ITS DISCRETION, SUBJECT TO THE  
9 REQUIREMENTS OF THIS SUBSECTION (1) AND SUBSECTION (2) OF THIS  
10 SECTION AND BASED UPON REASONABLE GROUNDS, MAY WAIVE THE  
11 FORTY-FIVE-DAY OR THIRTY-DAY TIME REQUIREMENTS SET FORTH IN THIS  
12 SUBSECTION (1). THE LOCAL LICENSING AUTHORITY MAY HOLD A HEARING  
13 ON THE APPLICATION FOR RENEWAL ONLY IF THE LICENSEE HAS HAD  
14 COMPLAINTS FILED AGAINST IT, HAS A HISTORY OF VIOLATIONS, OR THERE  
15 ARE ALLEGATIONS AGAINST THE LICENSEE THAT WOULD CONSTITUTE  
16 GOOD CAUSE. THE LOCAL LICENSING AUTHORITY SHALL NOT HOLD A  
17 RENEWAL HEARING PROVIDED FOR BY THIS SUBSECTION (1) FOR A MEDICAL  
18 MARIJUANA CENTER UNTIL IT HAS POSTED A NOTICE OF HEARING ON THE  
19 LICENSED MEDICAL MARIJUANA CENTER PREMISES IN THE MANNER  
20 DESCRIBED IN SECTION 12-43.3-302 (2) FOR A PERIOD OF TEN DAYS AND  
21 PROVIDED NOTICE TO THE APPLICANT AT LEAST TEN DAYS PRIOR TO THE  
22 HEARING. THE LOCAL LICENSING AUTHORITY MAY REFUSE TO RENEW ANY  
23 LICENSE FOR GOOD CAUSE, SUBJECT TO JUDICIAL REVIEW.

24 (2) (a) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF  
25 THIS SECTION, A LICENSEE WHOSE LICENSE HAS BEEN EXPIRED FOR NOT  
26 MORE THAN NINETY DAYS MAY FILE A LATE RENEWAL APPLICATION UPON  
27 THE PAYMENT OF A NONREFUNDABLE LATE APPLICATION FEE OF FIVE

1 HUNDRED DOLLARS TO THE LOCAL LICENSING AUTHORITY. A LICENSEE  
2 WHO FILES A LATE RENEWAL APPLICATION AND PAYS THE REQUISITE FEES  
3 MAY CONTINUE TO OPERATE UNTIL BOTH THE STATE AND LOCAL LICENSING  
4 AUTHORITIES HAVE TAKEN FINAL ACTION TO APPROVE OR DENY THE  
5 LICENSEE'S LATE RENEWAL APPLICATION UNLESS THE STATE OR LOCAL  
6 LICENSING AUTHORITY SUMMARILY SUSPENDS THE LICENSE PURSUANT TO  
7 ARTICLE 4 OF TITLE 24, C.R.S., THIS ARTICLE, AND RULES PROMULGATED  
8 PURSUANT TO THIS ARTICLE.

9 (b) THE STATE AND LOCAL LICENSING AUTHORITIES MAY NOT  
10 ACCEPT A LATE RENEWAL APPLICATION MORE THAN NINETY DAYS AFTER  
11 THE EXPIRATION OF A LICENSEE'S PERMANENT ANNUAL LICENSE. A  
12 LICENSEE WHOSE PERMANENT ANNUAL LICENSE HAS BEEN EXPIRED FOR  
13 MORE THAN NINETY DAYS SHALL NOT CULTIVATE, MANUFACTURE,  
14 DISTRIBUTE, OR SELL ANY MEDICAL MARIJUANA UNTIL ALL REQUIRED  
15 LICENSES HAVE BEEN OBTAINED.

16 (c) NOTWITHSTANDING THE AMOUNT SPECIFIED FOR THE LATE  
17 APPLICATION FEE IN PARAGRAPH (a) OF THIS SUBSECTION (2), THE STATE  
18 LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY  
19 REDUCE THE AMOUNT OF THE FEE IF NECESSARY PURSUANT TO SECTION  
20 24-75-402 (3), C.R.S., BY REDUCING THE UNCOMMITTED RESERVES OF THE  
21 FUND TO WHICH ALL OR ANY PORTION OF THE FEE IS CREDITED. AFTER THE  
22 UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED, THE  
23 STATE LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY  
24 LAW MAY INCREASE THE AMOUNT OF THE FEE AS PROVIDED IN SECTION  
25 24-75-402 (4), C.R.S.

26 **12-43.3-312. Inactive licenses.** THE STATE OR LOCAL LICENSING  
27 AUTHORITY, IN ITS DISCRETION, MAY REVOKE OR ELECT NOT TO RENEW

1 ANY LICENSE IF IT DETERMINES THAT THE LICENSED PREMISES HAVE BEEN  
2 INACTIVE, WITHOUT GOOD CAUSE, FOR AT LEAST ONE YEAR.

3 **12-43.3-313. Unlawful financial assistance.** (1) THE STATE  
4 LICENSING AUTHORITY, BY RULE AND REGULATION, SHALL REQUIRE A  
5 COMPLETE DISCLOSURE OF ALL PERSONS HAVING A DIRECT OR INDIRECT  
6 FINANCIAL INTEREST, AND THE EXTENT OF SUCH INTEREST, IN EACH  
7 LICENSE ISSUED UNDER THIS ARTICLE.

8 (2) A PERSON SHALL NOT HAVE AN UNREPORTED FINANCIAL  
9 INTEREST IN A LICENSE PURSUANT TO THIS ARTICLE UNLESS THAT PERSON  
10 HAS UNDERGONE A FINGERPRINT-BASED CRIMINAL HISTORY RECORD  
11 CHECK AS PROVIDED FOR BY THE STATE LICENSING AUTHORITY IN ITS  
12 RULES; EXCEPT THAT THIS SUBSECTION (2) SHALL NOT APPLY TO BANKS,  
13 SAVINGS AND LOAN ASSOCIATIONS, OR INDUSTRIAL BANKS SUPERVISED  
14 AND REGULATED BY AN AGENCY OF THE STATE OR FEDERAL GOVERNMENT,  
15 OR TO FHA-APPROVED MORTGAGEES, OR TO STOCKHOLDERS, DIRECTORS,  
16 OR OFFICERS THEREOF.

17 (3) THIS SECTION IS INTENDED TO PROHIBIT AND PREVENT THE  
18 CONTROL OF THE OUTLETS FOR THE SALE OF MEDICAL MARIJUANA BY A  
19 PERSON OR PARTY OTHER THAN THE PERSONS LICENSED PURSUANT TO THE  
20 PROVISIONS OF THIS ARTICLE.

#### 21 PART 4

#### 22 LICENSE TYPES

23 **12-43.3-401. Classes of licenses.** (1) FOR THE PURPOSE OF  
24 REGULATING THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE  
25 OF MEDICAL MARIJUANA, THE STATE LICENSING AUTHORITY IN ITS  
26 DISCRETION, UPON APPLICATION IN THE PRESCRIBED FORM MADE TO IT,  
27 MAY ISSUE AND GRANT TO THE APPLICANT A LICENSE FROM ANY OF THE

1 FOLLOWING CLASSES, SUBJECT TO THE PROVISIONS AND RESTRICTIONS  
2 PROVIDED BY THIS ARTICLE:

- 3 (a) MEDICAL MARIJUANA CENTER LICENSE;
- 4 (b) OPTIONAL PREMISES CULTIVATION LICENSE;
- 5 (c) MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING  
6 LICENSE; AND
- 7 (d) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,  
8 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER  
9 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO  
10 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE  
11 STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY MAY  
12 TAKE ANY ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS  
13 ARTICLE AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS  
14 ARTICLE, IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT  
15 TO THIS ARTICLE.

16 (2) ALL PERSONS LICENSED PURSUANT TO THIS ARTICLE SHALL  
17 COLLECT SALES TAX ON ALL SALES MADE PURSUANT TO THE LICENSING  
18 ACTIVITIES.

19 (3) A STATE CHARTERED BANK OR A CREDIT UNION MAY LOAN  
20 MONEY TO ANY PERSON LICENSED PURSUANT TO THIS ARTICLE FOR THE  
21 OPERATION OF A LICENSED BUSINESS.

22 **12-43.3-402. Medical marijuana center license.** (1) A MEDICAL  
23 MARIJUANA CENTER LICENSE SHALL BE ISSUED ONLY TO A PERSON SELLING  
24 MEDICAL MARIJUANA PURSUANT TO THE TERMS AND CONDITIONS OF THIS  
25 ARTICLE.

26 (2) (a) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, A  
27 MEDICAL MARIJUANA CENTER LICENSEE MAY ALSO SELL        MEDICAL

1 MARIJUANA-INFUSED PRODUCTS THAT ARE PREPACKAGED AND LABELED  
2 SO AS TO CLEARLY INDICATE ALL OF THE FOLLOWING:

- 3 (I) THAT THE PRODUCT CONTAINS MEDICAL MARIJUANA;
- 4 (II) THAT THE PRODUCT IS MANUFACTURED WITHOUT ANY  
5 REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY; AND
- 6 (III) THAT THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE  
7 CONSUMPTION OR USE OF THE PRODUCT.

8 (b) A MEDICAL MARIJUANA LICENSEE MAY CONTRACT WITH A  
9 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE FOR  
10 THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS UPON A  
11 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE'S  
12 LICENSED PREMISES.

13 (3) EVERY PERSON SELLING MEDICAL MARIJUANA AS PROVIDED  
14 FOR IN THIS ARTICLE SHALL SELL ONLY MEDICAL MARIJUANA GROWN IN ITS  
15 MEDICAL MARIJUANA OPTIONAL PREMISES LICENSED PURSUANT TO THIS  
16 ARTICLE. THE PROVISIONS OF THIS SUBSECTION (3) SHALL NOT APPLY TO  
17 MEDICAL MARIJUANA-INFUSED PRODUCTS.

18 (4) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (3) OF  
19 THIS SECTION TO THE CONTRARY, A MEDICAL MARIJUANA LICENSEE MAY  
20 PURCHASE NOT MORE THAN THIRTY PERCENT OF ITS TOTAL ON-HAND  
21 INVENTORY OF MEDICAL MARIJUANA FROM ANOTHER LICENSED MEDICAL  
22 MARIJUANA CENTER IN COLORADO. A MEDICAL MARIJUANA CENTER MAY  
23 SELL NO MORE THAN THIRTY PERCENT OF ITS TOTAL ON-HAND INVENTORY  
24 TO ANOTHER COLORADO LICENSED MEDICAL MARIJUANA LICENSEE.

25 (5) PRIOR TO INITIATING A SALE, THE EMPLOYEE OF THE MEDICAL  
26 MARIJUANA CENTER MAKING THE SALE SHALL VERIFY THAT THE  
27 PURCHASER HAS A VALID REGISTRATION CARD ISSUED PURSUANT TO

1 SECTION 25-1.5-106, C.R.S., AND A VALID PICTURE IDENTIFICATION CARD  
2 THAT MATCHES THE NAME ON THE REGISTRATION CARD.

3 (6) A LICENSED MEDICAL MARIJUANA CENTER MAY PROVIDE A  
4 SMALL AMOUNT OF ITS MEDICAL MARIJUANA FOR TESTING TO A  
5 LABORATORY THAT IS LICENSED PURSUANT TO THE OCCUPATIONAL  
6 LICENSING RULES PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)  
7 (a) (IV).

8 (7) ALL MEDICAL MARIJUANA SOLD AT A LICENSED MEDICAL  
9 MARIJUANA CENTER SHALL BE LABELED WITH A LIST OF ALL CHEMICAL  
10 ADDITIVES, INCLUDING BUT NOT LIMITED TO NONORGANIC PESTICIDES,  
11 HERBICIDES, AND FERTILIZERS, THAT WERE USED IN THE CULTIVATION AND  
12 THE PRODUCTION OF THE MEDICAL MARIJUANA.

13 (8) A LICENSED MEDICAL MARIJUANA CENTER SHALL COMPLY WITH  
14 ALL PROVISIONS OF ARTICLE 34 OF TITLE 24, C.R.S., AS THE PROVISIONS  
15 RELATE TO PERSONS WITH DISABILITIES.

16 **12-43.3-403. Optional premises cultivation license.** AN  
17 OPTIONAL PREMISES CULTIVATION LICENSE MAY BE ISSUED ONLY TO A  
18 PERSON LICENSED PURSUANT TO SECTION 12-43.3-402 (1) OR  
19 12-43.3-404 (1) WHO GROWS AND CULTIVATES MEDICAL MARIJUANA AT  
20 AN ADDITIONAL COLORADO LICENSED PREMISES CONTIGUOUS OR NOT  
21 CONTIGUOUS WITH THE LICENSED PREMISES OF THE PERSON'S MEDICAL  
22 MARIJUANA CENTER LICENSE OR THE PERSON'S MEDICAL  
23 MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSE.

24 **12-43.3-404. Medical marijuana-infused products**  
25 **manufacturing license.** (1) A MEDICAL MARIJUANA-INFUSED PRODUCTS  
26 MANUFACTURING LICENSE MAY BE ISSUED TO A PERSON WHO  
27 MANUFACTURES MEDICAL MARIJUANA-INFUSED PRODUCTS, PURSUANT TO



1 THE TERMS AND CONDITIONS OF THIS ARTICLE.

2 (2) MEDICAL MARIJUANA-INFUSED PRODUCTS SHALL BE PREPARED  
3 ON A LICENSED PREMISES THAT IS USED EXCLUSIVELY FOR THE  
4 MANUFACTURE AND PREPARATION OF MEDICAL MARIJUANA-INFUSED  
5 PRODUCTS AND USING EQUIPMENT THAT IS USED EXCLUSIVELY FOR THE  
6 MANUFACTURE AND PREPARATION OF MEDICAL MARIJUANA-INFUSED  
7 PRODUCTS.

8 (3) A MEDICAL MARIJUANA-INFUSED PRODUCTS LICENSEE SHALL  
9 HAVE A WRITTEN AGREEMENT OR CONTRACT WITH A MEDICAL MARIJUANA  
10 CENTER LICENSEE, WHICH CONTRACT SHALL AT A MINIMUM SET FORTH THE  
11 TOTAL AMOUNT OF MEDICAL MARIJUANA OBTAINED FROM A MEDICAL  
12 MARIJUANA CENTER LICENSEE TO BE USED IN THE MANUFACTURING  
13 PROCESS, AND THE TOTAL AMOUNT OF MEDICAL MARIJUANA-INFUSED  
14 PRODUCTS TO BE MANUFACTURED FROM THE MEDICAL MARIJUANA  
15 OBTAINED FROM THE MEDICAL MARIJUANA CENTER. A MEDICAL  
16 MARIJUANA-INFUSED PRODUCTS LICENSEE SHALL NOT USE MEDICAL  
17 MARIJUANA FROM MORE THAN FIVE DIFFERENT MEDICAL MARIJUANA  
18 CENTERS IN THE PRODUCTION OF ONE MEDICAL MARIJUANA-INFUSED  
19 PRODUCT. THE MEDICAL MARIJUANA-INFUSED PRODUCTS  
20 MANUFACTURING LICENSEE MAY SELL ITS PRODUCTS TO ANY LICENSED  
21 MEDICAL MARIJUANA CENTER.

22 (4) ALL LICENSED PREMISES ON WHICH MEDICAL  
23 MARIJUANA-INFUSED PRODUCTS ARE MANUFACTURED SHALL MEET THE  
24 SANITARY STANDARDS FOR MEDICAL MARIJUANA-INFUSED PRODUCT  
25 PREPARATION PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2) (a)  
26 (XII).

27 (5) THE MEDICAL MARIJUANA-INFUSED PRODUCT SHALL BE SEALED

1 AND CONSPICUOUSLY LABELED IN COMPLIANCE WITH THIS ARTICLE AND  
2 ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE.

3 (6) MEDICAL MARIJUANA-INFUSED PRODUCTS MAY NOT BE      
4 CONSUMED ON A PREMISES LICENSED PURSUANT TO THIS ARTICLE.

5 (7) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW,  
6 SALES OF MEDICAL MARIJUANA-INFUSED PRODUCTS SHALL NOT BE EXEMPT  
7 FROM STATE OR LOCAL SALES TAX.

8 (8) A MEDICAL MARIJUANA-INFUSED PRODUCTS LICENSEE THAT  
9 HAS AN OPTIONAL PREMISES CULTIVATION LICENSE SHALL NOT SELL ANY  
10 OF THE MEDICAL MARIJUANA THAT IT CULTIVATES.

11 PART 5

12 FEES

13 **12-43.3-501. Medical marijuana license cash fund.** (1) ALL  
14 MONEYS COLLECTED BY THE STATE LICENSING AUTHORITY PURSUANT TO  
15 THIS ARTICLE SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO  
16 SHALL CREDIT THE SAME TO THE MEDICAL MARIJUANA LICENSE CASH  
17 FUND, WHICH FUND IS HEREBY CREATED AND REFERRED TO IN THIS  
18 SECTION AS THE "FUND". THE MONEYS IN THE FUND SHALL BE SUBJECT TO  
19 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE  
20 DEPARTMENT OF REVENUE FOR THE DIRECT AND INDIRECT COSTS  
21 ASSOCIATED WITH IMPLEMENTING THIS ARTICLE. ANY MONEYS IN THE  
22 FUND NOT EXPENDED FOR THE PURPOSE OF THIS ARTICLE MAY BE  
23 INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST  
24 AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS  
25 IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNEXPENDED AND  
26 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A  
27 FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR

1 TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

2 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE  
3 BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY REDUCE THE AMOUNT  
4 OF ONE OR MORE OF THE FEES IF NECESSARY PURSUANT TO SECTION  
5 24-75-402 (3), C.R.S., TO REDUCE THE UNCOMMITTED RESERVES OF THE  
6 FUND TO WHICH ALL OR ANY PORTION OF ONE OR MORE OF THE FEES IS  
7 CREDITED. AFTER THE UNCOMMITTED RESERVES OF THE FUND ARE  
8 SUFFICIENTLY REDUCED, THE EXECUTIVE DIRECTOR BY RULE OR AS  
9 OTHERWISE PROVIDED BY LAW MAY INCREASE THE AMOUNT OF ONE OR  
10 MORE OF THE FEES AS PROVIDED IN SECTION 24-75-402 (4), C.R.S.

11 (3) (a) THE STATE LICENSING AUTHORITY SHALL ESTABLISH FEES  
12 FOR PROCESSING THE FOLLOWING TYPES OF APPLICATIONS, LICENSES,  
13 NOTICES, OR REPORTS REQUIRED TO BE SUBMITTED TO THE STATE  
14 LICENSING AUTHORITY:

15 (I) APPLICATIONS FOR LICENSES LISTED IN SECTION 12-43.3-401  
16 AND RULES PROMULGATED PURSUANT TO THAT SECTION;

17 (II) APPLICATIONS TO CHANGE LOCATION PURSUANT TO SECTION  
18 12-43.3-310 AND RULES PROMULGATED PURSUANT TO THAT SECTION;

19 (III) APPLICATIONS FOR TRANSFER OF OWNERSHIP PURSUANT TO  
20 SECTION 12-43.3-310 AND RULES PROMULGATED PURSUANT TO THAT  
21 SECTION;

22 (IV) LICENSE RENEWAL AND EXPIRED LICENSE RENEWAL  
23 APPLICATIONS PURSUANT TO SECTION 12-43.3-311; AND

24 (V) LICENSES AS LISTED IN SECTION 12-43.3-401.

25 (b) THE AMOUNTS OF SUCH FEES, WHEN ADDED TO THE OTHER FEES  
26 TRANSFERRED TO THE FUND PURSUANT TO THIS SECTION SHALL REFLECT  
27 THE ACTUAL DIRECT AND INDIRECT COSTS OF THE STATE LICENSING

1 AUTHORITY IN THE ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE  
2 SO THAT THE FEES AVOID EXCEEDING THE STATUTORY LIMIT ON  
3 UNCOMMITTED RESERVES IN ADMINISTRATIVE AGENCY CASH FUNDS AS SET  
4 FORTH IN SECTION 24-75-402 (3), C.R.S.

5 (c) THE STATE LICENSING AUTHORITY MAY CHARGE APPLICANTS  
6 LICENSED UNDER THIS ARTICLE A FEE FOR THE COST OF EACH FINGERPRINT  
7 ANALYSIS AND BACKGROUND INVESTIGATION UNDERTAKEN TO QUALIFY  
8 NEW OFFICERS, DIRECTORS, MANAGERS, OR EMPLOYEES.

9 (d) AT LEAST ANNUALLY, THE STATE LICENSING AUTHORITY SHALL  
10 REVIEW THE AMOUNTS OF THE FEES AND, IF NECESSARY, ADJUST THE  
11 AMOUNTS TO REFLECT THE DIRECT AND INDIRECT COSTS OF THE STATE  
12 LICENSING AUTHORITY.

13 (3) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION, THE  
14 STATE LICENSING AUTHORITY SHALL ESTABLISH A BASIC FEE THAT SHALL  
15 BE PAID AT THE TIME OF SERVICE OF ANY SUBPOENA UPON THE STATE  
16 LICENSING AUTHORITY, PLUS A FEE FOR MEALS AND A FEE FOR MILEAGE AT  
17 THE RATE PRESCRIBED FOR STATE OFFICERS AND EMPLOYEES IN SECTION  
18 24-9-104, C.R.S., FOR EACH MILE ACTUALLY AND NECESSARILY TRAVELED  
19 IN GOING TO AND RETURNING FROM THE PLACE NAMED IN THE SUBPOENA.  
20 IF THE PERSON NAMED IN THE SUBPOENA IS REQUIRED TO ATTEND THE  
21 PLACE NAMED IN THE SUBPOENA FOR MORE THAN ONE DAY, THERE SHALL  
22 BE PAID, IN ADVANCE, A SUM TO BE ESTABLISHED BY THE STATE LICENSING  
23 AUTHORITY FOR EACH DAY OF ATTENDANCE TO COVER THE EXPENSES OF  
24 THE PERSON NAMED IN THE SUBPOENA.

25 (4) THE SUBPOENA FEE ESTABLISHED PURSUANT TO SUBSECTION  
26 (3) OF THIS SECTION SHALL NOT BE APPLICABLE TO ANY FEDERAL, STATE  
27 OR LOCAL GOVERNMENTAL AGENCY.

1           **12-43.3-502. Fees - allocation.** (1) EXCEPT AS OTHERWISE  
2 PROVIDED, ALL FEES AND FINES PROVIDED FOR BY THIS ARTICLE SHALL BE  
3 PAID TO THE DEPARTMENT OF REVENUE, WHICH SHALL TRANSMIT THE FEES  
4 TO THE STATE TREASURER. THE STATE TREASURER SHALL CREDIT THE  
5 FEES \_\_\_ TO THE MEDICAL MARIJUANA LICENSE CASH FUND CREATED IN  
6 SECTION 12-43.3-501.

7           (2) THE EXPENDITURES OF THE STATE LICENSING AUTHORITY  
8 SHALL BE PAID OUT OF APPROPRIATIONS FROM MEDICAL MARIJUANA  
9 LICENSE CASH FUND CREATED IN SECTION 12-43.3-501.

10           **12-43.3-503. Local license fees.** (1) EACH APPLICATION FOR A  
11 LOCAL LICENSE PROVIDED FOR IN THIS ARTICLE FILED WITH A LOCAL  
12 LICENSING AUTHORITY SHALL BE ACCOMPANIED BY AN APPLICATION FEE  
13 IN AN AMOUNT DETERMINED BY THE LOCAL LICENSING AUTHORITY.

14           (2) LICENSE FEES AS DETERMINED BY THE LOCAL LICENSING  
15 AUTHORITY SHALL BE PAID TO THE TREASURER OF THE MUNICIPALITY,  
16 CITY AND COUNTY, OR COUNTY WHERE THE LICENSED PREMISES IS  
17 LOCATED IN ADVANCE OF THE APPROVAL, DENIAL, OR RENEWAL OF THE  
18 LICENSE.

19   **PART 6**

20                                   **DISCIPLINARY ACTIONS**

21           **12-43.3-601. Suspension - revocation - fines.** (1) IN ADDITION  
22 TO ANY OTHER SANCTIONS PRESCRIBED BY THIS ARTICLE OR RULES  
23 PROMULGATED PURSUANT TO THIS ARTICLE, THE STATE LICENSING  
24 AUTHORITY OR A LOCAL LICENSING AUTHORITY HAS THE POWER, ON ITS  
25 OWN MOTION OR ON COMPLAINT, AFTER INVESTIGATION AND OPPORTUNITY  
26 FOR A PUBLIC HEARING AT WHICH THE LICENSEE SHALL BE AFFORDED AN  
27 OPPORTUNITY TO BE HEARD, TO SUSPEND OR REVOKE A LICENSE ISSUED BY

1 THE RESPECTIVE AUTHORITY FOR A VIOLATION BY THE LICENSEE OR BY  
2 ANY OF THE AGENTS OR EMPLOYEES OF THE LICENSEE OF THE PROVISIONS  
3 OF THIS ARTICLE, OR ANY OF THE RULES PROMULGATED PURSUANT TO THIS  
4 ARTICLE, OR OF ANY OF THE TERMS, CONDITIONS, OR PROVISIONS OF THE  
5 LICENSE ISSUED BY THE STATE OR LOCAL LICENSING AUTHORITY. THE  
6 STATE LICENSING AUTHORITY OR A LOCAL LICENSING AUTHORITY HAS THE  
7 POWER TO ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE  
8 PRESENCE OF PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND  
9 RECORDS NECESSARY TO THE DETERMINATION OF A HEARING THAT THE  
10 STATE OR LOCAL LICENSING AUTHORITY IS AUTHORIZED TO CONDUCT.

11 (2) THE STATE OR LOCAL LICENSING AUTHORITY SHALL PROVIDE  
12 NOTICE OF SUSPENSION, REVOCATION, FINE, OR OTHER SANCTION, AS WELL  
13 AS THE REQUIRED NOTICE OF THE HEARING PURSUANT TO SUBSECTION (1)  
14 OF THIS SECTION, BY MAILING THE SAME IN WRITING TO THE LICENSEE AT  
15 THE ADDRESS CONTAINED IN THE LICENSE. EXCEPT IN THE CASE OF A  
16 SUMMARY SUSPENSION, A SUSPENSION SHALL NOT BE FOR A LONGER  
17 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  
19 LICENSEE. ANY LICENSE OR PERMIT MAY BE SUMMARILY SUSPENDED BY  
20 THE ISSUING LICENSING AUTHORITY WITHOUT NOTICE PENDING ANY  
21 PROSECUTION, INVESTIGATION, OR PUBLIC HEARING PURSUANT TO THE  
22 TERMS OF SECTION 24-4-104 (4), C.R.S. NOTHING IN THIS SECTION SHALL  
23 PREVENT THE SUMMARY SUSPENSION OF A LICENSE PURSUANT TO SECTION  
24 24-4-104 (4), C.R.S. EACH PATIENT REGISTERED WITH A MEDICAL  
25 MARIJUANA CENTER THAT HAS HAD ITS LICENSE SUMMARILY SUSPENDED  
26 MAY IMMEDIATELY TRANSFER HIS OR HER PRIMARY CENTER TO ANOTHER  
27 LICENSED MEDICAL MARIJUANA CENTER.

1 (3) (a) WHENEVER A DECISION OF THE STATE LICENSING  
2 AUTHORITY OR A LOCAL LICENSING AUTHORITY SUSPENDING A LICENSE  
3 FOR FOURTEEN DAYS OR LESS BECOMES FINAL, THE LICENSEE MAY, BEFORE  
4 THE OPERATIVE DATE OF THE SUSPENSION, PETITION FOR PERMISSION TO  
5 PAY A FINE IN LIEU OF HAVING THE LICENSE SUSPENDED FOR ALL OR PART  
6 OF THE SUSPENSION PERIOD. UPON THE RECEIPT OF THE PETITION, THE  
7 STATE OR LOCAL LICENSING AUTHORITY MAY, IN ITS SOLE DISCRETION,  
8 STAY THE PROPOSED SUSPENSION AND CAUSE ANY INVESTIGATION TO BE  
9 MADE WHICH IT DEEMS DESIRABLE AND MAY, IN ITS SOLE DISCRETION,  
10 GRANT THE PETITION IF THE STATE OR LOCAL LICENSING AUTHORITY IS  
11 SATISFIED THAT:

12 (I) THE PUBLIC WELFARE AND MORALS WOULD NOT BE IMPAIRED  
13 BY PERMITTING THE LICENSEE TO OPERATE DURING THE PERIOD SET FOR  
14 SUSPENSION AND THAT THE PAYMENT OF THE FINE WILL ACHIEVE THE  
15 DESIRED DISCIPLINARY PURPOSES;

16 (II) THE BOOKS AND RECORDS OF THE LICENSEE ARE KEPT IN SUCH  
17 A MANNER THAT THE LOSS OF SALES THAT THE LICENSEE WOULD HAVE  
18 SUFFERED HAD THE SUSPENSION GONE INTO EFFECT CAN BE DETERMINED  
19 WITH REASONABLE ACCURACY; AND

20 (III) THE LICENSEE HAS NOT HAD HIS OR HER LICENSE SUSPENDED  
21 OR REVOKED, NOR HAD ANY SUSPENSION STAYED BY PAYMENT OF A FINE,  
22 DURING THE TWO YEARS IMMEDIATELY PRECEDING THE DATE OF THE  
23 MOTION OR COMPLAINT THAT RESULTED IN A FINAL DECISION TO SUSPEND  
24 THE LICENSE OR PERMIT.

25 (b) THE FINE ACCEPTED SHALL BE NOT LESS THAN FIVE HUNDRED  
26 DOLLARS NOR MORE THAN ONE HUNDRED THOUSAND DOLLARS.

27 (c) PAYMENT OF A FINE PURSUANT TO THE PROVISIONS OF THIS

1 SUBSECTION (3) SHALL BE IN THE FORM OF CASH OR IN THE FORM OF A  
2 CERTIFIED CHECK OR CASHIER'S CHECK MADE PAYABLE TO THE STATE OR  
3 LOCAL LICENSING AUTHORITY, WHICHEVER IS APPROPRIATE.

4 (4) UPON PAYMENT OF THE FINE PURSUANT TO SUBSECTION (3) OF  
5 THIS SECTION, THE STATE OR LOCAL LICENSING AUTHORITY SHALL ENTER  
6 ITS FURTHER ORDER PERMANENTLY STAYING THE IMPOSITION OF THE  
7 SUSPENSION. IF THE FINE IS PAID TO A LOCAL LICENSING AUTHORITY, THE  
8 GOVERNING BODY OF THE AUTHORITY SHALL CAUSE THE MONEYS TO BE  
9 PAID INTO THE GENERAL FUND OF THE LOCAL LICENSING AUTHORITY.  
10 FINES PAID TO THE STATE LICENSING AUTHORITY PURSUANT TO  
11 SUBSECTION (3) OF THIS SECTION SHALL BE TRANSMITTED TO THE STATE  
12 TREASURER WHO SHALL CREDIT THE SAME TO THE MEDICAL MARIJUANA  
13 LICENSE CASH FUND CREATED IN SECTION 12-43.3-501.

14 (5) IN CONNECTION WITH A PETITION PURSUANT TO SUBSECTION (3)  
15 OF THIS SECTION, THE AUTHORITY OF THE STATE OR LOCAL LICENSING  
16 AUTHORITY IS LIMITED TO THE GRANTING OF SUCH STAYS AS ARE  
17 NECESSARY FOR THE AUTHORITY TO COMPLETE ITS INVESTIGATION AND  
18 MAKE ITS FINDINGS AND, IF THE AUTHORITY MAKES SUCH FINDINGS, TO  
19 THE GRANTING OF AN ORDER PERMANENTLY STAYING THE IMPOSITION OF  
20 THE ENTIRE SUSPENSION OR THAT PORTION OF THE SUSPENSION NOT  
21 OTHERWISE CONDITIONALLY STAYED.

22 (6) IF THE STATE OR LOCAL LICENSING AUTHORITY DOES NOT MAKE  
23 THE FINDINGS REQUIRED IN PARAGRAPH (a) OF SUBSECTION (3) OF THIS  
24 SECTION AND DOES NOT ORDER THE SUSPENSION PERMANENTLY STAYED,  
25 THE SUSPENSION SHALL GO INTO EFFECT ON THE OPERATIVE DATE FINALLY  
26 SET BY THE STATE OR LOCAL LICENSING AUTHORITY.

27 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL



1 ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO  
2 THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE  
3 LICENSING AUTHORITY. NO LATER THAN JANUARY 15 OF EACH YEAR, THE  
4 STATE LICENSING AUTHORITY SHALL COMPILE A REPORT OF THE  
5 PRECEDING YEAR'S ACTIONS IN WHICH FINES, SUSPENSIONS, OR  
6 REVOCATIONS WERE IMPOSED BY LOCAL LICENSING AUTHORITIES AND BY  
7 THE STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY  
8 SHALL FILE ONE COPY OF THE REPORT WITH THE CHIEF CLERK OF THE  
9 HOUSE OF REPRESENTATIVES, ONE COPY WITH THE SECRETARY OF THE  
10 SENATE, AND SIX COPIES IN THE JOINT LEGISLATIVE LIBRARY.

## 11 PART 7

### 12 INSPECTION OF BOOKS AND RECORDS

13 **12-43.3-701. Inspection procedures.** (1) EACH LICENSEE SHALL  
14 KEEP A COMPLETE SET OF ALL RECORDS NECESSARY TO SHOW FULLY THE  
15 BUSINESS TRANSACTIONS OF THE LICENSEE, ALL OF WHICH SHALL BE OPEN  
16 AT ALL TIMES DURING BUSINESS HOURS FOR THE INSPECTION AND  
17 EXAMINATION OF THE STATE LICENSING AUTHORITY OR ITS DULY  
18 AUTHORIZED REPRESENTATIVES. THE STATE LICENSING AUTHORITY MAY  
19 REQUIRE ANY LICENSEE TO FURNISH SUCH INFORMATION AS IT CONSIDERS  
20 NECESSARY FOR THE PROPER ADMINISTRATION OF THIS ARTICLE AND MAY  
21 REQUIRE AN AUDIT TO BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS  
22 ON SUCH OCCASIONS AS IT MAY CONSIDER NECESSARY BY AN AUDITOR TO  
23 BE SELECTED BY THE STATE LICENSING AUTHORITY WHO SHALL LIKEWISE  
24 HAVE ACCESS TO ALL BOOKS AND RECORDS OF THE LICENSEE, AND THE  
25 EXPENSE THEREOF SHALL BE PAID BY THE LICENSEE.

26 (2) THE LICENSED PREMISES, INCLUDING ANY PLACES OF STORAGE  
27 WHERE MEDICAL MARIJUANA IS GROWN, STORED, CULTIVATED, SOLD, OR

1 DISPENSED, SHALL BE SUBJECT TO INSPECTION BY THE STATE OR LOCAL  
2 LICENSING AUTHORITIES AND THEIR INVESTIGATORS, DURING ALL  
3 BUSINESS HOURS AND OTHER TIMES OF APPARENT ACTIVITY, FOR THE  
4 PURPOSE OF INSPECTION OR INVESTIGATION. FOR EXAMINATION OF ANY  
5 INVENTORY OR BOOKS AND RECORDS REQUIRED TO BE KEPT BY THE  
6 LICENSEES, ACCESS SHALL BE REQUIRED DURING BUSINESS HOURS. WHERE  
7 ANY PART OF THE LICENSED PREMISES CONSISTS OF A LOCKED AREA, UPON  
8 DEMAND TO THE LICENSEE, SUCH AREA SHALL BE MADE AVAILABLE FOR  
9 INSPECTION WITHOUT DELAY, AND, UPON REQUEST BY AUTHORIZED  
10 REPRESENTATIVES OF THE STATE OR LOCAL LICENSING AUTHORITY, THE  
11 LICENSEE SHALL OPEN THE AREA FOR INSPECTION.

12 (3) EACH LICENSEE SHALL RETAIN ALL BOOKS AND RECORDS  
13 NECESSARY TO SHOW FULLY THE BUSINESS TRANSACTIONS OF THE  
14 LICENSEE FOR A PERIOD OF THE CURRENT TAX YEAR AND THE THREE  
15 IMMEDIATELY PRIOR TAX YEARS.

16 PART 8

17 JUDICIAL REVIEW

18 **12-43.3-801. Judicial review.** DECISIONS BY THE STATE  
19 LICENSING AUTHORITY OR A LOCAL LICENSING AUTHORITY SHALL BE  
20 SUBJECT TO JUDICIAL REVIEW PURSUANT TO SECTION 24-4-106, C.R.S.

21 PART 9

22 UNLAWFUL ACTS - ENFORCEMENT

23 **12-43.3-901. Unlawful acts - exceptions.** (1) EXCEPT AS  
24 OTHERWISE PROVIDED IN THIS ARTICLE, IT IS UNLAWFUL FOR A PERSON:

25 (a) TO CONSUME MEDICAL MARIJUANA IN A LICENSED MEDICAL  
26 MARIJUANA CENTER, AND IT SHALL BE UNLAWFUL FOR A MEDICAL  
27 MARIJUANA LICENSEE TO ALLOW MEDICAL MARIJUANA TO BE CONSUMED

1 UPON ITS LICENSED PREMISES; \_\_\_\_\_

2 (b) WITH KNOWLEDGE, TO PERMIT OR FAIL TO PREVENT THE USE OF  
3 HIS OR HER REGISTRY IDENTIFICATION BY ANY OTHER PERSON FOR THE  
4 UNLAWFUL PURCHASING OF MEDICAL MARIJUANA; OR

5 (c) TO CONTINUE OPERATING A BUSINESS FOR THE PURPOSE OF  
6 CULTIVATION, MANUFACTURE, OR SALE OF MEDICAL MARIJUANA OR  
7 MEDICAL MARIJUANA-INFUSED PRODUCTS WITHOUT FILING THE FORMS  
8 AND PAYING THE FEE AS DESCRIBED IN SECTION 12-43.3-103 (1) (b).

9 (d) TO CONTINUE A OPERATING A BUSINESS FOR THE PURPOSE OF  
10 CULTIVATION, MANUFACTURE, OR SALE OF MEDICAL MARIJUANA OR  
11 MEDICAL MARIJUANA-INFUSED PRODUCTS WITHOUT SATISFYING THE  
12 CONDITIONS OF SECTION 12-43.3-103 (2) (b).

13 (2) IT IS UNLAWFUL FOR A PERSON TO BUY, SELL, TRANSFER, GIVE  
14 AWAY, OR ACQUIRE MEDICAL MARIJUANA EXCEPT AS ALLOWED PURSUANT  
15 TO THIS ARTICLE.

16 (3) IT IS UNLAWFUL FOR A PERSON LICENSED PURSUANT TO THIS  
17 ARTICLE:

18 (a) TO BE WITHIN A LIMITED-ACCESS AREA UNLESS THE PERSON'S  
19 LICENSE BADGE IS DISPLAYED AS REQUIRED BY THIS ARTICLE, EXCEPT AS  
20 PROVIDED IN SECTION 12-43.3-701;

21 (b) TO FAIL TO DESIGNATE AREAS OF INGRESS AND EGRESS FOR  
22 LIMITED-ACCESS AREAS AND POST SIGNS IN CONSPICUOUS LOCATIONS AS  
23 REQUIRED BY THIS ARTICLE;

24 (c) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION  
25 12-43.3-310 (11); OR

26 (d) TO FAIL TO REPORT THE NAME OF OR A CHANGE IN MANAGERS  
27 AS REQUIRED BY SECTION 12-43.3-310 (12).

1 (4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL MEDICAL  
2 MARIJUANA PURSUANT TO THIS ARTICLE:

3 (a) TO DISPLAY ANY SIGNS THAT ARE INCONSISTENT WITH ==  
4 LOCAL LAWS OR REGULATIONS;

5 (b) TO USE ADVERTISING MATERIAL THAT IS MISLEADING,  
6 DECEPTIVE, OR FALSE, OR THAT IS DESIGNED TO APPEAL TO MINORS;

7 (c) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR  
8 THE PURPOSE OF CONSUMPTION OF MEDICAL MARIJUANA IN ANY FORM;

9 (d) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED  
10 PURSUANT TO THIS ARTICLE OR TO A PERSON NOT ABLE TO PRODUCE A  
11 VALID PATIENT REGISTRY IDENTIFICATION CARD. NOTWITHSTANDING ANY  
12 PROVISION IN THIS SUBPARAGRAPH (I) TO THE CONTRARY, A PERSON  
13 UNDER TWENTY-ONE YEARS OF AGE SHALL NOT BE EMPLOYED TO SELL OR  
14 DISPENSE MEDICAL MARIJUANA AT A MEDICAL MARIJUANA CENTER OR  
15 GROW OR CULTIVATE MEDICAL MARIJUANA AT AN OPTIONAL PREMISES  
16 CULTIVATION OPERATION.

17 (II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE  
18 CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT  
19 REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL  
20 MARIJUANA, THE LICENSEE OR EMPLOYEE SHALL BE AUTHORIZED TO  
21 CONFISCATE THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD,  
22 IF POSSIBLE, AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE  
23 CONFISCATION, TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR  
24 LOCAL LAW ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE  
25 FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT  
26 OVER TO THE STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW  
27 ENFORCEMENT AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE

1 CONFISCATION SHALL NOT CONSTITUTE A CRIMINAL OFFENSE.

2 (e) TO POSSESS MORE THAN SIX MEDICAL MARIJUANA PLANTS AND  
3 TWO OUNCES OF MEDICAL MARIJUANA FOR EACH PATIENT WHO HAS  
4 REGISTERED THE CENTER AS HIS OR HER PRIMARY CENTER PURSUANT TO  
5 SECTION 25-1.5-106 (6) (f), C.R.S.; EXCEPT THAT A MEDICAL MARIJUANA  
6 CENTER MAY HAVE AN AMOUNT THAT EXCEEDS THE SIX-PLANT AND  
7 TWO-OUNCE PRODUCT PER PATIENT LIMIT IF THE CENTER SELLS TO  
8 PATIENTS THAT ARE AUTHORIZED TO HAVE MORE THAN SIX PLANTS AND  
9 TWO OUNCES OF PRODUCT. IN THE CASE OF A PATIENT AUTHORIZED TO  
10 EXCEED THE SIX-PLANT AND TWO-OUNCE LIMIT, THE CENTER SHALL  
11 OBTAIN DOCUMENTATION FROM THE PATIENT'S PHYSICIAN THAT THE  
12 PATIENT NEEDS MORE THAN SIX PLANTS AND TWO OUNCES OF PRODUCT.

13 (f) TO OFFER FOR SALE OR SOLICIT AN ORDER FOR MEDICAL  
14 MARIJUANA IN PERSON EXCEPT WITHIN THE LICENSED PREMISES;

15 (g) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY  
16 MEDICAL MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE  
17 LICENSE;

18 (h) TO BUY MEDICAL MARIJUANA FROM A PERSON NOT LICENSED  
19 TO SELL AS PROVIDED BY THIS ARTICLE;

20 (i) TO SELL MEDICAL MARIJUANA EXCEPT IN THE PERMANENT  
21 LOCATION SPECIFICALLY DESIGNATED IN THE LICENSE FOR SALE;

22 (j) TO HAVE ON THE LICENSED PREMISES ANY MEDICAL MARIJUANA  
23 OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF THE MEDICAL  
24 MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY CONSUMED; ==

25 (k) TO REQUIRE A MEDICAL MARIJUANA CENTER OR MEDICAL  
26 MARIJUANA CENTER WITH AN OPTIONAL PREMISES CULTIVATION LICENSE  
27 TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC LICENSED

1 PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD; OR  
2 (l) TO SELL, SERVE, OR DISTRIBUTE MEDICAL MARIJUANA AT ANY  
3 TIME OTHER THAN BETWEEN THE HOURS OF 8:00 A.M. AND 7:00 P.M.  
4 MONDAY THROUGH SUNDAY.  
5 (m) TO VIOLATE THE PROVISIONS OF SECTION 6-2-103 OR 6-2-105,  
6 C.R.S.  
7 (5) EXCEPT AS PROVIDED IN SECTIONS 12-43.3-402 (4),  
8 12-43.3-403, AND 12-43.3-404, IT IS UNLAWFUL FOR A MEDICAL  
9 MARIJUANA CENTER, MEDICAL MARIJUANA-INFUSED PRODUCTS  
10 MANUFACTURING OPERATION WITH AN OPTIONAL PREMISES CULTIVATION  
11 LICENSE, OR MEDICAL MARIJUANA CENTER WITH AN OPTIONAL PREMISES  
12 CULTIVATION LICENSE TO SELL, DELIVER, OR CAUSE TO BE DELIVERED TO  
13 A LICENSEE ANY MEDICAL MARIJUANA NOT GROWN UPON ITS LICENSED  
14 PREMISES, OR FOR A LICENSEE OR MEDICAL MARIJUANA CENTER WITH AN  
15 OPTIONAL PREMISES CULTIVATION LICENSE OR MEDICAL  
16 MARIJUANA-INFUSED PRODUCTS MANUFACTURING OPERATION WITH AN  
17 OPTIONAL PREMISES CULTIVATION LICENSE TO SELL, POSSESS, OR PERMIT  
18 SALE OF MEDICAL MARIJUANA NOT GROWN UPON ITS LICENSED PREMISES.  
19 A VIOLATION OF THE PROVISIONS OF THIS SUBSECTION (5) BY A LICENSEE  
20 SHALL BE GROUNDS FOR THE IMMEDIATE REVOCATION OF THE LICENSE  
21 GRANTED UNDER THIS ARTICLE.  
22 (6) IT SHALL BE UNLAWFUL FOR A PHYSICIAN WHO MAKES PATIENT  
23 REFERRALS TO A LICENSED MEDICAL MARIJUANA CENTER TO RECEIVE  
24 ANYTHING OF VALUE FROM THE MEDICAL MARIJUANA CENTER LICENSEE  
25 OR ITS AGENTS, SERVANTS, OFFICERS, OR OWNERS OR ANYONE  
26 FINANCIALLY INTERESTED IN THE LICENSEE, AND IT SHALL BE UNLAWFUL  
27 FOR A LICENSEE LICENSED PURSUANT TO THIS ARTICLE TO OFFER

1 ANYTHING OF VALUE TO A PHYSICIAN FOR MAKING PATIENT REFERRALS TO  
2 THE LICENSED MEDICAL MARIJUANA CENTER.

3 (7) A PERSON WHO COMMITS ANY ACTS THAT ARE UNLAWFUL  
4 PURSUANT TO THIS SECTION COMMITS A CLASS 2 MISDEMEANOR AND  
5 SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S.; EXCEPT  
6 FOR VIOLATIONS THAT WOULD ALSO CONSTITUTE A VIOLATION OF TITLE  
7 18, C.R.S., WHICH VIOLATION SHALL BE CHARGED AND PROSECUTED  
8 PURSUANT TO TITLE 18, C.R.S. \_\_\_

9 PART 10

10 SUNSET REVIEW

11 **12-43.3-1001. Sunset review - article repeal.** (1) THIS ARTICLE  
12 IS REPEALED, EFFECTIVE JULY 1, 2015.

13 (2) PRIOR TO THE REPEAL OF THIS ARTICLE, THE DEPARTMENT OF  
14 REGULATORY AGENCIES SHALL CONDUCT A SUNSET REVIEW AS DESCRIBED  
15 IN SECTION 24-34-104 (8), C.R.S.

16 **SECTION 2.** 25-1.5-106, Colorado Revised Statutes, is amended  
17 to read:

18 **25-1.5-106. Medical marijuana program - powers and duties**  
19 **of the state health agency - repeal.** (1) **Legislative declaration.**

20 (a) THE GENERAL ASSEMBLY HEREBY DECLARES THAT IT IS NECESSARY TO  
21 IMPLEMENT RULES TO ENSURE THAT PATIENTS SUFFERING FROM  
22 LEGITIMATE DEBILITATING MEDICAL CONDITIONS ARE ABLE TO SAFELY  
23 GAIN ACCESS TO MEDICAL MARIJUANA AND TO ENSURE THAT THESE  
24 PATIENTS:

25 (I) ARE NOT SUBJECT TO CRIMINAL PROSECUTION FOR THEIR USE  
26 OF MEDICAL MARIJUANA IN ACCORDANCE WITH SECTION 14 OF ARTICLE  
27 XVIII OF THE STATE CONSTITUTION, THIS SECTION, AND THE RULES OF THE

1 STATE HEALTH AGENCY; AND

2 (II) ARE ABLE TO ESTABLISH AN AFFIRMATIVE DEFENSE TO THEIR  
3 USE OF MEDICAL MARIJUANA IN ACCORDANCE WITH SECTION 14 OF  
4 ARTICLE XVIII OF THE STATE CONSTITUTION, THIS SECTION, AND THE  
5 RULES OF THE STATE HEALTH AGENCY.

6 (b) THE GENERAL ASSEMBLY HEREBY DECLARES THAT IT IS  
7 NECESSARY TO IMPLEMENT RULES TO PREVENT PERSONS WHO DO NOT  
8 SUFFER FROM LEGITIMATE DEBILITATING MEDICAL CONDITIONS FROM  
9 USING SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION AS A  
10 MEANS TO SELL, ACQUIRE, POSSESS, PRODUCE, USE, OR TRANSPORT  
11 MARIJUANA IN VIOLATION OF STATE AND FEDERAL LAWS.

12 (2) **Definitions.** IN ADDITION TO THE DEFINITIONS SET FORTH IN  
13 SECTION 14 (1) OF ARTICLE XVIII OF THE STATE CONSTITUTION, AS USED  
14 IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "PRIMARY  
15 CAREGIVER" MEANS A NATURAL PERSON, OTHER THAN THE PATIENT OR  
16 THE PATIENT'S PHYSICIAN, WHO IS EIGHTEEN YEARS OF AGE OR OLDER AND  
17 HAS SIGNIFICANT RESPONSIBILITY FOR MANAGING THE WELL-BEING OF A  
18 PATIENT WHO HAS A DEBILITATING MEDICAL CONDITION.

19 (†) (3) **Rule-making.** (a) The department shall, pursuant to  
20 section 14 of article XVIII of the state constitution, promulgate rules of  
21 administration concerning the implementation of the medical marijuana  
22 program established by such section and that specifically govern the  
23 following:

24 (a) (I) The establishment and maintenance of a confidential  
25 registry of patients who have applied for and are entitled to receive a  
26 registry identification card;

27 (b) (II) The development by the department of an application form



1 and making such form available to residents of this state seeking to be  
2 listed on the confidential registry of patients who are entitled to receive  
3 a registry identification card;

4 (e) (III) The verification by the department of medical information  
5 concerning patients who have applied for a confidential registry card;

6 (d) (IV) The issuance and form of confidential registry  
7 identification cards;

8 (e) (V) Communications with law enforcement officials about  
9 confidential registry identification cards that have been suspended where  
10 a patient is no longer diagnosed as having a debilitating medical  
11 condition; and

12 (f) (VI) The manner in which the department may consider adding  
13 debilitating medical conditions to the list of debilitating medical  
14 conditions contained in section 14 of article XVIII of the state  
15 constitution; AND

16 (VII) A WAIVER PROCESS TO ALLOW A HOMEBOUND PATIENT WHO  
17 IS ON THE REGISTRY TO HAVE A PRIMARY CAREGIVER TRANSPORT THE  
18 PATIENT'S MEDICAL MARIJUANA FROM A LICENSED MEDICAL MARIJUANA  
19 CENTER TO THE PATIENT.

20 ==  
21 (b) THE STATE HEALTH AGENCY MAY PROMULGATE RULES  
22 REGARDING THE FOLLOWING:

23 (I) WHAT CONSTITUTES "SIGNIFICANT RESPONSIBILITY FOR  
24 MANAGING THE WELL-BEING OF A PATIENT"; EXCEPT THAT THE ACT OF  
25 SUPPLYING MEDICAL MARIJUANA OR MARIJUANA PARAPHERNALIA, BY  
26 ITSELF, IS INSUFFICIENT TO CONSTITUTE "SIGNIFICANT RESPONSIBILITY FOR  
27 MANAGING THE WELL-BEING OF A PATIENT";

1 (II) THE DEVELOPMENT OF A FORM FOR A PRIMARY CAREGIVER TO  
2 USE IN APPLYING TO THE REGISTRY, WHICH FORM SHALL REQUIRE, AT A  
3 MINIMUM, THAT THE APPLICANT PROVIDE HIS OR HER FULL NAME, HOME  
4 ADDRESS, DATE OF BIRTH, AND AN ATTESTATION THAT THE APPLICANT HAS  
5 A SIGNIFICANT RESPONSIBILITY FOR MANAGING THE WELL-BEING OF THE  
6 PATIENT FOR WHOM HE OR SHE IS DESIGNATED AS THE PRIMARY  
7 CAREGIVER AND THAT HE OR SHE UNDERSTANDS AND WILL ABIDE BY  
8 SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION, THIS SECTION,  
9 AND THE RULES PROMULGATED BY THE STATE HEALTH AGENCY PURSUANT  
10 TO THIS SECTION;

11 (III) THE DEVELOPMENT OF A FORM THAT CONSTITUTES "WRITTEN  
12 DOCUMENTATION", AS DEFINED AND USED IN SECTION 14 OF ARTICLE  
13 XVIII OF THE STATE CONSTITUTION, WHICH FORM A PHYSICIAN SHALL USE  
14 WHEN MAKING A MEDICAL MARIJUANA RECOMMENDATION FOR A PATIENT;  
15 AND

16 (IV) THE GROUNDS AND PROCEDURE FOR A PATIENT TO CHANGE  
17 HIS OR HER DESIGNATED PRIMARY CAREGIVER.

18 (c) (I) THE STATE HEALTH AGENCY SHALL CONDUCT A PUBLIC  
19 REVIEW HEARING WITH THE DEPARTMENT OF REVENUE BY SEPTEMBER 1,  
20 2010, TO RECEIVE PUBLIC INPUT ON ANY EMERGENCY RULES ADOPTED BY  
21 THE STATE HEALTH AGENCY AND BE PROVIDED WITH AN UPDATE FROM THE  
22 INDUSTRY, CAREGIVERS, PATIENTS, AND OTHER STAKEHOLDERS  
23 REGARDING THE INDUSTRY'S CURRENT STATUS. THE STATE HEALTH  
24 AGENCY SHALL PROVIDE AT LEAST FIVE BUSINESS DAYS' NOTICE PRIOR TO  
25 THE HEARING.

26 (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2011.

27 (4) NOTWITHSTANDING ANY OTHER REQUIREMENTS TO THE

1 CONTRARY, NOTICE ISSUED BY THE STATE HEALTH AGENCY FOR A  
2 RULEMAKING HEARING PURSUANT TO SECTION 24-4-103, C.R.S., FOR  
3 RULES CONCERNING THE MEDICAL MARIJUANA PROGRAM SHALL BE  
4 SUFFICIENT IF THE STATE HEALTH AGENCY PROVIDES THE NOTICE NO  
5 LATER THAN FORTY-FIVE DAYS IN ADVANCE OF THE RULEMAKING HEARING  
6 IN AT LEAST ONE PUBLICATION IN A NEWSPAPER OF GENERAL  
7 DISTRIBUTION IN THE STATE AND POSTS THE NOTICE ON THE STATE HEALTH  
8 AGENCY'S WEB SITE; EXCEPT THAT EMERGENCY RULES PURSUANT TO  
9 SECTION 24-4-103 (6), C.R.S., SHALL NOT REQUIRE ADVANCE NOTICE.

10 (5) **Primary caregivers.** (a) A PRIMARY CAREGIVER MAY NOT  
11 DELEGATE TO ANY OTHER PERSON HIS OR HER AUTHORITY TO PROVIDE  
12 MEDICAL MARIJUANA TO A PATIENT NOR MAY A PRIMARY CAREGIVER  
13 ENGAGE OTHERS TO ASSIST IN PROVIDING MEDICAL MARIJUANA TO A  
14 PATIENT.

15 (b) TWO OR MORE PRIMARY CAREGIVERS SHALL NOT JOIN  
16 TOGETHER FOR THE PURPOSE OF CULTIVATING MEDICAL MARIJUANA.

17 (c) ONLY A MEDICAL MARIJUANA CENTER WITH AN OPTIONAL  
18 PREMISES CULTIVATION LICENSE, A MEDICAL MARIJUANA-INFUSED  
19 PRODUCTS MANUFACTURING OPERATION WITH AN OPTIONAL PREMISES  
20 CULTIVATION LICENSE, OR A PRIMARY CAREGIVER FOR HIS OR HER  
21 PATIENTS OR A PATIENT FOR HIMSELF OR HERSELF MAY CULTIVATE OR  
22 PROVIDE MARIJUANA AND ONLY FOR MEDICAL USE.

23 (d) A PRIMARY CAREGIVER SHALL PROVIDE TO A LAW  
24 ENFORCEMENT AGENCY, UPON INQUIRY, THE REGISTRY IDENTIFICATION  
25 CARD NUMBER OF EACH OF HIS OR HER PATIENTS. THE STATE HEALTH  
26 AGENCY SHALL MAINTAIN A REGISTRY OF THIS INFORMATION AND MAKE  
27 IT AVAILABLE TWENTY-FOUR HOURS PER DAY AND SEVEN DAYS A WEEK TO

1 LAW ENFORCEMENT FOR VERIFICATION PURPOSES. UPON INQUIRY BY A  
2 LAW ENFORCEMENT OFFICER AS TO AN INDIVIDUAL'S STATUS AS A PATIENT  
3 OR PRIMARY CAREGIVER, THE STATE HEALTH AGENCY SHALL CHECK THE  
4 REGISTRY. IF THE INDIVIDUAL IS NOT REGISTERED AS A PATIENT OR  
5 PRIMARY CAREGIVER, THE STATE HEALTH AGENCY MAY PROVIDE THAT  
6 RESPONSE TO LAW ENFORCEMENT. IF THE PERSON IS A REGISTERED  
7 PATIENT OR PRIMARY CAREGIVER, THE STATE HEALTH AGENCY MAY NOT  
8 RELEASE INFORMATION UNLESS CONSISTENT WITH SECTION 14 OF ARTICLE  
9 XVIII OF THE STATE CONSTITUTION. THE STATE HEALTH AGENCY MAY  
10 PROMULGATE RULES TO PROVIDE FOR THE EFFICIENT ADMINISTRATION OF  
11 THIS PARAGRAPH (d).

12 (6) **Patient - primary caregiver relationship.** (a) A PERSON  
13 SHALL BE LISTED AS A PRIMARY CAREGIVER FOR NO MORE THAN FIVE  
14 PATIENTS ON THE MEDICAL MARIJUANA PROGRAM REGISTRY AT ANY GIVEN  
15 TIME; EXCEPT THAT THE STATE HEALTH AGENCY MAY ALLOW A PRIMARY  
16 CAREGIVER TO SERVE MORE THAN FIVE PATIENTS IN EXCEPTIONAL  
17 CIRCUMSTANCES. IN DETERMINING WHETHER EXCEPTIONAL  
18 CIRCUMSTANCES EXIST, THE STATE HEALTH AGENCY MAY CONSIDER THE  
19 PROXIMITY OF MEDICAL MARIJUANA CENTERS TO THE PATIENT. A  
20 PRIMARY CAREGIVER SHALL MAINTAIN A LIST OF HIS OR HER PATIENTS  
21 INCLUDING THE REGISTRY IDENTIFICATION CARD NUMBER OF EACH  
22 PATIENT AT ALL TIMES.

23 (b) A PATIENT SHALL HAVE ONLY ONE PRIMARY CAREGIVER AT  
24 ANY GIVEN TIME.

25 (c) A PATIENT WHO HAS DESIGNATED A PRIMARY CAREGIVER FOR  
26 HIMSELF OR HERSELF MAY NOT BE DESIGNATED AS A PRIMARY CAREGIVER  
27 FOR ANOTHER PATIENT.

1 (d) A PRIMARY CAREGIVER MAY NOT CHARGE A PATIENT MORE  
2 THAN THE COST OF CULTIVATING OR PURCHASING THE MEDICAL  
3 MARIJUANA, BUT MAY CHARGE FOR CAREGIVER SERVICES.

4 (e) (I) THE STATE HEALTH AGENCY SHALL MAINTAIN A SECURE  
5 AND CONFIDENTIAL REGISTRY OF AVAILABLE PRIMARY CAREGIVERS FOR  
6 THOSE PATIENTS WHO ARE UNABLE TO SECURE THE SERVICES OF A  
7 PRIMARY CAREGIVER.

8 (II) AN EXISTING PRIMARY CAREGIVER MAY INDICATE AT THE TIME  
9 OF REGISTRATION WHETHER HE OR SHE WOULD BE WILLING TO HANDLE  
10 ADDITIONAL PATIENTS AND WAIVE CONFIDENTIALITY TO ALLOW RELEASE  
11 OF HIS OR HER CONTACT INFORMATION TO PHYSICIANS OR REGISTERED  
12 PATIENTS ONLY.

13 (III) AN INDIVIDUAL WHO IS NOT REGISTERED BUT IS WILLING TO  
14 PROVIDE PRIMARY CAREGIVING SERVICES MAY SUBMIT HIS OR HER  
15 CONTACT INFORMATION TO BE PLACED ON THE PRIMARY CAREGIVER  
16 REGISTRY.

17 (IV) A PATIENT-PRIMARY CAREGIVER ARRANGEMENT SECURED  
18 PURSUANT TO THIS PARAGRAPH (e) SHALL BE STRICTLY BETWEEN THE  
19 PATIENT AND THE POTENTIAL PRIMARY CAREGIVER. THE STATE HEALTH  
20 AGENCY, BY PROVIDING THE INFORMATION REQUIRED BY THIS PARAGRAPH  
21 (e), SHALL NOT ENDORSE OR VOUCH FOR A PRIMARY CAREGIVER. == == ==

22 (V) THE STATE HEALTH AGENCY MAY MAKE AN EXCEPTION, BASED  
23 ON A REQUEST FROM A PATIENT, TO PARAGRAPH (a) OF THIS SUBSECTION  
24 (6) LIMITING PRIMARY CAREGIVERS TO FIVE PATIENTS. IF THE STATE  
25 HEALTH AGENCY MAKES AN EXCEPTION TO THE LIMIT, THE STATE HEALTH  
26 AGENCY SHALL NOTE THE EXCEPTION ON THE PRIMARY CAREGIVER'S  
27 RECORD IN THE REGISTRY.

1 (f) AT THE TIME A PATIENT APPLIES FOR INCLUSION ON THE  
2 CONFIDENTIAL REGISTRY, THE PATIENT SHALL INDICATE WHETHER THE  
3 PATIENT INTENDS TO CULTIVATE HIS OR HER OWN MEDICAL MARIJUANA,  
4 BOTH CULTIVATE HIS OR HER OWN MEDICAL MARIJUANA AND OBTAIN IT  
5 FROM EITHER A PRIMARY CAREGIVER OR LICENSED MEDICAL MARIJUANA  
6 CENTER, OR INTENDS TO OBTAIN IT FROM EITHER A PRIMARY CAREGIVER  
7 OR A LICENSED MEDICAL MARIJUANA CENTER. IF THE PATIENT ELECTS TO  
8 USE A LICENSED MEDICAL MARIJUANA CENTER, THE PATIENT SHALL  
9 REGISTER THE PRIMARY CENTER HE OR SHE INTENDS TO USE.

10 (7) **Registry identification card required - denial - revocation**  
11 **- renewal.** (a) TO BE CONSIDERED IN COMPLIANCE WITH THE PROVISIONS  
12 OF SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION, THIS  
13 SECTION, AND THE RULES OF THE STATE HEALTH AGENCY, A PATIENT OR  
14 PRIMARY CAREGIVER SHALL HAVE HIS OR HER REGISTRY IDENTIFICATION  
15 CARD IN HIS OR HER POSSESSION AT ALL TIMES THAT HE OR SHE IS IN  
16 POSSESSION OF ANY FORM OF MEDICAL MARIJUANA AND PRODUCE THE  
17 SAME UPON REQUEST OF A LAW ENFORCEMENT OFFICER TO DEMONSTRATE  
18 THAT THE PATIENT OR PRIMARY CAREGIVER IS NOT IN VIOLATION OF THE  
19 LAW; EXCEPT THAT, IF MORE THAN THIRTY-FIVE DAYS HAVE PASSED SINCE  
20 THE DATE THE PATIENT OR PRIMARY CAREGIVER FILED HIS OR HER  
21 MEDICAL MARIJUANA PROGRAM APPLICATION AND THE STATE HEALTH  
22 AGENCY HAS NOT YET ISSUED OR DENIED A REGISTRY IDENTIFICATION  
23 CARD, A COPY OF THE PATIENT'S OR PRIMARY CAREGIVER'S APPLICATION  
24 ALONG WITH PROOF OF THE DATE OF SUBMISSION SHALL BE IN THE  
25 PATIENT'S OR PRIMARY CAREGIVER'S POSSESSION AT ALL TIMES THAT HE  
26 OR SHE IS IN POSSESSION OF ANY FORM OF MEDICAL MARIJUANA UNTIL THE  
27 STATE HEALTH AGENCY ISSUES OR DENIES THE REGISTRY IDENTIFICATION

1 CARD. A PERSON WHO VIOLATES SECTION 14 OF ARTICLE XVIII OF THE  
2 STATE CONSTITUTION, THIS SECTION, OR THE RULES PROMULGATED BY THE  
3 STATE HEALTH AGENCY MAY BE SUBJECT TO CRIMINAL PROSECUTION FOR  
4 VIOLATIONS OF SECTION 18-18-406, C.R.S.

5 (b) THE STATE HEALTH AGENCY MAY DENY A PATIENT'S OR  
6 PRIMARY CAREGIVER'S APPLICATION FOR A REGISTRY IDENTIFICATION  
7 CARD OR REVOKE THE CARD IF THE STATE HEALTH AGENCY, IN  
8 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., DETERMINES THAT THE  
9 PHYSICIAN WHO DIAGNOSED THE PATIENT'S DEBILITATING MEDICAL  
10 CONDITION, THE PATIENT, OR THE PRIMARY CAREGIVER VIOLATED SECTION  
11 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION, THIS SECTION, OR THE  
12 RULES PROMULGATED BY THE STATE HEALTH AGENCY PURSUANT TO THIS  
13 SECTION; EXCEPT THAT, WHEN A PHYSICIAN'S VIOLATION IS THE BASIS FOR  
14 ADVERSE ACTION, THE STATE HEALTH AGENCY MAY ONLY DENY OR  
15 REVOKE A PATIENT'S APPLICATION OR REGISTRY IDENTIFICATION CARD  
16 WHEN THE PHYSICIAN'S VIOLATION IS RELATED TO THE ISSUANCE OF A  
17 MEDICAL MARIJUANA RECOMMENDATION.

18 (c) A PATIENT OR PRIMARY CAREGIVER REGISTRY IDENTIFICATION  
19 CARD SHALL BE VALID FOR ONE YEAR AND SHALL CONTAIN A UNIQUE  
20 IDENTIFICATION NUMBER. IT SHALL BE THE RESPONSIBILITY OF THE  
21 PATIENT OR PRIMARY CAREGIVER TO APPLY TO RENEW HIS OR HER  
22 REGISTRY IDENTIFICATION CARD PRIOR TO THE DATE ON WHICH THE CARD  
23 EXPIRES. THE STATE HEALTH AGENCY SHALL DEVELOP A FORM FOR A  
24 PATIENT OR PRIMARY CAREGIVER TO USE IN RENEWING HIS OR HER  
25 REGISTRY IDENTIFICATION CARD.

26 (d) IF THE STATE HEALTH AGENCY GRANTS A PATIENT A WAIVER TO  
27 ALLOW A PRIMARY CAREGIVER TO TRANSPORT THE PATIENT'S MEDICAL

1 MARIJUANA FROM A MEDICAL MARIJUANA CENTER TO THE PATIENT, THE  
2 STATE HEALTH AGENCY SHALL DESIGNATE THE WAIVER ON THE PATIENT'S  
3 REGISTRY IDENTIFICATION CARD.

4 (e) A HOMEBOUND PATIENT WHO RECEIVES A WAIVER FROM THE  
5 STATE HEALTH AGENCY TO ALLOW A PRIMARY CAREGIVER TO TRANSPORT  
6 THE PATIENT'S MEDICAL MARIJUANA TO THE PATIENT FROM A MEDICAL  
7 MARIJUANA CENTER SHALL PROVIDE THE PRIMARY CAREGIVER WITH THE  
8 PATIENT'S REGISTRY IDENTIFICATION CARD, WHICH THE PRIMARY  
9 CAREGIVER SHALL CARRY WHEN THE PRIMARY CAREGIVER IS  
10 TRANSPORTING THE MEDICAL MARIJUANA. A MEDICAL MARIJUANA  
11 CENTER MAY PROVIDE THE MEDICAL MARIJUANA TO THE PRIMARY  
12 CAREGIVER FOR TRANSPORT TO THE PATIENT IF THE PRIMARY CAREGIVER  
13 PRODUCES THE PATIENT'S REGISTRY IDENTIFICATION CARD.

14 **(8) Use of medical marijuana.** (a) THE USE OF MEDICAL  
15 MARIJUANA IS ALLOWED UNDER STATE LAW TO THE EXTENT THAT IT IS  
16 CARRIED OUT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 14 OF  
17 ARTICLE XVIII OF THE STATE CONSTITUTION, THIS SECTION, AND THE  
18 RULES OF THE STATE HEALTH AGENCY.

19 (b) A PATIENT OR PRIMARY CAREGIVER SHALL NOT:

20 (I) ENGAGE IN THE MEDICAL USE OF MARIJUANA IN A WAY THAT  
21 ENDANGERS THE HEALTH AND WELL-BEING OF A PERSON;

22 (II) ENGAGE IN THE MEDICAL USE OF MARIJUANA IN PLAIN VIEW OF  
23 OR IN A PLACE OPEN TO THE GENERAL PUBLIC;

24 (III) UNDERTAKE ANY TASK WHILE UNDER THE INFLUENCE OF  
25 MEDICAL MARIJUANA, WHEN DOING SO WOULD CONSTITUTE NEGLIGENCE  
26 OR PROFESSIONAL MALPRACTICE;

27 (IV) POSSESS MEDICAL MARIJUANA OR OTHERWISE ENGAGE IN THE



1 USE OF MEDICAL MARIJUANA IN OR ON THE GROUNDS OF A SCHOOL OR IN  
2 A SCHOOL BUS;

3 (V) ENGAGE IN THE USE OF MEDICAL MARIJUANA WHILE:

4 (A) IN A CORRECTIONAL FACILITY OR A COMMUNITY CORRECTIONS  
5 FACILITY;

6 (B) SUBJECT TO A SENTENCE TO INCARCERATION; OR

7 (C) IN A VEHICLE, AIRCRAFT, OR MOTORBOAT;

8 (VI) OPERATE, NAVIGATE, OR BE IN ACTUAL PHYSICAL CONTROL  
9 OF ANY VEHICLE, AIRCRAFT, OR MOTORBOAT WHILE UNDER THE  
10 INFLUENCE OF MEDICAL MARIJUANA; OR

11 (VII) USE MEDICAL MARIJUANA IF THE PERSON DOES NOT HAVE A  
12 DEBILITATING MEDICAL CONDITION AS DIAGNOSED BY THE PERSON'S  
13 PHYSICIAN IN THE COURSE OF A BONA FIDE PHYSICIAN-PATIENT  
14 RELATIONSHIP AND FOR WHICH THE PHYSICIAN HAS RECOMMENDED THE  
15 USE OF MEDICAL MARIJUANA.

16 (c) A PERSON SHALL NOT ESTABLISH A BUSINESS TO PERMIT  
17 PATIENTS TO CONGREGATE AND SMOKE OR OTHERWISE CONSUME MEDICAL  
18 MARIJUANA.

19 (9) **Limit on cultivation of medical marijuana.** ONLY  
20 REGISTERED PATIENTS, LICENSED PRIMARY CAREGIVERS, MEDICAL  
21 MARIJUANA-INFUSED PRODUCTS MANUFACTURING OPERATIONS WITH AN  
22 OPTIONAL PREMISES CULTIVATION LICENSE, AND LICENSED MEDICAL  
23 MARIJUANA CENTERS WITH OPTIONAL PREMISES CULTIVATION LICENSES  
24 MAY CULTIVATE MEDICAL MARIJUANA.

25 (10) **Affirmative defense.** IF A PATIENT OR PRIMARY CAREGIVER  
26 RAISES AN AFFIRMATIVE DEFENSE AS PROVIDED IN SECTION 14 (4) (b) OF  
27 ARTICLE XVIII OF THE STATE CONSTITUTION, THE PATIENT'S PHYSICIAN

1 SHALL CERTIFY THE SPECIFIC AMOUNTS IN EXCESS OF TWO OUNCES THAT  
2 ARE NECESSARY TO ADDRESS THE PATIENT'S DEBILITATING MEDICAL  
3 CONDITION AND WHY SUCH AMOUNTS ARE NECESSARY. A PATIENT WHO  
4 ASSERTS THIS AFFIRMATIVE DEFENSE SHALL WAIVE CONFIDENTIALITY  
5 PRIVILEGES RELATED TO THE CONDITION OR CONDITIONS THAT WERE THE  
6 BASIS FOR THE RECOMMENDATION. IF A PATIENT, PRIMARY CAREGIVER, OR  
7 PHYSICIAN RAISES AN EXCEPTION TO THE STATE CRIMINAL LAWS AS  
8 PROVIDED IN SECTION 14 (2) (b) OR (c) OF ARTICLE XVIII OF THE STATE  
9 CONSTITUTION, THE PATIENT, PRIMARY CAREGIVER OR PHYSICIAN WAIVES  
10 THE CONFIDENTIALITY OF HIS OR HER RECORDS RELATED TO THE  
11 CONDITION OR CONDITIONS THAT WERE THE BASIS FOR THE  
12 RECOMMENDATION MAINTAINED BY THE STATE HEALTH AGENCY FOR THE  
13 MEDICAL MARIJUANA PROGRAM. UPON REQUEST OF A LAW ENFORCEMENT  
14 AGENCY FOR SUCH RECORDS, THE STATE HEALTH AGENCY SHALL ONLY  
15 PROVIDE RECORDS PERTAINING TO THE INDIVIDUAL RAISING THE  
16 EXCEPTION, AND SHALL REDACT ALL OTHER PATIENT, PRIMARY  
17 CAREGIVER, OR PHYSICIAN IDENTIFYING INFORMATION.

18 (11) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS  
19 SUBSECTION (11), THE STATE HEALTH AGENCY SHALL ESTABLISH A BASIC  
20 FEE THAT SHALL BE PAID AT THE TIME OF SERVICE OF ANY SUBPOENA UPON  
21 THE STATE HEALTH AGENCY, PLUS A FEE FOR MEALS AND A FEE FOR  
22 MILEAGE AT THE RATE PRESCRIBED FOR STATE OFFICERS AND EMPLOYEES  
23 IN SECTION 24-9-104, C.R.S., FOR EACH MILE ACTUALLY AND  
24 NECESSARILY TRAVELED IN GOING TO AND RETURNING FROM THE PLACE  
25 NAMED IN THE SUBPOENA. IF THE PERSON NAMED IN THE SUBPOENA IS  
26 REQUIRED TO ATTEND THE PLACE NAMED IN THE SUBPOENA FOR MORE  
27 THAN ONE DAY, THERE SHALL BE PAID, IN ADVANCE, A SUM TO BE

1 ESTABLISHED BY THE STATE HEALTH AGENCY FOR EACH DAY OF  
2 ATTENDANCE TO COVER THE EXPENSES OF THE PERSON NAMED IN THE  
3 SUBPOENA.

4 (b) THE SUBPOENA FEE ESTABLISHED PURSUANT TO PARAGRAPH  
5 (a) OF THIS SUBSECTION (11) SHALL NOT BE APPLICABLE TO ANY FEDERAL,  
6 STATE, OR LOCAL GOVERNMENTAL AGENCY.

7 ~~(2)~~ (12) **Fees.** The ~~department~~ STATE HEALTH AGENCY may  
8 collect fees from patients who, pursuant to section 14 of article XVIII of  
9 the state constitution, apply to the medical marijuana program established  
10 by such section for a marijuana registry identification CARD for the  
11 purpose of offsetting the ~~department's~~ STATE HEALTH AGENCY'S direct and  
12 indirect costs of administering the program. The amount of such THE fees  
13 shall be set by rule of the ~~state board of health~~ STATE HEALTH AGENCY.

14 THE AMOUNT OF THE FEES SET PURSUANT TO THIS SECTION SHALL REFLECT  
15 THE ACTUAL DIRECT AND INDIRECT COSTS OF THE STATE LICENSING  
16 AUTHORITY IN THE ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE  
17 SO THAT THE FEES AVOID EXCEEDING THE STATUTORY LIMIT ON  
18 UNCOMMITTED RESERVES IN ADMINISTRATIVE AGENCY CASH FUNDS AS SET  
19 FORTH IN SECTION 24-75-402 (3), C.R.S. All fees collected by the

20 ~~department~~ STATE HEALTH AGENCY through the medical marijuana  
21 program shall be transferred to the state treasurer who shall credit the  
22 same to the medical marijuana program cash fund, which fund is hereby  
23 created.

24 ~~(3)~~ (13) **Cash fund.** (a) The medical marijuana program cash  
25 fund shall be subject to annual appropriation by the general assembly to  
26 the ~~department~~ STATE HEALTH AGENCY for the purpose of establishing,  
27 operating, and maintaining the medical marijuana program. established

1 ~~by section 14 of article XVIII of the state constitution.~~ All moneys  
2 credited to the medical marijuana program cash fund and all interest  
3 derived from the deposit of such moneys that are not expended during the  
4 fiscal year shall be retained in the fund for future use and shall not be  
5 credited or transferred to the general fund or any other fund.

6 (b) ~~Notwithstanding any provision of paragraph (a) of this~~  
7 ~~subsection (3) to the contrary, on April 20, 2009, the state treasurer shall~~  
8 ~~deduct two hundred fifty-eight thousand seven hundred thirty-five dollars~~  
9 ~~from the medical marijuana program cash fund and transfer such sum to~~  
10 ~~the general fund.~~

11 **SECTION 3.** 25-5-403, Colorado Revised Statutes, is amended  
12 BY THE ADDITION OF A NEW SUBSECTION to read:

13 **25-5-403. Offenses.** (3) THE PROVISIONS OF THIS SECTION SHALL  
14 NOT APPLY TO A MEDICAL MARIJUANA CENTER OR A  
15 MEDICAL-MARIJUANA-INFUSED PRODUCTS MANUFACTURER LICENSED  
16 PURSUANT TO ARTICLE 43.3 OF TITLE 12, C.R.S., THAT MANUFACTURES OR  
17 SELLS A FOOD PRODUCT THAT CONTAINS MEDICAL MARIJUANA SO LONG AS  
18 THE FOOD PRODUCT IS LABELED AS CONTAINING MEDICAL MARIJUANA AND  
19 THE LABEL SPECIFIES THAT THE PRODUCT IS MANUFACTURED WITHOUT  
20 ANY REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY, AND  
21 THAT THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE CONSUMPTION  
22 OR USE OF THE PRODUCT.

23 **SECTION 4.** 16-2.5-121, Colorado Revised Statutes, is amended  
24 to read:

25 **16-2.5-121. Executive director of the department of revenue**  
26 **- senior director of enforcement for the department of revenue.** The  
27 executive director and the senior director of enforcement of the

1 department of revenue are peace officers while engaged in the  
2 performance of their duties whose authority includes the enforcement of  
3 laws and rules regarding automobile dealers pursuant to section 12-6-105  
4 (1) (d) (II), C.R.S., the lottery pursuant to sections 24-35-205 (3) and  
5 24-35-206 (7), C.R.S., MEDICAL MARIJUANA PURSUANT TO ARTICLE 43.3  
6 OF TITLE 12, C.R.S., limited gaming pursuant to section 12-47.1-204,  
7 C.R.S., liquor pursuant to section 12-47-904 (1), C.R.S., and racing  
8 events pursuant to section 12-60-203 (1), C.R.S., and the enforcement of  
9 all laws of the state of Colorado and who may be certified by the P.O.S.T.  
10 board.

11 **SECTION 5.** Part 1 of article 2.5 of title 16, Colorado Revised  
12 Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION  
13 to read:

14 **16-2.5-124.5. Director of marijuana enforcement and medical**  
15 **marijuana enforcement investigator.** A MEDICAL MARIJUANA  
16 ENFORCEMENT INVESTIGATOR IS A PEACE OFFICER WHILE ENGAGED IN THE  
17 PERFORMANCE OF HIS OR HER DUTIES AND WHILE ACTING UNDER PROPER  
18 ORDERS OR RULES PURSUANT TO ARTICLE 43.3 OF TITLE 12, C.R.S., AND  
19 SHALL ALSO INCLUDE THE ENFORCEMENT OF ALL LAWS OF THE STATE OF  
20 COLORADO AND WHO MAY BE CERTIFIED BY THE P.O.S.T. BOARD.

21 **SECTION 6.** 24-75-402 (5), Colorado Revised Statutes, is  
22 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

23 **24-75-402. Cash funds - limit on uncommitted reserves -**  
24 **reduction in amount of fees - exclusions.** (5) Notwithstanding any  
25 provision of this section to the contrary, the following cash funds are  
26 excluded from the limitations specified in this section:

27 (z) THE MEDICAL MARIJUANA LICENSE CASH FUND CREATED IN

1 SECTION 12-43.3-501, C.R.S.

2 SECTION 7. 39-26-102, Colorado Revised Statutes, is amended  
3 BY THE ADDITION OF A NEW SUBSECTION to read:

4 39-26-102. **Definitions.** As used in this article, unless the context  
5 otherwise requires:

6 (5.8) "MEDICAL MARIJUANA" SHALL HAVE THE SAME MEANING AS  
7 SET FORTH IN SECTION 12-43.3-104 (7), C.R.S.

8 SECTION 8. 39-26-123 (1), Colorado Revised Statutes, is  
9 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10 39-26-123. **Receipts - disposition - transfers of general fund**  
11 **surplus - sales \_\_\_ tax holding fund - creation - definitions - repeal.**

12 (1) As used in this section, unless the context otherwise requires:

13 (a.5) "SALES \_\_\_ TAXES ATTRIBUTABLE TO SALES \_\_\_ OF MEDICAL  
14 MARIJUANA" MEANS THE NET REVENUE RAISED FROM THE STATE SALES \_\_\_  
15 TAXES IMPOSED PURSUANT TO THIS ARTICLE ON THE SALES \_\_\_ OF MEDICAL  
16 MARIJUANA.

17 SECTION 9. 39-26-123, Colorado Revised Statutes, is amended  
18 BY THE ADDITION OF A NEW SUBSECTION to read:

19 39-26-123. **Receipts - disposition - transfers of general fund**  
20 **surplus - sales \_\_\_ tax holding fund - creation - definitions - repeal.**

21 (6) (a) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1,  
22 2010, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE THE FIRST  
23 TWO MILLION DOLLARS OF SALES \_\_\_ TAXES ATTRIBUTABLE TO SALES \_\_\_ OF  
24 MEDICAL MARIJUANA OR EQUALLY APPROPRIATE THE SALES \_\_\_ TAXES  
25 ATTRIBUTABLE TO SALES \_\_\_ OF MEDICAL MARIJUANA IF TWO MILLION  
26 DOLLARS IS NOT GENERATED.

27 (b) (I) ONE HALF OF THE MONEYS DESCRIBED IN PARAGRAPH (a) OF

1 THIS SUBSECTION (6) SHALL BE APPROPRIATED TO THE DEPARTMENT OF  
2 HUMAN SERVICES TO BE USED TO PROVIDE INTEGRATED BEHAVIORAL  
3 HEALTH SERVICES FOR JUVENILES AND ADULTS WITH SUBSTANCE USE  
4 DISORDERS AND MENTAL HEALTH TREATMENT NEEDS WHO ARE INVOLVED  
5 WITH, OR AT RISK OF INVOLVEMENT WITH, THE CRIMINAL JUSTICE SYSTEM.  
6 THE MONEYS DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (6)  
7 SHALL BE APPROPRIATED TO THE DEPARTMENT OF HUMAN SERVICES TO BE  
8 USED TO PROVIDE INTEGRATED BEHAVIORAL HEALTH SERVICES FOR  
9 JUVENILES AND ADULTS WITH SUBSTANCE USE DISORDERS OR WITH  
10 SUBSTANCE USE DISORDERS AND MENTAL HEALTH TREATMENT NEEDS WHO  
11 ARE INVOLVED WITH, OR AT RISK OF INVOLVEMENT WITH, THE CRIMINAL  
12 JUSTICE SYSTEM. THE DEPARTMENT SHALL ENSURE THAT APPROPRIATIONS  
13 IN THIS LINE ITEM ARE DISTRIBUTED THROUGH THE DEPARTMENT'S  
14 DESIGNATED MANAGED SERVICE ORGANIZATIONS AND COMMUNITY  
15 MENTAL HEALTH CENTERS. THE APPROPRIATIONS SHALL BE BASED ON,  
16 INCLUDING BUT NOT LIMITED TO SUBSTANCE USE AND MENTAL HEALTH  
17 PREVALENCE DATA THAT IS DEVELOPED WORKING COLLABORATIVELY  
18 WITH THE MANAGED SERVICES ORGANIZATIONS AND COMMUNITY MENTAL  
19 HEALTH CENTERS.

20 (II) ONE HALF OF THE MONEYS DESCRIBED IN PARAGRAPH (a) OF  
21 THIS SUBSECTION (6) SHALL BE APPROPRIATED TO THE DEPARTMENT OF  
22 HEALTH CARE POLICY AND FINANCING FOR SCREENING, BRIEF  
23 INTERVENTION, AND REFERRAL TO TREATMENT FOR INDIVIDUALS AT RISK  
24 OF SUBSTANCE ABUSE PURSUANT TO SECTION 25.5-5-202 (1) (u), C.R.S.

25 **SECTION 10.** 39-26-123, Colorado Revised Statutes, is amended  
26 BY THE ADDITION OF A NEW SUBSECTION to read:

27 **39-26-123. Receipts - disposition - transfers of general fund**

1 **surplus - sales \_\_\_ tax holding fund - creation - definitions - repeal.**  
2 (6) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1,  
3 2010, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE THE FIRST  
4 TWO MILLION DOLLARS OF SALES TAXES ATTRIBUTABLE TO SALES TAXES  
5 PAID BY PERSONS OR ENTITIES LICENSED BY ARTICLE 43.3 OF TITLE 12,  
6 C.R.S., OR EQUALLY APPROPRIATE THE SALES TAXES ATTRIBUTABLE TO  
7 SALES TAXES PAID BY PERSONS OR ENTITIES LICENSED BY ARTICLE 43.3 OF  
8 TITLE 12, C.R.S., IF LESS THAN TWO MILLION DOLLARS IS GENERATED. THE  
9 MONEYS DESCRIBED IN THIS SUBSECTION (6) SHALL BE APPROPRIATED TO  
10 THE DEPARTMENT OF HUMAN SERVICES TO BE USED TO PROVIDE  
11 INTEGRATED BEHAVIORAL HEALTH SERVICES FOR JUVENILES AND ADULTS  
12 WITH SUBSTANCE USE DISORDERS OR WITH SUBSTANCE USE DISORDERS  
13 AND MENTAL HEALTH TREATMENT NEEDS WHO ARE INVOLVED WITH, OR  
14 AT RISK OF INVOLVEMENT WITH, THE CRIMINAL JUSTICE SYSTEM. THE  
15 DEPARTMENT SHALL ENSURE THAT APPROPRIATIONS IN THIS LINE ITEM ARE  
16 DISTRIBUTED THROUGH THE DEPARTMENT'S DESIGNATED MANAGED  
17 SERVICE ORGANIZATIONS AND COMMUNITY MENTAL HEALTH CENTERS.  
18 THE APPROPRIATIONS SHALL BE BASED ON, INCLUDING BUT NOT LIMITED  
19 TO SUBSTANCE USE AND MENTAL HEALTH PREVALENCE DATA THAT IS  
20 DEVELOPED WORKING COLLABORATIVELY WITH THE MANAGED SERVICES  
21 ORGANIZATIONS AND COMMUNITY MENTAL HEALTH CENTERS.

22 **SECTION 11.** 25-14-203 (16), Colorado Revised Statutes, is  
23 amended to read:

24 **25-14-203. Definitions.** As used in this part 2, unless the context  
25 otherwise requires:

26 (16) "Smoking" means the burning of a lighted cigarette, cigar,  
27 pipe, or any other matter or substance that contains tobacco OR MEDICAL



1 MARIJUANA AS DEFINED BY SECTION 12-43.3-104 (7), C.R.S.

2 SECTION 12. 24-34-104 (46), Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

4 24-34-104. General assembly review of regulatory agencies  
5 and functions for termination, continuation, or reestablishment.

6 (46) The following agencies, functions, or both shall terminate on July  
7 1, 2015:

8 (m) THE REGULATION OF PERSONS LICENSED PURSUANT TO  
9 ARTICLE 43.3 OF TITLE 12, C.R.S.

10 SECTION 13. 24-72-202 (6) (b) (XI) and (6) (b) (XII), Colorado  
11 Revised Statutes, are amended, and the said 24-72-202 (6) (b) is further  
12 amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

13 24-72-202. Definitions. As used in this part 2, unless the context  
14 otherwise requires:

15 (6) (b) "Public records" does not include:

16 (XI) Information security incident reports prepared pursuant to  
17 section 24-37.5-404 (2) (e) or 24-37.5-404.5 (2) (e); or

18 (XII) Information security audit and assessment reports prepared  
19 pursuant to section 24-37.5-403 (2) (d) or 24-37.5-404.5 (2) (d); OR

20 (XIII) STATE AND LOCAL APPLICATIONS AND LICENSES FOR AN  
21 OPTIONAL PREMISES CULTIVATION OPERATION AS DESCRIBED IN SECTION  
22 12-43.3-403, C.R.S., AND THE LOCATION OF THE OPTIONAL PREMISES  
23 CULTIVATION OPERATION.

24 SECTION 14. Part 7 of article 26 of title 39, Colorado Revised  
25 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
26 read:

27 39-26-726. Medical marijuana - debilitating conditions and

1 ability to purchase. ALL SALES OF MEDICAL MARIJUANA TO A PATIENT  
2 WHO IS DETERMINED TO BE INDIGENT FOR PURPOSES OF WAIVING THE FEE  
3 REQUIRED BY SECTION 25-1.5-106, C.R.S. SHALL BE EXEMPT FROM  
4 TAXATION UNDER PART 1 OF THIS ARTICLE. IF THE PATIENT IS  
5 DETERMINED TO BE INDIGENT THE STATE HEALTH AGENCY SHALL MARK  
6 HIS OR HER REGISTRY IDENTIFICATION CARD AS SUCH AND THE PATIENT  
7 SHALL PRESENT THE CARD TO THE LICENSED MEDICAL MARIJUANA CENTER  
8 TO RECEIVE THE TAX EXEMPTION.

9 **SECTION 15. Appropriation.** (1) In addition to any other  
10 appropriation, there is hereby appropriated, out of any moneys in the  
11 general fund not otherwise appropriated, to the department of human  
12 services, for allocation to mental health and alcohol and drug abuse  
13 services, for the fiscal year beginning July 1, 2010, the sum of three  
14 hundred thirty-four thousand two hundred twenty-seven dollars  
15 (\$334,227), or so much thereof as may be necessary, for the  
16 implementation of this act.

17 (2) In addition to any other appropriation, there is hereby  
18 appropriated, out of any moneys in the medical marijuana license cash  
19 fund \_\_\_ created in section 12-43.3-501 (1), Colorado Revised Statutes,  
20 not otherwise appropriated, to the department of revenue, for allocation  
21 to the enforcement business group, for the fiscal year beginning July 1,  
22 2010, the sum of ten million three hundred seventeen thousand five  
23 hundred eighty-three dollars (\$10,317,583) cash funds and 110.0 FTE, or  
24 so much thereof as may be necessary, for the implementation of this act.

25 (3) In addition to any other appropriation, there is hereby  
26 appropriated to the department of law, for the fiscal year beginning July  
27 1, 2010, the sum of two hundred seventy-one thousand three hundred

1 sixty-eight dollars (\$271,368) and 2.0 FTE, or so much thereof as may be  
2 necessary, for the provision of legal services to the department of  
3 revenue related to the implementation of this act. Said sum shall be from  
4 reappropriated funds received from the department of revenue out of the  
5 appropriation made in subsection (2) of this section.

6 (4) In addition to any other appropriation, there is hereby  
7 appropriated to the department of public safety, Colorado bureau of  
8 investigation, for the fiscal year beginning July 1, 2010, the sum of two  
9 hundred sixty thousand seven hundred dollars (\$260,700) and 1.2 FTE,  
10 or so much thereof as may be necessary, for the provision of background  
11 checks to the department of revenue related to the implementation of this  
12 act. Said sum shall be from reappropriated funds received from the  
13 department of revenue out of the appropriation made in subsection (2) of  
14 this section.

15 (5) In addition to any other appropriation, there is hereby  
16 appropriated, out of any moneys in the medical marijuana program cash  
17 fund created in section 25-1.5-106 (12), Colorado Revised Statutes, not  
18 otherwise appropriated, to the department of public health and  
19 environment, for allocation to the center for health and environmental  
20 education, for the fiscal year beginning July 1, 2010, the sum of fifty-nine  
21 thousand seven hundred forty-seven dollars (\$59,747) cash funds == ==  
22 and 1.2 FTE, or so much thereof as may be necessary, for the  
23 implementation of this act.

24 ==  
25 **SECTION 16. Appropriation.** (1) In addition to any other  
26 appropriation, there is hereby appropriated, out of any moneys in the  
27 general fund not otherwise appropriated, to the department of human

1 services, for allocation to mental health and alcohol and drug abuse  
2 services, for the fiscal year beginning July 1, 2010, the sum of six  
3 hundred sixty-eight thousand four hundred fifty-four dollars (\$668,454),  
4 or so much thereof as may be necessary, for the implementation of this  
5 act.

6 (2) In addition to any other appropriation, there is hereby  
7 appropriated, out of any moneys in the medical marijuana license cash  
8 fund      created in section 12-43.3-501 (1), Colorado Revised Statutes,  
9 not otherwise appropriated, to the department of revenue, for allocation  
10 to the enforcement business group, for the fiscal year beginning July 1,  
11 2010, the sum of ten million three hundred seventeen thousand five  
12 hundred eighty-three dollars (\$10,317,583) cash funds and 110.0 FTE, or  
13 so much thereof as may be necessary, for the implementation of this act.

14 (3) In addition to any other appropriation, there is hereby  
15 appropriated to the department of law, for the fiscal year beginning July  
16 1, 2010, the sum of two hundred seventy-one thousand three hundred  
17 sixty-eight dollars (\$271,368) and 2.0 FTE, or so much thereof as may be  
18 necessary, for the provision of legal services to the department of  
19 revenue related to the implementation of this act. Said sum shall be from  
20 reappropriated funds received from the department of revenue out of the  
21 appropriation made in subsection (2) of this section.

22 (4) In addition to any other appropriation, there is hereby  
23 appropriated to the department of public safety, Colorado bureau of  
24 investigation, for the fiscal year beginning July 1, 2010, the sum of two  
25 hundred sixty thousand seven hundred dollars (\$260,700) and 1.2 FTE,  
26 or so much thereof as may be necessary, for the provision of background  
27 checks to the department of revenue related to the implementation of this

1 act. Said sum shall be from reappropriated funds received from the  
2 department of revenue out of the appropriation made in subsection (2) of  
3 this section.

4 (5) In addition to any other appropriation, there is hereby  
5 appropriated, out of any moneys in the medical marijuana program cash  
6 fund created in section 25-1.5-106 (12), Colorado Revised Statutes, not  
7 otherwise appropriated, to the department of public health and  
8 environment, for allocation to the center for health and environmental  
9 education, for the fiscal year beginning July 1, 2010, the sum of fifty-nine  
10 thousand seven hundred forty-seven dollars (\$59,747) cash funds == ==  
11 and 1.2 FTE, or so much thereof as may be necessary, for the  
12 implementation of this act.

13 **SECTION 17. Severability.** If any provision of this act or the  
14 application thereof to any person or circumstance is held invalid, such  
15 invalidity shall not affect other provisions or applications of the act that  
16 can be given effect without the invalid provision or application, and to  
17 this end the provisions of this act are declared to be severable.

18 ==  
19 **SECTION 18. Specified effective date.** (1) Except as otherwise  
20 provided in subsection (2) of this section, this act shall take effect July 1,  
21 2010.

22 (2)(a) Sections 9 and 15 of this act shall take effect only if House  
23 Bill 10-1033 is enacted and becomes law and shall take effect upon the  
24 effective date of House Bill 10-1033.

25 (b) Sections 10 and 16 of this act shall take effect only if section  
26 9 of this act does not take effect and does not become law.

27 **SECTION 19. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.