

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 10-0773.02 Michael Dohr

HOUSE BILL 10-1284

HOUSE SPONSORSHIP

Massey and Summers, McCann, Rice

SENATE SPONSORSHIP

Romer and Spence,

House Committees

Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

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

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>.)

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

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.

HOUSE
Amended 2nd Reading
April 20, 2010

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.

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) AFTER JULY 1, 2011, A
20 PERSON SHALL NOT OPEN A MEDICAL MARIJUANA CENTER UNTIL THE
21 CENTER HAS BEEN LICENSED PURSUANT TO THIS ARTICLE.

22 (b) ON JULY 1, 2010, A PERSON WHO IS ALREADY OPERATING A
23 MEDICAL MARIJUANA CENTER OR HAS APPLIED FOR A LICENSE THAT IS
24 SUBSEQUENTLY GRANTED MAY OPERATE OR CONTINUE TO OPERATE THAT
25 CENTER UNTIL JULY 1, 2011, IN ACCORDANCE WITH ANY APPLICABLE
26 STATE OR LOCAL LAWS. AFTER JULY 1, 2011, THE PERSON MAY CONTINUE
27 OPERATING THE MEDICAL MARIJUANA CENTER ONLY IF THE CENTER IS

1 LICENSED PURSUANT TO THIS ARTICLE. TO CONTINUE OPERATING A
2 MEDICAL MARIJUANA CENTER THAT WAS OPERATING PRIOR TO JULY 1,
3 2010, THE OWNER OF THE CENTER SHALL, ON OR BEFORE SEPTEMBER 1,
4 2010, COMPLETE A FORM PROVIDED BY THE DEPARTMENT OF REVENUE
5 AND SHALL PAY A FEE, WHICH SHALL BE CREDITED TO THE MEDICAL
6 MARIJUANA LICENSE CASH FUND ESTABLISHED PURSUANT TO SECTION
7 12-43.3-501. THE PURPOSE OF THE FEE SHALL BE TO PAY FOR THE DIRECT
8 AND INDIRECT COSTS OF THE STATE LICENSING AUTHORITY, AND
9 DEVELOPMENT OF APPLICATION PROCEDURES AND RULES NECESSARY TO
10 IMPLEMENT THIS ARTICLE. PAYMENT OF THE FEE AND COMPLETION OF THE
11 FORM SHALL NOT CREATE A LOCAL OR STATE MEDICAL MARIJUANA CENTER
12 LICENSE OR A PRESENT OR FUTURE ENTITLEMENT TO RECEIVE A LICENSE.
13 COMMENCING ON JULY 1, 2011, ALL MEDICAL MARIJUANA CENTERS SHALL
14 BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS ARTICLE AND ANY
15 RULES PROMULGATED PURSUANT TO THIS ARTICLE.

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

1 **12-43.3-104. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
2 CONTEXT OTHERWISE REQUIRES:

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

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

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

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

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

15 **PART 2**

16 **STATE LICENSING AUTHORITY**

17 **12-43.3-201. State licensing authority - creation.** (1) FOR THE
18 PURPOSE OF REGULATING AND CONTROLLING THE LICENSING OF THE
19 CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE OF MEDICAL
20 MARIJUANA IN THIS STATE, THERE IS HEREBY CREATED THE STATE
21 LICENSING AUTHORITY, WHICH SHALL BE THE EXECUTIVE DIRECTOR OF THE
22 DEPARTMENT OF REVENUE OR THE DEPUTY DIRECTOR OF THE DEPARTMENT
23 OF REVENUE IF THE EXECUTIVE DIRECTOR SO DESIGNATES.

24 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
25 SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE STATE LICENSING
26 AUTHORITY AND MAY EMPLOY, PURSUANT TO SECTION 13 OF ARTICLE XII
27 OF THE STATE CONSTITUTION, SUCH OFFICERS AND EMPLOYEES AS MAY BE

1 DETERMINED TO BE NECESSARY, WHICH OFFICERS AND EMPLOYEES SHALL
2 BE PART OF THE DEPARTMENT OF REVENUE.

3 **12-43.3-202. Powers and duties of state licensing authority.**

4 (1) THE STATE LICENSING AUTHORITY SHALL:

5 (a) GRANT OR REFUSE STATE LICENSES FOR THE CULTIVATION,
6 MANUFACTURE, DISTRIBUTION, AND SALE OF MEDICAL MARIJUANA AS
7 PROVIDED BY LAW; SUSPEND, FINE, RESTRICT, OR REVOKE SUCH LICENSES
8 UPON A VIOLATION OF THIS ARTICLE, OR A RULE PROMULGATED PURSUANT
9 TO THIS ARTICLE; AND IMPOSE ANY PENALTY AUTHORIZED BY THIS
10 ARTICLE OR ANY RULE PROMULGATED PURSUANT TO THIS ARTICLE. THE
11 STATE LICENSING AUTHORITY MAY TAKE ANY ACTION WITH RESPECT TO A
12 REGISTRATION PURSUANT TO THIS ARTICLE AS IT MAY WITH RESPECT TO A
13 LICENSE PURSUANT TO THIS ARTICLE, IN ACCORDANCE WITH THE
14 PROCEDURES ESTABLISHED PURSUANT TO THIS ARTICLE.

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

24 (c) HEAR AND DETERMINE AT A PUBLIC HEARING ANY APPEALS OF
25 A STATE LICENSE DENIAL AND ANY COMPLAINTS AGAINST A LICENSEE AND
26 ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE OF
27 PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS

1 NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN
2 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.;

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

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

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

17 (g) IN RECOGNITION OF THE POTENTIAL MEDICINAL VALUE OF
18 MEDICAL MARIJUANA, MAKE A REQUEST BY JANUARY 1, 2012, TO THE
19 FEDERAL DRUG ENFORCEMENT ADMINISTRATION TO CONSIDER
20 RESCHEDULING, FOR PHARMACEUTICAL PURPOSES, MEDICAL MARIJUANA
21 FROM A SCHEDULE I CONTROLLED SUBSTANCE TO A SCHEDULE II
22 CONTROLLED SUBSTANCE.

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

26 (I) COMPLIANCE WITH, ENFORCEMENT OF, OR VIOLATION OF ANY
27 PROVISION OF THIS ARTICLE, OR ANY RULE ISSUED PURSUANT TO THIS

1 ARTICLE, INCLUDING PROCEDURES AND GROUNDS FOR DENYING,
2 SUSPENDING, FINING, RESTRICTING, OR REVOKING A STATE LICENSE ISSUED
3 PURSUANT TO THIS ARTICLE;

4 (II) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF
5 THE STATE LICENSING AUTHORITY;

6 (III) INSTRUCTIONS FOR LOCAL LICENSING AUTHORITIES AND LAW
7 ENFORCEMENT OFFICERS;

8 (IV) REQUIREMENTS FOR INSPECTIONS, INVESTIGATIONS,
9 SEARCHES, SEIZURES, AND SUCH ADDITIONAL ACTIVITIES AS MAY BECOME
10 NECESSARY FROM TIME TO TIME;

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

13 (VI) PROHIBITION OF MISREPRESENTATION AND UNFAIR
14 PRACTICES;

15 (VII) CONTROL OF INFORMATIONAL AND PRODUCT DISPLAYS ON
16 LICENSED PREMISES;

17 (VIII) DEVELOPMENT OF INDIVIDUAL IDENTIFICATION CARDS FOR
18 OWNERS, OFFICERS, MANAGERS, CONTRACTORS, EMPLOYEES, AND OTHER
19 SUPPORT STAFF OF ENTITIES LICENSED PURSUANT TO THIS ARTICLE,
20 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AS
21 MAY BE REQUIRED BY THE STATE LICENSING AUTHORITY PRIOR TO ISSUING
22 A CARD;

23 (IX) IDENTIFICATION OF STATE LICENSEES AND THEIR OWNERS,
24 OFFICERS, MANAGERS, AND EMPLOYEES;

25 (X) SECURITY REQUIREMENTS FOR MEDICAL MARIJUANA CENTERS
26 AND OPTIONAL PREMISES CULTIVATION OPERATIONS, INCLUDING, AT A
27 MINIMUM, LIGHTING, PHYSICAL SECURITY, VIDEO, ALARM REQUIREMENTS,

1 AND OTHER MINIMUM PROCEDURES FOR INTERNAL CONTROL AS DEEMED
2 NECESSARY BY THE STATE LICENSING AUTHORITY TO PROPERLY
3 ADMINISTER AND ENFORCE THE PROVISIONS OF THIS ARTICLE, INCLUDING
4 REPORTING REQUIREMENTS FOR CHANGES, ALTERATIONS, OR
5 MODIFICATIONS TO THE PREMISES;

6 (XI) REGULATION OF THE STORAGE OF, WAREHOUSES FOR, AND
7 TRANSPORTATION OF MEDICAL MARIJUANA;

8 (XII) SANITARY REQUIREMENTS FOR MEDICAL MARIJUANA
9 CENTERS, INCLUDING BUT NOT LIMITED TO SANITARY REQUIREMENTS FOR
10 THE PREPARATION OF MEDICAL MARIJUANA-INFUSED PRODUCTS;

11 (XIII) THE SPECIFICATION OF ACCEPTABLE FORMS OF PICTURE
12 IDENTIFICATION THAT A MEDICAL MARIJUANA CENTER MAY ACCEPT WHEN
13 VERIFYING A SALE;

14 (XIV) LABELING STANDARDS;

15 (XV) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED
16 AVAILABILITY OF THE RECORDS;

17 (XVI) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES
18 FOR RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT
19 OF LICENSING FEES;

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

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

25 (XIX) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO
26 ISSUE ADMINISTRATIVE CITATIONS AND PROCEDURES FOR ISSUING,
27 APPEALING AND CREATING A CITATION VIOLATION LIST AND SCHEDULE OF

1 PENALTIES; AND

2 (XX) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,
3 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS
4 ARTICLE.

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

8 (c) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO LIMIT A
9 LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL
10 ACTIVITY IN RELATION TO A MEDICAL MARIJUANA CENTER, OPTIONAL
11 PREMISES CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED
12 PRODUCTS MANUFACTURER. A LAW ENFORCEMENT AGENCY SHALL HAVE
13 THE AUTHORITY TO RUN A COLORADO CRIME INFORMATION CENTER
14 CRIMINAL HISTORY RECORD CHECK OF A PRIMARY CAREGIVER, LICENSEE,
15 OR EMPLOYEE OF A LICENSEE DURING AN INVESTIGATION OF UNLAWFUL
16 ACTIVITY RELATED TO MEDICAL MARIJUANA.

17 PART 3

18 STATE AND LOCAL LICENSING

19 **12-43.3-301. Local licensing authority - applications - licenses.**

20 (1) A LOCAL LICENSING AUTHORITY MAY ISSUE ONLY THE FOLLOWING
21 MEDICAL MARIJUANA LICENSES UPON PAYMENT OF THE FEE AND
22 COMPLIANCE WITH ALL LOCAL LICENSING REQUIREMENTS TO BE
23 DETERMINED BY THE LOCAL LICENSING AUTHORITY:

24 (a) A MEDICAL MARIJUANA CENTER LICENSE;

25 (b) AN OPTIONAL PREMISES CULTIVATION LICENSE;

26 (c) A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
27 LICENSE.

1 (2) (a) A LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A LOCAL
2 LICENSE WITHIN A MUNICIPALITY, CITY AND COUNTY, OR THE
3 UNINCORPORATED PORTION OF A COUNTY UNLESS THE GOVERNING BODY
4 OF THE MUNICIPALITY OR CITY AND COUNTY HAS ADOPTED AN ORDINANCE,
5 OR THE GOVERNING BODY OF THE COUNTY HAS ADOPTED A RESOLUTION,
6 CONTAINING SPECIFIC STANDARDS FOR LICENSE ISSUANCE, OR IF NO SUCH
7 ORDINANCE OR RESOLUTION IS ADOPTED PRIOR TO JULY 1, 2011, THEN A
8 LOCAL LICENSING AUTHORITY SHALL CONSIDER THE MINIMUM LICENSING
9 REQUIREMENTS OF THIS PART 3 WHEN ISSUING A LICENSE.

10 (b) IN ADDITION TO ALL OTHER STANDARDS APPLICABLE TO THE
11 ISSUANCE OF LICENSES UNDER THIS ARTICLE, THE LOCAL GOVERNING BODY
12 MAY ADOPT ADDITIONAL STANDARDS FOR THE ISSUANCE OF MEDICAL
13 MARIJUANA CENTER, OPTIONAL PREMISES CULTIVATION, OR MEDICAL
14 MARIJUANA-INFUSED PRODUCTS MANUFACTURER LICENSES CONSISTENT
15 WITH THE INTENT OF THIS ARTICLE THAT MAY INCLUDE, BUT NEED NOT BE
16 LIMITED TO:

17 (I) DISTANCE RESTRICTIONS BETWEEN PREMISES FOR WHICH LOCAL
18 LICENSES ARE ISSUED;

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

21 (III) ANY OTHER REQUIREMENTS NECESSARY TO ENSURE THE
22 CONTROL OF THE PREMISES AND THE EASE OF ENFORCEMENT OF THE
23 TERMS AND CONDITIONS OF THE LICENSE.

24 (3) AN APPLICATION FOR A LICENSE SPECIFIED IN SUBSECTION (1)
25 OF THIS SECTION SHALL BE FILED WITH THE APPROPRIATE LOCAL
26 LICENSING AUTHORITY ON FORMS PROVIDED BY THE STATE LICENSING
27 AUTHORITY AND SHALL CONTAIN SUCH INFORMATION AS THE STATE

1 LICENSING AUTHORITY MAY REQUIRE AND ANY FORMS AS THE LOCAL
2 LICENSING AUTHORITY MAY REQUIRE. EACH APPLICATION SHALL BE
3 VERIFIED BY THE OATH OR AFFIRMATION OF THE PERSONS PRESCRIBED BY
4 THE STATE LICENSING AUTHORITY.

5 (4) AN APPLICANT SHALL FILE AT THE TIME OF APPLICATION FOR
6 A LOCAL LICENSE PLANS AND SPECIFICATIONS FOR THE INTERIOR OF THE
7 BUILDING IF THE BUILDING TO BE OCCUPIED IS IN EXISTENCE AT THE TIME.
8 IF THE BUILDING IS NOT IN EXISTENCE, THE APPLICANT SHALL FILE A PLOT
9 PLAN AND A DETAILED SKETCH FOR THE INTERIOR AND SUBMIT AN
10 ARCHITECT'S DRAWING OF THE BUILDING TO BE CONSTRUCTED. IN ITS
11 DISCRETION, THE LOCAL OR STATE LICENSING AUTHORITY MAY IMPOSE
12 ADDITIONAL REQUIREMENTS NECESSARY FOR THE APPROVAL OF THE
13 APPLICATION.

14 **12-43.3-302. Public hearing notice - posting and publication.**

15 (1) UPON RECEIPT OF AN APPLICATION FOR A LOCAL LICENSE, EXCEPT AN
16 APPLICATION FOR RENEWAL OR FOR TRANSFER OF OWNERSHIP, A LOCAL
17 LICENSING AUTHORITY MAY SCHEDULE A PUBLIC HEARING UPON THE
18 APPLICATION TO BE HELD NOT LESS THAN THIRTY DAYS AFTER THE DATE
19 OF THE APPLICATION. IF THE LOCAL LICENSING AUTHORITY SCHEDULES A
20 HEARING FOR A MEDICAL MARIJUANA CENTER APPLICATION, IT SHALL POST
21 AND PUBLISH PUBLIC NOTICE THEREOF NOT LESS THAN TEN DAYS PRIOR TO
22 THE HEARING. THE LOCAL LICENSING AUTHORITY SHALL GIVE PUBLIC
23 NOTICE BY THE POSTING OF A SIGN IN A CONSPICUOUS PLACE ON THE
24 MEDICAL MARIJUANA CENTER PREMISES FOR WHICH APPLICATION HAS
25 BEEN MADE AND BY PUBLICATION IN A NEWSPAPER OF GENERAL
26 CIRCULATION IN THE COUNTY IN WHICH THE MEDICAL MARIJUANA CENTER
27 PREMISES ARE LOCATED.

1 (2) PUBLIC NOTICE GIVEN BY POSTING SHALL INCLUDE A SIGN OF
2 SUITABLE MATERIAL, NOT LESS THAN TWENTY-TWO INCHES WIDE AND
3 TWENTY-SIX INCHES HIGH, COMPOSED OF LETTERS NOT LESS THAN ONE
4 INCH IN HEIGHT AND STATING THE TYPE OF LICENSE APPLIED FOR, THE
5 DATE OF THE APPLICATION, THE DATE OF THE HEARING, THE NAME AND
6 ADDRESS OF THE APPLICANT, AND SUCH OTHER INFORMATION AS MAY BE
7 REQUIRED TO FULLY APPRISE THE PUBLIC OF THE NATURE OF THE
8 APPLICATION. THE SIGN SHALL CONTAIN THE NAMES AND ADDRESSES OF
9 THE OFFICERS, DIRECTORS, OR MANAGER OF THE FACILITY TO BE LICENSED.

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

12 (4) IF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE SOLD
13 IS IN EXISTENCE AT THE TIME OF THE APPLICATION, A SIGN POSTED AS
14 REQUIRED IN SUBSECTIONS (1) AND (2) OF THIS SECTION SHALL BE PLACED
15 SO AS TO BE CONSPICUOUS AND PLAINLY VISIBLE TO THE GENERAL PUBLIC.
16 IF THE BUILDING IS NOT CONSTRUCTED AT THE TIME OF THE APPLICATION,
17 THE APPLICANT SHALL POST A SIGN AT THE PREMISES UPON WHICH THE
18 BUILDING IS TO BE CONSTRUCTED IN SUCH A MANNER THAT THE NOTICE
19 SHALL BE CONSPICUOUS AND PLAINLY VISIBLE TO THE GENERAL PUBLIC.

20 (5) (a) A LOCAL LICENSING AUTHORITY, OR A LICENSE APPLICANT
21 WITH LOCAL LICENSING AUTHORITY APPROVAL, MAY REQUEST THAT THE
22 STATE LICENSING AUTHORITY CONDUCT A CONCURRENT REVIEW OF A NEW
23 LICENSE APPLICATION PRIOR TO THE LOCAL LICENSING AUTHORITY'S FINAL
24 APPROVAL OF THE LICENSE APPLICATION. LOCAL LICENSING AUTHORITIES
25 WHO PERMIT A CONCURRENT REVIEW WILL CONTINUE TO INDEPENDENTLY
26 REVIEW THE APPLICANT'S LICENSE APPLICATION.

27 (b) WHEN CONDUCTING A CONCURRENT APPLICATION REVIEW, THE

1 STATE LICENSING AUTHORITY MAY ADVISE THE LOCAL LICENSING
2 AUTHORITY OF ANY ITEMS THAT IT FINDS THAT COULD RESULT IN THE
3 DENIAL OF THE LICENSE APPLICATION. UPON CORRECTION OF THE NOTED
4 DISCREPANCIES IF THE CORRECTION IS PERMITTED BY THE STATE
5 LICENSING AUTHORITY, THE STATE LICENSING AUTHORITY SHALL NOTIFY
6 THE LOCAL LICENSING AUTHORITY OF ITS CONDITIONAL APPROVAL OF THE
7 LICENSE APPLICATION SUBJECT TO THE FINAL APPROVAL BY THE LOCAL
8 LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL THEN
9 ISSUE THE APPLICANT'S STATE LICENSE UPON RECEIVING EVIDENCE OF
10 FINAL APPROVAL BY THE LOCAL LICENSING AUTHORITY.

11 (c) ALL APPLICATIONS SUBMITTED FOR CONCURRENT REVIEW
12 SHALL BE ACCOMPANIED BY ALL APPLICABLE STATE LICENSE AND
13 APPLICATION FEES. ANY APPLICATIONS THAT ARE LATER DENIED OR
14 WITHDRAWN MAY ALLOW FOR A REFUND OF LICENSE FEES ONLY. ALL
15 APPLICATION FEES PROVIDED BY AN APPLICANT SHALL BE RETAINED BY
16 THE RESPECTIVE LICENSING AUTHORITY.

17 **12-43.3-303. Results of investigation - decision of authorities.**

18 (1) NOT LESS THAN FIVE DAYS PRIOR TO THE DATE OF THE PUBLIC
19 HEARING AUTHORIZED IN SECTION 12-43.3-302, THE LOCAL LICENSING
20 AUTHORITY SHALL MAKE KNOWN ITS FINDINGS, BASED ON ITS
21 INVESTIGATION, IN WRITING TO THE APPLICANT AND OTHER PARTIES OF
22 INTEREST AS DESCRIBED IN SECTION 12-43.3-302 (5). THE LOCAL
23 LICENSING AUTHORITY HAS AUTHORITY TO REFUSE TO ISSUE A LICENSE
24 PROVIDED FOR IN THIS SECTION FOR GOOD CAUSE BASED UPON THE
25 STANDARDS ADOPTED IN ITS ORDINANCE OR RESOLUTION, SUBJECT TO
26 JUDICIAL REVIEW.

27 (2) BEFORE ENTERING A DECISION APPROVING OR DENYING THE

1 APPLICATION FOR A LOCAL LICENSE, THE LOCAL LICENSING AUTHORITY
2 MAY CONSIDER, EXCEPT WHERE THIS ARTICLE SPECIFICALLY PROVIDES
3 OTHERWISE, THE FACTS AND EVIDENCE ADDUCED AS A RESULT OF ITS
4 INVESTIGATION, AS WELL AS ANY OTHER FACTS PERTINENT TO THE TYPE
5 OF LICENSE FOR WHICH APPLICATION HAS BEEN MADE, INCLUDING THE
6 NUMBER, TYPE, AND AVAILABILITY OF MEDICAL MARIJUANA OUTLETS
7 LOCATED IN OR NEAR THE PREMISES UNDER CONSIDERATION, AND ANY
8 OTHER PERTINENT MATTERS AFFECTING THE QUALIFICATIONS OF THE
9 APPLICANT FOR THE CONDUCT OF THE TYPE OF BUSINESS PROPOSED.

10 (3) WITHIN THIRTY DAYS AFTER THE PUBLIC HEARING OR
11 COMPLETION OF THE APPLICATION INVESTIGATION, A LOCAL LICENSING
12 AUTHORITY SHALL ISSUE ITS DECISION APPROVING OR DENYING AN
13 APPLICATION FOR LOCAL LICENSURE. THE DECISION SHALL BE IN WRITING
14 AND SHALL STATE THE REASONS FOR THE DECISION. THE LOCAL LICENSING
15 AUTHORITY SHALL SEND A COPY OF THE DECISION BY CERTIFIED MAIL TO
16 THE APPLICANT AT THE ADDRESS SHOWN IN THE APPLICATION.

17 (4) AFTER APPROVAL OF AN APPLICATION, A LOCAL LICENSING
18 AUTHORITY SHALL NOT ISSUE A LOCAL LICENSE UNTIL THE BUILDING IN
19 WHICH THE BUSINESS TO BE CONDUCTED IS READY FOR OCCUPANCY WITH
20 SUCH FURNITURE, FIXTURES, AND EQUIPMENT IN PLACE AS ARE NECESSARY
21 TO COMPLY WITH THE APPLICABLE PROVISIONS OF THIS ARTICLE, AND THEN
22 ONLY AFTER THE LOCAL LICENSING AUTHORITY HAS INSPECTED THE
23 PREMISES TO DETERMINE THAT THE APPLICANT HAS COMPLIED WITH THE
24 ARCHITECT'S DRAWING AND THE PLOT PLAN AND DETAILED SKETCH FOR
25 THE INTERIOR OF THE BUILDING SUBMITTED WITH THE APPLICATION.

26 (5) AFTER APPROVAL OF AN APPLICATION FOR LOCAL LICENSURE,
27 THE LOCAL LICENSING AUTHORITY SHALL NOTIFY THE STATE LICENSING

1 AUTHORITY OF SUCH APPROVAL, WHO SHALL INVESTIGATE AND EITHER
2 APPROVE OR DISAPPROVE THE APPLICATION FOR STATE LICENSURE.

3 **12-43.3-304. Medical marijuana license bond.** (1) BEFORE THE
4 STATE LICENSING AUTHORITY ISSUES A STATE LICENSE TO AN APPLICANT,
5 THE APPLICANT SHALL PROCURE AND FILE WITH THE STATE LICENSING
6 AUTHORITY EVIDENCE OF A GOOD AND SUFFICIENT BOND IN THE AMOUNT
7 OF FIVE THOUSAND DOLLARS WITH CORPORATE SURETY THEREON DULY
8 LICENSED TO DO BUSINESS WITH THE STATE, APPROVED AS TO FORM BY
9 THE ATTORNEY GENERAL OF THE STATE, AND CONDITIONED THAT THE
10 APPLICANT SHALL REPORT AND PAY ALL SALES AND USE TAXES DUE TO THE
11 STATE, OR FOR WHICH THE STATE IS THE COLLECTOR OR COLLECTING
12 AGENT, IN A TIMELY MANNER, AS PROVIDED IN LAW.

13 (2) A CORPORATE SURETY SHALL NOT BE REQUIRED TO MAKE
14 PAYMENTS TO THE STATE CLAIMING UNDER SUCH BOND UNTIL A FINAL
15 DETERMINATION OF FAILURE TO PAY TAXES DUE TO THE STATE HAS BEEN
16 MADE BY THE STATE LICENSING AUTHORITY OR A COURT OF COMPETENT
17 JURISDICTION.

18 (3) ALL BONDS REQUIRED PURSUANT TO THIS SECTION SHALL BE
19 RENEWED AT SUCH TIME AS THE BONDHOLDER'S LICENSE IS RENEWED.
20 THE RENEWAL MAY BE ACCOMPLISHED THROUGH A CONTINUATION
21 CERTIFICATE ISSUED BY THE SURETY.

22 **12-43.3-305. State licensing authority - application and**
23 **issuance procedures.** (1) APPLICATIONS FOR A STATE LICENSE UNDER
24 THE PROVISIONS OF THIS ARTICLE SHALL BE MADE TO THE STATE
25 LICENSING AUTHORITY ON FORMS PREPARED AND FURNISHED BY THE
26 STATE LICENSING AUTHORITY AND SHALL SET FORTH SUCH INFORMATION
27 AS THE STATE LICENSING AUTHORITY MAY REQUIRE TO ENABLE THE STATE

1 LICENSING AUTHORITY TO DETERMINE WHETHER A STATE LICENSE SHOULD
2 BE GRANTED. THE INFORMATION SHALL INCLUDE THE NAME AND ADDRESS
3 OF THE APPLICANT, THE NAMES AND ADDRESSES OF THE OFFICERS,
4 DIRECTORS, OR MANAGERS, AND ALL OTHER INFORMATION DEEMED
5 NECESSARY BY THE STATE LICENSING AUTHORITY. EACH APPLICATION
6 SHALL BE VERIFIED BY THE OATH OR AFFIRMATION OF SUCH PERSON OR
7 PERSONS AS THE STATE LICENSING AUTHORITY MAY PRESCRIBE.

8 (2) THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A STATE
9 LICENSE PURSUANT TO THIS SECTION UNTIL THE LOCAL LICENSING
10 AUTHORITY HAS APPROVED THE APPLICATION FOR A LOCAL LICENSE AND
11 ISSUED A LOCAL LICENSE AS PROVIDED FOR IN SECTIONS 12-43.3-301 TO
12 12-43.3-303.

13 (3) NOTHING IN THIS ARTICLE SHALL PREEMPT OR OTHERWISE
14 IMPAIR THE POWER OF A LOCAL GOVERNMENT TO ENACT ORDINANCES OR
15 RESOLUTIONS CONCERNING MATTERS AUTHORIZED TO LOCAL
16 GOVERNMENTS.

17 **12-43.3-306. Denial of application.** (1) THE STATE LICENSING
18 AUTHORITY SHALL DENY A STATE LICENSE IF THE PREMISES ON WHICH THE
19 APPLICANT PROPOSES TO CONDUCT ITS BUSINESS DO NOT MEET THE
20 REQUIREMENTS OF THIS ARTICLE OR FOR REASONS SET FORTH IN SECTION
21 12-43.3-104 (1) OR 12-43.3-305.

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

1 HEARING.

2 **12-43.3-307. Persons prohibited as licensees.** (1) (a) A LICENSE
3 PROVIDED BY THIS ARTICLE SHALL NOT BE ISSUED TO OR HELD BY:

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

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

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

10 (IV) A LICENSED PHYSICIAN MAKING PATIENT
11 RECOMMENDATIONS;

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

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

17 (VII) A PERSON LICENSED PURSUANT TO THIS ARTICLE WHO,
18 DURING A PERIOD OF LICENSURE, AND WHO, AT THE TIME OF APPLICATION,
19 HAS FAILED TO:

20 (A) PROVIDE A SURETY BOND OR FILE ANY TAX RETURN WITH A
21 TAXING AGENCY;

22 (B) PAY ANY TAXES, INTEREST, OR PENALTIES DUE;

23 (C) PAY ANY JUDGMENTS DUE TO A GOVERNMENT AGENCY;

24 (D) REPAY GOVERNMENT-INSURED STUDENT LOANS;

25 (E) PAY CHILD SUPPORT; OR

26 (F) REMEDY AN OUTSTANDING DELINQUENCY FOR TAXES OWED,
27 AN OUTSTANDING DELINQUENCY FOR JUDGMENTS OWED TO A

1 GOVERNMENT AGENCY, OR AN OUTSTANDING DELINQUENCY FOR CHILD
2 SUPPORT.

3 (VIII) A PERSON WHO HAS DISCHARGED A SENTENCE IN THE FIVE
4 YEARS IMMEDIATELY PRECEDING THE APPLICATION DATE FOR A
5 CONVICTION OF A FELONY OR A PERSON WHO AT ANY TIME HAS BEEN
6 CONVICTED OF A FELONY PURSUANT TO ANY STATE OR FEDERAL LAW
7 REGARDING THE POSSESSION, DISTRIBUTION, OR USE OF A CONTROLLED
8 SUBSTANCE.

9 (IX) A PERSON WHO EMPLOYEES ANOTHER PERSON AT A MEDICAL
10 MARIJUANA FACILITY WHO HAS NOT PASSED A CRIMINAL HISTORY RECORD
11 CHECK;

12 (X) A SHERIFF, DEPUTY SHERIFF, POLICE OFFICER, OR PROSECUTING
13 OFFICER, OR AN OFFICER OR EMPLOYEE OF THE STATE LICENSING
14 AUTHORITY OR A LOCAL LICENSING AUTHORITY;

15 (XI) A PERSON WHOSE AUTHORITY TO BE A PRIMARY CAREGIVER
16 AS DEFINED IN SECTION 25-1.5-106 (2) HAS BEEN REVOKED BY THE STATE
17 HEALTH AGENCY; OR

18 (XII) A PERSON FOR A LICENSE FOR A LOCATION THAT IS
19 CURRENTLY LICENSED AS A RETAIL FOOD ESTABLISHMENT OR WHOLESALE
20 FOOD REGISTRANT.

21 (2) (a) IN INVESTIGATING THE QUALIFICATIONS OF AN APPLICANT
22 OR A LICENSEE, THE STATE LICENSING AUTHORITY MAY HAVE ACCESS TO
23 CRIMINAL HISTORY RECORD INFORMATION FURNISHED BY A CRIMINAL
24 JUSTICE AGENCY SUBJECT TO ANY RESTRICTIONS IMPOSED BY SUCH
25 AGENCY. IN THE EVENT THE STATE LICENSING AUTHORITY CONSIDERS THE
26 APPLICANT'S CRIMINAL HISTORY RECORD, THE STATE LICENSING
27 AUTHORITY SHALL ALSO CONSIDER ANY INFORMATION PROVIDED BY THE

1 APPLICANT REGARDING SUCH CRIMINAL HISTORY RECORD, INCLUDING BUT
2 NOT LIMITED TO EVIDENCE OF REHABILITATION, CHARACTER REFERENCES,
3 AN EDUCATIONAL ACHIEVEMENTS, ESPECIALLY THOSE ITEMS PERTAINING
4 TO THE PERIOD OF TIME BETWEEN THE APPLICANT'S LAST CRIMINAL
5 CONVICTION AND THE CONSIDERATION OF THE APPLICATION FOR A STATE
6 LICENSE.

7 (b) AS USED IN PARAGRAPH (a) OF THIS SUBSECTION (2),
8 "CRIMINAL JUSTICE AGENCY" MEANS ANY FEDERAL, STATE, OR MUNICIPAL
9 COURT OR ANY GOVERNMENTAL AGENCY OR SUBUNIT OF SUCH AGENCY
10 THAT ADMINISTERS CRIMINAL JUSTICE PURSUANT TO A STATUTE OR
11 EXECUTIVE ORDER AND THAT ALLOCATES A SUBSTANTIAL PART OF ITS
12 ANNUAL BUDGET TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

13 (c) AT THE TIME OF FILING AN APPLICATION FOR ISSUANCE OR
14 RENEWAL OF A STATE MEDICAL MARIJUANA CENTER LICENSE, MEDICAL
15 MARIJUANA-INFUSED PRODUCT MANUFACTURER LICENSE, OR OPTIONAL
16 PREMISES CULTIVATION LICENSE, AN APPLICANT SHALL SUBMIT A SET OF
17 HIS OR HER FINGERPRINTS AND FILE PERSONAL HISTORY INFORMATION
18 CONCERNING THE APPLICANT'S QUALIFICATIONS FOR A STATE LICENSE ON
19 FORMS PREPARED BY THE STATE LICENSING AUTHORITY. THE STATE
20 LICENSING AUTHORITY SHALL SUBMIT THE FINGERPRINTS TO THE
21 COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
22 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE COLORADO
23 BUREAU OF INVESTIGATION SHALL FORWARD THE FINGERPRINTS TO THE
24 FEDERAL BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
25 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE STATE
26 LICENSING AUTHORITY MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY
27 RECORD CHECK FOR AN APPLICANT OR A LICENSE HOLDER WHO HAS TWICE

1 SUBMITTED TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
2 AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE. AN APPLICANT WHO HAS
3 PREVIOUSLY SUBMITTED FINGERPRINTS FOR STATE LICENSING PURPOSES
4 MAY REQUEST THAT THE FINGERPRINTS ON FILE BE USED. THE STATE
5 LICENSING AUTHORITY SHALL USE THE INFORMATION RESULTING FROM
6 THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO
7 INVESTIGATE AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO
8 HOLD A STATE LICENSE PURSUANT TO THIS ARTICLE. THE STATE
9 LICENSING AUTHORITY MAY VERIFY ANY OF THE INFORMATION AN
10 APPLICANT IS REQUIRED TO SUBMIT.

11 **12-43.3-308. Restrictions for applications for new licenses.**

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

15 (a) IF THE APPLICATION FOR A STATE OR LOCAL LICENSE CONCERNS
16 A PARTICULAR LOCATION THAT IS THE SAME AS OR WITHIN ONE THOUSAND
17 FEET OF A LOCATION FOR WHICH, WITHIN THE TWO YEARS IMMEDIATELY
18 PRECEDING THE DATE OF THE APPLICATION, THE STATE OR A LOCAL
19 LICENSING AUTHORITY DENIED AN APPLICATION FOR THE SAME CLASS OF
20 LICENSE DUE TO THE NATURE OF THE USE OR OTHER CONCERN RELATED
21 TO THE LOCATION;

22 (b) UNTIL IT IS ESTABLISHED THAT THE APPLICANT IS, OR WILL BE,
23 ENTITLED TO POSSESSION OF THE PREMISES FOR WHICH APPLICATION IS
24 MADE UNDER A LEASE, RENTAL AGREEMENT, OR OTHER ARRANGEMENT
25 FOR POSSESSION OF THE PREMISES OR BY VIRTUE OF OWNERSHIP OF THE
26 PREMISES;

27 (c) FOR A LOCATION IN AN AREA WHERE THE CULTIVATION,

1 MANUFACTURE, AND SALE OF MEDICAL MARIJUANA AS CONTEMPLATED IS
2 NOT PERMITTED UNDER THE APPLICABLE ZONING LAWS OF THE
3 MUNICIPALITY, CITY AND COUNTY, OR COUNTY;

4 (d) (I) IF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE
5 SOLD IS LOCATED WITHIN ONE THOUSAND FEET OF A SCHOOL, AN ALCOHOL
6 OR DRUG TREATMENT FACILITY, OR THE PRINCIPAL CAMPUS OF A COLLEGE,
7 UNIVERSITY, OR SEMINARY, OR A RESIDENTIAL CHILD CARE FACILITY. THE
8 PROVISIONS OF THIS SECTION SHALL NOT AFFECT THE RENEWAL OR
9 RE-ISSUANCE OF A LICENSE ONCE GRANTED OR APPLY TO LICENSED
10 PREMISES LOCATED OR TO BE LOCATED ON LAND OWNED BY A
11 MUNICIPALITY, NOR SHALL THE PROVISIONS OF THIS SECTION APPLY TO AN
12 EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE, OR APPLY
13 TO A LICENSE IN EFFECT AND ACTIVELY DOING BUSINESS BEFORE SAID
14 PRINCIPAL CAMPUS WAS CONSTRUCTED. THE LOCAL LICENSING
15 AUTHORITY OF A CITY AND COUNTY, BY RULE OR REGULATION, THE
16 GOVERNING BODY OF A MUNICIPALITY, BY ORDINANCE, AND THE
17 GOVERNING BODY OF A COUNTY, BY RESOLUTION, MAY VARY THE
18 DISTANCE RESTRICTIONS IMPOSED BY THIS SUBPARAGRAPH (I) FOR A
19 LICENSE OR MAY ELIMINATE ONE OR MORE TYPES OF SCHOOLS OR
20 CAMPUSES FROM THE APPLICATION OF A DISTANCE RESTRICTION
21 ESTABLISHED BY OR PURSUANT TO THIS SUBPARAGRAPH (I).

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

27 (III) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-43.3-303

1 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE
2 AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN
3 WHICH THE MEDICAL MARIJUANA IS TO BE SOLD IS LOCATED WITHIN ANY
4 DISTANCE RESTRICTIONS ESTABLISHED BY OR PURSUANT TO THIS
5 PARAGRAPH (d).

6 **12-43.3-309. Transfer of ownership.** (1) A STATE OR LOCAL
7 LICENSE GRANTED UNDER THE PROVISIONS OF THIS ARTICLE SHALL NOT BE
8 TRANSFERABLE EXCEPT AS PROVIDED IN THIS SECTION, BUT THIS SECTION
9 SHALL NOT PREVENT A CHANGE OF LOCATION AS PROVIDED IN SECTION
10 12-43.3-310 (13).

11 (2) FOR A TRANSFER OF OWNERSHIP, A LICENSE HOLDER SHALL
12 APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES ON FORMS
13 PREPARED AND FURNISHED BY THE STATE LICENSING AUTHORITY. IN
14 DETERMINING WHETHER TO PERMIT A TRANSFER OF OWNERSHIP, THE
15 STATE AND LOCAL LICENSING AUTHORITIES SHALL CONSIDER ONLY THE
16 REQUIREMENTS OF THIS ARTICLE, ANY RULES PROMULGATED BY THE
17 STATE LICENSING AUTHORITY, AND ANY OTHER LOCAL RESTRICTIONS. THE
18 LOCAL LICENSING AUTHORITY MAY HOLD A HEARING ON THE APPLICATION
19 FOR TRANSFER OF OWNERSHIP. THE LOCAL LICENSING AUTHORITY SHALL
20 NOT HOLD A HEARING PURSUANT TO THIS SUBSECTION (2) UNTIL THE
21 LOCAL LICENSING AUTHORITY HAS POSTED A NOTICE OF HEARING IN THE
22 MANNER DESCRIBED IN SECTION 12-43.3-302 (2) ON THE LICENSED
23 MEDICAL MARIJUANA CENTER PREMISES FOR A PERIOD OF TEN DAYS AND
24 HAS PROVIDED NOTICE OF THE HEARING TO THE APPLICANT AT LEAST TEN
25 DAYS PRIOR TO THE HEARING. ANY TRANSFER OF OWNERSHIP HEARING BY
26 THE STATE LICENSING AUTHORITY SHALL BE HELD IN COMPLIANCE WITH
27 THE REQUIREMENTS SPECIFIED IN SECTION 12-43.3-302.

1 **12-43.3-310. Licensing in general.** (1) THIS ARTICLE
2 AUTHORIZES A COUNTY, MUNICIPALITY, OR CITY AND COUNTY TO PROHIBIT
3 THE OPERATION OF MEDICAL MARIJUANA CENTERS, OPTIONAL PREMISES
4 CULTIVATION OPERATIONS, AND MEDICAL MARIJUANA-INFUSED PRODUCTS
5 MANUFACTURERS' LICENSES AND TO ENACT REASONABLE REGULATIONS OR
6 OTHER RESTRICTIONS APPLICABLE TO MEDICAL MARIJUANA CENTERS,
7 OPTIONAL PREMISES CULTIVATION LICENSES, AND MEDICAL
8 MARIJUANA-INFUSED PRODUCTS MANUFACTURERS' LICENSES BASED ON
9 LOCAL GOVERNMENT ZONING, HEALTH, SAFETY, AND PUBLIC WELFARE
10 LAWS FOR THE DISTRIBUTION OF MEDICAL MARIJUANA THAT ARE MORE
11 RESTRICTIVE THAN THIS ARTICLE.

12 (2) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES
13 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS
14 MANUFACTURER MAY NOT OPERATE UNTIL IT HAS BEEN LICENSED BY THE
15 LOCAL LICENSING AUTHORITY AND THE STATE LICENSING AUTHORITY
16 PURSUANT TO THIS ARTICLE. IN CONNECTION WITH A LICENSE, THE
17 APPLICANT SHALL PROVIDE A COMPLETE AND ACCURATE LIST OF ALL
18 OWNERS, OFFICERS, AND EMPLOYEES WHO WORK AT, MANAGE, OWN, OR
19 ARE OTHERWISE ASSOCIATED WITH THE OPERATION AND SHALL PROVIDE
20 A COMPLETE AND ACCURATE APPLICATION AS REQUIRED BY THE STATE
21 LICENSING AUTHORITY.

22 (3) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES
23 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS
24 MANUFACTURER SHALL NOTIFY THE STATE LICENSING AUTHORITY IN
25 WRITING WITHIN TEN DAYS AFTER AN OWNER, OFFICER, OR EMPLOYEE
26 CEASES TO WORK AT, MANAGE, OWN, OR OTHERWISE BE ASSOCIATED WITH
27 THE OPERATION. THE OWNER, OFFICER, OR EMPLOYEE SHALL SURRENDER

1 HIS OR HER IDENTIFICATION CARD TO THE STATE LICENSING AUTHORITY ON
2 OR BEFORE THE DATE OF THE NOTIFICATION.

3 (4) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES
4 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS
5 MANUFACTURER SHALL NOTIFY THE STATE LICENSING AUTHORITY IN
6 WRITING OF THE NAME, ADDRESS, AND DATE OF BIRTH OF AN OWNER,
7 OFFICER, MANAGER, OR EMPLOYEE BEFORE THE NEW OWNER, OFFICER, OR
8 EMPLOYEE BEGINS WORKING AT, MANAGING, OWNING, OR BEING
9 ASSOCIATED WITH THE OPERATION. THE OWNER, OFFICER, MANAGER, OR
10 EMPLOYEE SHALL PASS A FINGERPRINT-BASED CRIMINAL HISTORY RECORD
11 CHECK AS REQUIRED BY THE STATE LICENSING AUTHORITY AND OBTAIN
12 THE REQUIRED IDENTIFICATION PRIOR TO BEING ASSOCIATED WITH,
13 MANAGING, OWNING, OR WORKING AT THE OPERATION.

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

20 (6) ALL OPERATORS OF A MEDICAL MARIJUANA CENTER, OPTIONAL
21 PREMISES CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED
22 PRODUCTS MANUFACTURER SHALL BE RESIDENTS OF COLORADO. A LOCAL
23 LICENSING AUTHORITY SHALL NOT ISSUE A LICENSE PROVIDED FOR IN THIS
24 ARTICLE UNTIL THAT SHARE OF THE LICENSE APPLICATION FEE DUE TO THE
25 STATE HAS BEEN RECEIVED BY THE DEPARTMENT OF REVENUE. ALL
26 LICENSES GRANTED PURSUANT TO THIS ARTICLE SHALL BE VALID FOR A
27 PERIOD NOT TO EXCEED TWO YEARS FROM THE DATE OF ISSUANCE UNLESS

1 REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE OR THE RULES
2 PROMULGATED PURSUANT TO THIS ARTICLE.

3 (7) BEFORE GRANTING A LOCAL OR STATE LICENSE, THE
4 RESPECTIVE LICENSING AUTHORITY MAY CONSIDER, EXCEPT WHERE THIS
5 ARTICLE SPECIFICALLY PROVIDES OTHERWISE, THE REQUIREMENTS OF THIS
6 ARTICLE AND ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE, AND
7 ALL OTHER REASONABLE RESTRICTIONS THAT ARE OR MAY BE PLACED
8 UPON THE LICENSEE BY THE LICENSING AUTHORITY. WITH RESPECT TO A
9 SECOND OR ADDITIONAL LICENSE FOR THE SAME LICENSEE OR THE SAME
10 OWNER OF ANOTHER LICENSED BUSINESS PURSUANT TO THIS ARTICLE,
11 EACH LICENSING AUTHORITY SHALL CONSIDER THE EFFECT ON
12 COMPETITION OF GRANTING OR DENYING THE ADDITIONAL LICENSES TO
13 SUCH LICENSEE AND SHALL NOT APPROVE AN APPLICATION FOR A SECOND
14 OR ADDITIONAL LICENSE THAT WOULD HAVE THE EFFECT OF RESTRAINING
15 COMPETITION.

16 (8) (a) EACH LICENSE ISSUED UNDER THIS ARTICLE IS SEPARATE
17 AND DISTINCT. IT IS UNLAWFUL FOR A PERSON TO EXERCISE ANY OF THE
18 PRIVILEGES GRANTED UNDER A LICENSE OTHER THAN THE LICENSE THAT
19 THE PERSON HOLDS OR FOR A LICENSEE TO ALLOW ANY OTHER PERSON TO
20 EXERCISE THE PRIVILEGES GRANTED UNDER THE LICENSEE'S LICENSE. A
21 SEPARATE LICENSE SHALL BE REQUIRED FOR EACH SPECIFIC BUSINESS OR
22 BUSINESS ENTITY AND EACH GEOGRAPHICAL LOCATION.

23 (b) AT ALL TIMES, A LICENSEE SHALL POSSESS AND MAINTAIN
24 POSSESSION OF THE PREMISES OR OPTIONAL PREMISES FOR WHICH THE
25 LICENSE IS ISSUED BY OWNERSHIP, LEASE, RENTAL, OR OTHER
26 ARRANGEMENT FOR POSSESSION OF THE PREMISES.

27 (9) (a) THE LICENSES PROVIDED PURSUANT TO THIS ARTICLE SHALL

1 SPECIFY THE DATE OF ISSUANCE, THE PERIOD OF LICENSURE, THE NAME OF
2 THE LICENSEE, AND THE PREMISES OR OPTIONAL PREMISES LICENSED. THE
3 LICENSEE SHALL CONSPICUOUSLY PLACE THE LICENSE AT ALL TIMES ON
4 THE LICENSED PREMISES OR OPTIONAL PREMISES.

5 (b) A LOCAL LICENSING AUTHORITY SHALL NOT TRANSFER
6 LOCATION OF OR RENEW A LICENSE TO SELL MEDICAL MARIJUANA UNTIL
7 THE APPLICANT FOR THE LICENSE PRODUCES A LICENSE ISSUED AND
8 GRANTED BY THE STATE LICENSING AUTHORITY COVERING THE WHOLE
9 PERIOD FOR WHICH A LICENSE OR LICENSE RENEWAL IS SOUGHT.

10 (10) IN COMPUTING ANY PERIOD OF TIME PRESCRIBED BY THIS
11 ARTICLE, THE DAY OF THE ACT, EVENT, OR DEFAULT FROM WHICH THE
12 DESIGNATED PERIOD OF TIME BEGINS TO RUN SHALL NOT BE INCLUDED.
13 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS SHALL BE COUNTED AS ANY
14 OTHER DAY.

15 (11) A LICENSEE SHALL REPORT EACH TRANSFER OR CHANGE OF
16 FINANCIAL INTEREST IN THE LICENSE TO THE STATE AND LOCAL LICENSING
17 AUTHORITIES, THIRTY DAYS PRIOR TO ANY TRANSFER OR CHANGE
18 PURSUANT TO SECTION 12-43.3-309. A REPORT SHALL BE REQUIRED FOR
19 TRANSFERS OF CAPITAL STOCK OF ANY CORPORATION REGARDLESS OF
20 SIZE.

21 (12) EACH LICENSEE SHALL MANAGE THE LICENSED PREMISES
22 HIMSELF OR HERSELF OR EMPLOY A SEPARATE AND DISTINCT MANAGER ON
23 THE PREMISES AND SHALL REPORT THE NAME OF THE MANAGER TO THE
24 STATE AND LOCAL LICENSING AUTHORITIES. THE LICENSEE SHALL REPORT
25 ANY CHANGE IN MANAGER TO THE STATE AND LOCAL LICENSING
26 AUTHORITIES THIRTY DAYS PRIOR TO THE CHANGE PURSUANT TO SECTION
27 12-43.3-309.

1 (13) (a) A LICENSEE MAY MOVE HIS OR HER PERMANENT LOCATION
2 TO ANY OTHER PLACE IN THE SAME MUNICIPALITY OR CITY AND COUNTY
3 FOR WHICH THE LICENSE WAS ORIGINALLY GRANTED, OR IN THE SAME
4 COUNTY IF THE LICENSE WAS GRANTED FOR A PLACE OUTSIDE THE
5 CORPORATE LIMITS OF A MUNICIPALITY OR CITY AND COUNTY, BUT IT
6 SHALL BE UNLAWFUL TO CULTIVATE, MANUFACTURE, DISTRIBUTE OR SELL
7 MEDICAL MARIJUANA AT ANY SUCH PLACE UNTIL PERMISSION TO DO SO IS
8 GRANTED BY THE STATE AND LOCAL LICENSING AUTHORITIES PROVIDED
9 FOR IN THIS ARTICLE.

10 (b) IN PERMITTING A CHANGE OF LOCATION, THE STATE AND LOCAL
11 LICENSING AUTHORITIES SHALL CONSIDER ALL REASONABLE RESTRICTIONS
12 THAT ARE OR MAY BE PLACED UPON THE NEW LOCATION BY THE
13 GOVERNING BOARD OR LOCAL LICENSING AUTHORITY OF THE
14 MUNICIPALITY, CITY AND COUNTY, OR COUNTY AND ANY SUCH CHANGE IN
15 LOCATION SHALL BE IN ACCORDANCE WITH ALL REQUIREMENTS OF THIS
16 ARTICLE AND RULES PROMULGATED PURSUANT TO THIS ARTICLE.

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) UNTIL IT HAS
18 POSTED A NOTICE OF HEARING ON THE LICENSED PREMISES IN THE MANNER
19 DESCRIBED IN SECTION 12-43.3-302 (2) FOR A PERIOD OF TEN DAYS AND
20 PROVIDED NOTICE TO THE APPLICANT AT LEAST TEN DAYS PRIOR TO THE
21 HEARING. THE LOCAL LICENSING AUTHORITY MAY REFUSE TO RENEW ANY
22 LICENSE FOR GOOD CAUSE, SUBJECT TO JUDICIAL REVIEW.

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

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

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

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

25 **12-43.3-312. Inactive licenses.** THE STATE OR LOCAL LICENSING
26 AUTHORITY, IN ITS DISCRETION, MAY REVOKE OR ELECT NOT TO RENEW
27 ANY LICENSE IF IT DETERMINES THAT THE LICENSED PREMISES HAVE BEEN

1 INACTIVE, WITHOUT GOOD CAUSE, FOR AT LEAST ONE YEAR.

2 **12-43.3-313. Unlawful financial assistance.** (1) THE STATE
3 LICENSING AUTHORITY, BY RULE AND REGULATION, SHALL REQUIRE A
4 COMPLETE DISCLOSURE OF ALL PERSONS HAVING A DIRECT OR INDIRECT
5 FINANCIAL INTEREST, AND THE EXTENT OF SUCH INTEREST, IN EACH
6 LICENSE ISSUED UNDER THIS ARTICLE.

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

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

20 PART 4

21 LICENSE TYPES

22 **12-43.3-401. Classes of licenses.** (1) FOR THE PURPOSE OF
23 REGULATING THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE
24 OF MEDICAL MARIJUANA, THE STATE LICENSING AUTHORITY IN ITS
25 DISCRETION, UPON APPLICATION IN THE PRESCRIBED FORM MADE TO IT,
26 MAY ISSUE AND GRANT TO THE APPLICANT A LICENSE FROM ANY OF THE
27 FOLLOWING CLASSES, SUBJECT TO THE PROVISIONS AND RESTRICTIONS

1 PROVIDED BY THIS ARTICLE:

2 (a) MEDICAL MARIJUANA CENTER LICENSE;

3 (b) OPTIONAL PREMISES CULTIVATION LICENSE;

4 (c) MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
5 LICENSE; AND

6 (d) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,
7 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER
8 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO
9 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE
10 STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY MAY
11 TAKE ANY ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS
12 ARTICLE AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS
13 ARTICLE, IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT
14 TO THIS ARTICLE.

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

18 **12-43.3-402. Medical marijuana center license.** (1) A MEDICAL
19 MARIJUANA CENTER LICENSE SHALL BE ISSUED ONLY TO A PERSON SELLING
20 MEDICAL MARIJUANA PURSUANT TO THE TERMS AND CONDITIONS OF THIS
21 ARTICLE.

22 (2) (a) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, A
23 MEDICAL MARIJUANA CENTER LICENSEE MAY ALSO SELL EDIBLE MEDICAL
24 MARIJUANA-INFUSED PRODUCTS THAT ARE PREPACKAGED AND LABELED
25 SO AS TO CLEARLY INDICATE ALL OF THE FOLLOWING:

26 (I) THAT THE PRODUCT CONTAINS MEDICAL MARIJUANA;

27 (II) THAT THE PRODUCT IS MANUFACTURED WITHOUT ANY

1 REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY; AND

2 (III) THAT THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE
3 CONSUMPTION OR USE OF THE PRODUCT.

4 (b) A MEDICAL MARIJUANA LICENSEE MAY CONTRACT WITH A
5 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE FOR
6 THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS UPON A
7 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE'S
8 LICENSED PREMISES.

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

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

21 (5) PRIOR TO INITIATING A SALE, THE EMPLOYEE OF THE MEDICAL
22 MARIJUANA CENTER MAKING THE SALE SHALL VERIFY THAT THE
23 PURCHASER HAS A VALID REGISTRATION CARD ISSUED PURSUANT TO
24 SECTION 25-1.5-106, C.R.S., AND A VALID PICTURE IDENTIFICATION CARD
25 THAT MATCHES THE NAME ON THE REGISTRATION CARD.

26 (6) A LICENSED MEDICAL MARIJUANA CENTER MAY PROVIDE A
27 SMALL AMOUNT OF ITS MEDICAL MARIJUANA FOR TESTING TO A

1 LABORATORY THAT IS LICENSED PURSUANT TO THE OCCUPATIONAL
2 LICENSING RULES PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)
3 (a) (VIII).

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

9 **12-43.3-403. Optional premises cultivation license.** AN
10 OPTIONAL PREMISES CULTIVATION LICENSE MAY BE ISSUED ONLY TO A
11 PERSON LICENSED PURSUANT TO SECTION 12-43.3-402 (1) WHO GROWS
12 AND CULTIVATES MEDICAL MARIJUANA AT AN ADDITIONAL COLORADO
13 LICENSED PREMISES CONTIGUOUS OR NOT CONTIGUOUS WITH THE
14 LICENSED PREMISES OF THE PERSON'S MEDICAL MARIJUANA CENTER
15 LICENSE.

16 **12-43.3-404. Medical marijuana-infused products**
17 **manufacturing license.** (1) A MEDICAL MARIJUANA-INFUSED PRODUCTS
18 MANUFACTURING LICENSE MAY BE ISSUED TO A PERSON WHO
19 MANUFACTURES MEDICAL MARIJUANA-INFUSED PRODUCTS, PURSUANT TO
20 THE TERMS AND CONDITIONS OF THIS ARTICLE.

21 (2) MEDICAL MARIJUANA-INFUSED PRODUCTS SHALL BE PREPARED
22 ON A LICENSED PREMISES THAT IS USED EXCLUSIVELY FOR THE
23 MANUFACTURE AND PREPARATION OF MEDICAL MARIJUANA-INFUSED
24 PRODUCTS AND USING EQUIPMENT THAT IS USED EXCLUSIVELY FOR THE
25 MANUFACTURE AND PREPARATION OF MEDICAL MARIJUANA-INFUSED
26 PRODUCTS.

27 (3) A MEDICAL MARIJUANA-INFUSED PRODUCTS LICENSEE SHALL

1 HAVE A WRITTEN AGREEMENT OR CONTRACT WITH A MEDICAL MARIJUANA
2 CENTER LICENSEE, WHICH CONTRACT SHALL AT A MINIMUM SET FORTH THE
3 TOTAL AMOUNT OF MEDICAL MARIJUANA OBTAINED FROM A MEDICAL
4 MARIJUANA CENTER LICENSEE TO BE USED IN THE MANUFACTURING
5 PROCESS, AND THE TOTAL AMOUNT OF MEDICAL MARIJUANA-INFUSED
6 PRODUCTS TO BE MANUFACTURED FROM THE MEDICAL MARIJUANA
7 OBTAINED FROM THE MEDICAL MARIJUANA CENTER. A MEDICAL
8 MARIJUANA-INFUSED PRODUCTS LICENSEE SHALL NOT USE MEDICAL
9 MARIJUANA FROM TWO DIFFERENT MEDICAL MARIJUANA CENTERS IN THE
10 PRODUCTION OF ONE MEDICAL MARIJUANA-INFUSED PRODUCT. THE
11 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE MAY
12 SELL ITS PRODUCTS TO ANY LICENSED MEDICAL MARIJUANA CENTER.

13 (4) ALL LICENSED PREMISES ON WHICH MEDICAL
14 MARIJUANA-INFUSED PRODUCTS ARE MANUFACTURED SHALL MEET THE
15 SANITARY STANDARDS FOR MEDICAL MARIJUANA-INFUSED PRODUCT
16 PREPARATION PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2) (a)
17 (XII).

18 (5) THE MEDICAL MARIJUANA-INFUSED PRODUCT SHALL BE SEALED
19 AND CONSPICUOUSLY LABELED IN COMPLIANCE WITH THIS ARTICLE AND
20 ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE.

21 (6) MEDICAL MARIJUANA-INFUSED PRODUCTS MAY NOT BE
22 UNSEALED OR CONSUMED ON A PREMISES LICENSED PURSUANT TO THIS
23 ARTICLE.

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

27 **PART 5**

1 FEES

2 **12-43.3-501. Medical marijuana license cash fund.** (1) ALL
3 MONEYS COLLECTED BY THE STATE LICENSING AUTHORITY PURSUANT TO
4 THIS ARTICLE SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO
5 SHALL CREDIT THE SAME TO THE MEDICAL MARIJUANA LICENSE CASH
6 FUND, WHICH FUND IS HEREBY CREATED AND REFERRED TO IN THIS
7 SECTION AS THE "FUND". THE MONEYS IN THE FUND SHALL BE SUBJECT TO
8 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE
9 DEPARTMENT OF REVENUE FOR THE DIRECT AND INDIRECT COSTS
10 ASSOCIATED WITH IMPLEMENTING THIS ARTICLE. ANY MONEYS IN THE
11 FUND NOT EXPENDED FOR THE PURPOSE OF THIS ARTICLE MAY BE
12 INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST
13 AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS
14 IN THE FUND SHALL BE CREDITED TO THE FUND. ANY UNEXPENDED AND
15 UNENCUMBERED MONEYS REMAINING IN THE FUND AT THE END OF A
16 FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR
17 TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

18 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
19 BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY REDUCE THE AMOUNT
20 OF ONE OR MORE OF THE FEES IF NECESSARY PURSUANT TO SECTION
21 24-75-402 (3), C.R.S., TO REDUCE THE UNCOMMITTED RESERVES OF THE
22 FUND TO WHICH ALL OR ANY PORTION OF ONE OR MORE OF THE FEES IS
23 CREDITED. AFTER THE UNCOMMITTED RESERVES OF THE FUND ARE
24 SUFFICIENTLY REDUCED, THE EXECUTIVE DIRECTOR BY RULE OR AS
25 OTHERWISE PROVIDED BY LAW MAY INCREASE THE AMOUNT OF ONE OR
26 MORE OF THE FEES AS PROVIDED IN SECTION 24-75-402 (4), C.R.S.

27 (3) (a) THE STATE LICENSING AUTHORITY SHALL ESTABLISH FEES

1 FOR PROCESSING THE FOLLOWING TYPES OF APPLICATIONS, LICENSES,
2 NOTICES, OR REPORTS REQUIRED TO BE SUBMITTED TO THE STATE
3 LICENSING AUTHORITY:

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

6 (II) APPLICATIONS TO CHANGE LOCATION PURSUANT TO SECTION
7 12-43.3-310 AND RULES PROMULGATED PURSUANT TO THAT SECTION;

8 (III) APPLICATIONS FOR TRANSFER OF OWNERSHIP PURSUANT TO
9 SECTION 12-43.3-310 AND RULES PROMULGATED PURSUANT TO THAT
10 SECTION;

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

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

14 (b) THE AMOUNTS OF SUCH FEES, WHEN ADDED TO THE OTHER FEES
15 TRANSFERRED TO THE FUND PURSUANT TO THIS SECTION SHALL REFLECT
16 THE DIRECT AND INDIRECT COSTS OF THE STATE LICENSING AUTHORITY IN
17 THE ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE.

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

22 (d) AT LEAST ANNUALLY, THE STATE LICENSING AUTHORITY SHALL
23 REVIEW THE AMOUNTS OF THE FEES AND, IF NECESSARY, ADJUST THE
24 AMOUNTS TO REFLECT THE DIRECT AND INDIRECT COSTS OF THE STATE
25 LICENSING AUTHORITY.

26 (3) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION, THE
27 STATE LICENSING AUTHORITY SHALL ESTABLISH A BASIC FEE THAT SHALL

1 BE PAID AT THE TIME OF SERVICE OF ANY SUBPOENA UPON THE STATE
2 LICENSING AUTHORITY, PLUS A FEE FOR MEALS AND A FEE FOR MILEAGE AT
3 THE RATE PRESCRIBED FOR STATE OFFICERS AND EMPLOYEES IN SECTION
4 24-9-104, C.R.S., FOR EACH MILE ACTUALLY AND NECESSARILY TRAVELED
5 IN GOING TO AND RETURNING FROM THE PLACE NAMED IN THE SUBPOENA.
6 IF THE PERSON NAMED IN THE SUBPOENA IS REQUIRED TO ATTEND THE
7 PLACE NAMED IN THE SUBPOENA FOR MORE THAN ONE DAY, THERE SHALL
8 BE PAID, IN ADVANCE, A SUM TO BE ESTABLISHED BY THE STATE LICENSING
9 AUTHORITY FOR EACH DAY OF ATTENDANCE TO COVER THE EXPENSES OF
10 THE PERSON NAMED IN THE SUBPOENA.

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

14 **12-43.3-502. Fees - allocation.** (1) EXCEPT AS OTHERWISE
15 PROVIDED, ALL FEES AND FINES PROVIDED FOR BY THIS ARTICLE SHALL BE
16 PAID TO THE DEPARTMENT OF REVENUE, WHICH SHALL TRANSMIT THE FEES
17 TO THE STATE TREASURER. THE STATE TREASURER SHALL CREDIT THE
18 FEES AND TAXES TO THE MEDICAL MARIJUANA LICENSE CASH FUND
19 CREATED IN SECTION 12-43.3-501.

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

23 **12-43.3-503. Local license fees.** (1) EACH APPLICATION FOR A
24 LOCAL LICENSE PROVIDED FOR IN THIS ARTICLE FILED WITH A LOCAL
25 LICENSING AUTHORITY SHALL BE ACCOMPANIED BY AN APPLICATION FEE
26 IN AN AMOUNT DETERMINED BY THE LOCAL LICENSING AUTHORITY.

27 (2) LICENSE FEES AS DETERMINED BY THE LOCAL LICENSING

1 AUTHORITY SHALL BE PAID TO THE TREASURER OF THE MUNICIPALITY,
2 CITY AND COUNTY, OR COUNTY WHERE THE LICENSED PREMISES IS
3 LOCATED IN ADVANCE OF THE APPROVAL, DENIAL, OR RENEWAL OF THE
4 LICENSE.

5 PART 6

6 DISCIPLINARY ACTIONS

7 **12-43.3-601. Suspension - revocation - fines.** (1) IN ADDITION
8 TO ANY OTHER SANCTIONS PRESCRIBED BY THIS ARTICLE OR RULES
9 PROMULGATED PURSUANT TO THIS ARTICLE, THE STATE LICENSING
10 AUTHORITY OR A LOCAL LICENSING AUTHORITY HAS THE POWER, ON ITS
11 OWN MOTION OR ON COMPLAINT, AFTER INVESTIGATION AND OPPORTUNITY
12 FOR A PUBLIC HEARING AT WHICH THE LICENSEE SHALL BE AFFORDED AN
13 OPPORTUNITY TO BE HEARD, TO SUSPEND OR REVOKE A LICENSE ISSUED BY
14 THE RESPECTIVE AUTHORITY FOR A VIOLATION BY THE LICENSEE OR BY
15 ANY OF THE AGENTS OR EMPLOYEES OF THE LICENSEE OF THE PROVISIONS
16 OF THIS ARTICLE, OR ANY OF THE RULES PROMULGATED PURSUANT TO THIS
17 ARTICLE, OR OF ANY OF THE TERMS, CONDITIONS, OR PROVISIONS OF THE
18 LICENSE ISSUED BY THE STATE OR LOCAL LICENSING AUTHORITY. THE
19 STATE LICENSING AUTHORITY OR A LOCAL LICENSING AUTHORITY HAS THE
20 POWER TO ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE
21 PRESENCE OF PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND
22 RECORDS NECESSARY TO THE DETERMINATION OF A HEARING THAT THE
23 STATE OR LOCAL LICENSING AUTHORITY IS AUTHORIZED TO CONDUCT.

24 (2) THE STATE OR LOCAL LICENSING AUTHORITY SHALL PROVIDE
25 NOTICE OF SUSPENSION, REVOCATION, FINE, OR OTHER SANCTION, AS WELL
26 AS THE REQUIRED NOTICE OF THE HEARING PURSUANT TO SUBSECTION (1)
27 OF THIS SECTION, BY MAILING THE SAME IN WRITING TO THE LICENSEE AT

1 THE ADDRESS CONTAINED IN THE LICENSE. A SUSPENSION SHALL NOT BE
2 FOR A LONGER PERIOD THAN SIX MONTHS. IF A LICENSE IS SUSPENDED OR
3 REVOKED, A PART OF THE FEES PAID THEREFORE SHALL NOT BE RETURNED
4 TO THE LICENSEE. ANY LICENSE OR PERMIT MAY BE SUMMARILY
5 SUSPENDED BY THE ISSUING LICENSING AUTHORITY WITHOUT NOTICE
6 PENDING ANY PROSECUTION, INVESTIGATION, OR PUBLIC HEARING
7 PURSUANT TO THE TERMS OF SECTION 24-4-104 (4), C.R.S. NOTHING IN
8 THIS SECTION SHALL PREVENT THE SUMMARY SUSPENSION OF A LICENSE
9 PURSUANT TO SECTION 24-4-104 (4), C.R.S. EACH PATIENT REGISTERED
10 WITH A MEDICAL MARIJUANA CENTER THAT HAS HAD ITS LICENSE
11 SUMMARILY SUSPENDED MAY IMMEDIATELY TRANSFER HIS OR HER
12 PRIMARY CENTER TO ANOTHER LICENSED MEDICAL MARIJUANA CENTER.

13 (3) (a) WHENEVER A DECISION OF THE STATE LICENSING
14 AUTHORITY OR A LOCAL LICENSING AUTHORITY SUSPENDING A LICENSE
15 FOR FOURTEEN DAYS OR LESS BECOMES FINAL, THE LICENSEE MAY, BEFORE
16 THE OPERATIVE DATE OF THE SUSPENSION, PETITION FOR PERMISSION TO
17 PAY A FINE IN LIEU OF HAVING THE LICENSE SUSPENDED FOR ALL OR PART
18 OF THE SUSPENSION PERIOD. UPON THE RECEIPT OF THE PETITION, THE
19 STATE OR LOCAL LICENSING AUTHORITY MAY, IN ITS SOLE DISCRETION,
20 STAY THE PROPOSED SUSPENSION AND CAUSE ANY INVESTIGATION TO BE
21 MADE WHICH IT DEEMS DESIRABLE AND MAY, IN ITS SOLE DISCRETION,
22 GRANT THE PETITION IF THE STATE OR LOCAL LICENSING AUTHORITY IS
23 SATISFIED THAT:

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

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

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

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

12 (c) PAYMENT OF A FINE PURSUANT TO THE PROVISIONS OF THIS
13 SUBSECTION (3) SHALL BE IN THE FORM OF CASH OR IN THE FORM OF A
14 CERTIFIED CHECK OR CASHIER'S CHECK MADE PAYABLE TO THE STATE OR
15 LOCAL LICENSING AUTHORITY, WHICHEVER IS APPROPRIATE.

16 (4) UPON PAYMENT OF THE FINE PURSUANT TO SUBSECTION (3) OF
17 THIS SECTION, THE STATE OR LOCAL LICENSING AUTHORITY SHALL ENTER
18 ITS FURTHER ORDER PERMANENTLY STAYING THE IMPOSITION OF THE
19 SUSPENSION. IF THE FINE IS PAID TO A LOCAL LICENSING AUTHORITY, THE
20 GOVERNING BODY OF THE AUTHORITY SHALL CAUSE THE MONEYS TO BE
21 PAID INTO THE GENERAL FUND OF THE LOCAL LICENSING AUTHORITY.
22 FINES PAID TO THE STATE LICENSING AUTHORITY PURSUANT TO
23 SUBSECTION (3) OF THIS SECTION SHALL BE TRANSMITTED TO THE STATE
24 TREASURER WHO SHALL CREDIT THE SAME TO THE MEDICAL MARIJUANA
25 LICENSE CASH FUND CREATED IN SECTION 12-43.3-501.

26 (5) IN CONNECTION WITH A PETITION PURSUANT TO SUBSECTION (3)
27 OF THIS SECTION, THE AUTHORITY OF THE STATE OR LOCAL LICENSING

1 AUTHORITY IS LIMITED TO THE GRANTING OF SUCH STAYS AS ARE
2 NECESSARY FOR THE AUTHORITY TO COMPLETE ITS INVESTIGATION AND
3 MAKE ITS FINDINGS AND, IF THE AUTHORITY MAKES SUCH FINDINGS, TO
4 THE GRANTING OF AN ORDER PERMANENTLY STAYING THE IMPOSITION OF
5 THE ENTIRE SUSPENSION OR THAT PORTION OF THE SUSPENSION NOT
6 OTHERWISE CONDITIONALLY STAYED.

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

12 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL
13 ACTIONS TAKEN TO IMPOSE FINES, SUSPENSIONS, AND REVOCATIONS TO
14 THE STATE LICENSING AUTHORITY IN A MANNER REQUIRED BY THE STATE
15 LICENSING AUTHORITY. NO LATER THAN JANUARY 15 OF EACH YEAR, THE
16 STATE LICENSING AUTHORITY SHALL COMPILE A REPORT OF THE
17 PRECEDING YEAR'S ACTIONS IN WHICH FINES, SUSPENSIONS, OR
18 REVOCATIONS WERE IMPOSED BY LOCAL LICENSING AUTHORITIES AND BY
19 THE STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY
20 SHALL FILE ONE COPY OF THE REPORT WITH THE CHIEF CLERK OF THE
21 HOUSE OF REPRESENTATIVES, ONE COPY WITH THE SECRETARY OF THE
22 SENATE, AND SIX COPIES IN THE JOINT LEGISLATIVE LIBRARY.

23 PART 7

24 INSPECTION OF BOOKS AND RECORDS

25 **12-43.3-701. Inspection procedures.** (1) EACH LICENSEE SHALL
26 KEEP A COMPLETE SET OF ALL RECORDS NECESSARY TO SHOW FULLY THE
27 BUSINESS TRANSACTIONS OF THE LICENSEE, ALL OF WHICH SHALL BE OPEN

1 AT ALL TIMES DURING BUSINESS HOURS FOR THE INSPECTION AND
2 EXAMINATION OF THE STATE LICENSING AUTHORITY OR ITS DULY
3 AUTHORIZED REPRESENTATIVES. THE STATE LICENSING AUTHORITY MAY
4 REQUIRE ANY LICENSEE TO FURNISH SUCH INFORMATION AS IT CONSIDERS
5 NECESSARY FOR THE PROPER ADMINISTRATION OF THIS ARTICLE AND MAY
6 REQUIRE AN AUDIT TO BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS
7 ON SUCH OCCASIONS AS IT MAY CONSIDER NECESSARY BY AN AUDITOR TO
8 BE SELECTED BY THE STATE LICENSING AUTHORITY WHO SHALL LIKEWISE
9 HAVE ACCESS TO ALL BOOKS AND RECORDS OF THE LICENSEE, AND THE
10 EXPENSE THEREOF SHALL BE PAID BY THE LICENSEE.

11 (2) THE LICENSED PREMISES, INCLUDING ANY PLACES OF STORAGE
12 WHERE MEDICAL MARIJUANA IS GROWN, STORED, CULTIVATED, SOLD, OR
13 DISPENSED, SHALL BE SUBJECT TO INSPECTION BY THE STATE OR LOCAL
14 LICENSING AUTHORITIES AND THEIR INVESTIGATORS, DURING ALL
15 BUSINESS HOURS AND OTHER TIMES OF APPARENT ACTIVITY, FOR THE
16 PURPOSE OF INSPECTION OR INVESTIGATION. FOR EXAMINATION OF ANY
17 INVENTORY OR BOOKS AND RECORDS REQUIRED TO BE KEPT BY THE
18 LICENSEES, ACCESS SHALL BE REQUIRED DURING BUSINESS HOURS. WHERE
19 ANY PART OF THE LICENSED PREMISES CONSISTS OF A LOCKED AREA, UPON
20 DEMAND TO THE LICENSEE, SUCH AREA SHALL BE MADE AVAILABLE FOR
21 INSPECTION WITHOUT DELAY, AND, UPON REQUEST BY AUTHORIZED
22 REPRESENTATIVES OF THE STATE OR LOCAL LICENSING AUTHORITY, THE
23 LICENSEE SHALL OPEN THE AREA FOR INSPECTION.

24 (3) EACH LICENSEE SHALL RETAIN ALL BOOKS AND RECORDS
25 NECESSARY TO SHOW FULLY THE BUSINESS TRANSACTIONS OF THE
26 LICENSEE FOR A PERIOD OF THE CURRENT TAX YEAR AND THE THREE
27 IMMEDIATELY PRIOR TAX YEARS.

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PART 8

JUDICIAL REVIEW

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

PART 9

UNLAWFUL ACTS - ENFORCEMENT

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

(a) TO CONSUME MEDICAL MARIJUANA IN A LICENSED MEDICAL MARIJUANA CENTER, AND IT SHALL BE UNLAWFUL FOR A MEDICAL MARIJUANA LICENSEE TO ALLOW MEDICAL MARIJUANA TO BE CONSUMED UPON ITS LICENSED PREMISES; OR

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

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

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

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

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

1 (c) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
2 12-43.3-310 (11); OR

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

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

7 (a) TO DISPLAY ANY SIGNS THAT ARE INCONSISTENT WITH STATE
8 OR LOCAL LAWS OR REGULATIONS;

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

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

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

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

1 LOCAL LAW ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE
2 FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT
3 OVER TO THE STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW
4 ENFORCEMENT AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE
5 CONFISCATION SHALL NOT CONSTITUTE A CRIMINAL OFFENSE.

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

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

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

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

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

26 (j) TO HAVE ON THE LICENSED PREMISES ANY MEDICAL MARIJUANA
27 OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF THE MEDICAL

1 MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY CONSUMED; OR

2 (k) TO REQUIRE A MEDICAL MARIJUANA CENTER OR MEDICAL
3 MARIJUANA CENTER WITH AN OPTIONAL PREMISES CULTIVATION LICENSE
4 TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC LICENSED
5 PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

6 (5) EXCEPT AS PROVIDED IN SECTIONS 12-43.3-402 (4),
7 12-43.3-403, AND 12-43.3-404, IT IS UNLAWFUL FOR A MEDICAL
8 MARIJUANA CENTER OR MEDICAL MARIJUANA CENTER WITH AN OPTIONAL
9 PREMISES CULTIVATION LICENSE TO SELL, DELIVER, OR CAUSE TO BE
10 DELIVERED TO A LICENSEE ANY MEDICAL MARIJUANA NOT GROWN UPON
11 ITS LICENSED PREMISES, OR FOR A LICENSEE OR MEDICAL MARIJUANA
12 CENTER WITH AN OPTIONAL PREMISES CULTIVATION LICENSE TO SELL,
13 POSSESS, OR PERMIT SALE OF MEDICAL MARIJUANA NOT GROWN UPON ITS
14 LICENSED PREMISES. A VIOLATION OF THE PROVISIONS OF THIS
15 SUBSECTION (5) BY A LICENSEE SHALL BE GROUNDS FOR THE IMMEDIATE
16 REVOCATION OF THE LICENSE GRANTED UNDER THIS ARTICLE.

17 (6) IT SHALL BE UNLAWFUL FOR A PHYSICIAN WHO MAKES PATIENT
18 REFERRALS TO A LICENSED MEDICAL MARIJUANA CENTER TO RECEIVE
19 ANYTHING OF VALUE FROM THE MEDICAL MARIJUANA CENTER LICENSEE
20 OR ITS AGENTS, SERVANTS, OFFICERS, OR OWNERS OR ANYONE
21 FINANCIALLY INTERESTED IN THE LICENSEE, AND IT SHALL BE UNLAWFUL
22 FOR A LICENSEE LICENSED PURSUANT TO THIS ARTICLE TO OFFER
23 ANYTHING OF VALUE TO A PHYSICIAN FOR MAKING PATIENT REFERRALS TO
24 THE LICENSED MEDICAL MARIJUANA CENTER.

25 (7) A PERSON WHO COMMITS ANY ACTS THAT ARE UNLAWFUL
26 PURSUANT TO THIS SECTION COMMITS A CLASS 2 MISDEMEANOR AND
27 SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S. IF THE

1 UNLAWFUL ACT ALSO CONSTITUTES A DIFFERENT CRIMINAL ACT, NOTHING
2 IN THIS SUBSECTION (7) PRECLUDES CONVICTION AND PUNISHMENT OF
3 THAT CRIMINAL ACT.

4 **PART 10**

5 **SUNRISE REVIEW**

6 **12-43.3-1001. Sunrise review - article repeal.** (1) THIS ARTICLE
7 IS REPEALED, EFFECTIVE JULY 1, 2015.

8 (2) PRIOR TO THE REPEAL OF THIS ARTICLE, THE DEPARTMENT OF
9 REGULATORY AGENCIES SHALL CONDUCT A SUNRISE REVIEW AS
10 DESCRIBED IN SECTION 24-34-104.1 (8), C.R.S.

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

13 **25-1.5-106. Medical marijuana program - powers and duties**
14 **of the state health agency.** (1) **Legislative declaration.** (a) THE
15 GENERAL ASSEMBLY HEREBY DECLARES THAT IT IS NECESSARY TO
16 IMPLEMENT RULES TO ENSURE THAT PATIENTS SUFFERING FROM
17 LEGITIMATE DEBILITATING MEDICAL CONDITIONS ARE ABLE TO SAFELY
18 GAIN ACCESS TO MEDICAL MARIJUANA AND TO ENSURE THAT THESE
19 PATIENTS:

20 (I) ARE NOT SUBJECT TO CRIMINAL PROSECUTION FOR THEIR USE
21 OF MEDICAL MARIJUANA IN ACCORDANCE WITH SECTION 14 OF ARTICLE
22 XVIII OF THE STATE CONSTITUTION, THIS SECTION, AND THE RULES OF THE
23 STATE HEALTH AGENCY; AND

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

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

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

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

19 (a) (I) The establishment and maintenance of a confidential
20 registry of patients who have applied for and are entitled to receive a
21 registry identification card;

22 (b) (II) The development by the department of an application form
23 and making such form available to residents of this state seeking to be
24 listed on the confidential registry of patients who are entitled to receive
25 a registry identification card;

26 (c) (III) The verification by the department of medical information
27 concerning patients who have applied for a confidential registry card;

1 (d) (IV) The issuance and form of confidential registry
2 identification cards;

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

7 (f) (VI) The manner in which the department may consider adding
8 debilitating medical conditions to the list of debilitating medical
9 conditions contained in section 14 of article XVIII of the state
10 constitution.

11 (b) THE STATE HEALTH AGENCY MAY PROMULGATE RULES
12 REGARDING THE FOLLOWING:

13 (I) WHAT CONSTITUTES "SIGNIFICANT RESPONSIBILITY FOR
14 MANAGING THE WELL-BEING OF A PATIENT";

15 (II) THE DEVELOPMENT OF A FORM FOR A PRIMARY CAREGIVER TO
16 USE IN APPLYING TO THE REGISTRY, WHICH FORM SHALL REQUIRE, AT A
17 MINIMUM, THAT THE APPLICANT PROVIDE HIS OR HER FULL NAME, HOME
18 ADDRESS, DATE OF BIRTH, AND AN ATTESTATION THAT THE APPLICANT HAS
19 A SIGNIFICANT RESPONSIBILITY FOR MANAGING THE WELL-BEING OF THE
20 PATIENT FOR WHOM HE OR SHE IS DESIGNATED AS THE PRIMARY
21 CAREGIVER AND THAT HE OR SHE UNDERSTANDS AND WILL ABIDE BY
22 SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION, THIS SECTION,
23 AND THE RULES PROMULGATED BY THE STATE HEALTH AGENCY PURSUANT
24 TO THIS SECTION;

25 (III) THE DEVELOPMENT OF A FORM THAT CONSTITUTES "WRITTEN
26 DOCUMENTATION", AS DEFINED AND USED IN SECTION 14 OF ARTICLE
27 XVIII OF THE STATE CONSTITUTION, WHICH FORM A PHYSICIAN SHALL USE

1 WHEN MAKING A MEDICAL MARIJUANA RECOMMENDATION FOR A PATIENT;
2 AND

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

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

15 (5) **Primary caregivers.** (a) A PRIMARY CAREGIVER MAY NOT
16 DELEGATE TO ANY OTHER PERSON HIS OR HER AUTHORITY TO PROVIDE
17 MEDICAL MARIJUANA TO A PATIENT NOR MAY A PRIMARY CAREGIVER
18 ENGAGE OTHERS TO ASSIST IN PROVIDING MEDICAL MARIJUANA TO A
19 PATIENT.

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

22 (c) ONLY A MEDICAL MARIJUANA CENTER WITH AN OPTIONAL
23 PREMISES CULTIVATION LICENSE OR A PRIMARY CAREGIVER FOR HIS OR
24 HER PATIENTS OR A PATIENT FOR HIMSELF OR HERSELF MAY CULTIVATE OR
25 PROVIDE MARIJUANA AND ONLY FOR MEDICAL USE.

26 (d) A PRIMARY CAREGIVER SHALL PROVIDE TO A LAW
27 ENFORCEMENT AGENCY, UPON INQUIRY, THE REGISTRY IDENTIFICATION

1 CARD NUMBER OF EACH OF HIS OR HER PATIENTS. THE STATE HEALTH
2 AGENCY SHALL MAINTAIN A REGISTRY OF THIS INFORMATION AND MAKE
3 IT AVAILABLE TWENTY-FOUR HOURS PER DAY AND SEVEN DAYS A WEEK TO
4 LAW ENFORCEMENT FOR VERIFICATION PURPOSES. UPON INQUIRY BY A
5 LAW ENFORCEMENT OFFICER AS TO AN INDIVIDUAL'S STATUS AS A PATIENT
6 OR PRIMARY CAREGIVER, THE STATE HEALTH AGENCY SHALL CHECK THE
7 REGISTRY. IF THE INDIVIDUAL IS NOT REGISTERED AS A PATIENT OR
8 PRIMARY CAREGIVER, THE STATE HEALTH AGENCY MAY PROVIDE THAT
9 RESPONSE TO LAW ENFORCEMENT. IF THE PERSON IS A REGISTERED
10 PATIENT OR PRIMARY CAREGIVER, THE STATE HEALTH AGENCY MAY NOT
11 RELEASE INFORMATION UNLESS CONSISTENT WITH SECTION 14 OF ARTICLE
12 XVIII OF THE STATE CONSTITUTION. THE STATE HEALTH AGENCY MAY
13 PROMULGATE RULES TO PROVIDE FOR THE EFFICIENT ADMINISTRATION OF
14 THIS PARAGRAPH (d).

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

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

1 (c) A PATIENT WHO HAS DESIGNATED A PRIMARY CAREGIVER FOR
2 HIMSELF OR HERSELF MAY NOT BE DESIGNATED AS A PRIMARY CAREGIVER
3 FOR ANOTHER PATIENT.

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

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

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

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

20 (IV) A PATIENT-PRIMARY CAREGIVER ARRANGEMENT SECURED
21 PURSUANT TO THIS PARAGRAPH (e) SHALL BE STRICTLY BETWEEN THE
22 PATIENT AND THE POTENTIAL PRIMARY CAREGIVER. THE STATE HEALTH
23 AGENCY, BY PROVIDING THE INFORMATION REQUIRED BY THIS PARAGRAPH
24 (e), SHALL NOT ENDORSE OR VOUCH FOR A PRIMARY CAREGIVER. TO PASS
25 THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, THE
26 PRIMARY CAREGIVER SHALL NOT HAVE BEEN CONVICTED OF A FELONY
27 PURSUANT TO PART 4 OF ARTICLE 18 OF TITLE 18, C.R.S., WITHIN THE FIVE

1 YEARS PRECEDING THE CRIMINAL HISTORY RECORD CHECK.

2 (V) THE STATE HEALTH AGENCY MAY MAKE AN EXCEPTION, BASED
3 ON A REQUEST FROM A PATIENT, TO PARAGRAPH (a) OF THIS SUBSECTION
4 (6) LIMITING PRIMARY CAREGIVERS TO FIVE PATIENTS. IF THE STATE
5 HEALTH AGENCY MAKES AN EXCEPTION TO THE LIMIT, THE STATE HEALTH
6 AGENCY SHALL NOTE THE EXCEPTION ON THE PRIMARY CAREGIVER'S
7 RECORD IN THE REGISTRY.

8 (f) AT THE TIME A PATIENT APPLIES FOR INCLUSION ON THE
9 CONFIDENTIAL REGISTRY, THE PATIENT SHALL INDICATE WHETHER THE
10 PATIENT INTENDS TO CULTIVATE HIS OR HER OWN MEDICAL MARIJUANA,
11 BOTH CULTIVATE HIS OR HER OWN MEDICAL MARIJUANA AND OBTAIN IT
12 FROM EITHER A PRIMARY CAREGIVER OR LICENSED MEDICAL MARIJUANA
13 CENTER, OR INTENDS TO OBTAIN IT FROM EITHER A PRIMARY CAREGIVER
14 OR A LICENSED MEDICAL MARIJUANA CENTER. IF THE PATIENT ELECTS TO
15 USE A LICENSED MEDICAL MARIJUANA CENTER, THE PATIENT SHALL
16 REGISTER THE PRIMARY CENTER HE OR SHE INTENDS TO USE.

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

1 MEDICAL MARIJUANA PROGRAM APPLICATION AND THE STATE HEALTH
2 AGENCY HAS NOT YET ISSUED OR DENIED A REGISTRY IDENTIFICATION
3 CARD, A COPY OF THE PATIENT'S OR PRIMARY CAREGIVER'S APPLICATION
4 ALONG WITH PROOF OF THE DATE OF SUBMISSION SHALL BE IN THE
5 PATIENT'S OR PRIMARY CAREGIVER'S POSSESSION AT ALL TIMES THAT HE
6 OR SHE IS IN POSSESSION OF ANY FORM OF MEDICAL MARIJUANA UNTIL THE
7 STATE HEALTH AGENCY ISSUES OR DENIES THE REGISTRY IDENTIFICATION
8 CARD. A PERSON WHO VIOLATES SECTION 14 OF ARTICLE XVIII OF THE
9 STATE CONSTITUTION, THIS SECTION, OR THE RULES PROMULGATED BY THE
10 STATE HEALTH AGENCY MAY BE SUBJECT TO CRIMINAL PROSECUTION FOR
11 VIOLATIONS OF SECTION 18-18-406, C.R.S.

12 (b) THE STATE HEALTH AGENCY MAY DENY A PATIENT'S OR
13 PRIMARY CAREGIVER'S APPLICATION FOR A REGISTRY IDENTIFICATION
14 CARD OR REVOKE THE CARD IF THE STATE HEALTH AGENCY, IN
15 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., DETERMINES THAT THE
16 PHYSICIAN WHO DIAGNOSED THE PATIENT'S DEBILITATING MEDICAL
17 CONDITION, THE PATIENT, OR THE PRIMARY CAREGIVER VIOLATED SECTION
18 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION, THIS SECTION, OR THE
19 RULES PROMULGATED BY THE STATE HEALTH AGENCY PURSUANT TO THIS
20 SECTION; EXCEPT THAT A PATIENT'S APPLICATION OR REGISTRY
21 IDENTIFICATION CARD MAY ONLY BE DENIED OR REVOKED BASED ON A
22 PHYSICIAN'S VIOLATION THAT IS RELATED TO THE ISSUANCE OF A MEDICAL
23 MARIJUANA RECOMMENDATION.

24 (c) A PATIENT OR PRIMARY CAREGIVER REGISTRY IDENTIFICATION
25 CARD SHALL BE VALID FOR ONE YEAR AND SHALL CONTAIN A UNIQUE
26 IDENTIFICATION NUMBER. IT SHALL BE THE RESPONSIBILITY OF THE
27 PATIENT OR PRIMARY CAREGIVER TO APPLY TO RENEW HIS OR HER

1 REGISTRY IDENTIFICATION CARD PRIOR TO THE DATE ON WHICH THE CARD
2 EXPIRES. THE STATE HEALTH AGENCY SHALL DEVELOP A FORM FOR A
3 PATIENT OR PRIMARY CAREGIVER TO USE IN RENEWING HIS OR HER
4 REGISTRY IDENTIFICATION CARD.

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

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

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

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

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

18 (IV) POSSESS MEDICAL MARIJUANA OR OTHERWISE ENGAGE IN THE
19 USE OF MEDICAL MARIJUANA IN A SCHOOL BUS;

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

21 (A) IN A CORRECTIONAL FACILITY OR A COMMUNITY CORRECTIONS
22 FACILITY;

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

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

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

1 (VII) USE MEDICAL MARIJUANA IF THE PERSON DOES NOT HAVE A
2 DEBILITATING MEDICAL CONDITION AS DIAGNOSED BY THE PERSON'S
3 PHYSICIAN IN THE COURSE OF A BONA FIDE PHYSICIAN-PATIENT
4 RELATIONSHIP AND FOR WHICH THE PHYSICIAN HAS RECOMMENDED THE
5 USE OF MEDICAL MARIJUANA.

6 (c) A PERSON SHALL NOT ESTABLISH A BUSINESS TO PERMIT
7 PATIENTS TO CONGREGATE AND SMOKE OR OTHERWISE CONSUME MEDICAL
8 MARIJUANA.

9 (9) **Limit on cultivation of medical marijuana.** ONLY
10 REGISTERED PATIENTS, LICENSED PRIMARY CAREGIVERS, AND LICENSED
11 MEDICAL MARIJUANA CENTERS WITH OPTIONAL PREMISES CULTIVATION
12 LICENSES MAY CULTIVATE MEDICAL MARIJUANA.

13 (10) **Affirmative defense.** IF A PATIENT OR PRIMARY CAREGIVER
14 RAISES AN AFFIRMATIVE DEFENSE AS PROVIDED IN SECTION 14 (4) (b) OF
15 ARTICLE XVIII OF THE STATE CONSTITUTION, THE PATIENT'S PHYSICIAN
16 SHALL CERTIFY THE SPECIFIC AMOUNTS IN EXCESS OF TWO OUNCES THAT
17 ARE NECESSARY TO ADDRESS THE PATIENT'S DEBILITATING MEDICAL
18 CONDITION AND WHY SUCH AMOUNTS ARE NECESSARY. A PATIENT WHO
19 ASSERTS THIS AFFIRMATIVE DEFENSE SHALL WAIVE CONFIDENTIALITY
20 PRIVILEGES RELATED TO THE CONDITION OR CONDITIONS THAT WERE THE
21 BASIS FOR THE RECOMMENDATION. IF A PATIENT, PRIMARY CAREGIVER, OR
22 PHYSICIAN RAISES AN EXCEPTION TO THE STATE CRIMINAL LAWS AS
23 PROVIDED IN SECTION 14 (2) (b) OR (c) OF ARTICLE XVIII OF THE STATE
24 CONSTITUTION, THE PATIENT, PRIMARY CAREGIVER OR PHYSICIAN WAIVES
25 THE CONFIDENTIALITY OF HIS OR HER RECORDS RELATED TO THE
26 CONDITION OR CONDITIONS THAT WERE THE BASIS FOR THE
27 RECOMMENDATION MAINTAINED BY THE STATE HEALTH AGENCY FOR THE

1 MEDICAL MARIJUANA PROGRAM. UPON REQUEST OF A LAW ENFORCEMENT
2 AGENCY FOR SUCH RECORDS, THE STATE HEALTH AGENCY SHALL ONLY
3 PROVIDE RECORDS PERTAINING TO THE INDIVIDUAL RAISING THE
4 EXCEPTION, AND SHALL REDACT ALL OTHER PATIENT, PRIMARY
5 CAREGIVER, OR PHYSICIAN IDENTIFYING INFORMATION.

6 (11) (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS
7 SUBSECTION (11), THE STATE HEALTH AGENCY SHALL ESTABLISH A BASIC
8 FEE THAT SHALL BE PAID AT THE TIME OF SERVICE OF ANY SUBPOENA UPON
9 THE STATE HEALTH AGENCY, PLUS A FEE FOR MEALS AND A FEE FOR
10 MILEAGE AT THE RATE PRESCRIBED FOR STATE OFFICERS AND EMPLOYEES
11 IN SECTION 24-9-104, C.R.S., FOR EACH MILE ACTUALLY AND
12 NECESSARILY TRAVELED IN GOING TO AND RETURNING FROM THE PLACE
13 NAMED IN THE SUBPOENA. IF THE PERSON NAMED IN THE SUBPOENA IS
14 REQUIRED TO ATTEND THE PLACE NAMED IN THE SUBPOENA FOR MORE
15 THAN ONE DAY, THERE SHALL BE PAID, IN ADVANCE, A SUM TO BE
16 ESTABLISHED BY THE STATE HEALTH AGENCY FOR EACH DAY OF
17 ATTENDANCE TO COVER THE EXPENSES OF THE PERSON NAMED IN THE
18 SUBPOENA.

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

22 ~~(2)~~ (12) **Fees.** The ~~department~~ STATE HEALTH AGENCY may
23 collect fees from patients who, pursuant to section 14 of article XVIII of
24 the state constitution, apply to the medical marijuana program established
25 by such section for a marijuana registry identification CARD for the
26 purpose of offsetting the ~~department's~~ STATE HEALTH AGENCY'S direct and
27 indirect costs of administering the program. The amount of such THE fees

1 shall be set by rule of the ~~state board of health~~ STATE HEALTH AGENCY.
2 All fees collected by the ~~department~~ STATE HEALTH AGENCY through the
3 medical marijuana program shall be transferred to the state treasurer who
4 shall credit the same to the medical marijuana program cash fund, which
5 fund is hereby created.

6 ~~(3)~~ (13) **Cash fund.** (a) The medical marijuana program cash
7 fund shall be subject to annual appropriation by the general assembly to
8 the ~~department~~ STATE HEALTH AGENCY for the purpose of establishing,
9 operating, and maintaining the medical marijuana program. ~~established~~
10 ~~by section 14 of article XVIII of the state constitution.~~ All moneys
11 credited to the medical marijuana program cash fund and all interest
12 derived from the deposit of such moneys that are not expended during the
13 fiscal year shall be retained in the fund for future use and shall not be
14 credited or transferred to the general fund or any other fund.

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

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

22 **25-5-403. Offenses.** (3) THE PROVISIONS OF THIS SECTION SHALL
23 NOT APPLY TO A MEDICAL MARIJUANA CENTER OR A
24 MEDICAL-MARIJUANA-INFUSED PRODUCTS MANUFACTURER LICENSED
25 PURSUANT TO ARTICLE 43.3 OF TITLE 12, C.R.S., THAT MANUFACTURES OR
26 SELLS A FOOD PRODUCT THAT CONTAINS MEDICAL MARIJUANA SO LONG AS
27 THE FOOD PRODUCT IS LABELED AS CONTAINING MEDICAL MARIJUANA AND

1 THE LABEL SPECIFIES THAT THE PRODUCT IS MANUFACTURED WITHOUT
2 ANY REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY, AND
3 THAT THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE CONSUMPTION
4 OR USE OF THE PRODUCT.

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

7 **16-2.5-121. Executive director of the department of revenue**
8 **- senior director of enforcement for the department of revenue.** The
9 executive director and the senior director of enforcement of the
10 department of revenue are peace officers while engaged in the
11 performance of their duties whose authority includes the enforcement of
12 laws and rules regarding automobile dealers pursuant to section 12-6-105
13 (1) (d) (II), C.R.S., the lottery pursuant to sections 24-35-205 (3) and
14 24-35-206 (7), C.R.S., MEDICAL MARIJUANA PURSUANT TO ARTICLE 43.3
15 OF TITLE 12, C.R.S., limited gaming pursuant to section 12-47.1-204,
16 C.R.S., liquor pursuant to section 12-47-904 (1), C.R.S., and racing
17 events pursuant to section 12-60-203 (1), C.R.S., and the enforcement of
18 all laws of the state of Colorado and who may be certified by the P.O.S.T.
19 board.

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

23 **16-2.5-124.5. Medical marijuana enforcement investigator.** A
24 MEDICAL MARIJUANA ENFORCEMENT INVESTIGATOR IS A PEACE OFFICER
25 WHILE ENGAGED IN THE PERFORMANCE OF HIS OR HER DUTIES AND WHILE
26 ACTING UNDER PROPER ORDERS OR RULES PURSUANT TO ARTICLE 43.3 OF
27 TITLE 12, C.R.S., AND SHALL ALSO INCLUDE THE ENFORCEMENT OF ALL

1 LAWS OF THE STATE OF COLORADO AND WHO MAY BE CERTIFIED BY THE
2 P.O.S.T. BOARD.

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

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

9 (z) THE MEDICAL MARIJUANA LICENSE CASH FUND CREATED IN
10 SECTION 12-43.3-501, C.R.S.

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

13 **39-26-102. Definitions.** As used in this article, unless the context
14 otherwise requires:

15 (5.8) "MEDICAL MARIJUANA" SHALL HAVE THE SAME MEANING AS
16 SET FORTH IN SECTION 12-43.3-104 (7), C.R.S.

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

19 **39-26-123. Receipts - disposition - transfers of general fund**
20 **surplus - sales and use tax holding fund - creation - definitions -**
21 **repeal.** (1) As used in this section, unless the context otherwise requires:

22 (a.5) "SALES AND USE TAXES ATTRIBUTABLE TO SALES OR USE OF
23 MEDICAL MARIJUANA" MEANS THE NET REVENUE RAISED FROM THE STATE
24 SALES AND USE TAXES IMPOSED PURSUANT TO THIS ARTICLE ON THE SALES
25 OR USE OF MEDICAL MARIJUANA.

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

1 **39-26-123. Receipts - disposition - transfers of general fund**

2 **surplus - sales and use tax holding fund - creation - definitions -**

3 **repeal. (6) (a) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER**

4 **JULY 1, 2010, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE**

5 **THE FIRST TWO MILLION DOLLARS OF SALES AND USE TAXES**

6 **ATTRIBUTABLE TO SALES OR USE OF MEDICAL MARIJUANA OR EQUALLY**

7 **APPROPRIATE THE SALES AND USE TAXES ATTRIBUTABLE TO SALES AND**

8 **USE OF MEDICAL MARIJUANA IF TWO MILLION DOLLARS IS NOT GENERATED.**

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

10 **THIS SUBSECTION (6) SHALL BE APPROPRIATED TO THE DEPARTMENT OF**

11 **HUMAN SERVICES TO BE USED TO PROVIDE INTEGRATED BEHAVIORAL**

12 **HEALTH SERVICES FOR JUVENILES AND ADULTS WITH SUBSTANCE USE**

13 **DISORDERS AND MENTAL HEALTH TREATMENT NEEDS WHO ARE INVOLVED**

14 **WITH, OR AT RISK OF INVOLVEMENT WITH, THE CRIMINAL JUSTICE SYSTEM.**

15 **THE MONEYS DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (6)**

16 **SHALL BE APPROPRIATED TO THE DEPARTMENT OF HUMAN SERVICES TO BE**

17 **USED TO PROVIDE INTEGRATED BEHAVIORAL HEALTH SERVICES FOR**

18 **JUVENILES AND ADULTS WITH SUBSTANCE USE DISORDERS OR WITH**

19 **SUBSTANCE USE DISORDERS AND MENTAL HEALTH TREATMENT NEEDS WHO**

20 **ARE INVOLVED WITH, OR AT RISK OF INVOLVEMENT WITH, THE CRIMINAL**

21 **JUSTICE SYSTEM. THE DEPARTMENT SHALL ENSURE THAT APPROPRIATIONS**

22 **IN THIS LINE ITEM ARE DISTRIBUTED THROUGH THE DEPARTMENT'S**

23 **DESIGNATED MANAGED SERVICE ORGANIZATIONS AND COMMUNITY**

24 **MENTAL HEALTH CENTERS. THE APPROPRIATIONS SHALL BE BASED ON,**

25 **INCLUDING BUT NOT LIMITED TO SUBSTANCE USE AND MENTAL HEALTH**

26 **PREVALENCE DATA THAT IS DEVELOPED WORKING COLLABORATIVELY**

27 **WITH THE MANAGED SERVICES ORGANIZATIONS AND COMMUNITY HEALTH**

1 CENTERS.

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

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

9 **39-26-123. Receipts - disposition - transfers of general fund**
10 **surplus - sales and use tax holding fund - creation - definitions -**
11 **repeal.** (6) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER
12 JULY 1, 2010, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
13 THE FIRST TWO MILLION DOLLARS OF SALES AND USE TAXES
14 ATTRIBUTABLE TO SALES OR USE OF MEDICAL MARIJUANA OR EQUALLY
15 APPROPRIATE THE SALES AND USE TAXES ATTRIBUTABLE TO SALES AND
16 USE OF MEDICAL MARIJUANA IF TWO MILLION DOLLARS IS NOT GENERATED.
17 THE MONEYS DESCRIBED IN THIS SUBSECTION (6) SHALL BE APPROPRIATED
18 TO THE DEPARTMENT OF HUMAN SERVICES TO BE USED TO PROVIDE
19 INTEGRATED BEHAVIORAL HEALTH SERVICES FOR JUVENILES AND ADULTS
20 WITH SUBSTANCE USE DISORDERS OR WITH SUBSTANCE USE DISORDERS
21 AND MENTAL HEALTH TREATMENT NEEDS WHO ARE INVOLVED WITH, OR
22 AT RISK OF INVOLVEMENT WITH, THE CRIMINAL JUSTICE SYSTEM. THE
23 DEPARTMENT SHALL ENSURE THAT APPROPRIATIONS IN THIS LINE ITEM ARE
24 DISTRIBUTED THROUGH THE DEPARTMENT'S DESIGNATED MANAGED
25 SERVICE ORGANIZATIONS AND COMMUNITY MENTAL HEALTH CENTERS.
26 THE APPROPRIATIONS SHALL BE BASED ON, INCLUDING BUT NOT LIMITED
27 TO SUBSTANCE USE AND MENTAL HEALTH PREVALENCE DATA THAT IS

1 DEVELOPED WORKING COLLABORATIVELY WITH THE MANAGED SERVICES
2 ORGANIZATIONS AND COMMUNITY HEALTH CENTERS.

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

5 **25-14-203. Definitions.** As used in this part 2, unless the context
6 otherwise requires:

7 (16) "Smoking" means the burning of a lighted cigarette, cigar,
8 pipe, or any other matter or substance that contains tobacco OR MEDICAL
9 MARIJUANA AS DEFINED BY SECTION 12-43.3-104 (7), C.R.S.

10 **SECTION 12.** 24-34-104.1, Colorado Revised Statutes, is
11 amended BY THE ADDITION OF A NEW SUBSECTION to read:

12 **24-34-104.1. General assembly sunrise review of new**
13 **regulation of occupations and professions - repeal.** (8) (a) THE
14 DEPARTMENT OF REGULATORY AGENCIES SHALL CONDUCT A REVIEW AS
15 DESCRIBED IN SUBSECTIONS (2), (3), AND (4) OF THIS SECTION OF PERSONS
16 LICENSED PURSUANT TO PART 4 OF ARTICLE 43.3 OF TITLE 12, C.R.S., AND
17 PRIMARY CAREGIVERS AS DESCRIBED IN SECTION 25-1.5-106, C.R.S.

18 (b) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JULY 1, 2016.

19 **SECTION 13. Appropriation.** (1) In addition to any other
20 appropriation, there is hereby appropriated, out of any moneys in the
21 general fund not otherwise appropriated, to the department of human
22 services, for allocation to mental health and alcohol and drug abuse
23 services, for the fiscal year beginning July 1, 2010, the sum of three
24 hundred thirty-four thousand two hundred twenty-seven dollars
25 (\$334,227), or so much thereof as may be necessary, for the
26 implementation of this act.

27 (2) In addition to any other appropriation, there is hereby

1 appropriated, out of any moneys in the medical marijuana license cash
2 fund cash fund created in section 12-43.3-501 (1), Colorado Revised
3 Statutes, not otherwise appropriated, to the department of revenue, for
4 allocation to the enforcement business group, for the fiscal year beginning
5 July 1, 2010, the sum of two million seven hundred nineteen thousand
6 four hundred twenty-two dollars (\$2,719,422) and 23.2 FTE, or so much
7 thereof as may be necessary, for the implementation of this act.

8 (3) In addition to any other appropriation, there is hereby
9 appropriated to the department of law, for the fiscal year beginning July
10 1, 2010, the sum of one hundred thirteen thousand seventy dollars
11 (\$113,070) and 1.0 FTE, or so much thereof as may be necessary, for the
12 provision of legal services to the department of revenue related to the
13 implementation of this act. Said sum shall be from reappropriated funds
14 received from the department of revenue out of the appropriation made
15 in subsection (2) of this section.

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

25 (5) In addition to any other appropriation, there is hereby
26 appropriated, out of any moneys in the medical marijuana program cash
27 fund created in section 25-1.5-106 (12), Colorado Revised Statutes, not

1 otherwise appropriated, to the department of public health and
2 environment, for allocation to the center for health and environmental
3 education, for the fiscal year beginning July 1, 2010, the sum of two
4 hundred seventy-one thousand four hundred sixty-seven dollars
5 (\$271,467) cash funds and 1.2 FTE, or so much thereof as may be
6 necessary, for the implementation of this act.

7 (6) In addition to any other appropriation, there is hereby
8 appropriated to the department of public safety, Colorado bureau of
9 investigation, for the fiscal year beginning July 1, 2010, the sum of two
10 hundred eleven thousand seven hundred twenty dollars (\$211,720) and
11 0.9 FTE, or so much thereof as may be necessary, for the provision of
12 background checks to the department of public health and environment
13 related to the implementation of this act. Said sum shall be from
14 reappropriated funds received from the department of public health and
15 environment out of the appropriation made in subsection (5) of this
16 section.

17 **SECTION 14. Appropriation.** (1) In addition to any other
18 appropriation, there is hereby appropriated, out of any moneys in the
19 general fund not otherwise appropriated, to the department of human
20 services, for allocation to mental health and alcohol and drug abuse
21 services, for the fiscal year beginning July 1, 2010, the sum of six
22 hundred sixty-eight thousand four hundred fifty-four dollars (\$668,454),
23 or so much thereof as may be necessary, for the implementation of this
24 act.

25 (2) In addition to any other appropriation, there is hereby
26 appropriated, out of any moneys in the medical marijuana license cash
27 fund cash fund created in section 12-43.3-501 (1), Colorado Revised

1 Statutes, not otherwise appropriated, to the department of revenue, for
2 allocation to the enforcement business group, for the fiscal year beginning
3 July 1, 2010, the sum of two million seven hundred nineteen thousand
4 four hundred twenty-two dollars (\$2,719,422) and 23.2 FTE, or so much
5 thereof as may be necessary, for the implementation of this act.

6 (3) In addition to any other appropriation, there is hereby
7 appropriated to the department of law, for the fiscal year beginning July
8 1, 2010, the sum of one hundred thirteen thousand seventy dollars
9 (\$113,070) and 1.0 FTE, or so much thereof as may be necessary, for the
10 provision of legal services to the department of revenue related to the
11 implementation of this act. Said sum shall be from reappropriated funds
12 received from the department of revenue out of the appropriation made
13 in subsection (2) of this section.

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

23 (5) In addition to any other appropriation, there is hereby
24 appropriated, out of any moneys in the medical marijuana program cash
25 fund created in section 25-1.5-106 (12), Colorado Revised Statutes, not
26 otherwise appropriated, to the department of public health and
27 environment, for allocation to the center for health and environmental

1 education, for the fiscal year beginning July 1, 2010, the sum of two
2 hundred seventy-one thousand four hundred sixty-seven dollars
3 (\$271,467) cash funds and 1.2 FTE, or so much thereof as may be
4 necessary, for the implementation of this act.

5 (6) In addition to any other appropriation, there is hereby
6 appropriated to the department of public safety, Colorado bureau of
7 investigation, for the fiscal year beginning July 1, 2010, the sum of two
8 hundred eleven thousand seven hundred twenty dollars (\$211,720) and
9 0.9 FTE, or so much thereof as may be necessary, for the provision of
10 background checks to the department of public health and environment
11 related to the implementation of this act. Said sum shall be from
12 reappropriated funds received from the department of public health and
13 environment out of the appropriation made in subsection (5) of this
14 section.

15 **SECTION 15. Specified effective date.** (1) Except as otherwise
16 provided in subsection (2) of this section, this act shall take effect July 1,
17 2011.

18 (2) (a) Sections 12-43.3-103 and 12-43.3-104 and parts 2 and 5 of
19 article 43.3 of title 12, set forth in section 1 of this act shall take effect
20 July 1, 2010.

21 (b) This section and sections 2, 7, 8, 11, and 15 of this act shall
22 take effect July 1, 2010.

23 (c) Sections 9 and 12 of this act shall take effect only if House Bill
24 10-1033 is enacted and becomes law and shall take effect upon the
25 effective date of House Bill 10-1033.

26 (d) Sections 10 and 13 of this act shall take effect if section 9 of
27 this act does not take effect and does not become law.

1 **SECTION 16. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.