

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

REVISED

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

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

Local Government and Energy
Appropriations

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.*

SENATE
Am ended 2nd Reading
May 5, 2010

HOUSE
3rd Reading Unam ended
April 22, 2010

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

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

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

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

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

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

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

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

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

1 CONTEXT OTHERWISE REQUIRES:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 PART 2

17 STATE LICENSING AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

1 2011.

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

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

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

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

1 AND

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

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

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

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

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

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

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

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

27 (VII) CONTROL OF INFORMATIONAL AND PRODUCT DISPLAYS ON

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

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

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

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

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

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

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

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

1 PART 3

2 STATE AND LOCAL LICENSING

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

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

8 (a) A MEDICAL MARIJUANA CENTER LICENSE;

9 (b) AN OPTIONAL PREMISES CULTIVATION LICENSE;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ANNUAL BUDGET TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **PART 4**

22 **LICENSE TYPES**

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

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

- 3 (a) MEDICAL MARIJUANA CENTER LICENSE;
- 4 (b) OPTIONAL PREMISES CULTIVATION LICENSE;
- 5 (c) MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
6 LICENSE; AND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 THE TERMS AND CONDITIONS OF THIS ARTICLE.

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

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

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

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

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

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

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

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

11 PART 5

12 FEES

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

1 TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (7) EACH LOCAL LICENSING AUTHORITY SHALL REPORT ALL

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

11 PART 7

12 INSPECTION OF BOOKS AND RECORDS

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

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

1 UPON ITS LICENSED PREMISES; _____

2 (b) WITH KNOWLEDGE, TO PERMIT OR FAIL TO PREVENT THE USE OF

3 HIS OR HER REGISTRY IDENTIFICATION BY ANY OTHER PERSON FOR THE

4 UNLAWFUL PURCHASING OF MEDICAL MARIJUANA; OR

5 (c) TO CONTINUE OPERATING A BUSINESS FOR THE PURPOSE OF

6 CULTIVATION, MANUFACTURE, OR SALE OF MEDICAL MARIJUANA OR

7 MEDICAL MARIJUANA-INFUSED PRODUCTS WITHOUT FILING THE FORMS

8 AND PAYING THE FEE AS DESCRIBED IN SECTION 12-43.3-103 (1) (b).

9 (d) TO CONTINUE A OPERATING A BUSINESS FOR THE PURPOSE OF

10 CULTIVATION, MANUFACTURE, OR SALE OF MEDICAL MARIJUANA OR

11 MEDICAL MARIJUANA-INFUSED PRODUCTS WITHOUT SATISFYING THE

12 CONDITIONS OF SECTION 12-43.3-103 (2) (b).

13 (2) IT IS UNLAWFUL FOR A PERSON TO BUY, SELL, TRANSFER, GIVE

14 AWAY, OR ACQUIRE MEDICAL MARIJUANA EXCEPT AS ALLOWED PURSUANT

15 TO THIS ARTICLE.

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

17 ARTICLE:

18 (a) TO BE WITHIN A LIMITED-ACCESS AREA UNLESS THE PERSON'S

19 LICENSE BADGE IS DISPLAYED AS REQUIRED BY THIS ARTICLE, EXCEPT AS

20 PROVIDED IN SECTION 12-43.3-701;

21 (b) TO FAIL TO DESIGNATE AREAS OF INGRESS AND EGRESS FOR

22 LIMITED-ACCESS AREAS AND POST SIGNS IN CONSPICUOUS LOCATIONS AS

23 REQUIRED BY THIS ARTICLE;

24 (c) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION

25 12-43.3-310 (11); OR

26 (d) TO FAIL TO REPORT THE NAME OF OR A CHANGE IN MANAGERS

27 AS REQUIRED BY SECTION 12-43.3-310 (12).

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

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

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

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

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

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

1 CONFISCATION SHALL NOT CONSTITUTE A CRIMINAL OFFENSE.

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

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

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

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

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

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

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

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

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

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

9 PART 10

10 SUNSET REVIEW

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

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

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

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

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

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

1 STATE HEALTH AGENCY; AND

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

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

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

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

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

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

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

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

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

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

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

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

20 (VIII) A SALES TAX EXEMPTION FOR PATIENTS BASED ON THE
21 SEVERITY OF THE PATIENTS' DEBILITATING CONDITIONS AND THEIR ABILITY
22 TO PURCHASE MEDICAL MARIJUANA.

23 (b) THE STATE HEALTH AGENCY MAY PROMULGATE RULES
24 REGARDING THE FOLLOWING:

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

1 ITSELF, IS INSUFFICIENT TO CONSTITUTE "SIGNIFICANT RESPONSIBILITY FOR
2 MANAGING THE WELL-BEING OF A PATIENT";

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

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

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

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

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

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

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

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

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

25 (d) A PRIMARY CAREGIVER SHALL PROVIDE TO A LAW
26 ENFORCEMENT AGENCY, UPON INQUIRY, THE REGISTRY IDENTIFICATION
27 CARD NUMBER OF EACH OF HIS OR HER PATIENTS. THE STATE HEALTH

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

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

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

27 (c) A PATIENT WHO HAS DESIGNATED A PRIMARY CAREGIVER FOR

1 HIMSELF OR HERSELF MAY NOT BE DESIGNATED AS A PRIMARY CAREGIVER
2 FOR ANOTHER PATIENT.

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

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

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

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

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

24 (V) THE STATE HEALTH AGENCY MAY MAKE AN EXCEPTION, BASED
25 ON A REQUEST FROM A PATIENT, TO PARAGRAPH (a) OF THIS SUBSECTION
26 (6) LIMITING PRIMARY CAREGIVERS TO FIVE PATIENTS. IF THE STATE
27 HEALTH AGENCY MAKES AN EXCEPTION TO THE LIMIT, THE STATE HEALTH

1 AGENCY SHALL NOTE THE EXCEPTION ON THE PRIMARY CAREGIVER'S
2 RECORD IN THE REGISTRY.

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

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

1 OR SHE IS IN POSSESSION OF ANY FORM OF MEDICAL MARIJUANA UNTIL THE
2 STATE HEALTH AGENCY ISSUES OR DENIES THE REGISTRY IDENTIFICATION
3 CARD. A PERSON WHO VIOLATES SECTION 14 OF ARTICLE XVIII OF THE
4 STATE CONSTITUTION, THIS SECTION, OR THE RULES PROMULGATED BY THE
5 STATE HEALTH AGENCY MAY BE SUBJECT TO CRIMINAL PROSECUTION FOR
6 VIOLATIONS OF SECTION 18-18-406, C.R.S.

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

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

1 (d) IF THE STATE HEALTH AGENCY GRANTS A PATIENT A WAIVER TO
2 ALLOW A PRIMARY CAREGIVER TO TRANSPORT THE PATIENT'S MEDICAL
3 MARIJUANA FROM A MEDICAL MARIJUANA CENTER TO THE PATIENT, THE
4 STATE HEALTH AGENCY SHALL DESIGNATE THE WAIVER ON THE PATIENT'S
5 REGISTRY IDENTIFICATION CARD.

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

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

20 (b) A PATIENT OR PRIMARY CAREGIVER SHALL NOT:
21 (I) ENGAGE IN THE MEDICAL USE OF MARIJUANA IN A WAY THAT
22 ENDANGERS THE HEALTH AND WELL-BEING OF A PERSON;

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

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

1 (IV) POSSESS MEDICAL MARIJUANA OR OTHERWISE ENGAGE IN THE
2 USE OF MEDICAL MARIJUANA IN OR ON THE GROUNDS OF A SCHOOL OR IN
3 A SCHOOL BUS;

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

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

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

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

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

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

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

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

26 (10) **Affirmative defense.** IF A PATIENT OR PRIMARY CAREGIVER
27 RAISES AN AFFIRMATIVE DEFENSE AS PROVIDED IN SECTION 14 (4) (b) OF

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

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

1 THAN ONE DAY, THERE SHALL BE PAID, IN ADVANCE, A SUM TO BE
2 ESTABLISHED BY THE STATE HEALTH AGENCY FOR EACH DAY OF
3 ATTENDANCE TO COVER THE EXPENSES OF THE PERSON NAMED IN THE
4 SUBPOENA.

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

8 ~~(2)~~ (12) **Fees.** The ~~department~~ STATE HEALTH AGENCY may
9 collect fees from patients who, pursuant to section 14 of article XVIII of
10 the state constitution, apply to the medical marijuana program established
11 by such section for a marijuana registry identification CARD for the
12 purpose of offsetting the ~~department's~~ STATE HEALTH AGENCY'S direct and
13 indirect costs of administering the program. The amount of such THE fees
14 shall be set by rule of the ~~state board of health~~ STATE HEALTH AGENCY.
15 THE AMOUNT OF THE FEES SET PURSUANT TO THIS SECTION SHALL REFLECT
16 THE ACTUAL DIRECT AND INDIRECT COSTS OF THE STATE LICENSING
17 AUTHORITY IN THE ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE
18 SO THAT THE FEES AVOID EXCEEDING THE STATUTORY LIMIT ON
19 UNCOMMITTED RESERVES IN ADMINISTRATIVE AGENCY CASH FUNDS AS SET
20 FORTH IN SECTION 24-75-402 (3), C.R.S. All fees collected by the
21 ~~department~~ STATE HEALTH AGENCY through the medical marijuana
22 program shall be transferred to the state treasurer who shall credit the
23 same to the medical marijuana program cash fund, which fund is hereby
24 created.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 39-26-123. Receipts - disposition - transfers of general fund
12 surplus - sales ___ tax holding fund - creation - definitions - repeal.

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

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

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

20 39-26-123. Receipts - disposition - transfers of general fund
21 surplus - sales ___ tax holding fund - creation - definitions - repeal.

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

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

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

26 **SECTION 10.** 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 ___ tax holding fund - creation - definitions - repeal.**

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

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

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

27 (16) "Smoking" means the burning of a lighted cigarette, cigar,

1 pipe, or any other matter or substance that contains tobacco OR MEDICAL
2 MARIJUANA AS DEFINED BY SECTION 12-43.3-104 (7), C.R.S.

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

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

7 (46) The following agencies, functions, or both shall terminate on July
8 1, 2015:

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

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

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

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

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

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

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

25 **SECTION 14. Appropriation.** (1) In addition to any other
26 appropriation, there is hereby appropriated, out of any moneys in the
27 general fund not otherwise appropriated, to the department of human

1 services, for allocation to mental health and alcohol and drug abuse
2 services, for the fiscal year beginning July 1, 2010, the sum of three
3 hundred thirty-four thousand two hundred twenty-seven dollars
4 (\$334,227), or so much thereof as may be necessary, for the
5 implementation of this act.

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

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

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

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

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

13 ==
14 **SECTION 15. Appropriation.** (1) In addition to any other
15 appropriation, there is hereby appropriated, out of any moneys in the
16 general fund not otherwise appropriated, to the department of human
17 services, for allocation to mental health and alcohol and drug abuse
18 services, for the fiscal year beginning July 1, 2010, the sum of six
19 hundred sixty-eight thousand four hundred fifty-four dollars (\$668,454),
20 or so much thereof as may be necessary, for the implementation of this
21 act.

22 (2) In addition to any other appropriation, there is hereby
23 appropriated, out of any moneys in the medical marijuana license cash
24 fund == created in section 12-43.3-501 (1), Colorado Revised Statutes,
25 not otherwise appropriated, to the department of revenue, for allocation
26 to the enforcement business group, for the fiscal year beginning July 1,
27 2010, the sum of ten million three hundred seventeen thousand five

1 hundred eighty-three dollars (\$10,317,583) cash funds and 110.0 FTE, or
2 so much thereof as may be necessary, for the implementation of this act.

3 (3) In addition to any other appropriation, there is hereby
4 appropriated to the department of law, for the fiscal year beginning July
5 1, 2010, the sum of two hundred seventy-one thousand three hundred
6 sixty-eight dollars (\$271,368) and 2.0 FTE, or so much thereof as may be
7 necessary, for the provision of legal services to the department of
8 revenue related to the implementation of this act. Said sum shall be from
9 reappropriated funds received from the department of revenue out of the
10 appropriation made in subsection (2) of this section.

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

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

1 implementation of this act.

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

7

8 **SECTION 17. Specified effective date.** (1) Except as otherwise
9 provided in subsection (2) of this section, this act shall take effect July 1,
10 2010.

11 (2)(a) Sections 9 and 13 of this act shall take effect only if House
12 Bill 10-1033 is enacted and becomes law and shall take effect upon the
13 effective date of House Bill 10-1033.

14 (b) Sections 10 and 14 of this act shall take effect only if section
15 9 of this act does not take effect and does not become law.

16 **SECTION 18. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.