

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0773.02 Michael Dohr

HOUSE BILL 10-1284

HOUSE SPONSORSHIP

Massey and Summers, McCann, Rice

SENATE SPONSORSHIP

Romer and Spence,

House Committees

Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

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

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

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

22 (b) AS OF JULY 1, 2010, A PERSON WHO IS ALREADY OPERATING A
23 MEDICAL MARIJUANA CENTER MAY CONTINUE TO OPERATE THAT CENTER
24 UNTIL JULY 1, 2011. AFTER JULY 1, 2011, THE PERSON MAY CONTINUE
25 OPERATING THE MEDICAL MARIJUANA CENTER ONLY IF THE CENTER IS
26 LICENSED PURSUANT TO THIS ARTICLE. TO CONTINUE OPERATING THE
27 MEDICAL MARIJUANA CENTER THAT WAS OPERATING PRIOR TO JULY 1,

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

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

26 **12-43.3-104. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
27 CONTEXT OTHERWISE REQUIRES:

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

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

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

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

15 (2) "LICENSE" MEANS TO GRANT A LICENSE OR REGISTRATION
16 PURSUANT TO THIS ARTICLE.

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

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

25 (5) "LOCAL LICENSING AUTHORITY" MEANS AN AUTHORITY
26 DESIGNATED BY MUNICIPAL OR COUNTY CHARTER, MUNICIPAL ORDINANCE,
27 OR COUNTY RESOLUTION.

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

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

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

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

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

23 (11) "OPTIONAL PREMISES" MEANS THE PREMISES SPECIFIED IN AN
24 APPLICATION FOR A MEDICAL MARIJUANA CENTER LICENSE WITH RELATED
25 GROWING FACILITIES IN COLORADO FOR WHICH THE LICENSEE IS
26 AUTHORIZED TO GROW AND CULTIVATE MARIJUANA FOR A PURPOSE
27 AUTHORIZED BY SECTION 14 OF ARTICLE XVIII OF THE STATE

1 CONSTITUTION.

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

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

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

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

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

19 **12-43.3-105. Limited access areas.** NOTWITHSTANDING THE
20 PROVISIONS OF 12-43.3-701, A LIMITED ACCESS AREA SHALL BE A
21 BUILDING, ROOM, OR OTHER CONTIGUOUS AREA UPON THE LICENSED
22 PREMISES WHERE MEDICAL MARIJUANA IS GROWN, CULTIVATED, STORED,
23 WEIGHED, DISPLAYED, PACKAGED, SOLD, OR POSSESSED FOR SALE, UNDER
24 CONTROL OF THE LICENSEE, WITH LIMITED ACCESS TO ONLY THOSE
25 PERSONS LICENSED BY THE STATE LICENSING AUTHORITY. ALL AREAS OF
26 INGRESS OR EGRESS TO LIMITED ACCESS AREAS SHALL BE CLEARLY
27 IDENTIFIED AS SUCH BY A SIGN AS DESIGNATED BY THE STATE LICENSING

1 AUTHORITY.

2

PART 2

3

STATE LICENSING AUTHORITY

4

12-43.3-201. State licensing authority - creation. (1) FOR THE

5

PURPOSE OF REGULATING AND CONTROLLING THE LICENSING OF THE

6

CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE OF MEDICAL

7

MARIJUANA IN THIS STATE, THERE IS HEREBY CREATED THE STATE

8

LICENSING AUTHORITY, WHICH SHALL BE THE EXECUTIVE DIRECTOR OF THE

9

DEPARTMENT OF REVENUE OR THE DEPUTY DIRECTOR OF THE DEPARTMENT

10

OF REVENUE IF THE EXECUTIVE DIRECTOR SO DESIGNATES.

11

(2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE

12

SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE STATE LICENSING

13

AUTHORITY AND MAY EMPLOY, PURSUANT TO SECTION 13 OF ARTICLE XII

14

OF THE STATE CONSTITUTION, SUCH OFFICERS AND EMPLOYEES AS MAY BE

15

DETERMINED TO BE NECESSARY, WHICH OFFICERS AND EMPLOYEES SHALL

16

BE PART OF THE DEPARTMENT OF REVENUE.

17

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

18

(1) THE STATE LICENSING AUTHORITY SHALL:

19

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

20

MANUFACTURE, DISTRIBUTION, AND SALE OF MEDICAL MARIJUANA AS

21

PROVIDED BY LAW; SUSPEND, FINE, RESTRICT, OR REVOKE SUCH LICENSES

22

UPON A VIOLATION OF THIS ARTICLE, OR A RULE PROMULGATED PURSUANT

23

TO THIS ARTICLE; AND IMPOSE ANY PENALTY AUTHORIZED BY THIS

24

ARTICLE OR ANY RULE PROMULGATED PURSUANT TO THIS ARTICLE. THE

25

STATE LICENSING AUTHORITY MAY TAKE ANY ACTION WITH RESPECT TO A

26

REGISTRATION PURSUANT TO THIS ARTICLE AS IT MAY WITH RESPECT TO A

27

LICENSE PURSUANT TO THIS ARTICLE, IN ACCORDANCE WITH THE

1 PROCEDURES ESTABLISHED PURSUANT TO THIS ARTICLE;

2 (b) PROMULGATE SUCH RULES AND SUCH SPECIAL RULINGS AND
3 FINDINGS AS NECESSARY FOR THE PROPER REGULATION AND CONTROL OF
4 THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE OF MEDICAL
5 MARIJUANA AND FOR THE ENFORCEMENT OF THIS ARTICLE. A COUNTY,
6 MUNICIPALITY, OR CITY AND COUNTY THAT HAS ADOPTED A TEMPORARY
7 MORATORIUM REGARDING THE SUBJECT MATTER OF THIS ARTICLE SHALL
8 BE SPECIFICALLY AUTHORIZED TO EXTEND THE MORATORIUM UNTIL THE
9 EFFECTIVE DATE OF THE RULES ADOPTED BY THE DEPARTMENT OF
10 REVENUE IN ACCORDANCE WITH THIS ARTICLE;

11 (c) HEAR AND DETERMINE AT PUBLIC HEARING ANY APPEALS OF A
12 STATE LICENSE DENIAL AND ANY COMPLAINTS AGAINST A LICENSEE AND
13 ADMINISTER OATHS AND ISSUE SUBPOENAS TO REQUIRE THE PRESENCE OF
14 PERSONS AND THE PRODUCTION OF PAPERS, BOOKS, AND RECORDS
15 NECESSARY TO THE DETERMINATION OF ANY HEARING SO HELD, ALL IN
16 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.;

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

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

25 (f) PREPARE AND TRANSMIT ANNUALLY, IN THE FORM AND
26 MANNER PRESCRIBED BY THE HEADS OF THE PRINCIPAL DEPARTMENTS
27 PURSUANT TO SECTION 24-1-136, C.R.S., A REPORT ACCOUNTING TO THE

1 GOVERNOR FOR THE EFFICIENT DISCHARGE OF ALL RESPONSIBILITIES
2 ASSIGNED BY LAW OR DIRECTIVE TO THE STATE LICENSING AUTHORITY;
3 AND

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

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

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

18 (II) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF
19 THE STATE LICENSING AUTHORITY;

20 (III) INSTRUCTIONS FOR LOCAL LICENSING AUTHORITIES AND LAW
21 ENFORCEMENT OFFICERS;

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

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

27 (VI) PROHIBITION OF MISREPRESENTATION AND UNFAIR

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

- 1 (XIV) LABELING STANDARDS;
- 2 (XV) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED
3 AVAILABILITY OF THE RECORDS;
- 4 (XVI) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES
5 FOR RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT
6 OF LICENSING FEES;
- 7 (XVII) THE REPORTING AND TRANSMITTAL OF MONTHLY SALES
8 TAX PAYMENTS BY MEDICAL MARIJUANA CENTERS;
- 9 (XVIII) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO
10 HAVE ACCESS TO LICENSING INFORMATION TO ENSURE SALES AND INCOME
11 TAX PAYMENT AND THE EFFECTIVE ADMINISTRATION OF THIS ARTICLE;
- 12 (XIX) THE SIZE, DIMENSIONS, AND ACCEPTABLE COLORS FOR A
13 MEDICAL MARIJUANA CENTER SIGN;
- 14 (XX) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO
15 ISSUE ADMINISTRATIVE CITATIONS AND PROCEDURES FOR ISSUING,
16 APPEALING AND CREATING A CITATION VIOLATION LIST AND SCHEDULE OF
17 PENALTIES;
- 18 (XXI) DAYS AND HOURS OF OPERATION; AND
- 19 (XXII) SUCH OTHER MATTERS AS ARE NECESSARY FOR THE FAIR,
20 IMPARTIAL, STRINGENT, AND COMPREHENSIVE ADMINISTRATION OF THIS
21 ARTICLE.
- 22 (b) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED AS
23 DELEGATING TO THE STATE LICENSING AUTHORITY THE POWER TO FIX
24 PRICES FOR MEDICAL MARIJUANA.
- 25 (c) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO LIMIT A
26 LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL
27 ACTIVITY IN RELATION TO A MEDICAL MARIJUANA CENTER, OPTIONAL

1 PREMISES CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED
2 PRODUCTS MANUFACTURER. A LAW ENFORCEMENT AGENCY SHALL HAVE
3 THE AUTHORITY TO RUN A COLORADO CRIME INFORMATION CENTER
4 CRIMINAL HISTORY RECORD CHECK OF A PRIMARY CAREGIVER, LICENSEE,
5 OR EMPLOYEE OF A LICENSEE DURING AN INVESTIGATION OF UNLAWFUL
6 ACTIVITY RELATED TO MEDICAL MARIJUANA.

7 **PART 3**

8 **STATE AND LOCAL LICENSING**

9 **12-43.3-301. Local licensing authority - applications - licenses.**

10 (1) A LOCAL LICENSING AUTHORITY MAY ISSUE ONLY THE FOLLOWING
11 MEDICAL MARIJUANA LICENSES UPON PAYMENT OF THE FEE AND
12 COMPLIANCE WITH ALL LOCAL LICENSING REQUIREMENTS TO BE
13 DETERMINED BY THE LOCAL LICENSING AUTHORITY:

14 (a) A MEDICAL MARIJUANA CENTER LICENSE;

15 (b) AN OPTIONAL PREMISES CULTIVATION LICENSE;

16 (c) A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
17 LICENSE.

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

27 (b) IN ADDITION TO ALL OTHER STANDARDS APPLICABLE TO THE

1 ISSUANCE OF LICENSES UNDER THIS ARTICLE, THE LOCAL GOVERNING BODY
2 MAY ADOPT ADDITIONAL STANDARDS FOR THE ISSUANCE OF MEDICAL
3 MARIJUANA CENTER, OPTIONAL PREMISES CULTIVATION, OR MEDICAL
4 MARIJUANA-INFUSED PRODUCTS MANUFACTURER LICENSES THAT MAY
5 INCLUDE, BUT NEED NOT BE LIMITED TO:

6 (I) DISTANCE RESTRICTIONS BETWEEN PREMISES FOR WHICH LOCAL
7 LICENSES ARE ISSUED;

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

10 (III) ANY OTHER REQUIREMENTS NECESSARY TO ENSURE THE
11 CONTROL OF THE PREMISES AND THE EASE OF ENFORCEMENT OF THE
12 TERMS AND CONDITIONS OF THE LICENSE.

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

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

1 ADDITIONAL REQUIREMENTS NECESSARY FOR THE APPROVAL OF THE
2 APPLICATION.

3 **12-43.3-302. Public hearing notice - posting and publication.**

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

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

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

27 (4) IF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE SOLD

1 IS IN EXISTENCE AT THE TIME OF THE APPLICATION, A SIGN POSTED AS
2 REQUIRED IN SUBSECTIONS (1) AND (2) OF THIS SECTION SHALL BE PLACED
3 SO AS TO BE CONSPICUOUS AND PLAINLY VISIBLE TO THE GENERAL PUBLIC.

4 IF THE BUILDING IS NOT CONSTRUCTED AT THE TIME OF THE APPLICATION,
5 THE APPLICANT SHALL POST A SIGN AT THE PREMISES UPON WHICH THE
6 BUILDING IS TO BE CONSTRUCTED IN SUCH A MANNER THAT THE NOTICE
7 SHALL BE CONSPICUOUS AND PLAINLY VISIBLE TO THE GENERAL PUBLIC.

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

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

26 (c) ALL APPLICATIONS SUBMITTED FOR CONCURRENT REVIEW
27 SHALL BE ACCOMPANIED BY ALL APPLICABLE STATE LICENSE AND

1 APPLICATION FEES. ANY APPLICATIONS THAT ARE LATER DENIED OR
2 WITHDRAWN MAY ALLOW FOR A REFUND OF LICENSE FEES ONLY. ALL
3 APPLICATION FEES PROVIDED BY AN APPLICANT SHALL BE RETAINED BY
4 THE RESPECTIVE LICENSING AUTHORITY.

5 **12-43.3-303. Results of investigation - decision of authorities.**

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

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

24 (3) WITHIN THIRTY DAYS AFTER THE PUBLIC HEARING OR
25 COMPLETION OF THE APPLICATION INVESTIGATION, A LOCAL LICENSING
26 AUTHORITY SHALL ISSUE ITS DECISION APPROVING OR DENYING AN
27 APPLICATION FOR LOCAL LICENSURE. THE DECISION SHALL BE IN WRITING

1 AND SHALL STATE THE REASONS FOR THE DECISION. THE LOCAL LICENSING
2 AUTHORITY SHALL SEND A COPY OF THE DECISION BY CERTIFIED MAIL TO
3 THE APPLICANT AT THE ADDRESS SHOWN IN THE APPLICATION.

4 (4) AFTER APPROVAL OF AN APPLICATION, A LOCAL LICENSING
5 AUTHORITY SHALL NOT ISSUE A LOCAL LICENSE UNTIL THE BUILDING IN
6 WHICH THE BUSINESS TO BE CONDUCTED IS READY FOR OCCUPANCY WITH
7 SUCH FURNITURE, FIXTURES, AND EQUIPMENT IN PLACE AS ARE NECESSARY
8 TO COMPLY WITH THE APPLICABLE PROVISIONS OF THIS ARTICLE, AND THEN
9 ONLY AFTER THE LOCAL LICENSING AUTHORITY HAS INSPECTED THE
10 PREMISES TO DETERMINE THAT THE APPLICANT HAS COMPLIED WITH THE
11 ARCHITECT'S DRAWING AND THE PLOT PLAN AND DETAILED SKETCH FOR
12 THE INTERIOR OF THE BUILDING SUBMITTED WITH THE APPLICATION.

13 (5) AFTER APPROVAL OF AN APPLICATION FOR LOCAL LICENSURE,
14 THE LOCAL LICENSING AUTHORITY SHALL NOTIFY THE STATE LICENSING
15 AUTHORITY OF SUCH APPROVAL, WHO SHALL INVESTIGATE AND EITHER
16 APPROVE OR DISAPPROVE THE APPLICATION FOR STATE LICENSURE.

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

27 (2) A CORPORATE SURETY SHALL NOT BE REQUIRED TO MAKE

1 PAYMENTS TO THE STATE CLAIMING UNDER SUCH BOND UNTIL A FINAL
2 DETERMINATION OF FAILURE TO PAY TAXES DUE TO THE STATE HAS BEEN
3 MADE BY THE STATE LICENSING AUTHORITY OR A COURT OF COMPETENT
4 JURISDICTION.

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

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

22 (2) THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A STATE
23 LICENSE PURSUANT TO THIS SECTION UNTIL THE LOCAL LICENSING
24 AUTHORITY HAS APPROVED THE APPLICATION FOR A LOCAL LICENSE AND
25 ISSUED A LOCAL LICENSE AS PROVIDED FOR IN SECTIONS 12-43.3-301 TO
26 12-43.3-303.

27 (3) NOTHING IN THIS ARTICLE SHALL PREEMPT OR OTHERWISE

1 IMPAIR THE POWER OF A LOCAL GOVERNMENT TO ENACT ORDINANCES OR
2 RESOLUTIONS CONCERNING MATTERS AUTHORIZED TO LOCAL
3 GOVERNMENTS.

4 **12-43.3-306. Denial of application.** (1) THE STATE LICENSING
5 AUTHORITY SHALL DENY A STATE LICENSE IF THE PREMISES ON WHICH THE
6 APPLICANT PROPOSES TO CONDUCT ITS BUSINESS DO NOT MEET THE
7 REQUIREMENTS OF THIS ARTICLE OR FOR REASONS SET FORTH IN SECTIONS
8 12-43.3-104 (1) OR 12-43.3-305.

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

16 **12-43.3-307. Persons prohibited as licensees.** (1) (a) A LICENSE
17 PROVIDED BY THIS ARTICLE SHALL NOT BE ISSUED TO OR HELD BY:

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

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

21 (III) A CORPORATION, ANY OF WHOSE OFFICERS, DIRECTORS, OR
22 STOCKHOLDERS ARE NOT OF GOOD MORAL CHARACTER;

23 (IV) A LICENSED PHYSICIAN MAKING PATIENT
24 RECOMMENDATIONS;

25 (V) A PERSON EMPLOYING, ASSISTED BY, OR FINANCED IN WHOLE
26 OR IN PART BY ANY OTHER PERSON WHOSE CRIMINAL HISTORY INDICATES
27 HE OR SHE IS NOT OF GOOD CHARACTER AND REPUTATION SATISFACTORY

1 TO THE RESPECTIVE LICENSING AUTHORITY;

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

3 (VII) A PERSON LICENSED PURSUANT TO THIS ARTICLE WHO,

4 DURING A PERIOD OF LICENSURE, FAILS TO:

5 (A) PROVIDE A SURETY BOND OR FAILS TO FILE ANY TAX RETURN

6 WITH A TAXING AGENCY;

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

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

9 (D) REPAY GOVERNMENT-INSURED STUDENT LOANS; OR

10 (E) PAY CHILD SUPPORT;

11 (IX) A PERSON WHO HAS DISCHARGED A SENTENCE IN THE FIVE

12 YEARS IMMEDIATELY PRECEDING THE APPLICATION DATE FOR A

13 CONVICTION OF A FELONY OR A MISDEMEANOR PURSUANT TO ANY STATE

14 OR FEDERAL LAW REGULATING THE POSSESSION, DISTRIBUTION, OR USE OF

15 MARIJUANA OR OF ANY CONTROLLED SUBSTANCE, AS DEFINED IN SECTION

16 18-18-102 (5), C.R.S.;

17 (X) A PERSON WHO EMPLOYEES ANOTHER PERSON AT A MEDICAL

18 MARIJUANA FACILITY WHO HAS NOT PASSED A CRIMINAL HISTORY RECORD

19 CHECK;

20 (XI) A SHERIFF, DEPUTY SHERIFF, POLICE OFFICER, OR

21 PROSECUTING OFFICER, OR AN OFFICER OR EMPLOYEE OF THE STATE

22 LICENSING AUTHORITY OR A LOCAL LICENSING AUTHORITY;

23 (XII) A PERSON WHOSE AUTHORITY TO BE A CAREGIVER HAS BEEN

24 REVOKED BY THE STATE HEALTH AGENCY AS DEFINED IN SECTION

25 25-1.5-106 (2); OR

26 (XIII) A PERSON WHO HAS A LICENSE FOR A PROPERTY AS A RETAIL

27 FOOD ESTABLISHMENT OR A WHOLESALE FOOD REGISTRANT SHALL NOT

1 OBTAIN A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES, OR INFUSED
2 PRODUCTS MANUFACTURERS LICENSE FOR THE SAME PROPERTY OR
3 PREMISES.

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

17 (b) AS USED IN PARAGRAPH (a) OF THIS SUBSECTION (2),
18 "CRIMINAL JUSTICE AGENCY" MEANS ANY FEDERAL, STATE, OR MUNICIPAL
19 COURT OR ANY GOVERNMENTAL AGENCY OR SUBUNIT OF SUCH AGENCY
20 THAT ADMINISTERS CRIMINAL JUSTICE PURSUANT TO A STATUTE OR
21 EXECUTIVE ORDER AND THAT ALLOCATES A SUBSTANTIAL PART OF ITS
22 ANNUAL BUDGET TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

23 (c) AT THE TIME OF FILING AN APPLICATION FOR ISSUANCE OR
24 RENEWAL OF A STATE MEDICAL MARIJUANA CENTER LICENSE, MEDICAL
25 MARIJUANA-INFUSED PRODUCT MANUFACTURER LICENSE, OR OPTIONAL
26 PREMISES CULTIVATION LICENSE, AN APPLICANT SHALL SUBMIT A SET OF
27 HIS OR HER FINGERPRINTS AND FILE PERSONAL HISTORY INFORMATION

1 CONCERNING THE APPLICANT'S QUALIFICATIONS FOR A STATE LICENSE ON
2 FORMS PREPARED BY THE STATE LICENSING AUTHORITY. THE STATE
3 LICENSING AUTHORITY SHALL SUBMIT THE FINGERPRINTS TO THE
4 COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
5 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE COLORADO
6 BUREAU OF INVESTIGATION SHALL FORWARD THE FINGERPRINTS TO THE
7 FEDERAL BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
8 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE STATE
9 LICENSING AUTHORITY MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY
10 RECORD CHECK FOR AN APPLICANT OR A LICENSE HOLDER WHO HAS TWICE
11 SUBMITTED TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
12 AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE. AN APPLICANT WHO HAS
13 PREVIOUSLY SUBMITTED FINGERPRINTS FOR STATE LICENSING PURPOSES
14 MAY REQUEST THAT THE FINGERPRINTS ON FILE BE USED. THE STATE
15 LICENSING AUTHORITY SHALL USE THE INFORMATION RESULTING FROM
16 THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO
17 INVESTIGATE AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO
18 HOLD A STATE LICENSE PURSUANT TO THIS ARTICLE. THE STATE
19 LICENSING AUTHORITY MAY VERIFY ANY OF THE INFORMATION AN
20 APPLICANT IS REQUIRED TO SUBMIT.

21 **12-43.3-308. Restrictions for applications for new licenses.**

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

25 (a) IF THE APPLICATION FOR A STATE OR LOCAL LICENSE CONCERNS
26 A PARTICULAR LOCATION THAT IS THE SAME AS OR WITHIN ONE THOUSAND
27 FEET OF A LOCATION FOR WHICH, WITHIN THE TWO YEARS IMMEDIATELY

1 PRECEDING THE DATE OF THE APPLICATION, THE STATE OR A LOCAL
2 LICENSING AUTHORITY DENIED AN APPLICATION FOR THE SAME CLASS OF
3 LICENSE DUE TO A USE OR OTHER LOCAL CONCERN;

4 (b) UNTIL IT IS ESTABLISHED THAT THE APPLICANT IS, OR WILL BE,
5 ENTITLED TO POSSESSION OF THE PREMISES FOR WHICH APPLICATION IS
6 MADE UNDER A LEASE, RENTAL AGREEMENT, OR OTHER ARRANGEMENT
7 FOR POSSESSION OF THE PREMISES OR BY VIRTUE OF OWNERSHIP OF THE
8 PREMISES;

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

13 (d) (I) IF THE BUILDING IN WHICH MEDICAL MARIJUANA IS TO BE
14 SOLD IS LOCATED WITHIN ONE THOUSAND FEET OF A SCHOOL, OR THE
15 PRINCIPAL CAMPUS OF A COLLEGE, UNIVERSITY, OR SEMINARY. THE
16 PROVISIONS OF THIS SECTION SHALL NOT AFFECT THE RENEWAL OR
17 RE-ISSUANCE OF A LICENSE ONCE GRANTED OR APPLY TO LICENSED
18 PREMISES LOCATED OR TO BE LOCATED ON LAND OWNED BY A
19 MUNICIPALITY, NOR SHALL THE PROVISIONS OF THIS SECTION APPLY TO AN
20 EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE, OR APPLY
21 TO A LICENSE IN EFFECT AND ACTIVELY DOING BUSINESS BEFORE SAID
22 PRINCIPAL CAMPUS WAS CONSTRUCTED. THE LOCAL LICENSING
23 AUTHORITY OF A CITY AND COUNTY, BY RULE OR REGULATION, THE
24 GOVERNING BODY OF A MUNICIPALITY, BY ORDINANCE, AND THE
25 GOVERNING BODY OF A COUNTY, BY RESOLUTION, MAY VARY THE
26 DISTANCE RESTRICTIONS IMPOSED BY THIS SUBPARAGRAPH (I) FOR A
27 LICENSE OR MAY ELIMINATE ONE OR MORE TYPES OF SCHOOLS OR

1 CAMPUSES FROM THE APPLICATION OF A DISTANCE RESTRICTION
2 ESTABLISHED BY OR PURSUANT TO THIS SUBPARAGRAPH (I).

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

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

14 **12-43.3-309. Transfer of ownership.** (1) A STATE OR LOCAL
15 LICENSE GRANTED UNDER THE PROVISIONS OF THIS ARTICLE SHALL NOT BE
16 TRANSFERABLE EXCEPT AS PROVIDED IN THIS SECTION, BUT THIS SECTION
17 SHALL NOT PREVENT A CHANGE OF LOCATION AS PROVIDED IN SECTION
18 12-43.3-310 (13).

19 (2) FOR A TRANSFER OF OWNERSHIP, A LICENSE HOLDER SHALL
20 APPLY TO THE STATE AND LOCAL LICENSING AUTHORITIES ON FORMS
21 PREPARED AND FURNISHED BY THE STATE LICENSING AUTHORITY. IN
22 DETERMINING WHETHER TO PERMIT A TRANSFER OF OWNERSHIP, THE
23 STATE AND LOCAL LICENSING AUTHORITIES SHALL CONSIDER ONLY THE
24 REQUIREMENTS OF THIS ARTICLE, ANY RULES PROMULGATED BY THE
25 STATE LICENSING AUTHORITY, AND ANY OTHER LOCAL RESTRICTIONS. THE
26 LOCAL LICENSING AUTHORITY MAY HOLD A HEARING ON THE APPLICATION
27 FOR TRANSFER OF OWNERSHIP. THE LOCAL LICENSING AUTHORITY SHALL

1 NOT HOLD A HEARING PURSUANT TO THIS SUBSECTION (2) UNTIL THE
2 LOCAL LICENSING AUTHORITY HAS POSTED A NOTICE OF HEARING IN THE
3 MANNER DESCRIBED IN SECTION 12-43.3-302 (2) ON THE LICENSED
4 PREMISES FOR A PERIOD OF TEN DAYS AND HAS PROVIDED NOTICE OF THE
5 HEARING TO THE APPLICANT AT LEAST TEN DAYS PRIOR TO THE HEARING.
6 ANY TRANSFER OF OWNERSHIP HEARING BY THE STATE LICENSING
7 AUTHORITY SHALL BE HELD IN COMPLIANCE WITH THE REQUIREMENTS
8 SPECIFIED IN SECTION 12-43.3-302.

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

20 (2) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES
21 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS
22 MANUFACTURER MAY NOT OPERATE UNTIL IT HAS BEEN LICENSED BY THE
23 LOCAL LICENSING AUTHORITY AND THE STATE LICENSING AUTHORITY
24 PURSUANT TO THIS ARTICLE. IN CONNECTION WITH A LICENSE, THE
25 APPLICANT SHALL PROVIDE A COMPLETE AND ACCURATE LIST OF ALL
26 OWNERS, OFFICERS, AND EMPLOYEES WHO WORK AT, MANAGE, OWN, OR
27 ARE OTHERWISE ASSOCIATED WITH THE OPERATION AND SHALL PROVIDE

1 A COMPLETE AND ACCURATE APPLICATION AS REQUIRED BY THE STATE
2 LICENSING AUTHORITY.

3 (3) A MEDICAL MARIJUANA CENTER, OPTIONAL PREMISES
4 CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED PRODUCTS
5 MANUFACTURER SHALL NOTIFY THE STATE LICENSING AUTHORITY IN
6 WRITING WITHIN TEN DAYS AFTER AN OWNER, OFFICER, OR EMPLOYEE
7 CEASES TO WORK AT, MANAGE, OWN, OR OTHERWISE BE ASSOCIATED WITH
8 THE OPERATION. THE OWNER, OFFICER, OR EMPLOYEE SHALL SURRENDER
9 HIS OR HER IDENTIFICATION CARD TO THE STATE AUTHORITY ON OR
10 BEFORE THE DATE OF THE NOTIFICATION.

11 (4) 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 OF THE NAME, ADDRESS, AND DATE OF BIRTH OF AN OWNER,
15 OFFICER, MANAGER, OR EMPLOYEE BEFORE THE NEW OWNER, OFFICER, OR
16 EMPLOYEE BEGINS WORKING AT, MANAGING, OWNING, OR BEING
17 ASSOCIATED WITH THE OPERATION. THE OWNER, OFFICER, MANAGER, OR
18 EMPLOYEE SHALL PASS A FINGERPRINT-BASED CRIMINAL HISTORY RECORD
19 CHECK AS REQUIRED BY THE STATE LICENSING AUTHORITY AND OBTAIN
20 THE REQUIRED IDENTIFICATION PRIOR TO BEING ASSOCIATED WITH,
21 MANAGING, OWNING, OR WORKING AT THE OPERATION.

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

1 (6) ALL OPERATORS OF A MEDICAL MARIJUANA CENTER, OPTIONAL
2 PREMISES CULTIVATION OPERATION, OR MEDICAL MARIJUANA-INFUSED
3 PRODUCTS MANUFACTURER SHALL BE RESIDENTS OF COLORADO. A LOCAL
4 LICENSING AUTHORITY SHALL NOT ISSUE A LICENSE PROVIDED FOR IN THIS
5 ARTICLE UNTIL THAT SHARE OF THE LICENSE APPLICATION FEE DUE TO THE
6 STATE HAS BEEN RECEIVED BY THE DEPARTMENT OF REVENUE. ALL
7 LICENSES GRANTED PURSUANT TO THIS ARTICLE SHALL BE VALID FOR A
8 PERIOD NOT TO EXCEED TWO YEARS FROM THE DATE OF ISSUANCE UNLESS
9 REVOKED OR SUSPENDED PURSUANT TO THIS ARTICLE OR THE RULES
10 PROMULGATED PURSUANT TO THIS ARTICLE.

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

24 (8) (a) EACH LICENSE ISSUED UNDER THIS ARTICLE IS SEPARATE
25 AND DISTINCT. IT IS UNLAWFUL FOR A PERSON TO EXERCISE ANY OF THE
26 PRIVILEGES GRANTED UNDER A LICENSE OTHER THAN THE LICENSE THAT
27 THE PERSON HOLDS OR FOR A LICENSEE TO ALLOW ANY OTHER PERSON TO

1 EXERCISE THE PRIVILEGES GRANTED UNDER THE LICENSEE'S LICENSE. A
2 SEPARATE LICENSE SHALL BE REQUIRED FOR EACH SPECIFIC BUSINESS OR
3 BUSINESS ENTITY AND EACH GEOGRAPHICAL LOCATION.

4 (b) AT ALL TIMES, A LICENSEE SHALL POSSESS AND MAINTAIN
5 POSSESSION OF THE PREMISES OR OPTIONAL PREMISES FOR WHICH THE
6 LICENSE IS ISSUED BY OWNERSHIP, LEASE, RENTAL, OR OTHER
7 ARRANGEMENT FOR POSSESSION OF THE PREMISES.

8 (9) (a) THE LICENSES PROVIDED PURSUANT TO THIS ARTICLE SHALL
9 SPECIFY THE DATE OF ISSUANCE, THE PERIOD OF LICENSURE, THE NAME OF
10 THE LICENSEE, AND THE PREMISES OR OPTIONAL PREMISES LICENSED. THE
11 LICENSEE SHALL CONSPICUOUSLY PLACE THE LICENSE AT ALL TIMES ON
12 THE LICENSED PREMISES OR OPTIONAL PREMISES.

13 (b) A LOCAL LICENSING AUTHORITY SHALL NOT TRANSFER
14 LOCATION OF OR RENEW A LICENSE TO SELL MEDICAL MARIJUANA UNTIL
15 THE APPLICANT FOR THE LICENSE PRODUCES A LICENSE ISSUED AND
16 GRANTED BY THE STATE LICENSING AUTHORITY COVERING THE WHOLE
17 PERIOD FOR WHICH A LICENSE OR LICENSE RENEWAL IS SOUGHT.

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

23 (11) A LICENSEE SHALL REPORT EACH TRANSFER OR CHANGE OF
24 FINANCIAL INTEREST IN THE LICENSE TO THE STATE AND LOCAL LICENSING
25 AUTHORITIES, THIRTY DAYS PRIOR TO ANY TRANSFER OR CHANGE
26 PURSUANT TO SECTION 12-43.3-309. A REPORT SHALL BE REQUIRED FOR
27 TRANSFERS OF CAPITAL STOCK OF ANY CORPORATION REGARDLESS OF

1 SIZE.

2 (12) EACH LICENSEE SHALL MANAGE THE LICENSED PREMISES
3 HIMSELF OR HERSELF OR EMPLOY A SEPARATE AND DISTINCT MANAGER ON
4 THE PREMISES AND SHALL REPORT THE NAME OF THE MANAGER TO THE
5 STATE AND LOCAL LICENSING AUTHORITIES. THE LICENSEE SHALL REPORT
6 ANY CHANGE IN MANAGER TO THE STATE AND LOCAL LICENSING
7 AUTHORITIES THIRTY DAYS PRIOR TO THE CHANGE PURSUANT TO SECTION
8 12-43.3-309.

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

18 (b) IN PERMITTING A CHANGE OF LOCATION, THE STATE AND LOCAL
19 LICENSING AUTHORITIES SHALL CONSIDER ALL REASONABLE RESTRICTIONS
20 THAT ARE OR MAY BE PLACED UPON THE NEW LOCATION BY THE
21 GOVERNING BOARD OR LOCAL LICENSING AUTHORITY OF THE
22 MUNICIPALITY, CITY AND COUNTY, OR COUNTY AND ANY SUCH CHANGE IN
23 LOCATION SHALL BE IN ACCORDANCE WITH ALL REQUIREMENTS OF THIS
24 ARTICLE AND RULES PROMULGATED PURSUANT TO THIS ARTICLE.

25 **12-43.3-311. License renewal.** (1) NINETY DAYS PRIOR TO THE
26 EXPIRATION DATE OF AN EXISTING LICENSE, THE STATE LICENSING
27 AUTHORITY SHALL NOTIFY THE LICENSEE OF THE EXPIRATION DATE BY

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

1 PROVIDED NOTICE TO THE APPLICANT AT LEAST TEN DAYS PRIOR TO THE
2 HEARING. THE LOCAL LICENSING AUTHORITY MAY REFUSE TO RENEW ANY
3 LICENSE FOR GOOD CAUSE, SUBJECT TO JUDICIAL REVIEW.

4 (2) (a) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF
5 THIS SECTION, A LICENSEE WHOSE LICENSE HAS BEEN EXPIRED FOR NOT
6 MORE THAN NINETY DAYS MAY FILE A LATE RENEWAL APPLICATION UPON
7 THE PAYMENT OF A NONREFUNDABLE LATE APPLICATION FEE OF FIVE
8 HUNDRED DOLLARS TO THE LOCAL LICENSING AUTHORITY. A LICENSEE
9 WHO FILES A LATE RENEWAL APPLICATION AND PAYS THE REQUISITE FEES
10 MAY CONTINUE TO OPERATE UNTIL BOTH THE STATE AND LOCAL LICENSING
11 AUTHORITIES HAVE TAKEN FINAL ACTION TO APPROVE OR DENY THE
12 LICENSEE'S LATE RENEWAL APPLICATION UNLESS THE STATE OR LOCAL
13 LICENSING AUTHORITY SUMMARILY SUSPENDS THE LICENSE PURSUANT TO
14 ARTICLE 4 OF TITLE 24, C.R.S., THIS ARTICLE, AND RULES PROMULGATED
15 PURSUANT TO THIS ARTICLE.

16 (b) THE STATE AND LOCAL LICENSING AUTHORITIES MAY NOT
17 ACCEPT A LATE RENEWAL APPLICATION MORE THAN NINETY DAYS AFTER
18 THE EXPIRATION OF A LICENSEE'S PERMANENT ANNUAL LICENSE. A
19 LICENSEE WHOSE PERMANENT ANNUAL LICENSE HAS BEEN EXPIRED FOR
20 MORE THAN NINETY DAYS SHALL NOT CULTIVATE, MANUFACTURE,
21 DISTRIBUTE, OR SELL ANY MEDICAL MARIJUANA UNTIL ALL REQUIRED
22 LICENSES HAVE BEEN OBTAINED.

23 (c) NOTWITHSTANDING THE AMOUNT SPECIFIED FOR THE LATE
24 APPLICATION FEE IN PARAGRAPH (a) OF THIS SUBSECTION (2), THE STATE
25 LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY
26 REDUCE THE AMOUNT OF THE FEE IF NECESSARY PURSUANT TO SECTION
27 24-75-402 (3), C.R.S., BY REDUCING THE UNCOMMITTED RESERVES OF THE

1 FUND TO WHICH ALL OR ANY PORTION OF THE FEE IS CREDITED. AFTER THE
2 UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED, THE
3 STATE LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY
4 LAW MAY INCREASE THE AMOUNT OF THE FEE AS PROVIDED IN SECTION
5 24-75-402 (4), C.R.S.

6 **12-43.3-312. Inactive licenses.** THE STATE OR LOCAL LICENSING
7 AUTHORITY, IN ITS DISCRETION, MAY REVOKE OR ELECT NOT TO RENEW
8 ANY LICENSE IF IT DETERMINES THAT THE LICENSED PREMISES HAVE BEEN
9 INACTIVE, WITHOUT GOOD CAUSE, FOR AT LEAST ONE YEAR.

10 **12-43.3-313. Unlawful financial assistance.** (1) THE STATE
11 LICENSING AUTHORITY, BY RULE AND REGULATION, SHALL REQUIRE A
12 COMPLETE DISCLOSURE OF ALL PERSONS HAVING A DIRECT OR INDIRECT
13 FINANCIAL INTEREST, AND THE EXTENT OF SUCH INTEREST, IN EACH
14 LICENSE ISSUED UNDER THIS ARTICLE.

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

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

1 PART 4

2 LICENSE TYPES

3 **12-43.3-401. Classes of licenses.** (1) FOR THE PURPOSE OF
4 REGULATING THE CULTIVATION, MANUFACTURE, DISTRIBUTION, AND SALE
5 OF MEDICAL MARIJUANA, THE STATE LICENSING AUTHORITY IN ITS
6 DISCRETION, UPON APPLICATION IN THE PRESCRIBED FORM MADE TO IT,
7 MAY ISSUE AND GRANT TO THE APPLICANT A LICENSE FROM ANY OF THE
8 FOLLOWING CLASSES, SUBJECT TO THE PROVISIONS AND RESTRICTIONS
9 PROVIDED BY THIS ARTICLE:

10 (a) MEDICAL MARIJUANA CENTER LICENSE;

11 (b) OPTIONAL PREMISES CULTIVATION LICENSE;

12 (c) MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING
13 LICENSE; AND

14 (d) OCCUPATIONAL LICENSES AND REGISTRATIONS FOR OWNERS,
15 MANAGERS, OPERATORS, EMPLOYEES, CONTRACTORS, AND OTHER
16 SUPPORT STAFF EMPLOYED BY, WORKING IN, OR HAVING ACCESS TO
17 RESTRICTED AREAS OF THE LICENSED PREMISES, AS DETERMINED BY THE
18 STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY MAY
19 TAKE ANY ACTION WITH RESPECT TO A REGISTRATION PURSUANT TO THIS
20 ARTICLE AS IT MAY WITH RESPECT TO A LICENSE PURSUANT TO THIS
21 ARTICLE, IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED PURSUANT
22 TO THIS ARTICLE.

23 (2) ALL PERSONS LICENSED PURSUANT TO THIS ARTICLE SHALL
24 COLLECT SALES TAX ON ALL SALES MADE PURSUANT TO THE LICENSING
25 ACTIVITIES.

26 **12-43.3-402. Medical marijuana center license.** (1) A MEDICAL
27 MARIJUANA CENTER LICENSE SHALL BE ISSUED ONLY TO A PERSON SELLING

1 MEDICAL MARIJUANA PURSUANT TO THE TERMS AND CONDITIONS OF THIS
2 ARTICLE.

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

7 (I) THAT THE PRODUCT CONTAINS MEDICAL MARIJUANA;

8 (II) THAT THE PRODUCT IS MANUFACTURED WITHOUT ANY
9 REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY; AND

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

12 (b) A LICENSED MEDICAL MARIJUANA CENTER MAY PERMIT THE
13 CONSUMPTION OF EDIBLE MEDICAL MARIJUANA-INFUSED PRODUCTS ON ITS
14 PREMISES AS LONG AS THE CONSUMPTION TAKES PLACE IN AN AREA
15 SEPARATE FROM WHERE MEDICAL MARIJUANA IS SOLD ON THE PREMISES.

16 (c) A MEDICAL MARIJUANA LICENSEE MAY CONTRACT WITH
17 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE FOR
18 THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS UPON A
19 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE'S
20 LICENSED PREMISES.

21 (3) EVERY PERSON SELLING MEDICAL MARIJUANA AS PROVIDED
22 FOR IN THIS ARTICLE SHALL SELL ONLY MEDICAL MARIJUANA GROWN IN ITS
23 MEDICAL MARIJUANA OPTIONAL PREMISES LICENSED PURSUANT TO THIS
24 ARTICLE.

25 (4) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (3) OF
26 THIS SECTION, A MEDICAL MARIJUANA LICENSEE MAY PURCHASE NOT
27 MORE THAN THIRTY PERCENT OF ITS TOTAL ON-HAND INVENTORY OF

1 MEDICAL MARIJUANA FROM ANOTHER LICENSED MEDICAL MARIJUANA
2 CENTER IN COLORADO. A MEDICAL MARIJUANA CENTER MAY SELL NO
3 MORE THAN THIRTY PERCENT OF ITS TOTAL ON-HAND INVENTORY TO
4 ANOTHER COLORADO LICENSED MEDICAL MARIJUANA LICENSEE.

5 (5) PRIOR TO CONCLUDING A SALE, THE EMPLOYEE OF THE
6 MEDICAL MARIJUANA CENTER MAKING THE SALE SHALL VERIFY THAT THE
7 PURCHASER HAS A VALID REGISTRATION CARD ISSUED PURSUANT TO
8 SECTION 25-1.5-105, C.R.S., AND A VALID PICTURE IDENTIFICATION CARD
9 THAT MATCHES THE NAME ON THE REGISTRATION CARD.

10 (6) A LICENSED MEDICAL MARIJUANA CENTER MAY PROVIDE A
11 SMALL AMOUNT OF ITS MEDICAL MARIJUANA FOR TESTING TO A
12 LABORATORY THAT IS LICENSED PURSUANT TO THE OCCUPATIONAL
13 LICENSING RULES PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)
14 (a) (VIII), C.R.S.

15 **12-43.3-403. Optional premises cultivation license.** AN
16 OPTIONAL PREMISES CULTIVATION LICENSE MAY BE ISSUED ONLY TO A
17 PERSON LICENSED PURSUANT TO 12-43.3-402 (1) WHO GROWS AND
18 CULTIVATES MEDICAL MARIJUANA AT AN ADDITIONAL COLORADO
19 LICENSED PREMISES CONTIGUOUS OR NOT CONTIGUOUS WITH THE
20 LICENSED PREMISES OF THE PERSON'S MEDICAL MARIJUANA CENTER
21 LICENSE.

22 **12-43.3-404. Medical marijuana-infused products**
23 **manufacturing license.** (1) A MEDICAL MARIJUANA-INFUSED PRODUCTS
24 MANUFACTURING LICENSE MAY BE ISSUED TO A PERSON WHO
25 MANUFACTURES MEDICAL MARIJUANA-INFUSED PRODUCTS, PURSUANT TO
26 THE TERMS AND CONDITIONS OF THIS ARTICLE.

27 (2) MEDICAL MARIJUANA-INFUSED PRODUCTS SHALL BE PREPARED

1 ON A LICENSED PREMISES THAT IS USED EXCLUSIVELY FOR THE
2 MANUFACTURE AND PREPARATION OF MEDICAL MARIJUANA-INFUSED
3 PRODUCTS AND USING EQUIPMENT THAT IS USED EXCLUSIVELY FOR THE
4 MANUFACTURE AND PREPARATION OF MEDICAL MARIJUANA-INFUSED
5 PRODUCTS.

6 (3) A MEDICAL MARIJUANA-INFUSED PRODUCTS LICENSEE SHALL
7 HAVE A WRITTEN AGREEMENT OR CONTRACT WITH A MEDICAL MARIJUANA
8 CENTER LICENSEE, WHICH CONTRACT SHALL AT A MINIMUM SET FORTH THE
9 TOTAL AMOUNT OF MEDICAL MARIJUANA OBTAINED FROM A MEDICAL
10 MARIJUANA CENTER LICENSEE TO BE USED IN THE MANUFACTURING
11 PROCESS, AND THE TOTAL AMOUNT OF MEDICAL MARIJUANA-INFUSED
12 PRODUCTS TO BE EXCLUSIVELY MANUFACTURED FROM THE MEDICAL
13 MARIJUANA OBTAINED FROM THE MEDICAL MARIJUANA CENTER. THE
14 MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE MAY
15 SELL ITS PRODUCTS TO ANY LICENSED MEDICAL MARIJUANA CENTER.

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

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

24 (6) MEDICAL MARIJUANA-INFUSED PRODUCTS MAY NOT BE
25 UNSEALED OR CONSUMED ON A PREMISES LICENSED PURSUANT TO THIS
26 ARTICLE.

27 (7) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW,

1 SALES OF MEDICAL MARIJUANA-INFUSED PRODUCTS SHALL NOT BE EXEMPT
2 FROM STATE OR LOCAL SALES TAX.

3 PART 5

4 FEES

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

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

1 OTHERWISE PROVIDED BY LAW MAY INCREASE THE AMOUNT OF ONE OR
2 MORE OF THE FEES AS PROVIDED IN SECTION 24-75-402 (4), C.R.S.

3 (3) (a) THE STATE LICENSING AUTHORITY SHALL ESTABLISH FEES
4 FOR PROCESSING THE FOLLOWING TYPES OF APPLICATIONS, LICENSES,
5 NOTICES, OR REPORTS REQUIRED TO BE SUBMITTED TO THE STATE
6 LICENSING AUTHORITY:

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

9 (II) APPLICATIONS TO CHANGE LOCATION PURSUANT TO SECTION
10 12-43.3-310 AND RULES PROMULGATED PURSUANT TO THAT SECTION;

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

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

16 (V) LICENSES AS DEFINED IN SECTION 12-43.3-401.

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

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

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

1 LICENSING AUTHORITY.

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

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

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

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

26 **12-43.3-503. Local license fees.** (1) EACH APPLICATION FOR A
27 LOCAL LICENSE PROVIDED FOR IN THIS ARTICLE FILED WITH A LOCAL

1 LICENSING AUTHORITY SHALL BE ACCOMPANIED BY AN APPLICATION FEE
2 IN AN AMOUNT DETERMINED BY THE LOCAL LICENSING AUTHORITY.

3 (2) LICENSE FEES AS DETERMINED BY THE LOCAL LICENSING
4 AUTHORITY SHALL BE PAID TO THE TREASURER OF THE MUNICIPALITY,
5 CITY AND COUNTY, OR COUNTY WHERE THE LICENSED PREMISES IS
6 LOCATED IN ADVANCE OF THE APPROVAL, DENIAL, OR RENEWAL OF THE
7 LICENSE.

8 PART 6

9 DISCIPLINARY ACTIONS

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

27 (2) THE STATE OR LOCAL LICENSING AUTHORITY SHALL PROVIDE

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

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

27 (I) THE PUBLIC WELFARE AND MORALS WOULD NOT BE IMPAIRED

1 BY PERMITTING THE LICENSEE TO OPERATE DURING THE PERIOD SET FOR
2 SUSPENSION AND THAT THE PAYMENT OF THE FINE WILL ACHIEVE THE
3 DESIRED DISCIPLINARY PURPOSES;

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

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

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

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

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

1 LICENSE CASH FUND CREATED IN SECTION 12-43.3-501.

2 (5) IN CONNECTION WITH A PETITION PURSUANT TO SUBSECTION (3)
3 OF THIS SECTION, THE AUTHORITY OF THE STATE OR LOCAL LICENSING
4 AUTHORITY IS LIMITED TO THE GRANTING OF SUCH STAYS AS ARE
5 NECESSARY FOR THE AUTHORITY TO COMPLETE ITS INVESTIGATION AND
6 MAKE ITS FINDINGS AND, IF THE AUTHORITY MAKES SUCH FINDINGS, TO
7 THE GRANTING OF AN ORDER PERMANENTLY STAYING THE IMPOSITION OF
8 THE ENTIRE SUSPENSION OR THAT PORTION OF THE SUSPENSION NOT
9 OTHERWISE CONDITIONALLY STAYED.

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

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

26 PART 7

27 INSPECTION OF BOOKS AND RECORDS

1 **12-43.3-701. Inspection procedures.** (1) EACH LICENSEE SHALL
2 KEEP A COMPLETE SET OF ALL RECORDS NECESSARY TO SHOW FULLY THE
3 BUSINESS TRANSACTIONS OF THE LICENSEE, ALL OF WHICH SHALL BE OPEN
4 AT ALL TIMES DURING BUSINESS HOURS FOR THE INSPECTION AND
5 EXAMINATION OF THE STATE LICENSING AUTHORITY OR ITS DULY
6 AUTHORIZED REPRESENTATIVES. THE STATE LICENSING AUTHORITY MAY
7 REQUIRE ANY LICENSEE TO FURNISH SUCH INFORMATION AS IT CONSIDERS
8 NECESSARY FOR THE PROPER ADMINISTRATION OF THIS ARTICLE AND MAY
9 REQUIRE AN AUDIT TO BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS
10 ON SUCH OCCASIONS AS IT MAY CONSIDER NECESSARY BY AN AUDITOR TO
11 BE SELECTED BY THE STATE LICENSING AUTHORITY WHO SHALL LIKEWISE
12 HAVE ACCESS TO ALL BOOKS AND RECORDS OF THE LICENSEE, AND THE
13 EXPENSE THEREOF SHALL BE PAID BY THE LICENSEE.

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

27 (3) EACH LICENSEE SHALL RETAIN ALL BOOKS AND RECORDS

1 NECESSARY TO SHOW FULLY THE BUSINESS TRANSACTIONS OF THE
2 LICENSEE FOR A PERIOD OF THE CURRENT TAX YEAR AND THE THREE
3 IMMEDIATELY PRIOR TAX YEARS.

4 PART 8

5 JUDICIAL REVIEW

6 **12-43.3-801. Judicial review.** DECISIONS BY THE STATE
7 LICENSING AUTHORITY OR A LOCAL LICENSING AUTHORITY SHALL BE
8 SUBJECT TO JUDICIAL REVIEW PURSUANT TO SECTION 24-4-106, C.R.S.

9 PART 9

10 UNLAWFUL ACTS - ENFORCEMENT

11 **12-43.3-901. Unlawful acts - exceptions.** (1) EXCEPT AS
12 OTHERWISE PROVIDED IN THIS ARTICLE, IT IS UNLAWFUL FOR A PERSON:

13 (a) TO CONSUME MEDICAL MARIJUANA IN A LICENSED MEDICAL
14 MARIJUANA CENTER, AND IT SHALL BE UNLAWFUL FOR A MEDICAL
15 MARIJUANA LICENSEE TO ALLOW MEDICAL MARIJUANA TO BE CONSUMED
16 UPON ITS LICENSED PREMISES; EXCEPT THAT EDIBLE MEDICAL
17 MARIJUANA-INFUSED PRODUCTS MAY BE CONSUMED ON THE PREMISES
18 PURSUANT TO SECTION 12-43.3-402 (2) (b); OR

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

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

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

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

1 LICENSE BADGE IS DISPLAYED AS REQUIRED BY THIS ARTICLE, EXCEPT AS
2 PROVIDED IN SECTION 12-43.3-701;

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

6 (c) TO FAIL TO REPORT A TRANSFER REQUIRED BY SECTION
7 12-43.3-310 (11); OR

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

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

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

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

16 (c) TO PROVIDE PUBLIC PREMISES, OR ANY PORTION THEREOF, FOR
17 THE PURPOSE OF CONSUMPTION OF MEDICAL MARIJUANA IN ANY FORM;
18 EXCEPT THAT EDIBLE MEDICAL MARIJUANA-INFUSED PRODUCTS MAY BE
19 CONSUMED ON THE PREMISES PURSUANT TO SECTION 12-43.3-402 (2) (b);

20 (d) (I) TO SELL MEDICAL MARIJUANA TO A PERSON NOT LICENSED
21 PURSUANT TO THIS ARTICLE OR TO A PERSON NOT ABLE TO PRODUCE A
22 VALID PATIENT REGISTRY IDENTIFICATION CARD. NOTWITHSTANDING ANY
23 PROVISION IN THIS SUBPARAGRAPH (I) TO THE CONTRARY, A PERSON
24 UNDER TWENTY-ONE YEARS OF AGE SHALL NOT BE EMPLOYED TO SELL OR
25 DISPENSE MEDICAL MARIJUANA AT A MEDICAL MARIJUANA CENTER OR
26 GROW OR CULTIVATE MEDICAL MARIJUANA AT AN OPTIONAL PREMISES
27 CULTIVATION OPERATION.

1 (II) IF A LICENSEE OR A LICENSEE'S EMPLOYEE HAS REASONABLE
2 CAUSE TO BELIEVE THAT A PERSON IS EXHIBITING A FRAUDULENT PATIENT
3 REGISTRY IDENTIFICATION CARD IN AN ATTEMPT TO OBTAIN MEDICAL
4 MARIJUANA, THE LICENSEE OR EMPLOYEE SHALL BE AUTHORIZED TO
5 CONFISCATE THE FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD,
6 IF POSSIBLE, AND SHALL, WITHIN SEVENTY-TWO HOURS AFTER THE
7 CONFISCATION, TURN IT OVER TO THE STATE HEALTH DEPARTMENT OR
8 LOCAL LAW ENFORCEMENT AGENCY. THE FAILURE TO CONFISCATE THE
9 FRAUDULENT PATIENT REGISTRY IDENTIFICATION CARD OR TO TURN IT
10 OVER TO THE STATE HEALTH DEPARTMENT OR A STATE OR LOCAL LAW
11 ENFORCEMENT AGENCY WITHIN SEVENTY-TWO HOURS AFTER THE
12 CONFISCATION SHALL NOT CONSTITUTE A CRIMINAL OFFENSE.

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

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

26 (g) TO HAVE IN POSSESSION OR UPON THE LICENSED PREMISES ANY
27 MEDICAL MARIJUANA, THE SALE OF WHICH IS NOT PERMITTED BY THE

1 LICENSE;

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

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

6 (j) TO HAVE ON THE LICENSED PREMISES ANY MEDICAL MARIJUANA
7 OR MARIJUANA PARAPHERNALIA THAT SHOWS EVIDENCE OF THE MEDICAL
8 MARIJUANA HAVING BEEN CONSUMED OR PARTIALLY CONSUMED; OR

9 (k) TO REQUIRE A MEDICAL MARIJUANA CENTER OR MEDICAL
10 MARIJUANA CENTER WITH AN OPTIONAL PREMISES CULTIVATION LICENSE
11 TO MAKE DELIVERY TO ANY PREMISES OTHER THAN THE SPECIFIC LICENSED
12 PREMISES WHERE THE MEDICAL MARIJUANA IS TO BE SOLD.

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

24 (6) IT SHALL BE UNLAWFUL FOR A PHYSICIAN WHO MAKES PATIENT
25 REFERRALS TO A LICENSED MEDICAL MARIJUANA CENTER TO RECEIVE
26 ANYTHING OF VALUE FROM THE MEDICAL MARIJUANA CENTER LICENSEE
27 OR ITS AGENTS, SERVANTS, OFFICERS, OR OWNERS OR ANYONE

1 FINANCIALLY INTERESTED IN THE LICENSEE, AND IT SHALL BE UNLAWFUL
2 FOR A LICENSEE LICENSED PURSUANT TO THIS ARTICLE TO OFFER
3 ANYTHING OF VALUE TO A MEDICAL DOCTOR FOR MAKING PATIENT
4 REFERRALS TO THE LICENSED MEDICAL MARIJUANA CENTER.

5 (7) A PERSON WHO COMMITS ANY OF THE UNLAWFUL ACTS IN THIS
6 SECTION COMMITS A CLASS 2 MISDEMEANOR AND SHALL BE PUNISHED AS
7 PROVIDED IN SECTION 18-1.3-501, C.R.S.

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

10 **25-1.5-106. Medical marijuana program - powers and duties**

11 **of the state health agency. (1) Legislative declaration.** (a) THE
12 GENERAL ASSEMBLY HEREBY DECLARES THAT IT IS NECESSARY TO
13 IMPLEMENT RULES TO ENSURE THAT PATIENTS SUFFERING FROM
14 LEGITIMATE DEBILITATING MEDICAL CONDITIONS ARE ABLE TO SAFELY
15 GAIN ACCESS TO MEDICAL MARIJUANA AND TO ENSURE THAT THESE
16 PATIENTS:

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

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

25 (b) THE GENERAL ASSEMBLY HEREBY DECLARES THAT IT IS
26 NECESSARY TO IMPLEMENT RULES TO PREVENT PERSONS WHO DO NOT
27 SUFFER FROM LEGITIMATE DEBILITATING MEDICAL CONDITIONS FROM

1 USING SECTION 14 OF ARTICLE XVIII OF THE STATE CONSTITUTION AS A
2 MEANS TO SELL, ACQUIRE, POSSESS, PRODUCE, USE, OR TRANSPORT
3 MARIJUANA IN VIOLATION OF STATE AND FEDERAL LAWS.

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

11 ~~(1)~~ (3) **Rule-making.** THE STATE HEALTH AGENCY MAY
12 PROMULGATE RULES REGARDING THE FOLLOWING:

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

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

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

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

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

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

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

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

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

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

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

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

27 (b) A PATIENT SHALL HAVE ONLY ONE PRIMARY CAREGIVER AT

1 ANY GIVEN TIME.

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

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

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

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

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

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

1 PURSUANT TO PART 4 OF ARTICLE 18 OF TITLE 18, C.R.S., WITHIN THE FIVE
2 YEARS PRECEDING THE CRIMINAL HISTORY RECORD CHECK.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (VII) USE MEDICAL MARIJUANA IF THE PERSON DOES NOT HAVE A

1 DEBILITATING MEDICAL CONDITION AS DIAGNOSED BY THE PERSON'S
2 PHYSICIAN IN THE COURSE OF A BONA FIDE PHYSICIAN-PATIENT
3 RELATIONSHIP AND FOR WHICH THE PHYSICIAN HAS RECOMMENDED THE
4 USE OF MEDICAL MARIJUANA.

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

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

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

1 AGENCY FOR SUCH RECORDS, THE STATE HEALTH AGENCY SHALL ONLY
2 PROVIDE RECORDS PERTAINING TO THE INDIVIDUAL RAISING THE
3 EXCEPTION, AND SHALL REDACT ALL OTHER PATIENT, PRIMARY
4 CAREGIVER, OR PHYSICIAN IDENTIFYING INFORMATION.

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

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

21 ~~(2)~~ (12) **Fees.** The ~~department~~ STATE HEALTH AGENCY may
22 collect fees from patients who, pursuant to section 14 of article XVIII of
23 the state constitution, apply to the medical marijuana program established
24 by such section for a marijuana registry identification CARD for the
25 purpose of offsetting the ~~department's~~ STATE HEALTH AGENCY'S direct and
26 indirect costs of administering the program. The amount of such THE fees
27 shall be set by rule of the ~~state board of health~~ STATE HEALTH AGENCY.

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

5 ~~(3)~~ (13) **Cash fund.** (a) The medical marijuana program cash
6 fund shall be subject to annual appropriation by the general assembly to
7 the ~~department~~ STATE HEALTH AGENCY for the purpose of establishing,
8 operating, and maintaining the medical marijuana program. ~~established~~
9 ~~by section 14 of article XVIII of the state constitution.~~ All moneys
10 credited to the medical marijuana program cash fund and all interest
11 derived from the deposit of such moneys that are not expended during the
12 fiscal year shall be retained in the fund for future use and shall not be
13 credited or transferred to the general fund or any other fund.

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

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

21 **25-5-403. Offenses.** (3) THE PROVISIONS OF THIS SECTION SHALL
22 NOT APPLY TO A MEDICAL MARIJUANA CENTER OR A
23 MEDICAL-MARIJUANA-INFUSED PRODUCTS MANUFACTURER LICENSED
24 PURSUANT TO ARTICLE 43.3 OF TITLE 12, C.R.S., THAT MANUFACTURES OR
25 SELLS A FOOD PRODUCT THAT CONTAINS MEDICAL MARIJUANA SO LONG AS
26 THE FOOD PRODUCT IS LABELED AS CONTAINING MEDICAL MARIJUANA AND
27 THE LABEL SPECIFIES THAT THE PRODUCT IS MANUFACTURED WITHOUT

1 ANY REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY, AND
2 THAT THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE CONSUMPTION
3 OR USE OF THE PRODUCT.

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

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

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

22 **16-2.5-124.5. Medical marijuana enforcement investigator.** A
23 MEDICAL MARIJUANA ENFORCEMENT INVESTIGATOR IS A PEACE OFFICER
24 WHILE ENGAGED IN THE PERFORMANCE OF HIS OR HER DUTIES AND WHILE
25 ACTING UNDER PROPER ORDERS OR RULES PURSUANT TO ARTICLE 43.3 OF
26 TITLE 12, C.R.S., AND SHALL ALSO INCLUDE THE ENFORCEMENT OF ALL
27 LAWS OF THE STATE OF COLORADO AND WHO MAY BE CERTIFIED BY THE

1 P.O.S.T. BOARD.

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

4 24-75-402. Cash funds - limit on uncommitted reserves -
5 reduction in amount of fees - exclusions. (5) Notwithstanding any
6 provision of this section to the contrary, the following cash funds are
7 excluded from the limitations specified in this section:

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

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

12 39-26-102. Definitions. As used in this article, unless the context
13 otherwise requires:

14 (5.8) "MEDICAL MARIJUANA" SHALL HAVE THE SAME MEANING AS
15 SET FORTH IN SECTION 12-43.3-104 (6), C.R.S.

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

18 39-26-123. Receipts - disposition - transfers of general fund
19 surplus - sales and use tax holding fund - creation - definitions -
20 repeal. (1) As used in this section, unless the context otherwise requires:

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

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

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

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

2 **repeal.** (6) (a) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER
3 JULY 1, 2010, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
4 THE FIRST TWO MILLION DOLLARS OF SALES AND USE TAXES
5 ATTRIBUTABLE TO SALES OR USE OF MEDICAL MARIJUANA OR EQUALLY
6 APPROPRIATE THE SALES AND USE TAXES ATTRIBUTABLE TO SALES AND
7 USE OF MEDICAL MARIJUANA IF TWO MILLION DOLLARS IS NOT GENERATED.

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

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

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

8 **39-26-123. Receipts - disposition - transfers of general fund**
9 **surplus - sales and use tax holding fund - creation - definitions -**
10 **repeal.** (6) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER
11 JULY 1, 2010, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
12 THE FIRST TWO MILLION DOLLARS OF SALES AND USE TAXES
13 ATTRIBUTABLE TO SALES OR USE OF MEDICAL MARIJUANA OR EQUALLY
14 APPROPRIATE THE SALES AND USE TAXES ATTRIBUTABLE TO SALES AND
15 USE OF MEDICAL MARIJUANA IF TWO MILLION DOLLARS IS NOT GENERATED.
16 THE MONEYS DESCRIBED IN THIS SUBSECTION (6) SHALL BE APPROPRIATED
17 TO THE DEPARTMENT OF HUMAN SERVICES TO BE USED TO PROVIDE
18 INTEGRATED BEHAVIORAL HEALTH SERVICES FOR JUVENILES AND ADULTS
19 WITH SUBSTANCE USE DISORDERS OR WITH SUBSTANCE USE DISORDERS
20 AND MENTAL HEALTH TREATMENT NEEDS WHO ARE INVOLVED WITH, OR
21 AT RISK OF INVOLVEMENT WITH, THE CRIMINAL JUSTICE SYSTEM. THE
22 DEPARTMENT SHALL ENSURE THAT APPROPRIATIONS IN THIS LINE ITEM ARE
23 DISTRIBUTED THROUGH THE DEPARTMENT'S DESIGNATED MANAGED
24 SERVICE ORGANIZATIONS AND COMMUNITY MENTAL HEALTH CENTERS.
25 THE APPROPRIATIONS SHALL BE BASED ON, INCLUDING BUT NOT LIMITED
26 TO SUBSTANCE USE AND MENTAL HEALTH PREVALENCE DATA THAT IS
27 DEVELOPED WORKING COLLABORATIVELY WITH THE MANAGED SERVICES

1 ORGANIZATIONS AND COMMUNITY HEALTH CENTERS.

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

4 25-14-203. Definitions. As used in this part 2, unless the context
5 otherwise requires:

6 (16) "Smoking" means the burning of a lighted cigarette, cigar,
7 pipe, or any other matter or substance that contains tobacco OR MEDICAL
8 MARIJUANA AS DEFINED BY SECTION 12-43.3-104 (6), C.R.S.

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

17 (2) In addition to any other appropriation, there is hereby
18 appropriated, out of any moneys in the medical marijuana license cash
19 fund cash fund created in section 12-43.3-501 (1), Colorado Revised
20 Statutes, not otherwise appropriated, to the department of revenue, for
21 allocation to the enforcement business group, for the fiscal year beginning
22 July 1, 2010, the sum of two million seven hundred nineteen thousand
23 four hundred twenty-two dollars (\$2,719,422) and 23.2 FTE, or so much
24 thereof as may be necessary, for the implementation of this act.

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

1 (\$113,070) and 1.0 FTE, or so much thereof as may be necessary, for the
2 provision of legal services to the department of revenue related to the
3 implementation of this act. Said sum shall be from reappropriated funds
4 received from the department of revenue out of the appropriation made
5 in subsection (2) of this section.

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

15 (5) In addition to any other appropriation, there is hereby
16 appropriated, out of any moneys in the medical marijuana program cash
17 fund created in section 25-1.5-106 (12), Colorado Revised Statutes, not
18 otherwise appropriated, to the department of public health and
19 environment, for allocation to the center for health and environmental
20 education, for the fiscal year beginning July 1, 2010, the sum of two
21 hundred seventy-one thousand four hundred sixty-seven dollars
22 (\$271,467) cash funds and 1.2 FTE, or so much thereof as may be
23 necessary, for the implementation of this act.

24 (6) In addition to any other appropriation, there is hereby
25 appropriated to the department of public safety, Colorado bureau of
26 investigation, for the fiscal year beginning July 1, 2010, the sum of two
27 hundred eleven thousand seven hundred twenty dollars (\$211,720) and

1 0.9 FTE, or so much thereof as may be necessary, for the provision of
2 background checks to the department of public health and environment
3 related to the implementation of this act. Said sum shall be from
4 reappropriated funds received from the department of public health and
5 environment out of the appropriation made in subsection (5) of this
6 section.

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

15 (2) In addition to any other appropriation, there is hereby
16 appropriated, out of any moneys in the medical marijuana license cash
17 fund cash fund created in section 12-43.3-501 (1), Colorado Revised
18 Statutes, not otherwise appropriated, to the department of revenue, for
19 allocation to the enforcement business group, for the fiscal year beginning
20 July 1, 2010, the sum of two million seven hundred nineteen thousand
21 four hundred twenty-two dollars (\$2,719,422) and 23.2 FTE, or so much
22 thereof as may be necessary, for the implementation of this act.

23 (3) In addition to any other appropriation, there is hereby
24 appropriated to the department of law, for the fiscal year beginning July
25 1, 2010, the sum of one hundred thirteen thousand seventy dollars
26 (\$113,070) and 1.0 FTE, or so much thereof as may be necessary, for the
27 provision of legal services to the department of revenue related to the

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

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

13 (5) In addition to any other appropriation, there is hereby
14 appropriated, out of any moneys in the medical marijuana program cash
15 fund created in section 25-1.5-106 (12), Colorado Revised Statutes, not
16 otherwise appropriated, to the department of public health and
17 environment, for allocation to the center for health and environmental
18 education, for the fiscal year beginning July 1, 2010, the sum of two
19 hundred seventy-one thousand four hundred sixty-seven dollars
20 (\$271,467) cash funds and 1.2 FTE, or so much thereof as may be
21 necessary, for the implementation of this act.

22 (6) 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 eleven thousand seven hundred twenty dollars (\$211,720) and
26 0.9 FTE, or so much thereof as may be necessary, for the provision of
27 background checks to the department of public health and environment

1 related to the implementation of this act. Said sum shall be from
2 reappropriated funds received from the department of public health and
3 environment out of the appropriation made in subsection (5) of this
4 section.

5 **SECTION 14. Specified effective date.** (1) Except as otherwise
6 provided in subsection (2) of this section, this act shall take effect July 1,
7 2011.

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

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

13 (c) Sections 9 and 12 of this act shall take effect only if House Bill
14 10-1033 is enacted and becomes law and shall take effect upon the
15 effective date of House Bill 10-1033.

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

18 **SECTION 15. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, and safety.