

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

May 3, 2013
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB13-1317 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend reengrossed bill, page 3, line 11, after "MARIJUANA" insert "AND
2 RETAIL MARIJUANA PRODUCTS".
- 3 Page 4, strike lines 8 through 19 and substitute "FUND CONSISTS OF:
4 (I) The moneys ~~in the fund~~ COLLECTED BY THE STATE LICENSING
5 AUTHORITY;
6 (II) ANY APPLICABLE RETAIL MARIJUANA EXCISE TAX
7 TRANSFERRED PURSUANT TO SECTION 39-28.8-306 (1) (b), C.R.S.;
8 (III) ANY APPLICABLE RETAIL MARIJUANA SALES TAX
9 TRANSFERRED PURSUANT TO SECTION 39-28.8-203 (1) (b), C.R.S.;
10 (IV) ANY SALES TAX IMPOSED PURSUANT TO SECTION 39-26-106,
11 C.R.S., ON THE RETAIL SALE OF PRODUCTS UNDER THIS ARTICLE AND
12 ARTICLE 43.4 OF THIS TITLE; AND
13 (V) ANY ADDITIONAL GENERAL FUND MONEYS APPROPRIATED TO
14 THE FUND THAT ARE NECESSARY FOR THE OPERATION OF THE STATE
15 LICENSING AUTHORITY.
16 (b) MONEYS IN THE FUND shall be subject to annual appropriation
17 by the general assembly to:
18 (I) The department of revenue for the direct and indirect costs
19 associated with implementing this article AND ARTICLE 43.4 OF THIS TITLE;
20 (II) THE DIVISION OF CRIMINAL JUSTICE IN THE DEPARTMENT OF
21 PUBLIC SAFETY FOR THE STUDY OF MARIJUANA IMPLEMENTATION
22 PURSUANT TO SECTION 24-33.5-514, C.R.S.;
23 (III) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FOR

1 THE MONITORING OF THE HEALTH EFFECTS OF MARIJUANA PUSUANT TO
2 SECTION 25-1.5-111, C.R.S.; AND

3 (IV) THE GENERAL FUND TO REPAY TWO MILLION DOLLARS TO THE
4 GENERAL FUND FOR THE TRANSFERS REQUIRED BY SECTION 39-26-123 (6),
5 C.R.S.

6 (c) Any moneys in the fund not expended for ~~the purposes of this~~
7 ~~article~~ THESE PURPOSES may be invested by the state".

8 Page 5, line 6, strike "(b)" and substitute "(d)".

9 Page 5, line 9, strike "(b)" and substitute "(d)".

10 Page 6, line 8, strike "MARIJUANA," insert "MARIJUANA AND RETAIL
11 MARIJUANA PRODUCTS,".

12 Page 6, line 27, after "MARIJUANA" insert "AND RETAIL MARIJUANA
13 PRODUCTS".

14 Page 7, strike lines 18 and 19.

15 Renumber succeeding subsections accordingly.

16 Page 7, line 22, strike "GOVERNMENT" and substitute "JURISDICTION".

17 Page 7, line 24, strike "BUSINESSES" and substitute "RETAIL MARIJUANA
18 ESTABLISHMENTS".

19 Page 8, line 8, strike the first "AND" and substitute "THAT".

20 Page 8, after line 16, insert:

21 "(17) "RETAIL MARIJUANA PRODUCTS" MEANS "MARIJUANA
22 PRODUCTS AS DEFINED IN SECTION 16 (2) (k) OF ARTICLE XVIII OF THE
23 STATE CONSTITUTION THAT ARE PRODUCED AT A RETAIL MARIJUANA
24 PRODUCTS MANUFACTURER.".

25 Renumber succeeding subsections accordingly.

26 Page 8, line 24, strike "HAS THE SAME" and substitute "MEANS".

27 Page 8, line 25, strike "MEANING AS".

1 Page 8, line 26, strike "CONSTITUTION." and substitute "CONSTITUTION
2 THAT IS LICENSED PURSUANT TO THIS ARTICLE."

3 Page 9, line 7, strike "OR HIGH SCHOOL," and substitute "HIGH SCHOOL, OR
4 INSTITUTE OF HIGHER EDUCATION."

5 Page 11, line 13, strike "DEDUCTED FROM" and substitute "APPLIED TO"
6 and strike "LICENSE" and substitute "APPLICATION".

7 Page 11, line 15, strike "FEE." and substitute "FEE UNLESS THE LOCAL
8 JURISDICTION HAS PROHIBITED THE OPERATION OF RETAIL MARIJUANA
9 ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF ARTICLE XVIII OF
10 THE STATE CONSTITUTION."

11 Page 11, line 19, after "ARTICLE." add "A LICENSE ISSUED TO A PERSON
12 PURSUANT TO THIS SUBPARAGRAPH (II) IS NOT EFFECTIVE UNTIL OCTOBER
13 1, 2014."

14 Page 11, line 25, strike "IMMEDIATELY" and substitute "WITHIN SEVEN
15 DAYS".

16 Page 11, line 26, strike "JURISDICTION." and substitute "JURISDICTION
17 UNLESS THE LOCAL JURISDICTION HAS PROHIBITED THE OPERATION OF
18 RETAIL MARIJUANA ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF
19 ARTICLE XVIII OF THE STATE CONSTITUTION."

20 Page 12, line 24, after "MARIJUANA" insert "AND RETAIL MARIJUANA
21 PRODUCTS".

22 Page 13, line 12, after "TO" insert "THE JOINT BUDGET COMMITTEE AND".

23 Page 13, line 16, strike "MARKET," and substitute "AND RETAIL
24 MARIJUANA PRODUCTS MARKETS,".

25 Page 13, strike lines 19 and 20 and substitute:

26 "(c) DETAILING THE AMOUNT OF REVENUE GENERATED BY MEDICAL
27 AND RETAIL MARIJUANA, INCLUDING APPLICABLE EXCISE TAXES, SALES
28 TAXES, APPLICATION AND LICENSE FEES, AND ANY OTHER FEES, AND
29 DETAILING THE EXPENSES INCURRED BY THE STATE LICENSING AUTHORITY,
30 BROKEN DOWN INTO CATEGORIES AS DETERMINED BY THE AUTHORITY;".

- 1 Page 14, line 5, strike "IS" and substitute "AND RETAIL MARIJUANA
2 PRODUCTS ARE".
- 3 Page 14, line 15, after "MARIJUANA" insert "AND RETAIL MARIJUANA
4 PRODUCTS".
- 5 Page 14, line 18, after "MARIJUANA" insert "AND RETAIL MARIJUANA
6 PRODUCTS".
- 7 Page 14, line 23, strike the first "THE" and substitute "EITHER SEED OR"
8 and after "MARIJUANA" insert "OR RETAIL MARIJUANA PRODUCT".
- 9 Page 15, line 3, after "MARIJUANA" insert "AND RETAIL MARIJUANA
10 PRODUCTS".
- 11 Page 15, line 12, strike "ALL".
- 12 Page 15, line 14, after "MARIJUANA" insert "AND RETAIL MARIJUANA
13 PRODUCTS".
- 14 Page 15, line 25, strike "HEARINGS UNDER SECTION 24-4-105," and
15 substitute "HEARINGS".
- 16 Page 15, line 26, strike "C.R.S.".
- 17 Page 16, line 5, after "MARIJUANA" insert "OR RETAIL MARIJUANA
18 PRODUCTS".
- 19 Page 17, line 10, after "MARIJUANA" insert "AND RETAIL MARIJUANA
20 PRODUCTS".
- 21 Page 17, line 12, strike "AGENCY" and substitute "STATE LICENSING
22 AUTHORITY" and strike "ARE FREE FROM" and substitute "DO NOT CONTAIN
23 HARMFUL LEVELS OF".
- 24 Page 17, line 13, strike "HARMFUL".
- 25 Page 17, strike line 17 and substitute "CORRECT. IN THE EVENT THAT TEST
26 RESULTS FOR AN END PRODUCT VARY FROM LABELED LEVELS BY FIFTEEN
27 PERCENT OR MORE, THE PRODUCER SHALL DOCUMENT THE STEPS TAKEN
28 TO BRING THE VARIANCE WITHIN THE ALLOWABLE LEVEL. THIS TESTING IS

- 1 TO BE INITIATED AND PAID FOR BY THE PERTINENT PRODUCTION ENTITY
2 AND COMPLETED AT A LICENSED TESTING FACILITY."
- 3 Page 17, strike lines 18 through 23 and substitute:
- 4 "(B) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
5 SHALL RECOMMEND TO THE STATE LICENSING AUTHORITY STANDARDS
6 AND CRITERIA FOR INDEPENDENT TESTING AND CERTIFICATION UNDER
7 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV)."
- 8 Page 19, line 1, strike "PRODUCT";" and substitute "PRODUCT.";"
- 9 Page 19, line 7, before "MARIJUANA" insert "RETAIL".
- 10 Page 19, line 10, after "EDIBLE" insert "MARIJUANA".
- 11 Page 19, strike line 12 and substitute: "MARIJUANA."
- 12 Page 19, line 19, strike "MARIJUANA;" and substitute "MARIJUANA AND
13 RETAIL MARIJUANA PRODUCTS;"
- 14 Page 19, line 20, strike "STORES," and substitute "ESTABLISHMENTS,"
- 15 Page 19, line 26, strike "STORES;" and substitute "STORES AND ANY
16 APPLICABLE EXCISE TAX PAYMENTS BY RETAIL MARIJUANA CULTIVATION
17 FACILITIES;"
- 18 Page 23, line 11, after "ANY" insert "RETAIL".
- 19 Page 23, line 27, strike "MARIJUANA." and substitute "MARIJUANA AND
20 RETAIL MARIJUANA PRODUCTS."
- 21 Page 24, strike lines 9 through 17 and substitute:
- 22 (b) (I) THE STATE LICENSING AUTHORITY MAY ESTABLISH
23 LIMITATIONS UPON RETAIL MARIJUANA PRODUCTION THROUGH ONE OR
24 MORE OF THE FOLLOWING METHODS:
- 25 (A) PLACING OR MODIFYING A LIMIT ON THE NUMBER OF LICENSES
26 THAT IT ISSUES, BY CLASS OR OVERALL, BUT IN PLACING OR MODIFYING
27 THE LIMITS, THE AUTHORITY SHALL CONSIDER THE REASONABLE
28 AVAILABILITY OF NEW LICENSES AFTER A LIMIT IS ESTABLISHED OR

1 MODIFIED;
2 (B) PLACING OR MODIFYING A LIMIT ON THE AMOUNT OF
3 PRODUCTION PERMITTED BY A RETAIL MARIJUANA CULTIVATION LICENSE
4 OR CLASS OF LICENSES BASED UPON SOME REASONABLE METRIC OR SET OF
5 METRICS INCLUDING, BUT NOT LIMITED TO, THOSE ITEMS DETAILED IN
6 PARAGRAPH (a) OF THIS SUBSECTION (4), PREVIOUS MONTHS' SALES,
7 PENDING SALES, OR OTHER REASONABLE METRICS AS DETERMINED BY THE
8 STATE LICENSING AUTHORITY; AND
9 (C) PLACING OR MODIFYING A LIMIT ON THE TOTAL AMOUNT OF
10 PRODUCTION BY RETAIL MARIJUANA CULTIVATION LICENSEES IN THE
11 STATE, COLLECTIVELY, BASED UPON SOME REASONABLE METRIC OR SET OF
12 METRICS INCLUDING, BUT NOT LIMITED TO, THOSE ITEMS DETAILED IN
13 PARAGRAPH (a) OF THIS SUBSECTION (4), AS DETERMINED BY THE STATE
14 LICENSING AUTHORITY.
15 (II) NOTWITHSTANDING ANYTHING CONTAINED IN THIS ARTICLE
16 TO".

17 Page 24, line 21, strike "(I)" and substitute "(A)".

18 Page 24, line 22, after "MARIJUANA" insert "AND RETAIL MARIJUANA
19 PRODUCTS".

20 Page 24, line 23, strike "(II)" and substitute "(B)".

21 Page 25, line 3, after "SHALL", insert "WITHIN SEVEN DAYS".

22 Page 25, line 5, strike "BUSINESS" and substitute "ESTABLISHMENT" and
23 strike "LOCATED." and substitute "LOCATED UNLESS THE LOCAL
24 JURISDICTION HAS PROHIBITED THE OPERATION OF RETAIL MARIJUANA
25 ESTABLISHMENTS PURSUANT TO SECTION 16 (5) (f) OF ARTICLE XVIII OF
26 THE STATE CONSTITUTION."

27 Page 25, strike lines 15 and 16 and substitute "REQUIREMENTS, BUT A
28 LOCAL JURISDICTION SHALL NOTIFY THE STATE LICENSING AUTHORITY
29 THAT IT EITHER APPROVES OR DENIES EACH APPLICATION FORWARDED TO
30 IT."

31 Page 27, line 16, strike "AND, IF REQUIRED," and substitute "AND".

32 Page 28, line 4, strike "12-43.4-104 (1) (c) OR".

- 1 Page 28, line 25, strike "LICENSING AUTHORITY" and substitute
- 2 "JURISDICTION".
- 3 Page 29, line 2, strike "A PERSON" and substitute "AN INDIVIDUAL".
- 4 Page 29, line 4, strike "AN ENTITY OTHER THAN A PERSON," and substitute
- 5 "A PERSON OTHER THAN AN INDIVIDUAL".
- 6 Page 30, line 9, strike "FACILITY" and substitute "ESTABLISHMENT".
- 7 Page 30, strike line 18 and substitute:
- 8 "(k) AN OWNER".
- 9 Page 30, line 19, strike "AUTHORITY,".
- 10 Page 31, line 14, strike "A".
- 11 Page 32, line 19, after "LOCATION;" insert "OR".
- 12 Page 32, line 24, strike "PREMISES;" and substitute "PREMISES.".
- 13 Page 32, strike lines 25 through 27.
- 14 Strike page 33.
- 15 Page 34, strike lines 1 through 3.
- 16 Page 34, line 8 strike "(13)." and substitute "(12).".
- 17 Page 35, line 2, strike "12-43.4-302." and substitute "12-43.4-304.".
- 18 Page 35, line 22, strike "OWNER OR OFFICER" and substitute "OWNER,
- 19 OFFICER, OR MANAGER".
- 20 Page 38, line 3, strike "TWO BUSINESS" and substitute "SEVEN".
- 21 Page 38, line 22, strike "TWO" and substitute "SEVEN".
- 22 Page 38, line 23, strike "BUSINESS".

- 1 Page 40, line 24, strike "MARIJUANA," and substitute "MARIJUANA AND
2 RETAIL MARIJUANA PRODUCTS,".
- 3 Page 41, line 18, strike "WITH".
- 4 Page 41, line 19, strike "SEPARATE LICENSED PREMISES".
- 5 Page 42, line 14, after "MARIJUANA" insert "OR RETAIL MARIJUANA
6 PRODUCTS".
- 7 Page 42, line 16, after "(b)" insert "(I)".
- 8 Page 42, strike line 19 and substitute: "RETAIL MARIJUANA CULTIVATION
9 FACILITY.
10 (II) A RETAIL MARIJUANA STORE".
- 11 Page 42, line 25, strike "PARAGRAPH (b) OF" and substitute
12 "SUBPARAGRAPH (I) OF THIS PARAGRAPH (c)".
- 13 Page 42, line 26, strike "THIS SUBSECTION (1)".
- 14 Page 43, line 11 strike "STORE; EXCEPT THAT" and substitute "STORE.
15 NOTWITHSTANDING THE PROVISIONS OF THIS SUBPARAGRAPH (II),".
- 16 Page 43, strike lines 19 through 21.
- 17 Renumber succeeding subparagraph accordingly.
- 18 Page 44, after line 1 insert:
- 19 "(e) THE RETAIL MARIJUANA STORE SHALL TRACK ALL OF ITS
20 RETAIL MARIJUANA FROM THE POINT THAT IT IS TRANSFERRED FROM A
21 RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF SALE.".
- 22 Page 44, line 2, strike "ANY APPLICABLE" and substitute "THE".
- 23 Page 44, strike lines 16 through 20 and substitute "OF THE STATE OF
24 COLORADO.".
- 25 Page 44, line 24, after "OLDER." insert "IF A PERSON UNDER TWENTY-ONE
26 YEARS OF AGE PRESENTS A FRAUDULENT PROOF OF AGE, ANY ACTION

1 RELYING ON THE FRAUDULENT PROOF OF AGE SHALL NOT BE GROUNDS FOR
2 THE REVOCATION OR SUSPENSION OF ANY LICENSE ISSUED UNDER THIS
3 ARTICLE."

4 Page 45, line 4, after "MARIJUANA" insert "AND RETAIL MARIJUANA
5 PRODUCTS".

6 Page 45, line 19, after "ANY" insert "RETAIL MARIJUANA OR".

7 Page 46, line 5, after "MARIJUANA" insert "OR RETAIL MARIJUANA
8 PRODUCTS".

9 Page 46, line 7, strike "MARIJUANA," and substitute "MARIJUANA AND
10 RETAIL MARIJUANA PRODUCTS,".

11 Page 46, after line 10, insert:

12 "(11) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW,
13 SALES OF RETAIL MARIJUANA PRODUCTS ARE NOT EXEMPT FROM STATE OR
14 LOCAL SALES TAX."

15 Page 48, strike line 11 and substitute "FACILITY, THE IDENTITY OF THE
16 TESTING FACILITY, AND THE TESTING RESULTS."

17 Page 48, line 12, after "RETAIL", insert "MARIJUANA OR RETAIL".

18 Page 48, strike lines 23 through 26 and substitute "A".

19 Page 49, line 5, strike "SALE." and substitute "TRANSFER TO A LICENSED
20 RETAIL MARIJUANA STORE."

21 Page 49, after line 5, insert:

22 "(c) (I) BEFORE OCTOBER 1, 2014, EXCEPT AS PERMITTED BY
23 SECTION 12-43.4-402 (1) (c) (II), A RETAIL MARIJUANA PRODUCTS
24 MANUFACTURER LICENSEE THAT HAS A RETAIL MARIJUANA CULTIVATION
25 FACILITY LICENSE SHALL NOT SELL ANY OF THE RETAIL MARIJUANA THAT
26 IT CULTIVATES EXCEPT FOR THE RETAIL MARIJUANA THAT IS CONTAINED
27 IN ITS RETAIL MARIJUANA PRODUCTS.

28 (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JANUARY 1,
29 2015."

- 1 Reletter succeeding paragraph accordingly.
- 2 Page 49, line 9, strike "THE" and substitute "ANY APPLICABLE".
- 3 Page 49, line 24, strike "(2)" and substitute "(3)".
- 4 Page 50, strike lines 4 through 6.
- 5 Renumber succeeding subsections accordingly.
- 6 Page 52, strike lines 16 through 25.
- 7 Renumber succeeding subsection accordingly.
- 8 Page 53, line 26, strike "OF RECORD." and substitute "FURNISHED TO THE
9 AUTHORITY BY THE LICENSEE."
- 10 Page 59, line 11, strike "IS" and substitute "OR RETAIL MARIJUANA
11 PRODUCTS ARE".
- 12 Page 60, line 9, after "MARIJUANA", insert "OR RETAIL MARIJUANA
13 PRODUCTS".
- 14 Page 60, line 11, after "MARIJUANA" insert "OR RETAIL MARIJUANA
15 PRODUCTS".
- 16 Page 60, line 15, after "MARIJUANA" insert "OR RETAIL MARIJUANA
17 PRODUCTS".
- 18 Page 61, line 6, strike "(11);" and substitute "(10);".
- 19 Page 61, line 8, strike "(12)." and substitute "(11).".
- 20 Page 61, line 11, after "MARIJUANA" insert "OR RETAIL MARIJUANA
21 PRODUCTS".
- 22 Page 61, line 17, after "MARIJUANA" insert "OR RETAIL MARIJUANA
23 PRODUCTS".
- 24 Page 61, line 20, strike "RETAIL".

- 1 Page 61, line 27, strike "MARIJUANA" and substitute "MARIJUANA, RETAIL
- 2 MARIJUANA PRODUCTS,".

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