A BILL FOR AN ACT

CONCERNING THE RECOMMENDATIONS MADE IN THE PUBLIC PROCESS FOR THE PURPOSE OF IMPLEMENTING RETAIL MARIJUANA LEGALIZED BY SECTION 16 OF ARTICLE XVIII OF THE COLORADO CONSTITUTION.

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.)

Sections 1 through 4. The bill converts the medical marijuana enforcement division to the marijuana enforcement division and gives the
division the authority to regulate medical marijuana and retail marijuana. The bill allows the division to receive moneys from the general fund. The bill deposits all of the application and licensing fees and sales, use, and special marijuana sales taxes from retail marijuana into a cash fund and permits supplementing the fund with moneys from the general fund to allow the division to operate. Once the division achieves a balance of cash funds sufficient to support the division, any excess revenue up to the amount of general fund moneys provided shall be transferred to the general fund. The bill sets the application fees for applicants who are current medical marijuana licensees or applicants at $500 and at $5,000 for new applicants. One half of the fee is transferred to the local jurisdiction. On September 30, 2014, and each year thereafter, the state licensing authority must provide a report to the joint budget committee and the finance committees regarding the amount of revenue generated by retail marijuana and its regulatory work.

The bill creates the regulatory framework for retail marijuana. The bill allows an existing medical marijuana licensee or an existing medical marijuana applicant the opportunity to apply for a retail marijuana license with the option of converting its operation to a retail marijuana business or retaining a medical marijuana business and adding a retail marijuana business. The bill places a 3-month moratorium on retail marijuana license applications from individuals who are not currently licensed for medical marijuana or an applicant for a medical marijuana license. The state licensing authority must act upon the applications no sooner than 45 days after receipt and no later than 90 days after receipt. The following businesses must be licensed to operate a retail marijuana business: retail marijuana stores, retail marijuana products manufacturers, retail marijuana cultivation facilities, and marijuana testing facilities. The bill allows the state licensing authority to issue a state license that is conditioned on the local jurisdiction's approval.

The bill requires the state licensing authority to promulgate rules as required by the constitution and authorizes the state licensing authority to promulgate other rules with the assistance of the department of public health and environment.

The bill describes persons who are prohibited from being licensees and requires license applicants to undergo a background check. The bill also limits the areas where a licensed operation may be located. The state licensing authority may set fees for the various types of licenses it issues. The bill requires all officers, managers, and employees of a retail marijuana business to be residents of Colorado. All owners must be residents of Colorado for at least 2 years prior to applying for licensure.

A licensed retail marijuana store and licensed retail marijuana products manufacturer may either grow its own marijuana or purchase it from a retail marijuana cultivation facility.

A retail marijuana store may only sell one-fourth of an ounce of
marijuana to a nonresident during a single transaction. A retail marijuana store may not sell any retail marijuana product that contains nicotine or alcohol. A retail marijuana store must place each sold item in a sealed nontransparent container at the point of sale.

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

SECTION 1. In Colorado Revised Statutes, 12-43.3-201, amend (1) and (2), as follows:

12-43.3-201. State licensing authority - creation. (1) For the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, and sale of medical marijuana AND RETAIL MARIJUANA in this state, there is hereby created the state licensing authority, which shall be the executive director of the department of revenue or the deputy director of the department of revenue if the executive director so designates. THE STATE LICENSING AUTHORITY SHALL ADOPT REGULATIONS REGARDING RETAIL MARIJUANA BY JULY 1, 2013.

(2) The executive director of the department of revenue shall be the chief administrative officer of the state licensing authority and may employ, pursuant to section 13 of article XII of the state constitution, such officers and employees as may be determined to be necessary, which officers and employees shall be part of the department of revenue. The state licensing authority shall, at its discretion, based upon workload, employ no more than one full-time equivalent employee for each ten medical marijuana centers licensed by or making application with the authority. No moneys shall be appropriated to the state licensing authority from the general fund for the operation of this article, nor shall the state licensing authority expend any general fund moneys for the operation of this article.
SECTION 2. In Colorado Revised Statutes, 12-43.3-501, amend (1) as follows:

12-43.3-501. Marijuana cash fund - repeal. (1) (a) All moneys collected by the state licensing authority pursuant to this article and ARTICLE 43.4 OF THIS TITLE shall be transmitted to the state treasurer, who shall credit the same to the medical marijuana license cash fund, which fund is hereby created and referred to in this section as the "fund". The FUND CONSISTS OF the moneys in the fund SO COLLECTED, ANY EXCISE TAX OR ADDITIONAL SALES TAX IMPOSED PURSUANT TO ARTICLE 28.8 OF TITLE 39, C.R.S., ANY OTHER SALES TAX, AND ANY ADDITIONAL GENERAL FUND MONEYS APPROPRIATED TO THE FUND THAT ARE NECESSARY FOR THE OPERATION OF THE STATE LICENSING AUTHORITY. Money in the fund shall be subject to annual appropriation by the general assembly to the department of revenue for the direct and indirect costs associated with implementing this article and ARTICLE 43.4 OF THIS TITLE. Any moneys in the fund not expended for the purpose of this article or ARTICLE 43.4 OF THIS TITLE may be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of moneys in the fund shall be credited to the fund. Any unexpended and unencumbered moneys remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or another fund. UPON A DETERMINATION BY THE GENERAL ASSEMBLY THAT THE DEPARTMENT OF REVENUE HAS ESTABLISHED A SUFFICIENT REVENUE STREAM TO FUND THE STATE LICENSING AUTHORITY'S REGULATORY EFFORTS AND ALL OTHER PROGRAMS TO BE FUNDED BY THE FUND, THE GENERAL ASSEMBLY SHALL DIRECT THE STATE TREASURER TO TRANSFER ANY EXCESS BALANCE IN THE FUND TO THE
GENERAL FUND TO REPAY ANY APPROPRIATION MADE FROM THE GENERAL FUND TO INITIALLY SUPPORT THE SPENDING AUTHORITY OF THE STATE LICENSING AUTHORITY.

(b) (I) Any unexpended and unencumbered money in the medical marijuana cash fund as of July 1, 2013, is appropriated to the state licensing authority for the fiscal year 2013-2014.

(II) This paragraph (b) is repealed, effective July 1, 2014.

SECTION 3. In Colorado Revised Statutes, amend 12-43.3-502 as follows:

12-43.3-502. Fees - allocation. (1) Except as otherwise provided, all fees and fines provided for by this article and Article 43.4 of this title shall be paid to the department of revenue, which shall transmit the fees to the state treasurer. The state treasurer shall credit the fees to the medical marijuana license cash fund created in section 12-43.3-501.

(2) The expenditures of the state licensing authority shall be paid out of appropriations from the medical marijuana license cash fund created in section 12-43.3-501.

SECTION 4. In Colorado Revised Statutes, add article 43.4 to title 12 as follows:

ARTICLE 43.4

Colorado Retail Marijuana Code

PART 1

COLORADO RETAIL MARIJUANA CODE

12-43.4-101. Short title. This article shall be known and may be cited as the "Colorado Retail Marijuana Code".

12-43.4-102. Legislative declaration. (1) The General Assembly hereby declares that this article shall be deemed an
EXERCISE OF THE POLICE POWERS OF THE STATE FOR THE PROTECTION OF
THE ECONOMIC AND SOCIAL WELFARE AND THE HEALTH, PEACE, AND
MORALS OF THE PEOPLE OF THIS STATE.

(2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT IT IS
UNLAWFUL UNDER STATE LAW TO CULTIVATE, MANUFACTURE,
DISTRIBUTE, OR SELL RETAIL MARIJUANA, EXCEPT IN COMPLIANCE WITH
THE TERMS, CONDITIONS, LIMITATIONS, AND RESTRICTIONS IN SECTION 16
OF ARTICLE XVIII OF THE STATE CONSTITUTION AND THIS ARTICLE.

12-43.4-103. Definitions. As used in this article, unless the
context otherwise requires:

(1) "Executive director" means the executive director of
the department of revenue.

(2) "Good cause", for purposes of refusing or denying a
license renewal, reinstatement, or initial license issuance,
means:

(a) The licensee or applicant has violated, does not meet,
or has failed to comply with any of the terms, conditions, or
provisions of this article, any rules promulgated pursuant to
this article, or any supplemental local law, rules, or
regulations;

(b) The licensee or applicant has failed to comply with any
special terms or conditions that were placed on its license
pursuant to an order of the state or local licensing authority;

(c) The licensed premises have been operated in a manner
that adversely affects the public health or the safety of the
immediate neighborhood in which the establishment is located.

(3) "Immature plant" means a nonflowering marijuana
PLANT THAT IS NO TALLER THAN EIGHT INCHES AND NO WIDER THAN EIGHT INCHES IS PRODUCED FROM A CUTTING, CLIPPING, OR SEEDLING, AND IS IN A GROWING CONTAINER THAT IS NO LARGER THAN TWO INCHES WIDE AND TWO INCHES TALL THAT IS SEALED ON THE SIDES AND BOTTOM.

(4) "LICENSE" MEANS TO GRANT A LICENSE OR REGISTRATION PURSUANT TO THIS ARTICLE.

(5) "LICENSED PREMISES" MEANS THE PREMISES SPECIFIED IN AN APPLICATION FOR A LICENSE UNDER THIS ARTICLE, WHICH ARE OWNED OR IN POSSESSION OF THE LICENSEE AND WITHIN WHICH THE LICENSEE IS AUTHORIZED TO CULTIVATE, MANUFACTURE, DISTRIBUTE, SELL, OR TEST RETAIL MARIJUANA IN ACCORDANCE WITH THIS ARTICLE.

(6) "LICENSEE" MEANS A PERSON LICENSED OR REGISTERED PURSUANT TO THIS ARTICLE.

(7) "LOCAL JURISDICTION" MEANS A LOCALITY AS DEFINED IN SECTION 16 (2) (e) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

(8) "LOCAL LICENSING AUTHORITY" MEANS, FOR ANY LOCAL JURISDICTION THAT HAS CHosen TO ADOPT A LOCAL LICENSING REQUIREMENT IN ADDITION TO THE STATE LICENCING REQUIREMENTS OF THIS ARTICLE, AN AUTHORITY DESIGNATED BY MUNICIPAL, COUNTY, OR CITY AND COUNTY CHARTER, ORDINANCE, OR RESOLUTION, OR THE GOVerning Body of a MUNICIPALITY or CITY AND COUNTY, OR THE BOARD OF COUNTY COMMISSIONERS OF A COUNTY IF NO SUCH AUTHORITY IS DESIGNATED.

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

(10) "MARIJUANA ACCESSORIES" HAS THE SAME MEANING AS DEFINED IN SECTION 16 (2) (g) OF ARTICLE XVIII OF THE STATE
CONSTITUTION.

(11) "OPERATING FEES", AS REFERRED TO IN SECTION 16 (5)(f) OF ARTICLE XVIII OF THE STATE CONSTITUTION, MEANS FEES THAT MAY BE CHARGED BY A LOCAL GOVERNMENT FOR COSTS, INCLUDING BUT NOT LIMITED TO INSPECTION, ADMINISTRATION, AND ENFORCEMENT OF BUSINESSES AUTHORIZED PURSUANT TO THIS ARTICLE.

(12) "PERSON" MEANS A NATURAL PERSON, PARTNERSHIP, ASSOCIATION, COMPANY, CORPORATION, LIMITED LIABILITY COMPANY, OR ORGANIZATION.

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

(14) "RETAIL MARIJUANA" HAS THE SAME MEANING AS "MARIJUANA" OR "MARIHUANA" AS DEFINED IN SECTION 16 (2)(f) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

(15) "RETAIL MARIJUANA CULTIVATION FACILITY" HAS THE SAME MEANING AS "MARIJUANA CULTIVATION FACILITY" AS DEFINED IN SECTION 16 (2)(h) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

(16) "RETAIL MARIJUANA ESTABLISHMENT" MEANS A RETAIL MARIJUANA STORE, A RETAIL MARIJUANA CULTIVATION FACILITY, A RETAIL MARIJUANA PRODUCTS MANUFACTURER, OR A RETAIL MARIJUANA TESTING FACILITY.

(17) "RETAIL MARIJUANA PRODUCTS MANUFACTURER" HAS THE SAME MEANING AS "MARIJUANA PRODUCT MANUFACTURING FACILITY" AS DEFINED IN SECTION 16 (2)(j) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

(18) "RETAIL MARIJUANA STORE" HAS THE SAME MEANING AS
DEFINED IN SECTION 16 (2) (n) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

(19) "Retail marijuana testing facility" has the same meaning as "marijuana testing facility" as defined in Section 16 (2) (l) of Article XVIII of the State Constitution.

(20) "School" means a public or private preschool or a public or private elementary, middle, junior high, or high school.

(21) "State licensing authority" means the authority created for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, and sale of retail marijuana in this state, pursuant to Section 12-43.4-201.

12-43.4-104. Applicability - retail marijuana - repeal.

(1) (a) (I) On or after October 1, 2013, a person, who is operating in good standing a licensed medical marijuana center, an optional premises cultivation license, or a licensed medical marijuana-infused products business or a person who had a pending application with the State Licensing Authority prior to December 10, 2012, and has not yet had that application approved, may apply for a retail marijuana establishment license under this article.

(II) An applicant pursuant to this paragraph (a) shall indicate whether he or she wants to surrender the current medical marijuana license or intends to retain the license in addition to the retail marijuana establishment license.

(III) If the applicant indicates a desire to surrender the medical marijuana license, the applicant shall continue to operate under that license until a retail marijuana
ESTABLISHMENT LICENSE IS APPROVED. IF THE RETAIL MARIJUANA
ESTABLISHMENT LICENSE IS GRANTED, THE APPLICANT SHALL HAVE
FOURTEEN DAYS TO SURRENDER THE MEDICAL MARIJUANA LICENSE TO THE
STATE LICENSING AUTHORITY. IF THE RETAIL MARIJUANA LICENSE IS
GRANTED, ALL MEDICAL MARIJUANA PLANTS AND INVENTORY SHALL
BECOME RETAIL MARIJUANA PLANTS AND INVENTORY ON THE DATE OF THE
RETAIL MARIJUANA ESTABLISHMENT LICENSE.

(IV) AN APPLICANT PURSUANT TO THIS PARAGRAPH (a) MAY APPLY
FOR A RETAIL MARIJUANA ESTABLISHMENT LICENSE AND RETAIN THE
MEDICAL MARIJUANA LICENSE. THE APPLICANT MAY APPLY TO HAVE THE
MEDICAL MARIJUANA LICENSED OPERATION AND THE RETAIL MARIJUANA
ESTABLISHMENT AT THE SAME LOCATION ONLY IF THE LOCAL JURISDICTION
PERMITS THE MEDICAL MARIJUANA LICENSED OPERATION AND THE RETAIL
MARIJUANA ESTABLISHMENT TO BE OPERATED AT THE SAME LOCATION. AT
THE TIME THAT THE RETAIL MARIJUANA ESTABLISHMENT LICENSE IS
GRANTED, THE APPLICANT SHALL IDENTIFY THE MEDICAL MARIJUANA
INVENTORY THAT WILL BECOME RETAIL MARIJUANA INVENTORY UPON
RECEIVING THE RETAIL MARIJUANA ESTABLISHMENT LICENSE.

(V) AN APPLICANT PURSUANT TO THIS PARAGRAPH (a) WHO
RETAINS A MEDICAL MARIJUANA LICENSE AND OBTAINS A RETAIL
MARIJUANA ESTABLISHMENT LICENSE FOR THE TWO LICENSED PREMISES
MUST MAINTAIN ACTUAL PHYSICAL SEPARATION BETWEEN THE TWO
FACILITIES.

(VI) (A) NO RETAIL MARIJUANA LICENSE SHALL BE EFFECTIVE
UNTIL JANUARY 1, 2014. NOTWITHSTANDING THE PROVISIONS OF
SUBSECTION (3) OF THIS PARAGRAPH (a), AN APPLICANT MAY CONTINUE TO
OPERATE UNDER THE MEDICAL MARIJUANA LICENSE AND ALL PLANTS AND
INVENTORY REMAIN MEDICAL MARIJUANA UNTIL THAT DATE.

(B) THIS SUBPARAGRAPH (VI) IS REPEALED, EFFECTIVE JULY 1, 2014.

(b) AFTER JANUARY 1, 2014, PERSONS WHO DID NOT MEET REQUIREMENTS OF SUBSECTION (I) OF PARAGRAPH (a) OF THIS SECTION MAY APPLY FOR LICENSURE PURSUANT TO THIS ARTICLE.

(2) (a) A PERSON APPLYING PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL COMPLETE FORMS AS PROVIDED BY THE STATE LICENSING AUTHORITY AND SHALL PAY THE APPLICATION FEE AND THE LICENSING FEE, WHICH SHALL BE CREDITED TO THE RETAIL MARIJUANA LICENSE CASH FUND ESTABLISHED PURSUANT TO SECTION 12-43.4-501. IF THE LICENSE IS DENIED, THE STATE LICENSING AUTHORITY SHALL REFUND THE LICENSING FEE TO THE APPLICANT.

(b) THE STATE LICENSING AUTHORITY SHALL ACT UPON AN APPLICATION MADE PURSUANT TO THIS SUBSECTION (1) NO SOONER THAN FORTY-FIVE DAYS AND NO LATER THAN NINETY DAYS AFTER THE DATE OF THE APPLICATION.

(c) A LICENSEE MAY APPLY TO THE LOCAL AND STATE LICENSING AUTHORITIES REGARDING CHANGES TO A LICENSE AND MAY APPLY FOR A NEW LICENSE IF THE LICENSE IS FOR A BUSINESS THAT HAS BEEN LICENSED AND THE PERSON IS PURCHASING THAT BUSINESS OR IF THE BUSINESS IS CHANGING LICENSE TYPE.

(3) AS PROVIDED IN SECTION 16 (5) (f) OF ARTICLE XVIII OF THE STATE CONSTITUTION, ANY LOCAL JURISDICTION MAY ENACT ORDINANCES OR REGULATIONS GOVERNING THE TIME, PLACE, MANNER, AND NUMBER OF RETAIL MARIJUANA ESTABLISHMENTS, WHICH MAY INCLUDE A LOCAL LICENSING REQUIREMENT, OR MAY PROHIBIT THE OPERATION OF RETAIL
MARIJUANA ESTABLISHMENTS THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE.

(4) This article sets forth the exclusive means by which manufacture, sale, distribution, dispensing, and testing of retail marijuana may occur in the State of Colorado.

(5) (a) Nothing in this article is intended to require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, growing, or testing of marijuana in the workplace or to affect the ability of employers to have policies restricting the use of marijuana by employees.

(b) Nothing in this article prohibits a person, employer, school, hospital, detention facility, corporation, or any other entity who occupies, owns, or controls a property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, growing, or testing of marijuana on or in that property.

12-43.4-105. Limited access areas. Subject to the provisions of section 12-43.3-701, a limited access area shall be a building, room, or other contiguous area upon the licensed premises where retail marijuana is grown, cultivated, stored, weighed, packaged, or tested, under control of the licensee, with limited access to only those persons licensed by the state licensing authority. All areas of ingress or egress to limited access areas shall be clearly identified as such by a sign as designated by the state licensing authority.

PART 2
STATE LICENSING AUTHORITY

12-43.4-201. State licensing authority. For the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, sale, and testing of retail marijuana in this state, the state licensing authority created in section 12-43.3-201, shall also have regulatory authority for retail marijuana as permitted in section 16 of article XVIII of the state constitution and this article.

12-43.4-202. Powers and duties of state licensing authority.

(1) The state licensing authority has the authority to:

(a) Grant or refuse state licenses for the cultivation, manufacture, distribution, sale, and testing of retail marijuana as provided by law; suspend, fine, restrict, or revoke such licenses upon a violation of this article, or any rule promulgated pursuant to this article; and impose any penalty authorized by this article or any rule promulgated pursuant to this article. The state licensing authority may take any action with respect to a registration pursuant to this article as it may with respect to a license pursuant to this article, in accordance with the procedures established pursuant to this article.

(b) Promulgate such rules and such special rulings and findings as necessary for the proper regulation and control of the cultivation, manufacture, distribution, sale, and testing of retail marijuana and for the enforcement of this article;

(c) Hear and determine at a public hearing any contested state license denial and any complaints against a licensee and administer oaths and issue subpoenas to require the presence of

(d) MAINTAIN THE CONFIDENTIALITY OF REPORTS OR OTHER INFORMATION OBTAINED FROM A LICENSEE. SUCH REPORTS OR OTHER INFORMATION MAY BE USED ONLY FOR A PURPOSE AUTHORIZED BY THIS ARTICLE OR FOR ANY OTHER STATE OR LOCAL LAW ENFORCEMENT PURPOSE.

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

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

(2) (a) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION MUST INCLUDE, BUT NEED NOT BE LIMITED TO, THE FOLLOWING SUBJECTS:
(I) Procedures consistent with this article for the issuance, renewal, suspension, and revocation of licenses to operate retail marijuana establishments;

(II) Subject to the limitations contained in section 16 (5) (II) of article XVIII of the state constitution and consistent with this article, a schedule of application, licensing, and renewal fees for retail marijuana establishments;

(III) Qualifications for licensure under this article, including but not limited to the requirement for a fingerprint-based criminal history record check for all owners, officers, managers, contractors, employees, and other support staff of entities licensed pursuant to this article;

(IV) Security requirements for any premises licensed pursuant to this article, including, at a minimum, lighting, physical security, video, and alarm requirements, and other minimum procedures for internal control as deemed necessary by the state licensing authority to properly administer and enforce the provisions of this article, including reporting requirements for changes, alterations, or modifications to the premises;

(V) Requirements to prevent the sale or diversion of retail marijuana and retail marijuana products to persons under twenty-one years of age;

(VI) Labeling requirements for retail marijuana and retail marijuana products sold by a retail marijuana establishment that are at least as stringent as imposed by section 25-4-1614 (3) (a), C.R.S., and include but are not limited
TO:

(A) THE LICENSE NUMBER OF THE RETAIL MARIJUANA CULTIVATION LICENSE;
(B) THE LICENSE NUMBER OF THE RETAIL MARIJUANA STORE;
(C) AN IDENTITY STATEMENT AND STANDARDIZED GRAPHIC SYMBOL;
(D) THE BATCH NUMBER;
(E) A NET WEIGHT STATEMENT;
(F) THC POTENCY AND THE POTENCY OF SUCH OTHER CANNABANOIDs OR OTHER CHEMICALs, INCLUDING BUT NOT LIMITED TO CBD, AS DETERMINED RELEVANT BY THE STATE LICENSING AUTHORITY;
(G) A LIST OF THE NONORGANIC PESTICIDES, FUNGICIDES, HERBICIDES, AND SOLVENTs USED DURING CULTIVATION OR PRODUCTION;
(H) A STATEMENT TO THE EFFECT OF "THIS PRODUCT CONTAINS MARIJUANA AND WAS CULTIVATED OR PRODUCED WITHOUT REGULATORY OVERSIGHT FOR HEALTH, SAFETY, OR EFFICACY, AND THERE MAY BE HEALTH RISKS ASSOCIATED WITH THE CONSUMPTION OF THE PRODUCT";
(I) WARNING LABELS;
(J) SOLVENTs USED IN THE EXTRACTION PROCESS;
(K) AMOUNT OF THC PER SERVING AND THE NUMBER OF SERVINGS PER PACKAGE FOR MARIJUANA PRODUCTS;
(L) A LIST OF INGREDIENTs AND POSSIBLE ALLERGENs FOR MARIJUANA PRODUCTS;
(M) A RECOMMENDED USE BY OR EXPIRATION DATE FOR MARIJUANA PRODUCTS;
(N) A NUTRITIONAL FACT PANEL; AND
(O) A UNIVERSAL SYMBOL INDICATING THE PACKAGE CONTAINS
MARIJUANA OR A MARIJUANA PRODUCT.

(VII) HEALTH AND SAFETY REGULATIONS AND STANDARDS FOR THE MANUFACTURE OF RETAIL MARIJUANA PRODUCTS AND THE CULTIVATION OF RETAIL MARIJUANA;

(VIII) LIMITATIONS ON ADVERTISING AND DISPLAY OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS;

(IX) COMPLIANCE WITH, ENFORCEMENT OF, OR VIOLATION OF ANY PROVISION OF THIS ARTICLE, SECTION 18-18-406.3 (7), C.R.S., OR ANY RULE ISSUED PURSUANT TO THIS ARTICLE, INCLUDING PROCEDURES AND GROUNDS FOR DENYING, SUSPENDING, FINING, Restricting, OR REVOKING A STATE LICENSE ISSUED PURSUANT TO THIS ARTICLE; AND

(X) CREATION OF A RANGE OF CIVIL PENALTIES FOR USE BY THE STATE LICENSING AUTHORITY.

(b) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION MAY ALSO INCLUDE THE FOLLOWING SUBJECTS:

(I) SPECIFICATIONS OF DUTIES OF OFFICERS AND EMPLOYEES OF THE STATE LICENSING AUTHORITY;

(II) INSTRUCTIONS FOR LOCAL LICENSING AUTHORITIES AND LAW ENFORCEMENT OFFICERS;

(III) REQUIREMENTS FOR INSPECTIONS, INVESTIGATIONS, SEARCHES, SEIZURES, FORFEITURES, AND SUCH ADDITIONAL ACTIVITIES AS MAY BECOME NECESSARY FROM TIME TO TIME;

(IV) PROHIBITION OF MISREPRESENTATION AND UNFAIR PRACTICES;

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

(VI) IDENTIFICATION OF STATE LICENSEES AND THEIR OWNERS, OFFICERS, MANAGERS, AND EMPLOYEES;

(VII) REGULATION OF THE STORAGE OF, WAREHOUSES FOR, AND TRANSPORTATION OF RETAIL MARIJUANA;

(VIII) SANITARY REQUIREMENTS FOR RETAIL MARIJUANA STORES, INCLUDING BUT NOT LIMITED TO SANITARY REQUIREMENTS FOR THE PREPARATION OF RETAIL MARIJUANA PRODUCTS;

(IX) THE SPECIFICATION OF ACCEPTABLE FORMS OF PICTURE IDENTIFICATION THAT A RETAIL MARIJUANA STORE MAY ACCEPT WHEN VERIFYING A SALE, INCLUDING BUT NOT LIMITED TO GOVERNMENT-ISSUED IDENTIFICATION CARDS;

(X) RECORDS TO BE KEPT BY LICENSEES AND THE REQUIRED AVAILABILITY OF THE RECORDS;

(XI) STATE LICENSING PROCEDURES, INCLUDING PROCEDURES FOR RENEWALS, REINSTATEMENTS, INITIAL LICENSES, AND THE PAYMENT OF LICENSING FEES;

(XII) THE REPORTING AND TRANSMITTAL OF MONTHLY SALES TAX PAYMENTS BY RETAIL MARIJUANA STORES;

(XIII) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO HAVE ACCESS TO LICENSING INFORMATION TO ENSURE SALES, EXCISE, AND INCOME TAX PAYMENT AND THE EFFECTIVE ADMINISTRATION OF THIS ARTICLE;

(XIV) AUTHORIZATION FOR THE DEPARTMENT OF REVENUE TO
ISSUE ADMINISTRATIVE CITATIONS AND PROCEDURES FOR ISSUING,
APPELLING, AND CREATING A CITATION VIOLATION LIST AND SCHEDULE OF
PENALTIES; AND

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

(c) RULES PROMULGATED PURSUANT TO PARAGRAPH (b) OF
SUBSECTION (1) OF THIS SECTION MAY ALSO INCLUDE THE FOLLOWING
SUBJECTS AND THE STATE LICENSING AUTHORITY MAY SEEK THE
ASSISTANCE OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WHEN NECESSARY BEFORE PROMULGATING THE RULES:

(I) SIGNAGE, MARKETING, AND ADVERTISING, INCLUDING BUT NOT
LIMITED TO:

(A) MASS-MARKET CAMPAIGNS THAT HAVE A HIGH LIKELIHOOD OF
REACHING MINORS;

(B) ALLOW PACKAGING AND ACCESSORY BRANDING;

(C) A PROHIBITION ON HEALTH OR PHYSICAL BENEFIT CLAIMS IN
ADVERTISING, MERCHANDISING, AND PACKAGING;

(D) A PROHIBITION ON UNSOLICITED POP-UP ADVERTISING ON THE
INTERNET;

(E) A PROHIBITION ON BANNER ADS ON MASS-MARKET WEB SITES;

(F) A PROHIBITION ON OPT-IN MARKETING THAT DOES NOT PERMIT
AN EASY AND PERMANENT OPT-OUT FEATURE; AND

(G) A PROHIBITION ON MARKETING DIRECTED TOWARDS
LOCATION-BASED DEVICES, INCLUDING BUT NOT LIMITED TO CELLULAR
PHONES.

(II) PROHIBITING THE SALE OF RETAIL MARIJUANA AND RETAIL
MARIJUANA PRODUCTS UNLESS:

(A) THE PRODUCT IS PACKAGED BY THE RETAIL MARIJUANA STORE OR THE RETAIL MARIJUANA PRODUCTS MANUFACTURER IN PACKAGING MEETING REQUIREMENTS ESTABLISHED BY THE STATE LICENSING AUTHORITY SIMILAR TO THE FEDERAL "POISON PREVENTION PACKAGING ACT OF 1970", 15 U.S.C. SEC. 1471 ET SEQ.; OR

(B) THE PRODUCT IS PLACED IN AN EXIT PACKAGE OR CONTAINER MEETING REQUIREMENTS ESTABLISHED BY THE STATE LICENSING AUTHORITY AT THE POINT OF SALE PRIOR TO EXITING THE STORE;

(III) THE SAFE AND LAWFUL TRANSPORT OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS BETWEEN THE LICENSED BUSINESS AND TESTING LABS;

(IV) A SERVING SIZE FOR EDIBLE RETAIL MARIJUANA PRODUCTS THAT DOES NOT CONTAIN MORE THAN TEN MILLIGRAMS OF ACTIVE THC, LABELING REQUIREMENTS REGARDING SERVINGS FOR EDIBLE RETAIL MARIJUANA PRODUCTS, AND LIMITATIONS ON THE TOTAL AMOUNT OF ACTIVE THC IN A PACKAGE THAT IS NO MORE THAN ONE HUNDRED MILLIGRAMS OF ACTIVE THC;

(V) LABELING GUIDELINES CONCERNING THE TOTAL CONTENT OF THC PER UNIT OF WEIGHT;

(VI) PROHIBITION OR REGULATION OF ADDITIVES TO ANY MARIJUANA PRODUCT, INCLUDING BUT NOT LIMITED TO THOSE THAT ARE TOXIC, DESIGNED TO MAKE THE PRODUCT MORE ADDICTIVE, DESIGNED TO MAKE THE PRODUCT MORE APPEALING TO CHILDREN, OR MISLEADING TO CONSUMERS; AND

(VII) PERMISSION FOR A LOCAL FIRE DEPARTMENT TO CONDUCT AN ANNUAL FIRE INSPECTION OF A RETAIL MARIJUANA CULTIVATION FACILITY.
(d) **Nothing in this article shall be construed as delegating to the State Licensing Authority the power to fix prices for retail marijuana.**

(e) **Nothing in this article shall be construed to limit a law enforcement agency’s ability to investigate unlawful activity in relation to a retail marijuana establishment. A law enforcement agency shall have the authority to run a Colorado Crime Information Center Criminal History Record check of a licensee, or employee of a licensee, during an investigation of unlawful activity related to retail marijuana.**

(3) (a) **The State Licensing Authority shall create a statewide licensure class system for retail marijuana cultivation facilities. The classifications may be based upon square footage of the facility; lights, lumens, or wattage; lit canopy; the number of cultivating plants; a combination of the foregoing; or other reasonable metrics. The State Licensing Authority shall create a fee structure for the license class system.**

(b) **The State Licensing Authority may limit or increase the limit on the number of licenses that it issues and may place or modify a limit on the amount of production permitted by a retail marijuana cultivation license. Notwithstanding anything contained in this article to the contrary, in considering any such limitations, the State Licensing Authority, in addition to any other relevant considerations, shall:**

   (I) **consider the total current and anticipated demand for retail marijuana in Colorado; and**
(II) **ATTEMPT TO MINIMIZE THE MARKET FOR UNLAWFUL MARIJUANA IN COLORADO.**

**PART 3**

**STATE AND LOCAL LICENSING**

**12-43.4-301. Local approval - licensing.** (1) **WHEN THE STATE LICENSING AUTHORITY RECEIVES AN APPLICATION FOR ORIGINAL LICENSING OR RENEWAL OF AN EXISTING LICENSE FOR ANY MARIJUANA ESTABLISHMENT,** THE STATE LICENSING AUTHORITY SHALL PROVIDE A COPY OF THE APPLICATION TO THE LOCAL JURISDICTION IN WHICH THE BUSINESS IS TO BE LOCATED. THE LOCAL JURISDICTION SHALL DETERMINE WHETHER THE APPLICATION COMPLIES WITH LOCAL RESTRICTIONS ON TIME, PLACE, MANNER, AND THE NUMBER OF MARIJUANA BUSINESSES. THE LOCAL JURISDICTION SHALL INFORM THE STATE LICENSING AUTHORITY WHETHER THE APPLICATION COMPLIES WITH LOCAL RESTRICTIONS ON TIME, PLACE, MANNER, AND THE NUMBER OF MARIJUANA BUSINESSES.

(2) **A LOCAL JURISDICTION MAY IMPOSE A SEPARATE LOCAL LICENSING REQUIREMENT AS A PART OF ITS RESTRICTIONS ON TIME, PLACE, MANNER, AND THE NUMBER OF MARIJUANA BUSINESSES. A LOCAL JURISDICTION MAY DECLINE TO IMPOSE ANY LOCAL LICENSING REQUIREMENTS AND SHALL NOTIFY THE STATE LICENSING AUTHORITY THAT IT WILL NOT BE ACTING ON ANY APPLICATIONS IT RECEIVES.**

**12-43.4-302. Public hearing notice - posting and publication.**

(1) **IF A LOCAL JURISDICTION ISSUES LOCAL LICENSES FOR A RETAIL MARIJUANA ESTABLISHMENT,** A LOCAL JURISDICTION MAY SCHEDULE A PUBLIC HEARING ON THE APPLICATION. **IF THE LOCAL JURISDICTION SCHEDULES A HEARING,** IT SHALL POST AND PUBLISH PUBLIC NOTICE THEREOF NOT LESS THAN TEN DAYS PRIOR TO THE HEARING. **THE LOCAL**
JURISDICTION SHALL GIVE PUBLIC NOTICE BY POSTING A SIGN IN A
CONSPICUOUS PLACE ON THE LICENSE APPLICANT'S PREMISES FOR WHICH
A LOCAL LICENSE APPLICATION HAS BEEN MADE AND BY PUBLICATION IN
A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE
APPLICANT'S PREMISES ARE LOCATED OR ON THE WEB SITE OF THE
LOCALITY.

(2) IF A LOCAL JURISDICTION DOES NOT ISSUE LOCAL LICENSES, THE
LOCAL JURISDICTION MAY GIVE PUBLIC NOTICE OF THE STATE APPLICATION
BY POSTING A SIGN IN A CONSPICUOUS PLACE ON THE STATE LICENSE
APPLICANT'S PREMISES FOR WHICH LICENSE APPLICATION HAS BEEN MADE
AND BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE
COUNTY IN WHICH THE APPLICANT'S PREMISES ARE LOCATED OR ON THE
WEB SITE OF THE LOCAL JURISDICTION.

12-43.4-303. Retail marijuana license bond. (1) BEFORE THE
STATE LICENSING AUTHORITY ISSUES A STATE LICENSE TO AN APPLICANT,
THE APPLICANT SHALL PROCURE AND FILE WITH THE STATE LICENSING
AUTHORITY EVIDENCE OF A GOOD AND SUFFICIENT BOND IN THE AMOUNT
OF FIVE THOUSAND DOLLARS WITH CORPORATE SURETY THEREON DULY
LICENSED TO DO BUSINESS WITH THE STATE, APPROVED AS TO FORM BY
THE ATTORNEY GENERAL OF THE STATE, AND CONDITIONED THAT THE
APPLICANT SHALL REPORT AND PAY ALL SALES AND USE TAXES DUE TO THE
STATE, OR FOR WHICH THE STATE IS THE COLLECTOR OR COLLECTING
AGENT, IN A TIMELY MANNER, AS PROVIDED IN LAW.

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

(3) All bonds required pursuant to this section must be renewed at such time as the bondholder's license is renewed. The renewal may be accomplished through a continuation certificate issued by the surety.

12-43.4-304. State licensing authority - application and issuance procedures. (1) Applications for a state license under the provisions of this article must be made to the state licensing authority on forms prepared and furnished by the state licensing authority and must set forth such information as the state licensing authority may require to enable the state licensing authority to determine whether a state license should be granted. The information must include the name and address of the applicant and the names and addresses of the officers, directors, or managers. Each application must be verified by the oath or affirmation of such person or persons as the state licensing authority may prescribe. The state licensing authority may issue a state license to an applicant pursuant to this section upon completion of the applicable criminal history background check associated with the application, and the state license is conditioned upon local jurisdiction approval. A license applicant is prohibited from operating a licensed retail marijuana business without state and, if required, local jurisdiction approval. If the applicant does not receive local jurisdiction approval within one year from the date of state licensing authority approval, the state license shall expire and may not be renewed. The denial of an application by the local
LICENSING AUTHORITY MAY BE CONSIDERED AS A BASIS FOR THE STATE LICENSING AUTHORITY TO REVOKE THE STATE-ISSUED LICENSE.

(2) Nothing in this article preempts or otherwise impairs the power of a local government to enact ordinances or resolutions concerning matters authorized to local governments.

12-43.4-305. Denial of application. (1) The state licensing authority shall deny a state license if the premises on which the applicant proposes to conduct its business does not meet the requirements of this article or for reasons set forth in section 12-43.4-104 (1) (c) or 12-43.4-304, and the state licensing authority may deny a license for good cause as defined by section 12-43.4-104 (1) (a) or (1) (b).

(2) If the state licensing authority denies a state license pursuant to subsection (1) of this section, the applicant shall be entitled to a hearing pursuant to section 24-4-104 (9), C.R.S., and judicial review pursuant to section 24-4-106, C.R.S. The state licensing authority shall provide written notice of the grounds for denial of the state license to the applicant and to the local licensing authority at least fifteen days prior to the hearing.

12-43.4-306. Persons prohibited as licensees. (1) A license provided by this article shall not be issued to or held by:

(a) A person until the annual fee therefor has been paid;

(b) A person whose criminal history indicates that he or she is not of good moral character;

(c) A corporation, if the criminal history of any of its officers, directors, or stockholders indicates that the officer,
DIRECTOR, OR STOCKHOLDER IS NOT OF GOOD MORAL CHARACTER;

(d) A person assisted by or financed in whole or in part by any other person whose criminal history indicates he or she is not of good character and reputation satisfactory to the respective licensing authority;

(e) A person under twenty-one years of age;

(f) A person licensed pursuant to this article who, during a period of licensure, or who, at the time of application, has failed to:

(I) provide a surety bond or file any tax return with a taxing agency related to a retail marijuana establishment; or

(II) pay any taxes, interest, or penalties due relating to a retail marijuana establishment;

(g) A person who has discharged a sentence in the five years immediately preceding the application date for a conviction of a felony or a person who has discharged a sentence in the ten years immediately preceding the application date or five years from the effective date of House Bill 13-____, enacted in 2013, whichever is longer, for a conviction of a felony pursuant to any state or federal law regarding the possession, distribution, manufacturing, cultivation, or use of a controlled substance; except that the licensing authority may grant a license to an employee if the employee has a state felony conviction based on possession or use of a controlled substance that would not be a felony if the person were convicted of the offense on the date he or she applied for licensure;

(h) A person who employs another person at a retail
MARIJUANA FACILITY WHO HAS NOT SUBMITTED FINGERPRINTS FOR A CRIMINAL HISTORY RECORD CHECK OR WHOSE CRIMINAL RECORD HISTORY CHECK REVEALS THAT THE PERSON IS INELIGIBLE;

(i) A SHERIFF, DEPUTY SHERIFF, POLICE OFFICER, OR PROSECUTING OFFICER, OR AN OFFICER OR EMPLOYEE OF THE STATE LICENSING AUTHORITY OR A LOCAL LICENSING AUTHORITY;

(j) A PERSON FOR A LICENSE FOR A LOCATION THAT IS CURRENTLY LICENSED AS A RETAIL FOOD ESTABLISHMENT OR WHOLESALE FOOD REGISTRANT; OR

(k) An owner, as defined by rule of the State Licensing Authority, who has not been a resident of Colorado for at least two years prior to the date of the owner's application.

(2) (a) In investigating the qualifications of an applicant or a licensee, the state and local licensing authorities may have access to criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the state or local licensing authority considers the applicant's criminal history record, the state or local licensing authority shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references, and educational achievements, especially those items pertaining to the time between the applicant's last criminal conviction and the consideration of the application for a state license.

(b) As used in paragraph (a) of this subsection (2), "criminal justice agency" means any federal, state, or municipal court or...
ANY GOVERNMENTAL AGENCY OR SUBUNIT OF SUCH AGENCY THAT
ADMINISTERS CRIMINAL JUSTICE PURSUANT TO A STATUTE OR EXECUTIVE
ORDER AND THAT ALLOCATES A SUBSTANTIAL PART OF ITS ANNUAL
BUDGET TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

(c) AT THE TIME OF FILING AN APPLICATION FOR ISSUANCE OF A
STATE A RETAIL MARIJUANA ESTABLISHMENT LICENSE, AN APPLICANT
SHALL SUBMIT A SET OF HIS OR HER FINGERPRINTS AND FILE PERSONAL
HISTORY INFORMATION CONCERNING THE APPLICANT'S QUALIFICATIONS
FOR A STATE LICENSE ON FORMS PREPARED BY THE STATE LICENSING
AUTHORITY. THE STATE OR LOCAL LICENSING AUTHORITY SHALL SUBMIT
THE FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
CHECKS. THE COLORADO BUREAU OF INVESTIGATION SHALL FORWARD THE
FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE
PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
CHECKS. THE STATE OR LOCAL LICENSING AUTHORITY MAY ACQUIRE A
NAME-BASED CRIMINAL HISTORY RECORD CHECK FOR AN APPLICANT OR A
LICENSE HOLDER WHO HAS TWICE SUBMITTED TO A FINGERPRINT-BASED
CRIMINAL HISTORY RECORD CHECK AND WHOSE FINGERPRINTS ARE
UNCLASSIFIABLE. AN APPLICANT WHO HAS PREVIOUSLY SUBMITTED
FINGERPRINTS FOR STATE LICENSING PURPOSES MAY REQUEST THAT THE
FINGERPRINTS ON FILE BE USED. THE STATE OR LOCAL LICENSING
AUTHORITY SHALL USE THE INFORMATION RESULTING FROM THE
FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO INVESTIGATE
AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO HOLD A STATE
LICENSE PURSUANT TO THIS ARTICLE. THE STATE OR LOCAL LICENSING
AUTHORITY MAY VERIFY ANY OF THE INFORMATION AN APPLICANT IS
12-43.4-307. Restrictions for applications for new licenses.

(1) A local jurisdiction shall not approve an application for the issuance of a state or local license pursuant to this article:

(a) If the application for the license concerns a particular location that is the same as or within one thousand feet of a location for which, within the two years immediately preceding the date of the application, the state licensing authority denied an application for the same class of license due to the nature of the use or other concern related to the location;

(b) Until it is established that the applicant is, or will be, entitled to possession of the premises for which application is made under a lease, rental agreement, or other arrangement for possession of the premises or by virtue of ownership of the premises;

(c) For a location in an area where the cultivation, manufacture, and sale of retail marijuana as contemplated is not permitted under the applicable zoning laws of the municipality, city and county, or county;

(d) If the building in which retail marijuana is to be sold is located within one thousand feet of a school, an alcohol or drug treatment facility, the principal campus of a college, university, or seminary, or a residential child care facility. The provisions of this section shall not affect the renewal or reissuance of a license once granted or apply to licensed premises located or to be located on land owned by a municipality, nor shall the provisions of this section apply to an
EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE, OR APPLY TO A LICENSE IN EFFECT AND ACTIVELY DOING BUSINESS BEFORE SAID PRINCIPAL CAMPUSS WAS CONSTRUCTED. THE LOCAL LICENSING AUTHORITY OF A CITY AND COUNTY, BY RULE OR REGULATION, THE GOVERNING BODY OF A MUNICIPALITY, BY ORDINANCE, AND THE GOVERNING BODY OF A COUNTY, BY RESOLUTION, MAY VARY THE DISTANCE RESTRICTIONS IMPOSED BY THIS SUBPARAGRAPH (I) FOR A LICENSE OR MAY ELIMINATE ONE OR MORE TYPES OF SCHOOLS, CAMPUSES, OR FACILITIES FROM THE APPLICATION OF A DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT TO THIS SUBPARAGRAPH (I).

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

(III) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-43.4-303 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN WHICH THE RETAIL MARIJUANA IS TO BE SOLD IS LOCATED WITHIN ANY DISTANCE RESTRICTIONS ESTABLISHED BY OR PURSUANT TO THIS PARAGRAPH (d).

12-43.4-308. Transfer of ownership. (1) A STATE LICENSE GRANTED UNDER THE PROVISIONS OF THIS ARTICLE IS NOT TRANSFERABLE EXCEPT AS PROVIDED IN THIS SECTION, BUT THIS SECTION DOES NOT PREVENT A CHANGE OF LOCATION AS PROVIDED IN SECTION 12-43.4-310 (13).

(2) FOR A TRANSFER OF OWNERSHIP, A LICENSE HOLDER SHALL
APPLY TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED AND
FURNISHED BY THE STATE LICENSING AUTHORITY. UPON RECEIPT OF AN
APPLICATION FOR TRANSFER OF OWNERSHIP, THE STATE LICENSING
AUTHORITY SHALL IMMEDIATELY SUBMIT A COPY OF THE APPLICATION TO
THE LOCAL JURISDICTION TO DETERMINE WHETHER THE TRANSFER
COMPLIES WITH LOCAL RESTRICTION ON TRANSFER OF OWNERSHIP. IN
DETERMINING WHETHER TO PERMIT A TRANSFER OF OWNERSHIP, THE
STATE LICENSING AUTHORITY SHALL CONSIDER ONLY THE REQUIREMENTS
OF THIS ARTICLE, ANY RULES PROMULGATED BY THE STATE LICENSING
AUTHORITY, AND ANY OTHER LOCAL RESTRICTIONS. THE LOCAL
JURISDICTION MAY HOLD A HEARING ON THE APPLICATION FOR TRANSFER
OF OWNERSHIP. THE LOCAL JURISDICTION SHALL NOT HOLD A HEARING
PURSUANT TO THIS SUBSECTION (2) UNTIL THE LOCAL JURISDICTION HAS
POSTED A NOTICE OF HEARING IN THE MANNER DESCRIBED IN SECTION
12-43.4-302 (2) ON THE LICENSED PREMISES FOR A PERIOD OF TEN DAYS
AND HAS PROVIDED NOTICE OF THE HEARING TO THE APPLICANT AT LEAST
TEN DAYS PRIOR TO THE HEARING. ANY TRANSFER OF OWNERSHIP HEARING
BY THE STATE LICENSING AUTHORITY SHALL BE HELD IN COMPLIANCE WITH
THE REQUIREMENTS SPECIFIED IN SECTION 12-43.4-302.

12-43.4-309. Licensing in general. (1) LOCAL JURISDICTIONS
ARE AUTHORIZED TO ADOPT AND ENFORCE REGULATIONS FOR RETAIL
MARIJUANA ESTABLISHMENTS THAT ARE AT LEAST AS RESTRICTIVE AS THE
PROVISIONS OF THIS ARTICLE AND ANY RULE PROMULGATED PURSUANT TO
THIS ARTICLE.

(2) A RETAIL MARIJUANA ESTABLISHMENT MAY NOT OPERATE
UNTIL IT IS LICENSED BY THE STATE LICENSING AUTHORITY PURSUANT TO
THIS ARTICLE. IF THE STATE LICENSING AUTHORITY ISSUES THE APPLICANT
A state license and the local jurisdiction subsequently denies the approval, the state licensing authority shall consider the local jurisdiction denial as a basis for the revocation of the state-issued license. In connection with a license, the applicant shall provide a complete and accurate application as required by the state licensing authority.

(3) A retail marijuana establishment shall notify the state licensing authority in writing within ten days after an owner, officer, or employee ceases to work at, manage, own, or otherwise be associated with the operation. The owner, officer, or employee shall surrender his or her identification card to the state licensing authority on or before the date of the notification.

(4) A retail marijuana establishment shall notify the state licensing authority in writing of the name, address, and date of birth of an owner, officer, manager, or employee before the new owner or officer begins working at, managing, owning, or being associated with the operation. The owner, officer, manager, or employee must pass a fingerprint-based criminal history record check as required by the state licensing authority and obtain the required identification prior to being associated with, managing, owning, or working at the operation.

(5) A retail marijuana establishment shall not acquire, possess, cultivate, deliver, transfer, transport, supply, or dispense marijuana for any purpose except as authorized by section 16 of article XVIII of the state constitution and this article.
(6) All officers, managers, and employees of a retail marijuana establishment shall be residents of Colorado upon the date of their license application. An owner shall meet the residency requirements in section 12-43.4-306(1)(k). All licenses granted pursuant to this article are valid for a period not to exceed two years after the date of issuance unless revoked or suspended pursuant to this article or the rules promulgated pursuant to this article.

(7) Before granting a state license, the state licensing authority may consider, except when this article specifically provides otherwise, the requirements of this article and any rules promulgated pursuant to this article, and all other reasonable restrictions that are or may be placed upon the licensee by the licensing authority. With respect to a second or additional license for the same licensee or the same owner of another licensed business pursuant to this article, each licensing authority shall consider the effect on competition of granting or denying the additional licenses to such licensee.

(8) (a) Each license issued under this article is separate and distinct. It is unlawful for a person to exercise any of the privileges granted under a license other than the license that the person holds or for a licensee to allow any other person to exercise the privileges granted under the licensee’s license. A separate license shall be required for each specific business or business entity and each geographical location.

(b) At all times, a licensee shall possess and maintain possession of the premises for which the license is issued by
OWNERSHIP, LEASE, RENTAL, OR OTHER ARRANGEMENT FOR POSSESSION OF THE PREMISES.

(9) The licenses issued pursuant to this article must specify the date of issuance, the period of licensure, the name of the licensee, and the premises licensed. The licensee shall conspicuously place the license at all times on the licensed premises.

(10) In computing any time prescribed by this article, the day of the act, event, or default from which the designated time begins to run is not included. Saturdays, Sundays, and legal holidays are counted as any other day.

(11) A licensee shall report each transfer or change of financial interest in the license to the state and local licensing authorities thirty days prior to any transfer or change pursuant to section 12-43.4-308. A report is required for transfers of capital stock of any corporation regardless of size.

(12) Each licensee shall manage the licensed premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. The licensee shall report any change in manager to the state and local licensing authorities within two business days after the change pursuant to section 12-43.4-308.

(13) (a) A licensee may move his or her permanent location to any other place in Colorado once permission to do so is granted by the local jurisdiction provided for in this article.
Upon receipt of an application for change of location, the State Licensing Authority shall immediately submit a copy of the application to the local jurisdiction to determine whether the transfer complies with all local restrictions on change of location.

(b) In permitting a change of location, the State Licensing Authority shall consider all reasonable restrictions that are or may be placed upon the new location by the governing board of the municipality, city and county, or county, and any such change in location shall be in accordance with all requirements of this article and rules promulgated pursuant to this article.

12-43.4-310. License renewal. (1) Ninety days prior to the expiration date of an existing license, the State Licensing Authority shall notify the licensee of the expiration date by first class mail at the licensee's address of record with the State Licensing Authority. A licensee may apply for the renewal of an existing license to the State Licensing Authority not less than thirty days prior to the date of expiration. Upon receipt of an application for renewal of an existing license, the State Licensing Authority shall immediately submit a copy of the application to the local jurisdiction to determine whether the application complies with all local restrictions on renewal of licenses. The State Licensing Authority shall not accept an application for renewal of a license after the date of expiration, except as provided in subsection (2) of this section. The State Licensing Authority may extend the expiration date of the license and accept a late application for renewal of a license.
Provided that the applicant has filed a timely renewal application with the local licensing authority. The state or the local licensing authority, in its discretion, subject to the requirements of this subsection (1) and subsection (2) of this section and based upon reasonable grounds, may waive the thirty-day time requirements set forth in this subsection (1).

(2)(a) Notwithstanding the provisions of subsection (1) of this section, a licensee whose license has been expired for not more than ninety days may file a late renewal application upon the payment of a nonrefundable late application fee of five hundred dollars to the state licensing authority. A licensee who files a late renewal application and pays the requisite fees may continue to operate until the state licensing authority takes final action to approve or deny the licensee's late renewal application unless the state licensing authority summarily suspends the license pursuant to Article 4 of Title 24, C.R.S., this article, and rules promulgated pursuant to this article.

(b) The state licensing authority may not accept a late renewal application more than ninety days after the expiration of a licensee's permanent annual license. A licensee whose permanent annual license has been expired for more than ninety days shall not cultivate, manufacture, distribute, sell, or test any retail marijuana until all required licenses are obtained.

(c) Notwithstanding the amount specified for the late application fee in paragraph (a) of this subsection (2), the state licensing authority by rule or as otherwise provided by law may
REDUCE THE AMOUNT OF THE FEE IF NECESSARY PURSUANT TO SECTION 24-75-402(3), C.R.S., BY REDUCING THE UNCOMMITTED RESERVES OF THE FUND TO WHICH ALL OR ANY PORTION OF THE FEE IS CREDITED. AFTER THE UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED, THE STATE LICENSING AUTHORITY BY RULE OR AS OTHERWISE PROVIDED BY LAW MAY INCREASE THE AMOUNT OF THE FEE AS PROVIDED IN SECTION 24-75-402 (4), C.R.S.

12-43.4-311. Inactive licenses. The state licensing authority, in its discretion, may revoke or elect not to renew any license if it determines that the licensed premises have been inactive, without good cause, for at least one year.

12-43.4-312. Unlawful financial assistance. (1) The state licensing authority shall require a complete disclosure of all persons having a direct or indirect financial interest, and the extent of such interest, in each license issued under this article.

(2) This section is intended to prohibit and prevent the control of the outlets for the sale of retail marijuana by a person or party other than the persons licensed pursuant to the provisions of this article.

PART 4

LICENSE TYPES

12-43.4-401. Classes of licenses. (1) For the purpose of regulating the cultivation, manufacture, distribution, sale, and testing of retail marijuana, the state licensing authority in its discretion, upon receipt of an application in the prescribed form, may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions
PROVIDED BY THIS ARTICLE:

(a) Retail marijuana store license;
(b) Retail marijuana cultivation facility license;
(c) Retail marijuana products manufacturing license;
(d) Retail marijuana testing facility license; and
(e) Occupational licenses and registrations for owners, managers, operators, employees, contractors, and other support staff employed by, working in, or having access to restricted areas of the licensed premises, as determined by the state licensing authority. The state licensing authority may take any action with respect to a registration pursuant to this article as it may with respect to a license pursuant to this article, in accordance with the procedures established pursuant to this article.

(2) (a) A person may operate a licensed medical marijuana center, an optional cultivation facility, a medical marijuana-infused products manufacturing facility, and any retail marijuana establishment at the same location with separate licensed premises if the local jurisdiction permits a dual operation.

(b) A dual medical marijuana center and retail marijuana store shall maintain separate licensed premises, including entrances and exits, inventory, point of sale operations, and record keeping.

(c) A dual cultivation business operation shall maintain either physical or virtual separation of the two facilities and the plants and inventory of the two facilities.
(3) All persons licensed pursuant to this article shall collect sales tax on all retail sales made at a retail marijuana store.

(4) A state-chartered bank or a credit union may loan money to any person licensed pursuant to this article for the operation of a licensed business.

12-43.4-402. Retail marijuana store license. (1) (a) A retail marijuana store license shall be issued only to a person selling retail marijuana pursuant to the terms and conditions of this article.

(b) A retail marijuana store may cultivate its own retail marijuana if it obtains a retail marijuana cultivation facility license or it may purchase retail marijuana from a licensed retail marijuana cultivation facility. A retail marijuana store shall track all of its retail marijuana from the point it is either transferred from its retail marijuana cultivation facility or the point when it is delivered to the retail marijuana store from another licensed retail marijuana cultivation facility to the point of sale.

(c) A retail marijuana store shall not accept any retail marijuana purchased from a retail marijuana cultivation facility unless the retail marijuana is affixed with evidence that the excise tax was paid.

(2) (a) Notwithstanding the provisions of this section, a retail marijuana store licensee may also sell retail marijuana products that are prepackaged and labeled as required by rules of the state licensing authority pursuant to section 12-43.4-202.
(b) A RETAIL MARIJUANA STORE LICENSEE MAY CONTRACT WITH A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE FOR THE PURCHASE OF RETAIL MARIJUANA PRODUCTS UPON A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE'S LICENSED PREMISES. A RETAIL MARIJUANA STORE SHALL NOT ACCEPT ANY RETAIL MARIJUANA PRODUCTS PURCHASED FROM A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE UNLESS THE RETAIL MARIJUANA PRODUCTS ARE AFFIXED WITH EVIDENCE THAT THE EXCISE TAX WAS PAID.

(3) (a) A RETAIL MARIJUANA STORE MAY NOT SELL MORE THAN A QUARTER OF AN OUNCE OF RETAIL MARIJUANA AND NO MORE THAN A QUARTER OF AN OUNCE EQUIVALENT OF A RETAIL MARIJUANA PRODUCTS DURING A SINGLE TRANSACTION TO A NONRESIDENT OF THE STATE OF COLORADO.

(b) PRIOR TO INITIATING A SALE, THE EMPLOYEE OF THE RETAIL MARIJUANA STORE MAKING THE SALE SHALL VERIFY THAT THE PURCHASER HAS A VALID IDENTIFICATION CARD SHOWING THE PURCHASER IS TWENTY-ONE YEARS OF AGE OR OLDER.

(4) A RETAIL MARIJUANA STORE MAY PROVIDE A SAMPLE OF ITS PRODUCTS TO A FACILITY THAT HAS A MARIJUANA TESTING FACILITY LICENSE FROM THE STATE LICENSING AUTHORITY FOR TESTING AND RESEARCH PURPOSES. A RETAIL MARIJUANA STORE SHALL MAINTAIN A RECORD OF WHAT WAS PROVIDED TO THE TESTING FACILITY AND THE IDENTITY OF THE TESTING FACILITY.

(5) ALL RETAIL MARIJUANA SOLD AT A LICENSED RETAIL MARIJUANA STORE SHALL BE PACKAGED AND LABELED AS REQUIRED BY RULES OF THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-202.
(6) A LICENSED RETAIL MARIJUANA STORE SHALL COMPLY WITH ALL PROVISIONS OF ARTICLE 34 OF TITLE 24, C.R.S., AS THE PROVISIONS RELATE TO PERSONS WITH DISABILITIES.

(7) (a) A LICENSED RETAIL MARIJUANA STORE MAY ONLY SELL RETAIL MARIJUANA, RETAIL MARIJUANA PRODUCTS, AND MARIJUANA ACCESSORIES. A LICENSED RETAIL MARIJUANA STORE MAY NOT SELL ANY OTHER ITEMS.

(b) A LICENSED RETAIL MARIJUANA STORE MAY NOT SELL ANY RETAIL MARIJUANA PRODUCTS THAT CONTAIN NICOTINE OR ALCOHOL.

(8) A LICENSED RETAIL MARIJUANA STORE MAY ONLY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS IN PACKAGING THAT CONFORMS TO THE REGULATIONS ADOPTED BY THE STATE LICENSING AUTHORITY.

(9) THE PREMISES OF A LICENSED RETAIL MARIJUANA STORE IS THE ONLY PLACE WHERE AN AUTOMATIC DISPENSING MACHINE THAT CONTAINS RETAIL MARIJUANA MAY BE LOCATED. IF A LICENSED RETAIL MARIJUANA STORE USES AN AUTOMATIC DISPENSING MACHINE THAT CONTAINS RETAIL MARIJUANA, IT MUST COMPLY WITH THE REGULATIONS PROMULGATED BY THE STATE LICENSING AUTHORITY FOR ITS USE.

12-43.4-403. Retail marijuana cultivation facility license. (1) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSE MAY BE ISSUED ONLY TO A PERSON WHO GROWS AND CULTIVATES RETAIL MARIJUANA FOR SALE AND DISTRIBUTION TO LICENSED RETAIL MARIJUANA STORES OR RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEES.

(2) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL REMIT THE EXCISE TAX DUE BASED ON THE AVERAGE WHOLESALE PRICE SET BY THE STATE LICENSING AUTHORITY.
(3) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL TRACK
THE MARIJUANA IT CULTIVATES FROM SEED TO WHOLESALE PURCHASE.
PRIOR TO DELIVERY OF ANY SOLD RETAIL MARIJUANA, THE RETAIL
MARIJUANA CULTIVATION FACILITY SHALL AFFIX EVIDENCE THAT IT PAID
THE EXCISE TAX ON THE RETAIL MARIJUANA.

12-43.4-404. Retail marijuana products manufacturing
license. (1) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURING
LICENSE MAY BE ISSUED TO A PERSON WHO MANUFACTURES RETAIL
MARIJUANA PRODUCTS, PURSUANT TO THE TERMS AND CONDITIONS OF
THIS ARTICLE.

(b) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY
CULTIVATE ITS OWN RETAIL MARIJUANA IF IT OBTAINS A RETAIL
MARIJUANA CULTIVATION FACILITY LICENSE, OR IT MAY PURCHASE RETAIL
MARIJUANA FROM A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY.
A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL TRACK ALL OF
ITS RETAIL MARIJUANA FROM THE POINT IT IS EITHER TRANSFERRED FROM
ITS RETAIL MARIJUANA CULTIVATION FACILITY OR THE POINT WHEN IT IS
DELIVERED TO THE RETAIL MARIJUANA PRODUCTS MANUFACTURER FROM
A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF
SALE.

(c) A RETAIL MARIJUANA PRODUCTS MANUFACTURER SHALL NOT
ACCEPT ANY RETAIL MARIJUANA PURCHASED FROM A RETAIL MARIJUANA
CULTIVATION FACILITY UNLESS THE RETAIL MARIJUANA IS AFFIXED WITH
EVIDENCE THAT THE EXCISE TAX WAS PAID.

(2) RETAIL MARIJUANA PRODUCTS SHALL BE PREPARED ON A
LICENSED PREMISES THAT IS USED EXCLUSIVELY FOR THE MANUFACTURE
AND PREPARATION OF RETAIL MARIJUANA PRODUCTS AND USING
EQUIPMENT THAT IS USED EXCLUSIVELY FOR THE MANUFACTURE AND
PREPARATION OF RETAIL MARIJUANA PRODUCTS; EXCEPT THAT, IF
PERMITTED BY THE LOCAL JURISDICTION, A RETAIL MARIJUANA PRODUCTS
MANUFACTURING LICENSEE MAY SHARE THE SAME PREMISES AS A
MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE SO
LONG AS A VIRTUAL OR PHYSICAL SEPARATION OF INVENTORY IS
MAINTAINED PURSUANT TO RULE OF THE STATE LICENSING AUTHORITY.

(3) ALL LICENSED PREMISES ON WHICH RETAIL MARIJUANA
PRODUCTS ARE MANUFACTURED SHALL MEET THE SANITARY STANDARDS
FOR RETAIL MARIJUANA PRODUCT PREPARATION PROMULGATED PURSUANT
TO SECTION 12-43.4-202 (2) (a) (XI).

(4) THE RETAIL MARIJUANA PRODUCT SHALL BE SEALED AND
CONSPICUOUSLY LABELED IN COMPLIANCE WITH THIS ARTICLE AND ANY
RULES PROMULGATED PURSUANT TO THIS ARTICLE. THE LABELING OF
RETAIL MARIJUANA PRODUCTS IS A MATTER OF STATEWIDE CONCERN.

(5) RETAIL MARIJUANA PRODUCTS MAY NOT BE CONSUMED ON A
PREMISES LICENSED PURSUANT TO THIS ARTICLE.

(6) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW,
SALES OF RETAIL MARIJUANA PRODUCTS SHALL NOT BE EXEMPT FROM
STATE OR LOCAL SALES TAX.

(7) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY
PROVIDE A SAMPLE OF ITS PRODUCTS TO A FACILITY THAT HAS A RETAIL
MARIJUANA TESTING FACILITY LICENSE FROM THE STATE LICENSING
AUTHORITY FOR TESTING AND RESEARCH PURPOSES. A RETAIL MARIJUANA
PRODUCTS MANUFACTURER SHALL MAINTAIN A RECORD OF WHAT WAS
PROVIDED TO THE TESTING FACILITY AND THE IDENTITY OF THE TESTING
FACILITY.
(8) An edible retail marijuana product may list its ingredients and comparability with dietary practices.

(9) A licensed retail marijuana products manufacturer shall package and label each product manufactured as required by rules of the state licensing authority pursuant to section 12-43.4-202.

(10) All retail marijuana products that require refrigeration to prevent spoilage must be stored and transported in a refrigerated environment.

12-43.4-405. Retail marijuana testing facility license - rules.

(1) A retail marijuana testing facility license may be issued to a person who performs testing and research on retail marijuana. The facility may develop and test retail marijuana products.

(2) The state licensing authority shall promulgate rules pursuant to its authority in section 12-43.4-202 (1) (b) related to acceptable testing and research practices, including but not limited to testing, standards, quality control analysis, equipment certification and calibration, and chemical identification and other substances used in bona fide research methods.

(3) A facility that has a retail marijuana testing facility license from the state licensing authority for testing purposes shall not have any interest in a licensed medical marijuana center, a licensed medical marijuana-infused products manufacturer, a licensed retail marijuana store, a licensed retail marijuana cultivation facility, or a licensed retail marijuana products manufacturer. A person that has an interest
IN A LICENSED MEDICAL MARIJUANA CENTER, A LICENSED MEDICAL
MARIJUANA-INFUSED PRODUCTS MANUFACTURER, A LICENSED RETAIL
MARIJUANA STORE, A LICENSED RETAIL MARIJUANA CULTIVATION
FACILITY, OR A LICENSED RETAIL MARIJUANA PRODUCTS MANUFACTURER
SHALL NOT HAVE AN INTEREST IN A FACILITY THAT HAS A RETAIL
MARIJUANA TESTING FACILITY LICENSE.

PART 5

FEES

12-43.4-501. Fees. (1) The state licensing authority may
charge and collect fees under this article. The application fee
for a person applying pursuant to section 12-43.4-104(1)(a) shall
be five hundred dollars. The state licensing authority shall
transfer two hundred fifty dollars of the fee to the marijuana
cash fund and submit two hundred fifty dollars to the local
jurisdiction in which the license is proposed to be issued.

(2) The application fee for a person applying pursuant to
section 12-43.4-104 (1) (b) shall be five thousand dollars. The
state licensing authority shall transfer two thousand five
hundred dollars of the fee to the marijuana cash fund and remit
two thousand five hundred dollars to the local jurisdiction in
which the license is proposed to be issued. The state licensing
authority is considering raising the five thousand dollar
application fee it shall confer with each local jurisdiction in
which a license under this article is issued prior to raising the
application fee. If the application fee amount is changed, it must
be split evenly between the marijuana cash fund and the local
jurisdiction in which the license is proposed to be issued.
(3) On or before September 30, 2014, and on or before each September 30 thereafter, the State Licensing Authority shall provide a written report to the Joint Budget Committee and the Finance Committees of the House of Representatives and the Senate, or their successor committees, detailing the amount of revenue generated by medical and retail marijuana, including excise taxes, sales taxes, application and license fees, and any other fees. The report must also include a report on the progress of the regulatory environment for marijuana in Colorado.

(4) A local jurisdiction in which a license under this article may be permitted may adopt and impose operating fees in an amount determined by the local jurisdiction on marijuana establishments located within the local jurisdiction.

PART 6

DISCIPLINARY ACTIONS

12-43.4-601. Suspension - revocation - fines. (1) In addition to any other sanctions prescribed by this article or rules promulgated pursuant to this article, the State Licensing Authority has the power, on its own motion or on complaint, after investigation and opportunity for a public hearing at which the licensee must be afforded an opportunity to be heard, to suspend or revoke a license issued by the authority for a violation by the licensee or by any of the agents or employees of the licensee of the provisions of this article, or any of the rules promulgated pursuant to this article, or of any of the terms, conditions, or provisions of the license issued by the State
licensing authority. The state licensing authority has the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and records necessary to the determination of a hearing that the state authority is authorized to conduct.

(2) The state licensing authority shall provide notice of suspension, revocation, fine, or other sanction, as well as the required notice of the hearing pursuant to subsection (1) of this section, by mailing the same in writing to the licensee at the address contained in the license. Except in the case of a summary suspension, a suspension shall not be for a period longer than six months. If a license is suspended or revoked, a part of the fees paid therefor shall not be returned to the licensee. Any license or permit may be summarily suspended by the state licensing authority without notice pending any prosecution, investigation, or public hearing pursuant to the terms of section 24-4-104(4), C.R.S. Nothing in this section shall prevent the summary suspension of a license pursuant to section 24-4-104(4), C.R.S.

(3) (a) Whenever a decision of the state licensing authority suspending a license for fourteen days or less becomes final, the licensee may, before the operative date of the suspension, petition for permission to pay a fine in lieu of having the license suspended for all or part of the suspension period. Upon the receipt of the petition, the state authority may, in its sole discretion, stay the proposed suspension and cause any investigation to be made which it deems desirable and may, in its
SOLE DISCRETION, GRANT THE PETITION IF THE STATE LICENSING AUTHORITY IS SATISFIED THAT:

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

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

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

(b) THE FINE ACCEPTED SHALL BE NOT LESS THAN FIVE HUNDRED Dollars nor more than one hundred thousand dollars.

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

(4) UPON PAYMENT OF THE FINE PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE STATE LICENSING AUTHORITY SHALL ENTER ITS FURTHER ORDER PERMANENTLY STAYING THE IMPOSITION OF THE SUSPENSION. FINES PAID TO THE STATE LICENSING AUTHORITY PURSUANT TO SUBSECTION (3) OF THIS SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE MARIJUANA
CASH FUND CREATED IN SECTION 12-43.3-501.

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

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

(7) NO LATER THAN JANUARY 15 OF EACH YEAR, THE STATE LICENSING AUTHORITY SHALL COMPILE A REPORT OF THE PRECEDING YEAR'S ACTIONS IN WHICH FINES, SUSPENSIONS, OR REVOCATIONS WERE IMPOSED BY THE STATE LICENSING AUTHORITY. THE STATE LICENSING AUTHORITY SHALL FILE ONE COPY OF THE REPORT WITH THE CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES, ONE COPY WITH THE SECRETARY OF THE SENATE, AND SIX COPIES IN THE JOINT LEGISLATIVE LIBRARY.

12-43.4-602. Disposition of unauthorized marijuana or marijuana products and related materials. (1) THE PROVISIONS OF THIS SECTION SHALL APPLY IN ADDITION TO ANY CRIMINAL, CIVIL, OR ADMINISTRATIVE PENALTIES AND IN ADDITION TO ANY OTHER PENALTIES PRESCRIBED BY THIS ARTICLE OR ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE. ANY PROVISIONS IN THIS ARTICLE RELATED TO LAW
ENFORCEMENT SHALL BE CONSIDERED A CUMULATIVE RIGHT OF THE
PEOPLE IN THE ENFORCEMENT OF THE CRIMINAL LAWS.

(2) EVERY LICENSEE LICENSED UNDER THIS ARTICLE SHALL BE
DEEMED, BY VIRTUE OF APPLYING FOR, HOLDING, OR RENEWING SUCH
PERSON'S LICENSE, TO HAVE EXPRESSLY CONSENTED TO THE PROCEDURES
SET FORTH IN THIS SECTION.

(3) A STATE OR LOCAL AGENCY SHALL NOT BE REQUIRED TO
CULTIVATE OR CARE FOR ANY RETAIL MARIJUANA OR RETAIL MARIJUANA
PRODUCT BELONGING TO OR SEIZED FROM A LICENSEE. A STATE OR LOCAL
AGENCY SHALL NOT BE AUTHORIZED TO SELL MARIJUANA, RETAIL OR
OTHERWISE.

(4) IF THE STATE LICENSING AUTHORITY ISSUES A FINAL AGENCY
ORDER IMPOSING A DISCIPLINARY ACTION AGAINST A LICENSEE PURSUANT
TO SECTION 12-43.4-601, THEN, IN ADDITION TO ANY OTHER REMEDIES,
THE LICENSING AUTHORITY'S FINAL AGENCY ORDER MAY SPECIFY THAT
SOME OR ALL OF THE LICENSEE'S MARIJUANA OR MARIJUANA PRODUCT IS
NOT RETAIL MARIJUANA OR A RETAIL MARIJUANA PRODUCT AND IS AN
ILLEGAL CONTROLLED SUBSTANCE. THE ORDER MAY FURTHER SPECIFY
THAT THE LICENSEE SHALL LOSE ANY INTEREST IN ANY OF THE MARIJUANA
OR MARIJUANA PRODUCT EVEN IF THE MARIJUANA OR MARIJUANA
PRODUCT PREVIOUSLY QUALIFIED AS RETAIL MARIJUANA OR A RETAIL
MARIJUANA PRODUCT. THE FINAL AGENCY ORDER MAY DIRECT THE
DESTRUCTION OF ANY SUCH MARIJUANA AND MARIJUANA PRODUCTS,
EXCEPT AS PROVIDED IN SUBSECTIONS (5) AND (6) OF THIS SECTION. THE
AUTHORIZED DESTRUCTION MAY INCLUDE THE INCIDENTAL DESTRUCTION
OF ANY CONTAINERS, EQUIPMENT, SUPPLIES, AND OTHER PROPERTY
ASSOCIATED WITH THE MARIJUANA OR MARIJUANA PRODUCT.
(5) Following the issuance of a final agency order by the state licensing authority against a licensee and ordering destruction authorized by subsection (4) of this section, a licensee shall have fifteen days within which to file a petition for stay of agency action with the district court. The action shall be filed in the city and county of Denver, which shall be deemed to be the residence of the state licensing authority for purposes of this section. The licensee shall serve the petition in accordance with the Colorado rules of civil procedure. The district court shall promptly rule upon the petition and determine whether the licensee has a substantial likelihood of success on judicial review so as to warrant delay of the destruction authorized by subsection (4) of this section or whether other circumstances, including but not limited to the need for preservation of evidence, warrant delay of such destruction. If destruction is so delayed pursuant to judicial order, the court shall issue an order setting forth terms and conditions pursuant to which the licensee may maintain the retail marijuana and retail marijuana product pending judicial review, and prohibiting the licensee from using or distributing the retail marijuana or retail marijuana product pending the review. The licensing authority shall not carry out the destruction authorized by subsection (4) of this section until fifteen days have passed without the filing of a petition for stay of agency action, or until the court has issued an order denying stay of agency action pursuant to this subsection (5).

(6) The state licensing authority shall not carry out the
DESTRUCTION AUTHORIZED BY SUBSECTION (4) OF THIS SECTION UNTIL IT HAS NOTIFIED THE DISTRICT ATTORNEY FOR THE JUDICIAL DISTRICT IN WHICH THE MARIJUANA IS LOCATED TO DETERMINE WHETHER THE MARIJUANA OR MARIJUANA PRODUCT CONSTITUTES EVIDENCE IN A CRIMINAL PROCEEDING SUCH THAT IT SHOULD NOT BE DESTROYED, AND UNTIL FIFTEEN DAYS HAVE PASSED FROM THE DATE OF THE ISSUANCE OF SUCH NOTICE.

(7) ON OR BEFORE JANUARY 1, 2014, THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES GOVERNING THE IMPLEMENTATION OF THIS SECTION.

PART 7

INSPECTION OF BOOKS AND RECORDS

12-43.4-701. Inspection procedures. (1) EACH LICENSEE SHALL KEEP A COMPLETE SET OF ALL RECORDS NECESSARY TO SHOW FULLY THE BUSINESS TRANSACTIONS OF THE LICENSEE, ALL OF WHICH SHALL BE OPEN AT ALL TIMES DURING BUSINESS HOURS FOR THE INSPECTION AND EXAMINATION BY THE STATE LICENSING AUTHORITY OR ITS DULY AUTHORIZED REPRESENTATIVES. THE STATE LICENSING AUTHORITY MAY REQUIRE ANY LICENSEE TO FURNISH SUCH INFORMATION AS IT CONSIDERS NECESSARY FOR THE PROPER ADMINISTRATION OF THIS ARTICLE AND MAY REQUIRE AN AUDIT TO BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS ON SUCH OCCASIONS AS IT MAY CONSIDER NECESSARY BY AN AUDITOR TO BE SELECTED BY THE STATE LICENSING AUTHORITY WHO SHALL LIKewise HAVE ACCESS TO ALL BOOKS AND RECORDS OF THE LICENSEE, AND THE EXPENSE THEREOF SHALL BE PAID BY THE LICENSEE.

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

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

PART 8

JUDICIAL REVIEW

12-43.4-801. Judicial review. Decisions by the state
licensing authority are subject to judicial review pursuant to
section 24-4-106, C.R.S.

PART 9

UNLAWFUL ACTS

12-43.4-901. Unlawful acts - exceptions. (1) Except as
otherwise provided in this article, it is unlawful for a person to
consume retail marijuana in a licensed retail marijuana
establishment, and it is unlawful for a retail marijuana licensee
to allow retail marijuana to be consumed upon its licensed
PREMISES.

(2) IT IS UNLAWFUL FOR A PERSON TO:

(a) Buy, sell, transfer, give away, or acquire retail marijuana except as allowed pursuant to this article or section 16 of article XVIII of the State Constitution; or

(b) Have an unreported financial interest or a direct interest in a license pursuant to this article; except that this paragraph (b) does not apply to banks, savings and loan associations, or industrial banks supervised and regulated by an agency of the State or Federal Government, or to FHA-approved mortgagees, or to stockholders, directors, or officers thereof.

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

(a) To be within a limited-access area unless the person's license badge is displayed as required by this article, except as provided in section 12-43.4-701;

(b) To fail to designate areas of ingress and egress for limited-access areas and post signs in conspicuous locations as required by this article;

(c) To fail to report a transfer required by section 12-43.4-309 (11);

(d) To fail to report the name of or a change in managers as required by section 12-43.4-309 (12); or

(e) To fail to pay the lawful excise tax.

(4) IT IS UNLAWFUL FOR ANY PERSON LICENSED TO SELL RETAIL MARIJUANA PURSUANT TO THIS ARTICLE:
(a) To display any signs that are inconsistent with local laws or regulations;

(b) To use advertising material that is misleading, deceptive, or false, or that is designed to appeal to minors;

(c) To provide public premises, or any portion thereof, for the purpose of consumption of retail marijuana in any form;

(d) To offer for sale or solicit an order for retail marijuana in person except within the licensed premises;

(e) To have in possession or upon the licensed premises any retail marijuana, the sale of which is not permitted by the license;

(f) To buy retail marijuana from a person not licensed to sell as provided by this article;

(g) To sell retail marijuana, except in the permanent location specifically designated in the license for sale;

(h) To sell retail marijuana to a person under twenty-one years of age;

(i) To sell more than a quarter of an ounce of retail marijuana and no more than a quarter of an ounce equivalent of a retail marijuana product during a single transaction to a nonresident of the state;

(j) To have on the licensed premises any retail marijuana or marijuana paraphernalia that shows evidence of the retail marijuana having been consumed or partially consumed;

(k) To violate the provisions of section 6-2-103 or 6-2-105, C.R.S.;

(l) To burn or otherwise destroy marijuana or any
SUBSTANCE CONTAINING MARIJUANA FOR THE PURPOSE OF EVADING AN
INVESTIGATION OR PREVENTING SEIZURE; OR

(m) To abandon a licensed premises or otherwise cease
operation without notifying the state and local licensing
authorities at least forty-eight hours in advance and without
accounting for and forfeiting to the state licensing authority
for destruction all marijuana or products containing
marijuana.

(5) A person who commits any acts that are unlawful
pursuant to this article or the rules authorized and adopted
pursuant to this article commits a class 2 misdemeanor and
shall be punished as provided in section 18-1.3-501, C.R.S., except
for violations that would also constitute a violation of title
18, C.R.S., which violation shall be charged and prosecuted
pursuant to title 18, C.R.S.

PART 10

SUNSET REVIEWS

12-43.4-1001. Sunset review - article repeal. (1) This article
is repealed, effective July 1, 2015.

(2) Prior to the repeal of this article, the department of
regulatory agencies shall conduct a sunset review as described
in section 24-34-104 (8), C.R.S.

SECTION 5. In Colorado Revised Statutes, 24-34-104, add (46)
(o) as follows:

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

(46) The following agencies, functions, or both shall terminate on July
The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.